



# Department of Justice

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**STATEMENT**

**OF**

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CRIMINAL DIVISION**

**BEFORE THE**

**SUBCOMMITTEE ON EUROPEAN AFFAIRS  
COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

**CONCERNING**

**TRANSNATIONAL ORGANIZED CRIME**

**PRESENTED ON**

**OCTOBER 30, 2003**

Good morning, Mr. Chairman and Members of the Subcommittee. I am grateful to have the opportunity to address you today, and to explain the critical role played by the Department of Justice – in partnership with the Department of State – in the fight against transnational organized crime.

During the past several years, the world has witnessed an unprecedented global expansion of organized crime groups. These organizations range from those focused predominantly on particular areas of crime, such as Colombian drug cartels, to those engaged in a broad range of criminal enterprises, such as Eurasian and Balkan crime groups. Technological advances allowing for easier communications and travel have resulted in multi-national cooperation among crime groups that had historically remained isolated and independent.

Europe has been particularly hard-struck by the expansion of criminal organizations. The freedoms that resulted from the fall of totalitarian regimes in the east and the opening of borders within the European union have been exploited not only by legitimate businesses, but also by well organized and ruthless organized crime syndicates that have spread their tentacles across Europe. Most of these groups have shown an uncanny ability to adapt to their new environments by creating niches in new, or previously unexploited, areas of crime, and by successfully integrating with home-grown criminal organizations. Transnational crime syndicates also have mastered the manipulation of the social, economic and legal systems of the west. They hide behind political freedoms and privacy rights and frequently move their members and criminal proceeds from country to country in an effort to outstrip the sharing of information among national police forces. It has been a difficult task for law enforcement authorities in Europe and

the United States to keep pace with these groups in light of the freedom of movement that they enjoy.

In many former communist countries in the Balkans, Eastern Europe and the former Soviet Union, organized crime and its associated public corruption has reached epidemic proportions. A World Bank sponsored study by the Indem Foundation concluded that a \$38 billion is spent annually in Russia on bribes. The Russian interior ministry recently estimated that criminal groups have used Russian banks to illegally transfer \$9 billion out of Russia so far this year. European police organizations have estimated that Balkan organized crime groups control upwards of 70% of the heroin market in major European nations, and are rapidly taking over human trafficking, prostitution and car theft rings.

Nor is the United States immune from the rise of European organized crime groups. The United States, with its open society and free markets, has become an increasingly attractive target for foreign-based organized crime. Criminal gangs from the Balkans, Eastern Europe and the former Soviet Union are involved in all types of criminal activity in the United States, from drug trafficking to organized burglary and home invasion robbery rings, from money laundering and securities fraud to traditional organized crime gambling and extortion rackets.

The Department of Justice has taken on the multi-faceted challenge of coordinating much of our response to transnational organized crime groups, from working on specific investigations and prosecutions against the most significant and dangerous transnational crime figures to helping to formulate policy in cooperation with the Department of State. The day-to-day activities of Criminal Division prosecutors and Assistant United States Attorneys in this area are

extensive. I will attempt to broadly outline some of the most significant roles played by the Division.

Criminal Division attorneys play a leading operational role by handling or directly assisting in the majority of complex international investigations and prosecutions brought in the United States. Our prosecutors work closely with U.S. investigators, including special agents from the FBI, DEA, and the Department of Homeland Security, to navigate the complexities of international and domestic criminal law. This is particularly true where agents are investigating international criminal organizations with an eye towards prosecution in the United States.

Criminal Division attorneys have developed particular expertise in this area. They regularly work with agents on complex international cases that require extensive cooperation with foreign law enforcement authorities, and coordination among many U.S. law enforcement agencies and United States Attorney's Offices. Department attorneys work closely with Federal agents from the initial stages of these investigations to formulate and implement investigative and prosecutive strategies. As is common in the U.S. system, Department attorneys become deeply involved in these investigations, developing an expertise that parallels and complements the knowledge of the lead investigative agents.

