



United States Department of State

*Bureau for International Narcotics and Law  
Enforcement Affairs*

# **International Narcotics Control Strategy Report**

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Volume I

Drug and Chemical  
Control

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## Common Abbreviations

APEC	Asia-Pacific Economic Cooperation
AFRICOM	U.S. Military Command for Africa
ASEAN	Association of Southeast Asian Nations
ATS	Amphetamine-Type Stimulants
CARICC	Central Asian Regional Information Coordination Center
CBP	U.S. Customs and Border Protection
CBSI	Caribbean Basin Security Initiative
DARE	Drug Abuse Resistance Education
DEA	U.S. Drug Enforcement Administration
DHS	U.S. Department of Homeland Security
DOJ	U.S. Department of Justice
DTO	Drug Trafficking Organization
ECOWAS	Economic Community of West African States
EU	European Union
FBI	Federal Bureau of Investigation
FIU	Financial Intelligence Unit
ICE	U.S. Immigration and Customs Enforcement
ILEA	International Law Enforcement Academy
INCB	International Narcotics Control Board
INCSR	International Narcotics Control Strategy Report
INL	U.S. Department of State's Bureau for International Narcotics and Law Enforcement Affairs
JIATF-S	Joint Interagency Task Force South
JIATF-W	Joint Interagency Task Force West
MAOC-N	Maritime Analysis and Operations Centre-Narcotics
MLAT	Mutual Legal Assistance Treaty
MOU	Memorandum of Understanding
NAS	Narcotics Affairs Section (U.S. Embassy)
NIDA	National Institute of Drug Abuse
OAS	Organization of American States

OAS/CICAD	Inter-American Drug Abuse Control Commission
ONDCP	Office of National Drug Control Policy
SELEC	Southern European Law Enforcement Center
SIU	Special Investigative Unit
SOCA	(UK) Serious Organised Crime Agency
SOUTHCOM	U.S Military Command for the Caribbean, Central and South America
UNODC	United Nations Office on Drugs and Crime
USAID	U.S. Agency for International Development
USCG	U.S. Coast Guard
Ha	Hectare
HCL	Hydrochloride (cocaine)
Kg	kilogram
MT	Metric Ton

## **International Agreements**

1988 UN Drug Convention – United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988)

UN Single Drug Convention – United Nations Single Convention on Narcotic Drugs (1961 as amended by the 1972 Protocol)

UN Psychotropic Substances Convention – United Nations Convention on Psychotropic Substances (1971)

UNCAC – UN Convention against Corruption (2003)

UNTOC - UN Convention against Transnational Organized Crime (2000), and its supplementing protocols:

Trafficking in Persons Protocol – Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime

Migrant Smuggling Protocol – Protocol against the Smuggling of Migrants by Land, Air and Sea, supplementing the United Nations Convention against Transnational Organized Crime

Firearms Protocol – Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime

# **INTRODUCTION**

## **Legislative Basis for the INCSR**

The Department of State's International Narcotics Control Strategy Report (INCSR) has been prepared in accordance with section 489 of the Foreign Assistance Act of 1961, as amended (the "FAA," 22 U.S.C. § 2291). The 2013 INCSR, published in March 2013, covers the year January 1 to December 31, 2012 and is published in two volumes, the second of which covers money laundering and financial crimes. In addition to addressing the reporting requirements of section 489 of the FAA (as well as sections 481(d)(2) and 484(c) of the FAA and section 804 of the Narcotics Control Trade Act of 1974, as amended), the INCSR provides the factual basis for the designations contained in the President's report to Congress on the major drug-transit or major illicit drug producing countries initially set forth in section 591 of the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (P.L. 107-115) (the "FOAA"), and now made permanent pursuant to section 706 of the Foreign Relations Authorization Act, Fiscal Year 2003 (P.L. 107-228) (the "FRAA").

Section 706 of the FRAA requires that the President submit an annual report no later than September 15 identifying each country determined by the President to be a major drug-transit country or major illicit drug producing country. The President is also required in that report to identify any country on the majors list that has "failed demonstrably to make substantial efforts" during the previous 12 months to adhere to international counternarcotics agreements and to take certain counternarcotics measures set forth in U.S. law. U.S. assistance under the current foreign operations appropriations act may not be provided to any country designated as having "failed demonstrably" unless the President determines that the provision of such assistance is vital to U.S. national interests or that the country, at any time after the President's initial report to Congress, has made "substantial efforts" to comply with the counternarcotics conditions in the legislation. This prohibition does not affect humanitarian, counternarcotics, and certain other types of assistance that are authorized to be provided notwithstanding any other provision of law.

The FAA requires a report on the extent to which each country or entity that received assistance under chapter 8 of Part I of the Foreign Assistance Act in the past two fiscal years has "met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances" (the "1988 UN Drug Convention"). FAA § 489(a)(1)(A).

Several years ago, pursuant to The Combat Methamphetamine Enforcement Act (CMEA) (The USA Patriot Improvement and Reauthorization Act 2005, Title VII, P.L. 109-177), amending sections 489 and 490 of the Foreign Assistance Act (22 USC 2291h and 2291) section 722, the INCSR was expanded to include reporting on the five countries that export the largest amounts of methamphetamine precursor chemicals, as well as the five countries importing the largest amounts of these chemicals and which have the highest rate of diversion of the chemicals for methamphetamine production. This expanded reporting, which appears in this year's INCSR and will appear in each subsequent annual INCSR report, also includes additional information on efforts to control methamphetamine precursor chemicals, as well as estimates of legitimate demand for these methamphetamine precursors, prepared by most parties to the 1988 UN Drug Convention and submitted to the International Narcotics Control Board. The CMEA also

requires a Presidential determination by March 1 of each year on whether the five countries that legally exported and the five countries that legally imported the largest amount of precursor chemicals (under FAA section 490) have cooperated with the United States to prevent these substances from being used to produce methamphetamine or have taken adequate steps on their own to achieve full compliance with the 1988 UN Drug Control Convention. This determination may be exercised by the Secretary of State pursuant to Executive Order 12163 and by the Deputy Secretary of State pursuant to State Department Delegation of Authority 245.

Although the Convention does not contain a list of goals and objectives, it does set forth a number of obligations that the parties agree to undertake. Generally speaking, it requires the parties to take legal measures to outlaw and punish all forms of illicit drug production, trafficking, and drug money laundering, to control chemicals that can be used to process illicit drugs, and to cooperate in international efforts to these ends. The statute lists actions by foreign countries on the following issues as relevant to evaluating performance under the 1988 UN Drug Convention: illicit cultivation, production, distribution, sale, transport and financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction.

In attempting to evaluate whether countries and certain entities are meeting the goals and objectives of the 1988 UN Drug Convention, the Department has used the best information it has available. The 2013 INCSR covers countries that range from major drug producing and drug-transit countries, where drug control is a critical element of national policy, to small countries or entities where drug issues or the capacity to deal with them are minimal. The reports vary in the extent of their coverage. For key drug-control countries, where considerable information is available, we have provided comprehensive reports. For some smaller countries or entities where only limited information is available, we have included whatever data the responsible post could provide.

The country chapters report upon actions taken - including plans, programs, and, where applicable, timetables - toward fulfillment of Convention obligations. Because the 1988 UN Drug Convention's subject matter is so broad and availability of information on elements related to performance under the Convention varies widely within and among countries, the Department's views on the extent to which a given country or entity is meeting the goals and objectives of the Convention are based on the overall response of the country or entity to those goals and objectives. Reports will often include discussion of foreign legal and regulatory structures. Although the Department strives to provide accurate information, this report should not be used as the basis for determining legal rights or obligations under U.S. or foreign law.

Some countries and other entities are not yet parties to the 1988 UN Drug Convention; some do not have status in the United Nations and cannot become parties. For such countries or entities, we have nonetheless considered actions taken by those countries or entities in areas covered by the Convention as well as plans (if any) for becoming parties and for bringing their legislation into conformity with the Convention's requirements. Other countries have taken reservations, declarations, or understandings to the 1988 UN Drug Convention or other relevant treaties; such reservations, declarations, or understandings are generally not detailed in this report. For some of the smallest countries or entities that have not been designated by the President as major illicit

drug producing or major drug-transit countries, the Department has insufficient information to make a judgment as to whether the goals and objectives of the Convention are being met. Unless otherwise noted in the relevant country chapters, the Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) considers all countries and other entities with which the United States has bilateral narcotics agreements to be meeting the goals and objectives of those agreements.

Information concerning counternarcotics assistance is provided, pursuant to section 489(b) of the FAA, in section entitled "U.S. Government Assistance."

# Presidential Determination

THE WHITE HOUSE  
WASHINGTON

September 14, 2012

Presidential Determination No. 2012-15

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Presidential Determination on Major Illicit Drug Transit or Major Drug Producing Countries for Fiscal Year 2012

Pursuant to Section 706(1) of the Foreign Relations Authorization Act, FY03 (P.L. 107-228)(the FRAA), I hereby identify the following countries as major drug transit and/or major illicit drug producing countries: Afghanistan, The Bahamas, Belize, Bolivia, Burma, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, India, Jamaica, Laos, Mexico, Nicaragua, Pakistan, Panama, Peru and Venezuela.

A country's presence on the majors list is not necessarily an adverse reflection of its government's counternarcotics efforts or level of cooperation with the United States. Consistent with the statutory definition of a major drug transit or drug producing country set forth in section 481(e)(2) and (5) of the Foreign Assistance Act of 1961, as amended (the FAA), one of the reasons major drug transit or illicit drug producing countries are placed on the list is the combination of geographic, commercial, and economic factors that allow drugs to transit or be produced, even if a government has carried out the most assiduous narcotics control law enforcement measures.

Pursuant to Section 706(2)(A) of the FRAA, I hereby designate Bolivia, Burma, and Venezuela as countries that have failed demonstrably during the previous 12 months to adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. Included in this report are justifications for the determinations on Bolivia, Burma and Venezuela, as required by Section 706(2)(B).

I have also determined, in accordance with provisions of Section 706(3)(A) of the FRAA, that support for programs to aid Bolivia, Burma and Venezuela are vital to the national interests of the United States.

Afghanistan produces approximately 90 percent of the world's illicit opium. Nearly all of this cultivation occurs in four southern and western provinces. Instability in the area allows criminal networks, insurgent groups, and illicit cultivation and drug production to thrive. While Helmand Province continues to be the largest poppy-cultivating area, the United States and the United Nations Office on Drugs and Crime (UNODC) estimate that cultivation in Helmand decreased between 35 and 39 percent, respectively, since 2008, to roughly 63,000 hectares.

