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# Heroin Being Smuggled Into New York City Successfully

B 164031(2)

Bureau of Customs  
Department of the Treasury

Bureau of Narcotics and Dangerous Drugs  
Department of Justice

*BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES*

093449

~~713458~~

DEC. 7. 1972



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D C 20548

B-164031(2)

Dear Mr Rangel

This is our report on efforts to intercept heroin entering New York City by the Bureau of Customs, Department of the Treasury. Also discussed in this report are the cooperative efforts between the Bureau of Customs and the Bureau of Narcotics and Dangerous Drugs, Department of Justice. This review was made in accordance with your request of December 7, 1971.

Copies of this report are being sent today to the President of the Senate, the Speaker of the House of Representatives, the Attorney General, and the Secretary of the Treasury.

We believe that the contents of this report would be of interest to committees and other Members of Congress. Therefore, as agreed to by you, we are making distribution of this report to such committees and Members of Congress.

Sincerely yours,

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General  
of the United States

The Honorable Charles B. Rangel  
House of Representatives

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## ABBREVIATIONS

BNDD	Bureau of Narcotics and Dangerous Drugs
CADPIN	Customs Automated Data Processing Intelligence Network
CPO	Customs Patrol Officer
GAO	General Accounting Office
ICE	Intensified Customs Enforcement Program
JFK	John F. Kennedy International Airport
SNIF	Special Narcotics Identification Force

COMPTROLLER GENERAL'S  
REPORT TO THE  
HONORABLE CHARLES B RANGEL  
HOUSE OF REPRESENTATIVES

HEROIN BEING SMUGGLED INTO  
NEW YORK CITY SUCCESSFULLY  
Bureau of Customs,  
Department of the Treasury  
Bureau of Narcotics and  
Dangerous Drugs, Department  
of Justice B-164031(2)

D I G E S T

WHY THE REVIEW WAS MADE

Concerned over the flood of heroin which he said was destroying the Harlem community in New York, N Y , Congressman Charles B Rangel asked the General Accounting Office (GAO) to analyze the efforts of the Bureau of Customs, Department of the Treasury, to intercept heroin being smuggled into the United States at the Port of New York and John F Kennedy International (JFK) Airport

In a subsequent request, the Congressman asked GAO to look into the relationship between Customs and the Bureau of Narcotics and Dangerous Drugs (BNDD), Department of Justice. The conclusions in this report are based upon observations made in the New York City area, principally at the Port of New York and JFK Airport

FINDINGS AND CONCLUSIONS

It is unrealistic to expect Customs inspections to prevent most heroin from being smuggled into the United States, although its operations do provide some deterrent

Magnitude and nature of the problem

The magnitude and nature of heroin smuggling combine to pose a complex and, as yet, unsolved problem

Most heroin traffic is controlled by organized groups with tentacles extending to several continents. Their trade is characterized by cautious carefully planned activities. Their efficient and sophisticated operation is demonstrated by their ability to successfully meet the addict population's demand for 10 to 12 tons of heroin annually.

Traffic in heroin brings lucrative profits. The demand from an estimated 559,000 addicts nationwide (about half are located in the New York City area) can be translated into as much as \$17 million in daily sales.

Although it is uncertain how much heroin enters the country directly through New York City, it appears that most of it enters, or passes through, the city along various routes from other nations and from within the United States. Excellent cover for smuggling is afforded by hundreds of miles of waterfront and annual incoming traffic of six million passengers, cargo listed on about 1.4 million invoices, nearly one-half billion pieces of mail, and thousands of ships, aircraft, and trucks. The ease of concealing heroin compounds the problem. (See pp 11 to 13)

DEC. 7, 1972

### Customs activities

Customs inspection of cargo, passengers and baggage is the Nation's primary border defense against smuggling. Customs efforts to intercept heroin in the New York City area (Region II) are weakened in that

- Fewer than one-third of the Customs work force are trained inspectors
- Customs dual mission of collecting and protecting revenues and enforcing customs and related laws requires inspection personnel to perform myriad tasks
- The need to process a tremendous workload of cargo, passengers, baggage, and vehicles on a timely basis renders impractical any in-depth heroin inspection program (See pp 19 to 22 )

To supplement its routine inspection activities, Region II has implemented several tactical programs to detect heroin and other narcotics. The programs consist mainly of intensified inspections of selected activities suspected of being major methods and routes of narcotics smuggling (See pp 23 to 28 )

### Results of activities

Nationwide, Customs seized 1,309 pounds of heroin in 1971, or 6-1/2 percent of the annual demand. Region II reported five major seizures involving a total of 537 pounds of heroin. These seizures resulted from a number of factors, including intensified inspection, advance information, inspector's judgment and chance. One of Region II's tactical programs--the searching of all privately owned

automobiles being shipped--resulted in two of the seizures.

Although the tactical programs carried out in Region II have had some effect in intercepting large quantities of heroin, the ratio of heroin seized to the available supply is negligible. Overall, Customs efforts to detect heroin depend heavily on judgment and are carried out, for the most part, without knowledge of how and where heroin is imported (See pp 29 to 32 )

### Analysis of inspection procedures

#### Cargo

Most cargo enters Region II via the seaports. GAO found that certain factors inherent in the Customs mission and operation reduced the effectiveness of cargo examination as a means of detecting smuggled heroin (See pp 33 to 46 )

GAO believes--and Customs representatives agree--that (1) present cargo inspections are limited in relation to the large volume of cargo entering the country and thus afford little probability of detecting smuggled heroin and (2) mobile blitz forces would provide better cargo inspections.

#### Baggage and passengers

Most passengers enter Region II through JFK Airport where the extent and intensity of baggage inspection is almost entirely dependent on the judgment of the Customs inspectors. It is estimated that 75 percent of arriving passengers are cleared for entry without inspection of their checked baggage and that 25 percent have a minimum of one piece of baggage examined (See pp 48 to 52 )

The level of inspection at JFK Airport depends, at least partly, on the volume of traffic. Customs has no established standard, or minimum, regarding the number of passengers to be selected for inspection. The volume of traffic, level of inspection, and rate of seizure all fluctuate from month to month.

Customs has made no studies to determine (1) the effect of the volume of traffic on the selection of passengers and baggage for inspection and (2) the effectiveness of varying levels of inspection. (See pp 53 and 54.)

Recognizing the importance of the individual inspector, Customs is implementing a study at Honolulu International Airport in Hawaii to develop a system to measure inspector productivity. (See p 54.)

Because the inspector is the key deterrent against smuggling in baggage, GAO believes that a management information system is needed to provide continuing data on the relative effectiveness of inspectors.

#### Mail

In Region II's processing of mail a special enforcement group searches every parcel suspected of concealing narcotics. These parcels are selected on the basis of certain criteria, such as suspect characteristics in names, addresses, and countries of origin. Region II is also planning to use newly developed equipment to X-ray parcels and thus improve its enforcement capability. (See pp 57 to 61.)

GAO believes that the nature of mail operations and certain customs

techniques for emphasizing enforcement make the mail examination function better suited to the detection of smuggled heroin than the inspection of cargo, passengers, and baggage.

#### Investigations

Although Customs may initiate its own investigations, most are made as a result of violations disclosed or detected during the course of normal operations, such as inspections.

Most intelligence received by Customs prior to a seizure is general and is derived from internal sources. Customs maintains a nationwide automated intelligence system which provides data on suspected smugglers and vehicles. However, the system has not yet been fully developed. (See pp 62 to 67.)

#### Relationship between Customs and BNDD

Conflict between Customs and BNDD arises over the question of jurisdiction over the control of narcotics smuggling. Guidelines approved by the President in June 1970 designated BNDD as the primary Federal narcotics enforcement agency and assigned a supporting role to Customs. These guidelines, together with implementing instructions drawn up by both agencies, delineated the responsibilities of each agency and provided for working arrangements in narcotics enforcement. (See pp 68 and 69.)

At the operating level in New York, the cooperation and coordination called for by the guidelines had not been fully realized. Although

Customs and BNDD contend that the relationship is usually good, they admit that conflicts, such as withholding intelligence and other information, have occurred in a number of cases. Most of the conflicts are symptomatic of the basic jurisdictional problem--Customs insists on controlling smuggling cases and BNDD asserts its role as the primary narcotics enforcement agency (See pp 69 and 70 )

In the past, Customs has not had full access to intelligence on smuggling routes and methods and has had to rely on BNDD for this information. Recent decisions of the Cabinet Committee on International Narcotics Control, the coordinating organization for Federal narcotics enforcement, may provide an atmosphere of greater cooperation and coordination between Customs and BNDD. The Committee has designated the first priority in narcotics enforcement to be interdiction at borders. A Presidential directive recommended that (1) 25 Customs agents be stationed abroad to gather intelligence and (2) the guidelines be made more flexible in order to recognize the expanded role of Customs overseas. Additionally, in recent months the Commissioner of Customs and the Director of BNDD have held a series of meetings aimed at developing a more cooperative working arrangement (See pp 71 to 73 )

Evaluation of the effects of the Cabinet Committee's decisions, the Presidential directive recommendations, and the meetings between the top officials on the Customs-BNDD relationship would be premature at this point. However, in September 1972 GAO was informed by both agencies that ef-

forts to establish working arrangements had been successful and that the lack of cooperation and coordination between the two agencies was no longer a major problem, although the jurisdictional question had not been resolved.

As long as the basic problem of jurisdiction remains, there is always the possibility of conflict between the two agencies. Therefore any joint agreement should stress the means of achieving day-to-day coordination at the operating level (See p. 73 )

#### RECOMMENDATIONS

The Secretary of the Treasury should take the necessary actions to

- Establish, on a test basis, a mobile blitz force to make intensive searches of cargo which, on the basis of supplied intelligence, is a suspected means of smuggling (See p 47 )
- Develop a management information system to provide continuing data on the effectiveness of inspectors (See p 57 )
- Obtain intelligence from the National Narcotics Intelligence Office established by the President in the Department of Justice and from the international narcotics data bank being established by BNDD (See p 66 )

The Attorney General should take the necessary actions to furnish Customs with intelligence on smuggling methods and routes and, when available, on the ships and cargoes which should be searched. (See p 47 )

AGENCY ACTIONS

GAO discussed its finding with officials of the Departments of Treasury and Justice. Their com-

ments have been considered in preparing the report and are included in the applicable sections. Generally, they agreed with the findings and conclusions contained in the report.

## CHAPTER 1

### INTRODUCTION

Pursuant to a request of Congressman Charles B. Rangel of New York, N Y , we have reviewed the efforts of the Bureau of Customs to intercept heroin entering New York City. The major responsibilities of the Bureau of Customs, in carrying out its dual mission of collecting and protecting the revenue and enforcing customs and related laws, are to

- assess and collect duties, excise taxes, fees, and penalties on imported merchandise;
- process persons, baggage, cargo, and mail and administer certain navigation laws,
- detect and interdict smuggling and contraband and apprehend persons engaged in such activities and in other fraudulent practices;
- protect American business and labor and the general welfare by enforcing certain statutes, regulations, and import and export restrictions and prohibitions; and
- enforce more than 100 statutes for, or in conjunction with, other Federal agencies.

Customs operations are carried out by a force of about 11,000 in nine regions and the headquarters in Washington, D.C. The Customs fiscal year 1972 appropriations amounted to \$189 million, including a special appropriation of \$15 million for intensified inspection and enforcement actions against narcotics. Part of the special appropriation was for hiring 1,000 additional inspectional and enforcement personnel.

In fiscal year 1971, Customs processed 232 million arriving passengers, 18 million entries of cargo,<sup>1</sup> 55 million mail packages, and 67 million carriers. Collections of duties, excise taxes, fees, and penalties amounted to \$3.47 billion. Customs made about 42,000 seizures of contraband and prohibited articles with a value of \$58 million. It reported 10,667 seizures of narcotics and drugs in calendar year 1971, including 566 seizures involving 1,309 pounds of heroin. Eight seizures totaled more than 1,000 pounds

### CUSTOMS OPERATIONS

Customs Region II covers approximately one-third of New York State and eight counties in northern New Jersey. Most of the activity in the region centers around the New York City area. The region is divided into three areas where field operations are carried out--John F. Kennedy International (JFK) Airport, New York Seaport, and Newark, New Jersey--each headed by a director who reports to the regional commissioner

Customs, to carry out its mission, has about 2,750 personnel in Region II. These personnel, in addition to other duties,

- accept all types of customs entries of merchandise, various types of bonds, and estimated duties and taxes;
- examine, classify, appraise, inspect, and release imported cargo and merchandise,
- clear passengers, discharge cargo, and examine and deliver baggage;
- board and clear vessels and other carriers;
- assess tonnage taxes;

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<sup>1</sup>An entry is the basic unit used by Customs to measure the volume of cargo. It may include one or more cargo invoices which, in turn, may cover many pieces of cargo.



- issue permits to carriers to load and unload,
- renew licenses and record changes of shipmasters, bills of sale, preferred mortgages, etc.;
- examine and inspect export shipments and register foreign articles taken out of the United States;
- supervise and control merchandise in bonded warehouses;
- seize merchandise and assess penalties;
- conduct sales of unclaimed, abandoned, and seized merchandise,
- maintain contact with those engaged in international trade;
- conduct proceedings for revocation or suspension of customhouse brokers' licenses;
- render decisions on claims and on petitions for remission or mitigation of penalties or forfeitures; and
- maintain Customs laboratories

Seizures of narcotics and drugs reported during calendar year 1971 were as follows:

	<u>Number of seizures</u>	<u>Quantity</u>
Heroin	38	539 pounds
Codeine	12	3 3 pounds
Opium	12	69 1 grams
Cocaine	31	67 pounds
Marijuana	799	2,047 pounds
Hashish	486	3,215 pounds
Dangerous drugs	34	1,403 5-grain units

Customs has 122 investigators and 185 uniformed Customs Patrol Officers in the New York City area

## SCOPE OF REVIEW

Our information was obtained from (1) a review of records at Customs headquarters, Customs Region II, and the Bureau of Narcotics and Dangerous Drugs (BNDD), Region II, (2) discussions with representatives of Customs, BNDD, the New York Police Department, and the Airport Security Council, and (3) visits to cargo, passenger, and mail inspection facilities in Region II.

We based our conclusions upon observations made in the New York City area, principally at the Port of New York and JFK Airport

Photographs included in this report were supplied by the Bureau of Customs unless otherwise indicated

## CHAPTER 2

### THE HEROIN SMUGGLING PROBLEM

The heroin smuggling problem and the difficulties involved in its interdiction can best be illustrated by the fact that thousands of dollars worth of heroin can be held in the palm of one's hand. The volume and profitability of heroin trafficking, the ease of concealment, and the countless methods and routes of smuggling, all combine to pose a complex and, as yet, unsolved problem.

#### MAGNITUDE OF THE PROBLEM

Accurate measurement of the effectiveness of enforcement efforts against heroin traffic is impossible because of the uncertainty of the volume of heroin entering this country. Knowledge about volume is based primarily on successful enforcement actions which provide a theoretical framework for speculating as to probable volume of heroin and the routes and methods by which it enters the country. In effect, the best information available regarding the "how much" and "where" of heroin traffic consists of studied estimates based on experience.

