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# REORGANIZATION PLAN #2 REVIEWED

## Problems in Implementing a Strategy to Reduce the Supply of Drugs to Illicit Markets in the United States

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## I. Introduction: Drug Abuse Policy and Implementation 1968-72

In 1965, an epidemic of heroin use began.[1] It started in ghettos of cities that were linked directly to major sources of supply (e.g., New York City, Los Angeles, and Chicago). Within a few years, the epidemic spread to white, suburban populations in the original metropolitan areas, and to smaller, more remote urban areas (e.g., Jackson, Miss.; Eugene, Oregon, etc.).[2] By 1972, the United States as a whole had absorbed a ten-fold increase in the number of heroin users.

The rapid growth of the problem caused the early social response to be disorganized. There was neither a coherent, intellectual basis for the design of a policy, nor an institutional base from which to launch an effective response. Few program concepts were available for consideration, and virtually no empirical information about their effects had yet been collected. No strategic view sufficiently broad to identify significant interdependencies among the various programs and plan for their coordination existed. Similarly, most organizations were small compared to the size of the problem. And there were no institutional mechanisms which could force adjustments in the policies and procedures of one organization to assist the operations of another.

However, by 1972, a fairly coherent policy had emerged -- at least at the federal level and in the major metropolitan areas that had a major share of the drug abuse problem. The basic tenets of that policy were the following:[3]

- The primary reason to be concerned about drug use was not drug use in itself, but rather the individual and social consequences of drug use (e.g., adverse effects on users' health, dignity, and autonomy, and property and violent crimes).

- Since drugs could be substituted for one another, the policy should be designed to deal with many drugs -- not just those that had been singled out for attention because they had not widely accepted legitimate medical use (e.g., heroin, marijuana, hallucinogens, cocaine).

- Since not all drugs and not all consumption patterns of drugs had equally grave individual and social consequences, the focus should be on those drugs and those patterns of consumption that seemed to cause the largest portion of the problem.

- Far from competing with one another, supply reduction strategies (e.g., enforcement, crop control, border interdiction), and demand reduction strategies (e.g., prevention, treatment, vocational rehabilitation) complemented one another. Major features of the complementary relationships included the following:

  - Supply reduction efforts reduced the rate at which new people experimented with drugs (thereby making a significant contribution to prevention objectives), and increased the rate at which drug users volunteered for treatment (thereby making a significant contribution to treatment objectives).

  - However, since supply reduction efforts failed to prevent drug use in areas where drug use was already endemic, supply reduction efforts had to be complemented by other prevention programs.

  - Moreover, since supply reduction efforts adversely affected the behavior and condition of current users, treatment programs were necessary to minimize these external costs of supply reduction efforts.

  - Finally, as treatment programs absorbed a large fraction of the current population of users, supply reduction objectives would have to expand to insure that in the level of price and availability to new users would not fall.

- An effective supply reduction strategy required capabilities to control raw materials, to immobilize major trafficking organizations, to interdict drugs at the border, to pressure illicit domestic wholesale and retail distribution systems, and to control diversion from legitimate domestic production.

- In the short run, the major problems on the supply side were to control opium in Turkey, Mexico, and Southeast Asia and to immobilize major heroin traffickers.

- Similarly, the demand reduction strategy should experiment with a large set of prevention programs and treatment programs (e.g., methadone maintenance, therapeutic communities, half-way houses, inpatient psychiatric hospitals). It should not be committed to a single program concept.

- In the short run, the major problem on the demand side was to generate a massive expansion in treatment capacity without sacrificing the quality of care or raising the risk of significant diversion of methadone.

- In the near future, the problems of effective rehabilitation (given treatment), and effective prevention would become critical.

- There was some risk that the institutionalization of the drug abuse policy would permanently distort our social policy by giving too much emphasis to the drug abuse problem.

Thus, at the level of articulated aspirations and rationales, the drug policy was reasonably sophisticated.

Moreover, this policy was backed up by more than the usual interest in effective implementation. Specialized staffs were created within both the Domestic Council and Office of Management and Budget to insure that drug abuse policy received high priority among the departments, that the programs were reliably coordinated, and that some progress was demonstrated.[4]

On the demand side, the Special Action Office for Drug Abuse Prevention (SAODAP) was established with special authority to influence the expenditures of existing organizations involved in the treatment of drug users, as well as spend substantial resources of its own.[5] To prevent the establishment of a permanent drug treatment lobby, the legislation establishing SAODAP also stipulated that SAODAP go out of existence in 1975.

On the supply side, the initial response was equally aggressive, but slightly more disjointed. Existing organizations with responsibility for narcotics enforcement (e.g., Customs and BNDD) received significant budget increases, and were lashed into aggressive action by sustained White House attention.[6] A special cabinet committee was established to launch a "diplomatic blitz" by high ranking U.S. officials whose purpose was to

mobilize foreign governments to assist U.S narcotics objectives.[7] Two new narcotics enforcement organizations were created within the Department of Justice. The Office of National Narcotics Intelligence was created to organize and disseminate all narcotics intelligence available to the Federal Government. The Office of Drug Abuse Law Enforcement was established to mobilize state and local enforcement organizations through task forces which combined federal agents with state and local agents.[8] These new organizations were created to close "gaps" in the overall enforcement capability.

By the end of 1972, these efforts were yielding significant results. Federally sponsored treatment capacity had grown from 20,700 in October, 1971 to 60,700 in December, 1972.[9] The capacity was completely filled and evenly divided between methadone maintenance and other treatment modalities. The Government of Turkey had announced a ban on the growing of opium,[10] the French Government had cooperated in a series of cases against significant international traffickers,[11] and pressure had increased on distribution systems operating within the United States. Indicators of heroin use were declining as the effective price of heroin increased and the number of users in treatment grew rapidly.[12]

Although the administration was encouraged by these success, the policy was not yet institutionalized. Problems were particularly apparent on the supply side. The enforcement organizations were beginning to compete, and the foreign program was slackening. Moreover, the White House sought a smaller role in motivating and coordinating the supply reduction effort. Consequently, in March 1973, the Administration presented a proposal designed both to solve current problems and insure the continued, effective implementation of an overall supply reduction strategy -- Reorganization Plan #2 of 1973.[13]

The purpose of this essay is to analyze Reorganization Plan #2 as a mechanism for managing a supply reduction strategy in light of overall drug abuse policy. The approach will be the following. First, the key organizational capabilities that are required to control the supply of drugs to illicit markets in the United States will be identified. Second, limitations in actual capabilities prior to Reorganization Plan #2 will be identified. Third, the assumptions, hopes and reasonable expectations that provided the rationale for Reorganization Plan #2 will be presented. Fourth, the major political and bureaucratic factors which frustrate reasonable hopes for the success of Reorganization Plan #2 will be analyzed. Fifth, a few tentative conclusions about the specific problems of managing a supply reduction strategy, and also about the far more general problem of achieving significant changes in the institutional capabilities of the government will be offered.

## II. Short and Long Run Requirements for the Supply Reduction Strategy

### A. The Overall Objectives of a Supply Reduction Strategy

In the simplest possible terms, the objectives of a supply reduction strategy are to make drugs expensive, inconvenient and somewhat risky to consume. The basic assumption is that if drugs are somewhat difficult to obtain, many people will be discouraged from experimentation, many experimenters will be discouraged from advancing to chronic daily use, and many chronic daily users will be motivated to reduce their use voluntarily or seek treatment.[14] By reducing both the number of current users and the level of consumption among current users, we can avoid the significant individual and social costs that would be associated with more users, or higher levels of consumption among current users.

