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STATEMENT OF
WILLIAM J. ANDERSON, DIRECTOR
GENERAL GOVERNMENT DIVISION
BEFORE THE
SUBCOMMITTEE ON GOVERNMENT INFORMATION
AND INDIVIDUAL RIGHTS
HOUSE COMMITTEE ON GOVERNMENT OPERATIONS
ON
THE MULTI-STATE REGIONAL
INTELLIGENCE PROJECTS



Mr. Chairman and Members of the Subcommittee:

We are pleased to be part of your hearing today concerning the oversight role the Federal Government should play regarding the seven regional intelligence networks receiving Federal funding. At the Subcommittee's request, we reviewed the Department of Justice grant award program for these networks. Our report entitled "The Multi-State Regional Intelligence Projects--Who Will Oversee These Federally Funded Networks?" 1/ provides an overview of the funding process and the operating policy guidance imposed on the grantees by Justice. As agreed with the

1/ GGD-81-36, December 31, 1980.

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Subcommittee, we did not audit financial records nor evaluate project compliance with the operating policies.

This morning we would like to highlight the several concerns discussed in our report. These include the need for

- a defined role for the networks which will enhance their relationship with Federal law enforcement agencies,
- an oversight board to establish operating policy standards and review grantees' compliance with them,
- a body to oversee the networks' day-to-day operations, and
- a means to evaluate the impact of the regional intelligence networks.

We also discuss the more basic question of whether funds will be made available to continue the operations of the various networks.

Why regional networks were established

Before we discuss these matters, we would like to describe the conditions which led to the establishment of the regional networks. Local law enforcement agencies contend they must deal with sophisticated operations of criminal organizations which transcend local jurisdictional boundaries. In such situations, the ability of a single State or local agency to effect successful apprehensions is limited.

To cope with this problem, local law enforcement agencies saw the need to group together and collectively upgrade their investigative and information gathering efforts. By working together, State and local agencies hope to better coordinate

the collection, analysis and dissemination of intelligence information; as well as support investigative activity with supplemental funding and equipment.

The multi-State regional intelligence projects are in the process of evolving into a unique network of systems which, when fully operational, will provide their State and local member agencies--in all 50 States--with a criminal intelligence data bank and intelligence information processing and analysis capabilities.

Funding problems

But becoming and staying fully operational may be a problem. The regional networks depend entirely on the Federal Government for funds. And while the Congress has had seemingly little problem in initiating funding for the projects, the executive branch has been less than enthusiastic about applying the funds.

Six of the seven regional networks currently in operation received seed money through the discretionary grant program of Justice's Law Enforcement Assistance Administration (LEAA). These monies, however, were not available to provide funds for continuing operations once a program was established.

Two of those multi-State regional intelligence projects established through LEAA funding required additional Federal funding in 1980 in order to remain in operation. To provide continuing funds for these projects, the Senate Judiciary Committee added \$5 million to the Department of Justice fiscal year 1980 authorization. These funds were also available to assist emerging projects once the ongoing projects had been funded.

The fiscal year 1980 Justice authorization charged the Attorney General with promulgating regulations and establishing criteria under which regional intelligence projects could qualify for financial assistance. As of February 1980, this had not been done and none of the \$5 million had been disbursed. On February 11, 1980, members of the Senate Judiciary Committee questioned Justice regarding the status of the funds. On April 17, 1980, the Attorney General delegated authority to administer the \$5 million appropriation. Subsequently, funds were disbursed.

For fiscal year 1981, the Congress, through the Continuing Resolution, appropriated \$9.5 million for financial assistance to these projects. The President proposed on March 10, 1981, that \$6.33 million in funds available to the program be deferred under the Impoundment Control Act pending congressional action on a proposal to transfer these funds to the Federal Bureau of Investigation. The House of Representatives passed H.R. 3512, the Supplemental Appropriations and Rescission Bill, 1981, on May 13, 1981. The bill provides that only one-half of that amount be transferred and that the remainder of the deferral (\$3.165 million) would be disapproved and made available to the program. Together with the \$3,170 million already available, this action would result in a total of \$6.335 million being available for the program in fiscal year 1981. No funds have been requested in the Department of Justice's fiscal year 1982 budget for continued funding of these projects.