The strategic objective of Afghanistan's Ministry of Counter Narcotics (MCN), as stated in its National Drug Control Strategy, is "to create a secure environment for a healthy society with a strong licit economy, through evidence-based policy-setting, effective coordination and full accountability to the people of Afghanistan and our government." The ongoing Good Performer Initiative, now in its sixth year, rewards provinces for successful counternarcotics performance. In 2011, 22 of Afghanistan's 34 provinces qualified for \$19.2 million in development projects as the result of their poppy reduction efforts.

Afghanistan's gains remain fragile. Reducing illegal cultivation and trafficking are closely linked to broader economic opportunity, security and the ability of the government of Afghanistan to project the rule of law. International support for the Afghan National Drug Control Strategy, including from the United States, is designed to bolster the country's drug control undertakings and is directly tied to the success of the country's wide-ranging national objectives to improve peace, security and economic development.

This year, the Caribbean was examined for its relative importance as a transit zone for illegal substances destined for U.S. markets. Without factoring in illegal maritime and air drug smuggling believed to be destined for Europe and beyond, approximately 5 percent of all drugs destined for United States are estimated to pass through the major list countries of The Bahamas, Dominican Republic, Haiti and Jamaica. As traffickers constantly reorder their routes and methods, the United States and other donors continue to believe that countering the drug trade in the Caribbean is in our national interest, as well as that of the countries themselves. Without the rule of law, well-run institutions, and effective drug interdiction, the viability of the broad range of national and regional goals adopted by the Caribbean countries is threatened.

European, Canadian and U.S. bilateral drug control support, as well as the Caribbean Basin Security Initiative, contribute to the region's ability to prevent and address drug trafficking and related violence and crime in the Caribbean. Similarly, key undertakings by the Organization of American States and UNODC in the region – especially those aimed at bringing long-term stability to Haiti – are an important part of the policy and assistance mosaic for smaller countries seeking to build on the successes of broad regional policies and programs.

United States analysts estimate that approximately 95 percent of illegal drugs cultivated and produced in South America destined for the United States are smuggled through Central America, Mexico and the Eastern Pacific, primarily using maritime conveyances and illegal air flights. In response, the United States launched the Central American Regional Security Initiative (CARSI) in 2008, which was further expanded when I announced the Central America Citizen Security Partnership in San Salvador in March 2011. Through CARSI and the Partnership, the United States has focused its crime prevention, counternarcotics, law enforcement and security assistance, and bolstered rule of law institutions in Central America. The region also has strengthened cooperation through the Central American Integrated System (SICA) to promote citizen security and other programs. Multilateral cooperation to stem the flow of precursor chemicals from as far away as China that are used to produce illegal methamphetamine in Central America is an important component of SICA's unprecedented regional cooperation. Similar objectives are achieved through U.S. support for Mexico's drug-control policies and programs under the Merida Initiative.

Several other countries were evaluated for inclusion in this year's list, but are not determined to be major drug transit and/or major illicit drug producing countries. For example, Canada has taken effective steps to stem the flow of synthetic MDMA (ecstasy) across its shared border with the United States, a problem of growing concern during the past several years. The country continues its robust efforts to production, distribution, and consumption of various illegal drugs. As part of its 5-year National Anti-Drug Strategy, Canada has rolled out new initiatives specifically intended to fight the trafficking of marijuana and synthetic drugs. As detailed in the March 2011 report on precursors by the International Narcotics Control Board, Canada broadened its existing Controlled Drugs and Substances Act to prohibit any person from possessing, producing, selling or importing material intended to be used in the illegal manufacture or trafficking of methamphetamine or ecstasy. The United States has also collaborated with Canada on a National Northern Border Counternarcotics Strategy that defines in detail the wide range of initiatives underway to combat all phases of drug trafficking. Bilateral initiatives focus on programs to stem the two-way drug trade between Canada and the United States.

You are hereby authorized and directed to submit this report, with its Bolivia, Burma and Venezuela memoranda of justification, under Section 706 of the FRAA, to the Congress, and publish it in the Federal Register.

/S/

*Barack Obama*

## **MEMORANDUM OF JUSTIFICATION FOR MAJOR ILLICIT DRUG TRANSIT OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2013**

### **Bolivia**

During the past 12 months the Government of Bolivia has failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to uphold the counternarcotics measures set forth in Section 489 (a)(1) of the Foreign Assistance Act (FAA) of 1961, as amended.

The United States recognizes that Bolivia has taken some steps to stem illegal drug trafficking and production, and remains committed to the bilateral dialogue designed to establish the basis for a cooperative and productive relationship, especially to agree on joint actions to be taken regarding issues of mutual interest, including counternarcotics.

During the last year, the United States maintained its support for the Government of Bolivia's counternarcotics programs. The government's efforts, particularly those supported by the U.S. Government, continued to achieve some goals in interdiction and eradication. However, after Colombia and Peru, Bolivia remains the world's third largest producer of coca leaf for cocaine and other illegal drug products.

Bolivia's ability to interdict drugs and major traffickers diminished following its January 2009 expulsion of U.S. Drug Enforcement Administration (DEA) personnel, while the country's performance in targeting and dismantling foreign drug trafficker organizations operating in Bolivia has improved marginally in recent years. This achievement is through Bolivia's national efforts and cooperation with neighboring countries, most notably Brazil. Expelling DEA in 2009 has seriously harmed Bolivia's counternarcotics capability, especially in regard to interdiction. Taken as a whole, eradication and interdiction results have not been adequate to compete with the rising drug trends that have brought Bolivia back to high coca cultivation and cocaine production levels.

The 2011 U.S. Government coca cultivation estimate for Bolivia of 30,000 hectares was slightly lower than the 2010 estimate of 34,500 hectares. The U.N. Office of Drugs and Crime estimated 31,100 hectares of cultivation for 2011, a slight increase over its 2010 estimate of 30,900 hectares. While Bolivia has not yet reversed the increases in net coca cultivation of the past several years, it appears that production has stabilized. Still, the latest U.S. Government estimate of pure cocaine potential production has increased 28 percent from 205 metric tons to 265 metric tons. This increase is due to more efficient processing methods and the growing maturity of existing fields, which contribute to higher yields.

Moreover, Bolivia did not maintain adequate controls over licit coca markets to prevent diversion to illegal narcotics production or close illegal coca markets, and it failed to develop and execute a national drug strategy. Bolivia's efforts to amend the UN 1961 Single Convention on Narcotics Drugs with the aim of removing references to traditional uses for coca leaf including coca leaf chewing were unsuccessful, and the country has since presented a denunciation to the United Nations that made its withdrawal effective January 1, 2012. Bolivia immediately applied to rejoin the Convention, with a reservation to permit the consumption, use, cultivation, trade in and possession of the coca leaf in its natural state for "cultural" and "traditional" purposes. Such action would commercialize the coca leaf and permit coca chewing in Bolivia, which would otherwise be prohibited under the Single Convention, and which only provides limited exemptions for medical or scientific purposes. Bolivia is a signatory to the 1971 and 1988 United Nations Conventions.

Bolivia has taken some narcotics control actions in the past year, but taken as a whole, the country has made a negligible contribution to the worldwide effort to control drugs, thus justifying the "failed demonstrably" finding again for the country. Government policies and actions are not in line with international drug control standards. These include what many countries, and drug control experts, consider Bolivia's promotion of the idea that coca leaf can be used generally for commercial products, as well as its de facto allowance of 20,000 hectares of legal cultivation, 8,000 more than the 12,000 hectare limit set by the country's national law.

Unlike other coca growing countries, Bolivia has not implemented many of the U.N.-mandated controls over coca, where some cultivation is permitted for traditional use. The Bolivian government promotes a policy of "social control" of illicit and excess coca cultivation. The policy has diminished violence, but it has not yielded reductions in excess production. Bolivia does not have controls in place to strictly enforce licensing and registration for coca growers,

possession of harvested crops, controls over licit markets, and ensuring “licit” products are de-alkalinized.

As a matter of policy, Bolivia does not encourage or facilitate illegal activity associated with drug trafficking, although there have been arrests of corrupt senior counternarcotics police officials, both inside and outside Bolivia, for facilitating drug shipments. In June 2011, former chief Bolivian counternarcotics officer, Rene Sanabria, pleaded guilty to U.S. federal cocaine trafficking charges. Sanabria was the head of an elite drug intelligence unit at the time of his arrest.

The United States encourages Bolivia to strengthen its efforts to achieve tighter controls over the trade in coca leaf to stem diversion to cocaine processing, in line with international treaties; protect its citizens from the deleterious effects of drugs, corruption, and drug trafficking; and achieve net reductions in coca cultivation.

For the near term, drug traffickers will continue to exploit opportunities to process abundant coca leaf available in Bolivia into cocaine base and cocaine hydrochloride. To diminish Bolivia’s appeal to drug traffickers, further government action is required to improve the legal and regulatory environment for security and justice sector efforts to effectively combat drug production and trafficking, money laundering, corruption, and other transnational crime, and bring criminal enterprises to justice through the rule of law.

Bolivia’s efforts during the past 12 months fall short of its obligations to the international community as outlined in the United Nations conventions and bilateral agreements. In accordance with Section 481 (e)(4) of the FAA, the determination of having failed demonstrably does not result in the withholding of humanitarian and counternarcotics assistance. It is in the vital national interest of the United States to grant a waiver so that funding for other assistance programs may be allowed to continue.

## **MEMORANDUM OF JUSTIFICATION FOR MAJOR DRUG TRANSIT OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2013**

### **Burma**

During the past 12 months the Government of Burma has failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to uphold the counternarcotics measures set forth in Section 489 (a)(1) of the Foreign Assistance Act of 1961(FAA) , as amended. However, during this time period, the Burmese Government has undertaken political and economic reforms to address many of the United States’ longstanding concerns regarding governance, democratization and human rights. Given the government’s demonstrated commitment to reform, and promising signs of action on future poppy eradication, it is in the interest of the U.S. Government to grant Burma a National Interest Waiver (NIW) as part of the 2013 Majors List process.

According to the 2012 International Narcotics Control Strategy Report (INCSR), Burma remains the second largest cultivator of illegal opium poppy in the world. A significant increase was

noted from 2010 to 2011. Since 1996, there has been a sharp increase in production, consumption, and export of synthetic drugs, especially amphetamine-type stimulants (ATS). ATS attributed to Burma are trafficked along new routes to Thailand, China and Lao People's Democratic Republic. The Mekong River is a vital trafficking route and there are growing signs of new routes to the western part of Burma for onward trafficking to South Asia. Reports from India, Nepal and Bangladesh indicate that South Asia is also increasingly affected by the trafficking of methamphetamine pills originating in Burma.