The heroin addict population of the United States, estimated at 559,000 (about half of whom are in New York City) generates an annual demand for about 10 to 12 tons of heroin<sup>1</sup>. Although it is uncertain how much of this heroin enters the country directly through New York City, it appears that most of it enters, or passes through, the city along various routes from other nations and from within the United States.

Knowledgeable sources have portrayed heroin trafficking as a highly organized, well-structured effort. Although some heroin enters the country via small traffickers and independent operators, most of it is apparently smuggled in by

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<sup>1</sup>Estimates of BNDD.



STRAW COVERED WINE BOTTLES  
13 LBS OF HEROIN WITH A SMALL AMOUNT  
OF WINE ON TOP SEPARATED BY A LAYER  
OF GLASS, BROUGHT IN BY AN AIR  
PASSENGER FROM ARGENTINA. THESE  
BOTTLES ARE SIMILAR TO ONES CONTAINING  
COCAINE SEIZED BY NEW YORK CITY POLICE

11/10/68

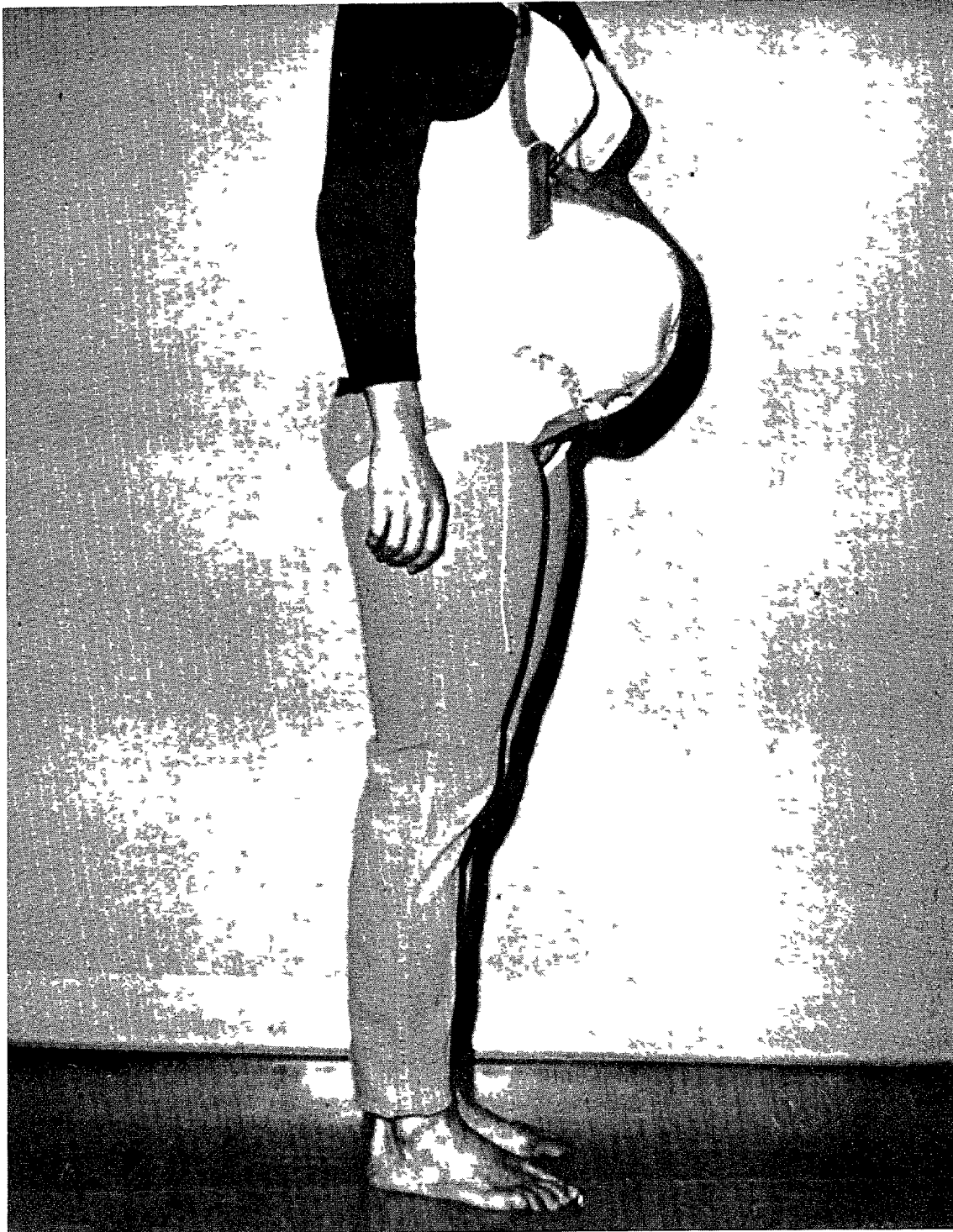
STRAW-COVERED WINE BOTTLES CONTAINING HEROIN A SMALL AMOUNT OF WINE IN THE TOP OF THE BOTTLE WAS SEPARATED FROM THE BOTTOM OF THE JUG BY A LAYER OF GLASS

organized groups. These groups, having global networks encompassing the poppy fields of the Near East and the opium-refining facilities of Southern Europe and having access to various smuggling routes, are able to infiltrate the borders of the United States with seeming impunity. Past seizures indicate that a comparatively small number of shipments accounts for most of the heroin entering the country. When a shipment of heroin enters the United States, it is the culmination of a series of deliberate, cautious, and thoroughly planned actions which take into consideration the most likely time, place, and method of successful entry. In our opinion, the organizational sophistication and operating efficiency of these groups is illustrated, at least in part, by the relatively low degree of success that law enforcement agencies have had in intercepting significant quantities of smuggled heroin.

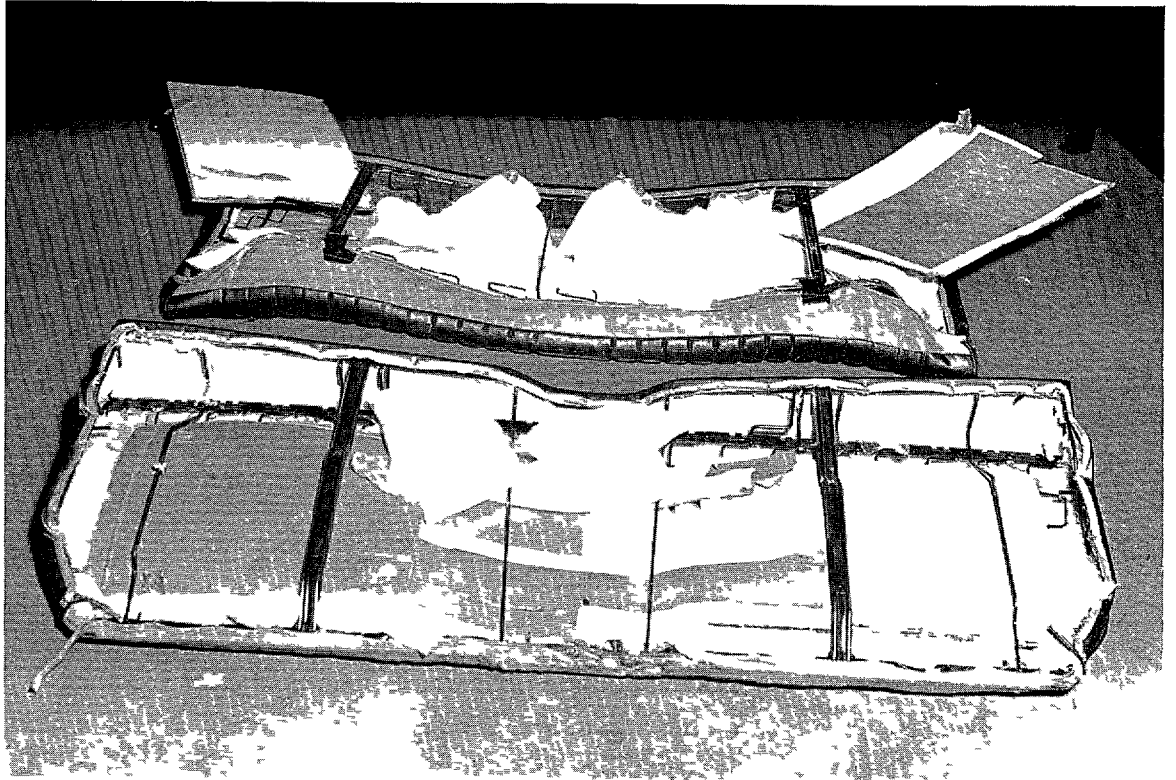
#### NATURE OF THE PROBLEM

The influence of profit on heroin smuggling cannot be understated. Heroin trafficking is one of the most profitable illicit businesses in the world. Low operating costs and built-in demand combine to yield ever-increasing sales and lucrative profits. The opium needed to produce one kilogram (2.2 pounds) of heroin can be purchased from a Turkish farmer for about \$250. When finally processed, resold, diluted, and distributed, the kilogram has a street value of up to \$440,000, depending on the extent of dilution and available supply. BNDD estimates that addicts in the United States spend nearly \$17 million a day on heroin. This would rank the volume of heroin sales among the sales of the top 10 industrial corporations in the United States. More noteworthy is the fact that profit comprises the largest share of these heroin sales. The incredible profit is probably the single most important factor in a trafficker's willingness to take nearly any risk necessary to get heroin into the United States.

Should a heroin smuggler choose New York City as a point of entry, he has available to him a choice of smuggling techniques limited only by his imagination. Greater New York includes about 850 miles of waterfront and seaports as well as several airports. Traffic through New York City points of entry in 1971 consisted of over six million persons with countless pieces of baggage; cargo listed on about



**"PREGNANCY CAGE" USED TO CONCEAL SMUGGLED NARCOTICS**



HEROIN CONCEALED IN SEATS OF AUTOMOBILE

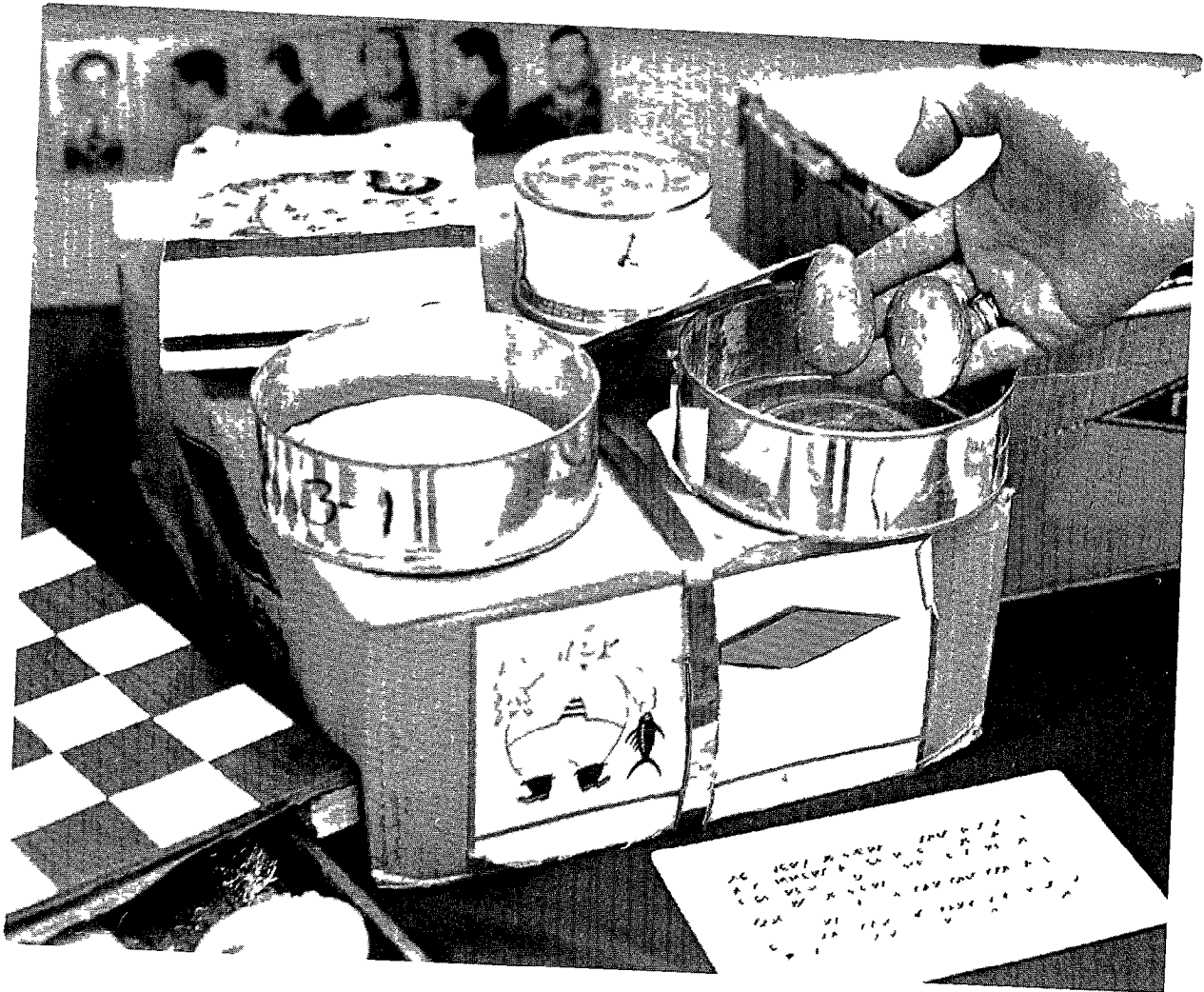
1.4 million invoices; nearly one-half billion pieces of mail, and thousands of ships, aircraft, and trucks. These figures include only traffic at entry points which are subject to surveillance by Customs and do not take into account the innumerable small boats and planes nor the covert entry points which could afford access to smugglers.

Compounding the detection problem posed by the numerous methods of entry is the ease with which heroin can be concealed. Because small quantities have such high value, it is not difficult to conceal millions of dollars worth of heroin in small, inaccessible, and innocent-looking places. Heroin smugglers have demonstrated their ingenuity in taking advantage of this ease of concealment. Heroin has been found secreted in such diverse places as false-bottomed suitcases, ski poles, diplomatic pouches, and even packages and tubular structures inserted into the human body. Large quantities have been hidden in various parts of automobiles, picture frames, wine bottles, and skins of dead big-game cats.