Oversight needed

Assuming the regional networks receive Federal funding to continue operations, the Department of Justice will need to provide them with operating policy guidance; define the networks' role in the intergovernmental law enforcement community to enhance their relationship with Federal agencies; and develop a means of evaluating the projects' impact on law enforcement. Because the Justice agency assigned these responsibilities is being phased out, new arrangements must be made.

Prior to June 1978, LEAA had no comprehensive policy for overseeing regional criminal intelligence systems. The agency recognized, however, that interfacing regional systems may be viewed as a defacto national intelligence system without specific congressional authorization. Also, interjurisdictional systems operate across political boundaries and are therefore not subject to review, funding and control by a single State legislature. LEAA foresaw criticism of such systems by the Congress, the media, and the public if adequate policy standards and Federal monitoring were not imposed.

Therefore, in April 1978, LEAA established an Intelligence Systems and Policy Review Board to recommend action on discretionary grant applications involving multi-State intelligence systems. The Board consisted of eight members: five from LEAA, two from other Justice organizations, and one from the Drug Enforcement Administration (DEA). In June 1978, this Board adopted final policy standards entitled "Criminal Intelligence Systems Operating Policies" which provide operating principles.

funding guidelines, and monitoring and audit criteria applicable to all interjurisdictional intelligence projects.

The guidelines and policies were designed to safeguard individuals' rights by requiring that information collected be relevant to criminal activity, be disseminated only for law enforcement purposes, be physically secure, and be periodically reviewed for relevancy. With the demise of LEAA, the Intelligence Systems and Policy Review Board will be defunct. For the very reason the board was established it should be continued.

Day-to-day operations

Also missing, and requiring replacement, will be the LEAA division which provided day-to-day monitoring of the grants. This function consists of ensuring that grantees abide by appropriate fiscal, procurement and personnel practices. As of October, 1980, DEA was making contingency plans to assume these administrative responsibilities. These plans had caused some concern among the regional projects. Those networks which are not exclusively drug oriented feel that total DEA oversight could tend to influence and direct the nature and extent of the networks' operations towards drug law enforcement and away from other areas of organized crime.

Means to evaluate projects being developed

Another area of concern pertains to evaluation of the networks. Despite the enthusiasm members have for the networks, there is concern about the difficulty of evaluating the projects in terms of reducing criminal activity within a geographical area.

In September 1980, LEAA approved a grant of about \$400,000 for a comprehensive evaluation of the multi-State regional intelligence projects by a private nonprofit research organization--The Institute for Intergovernmental Research. This grant, which runs through January 1982, will focus on the implementation and development of the multi-State regional intelligence projects by intensively monitoring their operations. The grant is to provide both an impact and a process evaluation of the networks. Whatever arrangements are made to provide oversight of the networks should also include followup of this study.

A complementary role needed

Our final concern is whether the roles played by the regional networks will complement, rather than duplicate, those of Federal law enforcement agencies. DEA, for example, operates a national narcotics intelligence information system--the El Paso Intelligence Center--with participation from other Federal and State law enforcement agencies. The Center provides Federal, State, and local drug law enforcement agencies with various intelligence services and acts as a focal point for national narcotics intelligence activities.

What the Center provides in narcotics intelligence services on a national level, the networks may provide on a regional level. In addition, the regional networks work or intend to work with a number of other Federal law enforcement agencies that operate intelligence networks. These agencies include the FBI, the Bureau of Alcohol, Tobacco, and Firearms, and the U.S. Customs Service.

To deal with these concerns we recommended that the Attorney General:

One, define a role for the multi-State regional intelligence projects which will enhance their relationship with Federal law enforcement agencies.

Two, reestablish the Intelligence Systems and Policy Review Board at the departmental level with representation from appropriate Federal law enforcement agencies. The Board, subject to the Attorney General's approval, should set and review regional networks' compliance with criminal intelligence system operating policies.

Three, assign the administrative responsibility for grant funding and project monitoring to a Justice agency such as DEA, while reserving all policy decisions for the Board.

The last recommendation should lessen the concerns of some regional officials that an administering agency, such as DEA, would tend to limit the network's focus to a particular type of crime.

Mr. Chairman, we have not commented specifically on any of the seven regional networks being funded. I understand that you will be hearing directly from some project officials today. And, as you know, our report includes a general description of each project, its structure, objectives and operations.

This concludes my prepared statement, Mr. Chairman. We would be pleased to respond to any questions.