According to government statistics, officials have destroyed 23,584 ha of opium poppies since the beginning of 2012 compared to 7,058 ha in 2011. Similarly the country eradicated 8,268 ha of opium poppy in 2010 compared to only 4,087 ha in 2009. Burma has indicated a willingness to work regionally on counternarcotics initiatives; re-engaged with the international community including the UN Office on Drugs and Crime (UNODC); expressed its desire to cooperate with the United States as part of its reform process, including in cooperative programs to combat illegal drugs; and seeks to improve its counternarcotics cooperation with China and Thailand. At the same time, Burma's current counternarcotics performance is not sufficient to meet its international counternarcotics cooperation obligations. The Burmese government needs to dedicate adequate resources to its counternarcotics efforts, increase illegal crop eradication, and redouble its efforts to obtain ceasefires with ethnic minorities and document narcotics trafficking by the United Wa State Army.

The decision to grant Burma a National Interest Waiver reflects political change taking place in Burma and the country's interest in improving its international drug control cooperation. Since its formation in March 2011, Burma's civilian government has undertaken important political and economic reforms. In late 2011, Secretary Clinton made an historic visit to Burma and committed to supporting Burma's reform process and matching "action-for-action," including resumption of counternarcotics cooperation, which had been suspended in 2004 by the Burmese Government. After Secretary Clinton's visit, and following additional reforms, the United States announced an exchange of ambassadors to restore full diplomatic relations with Burma and an easing of certain travel, financial, and investment related sanctions.

In accordance with Section 481 (e)(4) of the FAA, the determination that Burma has failed demonstrably does not result in the withholding of humanitarian and counternarcotics assistance. It is in the vital interest of the United States to grant a National Interest Waiver to Burma.

## **MEMORANDUM OF JUSTIFICATION FOR MAJOR DRUG TRANSIT OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2013**

### **Venezuela**

During the past 12 months, the Government of Venezuela has failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to uphold the counternarcotics measures set forth in Section 489(a)(1) of the Foreign Assistance Act of 1961(FAA), as amended.

Venezuela's porous western border with Colombia, weak judicial system, inconsistent international counternarcotics cooperation, and generally permissive and corrupt environment make the country one of the preferred trafficking routes out of South America for drugs to consumer markets. As a matter of stated policy, Venezuela does not encourage, support, or facilitate illegal activity involving drug trafficking. However, individual members of the government and security forces were credibly reported to have engaged in or facilitated drug trafficking activities. According to U.S. Government cocaine-movement estimates, by the end of 2011, an estimated 161 to 212 MT of cocaine likely departed from Venezuela to global destinations, the same amount estimated as in 2010. Suspected narcotics trafficking flights depart from Venezuelan states bordering Colombia. Almost all illegal drug flights arriving in Honduras, the region's largest center for airborne drug smuggling, originate from Venezuela.

Venezuela reported that it seized 42 MT of illegal drugs in 2011, compared to 63 MT in 2010. While Venezuela publicly reports such seizures, it does not share the data or evidence needed to verify drug destruction. The country also published statistics on arrests and convictions for drug possession and trafficking, although no information was available on the nature or severity of the drug offenses. Effective prosecution of drug traffickers is hindered by corruption and a lack of judicial independence. Venezuela is a party to all relevant international drug and crime control agreements, including the 1988 U.N. Convention.

With the last year, Venezuela transferred three major drug traffickers to the United States, including Maximiliano Bonilla Orozco, aka "Valenciano," one of Colombia's most-wanted drug traffickers, and Oscar Martinez Hernandez, aka "El Cali." Between January and October 2011, the Venezuelan reported that it captured 21 individuals for whom there were international warrants for drug-related offenses.

Since ceasing formal cooperation with the U.S. Drug Enforcement Administration (DEA) in 2005, the Venezuelan government has maintained only limited, case-by-case counternarcotics cooperation with the United States. Cooperation has consisted mainly of coordination of fugitive deportations from Venezuela to the United States and maritime interdiction activities carried out by the U.S. Coast Guard (USCG). Venezuela continued to grant permission to the USCG to board Venezuelan-flagged vessels on the high seas suspected of being engaged in narcotics trafficking, and there were two such events since September 2011. Venezuelan authorities required that the Coast Guard return all confiscated vessels, suspects, and contraband identified during these operations. There was no subsequent provision of information to U.S. officials regarding the drug trafficking organizations involved or the prosecution of suspects. Venezuela's limited counternarcotics cooperation with the United States draws into question the government's intent to uphold its international commitment to combat drug trafficking.

Despite proposals from the United States, Venezuela has not signed the updated addendum to the 1978 Bilateral Counternarcotics Memorandum of Understanding that was negotiated in 2005. Venezuelan officials have stated publicly that the country will neither sign a bilateral agreement nor cooperate with the United States on counternarcotics.

Venezuela took some positive steps in the region regarding counternarcotics issues. Venezuela increased counternarcotics cooperation with Colombia and continued to deport fugitives to

Colombia and other countries. During 2011, Venezuela captured and transferred to Colombia five members of the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army. These groups rely heavily on drug trafficking to fund their operations and often seek safe haven in Venezuela. However, the Venezuelan government did not take action against government and military officials known to be linked to the FARC. On September 8, 2011, the U.S. Department of Treasury designated four senior government officials pursuant to the Foreign Narcotics Kingpin Designation Act for acting for or on behalf of the FARC, often in direct support of its narcotics and arms trafficking activities.

A determination as having failed demonstrably does not affect funding for humanitarian and counternarcotics programs. A U.S. vital national interest waiver for Venezuela permits support for other programs critical to U.S. foreign policy interests.

## **Major Illicit Drug Producing, Drug-Transit, Significant Source, Precursor Chemical, and Money Laundering Countries**

Section 489(a)(3) of the FAA requires the INCSR to identify:

- (A) major illicit drug producing and major drug-transit countries;
- (B) major sources of precursor chemicals used in the production of illicit narcotics; or
- (C) major money laundering countries.

These countries are identified below.

### **Major Illicit Drug Producing and Major Drug-Transit Countries**

A major illicit drug producing country is one in which:

- (A) 1,000 hectares or more of illicit opium poppy is cultivated or harvested during a year;
- (B) 1,000 hectares or more of illicit coca is cultivated or harvested during a year; or
- (C) 5,000 hectares or more of illicit cannabis is cultivated or harvested during a year, unless the President determines that such illicit cannabis production does not significantly affect the United States. FAA § 481(e)(2).

A major drug-transit country is one:

- (A) that is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or
- (B) through which are transported such drugs or substances. FAA § 481(e)(5).

The following major illicit drug producing and/or drug-transit countries were identified and notified to Congress by the President on September 14, 2012, consistent with section 706(1) of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107-228):

**Afghanistan, The Bahamas, Belize, Bolivia, Burma, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, India, Jamaica, Laos, Mexico, Nicaragua, Pakistan, Panama, Peru, and Venezuela.**

Of these 22 countries, **Bolivia, Burma, and Venezuela** were designated by the President as having “failed demonstrably” during the previous 12 months to adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. The President determined, however, in accordance with provisions of Section 706(3)(A) of the FRAA, that continued support for bilateral programs in Bolivia, Burma and Venezuela are vital to the national interests of the United States.

### **Major Precursor Chemical Source Countries**

The following countries and jurisdictions have been identified to be major sources of precursor or essential chemicals used in the production of illicit narcotics:

**Afghanistan, Argentina, Bangladesh, Belgium, Bolivia, Brazil, Burma, Canada, Chile, China, Colombia, Egypt, Germany, India, Indonesia, Iraq, Mexico, the Netherlands, Singapore, South Africa, South Korea, Switzerland, Taiwan, Thailand, and the United Kingdom.**

Information is provided pursuant to section 489 of the FAA in the section entitled "Chemical Controls."

### **Major Money Laundering Countries**

A major money laundering country is defined by statute as one "whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking." FAA § 481(e)(7). However, the complex nature of money laundering transactions today makes it difficult in many cases to distinguish the proceeds of narcotics trafficking from the proceeds of other serious crime. Moreover, financial institutions engaging in transactions involving significant amounts of proceeds of other serious crime are vulnerable to narcotics-related money laundering. This year's list of major money laundering countries recognizes this relationship by including all countries and other jurisdictions, whose financial institutions engage in transactions involving significant amounts of proceeds from all serious crime. The following countries/jurisdictions have been identified this year in this category:

**Afghanistan, Antigua and Barbuda, Australia, Austria, Bahamas, Belize, Bolivia, Brazil, British Virgin Islands, Burma, Cambodia, Canada, Cayman Islands, China, Colombia, Costa Rica, Cyprus, Dominican Republic, France, Germany, Greece, Guatemala, Guernsey, Guinea-Bissau, Haiti, Hong Kong, India, Indonesia, Iran, Iraq, Isle of Man, Israel, Italy, Japan, Jersey, Kenya, Latvia, Lebanon, Liechtenstein, Luxembourg, Macau, Mexico, Netherlands, Nigeria, Pakistan, Panama, Paraguay, Philippines, Russia, Singapore, Somalia, Spain, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Venezuela, and Zimbabwe.**

Further information on these countries/jurisdictions and United States money laundering policies, as required by section 489 of the FAA, is set forth in Volume II of the INCSR in the section entitled "Money Laundering and Financial Crimes."

# **POLICY AND PROGRAM DEVELOPMENTS**

## Overview

The 2013 International Narcotics Control Strategy Report provides an overview of steps taken during the previous year by the governments of over 90 countries to reduce illicit narcotics production, trafficking and use. Efforts towards these common goals are required by treaties endorsed by virtually all member states of the United Nations, and the United States strongly supports these legal instruments both through its own domestic efforts and by providing assistance to help reinforce the work of foreign partners to enhance their capacities to achieve sustainable results.

U.S. assistance can play an important role in bolstering the efforts of committed governments to reduce illicit drug supplies, strengthen criminal justice systems and correctional institutions, and promote advances in prevention and treatment. By supporting international efforts to reduce the flow of illicit drugs to the United States, U.S. assistance directly supports the public health and safety of U.S. citizens. U.S. assistance also helps support key U.S. foreign policy objectives by strengthening the ability of international partners to provide security for their citizens and safeguard the rule of law. However, as this report underscores, U.S. assistance can only supplement domestic efforts by partner governments; there is no substitute for a host-nation's commitment to overcome the difficult, long-term challenges of confronting drug-related crime and corruption.

Fortunately, more countries than ever before are demonstrating the will to take the difficult but necessary steps to reform and strengthen their domestic institutions, as well as cooperate with international partners against transnational criminal networks. This is because the use and trafficking of narcotics has become more globalized than at any time in history. Illicit drug consumption has risen dramatically in countries traditionally regarded as "source" and "transit" zones so that they themselves are increasingly consumer nations. In addition, drug consumption patterns have shifted in traditional markets such as the United States and Europe. In the United States, for example, cocaine use has dropped by approximately 40 percent over the past decade. In response, drug traffickers have pioneered new markets in Europe and developing nations in South America, Africa and Asia, overwhelming public health services that are unequipped to handle the influx of new addicts. The United States leads the world in evidence-based treatment and prevention programs, and by sharing U.S. expertise and encouraging partner nations to make such programs their own, we can help to initiate similar drug prevention programs in countries where drug use is increasing.