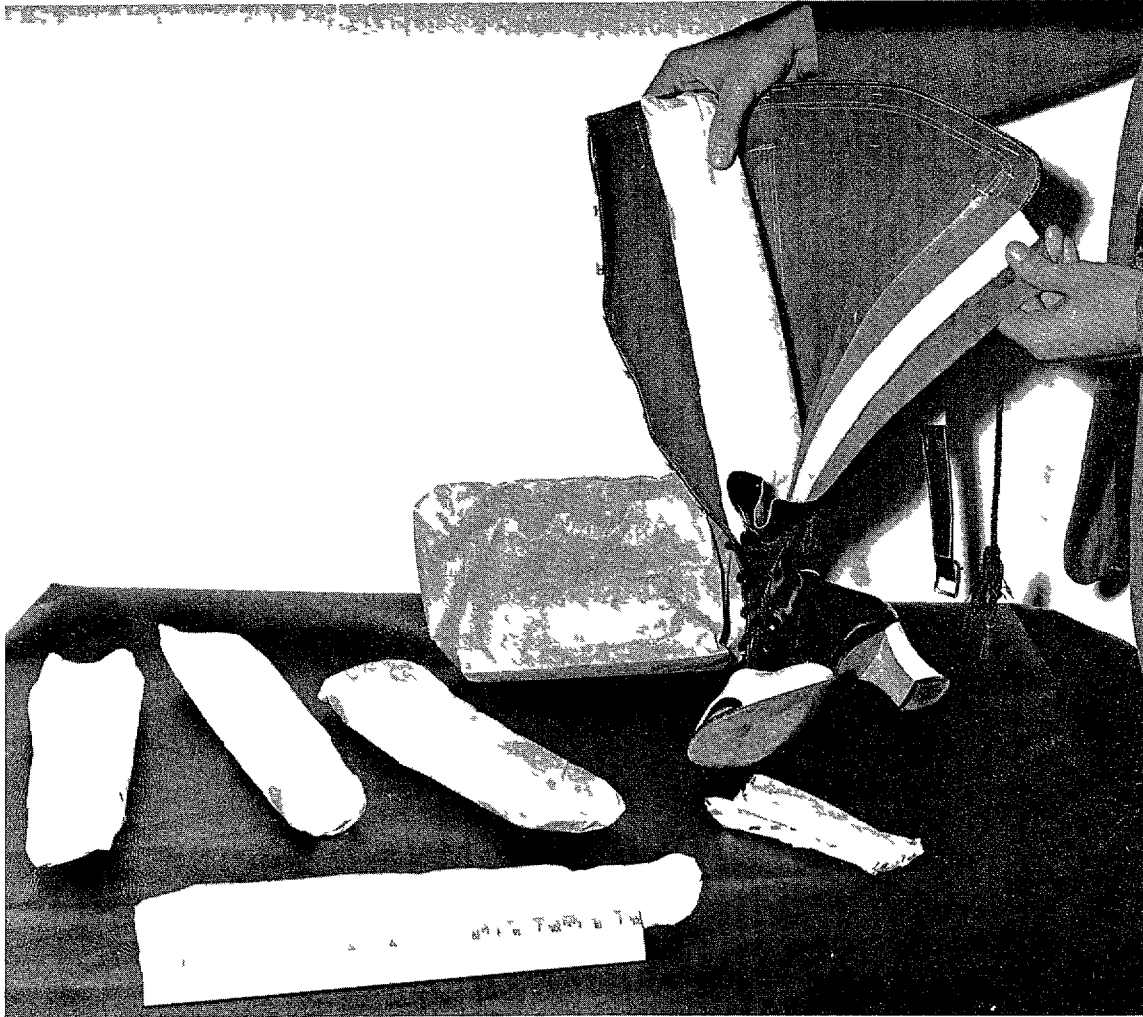
An appreciation of this "needle in a haystack" situation can be obtained from the following theoretical, but typical, example. One cargo invoice covers a shipment of 10 containers, each container holds 100 cartons, each carton contains 24 teapots in individual boxes, and one teapot contains heroin.

Actual detection of the heroin in that teapot would be a formidable task even if it were known that the heroin was secreted somewhere within this shipment. If, however, this were not known or suspected, the task of detection becomes staggering, if not impossible, particularly when one considers the situation in its entire context--one teapot, in one of 24 boxes, in one of 100 cartons, in one of 10 containers, in one of many shipments covered by one of 1.4 million invoices. This, in brief, gives an idea of the problem faced by Customs in its efforts to impede the flow of heroin into the country.





**HEROIN CONCEALED IN A COMMERCIAL SHIPMENT OF CANNED  
FISH LEAD SINKERS WERE USED FOR WEIGHT IN THE CANS  
CONTAINING HEROIN**



**COCAINE HIDDEN IN UPPER PART OF BOOTS**

## CHAPTER 3

### CUSTOMS INSPECTION ACTIVITIES

The principal Customs activity against smuggling is inspection. Heroin or any other contraband cannot be detected at a point of entry unless and until some person or thing is subjected to some sort of inspection or examination. Although the existence of an inspection function provides some deterrent, the enormous Customs workload and the many responsibilities of inspectors render it doubtful that Customs inspections can have a significant impact on heroin smuggling.

#### BACKGROUND

Of the 2,750 personnel in Region II, about 800 are designated as inspectors--those responsible for inspecting all passengers, baggage, and cargo entering the region--including 60 hired under Region II's share of the \$15 million special appropriation for intensified inspection and enforcement actions against smuggling.<sup>1</sup> About 190 personnel not designated as inspectors perform inspection-type functions for mail. The rest of the Region II personnel are engaged in the many Customs activities which are not specifically related to smuggling. (See pp. 7 and 8.) Although some of these personnel, such as the import specialists, may examine certain types of imported merchandise, such examinations are made in the course of their normal appraisal activities and are not their primary responsibility. Therefore, the 800 inspectors are the Nation's primary border defense against heroin smuggling in Region II.

When hired, inspectors are placed directly on the job under close supervision to acquire experience. Advancement is based on experience and the demonstration of special ability and aptitude. All trainee inspectors attend a

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<sup>1</sup> During the summer months, about 120 additional inspectors are hired on a temporary basis to help process the increased volume of passenger traffic.

6-week basic training course. About 10 hours of the course are devoted exclusively to various aspects of the narcotics problem--recognition, effects of use, identification of suspected smugglers, places of concealment, and evidence. Other sessions of the course, though not specifically related to narcotics detection and seizure, indirectly contribute to the subject. Annual refresher courses for inspectors are given, but the time devoted to narcotics in these courses is negligible.

### MULTIPLICITY OF RESPONSIBILITIES

The basic objectives of Customs inspection are to control arriving passengers, baggage, and cargo for examination and collection of duties and taxes and to minimize smuggling and other frauds. Thus, inspectors perform a variety of tasks, many of which are not specifically directed toward the detection of contraband. Although it is not always possible to separate inspection activities into those specifically directed at contraband detection and those not so directed, the actual search of a person or thing for contraband is only one of an inspector's responsibilities.

Inspectors have several other responsibilities. For example, they board vessels to obtain cargo manifests, passenger lists, crew lists, and stores lists; supervise the unloading of cargo and determine if the invoiced quantity agrees with the quantity unloaded; check cargo entries against manifests when no clerks are available to do this; and draw samples of designated packages for examination by appraisal personnel. They are also responsible for placing, weighing, gauging, or measuring cargo; for sealing containers and superintending delivery of merchandise to bonded carriers; for releasing merchandise or restricting its delivery; and for keeping detailed records of the quantity, condition, and disposition of all merchandise.

Inspectors are also directly involved in collecting revenue. For instance, inspectors classify and assess and collect duties and taxes on unaccompanied baggage, household goods, and articles imported by passengers and crews; they may question arriving persons to determine residence for Customs purposes, allowable personal exemptions, and the values of articles being imported; and they may assume the

duties of a Customs examiner by checking for proper assessment of duty on certain types of merchandise marked for immediate delivery.

Even when examining merchandise, inspectors are concerned with things other than searching. They must insure that the goods are properly marked and that the goods conform to the invoices and meet admission requirements, such as quota restrictions. They are also responsible for noting any discrepancies in quantity or condition of merchandise and reporting violations of laws, as well as overages or shortages. Finally, during the search of a package or a piece of baggage, inspectors are looking for all types of contraband, prohibited items, and undeclared or undervalued items, not just for narcotics and heroin.

### WORKLOAD

The huge, ever-growing workload in Region II, the nature of this workload, and the responsibility of Customs to facilitate the movement of people and cargo preclude the possibility of comprehensive inspections.

Nearly one-third of the total Customs workload, with respect to formal cargo entries and air passengers, is in Region II. The annual regional increase in cargo entries is projected at 3.2 percent and in air passengers is projected at 12.6 percent. Overall, passenger traffic entering Region II has increased about 450 percent in the past 20 years, and total entries of cargo have increased about 325 percent. Over that same period, the total Region II work force has increased about 30 percent.

The range and depth of inspection is affected not only by the magnitude of the workload but also by its nature. Depending on the type of cargo and passenger traffic, the workload may enter Region II through 779 individual inspection locations, including passenger terminals, piers, bonded warehouses, container stations, and other types of terminals. Inspectors are assigned to these 779 locations on the basis of the workload at each location. Most of the locations are staffed on an itinerant basis as the need arises.

Moreover, the workload is not generally uniform. Passenger traffic, particularly air passenger traffic, is prone to "peaks" and "valleys," wherein traffic is heavier at certain times of the day or year than at others. Although attempts are made to meet the peak periods with additional inspectors, it is unlikely that the higher levels of inspection performed during the low periods can be achieved during peak periods.

Another factor affecting inspection activities is an apparent conflict in Customs responsibilities. On the one hand, Customs is committed to detecting smuggling through inspection of passengers and cargo; at the same time, it is responsible for facilitating the flow of traffic into the country. To the extent that Customs succeeds in fulfilling one part of its mission, it minimizes the effectiveness of the other part.

When these objectives conflict in a case involving narcotics, Customs policy is to give priority to the detection of narcotics. The policy in Region II is to carry out a more vigorous inspection if narcotics smuggling is suspected, without regard to delays in the flow of passengers and cargo

## SPECIAL PROGRAMS

A number of special Customs programs have emphasized the detection of smuggling of heroin and other narcotics. These programs are of three general types

- Tactical programs against smuggling which involve the use of manpower to intensify the inspection function.
- Intelligence programs directed toward accumulating and disseminating data on narcotics smuggling.
- Other programs which, although not directed specifically at smuggling, may have some impact.

### Tactical programs

Region II implemented two major tactical programs to supplement its normal inspection function. Activities carried out under one of these programs resulted in two large heroin seizures.

The first major tactical program aimed at heroin traffic was the Intensified Customs Enforcement (ICE) program conducted from June 1, 1970, to September 14, 1970, in the northeast and southeast sectors of the Nation, including Region II. The program was a response to the administration's increased emphasis on narcotics control. Its underlying purpose was to reorient the Customs mission and place greater emphasis on enforcement. The northeast and southeast sectors of the country were selected because past seizures and other data indicated that these areas were the major channels of hard narcotics smuggling.

The primary objectives of the program were to (1) detect and seize heroin and cocaine, (2) prevent the entry of contraband, particularly narcotics, and other unlawful imports, and (3) intensify Customs enforcement. Other objectives were to develop new enforcement techniques, obtain intelligence on smuggling methods, and increase the awareness of the need for greater enforcement efforts.

Three types of operating units were used in the program

- Inspection/Investigation Units made up of Customs inspectors and Customs agents to intensify inspections of passenger traffic.
- Appraisal/Inspection/Investigation Units (Import Control Teams) made up of import specialists, inspectors, and agents to conduct intensive examinations of imported commercial cargoes.
- Investigation Units made up of Customs investigative personnel to carry out surveillance and make criminal investigations.

The main purpose of this program was to examine more cargo, passengers, and baggage and to more closely examine vehicles, boats, and aircraft. In Region II, 240 personnel were assigned to the program, including 65 borrowed from other regions.

The entire effort in the northeast and southeast sectors resulted in the seizure of 33.5 pounds of hard narcotics and in 618 seizures of other narcotics and drugs.

An evaluation committee reviewed the program and, in its October 1970 report, pointed out problems in organization, staffing, and communications which hindered full achievement of the program objectives. Additionally, in New York there appeared to be a misunderstanding as to the method of implementing the ICE program. During the early stages of the program, import control teams in Region II were selecting shipments for examination solely for the purpose of detecting and seizing hard narcotics. ICE program officials instructed the region that, although this was the prime purpose of the program, increased attention should be given to the detection of fraud, undervaluation, and other technical violations.

The evaluation committee indicated that, although the program did not achieve its objective of seizing substantial amounts of heroin and cocaine, it did achieve the remaining objectives, wholly or in part, particularly the development of considerable intelligence. The committee concluded that



(1) the program had a major deterrent effect on amateur smugglers and probably on major smugglers who were using couriers, (2) neither JFK Airport nor the seaports were major entry points for smuggled narcotics, at least during the time the program was conducted, (3) contraband was not likely to be found in cargo by routine searching unless a massive effort was made, and (4) Customs lacked strategic and tactical intelligence.

The committee suggested that similar programs be conducted in the future and made 17 specific recommendations. The major recommendations dealt with establishing a task force of 200 inspectors to form mobile teams to be used, as needed, to augment inspection forces at various locations. As of June 1972, Customs was considering the establishment of some type of mobile blitz force.

Upon completion of the ICE program, Region II instituted another tactical program--a modified ICE program--to continue, on a lesser scale, the intensified enforcement effort. Only one activity under this program--the intensified inspection of automobiles--has resulted in significant heroin seizures. The major features of the program follow.

1. All privately owned vehicles shipped into the country are subjected to thorough inspection, including removal of such components as panels and spare tires. Two significant seizures of heroin totaling 277 pounds have been made.

2. Six import control teams, each consisting of an inspector, an import specialist, and a special agent, as needed, continue to operate. Their primary objective is to detect technical frauds, such as false invoices. The teams make intensive examinations of selective high-duty shipments and applicable documents to verify value, description, quantity, and invoice integrity. In 1971 import control teams examined 1,438 shipments of merchandise and found 319 discrepancies.

3. Unaccompanied personal effects and noncommercial shipments, such as unaccompanied baggage and household effects, are subjected to a 100 percent inspection.

4. Intensified inspections are made of baggage, passengers, and crews on selected ships and aircraft. In 1971, 47 passenger ships, mainly those on transatlantic voyages, were subjected to intensified inspections, under which all baggage was examined. Intensified inspections are also made of baggage, passengers, and crews on selected passenger aircraft flights, particularly those from South America. On a spot-check basis, precleared flights (those on which Customs inspections are made at point of departure) are subjected to reinspection. The number of flights reinspected in 1971 was not readily determinable.

5. An intensified inspection of containers was started in June 1971 to verify the manifested contents of the containers and to insure that the containers were not being used as vehicles to smuggle narcotics and other contraband. During 1971, 979 containers were inspected.

6. Intensified examinations of private aircraft were started in September 1971 at five airports in Region II. The number of aircraft inspected at these locations was not readily determinable.

#### Intelligence programs

Intelligence gathering is mainly the responsibility of Customs investigative personnel. (See ch. 5.) The intelligence effort in Region II consists of collecting and disseminating information generated by various sources. A regional law-enforcement coordinator receives and summarizes data from regional and other sources and publishes it in a monthly digest, the first of which was issued in January 1972. The digest contains summaries of recent fraud cases and alerts on individuals (names and descriptions) suspected of smuggling, particularly narcotics smuggling, and on suspected methods of shipment and places of concealment. The major sources of the information in the digest are

- reports of fraud cases developed by Region II inspectors,
- intelligence bulletins distributed by Customs' headquarters (these bulletins, issued periodically since January 1971, contain alerts on suspicious persons and shipments and on new methods of smuggling), and

--interregional leaflets called "pipelines" prepared by each Customs region since October 1969, which summarize detected cases of fraud and smuggling.