Of course, this simple description of the objectives masks significant complications in the design of the policy. First, not all drugs are equally dangerous in illicit use. At any given level of consumption, different drugs pose different risks to an individual's health and social functioning. In addition, drugs differ in terms of the probability that "experimenters" (who do not ordinarily experience very bad effects of drug use) will become chronic daily users of drugs (who ordinarily do experience bad effects of drug use). The supply reduction strategy should reflect these differences by concentrating on drugs that are relatively dangerous. Note that this is reasonable not only because scarce resources require us to focus on drugs that are relatively more dangerous, but also because we may want to deflect consumer choices from one drug to another.[15]

Second, for many drugs, legitimate medical uses exist. Consequently, policy objectives must include the preservation of a legitimate sector of drug use. In effect, we must create two different markets: a legitimate market in which drugs are inexpensive and conveniently available, and an illicit market in which drugs are very expensive and inconvenient to obtain.

Third, significant pieces of the systems that supply drugs to illicit markets in the U. S. lie outside the jurisdiction of the federal government of the United States. As a result, the federal government must rely on foreign, state, and local governments to shoulder much of the burden of the supply reduction strategy. Federal efforts will be limited to assistance and mobilization, not operations.

B. The Design of a Specific Supply Reduction Strategy

In the short run, the design of a supply reduction strategy depends on two different judgments: a judgment about which drugs represent the largest current threat to the society, and an analysis of the optimal

means of restricting supplies of these drugs to illicit markets. While these judgments are extremely uncertain, tentative conclusions are possible.[16]

Current evidence suggests that the priority drugs should be heroin, barbiturates, and amphetamines.[17] These drugs are sufficiently likely to result in high levels of use; sufficiently dangerous to individuals at those levels; sufficiently available in illicit markets; and currently used by a sufficiently large number of people to make them the focus of supply reduction efforts. Cocaine and hallucinogens represent smaller problems both in terms of numbers of users, and the individual and social consequences of use. Marijuana represents a sizeable problem in terms of numbers of users, but a small problem in terms of currently observed social consequences. Obviously, these judgments are debatable. Moreover, the situation could change quickly. However, in the short run, it seems reasonable to act "as if" heroin, barbiturates, and amphetamines represented relatively more important social problems than other drugs, and justified slightly more extensive efforts.

Unfortunately, these priority drugs represent dramatically different control problems. The optimal points of attack vary among the drugs and require dramatically different governmental actions. The effective control of heroin appears to require a combination of two complicated governmental actions: maintaining a high level of enforcement against international trafficking organizations; and limiting world wide supplies of opium by eradicating illegal poppy fields in Mexico and preventing diversion from legitimate production in Turkey. The effective control of barbiturates seems to depend primarily on controlling diversion of

drugs from legitimate domestic production to illicit markets. Specific instruments include the establishment of tight production quotas; preventing losses, thefts, fraudulent purchases and illegal sales from wholesale distribution through federal compliance investigations; and preventing retail diversion by strengthening state regulatory capabilities. The effective control of amphetamines seems to depend partly on controlling diversion from domestic legitimate production, partly on effective enforcement against domestic illicit production, and partly on effective enforcement against the smuggling of foreign produced amphetamines (both legitimately and illicitly produced).

C. General Programs Within the Supply Reduction Strategy

To meet the specific demands of the current supply reduction strategy, the federal government maintains four general programs. The operational programs are the international program, the enforcement program, and the domestic regulatory program. The primary support program is the intelligence program.[18]

The basic objective of the enforcement program is to immobilize and deter drug trafficking organizations. The cornerstone of this program is a federal investigative agency. However, a strong investigative agency by itself will be ineffective. Beyond effective narcotics investigations, there must be a capacity to <u>immobilize</u> those indicted for drug trafficking through effective prosecution, sentencing and extradiction, if necessary. In

addition, the success of federal investigative efforts depends crucially on the success of state and local enforcement efforts, and on federal border control efforts. The complementary relationship exists partly in the independent deterrent effects of these efforts, and partly because close cooperation among the agencies will permit the fullest possible development of individual cases.

The basic objective of the regulatory program is to shut off diversion from domestic legitimate production. Instruments include imposing tight security and record keeping requirements on firms that handle abuseable drugs, establishing production quotas for drugs based on estimates of "legitimate medical need, and investigating firms to insure compliance with the security and record keeping provisions of the Controlled Substances Act (CSA). Moreover, partly because the CSA reserved much of the authority and responsibility for controlling retail diversion to the states, and partly because there are large numbers of retail distributors, the regulatory program must include efforts to mobilize state regulatory agencies to control retail diversion.

The basic objective of the intelligence program is to insure the effective utilization of resources in the operational programs. Strategic intelligence should influence major resource allocation decisions. Operational and tactical intelligence should insure the effective targeting of enforcement resources and the successful development of cases.

In the short run, these programs must be directed to the specific objectives of the supply reduction strategy. Achievement of these specific objectives taxes the capabilities of each of the major programs. The international program must succeed in controlling supplies of opium

in Mexico and Turkey; in strengthening enforcement capabilities in countries that serve as transit points for heroin destined for the U.S.; and in establishing more effective controls over the legitimate and illicit production of amphetamines in Mexico and Canada. The enforcement program must succeed in maintaining high levels of enforcement against international smugglers of heroin and amphetamines, and against illicit domestic procedures of amphetamines. The domestic regulatory program must succeed in controlling diversion of barbiturates from legitimate distribution of wholesale and retail levels. The tactical intelligence program must facilitate the development of cases generated by enforcement efforts. And the strategic intelligence program must alert us to changes in the relative importance of the different drugs and the optimal points of attack.

In the long run, we should be prepared to shift the various programs to new objectives. As old objectives are accomplished, as new sources for priority drugs are developed, or as new drugs become high priority, the programs must adjust smoothly to new requirements. Moreover, in the long run, we should be seeking productivity gains in each of the programs by developing new "technologies" for accomplishing specific objectives. Thus, the long run objectives of the supply reduction strategy are for greater capabilities within each program, and for greater agility in shifting the diverse programs to new objectives.

## III. "Shortfalls" in Organizational Capacity Prior to Re-Organization Plan #2

Given this perspective, it should be apparent that the successful management of the supply reduction strategy is exceedingly difficult. Its ultimate effectiveness depends on the effectiveness of thousands of

specific, concrete actions taken by officials in the government: the debriefing of defendants; meetings with foreign officials to draft "Narcotic Control Action Plans"; prosecutorial decisions on specific cases; the de-bugging of a computer system to monitor transactions of legitimate drugs through production and wholesale levels; etc. Whether these actions occurred, how effectively, at what scale, and how soon depends significantly on the capabilities of the organizations that have to perform them. Unfortunately, like all organizations, the capabilities of those involved in supply reduction efforts are constrained by specific sets of procedures;[19] by allocations of resources that are fixed in the short run;[20] and by specific styles or cultures that influence their general ideas about this mission, and the right way to do their job.[21] The range and scale of possible actions can change only gradually as new procedures and routines are developed; as the allocation of resources are shifted through structural changes in the organization or the selective use of new budget increments; or as the system for recruiting, training, and evaluating personnel changed. These facts created chronic problems for the success of the supply reduction strategy prior to Reorganization Plan #2. Problems in several key areas are outlined below.

