

STATEMENT OF
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BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE
AND RELATED AGENCIES

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Good morning Chairman Culberson, Ranking Member Honda, and other distinguished Members of the Subcommittee. I am honored to appear before you today to discuss the President's Fiscal Year (FY) 2017 Budget for the Drug Enforcement Administration (DEA), a globally recognized organization of more than 9,000 employees. The men and women of the DEA embody courage, integrity, compassion, service and diversity in the pursuit of our vital mission to disrupt and dismantle violent and dangerous drug trafficking organizations that prey on our communities and our citizens. As we strive to improve how we do business, we are reviewing how we best allocate our resources, how we develop and evaluate our leaders and how we better prepare DEA for the challenges that are ahead.

Drug overdoses are now the leading cause of injury-related deaths in the United States, eclipsing deaths from motor vehicle crashes and firearms by about 50%.¹ There were more than 47,000 overdose deaths in 2014, or approximately 129 per day. More than half of those deaths (61%) involved either a prescription opioid or heroin.² We also see the effects of synthetic drugs, which pose a significant danger to our youth who are unaware of their deadly consequences. These drugs, along with cocaine, methamphetamine, and others, pose a constant threat to our communities and to the health and welfare of our citizens.

At DEA, we are committed to wisely using taxpayer resources to battle this crisis, constantly taking stock of our international and domestic efforts and how we can improve our tactics and programs to better serve our citizens. Every day DEA works to counter the threat to the United States posed by drug cartels in Mexico; sources of supply in South America; drug financiers and facilitators in Europe; transshipment and distribution coordinators based in West Africa; insurgency groups operating in Southwest Asia; non-controlled synthetic designer drugs (K2 and Spice type drugs); and domestic distribution cells operating in cities across the U.S. Regardless of the source of the threat, DEA is the

¹ Centers for Disease Control and Prevention, Web-based Injury Statistics Query and Reporting System (WISQARS) [online], (2014), *available at*: <http://www.cdc.gov/injury/wisqars/fatal.html>.

² Rose A. Rudd, Noah Aleshire, Jon E. Zibbell, R. Matthew Gladden. Increases in Drug and Opioid Overdose Deaths – United States, 2000-2014 Morbidity and Mortality Weekly Report, 2016; 64:1378-1382.

federal law enforcement leader in combating complex, sophisticated, and violent drug trafficking and transnational criminal organizations worldwide.

We target the most significant drug trafficking threats, including international cartels and the domestic drug distribution networks that poison our communities. Domestically, we focus on the most significant distribution networks, including violent gangs with direct connections to drug cartels that funnel illegal drugs across our borders. We work closely with our state and local law enforcement partners through DEA Task Forces and share real-time intelligence about particular drug threats that face our communities.

We saw several successes against Consolidated Priority Organization Targets (CPOTs) last year, including the recent guilty plea in federal court by Edgar Valdez Villareal (aka La Barbie) – a high-ranking member of the Sinaloa and Beltran-Leyva cartels to charges that he conspired to import and distribute cocaine into the United States and launder drug money from the United States into Mexico. Furthermore, Mexico's recent recapture and arrest of Joaquin "El Chapo" Guzman Loera, the leader of the violent Sinaloa Cartel, underscores our shared fight with Mexican officials against drug trafficking and violence.

Mexican Transnational Criminal Organizations (TCOs) remain the greatest criminal drug threat to the United States. These poly-drug organizations traffic heroin, fentanyl, methamphetamine, cocaine, and marijuana throughout the United States, using established transportation routes and distribution networks. They control drug trafficking across the Southwest Border (SWB) and are expanding their share of illicit drug markets, particularly heroin markets. Heroin seizures at the SWB more than doubled from 2010 to 2015, from 1,016 kilograms to 2,524 kilograms.³

Mexican TCOs exploit a user population struggling with the disease of addiction. In 2014, more than 4.3 million Americans age 12 or older reported using prescription pain relievers non-medically within the past month.⁴ Furthermore, the non-medical abuse of prescription opioids has contributed to the increasing demand for heroin. While the vast majority of nonmedical opioid controlled prescription drug (CPD) users do not go on to use heroin, law enforcement agencies across the country have been specifically reporting an increase in heroin use by those who began using opioids non-medically.⁵

We are increasingly alarmed over the sale of fentanyl-laced heroin, as well as, fentanyl and its analogues sold alone as a substitute for heroin, all of which pose significant overdose risks to users. This drug, which can be absorbed through the skin or inhaled, makes it particularly dangerous for law enforcement, public safety, and health care personnel who encounter it. Due to the dangerous nature of illicit fentanyl and fentanyl

³ U.S. Department of Justice, Drug Enforcement Administration, El Paso Intelligence Center, National Seizure System Reporting, *accessed on* January 20, 2016.