These reports, bulletins, and leaflets are still published and distributed separately. However, because inadequate distribution of some of the data to the inspectors was one of the reasons for instituting the digest, it is hand-carried to all inspectors and import specialists in Region II. Copies are mailed to Customs' headquarters and to all Customs regions.

#### Heroin smuggling profiles

Three profiles of heroin smuggling have been developed by various Customs headquarters groups. Each profile is an analysis of heroin seizures made over a specific period of time and summarizes the smuggling characteristics most frequently noted, in terms of mode of entry, method of concealment, and description of the smuggler. The data bases used for the three profiles were

- 50 seizures of heroin made during 1965-70 in the northeast and southeast areas of the Nation,
- 145 seizures of heroin made from July 1969 through April 1970, mostly along the Mexican border, and
- 11 seizures of heroin made from July 1970 through November 1971, and nine smugglers who were successful in penetrating U S. borders from March 1970 through April 1971.

The usefulness of these profiles in the detection of heroin smuggling is limited. A basic weakness of profiles, in general, is that they represent only the unsuccessful smugglers, not the total smuggling population. Furthermore, the profiles differ widely. Of the 11 smuggling characteristics noted, only one--the fact that the smuggler is usually a male--is common to all three profiles. Only one of the profiles was distributed to Region II. Information from the two most recent profiles was disseminated on a fragmented basis, primarily by means of intelligence bulletins.

9 - 4

The profiles are being used primarily in efforts to indicate the current smuggling picture. Customs has recently begun efforts in (1) pattern analysis, which seeks to describe recurring behavior patterns associated with smuggling events and smugglers, and (2) conspiracy analysis, which involves the identification of relationships between seemingly independent activities or persons.

### Other programs

Customs is planning or implementing the following programs and studies which, although not directly connected with heroin smuggling, may have an indirect bearing on smuggling and enforcement activities.

1. Automated merchandise-processing system--This is a computer-assisted system for processing and controlling imported merchandise. It will link Customs ports with Customs headquarters and will apply computer capability to present manual processing. The system is in the planning stages and is expected to be fully operational by 1980. Although primarily directed toward revenue functions, the system is expected to improve enforcement capabilities by relieving inspectors of many clerical tasks and enabling them to devote more attention to the examination and release of cargo.

2. Automated manifest-processing system--This automated system is expected to perform certain clerical functions on cargo manifests and thereby relieve inspection personnel of some clerical duties.

3. Studies are being made by Customs of a system for measuring the effectiveness of inspectors at airport passenger terminals. (See p. 54.)

4. A cargo security program is being implemented. (See p. 45 )

5. X-ray machines and dogs are being used to intensify the inspection of mail. (See p 61 )

## HEROIN SEIZURES

The large heroin seizures reported by Region II in 1971 resulted from a combination of factors, including intensified inspection, advance information, inspectors' judgment, and chance. Of the 38 heroin seizures, five accounted for 537 pounds of heroin, or 99.6 percent of the total quantity seized. The circumstances of these seizures are discussed below.

1. A Customs inspector seized 96 pounds of heroin concealed in the roof, dashboard, door panels, and water tank of a camper bus shipped from France to Newark. The bus was inspected in accordance with Region II's program of inspection of all privately owned vehicles. The smuggler was apprehended, and he implicated another person. The smuggler was sentenced in April 1972.

2. A Customs inspector seized 155 pounds of heroin at JFK Airport. The heroin was found in four suitcases and an attache case of a passenger arriving from Panama. Although the passenger carried a diplomatic passport, he was on unofficial business and thus, was not entitled to diplomatic immunity. The inspector, in handling one of the suitcases which supposedly contained summer clothing, noticed that it was unusually heavy and that the weight shifted when the suitcase was moved. The inspector opened the suitcase when the passenger refused to do so, claiming diplomatic immunity.

Information obtained from the smuggler led to the arrest of five other persons. All were convicted, and two had been sentenced as of March 1972. BNDD agents participated in the case by assisting in surveillance.

Continued investigation by Customs in the case led to the would-be receivers of the heroin. Two more persons were arrested, and a third is being sought.

3. A Customs Patrol Officer seized 181 pounds of heroin during inspection of an automobile shipped from Italy to New York. The heroin was concealed in the window wells and rear seat of the automobile. The seizure was made under the intensified automobile inspection program. Although Customs had received advance information that a suspected smuggler

was escorting an automobile carrying heroin into the country, the exact time and place of entry was not known.

The smuggler agreed to cooperate, and a controlled delivery of the heroin was effected, resulting in additional arrests and information. BNDD participated in the surveillance and arrest of some of the conspirators. French, Canadian, and Italian authorities also participated. As a result, 21 persons were arrested and three others are being sought. The investigation also resulted in disrupting the activities of three heroin-selling agencies. Links with other smuggling rings and with elements of Italian, American, and Canadian organized crime were also established.

4. A Customs import specialist at JFK Airport found 39 pounds of heroin and 20 pounds of cocaine during a routine examination of a shipment of oil paintings from Argentina. The import specialist became suspicious of the physical appearance (weight, size, construction, and positioning) of the picture frames. The shipment's origin, the name of the consignee, and the importer's request for urgent delivery also aroused his suspicion.

Five months prior to this seizure, BNDD had notified Customs that hollowed picture frames were being used for smuggling heroin. However, the import specialist was not aware of this information.

Two persons were arrested in this case, and another is being sought. Information obtained in the case established connections with other smuggling cases. BNDD agents participated in the case through surveillance and arrests.

5. An unaccompanied suitcase at JFK Airport contained 66 pounds of heroin. An airline employee found the suitcase in the airline's cargo area and noted that it had been destined for Miami but had been misrouted to New York and that a discrepancy existed between the suitcase's actual weight and the manifested weight. The employee thereupon notified a Customs inspector who opened the suitcase and found the heroin. The suitcase was then forwarded to Miami under surveillance by a Customs agent. Six persons, including several airline employees, were arrested and convicted. It appears that, if the airline employee had not notified the

Customs inspector, the suitcase might have been forwarded to its destination without Customs inspection.

### CONCLUSIONS

Customs, through its inspection function, obviously deters some potential heroin smuggling. Although the degree of deterrence cannot be measured, one need only imagine the volume of smuggling which would occur if no inspection existed. Inspection efforts may actually reduce the supply of smuggled heroin to some degree.

The nature and magnitude of heroin smuggling and Customs' mission, workload, and manpower make it unrealistic to expect Customs inspections to prevent most heroin from entering the United States.

The many responsibilities of Customs inspectors leave them little opportunity to carry out those aspects of inspection which are specifically directed toward detection of heroin smuggling. Because the overall Customs mission covers many aspects, it is doubtful that Customs can devote more of its resources to more effective heroin detection without sacrificing some degree of effectiveness in the other areas. The fact that the Customs workload has been increasing at a rate many times greater than the increase of inspection manpower further contributes to the problem.

The special enforcement programs instituted in Region II have had some effect in intercepting some large quantities of heroin. Lacking information on how much heroin enters the city and how and where it enters, the success of Customs enforcement cannot be precisely evaluated. Although the quantity of heroin seized in 1971 was much greater than the quantity seized in 1970, it is difficult to determine how much of the increase was due to more effective enforcement or how much was due to an increased inflow of smuggled heroin.

Present methods of detection are relatively haphazard in that they are carried out, for the most part, without knowledge of how and where heroin is imported. Although these efforts may deter amateurs and small-scale smugglers, they

have not had, and probably cannot have, any real impact on the organized groups which engage in large-scale heroin smuggling.

Officials of Customs Region II essentially agreed that the inspection function provided no real means of detecting organized heroin smuggling. Therefore they have emphasized tactical programs which concentrate inspection efforts on suspicious areas. They said that, although these programs had not been successful in terms of quantities of heroin seized, they had some value in proving that certain methods were not being used for heroin smuggling.

Regional officials said also that, although inspection was Customs' main enforcement tool, two major problems reduced inspectors' effectiveness. One is the long hours inspectors must work because of the wide disparity between workload and manpower. During 1971 inspection overtime totaled 230 man-years, the average inspector earned from \$7,500 to \$11,000 in overtime pay. The other problem is a lack of intelligence on smuggling methods and routes.



## CHAPTER 4

### INSPECTIONS AT SPECIFIC LOCATIONS

Each of the three areas which make up Region II includes several ports and/or airports. At most of these entry points, a variety of incoming traffic is handled.

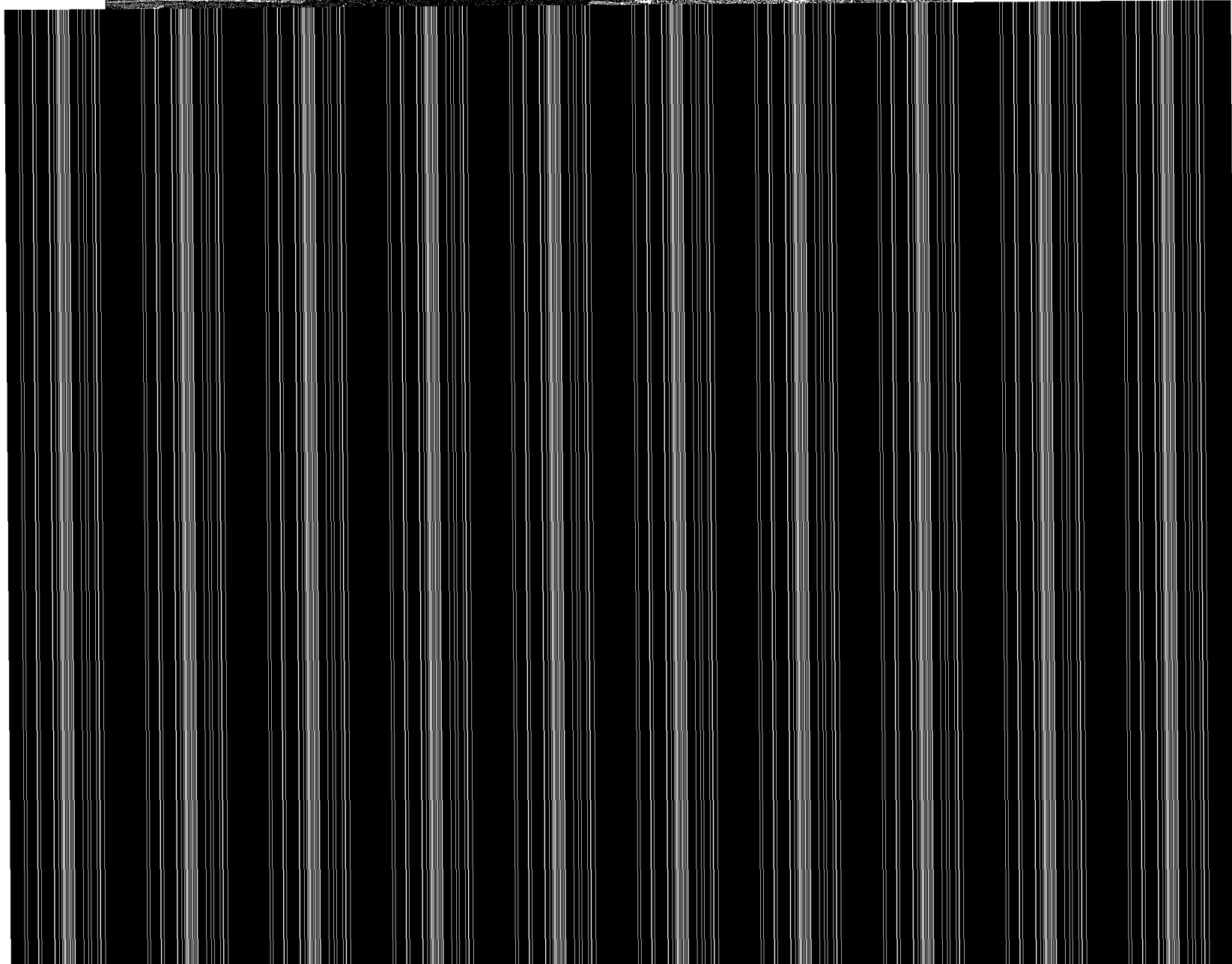
Points of entry in the New York Seaport area include the New York Seaport, the Port of Albany, Albany Airport, and Westchester County Airport. The traffic in this area includes both passengers and cargo (mostly noncontainerized). Entry points in the Newark area include Port Newark/Elizabeth; the Port of Perth Amboy, New Jersey; and Newark and Teterboro Airports. Traffic in this area consists primarily of containerized cargo. (The largest container terminal in the world is located in the Newark area.) International private and commercial aircraft arrive in both areas, but, because most of the traffic in these two areas is seaborne, they are hereafter referred to as the seaports.

The main point of entry in the JFK Airport area is JFK Airport. The area also has limited inspection responsibilities at LaGuardia Airport and an air passenger preclearance facility in Bermuda. Traffic in this area consists mainly of passengers and some cargo.

Region II's calendar year 1971 workload was distributed among the three areas, as follows:

<u>Area</u>	<u>Number of cargo invoices processed</u>	<u>Number of passengers and crew members processed</u>
New York Seaport	1,043,080 <sup>a</sup>	1,355,865
Newark	81,495	16,414
JFK Airport	<u>283,839</u>	<u>4,969,065</u>
Total	<u>1,408,414</u>	<u>6,341,344</u>

<sup>a</sup>Included in these statistics are some invoices processed by the New York Seaport for merchandise handled by the Newark area.



During this period the seaports handled some 5,400 vessels (mostly cargo) and 2,800 aircraft, and JFK Airport handled about 60,000 international flights.

The number of locations where cargo, passengers, and baggage may be examined and the number of Customs inspectors available to make the examinations follow.

<u>Location</u>	<u>Number of locations</u>	<u>Number of inspectors</u>
Seaports:		
Piers and bulk terminals	241	
Approved importers' premises	197	
Common carrier terminals	124	
Bonded warehouses	85	
Container stations	38	
Airport terminals	22	
Foreign trade zones	2	
Military depot	<u>1</u>	
	<u>710</u>	481
JFK Airport:		
Carrier cargo terminals	60	
Passenger terminals	7	
General-order warehouses	<u>2</u>	
	<u>69</u>	<u>325</u>
Total	<u>779</u>	<u>806</u>

Inspectors are assigned to the various locations primarily on the basis of workload. Because the volume of traffic varies at each location in the seaports, most of the locations are staffed on an itinerant basis as the need arises. At the JFK Airport, most of the locations are staffed on a full-time basis.

## CARGO

All merchandise imported into the United States must be entered through Customs. If it is to be used in the United States, it is subject to examination by Customs. One entry of cargo usually involves more than one cargo invoice, and the number of items and packages included on one invoice can vary. About 80 percent of the cargo activity in Region II is concentrated in the seaports.

### Seaports

#### Potential for intercepting heroin is limited

Certain factors inherent in the Customs mission and operation reduce the effectiveness of its examination of cargo as a means of detecting smuggled heroin. These factors include the extent and purpose of Customs examinations and the degree of Customs control over cargo.