A. The International Program

1. Requirements

The international program relied primarily on the organizational machinery of the Department of State, and somewhat less on the Bureau of Narcotics and Dangerous Drugs (BNDD). Basically, these organizations had to maintain two different capacities throughout the world. First, ambassadors and policy level officials from Washington had to be able to impress countries with the urgency of controlling drugs destined for the U.S.. "Country teams" within the countries had to define specific programs to capture the potential of a general commitment, then had to insure that resources promised by the U.S. were

forthcoming, and finally had to guarantee that the planned programs were effectively implemented.

Second, agents from BNDD had to be detailed to foreign countries to serve as additional staff for the planning of general narcotics control action, to provide technical advice on the development of police forces in the foreign countries, and to assist domestic U.S. investigations by gathering information or following up domestic leads. In addition, while the agents would occasionally adopt operational roles in developing cases, such action required extensive cooperation with host government officials.

Only if these organizations played these roles would foreign governments effectively eradicate crops, attack guerilla organizations that controlled illegal narcotics activity, arrest citizens involved in narcotics trafficking, root out corruption in their own institutions, and extradite third country nationals indicted for conspiracy in the United States. Without such actions, the international program would fail to control supplies of drugs.

2. Capabilities

Unfortunately, none of these roles were "natural" to the organizations involved. The State Department's primary objective is to "maintain relations" with foreign governments.[22] They avoid putting strong pressure on the policies and programs of specific countries. They prefer the development of an elaborate international architecture which "commits" countries to specific policies, but provide neither means for effective monitoring, nor powerful sanctions. Moreover, among the programs that seemed to require an aggressive U.S. posture, drug control seemed to relatively low priority. It paled before all defense

issues, and most economic issues. Consequently, the Department of State was unlikely to be aggressive about drugs.

One might expect BNDD to counter the State Department biases. They were naturally aggressive, deeply committed to the effective control of drugs, and occupied positions with access to country teams and policy level officials in the State Department.[23] However, they were ill prepared to take up the slack from an indifferent State Department. In 1972, only a few agents were operating in foreign countries. Moreover, in the countries where they were active, the agents had little status within the country team. While intense White House pressure could elevate the agents to councils beyond their status, diminished White House pressures would banish them to lower ranks. Finally, as one would expect, the agents from BNDD did not fully understand their roles as "policy planners" and "institution builders." They were trained to make cases. Their natural inclination was reinforced by a formal evaluation system which placed heavy emphasis on case production. Thus, rather than play staff roles in the development and training of effective police forces, or effective liaison roles in making specific cases, the agents often tried to operate on their own -- making cases in Morocco as they did in New York City. When language or political barriers frustrated individual case-making activities, the agents lapsed into homesickness.

Not only was each agency poorly suited to its particular role, but the agencies also failed to develop a comfortable working relationship. The interests of the agents in making cases created enormous anxiety among State Department officials.[24] Gunfights, embarrassment of foreign officials, and torture of American citizens peripherally involved in drug trafficking were all possible results of BNDD enforcement efforts.

Since these events threatened relations with the U.S., the State Department resisted expansion of BNDD's foreign program, and made strong efforts to keep the agents under tight control. Such efforts further frustrated already confused agents.

Thus, the international program rested on an uneasy partnership between two organizations that were unable to perform the most important functions of the international program. The diplomatic efforts threatened to become too low key, long run, and general. The enforcement efforts threatened to become too operational and specific.

B. The Enforcement Program

1. Requirements

The enforcement program was even more complicated. In general, the effectiveness of the program depended on the rate at which significant trafficking organizations could be effectively immobilized. A high rate of immobilization would insure large reductions in the rate at which drugs moved to illicit markets: major pieces of the production/distribution system would be eliminated; those that remained would be forced to behave cautiously and therefore inefficiently.[25] The high rate of immobilization, in turn, depended partly on effective investigations, partly on effective prosecutions, and partly on effective sentencing. Limited organizational capacities and inappropriate orientations were problems in each area.[26] However, in this analysis, I will concentrate on the requirements for effective investigations.

The process of making cases against major traffickers can be analyzed as a two-step process.[27] The first step is to "penetrate" existing trafficking organizations through the development of an informant within

the organization. While there are some informants who work voluntarily (or for money), the most common informants are defendant/informants.

Defendant/informants were produced by different organizations through a variety of enforcement tactics. BNDD produced defendant/informants through undercover operations. State and local police departments produced defendants through undercover operations, surveillance activities targeted against known "copping areas," and routine patrol operations. Customs and the Immigration and Naturalization Service produced defendants by patrolling borders, inspecting individuals at ports of entry, and inspecting cargo. In any given year, these organizations produce tens of thousands of narcotics defendants.[28]

Given a successful penetration, a case can be developed through different investigative tactics. The defendant/informant can facilitate surveillance by identifying individuals and locations, or by providing probable cause for the installation of wire-taps. A prolonged surveillance documented by photographs, tapes, and drug seizures can net a large fraction of a trafficking organization. The defendant/informant can facilitate undercover operations by vouching for undercover police in introductions to key traffickers. Finally, the defendant/informant can directly implicate others in trafficking organizations by testifying about their actions. If his testimony is corroborated by documentary evidence such as photographs, airline tickets, or hotel bills, a conspiracy indictment may be possible.

Note that conspiracy investigations are often the only way to proceeding against major traffickers. Since these traffickers avoid possessing or selling drugs, it is only the testimony of those who work for them that will convict them. Note also that conspiracy investiga-

tions are exacting and require different investigative skills and support systems than other kinds of cases. They require thorough debriefings of informants, good filing procedures to insure that related statements by different informants will be discovered, and careful searches through records of private organizations to corroborate the testimony of informants. This is painstaking work, accomplished over a longer period of time. Moreover, it is performed inside offices with paper and pencil. It is not at all like surveillance, or undercover operations.

Given this structure, it should be apparent that the overall effectiveness of the enforcement program depends on: (1) the total number of defendant/informants; (2) the skill with which the "leads" from the stock of informants are screened for developmental potential; and (3) the investigative techniques and skills employed in developing the case. Consequently, a successful enforcement program requires the various organizations to produce large numbers of defendants; to evaluate these informants in the context of a comprehensive intelligence system; to use the valuable informants in jurisdiction where their information has the greatest value; and to select tactics for developing cases from the full set of investigative techniques. If the program is constrained in terms of available information, jurisdiction, or investigative techniques, some fraction of the potential for development will be lost.

2. Capabilities

Unfortunately, several essential organizational capabilities for this program were lacking. The organizations <u>were</u> able to produce many defendant/informants: missing were all the capabilities required to insure the maximum development of the leads they could provide.

First, no national intelligence system existed to permit agents to evaluate the potential of informants. There was no single place where a large fraction of the available information was even reported and stored, much less effectively analyzed and disseminated. Much of the information was locked in the heads of individual agents. The nearest approximation to the required capabilities were automated information systems operated independently by Customs and BNDD (e.g., CADPIN and NADDIS). While these systems were accessible to a large fraction of the agents in the different organizations, they contained very little information. At most, names and modest identifying information for individuals arrested by the different organizations were included. Very little effort was made to improve the collection of information for these systems, and no analytic effort was made to link individuals in trafficking networks. Given the sparse information, these systems would fail to evaluate defendant/informants reliably. As a result, valuable time would be spent on relatively poor leads, and relatively good leads would be ignored.