⁴ Center for Behavioral Health Statistics and Quality. (2015). Behavioral health trends in the United States: Results from the 2014 National Survey on Drug Use and Health (HHS Publication No. SMA 15-4927, NSDUH Series H-50). Retrieved from <http://www.samhsa.gov/data/>

⁵ U.S. Department of Justice, Drug Enforcement Administration, 2015 National Heroin Threat Assessment Summary, DEA Intelligence Report, April 2015, available at: http://www.dea.gov/divisions/hq/2015/hq052215_National_Heroin_Threat_Assessment_Summary.pdf.

analogues, DEA has taken actions to ensure public safety, including the issuance of a nationwide alert to U.S. law enforcement officials about the dangers of this drug. In addition, in July 2015, DEA used its emergency scheduling authority to place acetyl fentanyl in Schedule I of the Controlled Substances Act (CSA).

However, law enforcement action alone cannot address the increase in heroin and prescription drug abuse. Through DEA's new 360 Strategy, we are working with Diversion Control and Community Outreach professionals to battle the heroin and opioid pill crisis. Through our Diversion Control Program, we strive to control prescription drug abuse through compliance and regulatory actions and the deployment of Tactical Diversion Squads (TDS) aimed at using the administrative and criminal process to stop prescribers who operate outside of the law. Our Diversion professionals also engage drug manufacturers, wholesalers, practitioners, and pharmacists to increase awareness of the opioid epidemic and encourage responsible prescribing practices. Finally, our Community Outreach efforts involve collaborating with local organizations following enforcement operations to equip and empower communities to fight the epidemic and to address the demand side of the drug problem.

FY 2017 BUDGET REQUEST

The FY 2017 President's Budget request will provide DEA with the resources needed to build upon our success and to continue to address the scourge of heroin and controlled prescription drug abuse. The budget requests \$2.103 billion for the DEA's Salaries and Expenses Account, an increase of 1 percent over FY 2016. In addition, the Budget requests \$382.7 million for the Diversion Control Fee Account (DCFA), including \$8.9 million to expand the Diversion Control Program's regulatory and enforcement efforts.

Enhanced funding will support the following DEA efforts:

HEROIN ENFORCEMENT

DEA plays an important part in the U.S. government's drug control strategy that includes enforcement, treatment, and prevention. While there are complex issues affecting spikes in heroin use and overdoses, including prescription drug abuse, the same significant poly-drug trafficking organizations responsible for other illicit drug threats are also responsible for the vast majority of the heroin supply. Additionally, drug trafficking has a proven linkage to gangs and other violent criminal organizations. Funding includes \$12.5 million and 42 positions, including 32 special agents, to create new enforcement groups in DEA domestic field divisions. This is particularly important given the fact that over the last five years, DEA has experienced a net reduction in total onboard special agents.

DIVERSION CONTROL ENHANCEMENTS

The 2015 National Drug Threat Assessment (NDTA) states the threat from CPD abuse is persistent and deaths involving CPDs outnumber those involving heroin and cocaine combined. The economic cost of nonmedical use of prescription opioids alone in the

United States totals more than \$53 billion annually.⁶ TCOs, street gangs, and other criminal groups, seeing the enormous profit potential in CPD diversion, have become increasingly involved in transporting and distributing CPDs. This enhancement provides \$8.9 million and 55 positions, including 28 diversion investigators and 10 special agents, to conduct regulatory investigations and to identify, target, disrupt, and dismantle the individuals and organizations responsible for the distribution of pharmaceutical controlled substances in violation of the CSA.

CYBER SECURITY AND INSIDER THREAT ENHANCEMENTS

Protecting Information Technology (IT) systems and data is essential. Ensuring availability of critical infrastructures requires comprehensive planning, investment in resources, and the ability to respond to cyber incidents with appropriate remediation actions in a timely manner.

Insider threats exist for all organizations. U.S. Government organizations have made significant progress in sharing information with federal, state, local, and tribal partners in the post-9/11 era, making the country safer and protecting lives. In today's technology driven environment, our adversaries' tactics, techniques, and capabilities are sophisticated and more insiders have access to increased amounts of information. This enhancement of \$7.6 million and 11 positions, including three special agents, will allow DEA to identify and evaluate suspicious, unauthorized, or anomalous activity, which may indicate intent to bypass or defeat security safeguards.

CONCLUSION

DEA's enforcement efforts have contributed significantly to the overall strategy to reduce the availability of drugs in the United States. Through strong enforcement, education, prevention, and treatment, we can make significant progress in protecting our nation from drug abuse and its consequences.

Our focus gives us the ability to dedicate resources critical to disrupt and dismantle the most notorious drug traffickers that have the most significant impact on the U.S. drug market. With your support, we will continue our efforts to meet these challenges. I would be pleased to answer any questions you may have.

⁶Hansen, Ryan N. PharmD; Oster, Gerry PhD; Edelsberg, John MD; Woody, George E. MD; Sullivan, Sean D. PhD. *Economic Costs of Nonmedical Use of Prescription Opioids*. The Clinical Journal of Pain March/April 2011 Vol. 27 – Issue 3: p. 194-202.