Prior to the discharge of any cargo, passengers, or baggage, Customs inspectors board arriving vessels to obtain required documentation and grant preliminary entry. They also supervise the unloading of cargo and verify, where possible, the quantity of cargo unloaded. Subsequent to these and other activities, the cargo is examined.

Extent and purpose of examination--Although Customs is required by law to examine at least 10 percent of the packages shipped under each invoice, regional officials may authorize the examination of a lesser number, but not less than one package an invoice. Although an inspector may examine as many packages as he feels necessary, the usual practice in Region II is to examine one package an invoice.

The primary purpose of such examination is to calculate the dutiable value of shipments in accordance with the Customs mission to collect revenue. Although this purpose may be adequately served by examining only one package an invoice, the extent of the examinations may be inadequate to detect the smuggling of heroin because the number of packages on one invoice can vary from one to thousands.



Physical factors at the examination point may limit the selection of a package for examination and thereby further limit the effectiveness of the examination as a means of detecting heroin. For example, cargo may be stacked in such a way that it is difficult to select a package from the top or center without assistance from pier or terminal personnel, which may not be available. Special problems in the selection of a package and the extent of the examination are presented by containerized cargo. For example, if full containers are to be examined before the contents are removed at their destination, it is difficult to randomly select a package for examination without removing some of the contents-- a costly and time-consuming procedure.

Control over cargo--Customs degree of control over cargo influences the effectiveness of its examinations in detecting heroin. Customs control over cargo is determined, in most cases, by the time and place of examination. The nature of the cargo entry and the type of examination to be made are factors which may govern the time and place of examination.

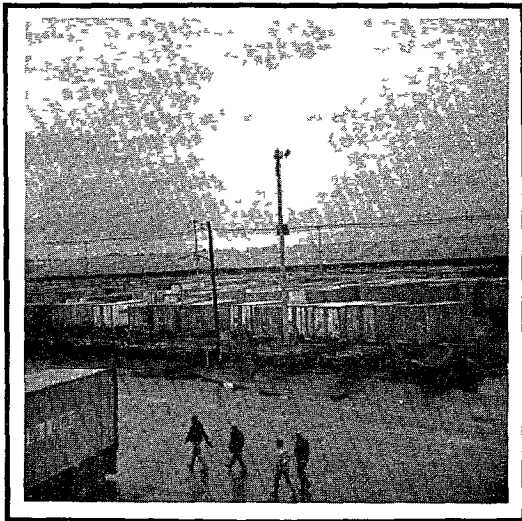
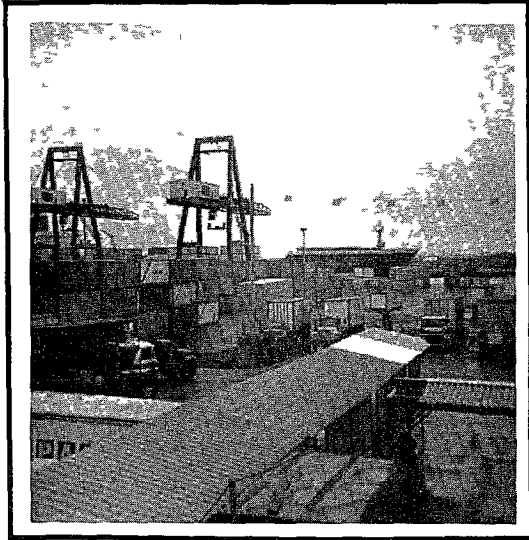
The nature of an entry of cargo is determined by such factors as the purpose for which the merchandise is imported and its ultimate destination. Entries can fall into such categories as consumption entries,<sup>1</sup> general-order entries, and transportation-in-bond entries.<sup>2</sup> The type of entry may dictate the time and place of examination. For example, a transportation-in-bond entry destined for an inland point is not examined until it arrives at its destination. A warehouse entry<sup>3</sup> may not be examined until the merchandise is

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<sup>1</sup>Merchandise which is intended for direct consumption in the United States.

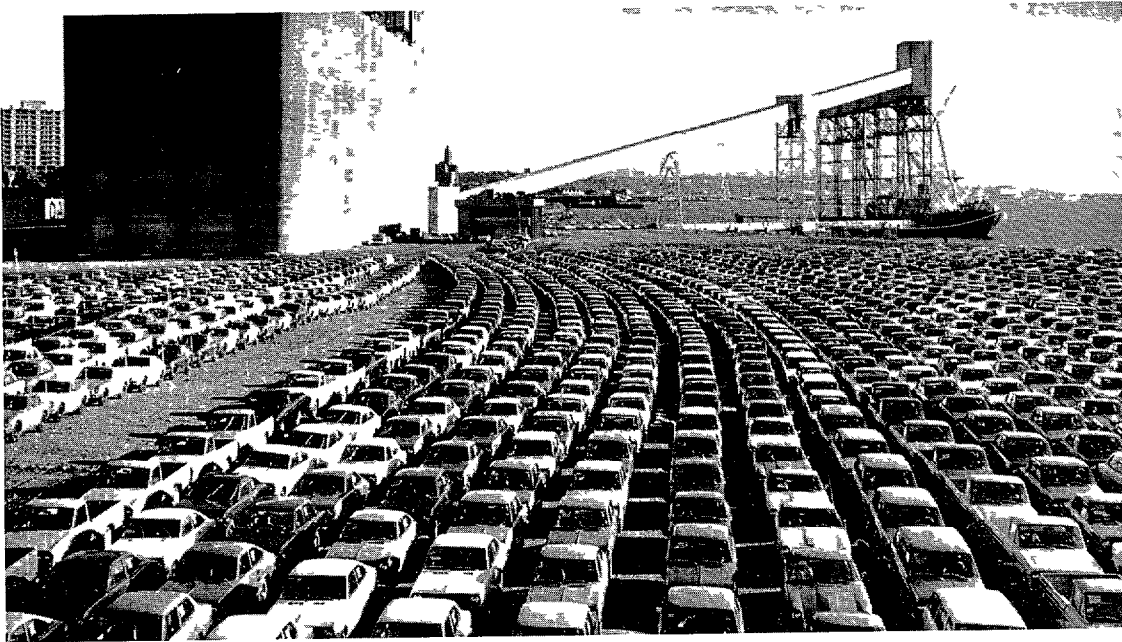
<sup>2</sup>Merchandise entered through one port, under bond, for immediate transport to another port in the country.

<sup>3</sup>Merchandise directed to a bonded warehouse where it remains under Customs custody until withdrawn; duty is paid upon withdrawal.



**CONTAINERIZED CARGO AT PORT NEWARK/ELIZABETH**

PHOTOS PROVIDED BY GAO



COMMERCIAL SHIPMENT OF IMPORTED AUTOMOBILES



withdrawn from the warehouse for use. A consumption entry may be examined on the pier or at an approved importer's premises, before or after Customs release of the cargo.

The type of examination to be made also influences the time and place of examination. A package of merchandise selected for examination may undergo one of several types of examination. Although the inspector may use his judgment in selecting a package, the type of examination to be made is usually designated by Customs appraisers, not the inspector. The designation is generally made on the basis of the type of examination which will best serve Customs revenue requirements.

There are basically three types of merchandise examinations.

1. View--The Customs inspector assumes the responsibility of a Customs examiner. His examination consists of insuring that merchandise conforms to the tariff description; reporting variances, shortages in quantity, and damages; marking variations; describing any unusual containers which might be subject to duty; determining whether prohibited or restricted merchandise is included in the shipment; and insuring that country-of-origin marking requirements have been met.

2. Sample--The inspector draws, or orders to be drawn, a sample (a single item) which is forwarded to an appraiser for examination.

3. Public stores package--The inspector draws, or orders to be drawn, an entire package which is forwarded to an appraiser for examination.

Customs made about 966,000 examinations in the seaports during 1971, about 82 percent of which were views.

Depending on the nature of the cargo entry and the type of examination to be made, Customs control of the cargo may be reduced. Customs may release merchandise from custody before a selected package is examined, in which case all the cargo, other than the selected package, is forwarded to its destination.

The following table illustrates, for a consumption entry, the various types of examinations which can take place, the extent of the examinations, when and where they may occur, and our observations of factors that limit the effectiveness of the examinations in detecting heroin.

Illustration of Various Types of Examinations of Consumption Entry

<u>Type of examination</u>	<u>Possible place of examination</u>	<u>Cargo released before or after examination</u>	<u>Quantity examined</u>	<u>Factors which could adversely affect detection of heroin</u>
View	Place of unloading usually pier wharf container station or break-bulk shed	After	One package per invoice	1 Only one package is examined 2 Purpose and extent of the examination is primarily revenue 3 Physical limitations on selection of package to be examined
	Approved importer's premises	Before	One package per invoice	Factors 1 2, and 3 4 Cargo is released from Customs custody prior to examination 5 If cargo is containerized, container may be emptied and released prior to Customs examination
Sample	Area headquarters	Before	One item per invoice	Factors 1, 2 3 and 4
Public stores	Customs public stores facility	Before	One package per invoice	do

## JFK Airport

Cargo processing and examining at JFK Airport are basically the same as at the seaports. Our comments on the extent and purpose of Customs examinations at the seaports as factors limiting the potential for detecting heroin are equally applicable at the airport. However, the factors limiting control over cargo at the seaports may have less applicability at the airport because of the more rapid movement of cargo.

At the airport about 95 percent of the cargo is provisionally released to importers under an "immediate delivery" procedure. Cargo is released after examination but prior to formal entry, and the revenue is protected by a bond. Under this procedure an inspector assumes additional responsibilities, such as (1) determining that an item is not excluded from the immediate delivery program, (2) determining that requirements of other Government agencies have been met, and (3) assuming general responsibility for complete and proper documentation

### Paperwork processing

An additional factor which may limit Customs effectiveness in detecting heroin is the time spent by inspectors in non-inspecting-related paperwork. A Customs inspector is involved in processing manifests--a manual procedure. Customs has estimated that 15 percent of the total inspection manpower at the airport is used on these basically clerical functions.

In February 1972 a Customs task force study concluded that an automated manifest processing and control system would be operationally, technically, and economically feasible at the airport and would reduce the inspectors' clerical work and result in more timely and accurate manifest clearance

### Cargo security

Theft and pilferage of cargo is considered to be widespread at New York's seaports and airports. Although carriers and terminal operators are primarily responsible for



CARGO AT KENNEDY AIRPORT

security, cargo is technically under Customs custody from the time it is unloaded from a vessel or aircraft until it is released. To the extent that cargo theft may be used as a method of smuggling, improvements in security may deter smuggling activities. Customs has recognized the detrimental effects of cargo thefts on the Nation's commerce and on Government revenues and has taken steps toward improving cargo security.

In April 1971 two Treasury decisions became effective which (1) require carriers and pier operators to provide approved security areas for cargo storage, (2) authorize Customs to prohibit loading or unloading of cargo unless adequate security is provided, and (3) call for a uniform system of accounting for manifested and entered cargo. In addition, legislation (H R 8476 and S. 1654) has been introduced in the Congress to

- authorize the Secretary of the Treasury to establish nationwide minimum standards for cargo security, both physical and procedural, at seaports and airports;
- provide for (1) establishing "Customs security areas" subject to stricter standards, in locations where there is an unusual risk of cargo theft, and (2) screening procedures for employees with access to these areas; and
- authorize Customs to prohibit loading and unloading of cargo for failure to comply with standards

As of August 1972, the bills had been referred to the appropriate committees but hearings had not been held.

In Region II, Customs is conducting surveys of the adequacy of security at piers, terminals, and other facilities where cargo is under its custody and expects that recommendations for security improvements will be made to pier and terminal operators when the surveys are completed.

Region II in April 1971 implemented a program for checking the accuracy of cargo manifests as a record of cargo quantity unloaded and delivered. At the JFK Airport,

a quantity-control team is assigned exclusively to this verification; at the seaports, verification is a duty of the inspectors. The objective of quantity verifications is to establish the integrity of manifests and identify the type, location, and magnitude of cargo thefts. Packages are not examined during these verifications.

#### Other matters

According to various Federal and local government officials, cargo thefts at JFK Airport are of special concern because of the alleged influence of organized crime. The Legislatures and Governors of New York and New Jersey have approved an interstate compact to extend the jurisdiction of the Waterfront Commission--the policing agency of the New York seaports--to JFK Airport. As of April 1972, a bill to extend the commission's jurisdiction had been approved by the House Judiciary Committee. The bill is opposed by the airlines and their security agency, the Airport Security Council. Representatives of the council have stated that (1) the value of cargo stolen at JFK Airport has decreased 80 percent since 1969, (2) most of the cargo losses are due to isolated instances of pilferage rather than to organized crime, and (3) the Waterfront Commission has been ineffective in reducing cargo theft in the seaports.

Customs officials informed us that on December 1, 1971, a squad of special agents was assigned exclusively to investigate cargo theft and hijackings within Customs jurisdiction at the JFK Airport and the New York seaports. They said that this squad had arrested a number of persons within the organized crime groups for cargo theft.

#### Conclusions

The limited inspections of the large volume of cargo entering the country through the New York points of entry afford little probability of detecting smuggled heroin. To provide adequately for such detection would require a massive inspection effort.

Customs should establish in Region II a mobile force of inspection personnel to make intensive searches of cargo with the sole objective of detecting hard narcotics,

particularly heroin. The force should be required to maintain close liaison with Customs intelligence personnel and to concentrate on areas and leads earmarked by intelligence as suspected methods and routes of smuggling. Such an inspection effort could result in greater detection of smuggled heroin and in a deterrent to organized smugglers by forcing them to devise more difficult and complicated smuggling methods. Because there is no way of predicting whether such results would actually occur, the mobile force of inspectors should be established on a test basis.

Regional officials agreed that establishing a mobile inspection force would be worthwhile. They indicated, however, that lack of adequate intelligence on smuggling methods and routes could neutralize the efforts of such a force. We believe that intelligence gathered by BNDD on the routes, methods, and types of cargo being used in smuggling should be supplied to Customs, and that, on the basis of such information, BNDD and Customs could determine which ships and cargo should be searched.

Recommendation to the  
Secretary of the Treasury

We recommend that the Bureau of Customs establish, on a test basis, a mobile blitz force to make intensive searches of cargo which, on the basis of intelligence, is a suspected means of smuggling.

Recommendation to the Attorney General

We recommend that BNDD furnish the Bureau of Customs with intelligence on smuggling routes and methods and, when available, on the ships and cargoes which should be searched.

## BAGGAGE AND PASSENGERS

All persons entering the United States are subject to inspection and clearance by Customs. The processing usually takes place at an airport or seaport upon arrival. About 75 percent of the passengers and crews arriving in Region II enter through JFK Airport.

At JFK Airport, Customs processes baggage at three passenger terminals. Regular scheduled service is provided 7 days a week, 16 hours a day at the International Arrivals Building, and 8 hours a day at each of two satellite terminals.

The regular scheduled service is extended, depending on the volume of traffic. The volume of passenger traffic varies widely during different hours of the day, with peak traffic occurring during afternoon and evening hours. To provide maximum inspection coverage during peak hours and to maintain service 16 hours a day at the International Arrivals Building, Customs uses four overlapping tours of duty, with different starting hours for each tour, and extends tours to provide coverage during peak periods.