One of the first countries to recognize and respond to the threat of drug-fueled criminality and violence was Colombia. In 2012, Colombia continued its remarkable progress against cocaine production and associated violence. Production of pure cocaine in Colombia decreased to fewer than 200 metric tons from 700 metric tons in 2001, reaching the lowest level in nearly 20 years. This was achieved by constant law enforcement pressure on coca producers and the criminal syndicates responsible for coordinating the drug trade, as well as continuing success in expanding state institutions and alternative livelihoods in former cultivation zones. These steps have strengthened democracy, human rights, and the rule of law in Colombia.

These historic achievements were the result of many years of close partnership between Colombia and the United States, spanning successive administrations in both countries. These successful efforts should serve as a model for other countries facing similar threats, including Colombia's coca-growing neighbors Peru and Bolivia, which are both now producing more cocaine than Colombia for the first time since 1995.

Mexico continued its own ambitious campaign to strengthen and reform its law enforcement and criminal justice institutions in 2012, working in close cooperation with the United States. Improvements in public security institutions allowed Mexico to achieve notable success in dismantling and disrupting some of North America's largest and most dangerous drug cartels in 2012, and contributed to a significant overall decrease in drug-related violence. Increasingly, U.S. assistance has shifted away from providing large-scale equipment toward training and justice-sector capacity building essential for sustainable progress. The United States will continue to work with Mexico to expand on the progress that has been achieved and consolidate gains, to better safeguard the security of Mexico and the United States.

To prevent Mexican drug trafficking networks from exploiting weak institutions in Central America and the Caribbean, the United States will continue providing assistance to both regions through two regional capacity-building initiatives: the Central America Regional Security Initiative and the Caribbean Basin Security Initiative, respectively. Both initiatives provide frameworks for greater law enforcement cooperation and technical assistance between the United States and participating countries that are threatened by the violence and corruption engendered by the drug trade.

The diversification of global drug trafficking and abuse extends beyond the Western Hemisphere. Over the past decade, West African countries have been increasingly exploited as a transit zone for cocaine from South America destined for Europe. Drug usage has increased similarly in West Africa, as traffickers have substituted drugs in lieu of cash as a form of payment to local middlemen. Concerned West African governments and the Economic Community of West African States (ECOWAS) have sought greater cooperation with the United States and other international partners to counter this threat. In response, the United States in 2011 initiated the West Africa Cooperative Security Initiative (WACSI).

Although in its infancy, WACSI led to some positive engagement and training opportunities in 2012, including the creation of a specialized counternarcotics police unit in Ghana trained and vetted by the U.S. Drug Enforcement Administration. WACSI will continue to focus on establishing cooperative partnerships and use them to expand effective programming. One of the most important of these partnerships is that between the international community and ECOWAS. In 2008, ECOWAS and its member states developed the continent's leading regional action plan on drug trafficking and organized crime. The United States will continue to work with ECOWAS and our European partners on how best to support implementation of this plan.

In Afghanistan, opium production declined in spite of an increase in the total area under poppy cultivation. The drop stemmed from crop disease and poor growing conditions as illicit farmers moved to less hospitable areas. Countering the opium trade remains very much an uphill struggle and a long-term challenge. Working with Afghan partners, international allies, and

multilateral organizations, the United States continues to share a commitment for the establishment of effective, sustainable, Afghan-led programs, which are critical to Afghan security and regional stability. Burma remained second to Afghanistan as the world's leading source of opium and heroin, though at levels considerably below the 1980s and 1990s when production was at its peak. The Burmese government has shown signs of a growing willingness to cooperate with the United States on international drug control objectives. The United States is open to collaborating on specific projects, and plans are underway to conduct the first joint-opium yield survey in nearly a decade in 2013.

One of the more significant and troubling trends in international drug control is the ongoing spread of synthetic drug production and consumption. While most markets for plant-based organic drugs such as cocaine and heroin are stable or declining, synthetic drug use is continuing to rise. In the Middle East and many countries across Asia, synthetic drugs are now the primary drug threat.

Synthetic drugs originate from a wider range of production zones than cocaine or heroin, and are less vulnerable to law enforcement intervention than plant-based crops, which require open and more easily detectable cultivation sites. Moreover, unlike opium or coca, the active ingredients of synthetic drugs are found in otherwise legal precursor chemicals needed for legitimate industry. Preventing the illicit diversion of these chemicals is a complex challenge requiring greater cooperation between governments, international organizations such as the United Nations and International Narcotics Control Board, and industry.

Many countries share the concern of the United States over the global spread of new psychoactive substances, including synthetic cannabinoids ("K2" or "spice") and synthetic cathinones ("bath salts"). These substances pose serious health threats, and their manufacturers have shown an ability to alter their chemical composition in numerous ways to skirt existing drug laws, putting them on the market faster than they can be banned. In 2012, the United States passed domestic legislation to enhance law enforcement's ability to respond to designer drugs and, moving forward, the United States will work with our international partners to consider new avenues for cooperation in identifying and responding to this emerging threat.

International drug control is a complex and challenging set of responsibilities for governments and publics. There are no simple answers or uniform solutions. Each government must decide its own course for how best to uphold its obligations under international law to protect its citizens against the harms caused by illegal drugs. And no country can succeed on its own. International cooperation and common strategies are essential for success. Working together, governments can pool resources, leverage their skills, and close off safe havens for drug traffickers. Criminal enterprises cannot succeed against the consensus, will, and desire of a community of societies determined to thwart their efforts.

## Demand Reduction

Drug demand reduction is a key foreign policy tool for addressing the interconnected threats of drugs, crime, and terrorism. It is also a critical component in efforts to stop the spread of HIV/AIDS in countries with high numbers of intravenous drug users. Consequently, the goal of demand reduction strategies call for a comprehensive, balanced approach to the drug-problem that targets prevention, intervention, treatment and recovery, research, and international cooperation.

Recognizing that drug addiction is a major public health threat, and that drug addiction is a preventable and treatable disease, many foreign countries are requesting INL-sponsored technical assistance to improve development of effective policy and programs. INL works closely with international partners to place into practice, capacity building and training activities for service providers in drug prevention, intervention, treatment, and recovery. The program has two major objectives: (1) significantly reduce drug use, related crime, and violence in targeted country populations and (2) significantly delay onset of first use in targeted country populations. In achieving these objectives, INL supports the following:

- Capacity building and training aimed to educate governments and public organizations on science-based and best practices in drug prevention, intervention, treatment and recovery;
- Development of drug-free community coalitions in selected countries,
- Research, development, and evaluation efforts to determine the effectiveness of drug prevention and treatment programs; and
- Knowledge dissemination of science-based information and knowledge transfer through multilateral and regional organizations.

Recognizing that there are gender differences in the development and pattern of substance use disorders, INL is also supporting technical assistance addressing gender-related drug abuse and related violence.

Significant completed and on-going INL-funded demand reduction projects for Fiscal Year 2012 included:

**Crack Cocaine Symposium:** In March 2012, INL sponsored a Trans-regional Crack Cocaine Symposium in Tampa, Florida, that included representatives from the regions affected by crack cocaine addiction (Brazil, Southern Cone and West Africa). Currently, a team of U.S. and Brazilian scientists are working to develop the first “field test kits” to detect toxic adulterants in street samples of crack cocaine, in addition to urine screens for these adulterants in the systems of crack addicts in an effort to improve treatment and health care delivery services in affected communities.

**Child Addition Initiative:** INL is supporting the development of the world’s first protocols to treat drug-addicted children. Brazil and neighboring Southern Cone countries report that inexpensive crack cocaine is readily available resulting in a significant increase in child addicts

and lowering the age range of crack use to 5-8 years of age. Protocols are also being developed to treat opium and heroin-addicted children (ages infancy – 12) in Afghanistan.

**Africa Rapid Assessment:** INL is supporting the United Nations Office on Drugs and Crime (UNODC) to conduct a rapid assessment survey in 16 countries to assess, among other indicators, if smoked cocaine (e.g., crack and coca paste) is now being consumed by children in West Africa. If confirmed, INL will plan appropriate interventions to avert a public health crisis in countries of the region.

**Women Drug Treatment Initiatives:** INL is supporting research-based prevention, treatment, and recovery programs in key drug producing/using countries that improve services for addicted women and their children, a chronically under-served and stigmatized population. INL also supports the development of a training curriculum that addresses the unique needs of female addicts worldwide.

**UNODC:** INL continues to support of UNODC global programs that provide comprehensive treatment provider training and technical assistance to improve treatment delivery systems in Asia, Africa and Latin America. The primary emphasis of these initiatives is to share drug treatment best practices with the aim to improve the quality of services and to guide policy makers in programming.

**Mexico:** INL is supporting the work of the Organization of American States to establish a national-level counselor certification system for drug addiction counselors, aimed at improving the delivery of drug treatment services in Mexico.

**Drug-Free Communities:** INL is supporting the drug-free communities program which assists community groups in forming and sustaining effective community and anti-drug coalitions that fight illegal drugs. The goal of the coalitions is to bring citizens together to prevent and reduce drug use among youth. INL support has resulted in the establishment of approximately 81 active coalitions in several communities in Bolivia, Brazil, Colombia, Guatemala, Mexico, Peru, Kenya and South Africa. For 2013, coalition training will continue in South Africa, several West African and Central Asian states and in Southeast Asia (the Philippines), and expand to Iraq. An INL-funded two-year outcome evaluation of community anti-drug coalition efforts in Lima, Peru, reported significant reductions in drug use, marketing of drugs, gang-related problems and overall neighborhood crime.

**Colombo Plan:** INL continues to support the Colombo Plan's Asian Centre for Certification and Education of Addiction Professionals (ACCE), a training unit of treatment experts to assist governments in the process of developing a professional certification process for addiction professionals in Asia and Africa.

**Afghanistan:** INL currently supports 64 residential and outpatient treatment centers in Afghanistan. The centers provide treatment for specific populations: adult males, adult females, adolescent males, adolescent females, and children. INL also supports prevention programs throughout Afghanistan, including the delivery of preventive drug education in the school

curricula, mobile exhibit and street theater programs, and engagement of religious leaders in supporting drug prevention activities.