Second, jurisdictional lines would not be easily crossed. In most police organizations, informants were treated as the exclusive property of the arresting official. This was necessary to insure sufficient incentives for developing informants. However, it usually also implied that informants could not easily be used in new jurisdictions. Indeed, informants could not even be moved within the jurisdiction of a single agency. Informants developed by the Brooklyn South Narcotics Division of the NYCPD would only rarely be used in Harlem. Informants developed by the BNDD office in Los Angeles would only occasionally be used by the BNDD office in New York City. Obviously, movements from the jurisdiction of one organization to another were even more difficult. Thus, since

informants were treated as the property of the arresting agent, and since the jurisdiction of the arresting agent was likely to be extremely limited (even if the jurisdiciton of his organization was not), it was unlikely that the informant would be used in areas where his value was maximized.

Third, the set of development tactics available to a given organization were tightly constrained. In fighting for jurisdiction over narcotics enforcement, the various enforcement organizations had come to specialize in particular investigative tactics and had elevated these tactics to "philosophies" of enforcement. Moreover, the specialized tactics required somewhat different skills of investigators and somewhat different levels of investment in support system.[29] For example, undercover operations required action oriented agents, and relatively little investment in technical equipment for surveillance, pursuit, or intelligence. Patrol operations required heavy investments in technical equipment for surveillance and pursuit, and agents who were able to maintain vigilance when nothing was happening. Conspiracy investigations required meticulous, thorough investigators and a relatively heavy investment in intelligence. Over time, agencies had adjusted their personnel systems and allocation of resources to be consistent with their specialized tactics, thereby further limiting their capabilities. Since the organizations came to specialize in particular enforcement tactics, and since there was little cooperation among the organizations, tactical choices in specific cases would be made without exploiting the full array of investigative possibilities. Unless it happened by accident that "leads" distributed themselves across investigative agencies in a way that was consistent with the limited capabilities of each organization, some development potential would be lost.

In sum, the enforcement program threatened to disintegrate into open warfare among the different organizations. At best, the organizations would avoid tripping over each other's cases. But even in this world of limited cooperation, the development potential of many cases would be lost due to limited intelligence systems, limited jurisdictions, and limited choices among investigative techniques. Moreover, the enforcement organizations seemed strongly committed to their current way of doing business: there were no apparent shifts in resources to develop intelligence systems; no shifts in personnel systems to select, train and evaluate agents in ways that developed a broader set of investigative skills; and no appreciation of the importance of liaison and representational functions to facilitate cooperation among the agencies. As in the case of the international program, the interests and capabilities of organizations in the enforcement program threatened a bad outcome: a world in which the substantial costs of large numbers of low level narcotics arrests would be absorbed without any of the benefits of the full development of the few cases that were made possible by the low level cases.

C. The Regulatory Program

1. Requirements

The program to control diversion from legitimate domestic production made the smallest demands on organizational capabilities. Indeed, the major constraint on the potential contribution of this program was not limited organizational capability, but rather the limited authority of the federal government over retail distributors of scheduled drugs. Within the limits of this authority, the performance of the regulatory program depended on only a few essential organizational capabilities: BNDD and FDA had to agree on scheduling and quota decisions; BNDD had

to maintain a well-targeted set of effective investigations to insure that legitimate manufacturers had incentives to comply with regulations; and BNDD had to do something to strengthen state capabilities to close off diversion at retail levels.

2. Capabilities

Unfortunately, even these modest organizational requirements were unlikely to be satisfied. First, FDA and BNDD bickered over both scheduling and quota decisions. FDA was suspicious of BNDD's scientific capabilities to gauge the abuse potential of drugs and estimate legitimate medical need. BNDD was suspicious of FDA's commitment to control abuseable drugs.[30] The bickering implied that new drugs were scheduled only after an epidemic of abuse had peaked, and quotas were set so loosely that neither production, inventories, nor prescriptions were restrained.[31]

Second, the program to control wholesale diversion was relatively weak within BNDD. Since the investigative procedures and personnel required to discover diversion were nothing like the swashbuckling undercover operations in which BNDD specialized, the regulatory program never received adequate support. Personnel in the regulatory program were distinguished from agents in their authority and compensation, but did not receive training or supervision tailored for their function. The procedures for targeting and monitoring investigations were not well defined. Thus, the program was small, relatively unfocused, and showed signs of low morale.

Third, there were only modest efforts to strengthen state regulatory agencies to work effectively on retail diversion. They were grudgingly supported by LEAA, and were always at risk of being eliminated to accommodate budget cuts. The funding uncertainty further diluted the impact of the program.

In sum, in 1972, chronic problems beset the supply reduction strategy. The White House was able to keep the program roughly on track, for both short-run operational objectives and longer run institutional development objectives, but only through an extraordinary level of intervention. By March 1973, the White House wanted to reduce its role, but did not want the supply reduction effort to disintegrate. It had to find some mechanism for resolving the problems of coordination and continued development of the necessary organizational capabilities. Their proposed mechanism was Reorganization Plan # 2.

## IV. The Rationale for Reorganization Plan #2

The basic idea of Reorganization Plan #2 was to solve problems of coordination and organizational development by a change in organizational structure. The specific proposal was the following:[32]

- An organization whose only objective would be to control the supply of drugs to illicit markets in the United States would be established in the Department of Justice (the Drug Enforcement Administration, or DEA).
- All federal, narcotics investigative functions would be transferred from BNDD, Customs, and ODALE to DEA.
- In addition, the functions of ONNI would be transferred to DEA.
- A special narcotics prosecution unit would be established within the Department of Justice and would be expected to develop close liasison with DEA.
- The regulatory and research functions of BNDD would also be transferred to DEA.

- The international program would continue under the policy direction of the CCINC, but DEA would be represented on all the major committees, and would chair committees on enforcement and training.
- DEA would be the "lead agency" for supply reduction efforts, and would be responsible for articulating a national enforcement strategy.

The basic logic behind this proposal was simple and powerful. Many of the coordination problems among federal enforcement agencies would be solved by putting them all in the same organization. Those that were not solved would be assisted by the designation of DEA as the "lead agency" for supply reduction efforts. A reduction in the number of federal enforcement organizations would facilitate coordination between the federal enforcement agencies and state and local enforcement organizations. Coordination between enforcement agencies and prosecutors could be strengthened by the creation of a specialized prosecution unit in Department of Justice with DEA.

Organizational development objectives would also be served. DEA would be accountable for the success of control efforts. This would spur the development of an effective intelligence system, and an effective regulatory program. Moreover, since DEA would inherit the different investigative styles of the diverse agencies, a broader set of investigative tactics would be available in making tactical decisions about the development of cases. Finally, DEA's strong interest in the success of supply reduction efforts, and its representation in CCINC, would insure strong pressure on the State Department. It looked like an attractive package.

The major signs of the success of DEA would be the following:

- DEA would design and articulate policies which would influence the behavior of the State Department, and state and local enforcement organizations.
- DEA would produce a large absolute number of high quality cases against major trafficking organizations.
- DEA would develop a professional intelligence capability reliably connected to major policy choices, and to operational and tactical choices by enforcement agents throughout the world.
- DEA would develop a small, but effective, program to control diversion at wholesale levels, and to mobilize state agencies, to control retail diversion.

## V. Problems with Reorganization Plan #2

Two years later, the optimistic predictions had not yet materialized.[33] The enforcement program continued to be hampered by inter-agency dissension, ineffective intelligence, limited investigative repertoires, and lackluster prosecutions. The international program had become less aggressive and less sharply focused. The regulatory program languished with poor policy direction, inadequate resources and low morale. Rumors that DEA would be dissolved combined with relatively unstable leadership to keep DEA not only from exercising any influence over the supply reduction activities of other agencies, but also from investing in their own capabilities. The supply reduction strategy was drifting, and the drug abuse problem was deteriorating despite the availability of sufficient knowledge and resources to cope with the situation.