The inspectors' duties at the three terminals include assessing and computing duty on items declared in excess of the exemption allowance, computing taxes on items, such as liquor and cigarettes; detecting a wide variety of contraband and prohibited items, such as lottery tickets, switchblade knives, and narcotics, and referring all agricultural items, such as fresh fruit, flowers, and meat, to a Department of Agriculture inspector for disposition.

Eight inspectors are also assigned to four other passenger processing locations where they make limited inspections and perform such other duties as registering items leaving the country to permit duty-free reentry. Generally, their duties do not include the inspection of incoming baggage and passengers.

The JFK Airport area organization is also responsible for preclearing baggage and passengers on flights leaving Bermuda. These flights are generally not reinspected upon arrival at JFK. We were told by Customs officials on



October 2, 1972, that preclearance was to be discontinued during fiscal year 1973.

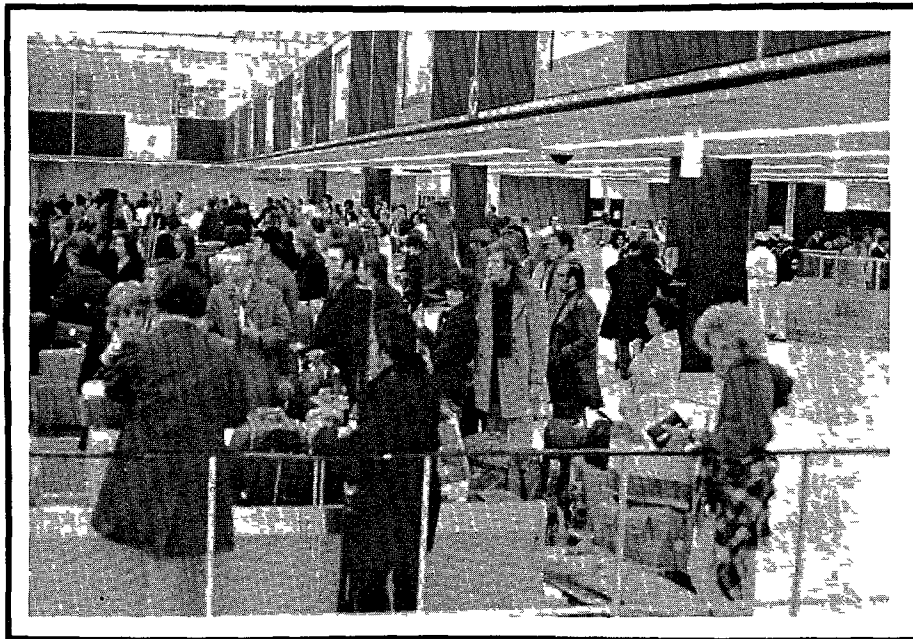
Inspectors are assigned primarily on the basis of workload. The overriding consideration is the avoidance of serious backlogs and overloading of the inspectors. Consideration is also given to Customs enforcement responsibilities. For example, different rates of drug seizures at the three passenger terminals may be considered in planning baggage inspection coverage. Because of the many variables, no specific criteria exist for assigning inspectors to particular locations or functions. For baggage inspection, an effort is made to follow a ratio of 1 inspector to 30 passengers an hour. The ratio can vary, however, depending on circumstances, such as the availability of staff or an airline's desire to facilitate inspection by paying for overtime.

#### Inspection activities

At JFK Airport, passengers and their baggage are cleared on the basis of a limited, selective inspection. An estimated 75 percent of arriving passengers are cleared for entry without inspection of their checked baggage. The remaining 25 percent have a minimum of one piece of baggage examined.

The extent and intensity of baggage inspection is almost entirely dependent on the judgment of the Customs inspector. Under the screening inspection system in use at JFK Airport and other major airports, the inspector screens out passengers he considers "low risk" so that he can concentrate on passengers he believes warrant intensive inspection. The questioning and screening of passengers is done by inspectors assigned to baggage belts or by so-called roving inspectors. A roving inspector's duties include controlling the flow of passengers to inspection belts; inspecting, clearing, and moving passengers to avoid congestion; and maintaining general surveillance in baggage claim areas.

The system operates as follows. After claiming checked baggage, all passengers are briefly quizzed by a Customs inspector. His questions are directed primarily toward ascertaining the validity of the passengers' declarations.



**BAGGAGE EXAMINATION AT KENNEDY AIRPORT.**

PHOTOS PROVIDED BY GAO

Nonresidents are asked additional questions to gauge the need for detailed inspection. Inquiries as to whether passengers are carrying various foods or animals are also required by the Department of Agriculture.

If a passenger has any dutiable items, the inspector determines the applicable rate of duty and computes and records the amount due on the passenger's declaration. The inspector also examines all flight bags and other hand baggage, which frequently contain fruit or other food items served during the flight. When an agricultural item is found, all baggage must be examined. A Plant Quarantine inspector must be called to pass on the admissibility of such items.

When there is no duty to compute and no agricultural items are found, the primary screening process can be completed in about 1 minute. The inspector then decides whether a secondary inspection of checked baggage is desirable. He can, if warranted, waive any further inspection. The secondary examination of baggage must cover a minimum of one piece of baggage but can cover all baggage. The inspector can terminate the examination at any point.

The need for a secondary examination of baggage is indicated during the primary examination by such things as

- evasiveness; inconsistency or nervousness during routine questioning; inordinate concern for baggage; unusual appearance of baggage;
- appearance of recent narcotics use; multiple trips abroad during a short period; discovery of undeclared or contraband items in hand-carried baggage; origin of flight; advance information; and
- unusual or erratic behavior noted by flight crew, Immigration inspectors, or supervisory Customs inspectors; or a specific request from Plant Quarantine inspectors.

Personal searches are made only when smuggling is suspected, which may be triggered by advance information or by the appearance and behavior of the passenger during the

primary or secondary examination. Factors indicating a need for a personal search are generally the same as those cited above for a secondary examination. The searches may be made by either Customs inspectors or Customs investigative personnel. From July to December 1971, 656 personal searches were made at the International Arrivals Building.

At any time during baggage inspection, Customs inspectors can contact the local Customs Automated Data Processing Intelligence Network (CADPIN) terminal operator and query the computer for a prior seizure or arrest record and other intelligence on a particular passenger. (See ch. 5.) This is generally done only when smuggling or some other irregularity is suspected. As part of the overall inspection processing, passengers' names are checked against a current list of aliens known to be inadmissible. This procedure is part of the Immigration/Public Health screening before the passengers enter the baggage claim area. Also other Government agencies furnish to Customs lists of persons of whose arrivals they wish to be notified. The actions to be taken range from filing an information form to immediate arrest. If the list shows a Customs alert, Customs inspectors are warned by coded marking of passengers declarations and also by telephone. Customs then checks CADPIN for additional information. An alert will usually trigger a personal search.

Effectiveness of inspections

The volume of passenger traffic, level of inspections, and rate of seizures all vary widely from month to month at JFK Airport. These variances raise two major questions concerning inspection effectiveness.

--What effect does the volume of traffic have on the selection of passengers and baggage for inspection?

--What is the effectiveness of various levels of inspection?

The lack of an information system that could provide the answers to these questions precludes any evaluation by Customs of the effectiveness and efficiency of the baggage inspection process.

The following table shows that the number of passengers, secondary inspections of baggage, and seizures of drugs and undeclared or undervalued items fluctuate from month to month. The 7-month period used in the table includes months which have high, medium, and low volumes of traffic.

<u>Month</u>	<u>Passengers</u>	<u>Secondary inspections</u>	<u>Percent of passengers inspected</u>	<u>Seizures</u>	<u>Seizures per 100,000 passengers</u>
Aug 1971	480,364	96,583	20.1	90	18.7
Sept. 1971	364,222	73,217	20.1	80	22.0
Oct. 1971	269,551	42,695	15.8	61	22.6
Nov 1971	191,348	46,329	24.2	44	23.0
Dec. 1971	183,849	50,858	27.7	46	25.0
Jan 1972	244,449	67,256	27.5	39	16.0
Feb. 1972	192,308	56,325	29.3	48	25.0

This table shows that the level of secondary inspections depends partly on the volume of traffic. As a general trend, the level decreases during higher traffic months, which indicates that the inspection process is adversely affected by the pressure of high traffic and that emphasis may be directed more toward moving passengers than toward enforcement. Customs has no established standard or minimum for the number of passengers to be selected for secondary inspections.

Lack of information on the total number of violations in the passenger population precludes any determination of the effectiveness of the differing levels of inspection. For example, although the third highest level of inspection (January) resulted in the lowest seizure rate and the lowest level (October) resulted in a higher rate, no determination can be made as to which level of inspection was more effective. Either of the two rates may represent all or a small percentage of the total violations that actually occurred in that month. The answer depends on the development of a reliable norm of violations through the use of random-sampling techniques. This would permit a continuing evaluation of actual performance. For example, if the norm indicated a rate of 40 violations per 100,000 persons and the actual rate was 30, it could be concluded that inspection in that month was 75-percent effective.

Information, including the type mentioned above, is expected to be provided by ongoing Customs studies, particularly a study being conducted at the Honolulu International Airport, Hawaii. This study is discussed below.

Although information on the effect of the volume of traffic and the various levels of inspection are important factors in maintaining an effective inspection posture, the most important factor is the inspector. Customs has focused its recent efforts on improving inspection effectiveness by developing a system for measuring the productivity of inspectors.

Pilot tests demonstrating the feasibility of such a system were completed in May 1971 at the Boston, Massachusetts, Logan International Airport. As a result, in March 1972 Customs began a 6-month study at the Honolulu International Airport with the overall objective of establishing an efficient system to measure the productivity of individual baggage inspectors. The study envisions (1) a determination of those factors which affect an inspector's productivity, (2) the development of a point system which ranks inspectors on their relative enforcement effectiveness, and (3) the establishment of a random-sampling technique to project a norm/universe of smuggled items over a given period.

## Other matters

### Peak traffic

The airlines schedule most flight arrivals during late afternoon and early evening hours, and Customs facilities and inspectors are idle, or nearly idle, during other hours, such as the prenoon and early afternoon hours. Conversely during peak traffic hours, both the inspectors and the facilities can be overburdened.

Customs, acting through the Port of New York Authority, has established a limit of 2,500 passengers an hour on the flow of traffic at the International Arrivals Building. Customs has also imposed landing-rights regulations requiring prior approval for any new or additional flights. Although both of these actions have alleviated the problem, Customs has been unsuccessful in obtaining the full cooperation of airlines in spreading flight arrivals more evenly over a 24-hour period.

### Proposed flat rate of duty

In hopes of facilitating the processing of passengers, Customs has proposed legislation authorizing a simplified tariff procedure. Passengers having dutiable items must have duty assessed by a Customs inspector. This is done at the inspection belts as part of the baggage examination process. Under the current tariff schedules, the classifying of dutiable items involves the use of hundreds of differing rates and requires an inordinate amount of processing time in relation to the amount of duty collected from the passengers.

To expedite the process, Customs in June 1971 submitted to the Treasury Department proposed legislation to establish a single flat rate of 10 percent of fair retail value for dutiable items. Customs believes that the flat rate would not adversely affect duty revenue and that the time saved could be used for more thorough baggage inspections.

The use of a flat rate could conceivably permit passengers, before entering the baggage claim area, to compute and pay duty to a cashier as the first step in the inspection

process, while the passengers' baggage was being off-loaded and delivered to the terminal. This could facilitate the movement of passengers, help relieve overcrowding during heavy traffic, and generally improve the efficiency of baggage inspection.

The collection of duty as a first step of inspection would save manpower by eliminating the present postinspection screening of passengers at terminal exits, which is currently necessary to prevent passengers from leaving the terminal without paying duty.



## Conclusions

Because the volume of baggage precludes the practicality of 100-percent inspection, the selective inspection system must provide an effective deterrent to smuggling and other frauds. The key element in maintaining an effective deterrent is the inspector. Basic to the inspector's role is the need for a management information system which will provide data on the relative effectiveness of inspectors. Such a system would permit recognition of good performance or would indicate the need for additional training, counseling, or reassignment to less demanding duties. The highest priority should, therefore, be given to completing, evaluating, and implementing a performance measurement system for inspectors. The Honolulu study discussed on page 54 appears to be a major step toward this goal.

## Recommendation to the Secretary of the Treasury

We recommend that the Bureau of Customs develop a management information system to provide data on the effectiveness of inspectors.

## MAIL

Foreign mail entering Region II consists of letters, packages, parcels, and printed matter. Letter mail is examined at the General Post Office, New York City, and at the JFK Airport by postal workers under the supervision of a Customs employee. All other mail is examined by 188 Customs employees at five facilities located in New York City. The employees are assigned on the basis of the workload at each facility. These employees are chiefly segregators and examiners, whose qualifications and skills are less than those required for Customs inspectors of cargo, passengers, and baggage.

In 1971 about 426 million letters and 52 million packages entered the United States through Region II and 52 million letters and 266,000 packages were examined. About 99,000 pieces of mail were searched specifically for narcotics, and small quantities of heroin were detected, mostly in letters. The largest single seizure was 1-1/2 pounds of heroin concealed in a stuffed-animal head. This was the only mail package containing heroin ever seized.

## Inspection activities

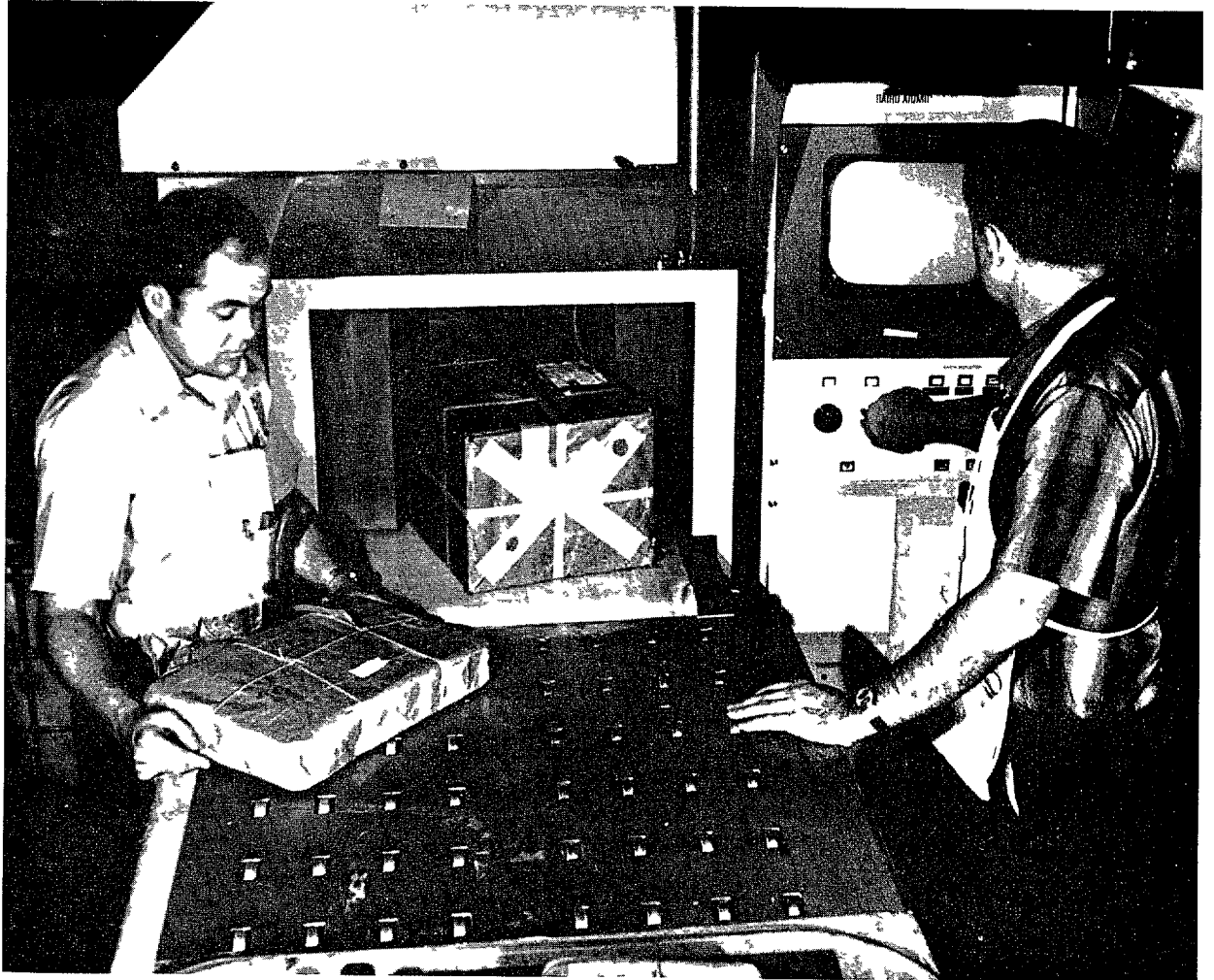
Because of the nature of mail operations and certain Customs techniques emphasizing enforcement, the mail examination function appears to be better suited to the detection of smuggled heroin than the inspection of cargo, passengers, and baggage.