# Methodology for U.S. Government Estimates of Illegal Drug Production

## Introduction

Illegal narcotics are grown, refined, trafficked, and sold on the street by criminal enterprises that attempt to conceal every step of the process. Accurate estimates of such criminal activity are difficult to produce. The estimates on illicit drug production presented in the INCSR represent the United States government's best effort to sketch the current dimensions of the international drug problem. They are based on agricultural surveys conducted with satellite imagery and scientific studies of crop yields and the likely efficiency of typical illicit refining labs. As we do every year, we publish these estimates with an important caveat: they are *estimates*. While we must express our estimates as numbers, these numbers should not be seen as precise figures. Rather, they represent the midpoint of a band of statistical probability that gets wider as additional variables are introduced and as we move from cultivation to harvest to final refined drug. Although these estimates can be useful for determining trends, even the best U.S. government estimates are ultimately only approximations.

As needed, we revise our estimate process-and occasionally the estimates themselves-in the light of field research. The clandestine, violent nature of the illegal drug trade makes such field research difficult. Geography is also an impediment, as the harsh terrain on which many drugs are cultivated is not always easily accessible. This is particularly relevant given the tremendous geographic areas that must be covered, and the difficulty of collecting reliable information over diverse and treacherous terrain. Weather also impacts our ability to gather data, particularly in the Andes, where cloud-cover can be a major problem.

Improved technologies and analysis techniques may also produce revisions to United States government estimates of potential drug production. This is typical of annualized figures for most other areas of statistical tracking that must be revised year to year, whether the subject of analysis is the size of the U.S. wheat crop, population figures, or the reports of the unemployment rate. When possible, we apply these new techniques to previous years' data and adjust appropriately, but often, especially in the case of new technologies, we can only apply them prospectively. For the present, these illicit drug statistics represent the state of the art. As new information becomes available and as the art and science improve, so will the accuracy of the estimates.

## Cultivation Estimates

With limited personnel and technical resources, we cannot look at an entire country for any hint of illicit cultivation. Analysts must, therefore concentrate their efforts on those areas that are most *likely* to have cultivation. Each year they review eradication data, seizure data, law enforcement investigations information, the previous year's imagery, and other information to determine the areas likely to have cultivation, and revise and update the search area if possible. They then estimate cultivation in the new survey area using proven statistical techniques. The resultant estimates meet the U.S. government's need for an annual estimate of cultivation for each country. They also help with eradication, interdiction and other law enforcement

operations. As part of the effort to provide a better and more comprehensive assessment, the areas surveyed are often expanded and changed, so direct comparison with previous year estimates may not be possible.

### **Production Estimates**

Illicit crop productivity depends upon a number of factors. Changes in weather, farming techniques, soil fertility, and disease prevalence can produce widely varying results from year to year and place to place. Although most illicit drug crop areas are not easily accessible to the United States government, making scientific information difficult to obtain, we continually strive to improve our production estimates. The relative productivity of poppy crops can be estimated using imagery, and our confidence in coca leaf yield estimates continues to improve in the past few years as a result of field studies conducted in Latin America. Such studies led to a reduction in our estimates of average productivity for fields that had been sprayed with herbicide, but not completely destroyed. In such fields, some, but not all of the coca bushes survive. The farmers of the illicit crop either plant new bushes among the surviving plants or let what is left grow until harvest. In either case, the average yield of such plots is considerably less than if it had not been sprayed. Multiple studies in the same growing area over several years have helped us understand and measure the effects of eradication and other factors average yield.

Coca fields which are less than a year old (“new fields”) produce much less leaf than mature fields. In Colombia, for example, fields might get their first small harvest at six months of age; in Bolivia fields are usually not harvested in their first year. The U.S. government estimates include the proportion of new fields detected each year and adjust leaf production accordingly.

### **Processing Estimates**

The wide variation in processing efficiency achieved by traffickers complicates the task of estimating the quantity of cocaine or heroin that could be refined from a crop. Differences in the origin and quality of the raw material used, the technical processing method employed, the size and sophistication of laboratories, the skill and experience of local workers and chemists, and decisions made in response to enforcement pressures all affect production.

The U.S. government estimates for coca leaf, cocaine, marijuana, opium, and heroin production are *potential* estimates; that is, it is assumed that all of the coca, marijuana, and poppy grown is harvested and processed into illicit drugs. This is a reasonable assumption for coca leaf in Colombia. In Bolivia and Peru, however, the U.S. government potential cocaine production estimates are overestimated to some unknown extent since significant amounts of coca leaf are locally chewed and used in products such as coca tea. In Southwest and Southeast Asia, it is not unrealistic to assume that virtually all poppy is harvested for opium gum, but substantial amounts of the opium are consumed as opium rather than being processed into heroin. (The proportion of opium ultimately processed into heroin is unknown.)

### **Other International Estimates**

The United States helps fund estimates done by the United Nations in some countries. These estimates use slightly different methodologies, but also use a mix of imagery and ground-based observations. The UN estimates are often used to help determine the response of the international donor community to specific countries or regions.

There have been some efforts, for Colombia in particular, for the United States and the UN to understand each other's methodologies in the hope of improving both sets of estimates. These efforts are ongoing.

This report also includes data on drug production, trafficking, seizures, and consumption that come from host governments or NGOs. Such data is attributed to the source organization, especially when we cannot independently verify it.

## *Worldwide Illicit Drug Crop Cultivation 2005-2011*

(all figures in hectares)

	2005	2006	2007	2008	2009	2010	2011	2012
<b>Poppy</b>								
Afghanistan	107,400	172,600	202,000	157,000	131,000	119,000	115,000	180,000
Burma	40,000	21,000	21,700	22,500	19,000	45,500	36,500	in process
Colombia		2,300	1,000		1,100			
Guatemala	100						220	in process
Laos	5,600	1,700	1,100	1,900	940	1,800	4,400	in process
Mexico	3,300	5,100	6,900	15,000	19,500	14,000	12,000	in process
Pakistan	770	980		700	705			in process
<b>Total Poppy</b>	<b>157,170</b>	<b>203,680</b>	<b>232,700</b>	<b>197,100</b>	<b>172,245</b>	<b>180,300</b>	<b>168,120</b>	
<b>Coca</b>								
Bolivia	26,500	25,800	29,500	32,000	35,000	34,500	30,000	in process
Colombia	144,000	157,000	167,000	119,000	116,000	100,000	83,000	in process
Peru	34,000	42,000	36,000	41,000	40,000	53,000	49,500	in process
<b>Total Coca</b>	<b>204,500</b>	<b>224,800</b>	<b>232,500</b>	<b>192,000</b>	<b>191,000</b>	<b>187,500</b>	<b>162,500</b>	<b>0</b>
<b>Cannabis</b>								
Mexico	5,600	8,600	8,800	12,000	17,500	16,500	12,000	in process
<b>Total Cannabis</b>	<b>5,600</b>	<b>8,600</b>	<b>8,800</b>	<b>12,000</b>	<b>17,500</b>	<b>16,500</b>	<b>12,000</b>	<b>0</b>

Note on

Guatemala poppy cultivation: 2011 survey limited to fall season in San Marcos and Huehuetenango only.

Note on Laos poppy cultivation: Estimates for 2009-2010 are for Phongsali only. Survey area for 2011 was significantly expanded to include parts of Louang Namtha.

Note on Mexico poppy cultivation: Due to a major methodological change in the 2011 survey, 2005-2010 estimates are indicative of trends only and overstate actual cultivation.

Note on Pakistan poppy cultivation: 2005, 2006, and 2008 estimates are for Bara River Valley in Khyber Agency only, 2009 estimate is for Khyber, Mohmand, and Bajaur Agencies only.

## *Worldwide Potential Illicit Drug Production 2005-2011*

(all figures in metric tons)

	2005	2006	2007	2008	2009	2010	2011	2012
<b>Opium</b>								
Afghanistan	4,475	5,644	8,000	5,500	5,300	3,200	4,400	4,300
Burma	380	230	270	340	305	530	450	in process
Colombia		37	15		17			
Guatemala	4						4	in process
Laos	28	8.5	6	17	12	23	57	in process
Mexico	71	108	150	325	425	300	250	in process
Pakistan	32	36		26	26			in process
<b>Total Opium</b>	<b>4,990</b>	<b>6,064</b>	<b>8,441</b>	<b>6,208</b>	<b>6,085</b>	<b>4,053</b>	<b>5,161</b>	
<b>Coca Leaf</b>								
Bolivia	36,000	37,000	38,500	43,500	43,000	43,000	55,000	in process
Colombia	146,000	148,000	135,000	83,500	78,500	71,000	52,500	in process
Peru	53,500	54,500	43,500	43,500	46,000	66,500	62,500	in process
<b>Total Coca Leaf*</b>	<b>235,500</b>	<b>239,500</b>	<b>217,000</b>	<b>170,500</b>	<b>167,500</b>	<b>180,500</b>	<b>170,000</b>	
<b>Potential Pure Cocaine</b>								
Bolivia	115	115	130	195	200	205	265	in process
Colombia	500	510	470	285	280	260	195	in process
Peru	260	265	210	215	225	325	305	in process
<b>Total Potential Pure Cocaine</b>	<b>875</b>	<b>890</b>	<b>810</b>	<b>695</b>	<b>705</b>	<b>790</b>	<b>765</b>	
<b>Potential Export Quality Cocaine</b>								
Bolivia	155	130	140	215	225	230	295	in process
Colombia	590	600	570	360	380	355	265	in process
Peru	290	295	235	240	260	375	360	in process
<b>Total Potential Pure Cocaine</b>	<b>1,035</b>	<b>1,025</b>	<b>945</b>	<b>815</b>	<b>865</b>	<b>960</b>	<b>920</b>	
<b>Cannabis</b>								
Mexico (marijuana)	10,100	15,500	15,800	21,500				
<b>Total Cannabis</b>	<b>10,100</b>	<b>15,500</b>	<b>15,800</b>	<b>21,500</b>				

Note on Mexico marijuana production:

No production estimates for 2009-2011 due to lack of reliable yield data

## *Parties to UN Conventions*

(with dates ratified/acceded)