The problem for this section is to identify the major factors that caused the implementation of Reorganization Plan #2 to fall short of its objectives. I should caution readers that this analysis cannot claim to be wholly objective. Having worked at a policy level within DEA, some of the failures are mine. This cannot help but influence my perceptions.[34]

A. A General Analysis

There is a fairly simple general analysis of DEA's problems. The effective implementation of a supply reduction strategy required rather substantial changes in the organizational capabilities that were combined to make DEA. There had to be a significant shift in resources to develop the intelligence program and the regulatory program. The diverse investigative styles had to be blended at the agent level, and reliably coordinated with intelligence activities. Capabilities to represent DEA's position and influence other organizations had to be created. Moreover, these changes could only be made if personnel within DEA developed a view of DEA's responsibility and mission that could accommodate these changes. If people clung to old styles and philosophies, nearly all these changes would be bitterly contested as wrong-headed efforts to destroy a fine organization that had done well in a limited, previous role.

It soon became apparent that the reorganization plan had provided little to DEA that would allow it to accomplish these substantial changes. The only thing provided to DEA was legislatively established authority over a larger fraction of the total resources necessary to implement a new supply reduction strategy. Few additional resources were provided. Virtually no personnel were changed. No new information systems were established. Moreover, while the grant of new authority

seemed like a significant new resources, several factors insured that the newly granted authority would be remarkably fragile.

One problem was that DEA inherited the management systems of BNDD. These were fairly weak in the essential areas of personnel, budget, information systems and performance monitoring. Weak management systems meant that the administrator of DEA would find it difficult to shift personnel, to mount new training programs, to selectively use budget increments, or to provide suitable incentives for field managers. He lacked the organizational mechanisms that would allow his legislatively established authority to be translated into effective control over the 4,000 employees of the new organization.

A second problem was that the structure of DEA's headquarters staff was shattered by the need to absorb high level personnel from the diverse predecessor organizations. To accommodate these individuals, many new organizational units were created at Headquarters. This had three important effects on policy making within the agency. First, since responsibility for programs was now both diluted and confused, the process of consultation about proposed changes became exceedingly difficult. Many had to be consulted, but exactly which individuals were necessary for the change in policy and which could claim a right to be consulted were both uncertain. Second, since responsibilities had been significantly diluted, the managers had very great stakes in every policy decision. The tiny pieces of authority that remained to them had to be zealously guarded. Third, since each of the managers at Headquarters was seen as a "representative" of some faction that had been folded into the new organization each manager had a "constituency" of previous

acquaintances scattered throughout the organization. Thus, slights to key individuals were taken as indications of which faction at headquarters was becoming dominant. In this world, even minor matters of policy and procedures could have become general political battles among the headquarters personnel and their constituents. Thus, given the large number of problems in the headquarters structure, and the large political stakes in the existing structure, it was extremely difficult to improve the delegation of authority and responsibility.

Third, DEA had powerful external enemies and little support from higher levels in the executive branch. The organizations that had lost authority and resources as a result of Re-Organization Plan #2 made no secret of their anger. They supported newspaper and congressional attacks on DEA. Over time, DEA's failure to make the necessary internal changes made it more vulnerable to outside attack. As the outside attacks became stronger, people inside the organization began to hedge their bets--seeking alliances with many of the factions that might end up being powerful in a new organization, and refusing to commit themselves to positions which made them vulnerable. As a result, a vicious circle was created: limited central authority grew still weaker as people stopped seeking the rewards and protection that a powerful, central authority could provide. This dynamic could have been interrupted by powerful support for DEA from higher levels, but instability in the leadership at both the Department of Justice and the White House meant that the necessary support was not forthcoming.

In short, to succeed, DEA had to make fundamental changes in the style of its operation. It had very little time and very few resources to make the necessary changes. The responsibilities were all too real,

control efforts. Cooperation deteriorated badly as Customs mounted public attacks against DEA. Numerous efforts by the Department of Justice, Office of Management and Budget, and the Domestic Council failed to resolve the dispute.[36]

With respect to state and local police, DEA continued the former ODALE policy of operating joint task forces with state and local police, and the former BNDD policy of providing training. Both policies were designed to strengthen both the independent enforcement capabilities of state and local units and their willingness to cooperate with DEA. However, DEA quickly encountered difficulties in coordinating their state and local program with the Law Enforcement Assistance Administration (LEAA). LEAA funded the Task Force program from research funds which required no matching contribution from state and local police. The arrangement was set up under intense pressure from the White House. Soon after DEA was created, the arrangement began to erode badly. LEAA wanted to cut the program and shift it to funding that required matching contributions. Intervention by the Department of Justice prevented large reductions in the program, but could not prevent a continuing erosion.[37] State and local agencies, buffeted by the uncertainty about funding, drifted away. LEAA could also have funded participation by state and local officials in DEA training programs but did not do so. Finally, through its block grant program, LEAA was funding state and local narcotics enforcement efforts to a level where they were no longer dependent on (or even usefully assisted by) federal capabilities. Thus, the bonds that tied state and local officials to DEA were becoming unravelled -- at least at the level of national policy.[38]

and the apparent authority all too ethereal for DEA to succeed. To see how this general analysis applies to specific areas, it is worth looking at the fate of several specific programs within DEA.

B. The Fate of the Enforcement Program

As indicated previously, the success of the enforcement program depends on: (1) close cooperation with federal border control agencies and state and local police to insure a large number of "penetrations"; (2) a capability to evaluate the potential value of "penetrations" in the context of a comprehensive intelligence system and a broad jurisdiction; and (3) a full set of investigative skills and tactics to use in developing cases. There was little development in any of these areas.

1. Cooperation with Other Enforcement Organizations

In general, cooperation with other enforcement organizations did not improve and may have deteriorated. The major explanation was the failure of high level leadership within and above DEA to encourage cooperation.

While some of the Customs' resources had been transferred to DEA, approximately 2,000 Customs Patrol Officers and 4,000 Customs Inspectors remained to patrol the borders. These men were potentially valuable to supply reduction efforts.[35] However, Customs, angered by the loss of functions and personnel, was hostile to DEA. DEA, now being advised by former Customs officials to view Customs objectives as implacably hostile, decided to make an aggressive effort to monopolize narcotics enforcement: the door would not be opened even a crack to let Customs assist in narcotics

2. Screening Leads and Exploiting a Large Jurisdiction

The capacity to evaluate and use defendant/informants in the context of an international intelligence system and jurisdiction was also limited. The problems with the intelligence system will be analyzed below. These problems had a significant impact on the quality of the enforcement program.

But DEA also had difficulty in effectively exploiting its wide jurisdiction. A major obstacle to exploiting DEA's wide jurisdiction was the difficulty of creating incentives for inter-regional cooperation on cases. The performance monitoring systems operating within DEA gave credit to regions for cases the culminated with arrests in their region. If the case culminated in another region, it became that region's case. No production was recorded for the originating region. In addition, the funding arrangements for cases involving several regions usually required the sending region to absorb the operational costs incurred (e.g., travel, payments to informants, etc.). Thus, if a region sent a case and some investigators to another region, it paid all the costs and received no benefits.[39] It was not surprising that cases rarely moved from one region to another.

BNDD had handled the problem of inter-regional cases by developing a set of strong "desks" in headquarters to monitor cases in the field. Since this system often required relatively low-level personnel without intimate knowledge of the current situation in the field to make tactical decisions over-riding those of Regional Directors, the Regional Directors resented the system. Since the Regional Directors were considered an absolutely key constituency in DEA's internal political struggle, the desk system was significantly weakened by an announced policy of

"decentralization." Thus, a capability that could have compensated for a badly designed information and administrative system was abandoned partly for internal political reasons.