Mail operations have several basic characteristics which make the mail examination function more responsive to the detection of smuggled items. For one thing, each parcel of mail is visible to examining personnel and usually can be handled by them. The examining personnel ordinarily do not have to contend with demands for speed or concern themselves with inordinate delays; there are no complaining passengers or importers requesting urgency.

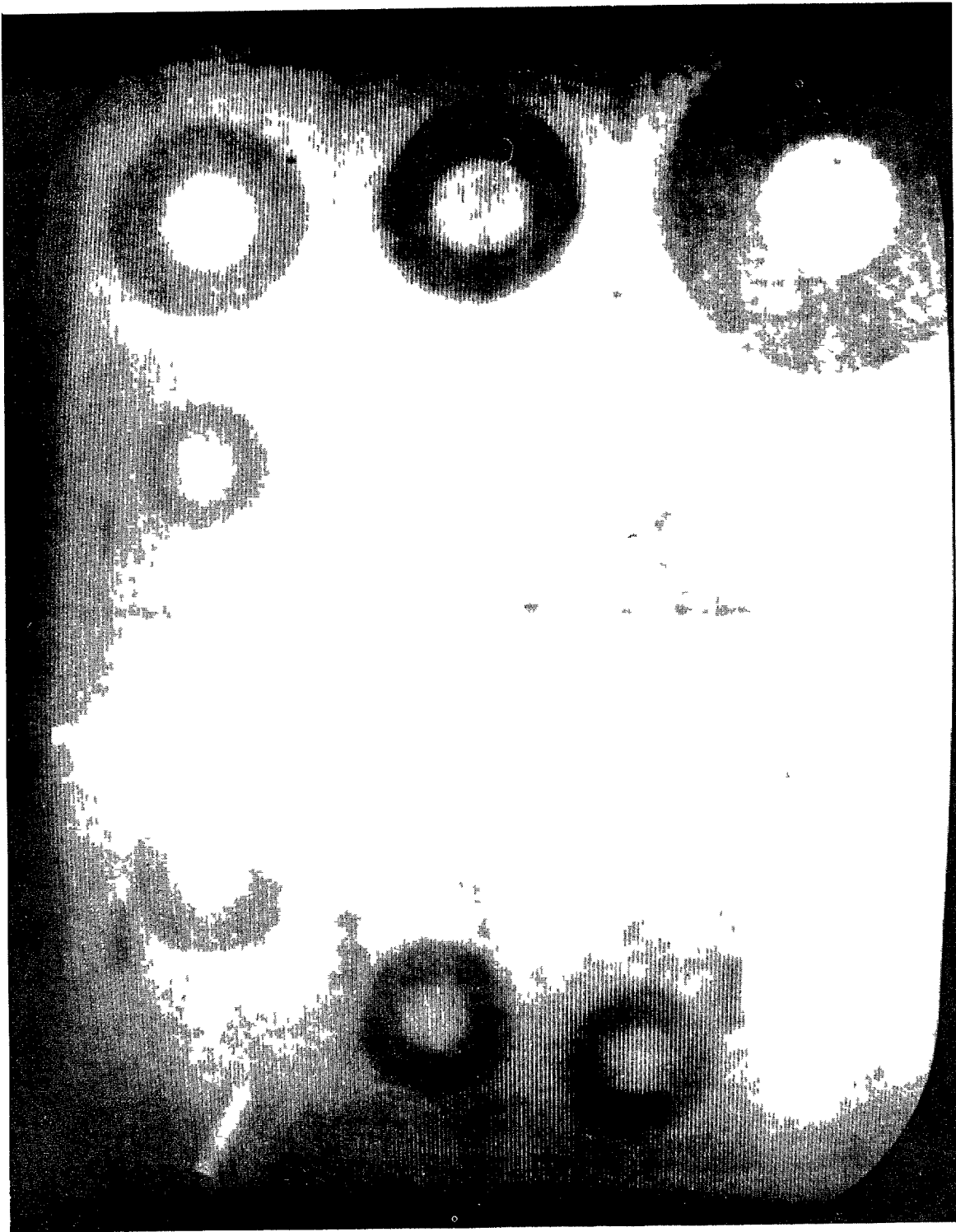
Customs processing of mail has traditionally been geared toward revenue considerations. A combined processing operation which emphasized revenues was carried out for both revenue and enforcement purposes. In 1970 a field test at the Los Angeles, California, mail facility demonstrated the value of upgrading enforcement efforts in mail processing. The test indicated that more seizures resulted when revenue processing was separated from enforcement processing and when packages to be examined were selected according to enforcement criteria rather than revenue criteria. As a result of the test, the Commissioner of Customs recommended that large Customs mail facilities be reorganized into two sections--one for revenue processing and one for enforcement.

Examination of mail packages in Region II generally is carried out under this dual procedure. A Customs segregator views each mail package and selects for examination those packages that, he suspects, may have understated dutiable values or contain narcotics. The selected dutiable packages are forwarded to an examiner for duty assessment and a search for contraband, including narcotics. Packages suspected by the segregator of concealing smuggled narcotics are forwarded to the Special Narcotics Identification Force (SNIF), which opens and searches every suspect package.

Packages suspected of concealing narcotics are selected under criteria developed during past successful seizures and



EXAMINATION OF MAIL PARCELS USING X RAY EQUIPMENT



**IMAGE OF TAPE CASSETTES PRODUCED BY X-RAY EQUIPMENT**

include such characteristics as suspect names, addresses, and methods of addressing. Packages from certain suspect countries are also selected for searching, and every package received from these countries during certain periods is opened. Specific criteria for selecting packages suspected of containing heroin have not been developed because the examination of packages has resulted in finding only one that contained heroin.

SNIF also uses four dog teams, each consisting of two dogs. These dogs are trained to detect marihuana and hashish. One dog has recently been trained to detect heroin.

The processing of letter mail is not as elaborate as that for mail packages. Postal employees receive the letters in stacks of trays. Their examination consists of feeling the letters and forwarding any which are suspect to Customs, where they are opened. Special attention is given to letter mail originating in certain suspect countries. In 1971 examination of letter mail resulted in more than 1,400 seizures of very small quantities of narcotics.

#### Special activities

During the Intensified Customs Enforcement program, mail examination personnel participated in one activity. A complete examination was made of mail shipped on an Irish vessel. No narcotics were found.

In 1971, Customs tested the use of X-ray machines for examining mail at the Chicago, Illinois, and Oakland, California, mail facilities. The machines project an image of a package onto a monitor. The densities of the articles enclosed in the package are determined by the varying shades of darkness projected. The tests disclosed that the volume of mail which could be examined by using this equipment was 700 to 1,000 percent greater than the volume examined manually. Region II plans to install two similar machines by mid-1972.

## CHAPTER 5

### CUSTOMS INVESTIGATIONS

#### ORGANIZATION AND RESPONSIBILITIES

Customs investigators are responsible for the detection, prevention, and investigation of smuggling of merchandise, including heroin, into and out of the United States, as well as all types of fraud against customs and related laws. Although Customs may initiate its own investigations, most of its cases are the result of violations detected during the course of normal Customs operations, such as inspections.

Customs had a staff of about 3,560 investigators as of March 1972, including 1,052 special agents and 606 Customs Patrol Officers (CPOs).

The special agents and CPOs are primarily engaged in heroin detection. The special agents conduct investigations relating to frauds (undervaluation of merchandise) and to smuggling of merchandise into or out of the United States. CPOs carry out uniformed and plainclothes patrols involving searches of vessels, vehicles, and aircraft and surveillance in waterfront and airport areas.

All special agents attend a basic training course and, after a period of from 1 to 2 years, attend an advanced training course. Both courses are given by agent-instructors at the Customs National Training Center located at Hofstra University, Uniondale, New York.

The basic course includes training in narcotics identification, investigation techniques used to develop narcotics conspiracies, the use of CADPIN, methods of concealment used by narcotics smugglers, and liaison procedures with other narcotics enforcement agencies. The basic course is about 130 hours long and has approximately 20 hours devoted to narcotics enforcement. The advanced course includes more sophisticated training in the above subjects and emphasizes conspiracy investigations.

Agents assigned to special hard narcotics teams are initially given a brief lecture course on the basic aspects

of narcotics enforcement. They are also given in-service training in such areas as investigative techniques, surveillance, document analysis, and arrest and seizure procedures.

All CPOs attend a 1-month training course at Fort Belvoir, Virginia, on the general duties of CPOs, such as searches, patrols, use of firearms, and knowledge of regulatory procedures. Included is narcotics training, which consists of narcotics identification, use of field test equipment, and information on various methods used by smugglers to get narcotics into the country.

At the local level, each CPO receives a 2-week orientation course which includes some narcotics training. The remainder of his training is received on the job.

#### LOCAL ACTIVITIES

As of March 1972, a total staff of 731, including 122 special agents and 185 CPOs, was operating in the New York City area. Heroin enforcement is the direct responsibility of the Hard Narcotics Unit, which consists of 38 special agents. The 185 CPOs also assist in the detection of heroin smugglers. The remaining personnel are charged with enforcing Customs laws in such areas as soft narcotics, general smuggling, fraud, and pilferage. Nearly 400 of the 731 personnel are involved in air security and are called sky marshals.

#### Hard Narcotics Unit

This unit consists of five operational groups or teams, with six or seven agents each, and a financial group, with a staff of three agents plus 13 other Customs or IRS personnel. Their work requires that the teams be highly mobile and that they function almost exclusively in the field. Each team functions as an independent unit. The staff is chosen to make maximum use of technical skills and experience. More than one group may be assigned to a case if the investigation becomes too complex for a single group to handle.

## General operating procedures

In the event that heroin is seized, agents will attempt to get the alleged smuggler(s) to inform on other conspirators. If the smuggler(s) is(are) cooperative a controlled delivery may be attempted, often in conjunction with BNDD agents. Such a delivery is made in order to arrest additional conspirators. If time will allow, the original heroin shipment is substituted with a dummy shipment plus enough heroin so that a case can be made against the other smugglers. This procedure of arrest and controlled delivery may be repeated to obtain still more arrests.

In addition to the above duties, agents are called on for surveillance, especially when intelligence is being developed. In a surveillance operation, an agent may engage in such duties as taking pictures of suspects and, when authorized, wiretapping.

The primary function of the financial group is to monitor bank accounts of suspected narcotics smugglers or dealers to gain intelligence on financial transactions. The intelligence is stored in a central computer which is discussed later.

## CPOs

The CPO unit is divided into four groups.

--Administrative, which supports the other groups.

--Plainclothes, which engages in smuggling and pilferage surveillance at pier locations throughout the New York and Newark seaports.

--Uniformed, which performs normal policing functions at JFK Airport and at the seaports.

--Search, which searches vessels, aircraft, and vehicles for contraband, principally hard narcotics, often in conjunction with Customs inspectors.

The work of the CPO and the hard narcotics agent is often interrelated. If, for example, the CPO unit seizes



heroin or obtains information relative to a heroin-smuggling operation, the Hard Narcotics Unit will be called upon to pursue the matter further. Only members of the Hard Narcotics Unit have the authority to pursue heroin investigations beyond the initial seizure and arrest.

### Intelligence

The Hard Narcotics Unit places great emphasis on intelligence gathering in its operations. Intelligence comes from many sources, such as Customs personnel, seizures, defendants, surveillance of suspects, informants, other law enforcement agencies, newspapers, and magazines. However, most intelligence obtained prior to a seizure is of a general nature and is derived from internal sources.

The Special Agent In-Charge in the New York area is authorized to make payments of up to \$500 for information. Larger payments must be authorized by the Washington office. In 1971 Customs made two major payments totaling \$35,000 for information about heroin smuggling operations in the New York area. Twelve smaller payments amounting to \$557 were also made to informants.

All intelligence received by Customs personnel is funneled to the Hard Narcotics Unit for evaluation. If the information is deemed significant, it is assigned to an agent for further investigation, and the results are filed for future reference. If the information is of a general nature, it is filed in the administrative section by subject and date. However, if it pertains to a specific case, it is filed with that case.

### Automated intelligence gathering

Customs maintains a nationwide automated narcotics intelligence system called CADPIN. The central computer is located in San Diego, California, and is accessible through terminals located throughout the country. There are three CADPIN terminals in the New York area.

Pertinent information about individuals involved in major narcotics seizures made by any Federal, State, or local law enforcement agency is fed into the computer, as

well as data concerning vehicles used by suspected narcotics traffickers. By keying the names of individuals or vehicle license numbers into the computer, the terminal operator can obtain information on

- an individual's name, address, social security number, physical characteristics, birth date, offenses, aliases, associates, etc., and
- a vehicle's license number, serial number, make, color, etc.

Data gathered by the financial group is not yet tied into CADPIN. The information obtained by this group is mailed to San Diego and fed into the computer. A print-out of the transactions, by bank account, is sent to New York monthly.

Customs has initiated a dossier system which contains detailed information on major customs violators, including heroin traffickers. This data is stored in the San Diego computer and is not yet accessible through the CADPIN terminals. At present, the number of individual dossiers stored in this computer is limited but will be expanded.

Nationwide, as of March 1972, CADPIN had directly contributed to 730 seizures of narcotics and dangerous drugs, including 35.5 pounds of heroin.