Prosecutors from the Department of Justice handling international cases also interact frequently with their foreign counterparts in justice ministries. In many European countries, prosecutors or investigating magistrates play a supervisory role, directing and controlling the actions of their national police forces in particular investigations. European prosecutors and investigating magistrates frequently view U.S. prosecutors as their peers in the U.S. system. This enables Department attorneys to further the interests of the agents with whom they work by

negotiating and coordinating investigative decisions and evidence sharing issues with their foreign counterparts.

Criminal Division attorneys handle a broad range of evidence sharing issues, from the issuance of mutual legal assistance treaty requests and letters rogatory, to the facilitation of informal evidence-sharing and cooperation. They also regularly coordinate different phases of multi-national investigations and prosecutions with their foreign counterparts. By understanding the complex rules governing discovery in various nations, Department attorneys play a critical role in counseling U.S. agents on timing and strategy issues in such cases. Criminal Division attorneys also handle international arrest issues by working with U.S. law enforcement agents to draft and submit provisional arrest warrant requests, INTERPOL red notices and extradition requests.

Criminal Division attorneys also play a crucial role in facilitating the necessary flow of information and evidence among both domestic and foreign law enforcement agencies. The Department of Justice has access to information from many different sources, both domestic and international. This includes information frequently obtained by Department attorneys serving or traveling abroad, such as Office of International Affairs trial attorneys and trial attorneys from the Division's litigating sections. Combining the Division's expertise in transnational crime with this wide access to information, Division attorneys are able to identify critical evidentiary links and facilitate the broader sharing of information among U.S. and foreign law enforcement agencies. Moreover, due to their reputation among domestic law enforcement agencies as central and neutral advocates of the interests of the United States, Department attorneys

frequently are able to facilitate the sharing of information and cooperation among various federal agencies that might otherwise not even know of their common interest in particular targets.

Litigators from various sections of the Criminal Division are uniquely situated to handle international investigations. As they are authorized by law to appear and conduct investigations in any Federal District Court, they are not limited by the geographical boundaries of United States Attorney's Offices. Thus, Department attorneys frequently pursue leads and coordinate investigations that affect several different Federal districts - a task which would be much more difficult for an Assistant United States Attorney.

In the organized crime area, this ability to coordinate is greatly enhanced by the fact that, by special Justice Department regulation, all organized crime prosecutions in the 21 organized crime strike forces across the country are directly supervised by the Organized Crime and Racketeering Section (OCRS) in the Criminal Division in Washington, D.C.. OCRS is therefore in the unique position of being able to coordinate the nationwide prosecutive attack on domestic and international organized crime groups and present a single point of contact for organized crime cases to our prosecution counterparts in other parts of the world.

Criminal Division attorneys benefit from other built-in advantages when working international cases. For example, being based in Washington, D.C., Department attorneys have the benefit of easy access to the headquarters of various Federal law enforcement agencies. They also are able to quickly and easily exchange information with law enforcement attaches to various embassies, and with the Europol liaisons stationed in Washington, D.C.. Finally, through general venue provisions such as those contained in title 21, Criminal Division prosecutors are

frequently able to centralize the prosecution of multinational and multi-district investigations in Washington, D.C.

The Criminal Division also coordinates with the Department of State and with other components in the Department of Justice and various Federal law enforcement agencies to help formulate U.S. foreign policy on law enforcement issues in Europe. This requires coordination not only with respect to law enforcement policies in Western Europe, but also regarding the development and implementation of programs to encourage the Eastern European and Eurasian countries, including EU accession states, to develop workable legal frameworks that will enable them to respond to the threat of organized crime while respecting the rule of law. Working with the Department of State, experienced Criminal Division attorneys regularly coordinate with EU and Council of Europe entities to implement and improve mechanisms to combat organized crime.