3. Exploiting the Full Set of Investigative Procedures

The problems encountered in seeking to develop a full set of investigative capabilities were the most difficult and disappointing. Some diversity in investigative skills had been created by blending the personnel of different organizations. However, these diverse skills were lodged in an organization that had a specific personnel system and a specific set of supporting capabilities (e.g., intelligence and technical equipment). Whether the new skills would survive and be effectively employed depended on whether the personnel and support systems within DEA could be adjusted to nourish them, or would continue in a style that would extinguish them. Unfortunately, both systems continued to operate in ways that limited rather than enlarged the existing set of investigative skills.

Three key components of DEA's personnel system frustrated efforts to sustain diverse investigative skills. The first problem was that the most important supervisory positions within DEA -- the position of "group supervisor" -- were occupied by a set of individuals whose management skills were relatively weak, and whose orientation was fairly narrow. This position was important because the group supervisors were the only people close enough to investigative activity of the agents to influence their style. They decided which leads to pursue, influenced tactical choices about the development of the case, and filed formal evaluation reports on agents.

The limited capabilities and orientation of the people in the positions had developed as a result of several different factors. In 1971, BNDD had doubled in size. To accommodate the increase, BNDD had to decide either to let the span of control of experienced group supervisors increase beyond the current level of 10 agents per supervisor, or to promote large numbers of agents to the position of group supervisor. Because BNDD chose the second alternative, DEA began with a set of group supervisors that were relatively weak -- partly as a result of relative inexperience, and partly because a larger fraction of the cohorts who entered BNDD in 1966-68 were promoted to group supervisor. Moreover, these group supervisors were coming out of a system that had socialized them to the undercover style of BNDD. In the 1960s, nearly all supervisors within BNDD had insisted that entering agents work undercover as a test of coverage and dependability. Since the experience of undercover work was both harrowing and compelling, those who were successful became as zealous as their bosses about the importance of the technique. The net result of these factors was to leave DEA in a position where the people who would exert the strongest influence on the investigative style of the agency were strongly committed to a single style.

The second problem in the personnel system was the formal evaluation system. Agent evaluation forms were filled out frequently -- monthly at the start of DEA, quarterly currently. The evaluation forms highlighted the development of informants and undercover operations. An agent working on an elaborate conspiracy case had to tolerate months of "zeros" in the areas of undercover operations and informants. Moreover, he risked having nothing to show for his efforts if, at the end, a key witness refused to testify, or an incompetent prosecutor refused to take the case. Consequently, an agent had to take a sizeable personal risk to develop a major conspiracy case.

The third major problem with the personnel system was that to influence the quality of supervision or the character of the evaluation system, there had to be an effective personnel planning and operating staff within DEA. Unfortunately, the Office of Personnel had long been a serious weakness in DEA and its predecessor organizations. It was weak in both policy planning and operations. It was under constant attack by the Civil Service Commission. Badly organized, with low morale, the Office of Personnel could do little to help the situation.

Even if DEA had succeeded in re-orienting the personnel system to support sophisticated investigations, problems with the necessary support systems might have kept DEA from dramatic improvements in the quality of the investigations. Complicated conspiracy cases depended crucially on intelligence operations to insure that all relevant information was brought to bear on the development of the case, and on technical support operations to insure that unfolding events were documented for evidentiary purposes through photographs, recordings and effective surveillance. Unfortunately, both support programs failed to develop. Problems with the intelligence program will be discussed extensively below. As a prelude to that analysis, and to complete the analysis of DEA's failure to develop sophisticated investigative capabilities, it is useful to present a quick summary of why the technical support program failed.

The basic facts that doomed the technical operations program were the following. DEA agents thought they could do the technical job effectively without assistance from specialists. Moreover, the agents were reluctant to surrender their control over tactical decisions or have their preformance observed by a different professional group. As a result, the agents resisted shifts of resources to technical operations and failed to use

technicians when they were available. The result was a very small technical support program. And even the small technical support program that was created was ineffective because the agents managed to dominate the key supervisory positions.

Thus, a failure to invest in appropriate supporting capabilities, and a failure to develop effective supervision and personnel systems meant that only a limited set of investigative skills would flourish in DEA.

C. The Fate of the Intelligence Program

One of the DEA's major responsibilities was to develop a national narcotics intelligence system. This program was critical to their success. Without an effective strategic intelligence program, DEA's capabilities to articulate an influential national enforcement strategy would be weak. Without an effective operational intelligence program, DEA's ability to make cases against major traffickers would be limited.

It was apparent from the beginning that the development of intelligence would be a difficult problem in DEA. The reason is simply that the functions of intelligence analysts are almost wholly included in the functions of agents. As a result, intelligence analysts threaten to embarrass agents, to control the development of cases, and to steal credit for successful cases. Moreover, the analysts threaten to achieve this influence from behind desks on 9 - 5 jobs. Since agents think they do at least as well as analysts in checking files and discovering relationships among cases, and work harder and take more risks than analysts, most agents think of intelligence analysts as superfluous. Consequently, in an organization dominated by enforcement agents, intelligence functions will be given few resources and little influence.

This situation created a significant problem for the design of DEA. It was clear that a significant investment in the development of an intelligence profession would be necessary. The importance of the function argued for a separate, high level Office of Intelligence that would compete for resources, enhance the status and morale of intelligence personnel, and take responsibilities for the long run development of the program. On the other hand, much of the benefits of intelligence would accrue only if operational intelligence was used by agents in making cases. This argued for making every effort to coordinate operational and tactical intelligence with enforcement operations. The best organizational structure for insuring coordination would be to place intelligence under the control of enforcement. At the time DEA was established, it was decided to establish a separate Office of Intelligence; the architects were willing to pay a price in terms of poor coordination to insure an adequate investment in the profession. Moreover, they thought they could avoid paying the price in terms of poor coordination by selecting an experienced and revered enforcement man to head the Office of Intelligence.

Two years later, it was clear that a price had been paid in terms of poor coordination: not only did the intelligence program fail to be routinely used by the agents, it actively competed with the agents. Moreover, virtually no investment had been made in the profession of intelligence. The intelligence program consumed about the same portion of DEA's resources as it always had. There were no procedures governing such fundamental intelligence activities as filing, production, quality control, dissemination or feedback. There were no specialized procedures for recruiting, training and evaluating intelligence analysts. And there was no career ladder for analysts to motivate high-quality analytic work and insure effective supervision. NADDIS continued to be DEA's most important intelligence system.

Several factors contributed to this result. First, to expand as a share of DEA's total budget, intelligence would have had to receive very large shares of new budget increments, or would have had to take over some personnel slots freed up by attrition. The control of decisions affecting these resources was so weak and so hedged about by internal political problems that it was very difficult to divert a large share of these flexible resources to intelligence. All moves to expand intelligence were either successfully opposed by the enforcement side of the organization at the policy level, or subverted during implementation due to poor information systems, and some inattentiveness on the part of intelligence program managers.

Second, key supervisory positions in the intelligence program were given to enforcement personnel. The reason was that there were no other positions at suitable grades to absorb these individuals. These supervisors were fairly weak in general management skills. And they did not devote the necessary time to the design of operating procedures and to personnel systems. They were weaker still in the specialized skills required by intelligence programs. They had little appreciation or interest in designing accessible filing systems and defining standards for specific intelligence products. They understood how to make cases and wanted to continue making cases. Their orientation guaranteed that there would be little investment in the profession of intelligence and significant competition with enforcement activities.