As of 24 December, 2012

<b>Country</b>	<b>Convention Against Transnational Organized Crime</b>	<b>1988 UN Drug Convention</b>	<b>Convention Against Corruption</b>
1. Afghanistan	24 September 2003	14 February 1992	25 August 2008
2. Albania	21 August 2002	27 June 2001	25 May 2006
3. Algeria	7 October 2002	9 May 1995	25 August 2004
4. Andorra	22 September 2011	23 July 1999	
5. Angola		26 October 2005	29 August 2006
6. Antigua and Barbuda	24 July 2002	5 April 1993	21 June 2006
7. Argentina	19 November 2002	28 June 1993	28 August 2006
8. Armenia	1 July 2003	13 September 1993	8 March 2007
9. Australia	27 May 2004	16 November 1992	7 December 2005
10. Austria	23 September 2004	11 July 1997	11 January 2006
11. Azerbaijan	30 October 2003	22 September 1993	1 November 2005
12. Bahamas	26 September 2008	30 January 1989	10 January 2008
13. Bahrain	7 June 2004	7 February 1990	5 October 2010
14. Bangladesh	13 July 2011	11 October 1990	27 February 2007
15. Barbados		15 October 1992	
16. Belarus	25 June 2003	15 October 1990	17 February 2005
17. Belgium	11 August 2004	25 October 1995	25 September 2008
18. Belize	26 September 2003	24 July 1996	
19. Benin	30 August 2004	23 May 1997	14 October 2004
20. Bhutan		27 August 1990	
21. Bolivia	10 October 2005	20 August 1990	5 December 2005
22. Bosnia and Herzegovina	24 April 2002	1 September 1993	26 October 2006
23. Botswana	29 August 2002	13 August 1996	27 June 2011
24. Brazil	29 January 2004	17 July 1991	15 June 2005
25. Brunei Darussalam	25 March 2008	12 November 1993	2 December 2008
26. Bulgaria	5 December 2001	24 September 1992	20 September 2006
27. Burkina Faso	15 May 2002	2 June 1992	10 October 2006
28. Burundi	24 May 2012	18 February 1993	10 March 2006
29. Cambodia	12 December 2005	7 July 2005	5 September 2007
30. Cameroon	6 February 2006	28 October 1991	6 February 2006
31. Canada	13 May 2002	05 July 1990	2 October 2007
32. Cape Verde	15 July 2004	8 May 1995	23 April 2008

33. Central African Republic	14 September 2004	15 October 2001	6 October 2006
34. Chad	18 August 2009	9 June 1995	
35. Chile	29 November 2004	13 March 1990	13 September 2006
36. China	23 September 2003	25 October 1989	13 January 2006
37. Colombia	4 August 2004	10 June 1994	27 October 2006
38. Comoros	25 September 2003	1 March 2000	11 October 2012
39. Congo		3 March 2004	13 July 2006
40. Cook Islands	4 March 2004	22 February 2005	17 October 2011
41. Costa Rica	24 July 2003	8 February 1991	21 March 2007
42. Cote d'Ivoire	25 October 2012	25 November 1991	25 October 2012
43. Croatia	24 January 2003	26 July 1993	24 April 2005
44. Cuba	9 February 2007	12 June 1996	9 February 2007
45. Cyprus	22 April 2003	25 May 1990	23 February 2009
46. Czech Republic		30 December 1993	
47. Democratic People's Republic of Korea		19 March 2007	
48. Democratic Republic of the Congo	28 October 2005	28 October 2005	23 September 2010
49. Denmark	30 September 2003	19 December 1991	26 December 2006
50. Djibouti	20 April 2005	22 February 2001	20 April 2005
51. Dominica		30 June 1993	28 May 2010
52. Dominican Republic	26 October 2006	21 September 1993	26 October 2006
53. Ecuador	17 September 2002	23 March 1990	15 September 2005
54. Egypt	5 March 2004	15 March 1991	25 February 2005
55. El Salvador	18 March 2004	21 May 1993	1 July 2004
56. Equatorial Guinea	7 February 2003		
57. Eritrea		30 January 2002	
58. Estonia	10 February 2003	12 July 2000	12 April 2010
59. Ethiopia	23 July 2007	11 October 1994	26 November 2007
60. European Union	21 May 2004	31 December 1990	12 November 2008
61. Fiji		25 March 1993	14 May 2008
62. Finland	10 February 2004	15 February 1994	20 June 2006
63. France	29 October 2002	31 December 1990	11 July 2005
64. Gabon	15 December 2004	10 July 2006	1 October 2007
65. Gambia	5 May 2003	23 April 1996	
66. Georgia	5 September 2006	8 January 1998	4 November 2008
67. Germany	14 June 2006	30 November 1993	
68. Ghana	21 August 2012	10 April 1990	27 June 2007
69. Greece	11 January 2011	28 January 1992	17 September 2008

70. Grenada	21 May 2004	10 December 1990	
71. Guatemala	25 September 2003	28 February 1991	3 November 2006
72. Guinea	9 November 2004	27 December 1990	
73. Guinea-Bissau	10 September 2007	27 October 1995	10 September 2007
74. Guyana	14 September 2004	19 March 1993	16 April 2008
75. Haiti	19 April 2011	18 September 1995	14 September 2009
76. Holy See	25 January 2012	25 January 2012	
77. Honduras	2 December 2003	11 December 1991	23 May 2005
78. Hungary	22 December 2006	15 November 1996	19 April 2005
79. Iceland	13 May 2010	2 September 1997	1 March 2011
80. India	5 May 2011	27 March 1990	9 May 2011
81. Indonesia	20 April 2009	23 February 1999	19 September 2006
82. Iran		7 December 1992	20 April 2009
83. Iraq	17 March 2008	22 July 1998	17 March 2008
84. Ireland	17 June 2010	3 September 1996	9 November 2011
85. Israel	27 December 2006	20 May 2002	4 February 2009
86. Italy	2 August 2006	31 December 1990	5 October 2009
87. Jamaica	29 September 2003	29 December 1995	5 March 2008
88. Japan		12 June 1992	
89. Jordan	22 May 2009	16 April 1990	24 February 2005
90. Kazakhstan	31 July 2008	29 April 1997	18 June 2008
91. Kenya	16 June 2004	19 October 1992	9 December 2003
92. Korea, Republic of		28 December 1998	27 March 2008
93. Kiribati	15 September 2005		
94. Kuwait	12 May 2006	3 November 2000	16 February 2007
95. Kyrgyz Republic	2 October 2003	7 October 1994	16 September 2005
96. Lao Peoples Democratic Republic	26 September 2003	1 October 2004	25 September 2009
97. Latvia	7 December 2001	24 February 1994	4 January 2006
98. Lebanon	5 October 2005	11 March 1996	22 April 2009
99. Lesotho	24 September 2003	28 March 1995	16 September 2005
100. Liberia	22 September 2004	16 September 2005	16 September 2005
101. Libya	18 June 2004	22 July 1996	7 June 2005
102. Liechtenstein	20 February 2008	9 March 2007	8 July 2010
103. Lithuania	9 May 2002	8 June 1998	21 December 2006
104. Luxembourg	12 May 2008	29 April 1992	6 November 2007
105. Macedonia, Former Yugoslav Rep.	12 January 2005	13 October 1993	13 April 2007
106. Madagascar	15 September 2005	12 March 1991	22 September 2004
107. Malawi	17 March 2005	12 October 1995	4 December 2007

108. Malaysia	24 September 2004	11 May 1993	24 September 2008
109. Maldives		7 September 2000	22 March 2007
110. Mali	12 April 2002	31 October 1995	18 April 2008
111. Malta	24 September 2003	28 February 1996	11 April 2008
112. Marshall Islands	15 June 2011	5 November 2010	17 November 2011
113. Mauritania	22 July 2005	1 July 1993	25 October 2006
114. Mauritius	21 April 2003	6 March 2001	15 December 2004
115. Mexico	4 March 2003	11 April 1990	20 July 2004
116. Micronesia, Federal States of	24 May 2004	6 July 2004	21 March 2012
117. Moldova	16 September 2005	15 February 1995	1 October 2007
118. Monaco	5 June 2001	23 April 1991	
119. Mongolia	27 June 2008	25 June 2003	11 January 2006
120. Montenegro	23 October 2006	23 October 2006	23 October 2006
121. Morocco	19 September 2002	28 October 1992	9 May 2007
122. Mozambique	20 September 2006	8 June 1998	9 April 2008
123. Myanmar (Burma)	30 March 2004	11 June 1991	20 December 2012
124. Namibia	16 August 2002	6 March 2009	3 August 2004
125. Nauru	12 July 2012	12 July 2012	12 July 2012
126. Nepal	23 December 2011	24 July 1991	31 March 2011
127. Netherlands	26 May 2004	8 September 1993	31 October 2006
128. New Zealand	19 July 2002	16 December 1998	
129. Nicaragua	9 September 2002	4 May 1990	15 February 2006
130. Niger	30 September 2004	10 November 1992	11 August 2008
131. Nigeria	28 June 2001	1 November 1989	14 December 2004
132. Niue	16 July 2012	16 July 2012	
133. Norway	23 September 2003	14 November 1994	29 June 2006
134. Oman	13 May 2005	15 March 1991	
135. Pakistan	13 January 2010	25 October 1991	31 August 2007
136. Palau			24 March 2009
137. Panama	18 August 2004	13 January 1994	23 September 2005
138. Papa New Guinea			16 July 2007
139. Paraguay	22 September 2004	23 August 1990	1 June 2005
140. Peru	23 January 2002	16 January 1992	16 November 2004
141. Philippines	28 May 2002	7 June 1996	8 November 2006
142. Poland	12 November 2001	26 May 1994	15 September 2006
143. Portugal	10 May 2004	3 December 1991	28 September 2007
144. Qatar	10 March 2008	4 May 1990	30 January 2007
145. Romania	4 December 2002	21 January 1993	2 November 2004

146. Russia	26 May 2004	17 December 1990	9 May 2006
147. Rwanda	26 September 2003	13 May 2002	4 October 2006
148. St. Kitts and Nevis	21 May 2004	19 April 1995	
149. St. Lucia		21 August 1995	25 November 2011
150. St. Vincent and the Grenadines	29 October 2010	17 May 1994	
151. Samoa		19 August 2005	
152. San Marino	20 July 2010	10 October 2000	
153. Sao Tome and Principe	12 April 2006	20 June 1996	12 April 2006
154. Saudi Arabia	18 January 2005	9 January 1992	
155. Senegal	27 September 2003	27 November 1989	16 November 2005
156. Serbia	6 September 2001	12 March 2001	20 December 2005
157. Seychelles	22 April 2003	27 February 1992	16 March 2006
158. Sierra Leone		6 June 1994	30 September 2004
159. Singapore	28 August 2007	23 October 1997	6 November 2009
160. Slovakia	3 December 2003	28 May 1993	1 June 2006
161. Slovenia	21 May 2004	6 July 1992	1 April 2008
162. Solomon Islands			6 January 2012
163. South Africa	20 February 2004	14 December 1998	22 November 2004
164. Spain	1 March 2002	13 August 1990	19 June 2006
165. Sri Lanka	22 September 2006	6 June 1991	31 March 2004
166. Sudan	10 December 2004	19 November 1993	
167. Suriname	25 May 2007	28 October 1992	
168. Swaziland	24 September 2012	3 October 1995	24 September 2012
169. Sweden	30 April 2004	22 July 1991	25 September 2007
170. Switzerland	27 October 2006	14 September 2005	24 September 2009
171. Syria	8 April 2009	3 September 1991	
172. Tajikistan	8 July 2002	6 May 1996	25 September 2006
173. Thailand		3 May 2002	1 March 2011
174. Tanzania	24 May 2006	17 April 1996	25 May 2005
175. Timor-Leste	9 November 2009		27 March 2009
176. Togo	2 July 2004	1 August 1990	6 July 2005
177. Tonga		29 April 1996	
178. Trinidad and Tobago	6 November 2007	17 February 1995	31 May 2006
179. Tunisia	19 July 2003	20 September 1990	23 September 2008
180. Turkey	25 March 2003	2 April 1996	9 November 2006
181. Turkmenistan	28 March 2005	21 February 1996	28 March 2005
182. UAE	7 May 2007	12 April 1990	22 February 2006
183. Uganda	9 March 2005	20 August 1990	9 September 2004