### Conclusions

Although CADPIN has not been fully developed, we believe that it can be a valuable tool in aiding the inspectors to identify possible smugglers if all available narcotics intelligence is included in the system. The President has established a new Narcotics Intelligence Office in the Department of Justice that will serve as a clearinghouse for drug traffic information. In addition, BNDD is in the process of setting up a data bank on international narcotics trafficking.

### Recommendation to the Secretary of the Treasury

We recommend that arrangements be made with the Department of Justice to obtain intelligence from the national

Narcotics Intelligence Office and from the international narcotics data bank being established by BNDD for dissemination through CADPIN

## CHAPTER 6

### RELATIONSHIP BETWEEN CUSTOMS AND BNDD

Customs is charged with the control of smuggling, BNDD with the control of narcotics. The interface of the two elements--smuggled narcotics--is a source of conflict between the two agencies.

### IMPLEMENTATION OF PRESIDENTIAL ENFORCEMENT GUIDELINES

A basic jurisdictional problem stems from the different interpretations of smuggling. BNDD believes that smuggling occurs only at that point in time when contraband narcotics cross a border or enter a port. Customs takes a broader view of smuggling and believes that it involves all actions prior to and subsequent to the actual attempt to penetrate the Nation's borders. Recognizing that the overlapping jurisdiction in narcotics enforcement fosters conflict, the administration has attempted to define the responsibility and authority of each agency.

In June 1970 the President approved guidelines prepared by the Attorney General, which delineated the responsibilities of Customs and BNDD in the area of narcotics enforcement. BNDD was designated as the primary Federal narcotics enforcement agency, and Customs was assigned a supporting role. BNDD was given the authority and primary responsibility to deal with foreign law enforcement officials on narcotics matters. Customs was not to represent the United States in this area except when authorized by BNDD. BNDD was to control all investigations except at ports of entry and borders, where Customs was to retain primary jurisdiction. However, BNDD could still control the investigation of a case in Customs areas if the case was initiated by BNDD. The guidelines also required Customs to furnish BNDD information on the illicit production, possession, trafficking, or transportation of narcotics and gave BNDD the responsibility to direct any subsequent investigations. The Attorney General was to resolve disagreements that could not be resolved at the agency level.

In July 1970 the Director of BNDD and the Commissioner of Customs entered into an agreement implementing the guidelines. Each agency subsequently issued implementing instructions. The instructions are similar and cover such matters as exchange of personnel, liaison, convoys, reporting of investigations, and resolution of disputes. In addition, they provide for an open-file policy on investigative matters and for a complete exchange of reports and information.

#### COOPERATION IN NEW YORK

New York representatives of BNDD and Customs indicated that the cooperation and coordination called for by the guidelines and implementing procedures had not been fully realized. Although each office maintains liaison with the other, they do not automatically make available to each other their files, intelligence, and other information. Such information is exchanged only on a specific-request basis. As a result, the degree of cooperation and coordination has varied on a case-by-case basis, ranging from excellent in some cases to poor in others.

Although Customs and BNDD contend that their overall relationship is usually harmonious and is constantly improving, they admit that problems have arisen in a number of cases, the most recent occurring in June 1972. The problems include failing to share intelligence or other information, untimely notice of arrest or seizure, lack of communication, misunderstandings, and personality conflicts. The following case illustrates the type of problems which occur

A BNDD informant arranged to receive a quantity of hard narcotics from a crewman on board a foreign vessel drydocked at a pier and to deliver it to three cohorts at dockside. BNDD requested blanket removal of Customs personnel from the drydock area. Customs stated that its procedures would not permit this. Customs claims that from this point on, it was refused any further information concerning the BNDD investigation, including the names of the suspect ship and crewman. According to BNDD, Customs search of all persons leaving the ship caused the three intended recipients to become apprehensive and they did not permit the informant to board the vessel. The narcotics were not removed from the ship and no arrests were made

BNDD believes that Customs failure to cooperate in this BNDD-initiated investigation as provided for by the guidelines foiled the anticipated controlled delivery. Customs, however, claims that this case involved a smuggling violation and that its enforcement effort was successful in that the narcotics never entered the country.

Most of the conflicts which arise are symptomatic of the basic jurisdictional problem. Customs claims that it is responsible for controlling smuggled narcotics because it traditionally has had jurisdiction over smuggling. Thus, in Customs view, problems are traceable to BNDD's insistence on interjecting itself into smuggling cases involving narcotics. Also, Customs cites its broad legal authority to make searches and pursue in-depth smuggling conspiracy investigations and its knowledge of the intricate processes of international commerce.

BNDD traces its responsibility for controlling smuggled narcotics to the guidelines. From BNDD's point of view, problems are caused by Customs refusal to recognize BNDD's position as the primary Federal narcotics enforcement agency or to recognize BNDD's authority over smuggling cases it has initiated.

## INTELLIGENCE

The relationship between Customs and BNDD is of special importance in the area of intelligence. Although intelligence is a fundamental tool in Customs heroin-smuggling detection effort, Customs has not always had access to the type of information which could improve that effort.

Customs efforts to detect heroin smuggling require intelligence on new smuggling routes and methods, including that from foreign sources. The guidelines require BNDD to furnish such information to Customs. Such intelligence comes only from close contact with those engaged in international trade and travel, such as exporters, airline employees, and foreign customs officials. In the past Customs has had to rely on BNDD for this information. (This type of transportation intelligence is not the primary concern of BNDD.)

BNDD representatives conceded that they had not been able to fully supply Customs with the type of intelligence it needed to more effectively detect smuggling. They attributed this inability to basic philosophical differences in each agency's overall enforcement objective. Customs is "seizure" oriented whereas BNDD's mission is "people" oriented. Thus, BNDD's intelligence efforts are geared mainly toward eliminating sources of supply rather than intercepting quantities of heroin.

Customs officials disagreed with BNDD. They believed that BNDD had failed to pass smuggling information on to Customs because of BNDD's desire to conduct independent smuggling investigations. Customs representatives indicated that advance intelligence on suspected routes and methods of smuggling was essential to the work of Customs investigators and inspectors and that without such intelligence much of their effort was neutralized.

## RECENT DEVELOPMENTS

Although the guidelines were still in effect as of July 1972, several events have occurred recently which may affect the working relationship between Customs and BNDD. In March

1972 the Cabinet Committee on International Narcotics Control<sup>1</sup> reached several decisions related primarily to the international aspects of narcotics control. Priorities were established for preventing hard narcotics from entering the Nation, as follows:

- Interdiction at borders.
- Improved law enforcement and intelligence.
- Overseas crop substitution and crop eradication and addict rehabilitation, education, and research in the United States.

In furtherance of the first two priorities, a Presidential directive recommended that 25 additional Customs agents be stationed overseas to gather intelligence. The Committee considered intelligence to be the most important, but the weakest, element in the Government's program. The Presidential directive recommended also that the existing guidelines be revised to introduce greater enforcement flexibility on a country-by-country basis and to take into account the expanded overseas presence of Customs.

In connection with the above a joint White House, State, Central Intelligence Agency, Treasury, and Justice message was issued on July 28, 1972 (see app. IV), which emphasized that the Commissioner of Customs and the Director of BNDD had agreed on the fullest possible cooperation and exchange of information between their agents.

In addition, the Director of BNDD told us that he had discussed this subject with his overseas regional directors on August 8, 1972, and had strongly emphasized the need to avoid interagency conflicts. Also, the Commissioner of

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<sup>1</sup>The Committee, established in September 1971, includes the Secretary of State as chairman, the Secretary of Defense, the Attorney General, the Secretary of the Treasury, the Director of the Central Intelligence Agency, and the Ambassador to the United Nations. It is responsible for formulating and coordinating all policies of the Federal Government on eliminating the flow of narcotics into the United States.



Customs said that he would brief the Customs agents on this matter before they were sent overseas.

The Commissioner of Customs and the Director of BNDD began a series of meetings in May 1972 aimed at reaching a more cooperative relationship. They hope that a joint agreement governing the responsibilities of each agency and defining a working arrangement will be established.

### CONCLUSIONS

Cooperation and coordination between law enforcement agencies are vital in the Government's battle against heroin trafficking. To the extent that cooperation is not fully realized, the Government's effort is impeded. The mere existence of overlapping jurisdiction is always a threat to cooperative efforts. Sometimes, as has been the case with these two agencies, the threat becomes actual.

The Cabinet Committee's recent decisions and their effect on the Customs-BNDD relationship cannot yet be evaluated. Although these decisions may provide an atmosphere of greater cooperation and coordination in the international enforcement effort, it is possible that they may expand and intensify jurisdictional problems between the two agencies rather than ease them.

We believe that any efforts toward cooperation, such as the prospective agreements now being worked out by the heads of both agencies, are commendable. In September 1972 we were informed by both agencies that efforts to reach working arrangements had been successful and that the lack of cooperation and coordination between the two agencies was no longer a major problem. However, as long as the basic problem of jurisdiction remains, the possibility of future conflict is ever present. It is, therefore, extremely important that any agreement reached spell out the means for achieving cooperation at the operating level. Emphasis should be placed on devising methods of improving coordination in the day-to-day, case-by-case operations of local offices of both agencies.

CHARLES B RANGEL  
18TH CONGRESSIONAL DISTRICT

**Congress of the United States**  
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December 7, 1971

Honorable Elmer Staats  
Comptroller General of the  
United States  
Washington, D C 20548

Dear Mr Staats

As you may know, since my election to Congress I have been devoting the major part of my efforts to fighting the flood of heroin that is destroying my community, Harlem. As a result, I am greatly concerned by the obvious failure of American attempts to block that flow of narcotics, both before it reaches the United States and once it arrives at our borders.

For this reason, I am requesting the General Accounting Office to prepare two reports for me dealing with this critical matter.

The first would be an analysis of the Bureau of Customs efforts at Kennedy International Airport and the Port of New York, with recommendations as to how the Bureau could do a more effective job in intercepting and confiscating illicit drugs, primarily heroin, being smuggled into the United States. Observing the search procedures of individuals entering the country at Kennedy International Airport, for example, one can easily see that Customs inspectors often make little more than cursory examinations of luggage. Recommendations from your office to make Customs inspections more effective can help us block at least part of this deadly traffic.

APPENDIX I

Honorable Elmer Staats  
December 7, 1971  
Page Two

The second report would be an analysis of the effectiveness of European operations of the Bureau of Narcotics and Dangerous Drugs, with recommendations for increasing the Bureau's ability to fight narcotics overseas

I certainly appreciate your attention to this most urgent problem

Sincerely,

A handwritten signature in black ink, reading "Charles B. Rangel". The signature is written in a cursive, flowing style with a large, prominent "C" at the beginning.

Charles B Rangel  
Member of Congress

CBR b  
cc Hon Benjamin Rosenthal  
Chairman, Subcommittee on Europe

Copy of State Department Telegram

From Secretary of State to numerous Missions  
dated July 28, 1972

"Following is Joint White House/State/  
CIA/Treasury/Justice Message

Subject Relationship of Customs and BNDD Agents  
Overseas Engaged in Narcotics Control Work

Ref State 230669

- 1 As of this date, 18 Customs Special Agents have been ordered on assignment to the posts listed below in the numbers indicated Madrid (1), Barcelona (1), Hamburg (1), Munich (1), Milan (1), Beirut (1), Mexico City (1), Mazatlan (1), Monterey (1), Quito (1), Buenos Aires (1), Panama City (1), Bogota (1), Asuncion (1), Bangkok (1), Saigon (1), Tokyo (1), Ottawa (1)
- 2 These assignments will be carried out under the following arrangements which will supersede prior directives concerning the relationship of Customs and BNDD Agents engaged in narcotics control work This cable sets forth these arrangements
- 3 The Chief of Mission is the official accredited directly by the President to deal with the host government on narcotics matters. As with other mission elements, the Chief of Mission has full authority and responsibility for the direction of all the elements of the Mission dealing with the international problem in narcotics and dangerous drugs This authority and responsibility is consistent with the President's letter to all Chiefs of Mission of December 9, 1969.
4. The Commissioner of Customs and Director of the Bureau of Narcotics and Dangerous Drugs agree that representatives of each of the agencies can best contribute to the total country team effort to suppress the movement of narcotics and dangerous drugs by working cooperatively but maintaining agency identity and focusing efforts according to

## APPENDIX II

their respective domestic statutory responsibilities. This will be carried out under the technical direction of their respective agencies. The senior representatives of both Customs and BNDD will be members of the country team

5. Customs is to concentrate on the development of intelligence concerning people and transportation means used to facilitate smuggling (routes of travel, methods of transportation, and places of concealment). BNDD is to concentrate on producers, refiners, and distribution organizations. Each Customs and BNDD representative is expected to cooperate wholeheartedly in matters of mutual concern under the general policy requirements of the Chief of Mission
6. Customs will appoint coordinators to work with BNDD Regional Directors in Paris, Bangkok, Manila, Mexico City, and Buenos Aires to insure intra- and inter-regional cooperation and coordination among Customs and BNDD personnel assigned to specific missions. Each agency will contribute information for analysis, dissemination and action to all Mission elements involved in the U S. Government anti-narcotics activities. Each agency will input and use the central source registry. The CIA's role in international narcotics control is to remain as defined in REFTEL
7. The Commissioner of Customs and Director of BNDD have agreed that there will be the fullest possible cooperation and exchange of information between their agents. To this end Customs and BNDD personnel will be located in the same or adjacent office space if at all possible
8. The Chief of Mission has authority and responsibility to ensure that the requisite cooperation and exchange of information between the two agencies is effected within his Mission and in their communications with their Regional and Washington Headquarters
9. The Chief of Mission has the authority to review all outgoing communications and will receive copies of all incoming traffic. In operational matters the Chief of Mission must be kept fully informed by

representatives of each agency and contacts with the host government must be conducted with his knowledge and concurrence.

- 10 Information on Customs use of the Narop Channel or an equivalent communications capability will be forthcoming as soon as details are resolved. Until that time, no change will be effected concerning existing usages.
- 11 Action taken in response to this cable should be reported not later than August 3, 1972 "

APPENDIX III

PRINCIPAL OFFICIALS RESPONSIBLE FOR ADMINISTRATION  
OF ACTIVITIES DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	From	To
SECRETARY OF THE TREASURY		
George P. Shultz	June 1972	Present
John B. Connally, Jr.	Feb. 1971	June 1972
David M. Kennedy	Jan. 1969	Feb. 1971
Joseph W. Barr	Dec. 1968	Jan. 1969
Henry H. Fowler	Apr. 1965	Dec. 1968
COMMISSIONER, BUREAU OF CUSTOMS		
Vernon D. Acree	May 1972	Present
Myles J. Ambrose	Aug. 1969	Feb. 1972
Lester D. Johnson	Aug. 1965	Aug. 1969
ATTORNEY GENERAL OF THE UNITED STATES		
Richard G. Kleindienst	June 1972	Present
Richard G. Kleindienst (acting)	Feb. 1972	June 1972
John N. Mitchell	Jan. 1969	Feb. 1972
Ramsey Clark	Oct. 1966	Jan. 1969
DIRECTOR, BUREAU OF NARCOTICS AND DANGEROUS DRUGS.		
John E. Ingersoll	Aug. 1968	Present

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