Third, the specific personnel at the working levels of intelligence operations were inherited from other organizations which had largely failed (e.g., ONNI and BNDD's Office of Strategic Intelligence). They were not strong enough to develop an intelligence program despite ineffective supervision. Consequently, they continued to be mediocre.

Finally, what few resources became available for new personnel in intelligence were not used to develop the intelligence profession. They were used partly to recruit former CIA operatives to assume covert, nearly operational managers of Intelligence, and partly to create positions for upward mobility from clerical jobs within DEA to satisfy pressure from EEO and the Civil Service Commission. Thus, even the small amount of slack that became available to develop intelligences was not used to build up the basic analytic requirements which were essential to the success of intelligence, but were diverted to other purposes.

Thus two years after DEA was established, there was a largely ineffective intelligence program that competed with rather than supported DEA's enforcement program.

D. The Fate of the Regulatory program

The fate of the regulatory program resembles the fates of both the intelligence program and the technical operations program. Agents regard the function as unessential to the mission of DEA, and guaranteed that few resources would be allocated to the program. Agents occupied key supervisory positions in the program and performed badly in these roles. Weak support systems (personnel and automated data processing) made it impossible to strengthen and redirect the program. The program continued to stagger along with a bad reputation and low morale.

Very similar analyses can be presented to explain DEA failures to develop an international program, or a strong policy planning capabilities. Consequently, the general analysis of DEA's problems remain sound:

- All that Re-Organization Plan #2 did was to provide DEA with authority over a larger fraction of the resources necessary to mount an effective supply reduction strategy.

- This authority proved remarkably fragile as a result of (1) weak administrative systems (e.g., budget, personnel, information); (2) a poorly designed headquarters structure and intense internal political conflicts; and (3) powerful external enemies and competitors who were not effectively restrained by higher level attention.

- As the authority looked increasingly fragile, it became increasingly fragile.

- DEA was unable to develop its own internal programs or influence the conduct of other necessary organizations.

## VI. Summary and Conclusions

What do these observations suggest about the future of the supply reduction strategy in particular, and the problem of public management in general? I would offer the following conclusions.

With respect to the future of the supply reduction strategy, a great deal remains to be accomplished. DEA has only limited capabilities in each of the major program areas. It fails to be influential within the State Department and the various country teams. It fails to exploit the full potential of "leads" available within DEA, to say nothing of the much larger number of "leads" available outside DEA. It fails to mobilize state and local agencies to control domestic, retail diversion. And it fails to attract the confidence of outside constituenceis and agencies that it needs to perform its "lead" role adequately.

The keys to DEA's future development are simple to describe even if difficult to manage. First, the leadership within DEA all the way to mid-management levels must come to understand the broad mission of the organization, and the varied set of programs it needs to accomplish the

objectives. Second, the internal structure and personnel systems of the organization must be designed to promote the development of several new "professions" within DEA. Intelligence analysts, compliance investigators, technical operations people, policy planners, and investigators who like conspiracy investigations must be made to feel comfortable in an agency that will continue to be dominated by undercover enforcement agents. Third, authority should flow to regional directors to manage the full range of programs in their areas, but they should be accountable to headquarters through reliable information about their performance in all the program areas of DEA. Given that all the factors which made these things difficult in the period 1973-1975 continue, it is obvious that successful development will be difficult. Competent, stable management at the top four levels of the organization must be the source of energy and momentum for the development.

With respect to the more general question of public management and the successful implementation of government programs, I would propose the following "lessons." First, it is apparent that changes in organizational structure were not enough to achieve the complicated results envisioned by the architects of the Re-Organization Plan #2. To be successful, one had to dig much deeper into the stuff of the organization. One had to be able to shift resources on a larger scale, to design new procedures, and, most importantly, to be able to shift and influence personnel at all levels. The problem was to equip the new organization with these rudimentary tools of management. Without them, it would be impossible to broaden and strengthen DEA's capabilities. The only effect of Re-Organization Plan #2 would be to increase DEA's responsibility and insure its failure.

Second, it is likely that two years is too little time to give in expecting such a complicated organizational result to occur. Thousands of individuals have to be encouraged to relinquish behavior, attitudes and images of themselves that have become comfortable and tightly integrated into their daily life. Many details of procedures and information systems must be worked out. Tens of key supervisors must be evaluated to gauge their motivation, capability and breadth. From one's own life it is clear that the pace of individual learning is slow. By implication, the pace of organizational learning in a world of conflicting objectives, ambiguous language, and personal idiosyncracy must be glacial.

Third, we probably expect too much of public managers. It is possible that no organization could do all the things that were expected of DEA. Consequently, what appears to be a failure may not in fact be a failure. It is a failure only in the light of unreasonable expectations.

Note, however, that there are real costs of having unreasonable expectations beyond the illusory cost of always "failing" in the light of unreasonable expectations. One real cost is that managers must be afraid that disaffected employees will embarrass them by revealing apparent failures. They dare not evaluate their performance candidly for fear that a good performance will appear hopelessly inadequate in the face of unreasonable expectations. Thus, unreasonable expectations force administrators into positions where they are hostages to their subordinates, and unable to obtain and use accurate information about performance.

A second real cost is that managers spend a great deal of their time presenting and protecting the image of extraordinary success. They

worry about managing relations with newspapers and Congress when the public interest would be better served by worrying about the design of a new personnel procedure.

These observations suggest that there will continue to be serious problems in the implementation of government policy. We want and expect the government to achieve large and complicated outcomes. We wildly underestimate how long it takes for an organization to develop significant new capabilities. The mechanisms we have for evaluating an organization's performance (primarily the press and Congress) demand high levels of performance, and prosper on the indignation "justified" by inadequate performance. To avoid failure, our public managers move in and out of jobs quickly, carefully manage press and congressional relations, and ignore the meticulous, long-run nurturing of an organization. Given this situation, it should not be surprising that the government is long on promises and short on performance: one could hardly design a system more nearly perfect for encouraging this result.

FOOTNOTES

1. This analysis of the spread of heroin use is based on several different indicators: reported rates of serum hepatitus; users in treatment queried about the year in which they first used heroin; and emergency-room visits by drug users. For a slightly more detailed account of the shape of the national epidemic, see Robert L. DuPont, "Testimony Before the Permanent Subcommittee on Investigations of the Committee on Government Operations," June 9, 1975. For a detailed analysis of the reliability and validity of the indicators, see Lee P. Minichiello, "Indicators of Intravenous Drug Use in the United States: 1966-1973," Institute for Defense Analysis Paper, March 1975, p. 1068.

2. Mark H. Greene et al., "An Assessment of the Diffusion of Heroin Abuse to Medium-Sized American Cities," Special Action Office Monograph: Series A, No. 5, October 1974.

3. These basic tenets are most apparent in Domestic Council Task Force on Drug Abuse, White Paper on Drug Abuse, September 1975. However, they can be seen to be emerging throughout the series of "strategy" documents prepared by the Spection Action Office for Drug Abuse Prevention: The Strategy Council, Federal Strategy for Drug Abuse and Drug Traffic Prevention, 1973, 1974, 1975. The themes were also heavily influenced by the second report of the National Commission on Marihuana and Drug Abuse: Drug Use in America: Problem in Perspective.

4. Edward J. Epstein has suggested that these staffs concentrated on the demonstration of progress rates rather than the actual achievement of progress. See Edward J. Epstein, "The Krogh File--The Politics of 'Law and Order'," The Public Interest No. 39, Spring 1975, pp. 99-124.