184. Ukraine	21 May 2004	28 August 1991	2 December 2009
185. United Kingdom	9 February 2006	28 June 1991	9 February 2006
186. United States	3 November 2005	20 February 1990	30 October 2006
187. Uruguay	4 March 2005	10 March 1995	10 January 2007
188. Uzbekistan	9 December 2003	24 August 1995	29 July 2008
189. Vanuatu	4 January 2006	26 January 2006	12 July 2011
190. Venezuela	13 May 2002	16 July 1991	2 February 2009
191. Vietnam	8 June 2012	4 November 1997	19 August 2009
192. Yemen	8 February 2010	25 March 1996	7 November 2005
193. Zambia	24 April 2005	28 May 1993	7 December 2007
194. Zimbabwe	12 December 2007	30 July 1993	8 March 2007

# **USG ASSISTANCE**

## Department of State Budget

### U.S. Department of State FY 2012-2013 Budget Counter-Narcotics Program Area

<i>\$ in thousands for all items</i>	FY 2012 Actual	FY 2013 Request
<b>TOTAL</b>	672,417	675,266
<b>Africa</b>	1,050	1,050
<b>Liberia</b>	1,050	1,050
International Narcotics Control and Law Enforcement	1,050	1,050
<b>East Asia and Pacific</b>	2,540	600
<b>Indonesia</b>	490	450
International Narcotics Control and Law Enforcement	490	450
<b>Laos</b>	250	150
International Narcotics Control and Law Enforcement	250	150
<b>State East Asia and Pacific Regional</b>	1,800	-
International Narcotics Control and Law Enforcement	1,800	-
<b>Europe and Eurasia</b>	1,117	569
<b>Georgia</b>	203	120
Assistance for Europe, Eurasia and Central Asia	203	-
International Narcotics Control and Law Enforcement	-	120
<b>Russia</b>	614	449
Assistance for Europe, Eurasia and Central Asia	614	-
International Narcotics Control and Law Enforcement	-	449
<b>Eurasia Regional</b>	300	-
Assistance for Europe, Eurasia and Central Asia	300	-
<b>Near East</b>	1,000	1,000
<b>Iraq</b>	1,000	1,000
International Narcotics Control and Law Enforcement	1,000	1,000
<b>South and Central Asia</b>	191,873	249,299

<b>Afghanistan</b>	169,632	225,381
Economic Support Fund	63,000	65,000
International Narcotics Control and Law Enforcement	106,632	160,381
<b>Kazakhstan</b>	685	724
Assistance for Europe, Eurasia and Central Asia	685	-
International Narcotics Control and Law Enforcement	-	724
<b>Kyrgyz Republic</b>	521	780
Assistance for Europe, Eurasia and Central Asia	521	-
International Narcotics Control and Law Enforcement	-	780
<b>Pakistan</b>	12,410	12,140
International Narcotics Control and Law Enforcement	12,410	12,140
<b>Tajikistan</b>	1,060	820
Assistance for Europe, Eurasia and Central Asia	1,060	-
International Narcotics Control and Law Enforcement	-	820
<b>Turkmenistan</b>	243	298
Assistance for Europe, Eurasia and Central Asia	243	-
International Narcotics Control and Law Enforcement	-	298
<b>Uzbekistan</b>	32	156
Assistance for Europe, Eurasia and Central Asia	32	-
International Narcotics Control and Law Enforcement	-	156
<b>Central Asia Regional</b>	290	-
Assistance for Europe, Eurasia and Central Asia	290	-
<b>State South and Central Asia Regional (SCA)</b>	7,000	9,000
International Narcotics Control and Law Enforcement	7,000	9,000
<b>Western Hemisphere</b>	388,162	345,313
<b>Belize</b>	-	213
Foreign Military Financing	-	213
<b>Bolivia</b>	7,500	5,000
International Narcotics Control and Law Enforcement	7,500	5,000
<b>Brazil</b>	2,900	1,915
International Narcotics Control and Law Enforcement	2,900	1,915

<b>Colombia</b>	214,902	198,605
Economic Support Fund	88,302	84,633
International Narcotics Control and Law Enforcement	126,600	113,972
<b>Costa Rica</b>	815	1,402
Foreign Military Financing	315	1,402
<b>Ecuador</b>	4,850	8,888
Development Assistance	1,400	4,438
International Narcotics Control and Law Enforcement	3,450	4,450
<b>Haiti</b>	2,570	1,360
International Narcotics Control and Law Enforcement	2,570	1,360
<b>Mexico</b>	67,000	55,000
International Narcotics Control and Law Enforcement	67,000	55,000
<b>Paraguay</b>	175	150
International Narcotics Control and Law Enforcement	175	150
<b>Peru</b>	48,000	47,250
Development Assistance	21,000	25,000
International Narcotics Control and Law Enforcement	27,000	22,250
<b>State Western Hemisphere Regional (WHA)</b>	39,450	25,530
International Narcotics Control and Law Enforcement	39,450	25,530
<b>Bureau of International Narcotics and Law Enforcement Affairs (INL)-Centrally-Managed Programs</b>	86,675	77,435
<b>INL - CFSP, Critical Flight Safety Program</b>	7,838	8,185
International Narcotics Control and Law Enforcement	7,838	8,185
<b>INL - Demand Reduction</b>	12,500	12,500
International Narcotics Control and Law Enforcement	12,500	12,500
<b>INL - Inter-regional Aviation Support</b>	50,362	41,951
International Narcotics Control and Law Enforcement	50,362	41,951
<b>INL - International Organizations</b>	3,900	3,400
International Narcotics Control and Law Enforcement	3,900	3,400
<b>INL - Program Development and Support</b>	12,075	11,399
International Narcotics Control and Law Enforcement	12,075	11,399

## International Training

International counternarcotics training is managed and funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL), and implemented by various U.S. law enforcement organizations including the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), Immigration and Customs Enforcement (ICE), U.S. Customs and Border Patrol (CBP), and U.S. Coast Guard. Major objectives are:

- Contributing to enhanced professionalism of the basic rule of law infrastructure for carrying out counternarcotics law enforcement activities in countries which cooperate with and are considered significant to U.S. narcotics control efforts;
- Improving technical skills of drug law enforcement personnel in these countries; and
- Increasing cooperation between U.S. and foreign law enforcement officials.

INL-funded training supports U.S. counternarcotics priorities worldwide, and focuses on encouraging foreign law enforcement agency self-sufficiency. The overarching goal of U.S. counternarcotics training is to support the development of effective host country enforcement institutions, capable of removing drugs from circulation before they can reach the United States. U.S. training can take two forms: as part of a planned bilateral assistance program in target partner countries; and as regional training with international participants from multiple countries. The regional training provided at International Law Enforcement Academies (ILEAs) consists of both general law enforcement training as well as specialized training for mid-level managers in police and other law enforcement agencies.

U.S. bilateral training assistance program works closely with international organizations including the UN Office on Drugs and Crime (UNODC) and the Organization of American States. The U.S. coordinates assistance planning with other donors through mechanisms such as the Dublin Group (an informal body of countries and organizations that provide law enforcement training), and the Paris Pact (an informal network of states dedicated to stopping the spread of Afghan opiates). The U.S. continuously works to promote burden-sharing with our allies in the provision of training, as well as ensuring that our respective efforts are complementary and directed towards common goals.

### **International Law Enforcement Academies (ILEAs)**

The mission of the regional International Law Enforcement Academies (ILEAs) is to support emerging democracies, help protect U.S. interests through international cooperation, and promote social, political and economic stability by combating crime. To achieve these goals, the ILEA program provides high-quality training and technical assistance, supports institution building and enforcement capability development, and fosters relationships between American law enforcement agencies and their counterparts around the world.

Since the first ILEA opened in Budapest in 1995, the program has grown to five academies worldwide, and has provided training to over 42,000 students in from countries in Africa,

Europe, Asia, and across Latin America. ILEAs offer three different types of programs to address global threats: a core program; specialized courses; and seminars and workshops. The core program is a six-week intensive professional development program – the Law Enforcement Leadership Development (LELD) – designed for mid-level law enforcement practitioners, and is tailored to region-specific needs and emerging global threats. The core program typically includes 50 participants, normally from three or more countries. The specialized courses, comprised of about 30 participants, are one or two-week courses for law enforcement or criminal justice officials on a specific topic. Lastly, regional seminars or workshops present various emerging law enforcement topics such as transnational crimes, financial crimes, and counterterrorism.

The ILEAs help to develop an extensive network of alumni who exchange information with their regional and U.S. counterparts and assist in transnational investigations. Many ILEA graduates become the leaders and decision-makers in their respective law enforcement organizations. The Department of State coordinates with the Departments of Justice, Homeland Security and Treasury, and with foreign government counterparts to implement the ILEA programs.

**Africa.** ILEA Gaborone (Botswana) opened in 2001. ILEA Gaborone delivers four core programs annually and also offers specialized courses for police and other criminal justice officials to boost their capacity to work with U.S. and regional counterparts. These courses concentrate on specific methods and techniques in a variety of subjects, such as anti-corruption, financial crimes, border security, drug enforcement, firearms, explosives, wildlife investigation, gender-based violence and many others. ILEA Gaborone provided training to approximately 740 students in 2012.

**Asia.** ILEA Bangkok (Thailand) opened in 1999, and focuses on enhancing regional cooperation against transnational crime threats in Southeast Asia. Courses focus on combating illicit drug trafficking, terrorist financing and financial crimes, illicit wildlife trafficking, environmental crimes, and human trafficking. ILEA Bangkok provides one core program and also provides specialized courses on a variety of criminal justice topics each year. ILEA Bangkok trained approximately 1330 students in 2012.

**Europe.** ILEA Budapest (Hungary) was the first ILEA and was established in 1995. ILEA Budapest delivers five core programs annually and also offers specialized courses on regional threats such as organized crime, environmental and cyber-crime, terrorist financing and financial crimes, women in law enforcement, gender-based violence and many others. ILEA Budapest trained approximately 1100 students in 2012.