Along with the Department of State, the Department of Justice also plays a direct role in coordinating with the EU and other international organizations to provide technical training and assistance to developing European and Eurasian nations. Through its OPDAT resident legal advisors and ICITAP program managers, the Department provides essential aid and educational guidance on myriad criminal justice issues throughout the Balkans, Eastern Europe and the former Soviet Union. From the development of organized crime task forces to the assistance in legislative drafting, the Criminal Division plays a crucial role in promoting stability and establishing the rule of law throughout the region. Division employees often provide assistance and training in conjunction with law enforcement officials from Western Europe. While they work to improve the legal systems in these countries, these Criminal Division representatives

develop valuable expertise in understanding the legal and cultural systems throughout Europe and Eurasia, enabling them to provide expert guidance and advice to prosecutors and agents in the United States.

The Balkans provide a particularly good example of the Criminal Division's training and assistance strategy. Working through the Office of Overseas Prosecutorial Development, Assistance and Training ("OPDAT") and International Criminal Investigative Training Assistance Program ("ICITAP"), the Criminal Division has emphasized the development of national task forces which can work both independently as well as with foreign counterparts, including the United States, and international organizations in the fight against transnational organized crime. OPDAT and ICITAP assist host countries in fostering team-building approaches to detect, investigate and prosecute organized crime, including multi-functional and multi-jurisdictional task forces. Additionally, the Criminal Division has provided assistance to the Southeastern Europe Coordinating Initiative (SECI) based in Bucharest, Romania, which provides regional coordination on transborder investigations and encourages the development of special task forces in the member countries. OPDAT and U.S. Federal law enforcement agencies, such as the FBI, DEA and Secret Service, have assisted in the development and establishment of these SECI-based task forces. Following the SECI example, certain Eurasian countries are developing a transborder law enforcement organization under the auspices of Guam, a regional entity composed of Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova. The Criminal Division, through ICITAP, currently is providing assistance to Guam as it develops this mission.



The Criminal Division also works closely with Europol to develop stronger international cooperation on criminal matters. Again, due to their unique position within the U.S. law enforcement community and their broad access to information, Division attorneys are able to identify and focus upon particular areas where cooperation with Europol will be fruitful. By leveraging the benefits of Europol, such as their access to information throughout the EU and their strong analytical assets, the Criminal Division is attempting to foster greater information exchange with agents in the United States. At the same time, the Criminal Division is hoping to use the information it obtains from Europol to identify priority international targets for investigation, understanding that the best way to encourage international cooperation is by developing concrete cases that will lead to joint investigations and prosecutions.

While mentioning Europol I should also mention the work of the USNCB, the American part of INTERPOL. A Criminal Division attorney serves as counsel for the USNCB and plays an important role in INTERPOL's mission of international law enforcement cooperation and sharing police information among INTERPOL's 181 member countries. The attorney also serves on several INTERPOL committees developing policy for INTERPOL and plays a primary role in the USNCB's job as a point of contact for Europol.

In summary, the Criminal Division focuses on the issue of transnational crime in several ways, giving the Division the unique ability to meld the various functions it serves to achieve the final goal of successfully attacking organized crime. The Department understands that forging strong investigative and diplomatic relations is crucial. Whenever possible, we must coordinate our investigations, so that investigative and prosecutive steps taken in the us in pursuit of domestic strands of an international criminal network will not conflict with, and will instead

enhance, similar steps taken in Europe. This can be achieved only through building close working relationships with our investigative and prosecutive colleagues in other countries. It also requires a thorough understanding of each others' laws and procedures so that we can make the cases come together and actually work. This job can only be tackled by U.S. agents, diplomats and other experts working closely together with Department prosecutors, from the Office of International Affairs, the Office of Prosecutorial Development, Assistance and Training, the United States Attorneys' Offices and litigating sections like the Organized Crime and Racketeering Section.

### **CONCLUSION**

The Department appreciates the interest of the Committee in this matter. I am prepared to answer any questions the Committee may have.