5. Public Law 92-255, "Drug Abuse Office and Treatment Act."

6. The budget history of BNDD over the relevant period are presented below:

| | FY 69 N.O.A. (millions) | FY 70 N.O.A. (millions) | FY 71 N.O.A. (millions) | FY 72 N.O.A. (millions) | FY 73 N.O.A. (millions) |
|---|---|---|---|---|---|
| BNDD | 7.6 | 23.7 | 34.4. | 54.9 | 71.8 |
| Customs | 98.2 | 107.6 | 137.1 | 166.3 | 203.4 |

Source: Appendix: The Budget of the United States Government, 1969, 1970, 1971, 1972, 1973.

For an account of the "lashing," see Edward J. Epstein, "The Krogh File," op. cit.

7. In September 1971, President Nixon created the Cabinet Committee on International Narcotic Control under the chairmanship of Secretary of State, William P. Rogers. Other members were the Secretaries of Defense, Agriculture and Treasury; the Attorney General; the Director of the C.I.A., and the U.S. Ambassador to the U.N. "Drug Abuse Prevention Program: Briefing Book," Office of Drug Management, Office of Management and Budget, September 1972, p. 6.

8. "Drug Abuse Prevention Program: Briefing Book," Office of Drug Management, Office of Management and Budget, September 1972, pp. 24-26.

9. Strategy Council, Federal Strategy for Drug Abuse and Drug Traffic Prevention, Washington, D.C., March 1973, p. 82.

10. "Nixon Announces Turkish Opium Ban," New York Times, July 1, 1971, p. 1, column 1.

11. See, for example, "French Police Disclose Break-Up of International Narcotics Ring," New York Times, January 17, 1972, p. 32, column 4; or "French Customs Agents Discover 1/2 Ton of Pure Heroin," New York Times, March 3, 1972, p. 1, column 6; or "Two Sentenced in French Drug Case," New York Times, June 20, 197 , p. 43, column 1.

12. Robert L. DuPont and Mark H. Greene, "Monitoring a Heroin Addiction Epidemic--The Decline of Heroin Abuse in Washington, D.C.," Science 181 : 716-722, 1973.

13. New York Times, March 29, 1973, p. 26, column 3. See also "Reorganization Plan No. 2 of 1973: Drug Enforcement Administration," Hearings Before the Subcommittee on Legislation and Military Operations of the U.S. House of Representatives, 93rd Congress 1st Session, April 4 and May 3, 1973.

14. The validity of these assumptions is uncertain. For small amounts of evidence supporting the assumptions, see Domestic Council Drug Abuse Task Force, White Paper on Drug Abuse, September 1973, pp. 2-3.

15. The idea here is that we may care about relative price differentials as well as absolute levels of price. Hence, if offered a choice between a 20% increase in the price of both heroin and marijuana, and a 20% increase in the price of heroin and a 5% change in the price of marijuana, we might prefer the latter policy because it opens an important relative price differential.

16. For a more detaild analysis of the priority drugs and the central problems they present, see Mark H. Moore, "Limiting Supplies of Drugs to Illicit Markets."

17. The Domestic Council Drug Abuse Task Force, White Paper op. cit., pp. 29-34.

18. In addition, there is a science and technology program. Its purpose is partly to develop technical devices which will assist the other programs; partly to support and equip operating units with currently available equipment; and partly to do "systems analysis" of various supply reduction missions. Because this program is relatively small and the analysis is already too long, I have excluded any detailed analysis of this program. There is a brief mention of one part of this program -- support to enforcement operations -- in the analysis of the enforcement program following Re-Organization Plan #2.

19. Graham T. Allison, Essence of Decision: Conceptual Models and the Urban Missile Crisis (Boston: Little, Brown and Co., 1971), pp. 67-100.

20. John P. Coccine, Governmental Problem Solving: A Computer Simulation of Municipal Budgeting, New York, 1969.

21. Herbert Kaufman, The Forest Ranger, A Study in Administrative Behavior, Baltimore: John Hopkins Press, 1960.

22. Donald P. Warwick, A Theory of Public Bureaucracy: Politics, Personality, and Organization in the State Department, Cambridge, Mass.: Harvard University Press, 1975.

23. When the Cabinet Committee on International Narcotics Control was established, a new position was also created within the State Department. The title was Special Ambassador for Naroctics Matters (S/NM). Along with the heads of BNDD, Customs and SAODAP, the S/NM was the man primarily responsible for U.S. drug policy. BNDD had access to S/NM not only through its director, but also through a series of staff level committees operating under the CCINC.

24. See Donald C. Johnson, "The DEA Abroad -- A Real Bust," unpublished manuscript for a Foreign Service Officer's account of the problems created by having DEA agents overseas.

25. It is important to see that enforcement efforts have both direct and indirect effects. The direct effects are seized drugs and arrested traffickers. The indirect effects are the incentives to behave cautiously created by the threat of arrest. Since "cautious" behavior implies inefficient behavior, the incentives to behave cautiously constrain the flow of drugs. Indeed, it is likely that the indirect effects are more important than the direct effects in constraining supplies. See, Mark H. Moore, Buy and Bust: The Effective Regulation of an Illicit Market in Heroin (Lexington, Mass.: Lexington Books, 1976), Chapter 1.

26. For problems with prosecution and sentencing, see Domestic Council, White Paper, pp. 41-44.

27. For an elaborate analysis of the "technology of case production," see Mark H. Moore, Buy and Bust, Chapter 3.

28. "Drug Enforcement Statistical Report," Drug Enforcement Administration, U.S. Department of Justice, December 1975.

29. For a more detailed analysis of the input requirements for specific enforcement strategies and tactics, see Mark H. Moore, Buy and Bust, Table 3-2.

30. Personal communication with BNDD personnel involved in negotiations with FDA. For average time required to schedule a drug, see "Performance Measurement System," Drug Enforcement Administration, December 1974.

31. Personal communication with personnel in BNDD and FDA who were responsible for setting quotas.

32. "Reorganization Plan #2 of 1973:" Drug Enforcement Administration," Op. Cit.

33. These observations were accurate as of Spring 1975. Since then, the situation may have improved significantly.

34. From January 1974 - June 1974, I was a Special Assistant to the Administrator and Chief Planning Officer of DEA. Much of the information presented in this article is based on my observations while employed at DEA.

35. The value of these patrol forces was based on four separate functions. First, they produced some important direct effects in the form of arrests and seizures. Second, they created a significant threat which discouraged some drug dealers entirely, and forced others to invest in strategies to prevent arrest. The common defensive strategies reduced the efficiency of the distribution networks, and made them more vulnerable to penetrations launched by other enforcement agencies. Third, they provided "leads" which were potentially valuable in more extensive investigations. Fourth, they permitted a check on the comprehensiveness of the intelligence systems of investigative agencies.

36. See "Law Enforcement on the Southwest Border" Hearings Before a Sub-Committee on Government Operations, House of Representatives 93rd Congress, Second Session, July 10, 11, 16 and August 14

37. I was personally involved in these negotiations.

38. It is possible that the more important bonds were among field personnel of DEA and local police. At Headquarters, little was known of these relationships, and nothing except for exhortation was being used to strengthen them.

39. There was a small fund of money controlled by DEA headquarters to be spent on intra-regional areas. The problem was that some regions were reluctant to risk headquarters' control of the case and consequently did not ask for the money, while other regions asked for the money even for trivial cases. Since headquarters lacked important information about the cases being developed, it was difficult to spend the small amount of money wisely.