**Global.** ILEA Roswell (New Mexico) opened in September 2001. ILEA Roswell provides the tools necessary to enable partner countries to formulate and execute effective and responsible criminal justice public policy. Unlike other ILEAs, ILEA Roswell draws its recruits from graduates of regional Academies in Budapest, Bangkok, Gaborone, San Salvador and the ILEA Regional Training Center (RTC) in Lima, Peru. ILEA Roswell trained approximately 60 students in 2012.

**Latin America.** ILEA San Salvador (El Salvador) opened in 2005. ILEA San Salvador delivers four core programs annually and also offers specialized courses on regional threats as well as specialized courses for police, prosecutors, and judicial officials. ILEA San Salvador courses concentrate on anti-gangs, international terrorism, illegal trafficking in drugs, alien smuggling, terrorist financing and financial crimes. ILEA San Salvador trained approximately 1170 students in 2012.

The **ILEA Regional Training Center** in Lima (Peru) opened in 2007 to complement the mission of ILEA San Salvador. The RTC augments the delivery of region-specific training for Latin America and concentrates on specialized courses on critical topics for countries in the Southern Cone and Andean Regions. The RTC trained approximately 340 students in 2012.

## Drug Enforcement Administration (DEA)

The majority of illicit drugs distributed and consumed in the United States originate in foreign countries. DEA's mission is to enforce the controlled substances laws and regulations of the United States. In furtherance of this mission, DEA targets the cultivation, production, transportation, distribution and financial operations of Drug Trafficking Organizations (DTOs) based in foreign nations and at home. The primary objective behind DEA's "Drug Flow Attack Strategy" is to cause major disruption to the flow of drugs, money and chemicals between source zones and the United States. In order to dismantle and disrupt DTOs, DEA and other U.S. agencies work hand in hand with our foreign law enforcement counterparts.

DEA establishes and maintains working relationships with host nations by staffing 85 DEA offices located in 66 countries. DEA's foreign offices act as conduits of information to DEA components in the United States and vice versa. In this manner, investigators are able to target DTOs from the source to the end user. DEA's foreign offices are tasked with the following objectives:

- Conduct bilateral investigations with foreign law enforcement;
- Coordinate counternarcotics intelligence gathering with host governments;
- Conduct training programs for host country police agencies (contingent on host nation being a recipient of US counter narcotics assistance);
- Assist in the development of host country drug law enforcement institutions and develop mutually beneficial law enforcement relationships with foreign law enforcement agencies.

The emphasis placed on each objective is determined by the host nation's unique conditions and circumstances related to their infrastructure and law enforcement capabilities. DEA works side by side with host nation counterparts to develop relevant training initiatives, promote intelligence sharing and support joint operations. The following examples highlight the assistance and joint enforcement efforts undertaken by DEA and host nation counterparts in 2012.

**\$150 Million Seizure in Hezbollah-related Money Laundering Scheme:** In 2007, DEA identified an ongoing, international trade-based money laundering conspiracy led by Lebanese national Ayman Joumaa designed to conceal the proceeds obtained from illicit drug sales and other criminal activity through the purchase and shipment of used vehicles from the United States to West Africa. The Joumaa Drug Trafficking Organization (DTO) was suspected of laundering more than \$400 million annually in proceeds through the Lebanese Canadian Bank (LCB) and Lebanese exchange houses. On December 15, 2011, DEA and the U.S. Attorney's Office at the Southern District of New York (USAO-SDNY) filed an asset forfeiture and civil money laundering complaint describing Hezbollah's involvement in the trade based money laundering scheme, an action which precluded a foreign terrorist organization (FTO) from infiltrating the U.S. financial system and profiting from a money laundering mechanism. Joumaa was also indicted on December 12, 2011, for drug and money laundering offenses in the Eastern District of Virginia.

On August 15, 2012, DEA New York Field Division and USAO-SDNY filed a request for and obtained seizure orders seeking funds contained in the correspondent US bank accounts of Banque Libano–Francaise. DEA believed that forfeitable assets tied to the sale of LCB were maintained in escrow at Banque Libano–Francaise totaling approximately \$150 million. On August 20, 2012, Banque Libano–Francaise complied with the order and wired \$150 million to a federal account.

**Operation Log Jam:** This multi-jurisdictional initiative was conducted by DEA and Homeland Security Investigations, and targeted a group of manufacturers, wholesalers, sub-distributors and retail distributors involved in the illegal distribution of synthetic cannabinoids (“spice”) and synthetic cathinones (“bath salts”). On July 25, 2012, more than 90 individuals were arrested and more than five million packets of designer synthetic drugs were seized in the first nationwide law enforcement action against the synthetic designer drug industry responsible for the production and sale of synthetic drugs often marketed as bath salts, spice, incense, or plant food. More than \$36 million in cash, 4.8 million packets of synthetic cannabinoids and 167,000 packets of synthetic cathinones were seized. Materials necessary for the production of an additional 13.6 million cannabinoids and 392,000 packets of synthetic cathinones were also seized.

**Operation Resolute:** On April 17, 2012, foreign nationals Harouna Toure and Idriss Abdelrahman both pled guilty to one count of conspiring to provide material support to a designated FTO. Toure, Abdelrahman and co-conspirator Oumar Issa were charged in connection with their agreement to transport cocaine through West and North Africa, intending to support the drug trafficking activities of Al-Qaida in the Lands of the Islamic Maghreb (AQIM) and the Revolutionary Armed Forces of Colombia (FARC). Issa pled guilty to one count of conspiring to provide material support to a FTO on November 15, 2011. This is the first case with Al-Qaida connected subjects convicted in the U.S. involving drug related activities.

**Operation Lockdown:** On December 26, 2011, Jorge Fadlallah-Cheaitelli, a Lebanese-Colombian based in Panama, and multi-million dollar international money launderer with ties to Hezbollah and the Sinaloa Cartel, was arrested in Costa Rica. DEA coordinated the arrest with authorities in Costa Rica, El Salvador, Honduras, and Colombia. He was extradited to New York on July 30, 2012.

## United States Coast Guard (USCG)

The USCG plays a crucial role in efforts to keep dangerous narcotic drugs moving by sea from reaching the United States. Working within the Department of Homeland Security (DHS) in carrying out its responsibilities within the National Drug Control Strategy, the USCG leverages its unique maritime security authorities, capabilities and partnerships to mitigate risk and improve security in our domestic ports, on the high seas, and abroad. The overarching strategy is to increase maritime border security through a layered security system that begins beyond the country's physical borders. This layered approach begins in foreign ports where the Coast Guard conducts foreign port assessments, leveraging the International Port Security Program to assess the effectiveness of port security and antiterrorism measures. Offshore, maritime patrol aircraft provide broad surveillance capability enabling cutters and law enforcement detachments (LEDET) embarked on U.S. Naval ships and Allied Nation vessels to respond to potential threats, launch boats and aircraft in adverse sea states, and maintain a presence through all weather conditions. Well before vessels arrive in ports, screening and targeting operations provide critical information regarding vessels, crews, passengers, and cargo destined for the United States. To maximize the operational success, the USCG uses maritime counterdrug bilateral agreements and operating procedures with partner nations to coordinate detection and monitoring (D&M) and interdiction and apprehension (I&A) endgame activities and coordinate joint operations.

**D&M and I&A:** Detection of narcotics trafficking vessels occurs principally through the collection, analysis, and dissemination of tactical information and strategic intelligence combined with effective sensors operating from land, air and surface assets, for which Joint Interagency-South (JIATF-S) is lead. The six million square mile transit zone is far too expansive to randomly patrol; targeting information is necessary to focus efforts. Upon detection, the USCG, and other similar U.S. and partner nation law enforcement agencies provide monitoring, relaying data, imagery and position information until an appropriate interdiction asset arrives on scene. The USCG is the lead U.S. federal agency for drug interdiction on the high seas. Interdiction success causes Drug Trafficking Organizations (DTOs) to incur greater costs and decreases their efficiency in moving illicit products to market. A crucial element in USCG success for drug interdiction is the system of agreements with many countries around the world, which permit USCG law enforcement officers to stop, board, and search vessels suspected of transporting narcotics.

**International Cooperative Efforts:** The Coast Guard has 52 personnel deployed abroad to facilitate maritime counterdrug activities including security assistance, intelligence collection and dissemination, and liaison internally and externally. There are 45 maritime counterdrug bilateral agreements or operational procedures in place between the United States and partner nations. These agreements greatly increase the operational reach of U.S. assets, and help partner nations protect their sovereignty. The Coast Guard sponsors a semi-annual Multilateral Maritime Counterdrug Summit with partner nations in the primary drug transit zone that gives participants the opportunity to share, exchange, and improve "best practices," and to think creatively about employing new tactics, techniques, and procedures to counter drug trafficking organizations. To counter the cocaine flow across the Atlantic Ocean into Africa and Europe,

the USCG continues to work with U.S. Africa Command (AFRICOM) to expand maritime training and operations for West African countries through the African Maritime Law Enforcement Partnership (AMLEP).

**International Training and Technical Assistance:** The USCG conducts International Training and Technical Assistance in support of drug interdiction programs through various means. The USCG Technical Assistance Field Team (TAFT) provides engineering expertise, vessel assessments, and major repair contracting services to the maritime services of the countries in the Eastern Caribbean's Regional Security System (RSS). The USCG's Security Assistance Program offers both resident training programs and mobile training teams (MTTs) to partner nation maritime services around the world to advance the capability of their naval and coast guard forces. In 2012, the USCG deployed 76 MTTs to 35 countries, and 61 partner nations enrolled students in 232 resident courses at USCG training installations.

**Operational Highlights:** In 2012, the Coast Guard expended over 1,924 cutter days and 3,860 aircraft hours on counterdrug patrols; conducted 12 joint operations with partner nations; and deployed 17 LEDETs aboard British, Dutch and Canadian warships. As a result, the Coast Guard disrupted 162 drug smuggling attempts, which included the seizure of 70 vessels, detention of 352 suspected smugglers, and removal of 107 metric tons (MT) of cocaine and 56 MT of marijuana. Nearly all of these interdictions involved some type of foreign partner support or cooperation, either through direct unit participation, or through the exercise of bilateral agreements including entry into territorial waters, granting permission to board, or logistics support.

## **U.S. Customs and Border Protection (CBP)**

CBP processes all goods, vehicles, and people entering and exiting the 330 international Ports of Entry (POE) of the United States. CBP is also been charged with the border regulatory functions of passport control and agriculture inspections in order to provide comprehensive control services. CBP is the nation's first line of defense against the introduction of narcotics and dangerous contraband items from foreign sources.

On a typical day, CBP process processes over a million travelers and a quarter of a million vehicles entering the United States. On an average daily basis, CBP officers detain or arrest over a hundred people who have ties to Transnational Criminal Organizations (TCO's) and are actively engaged in the drug trade, smuggling of contraband, violence against women or money laundering activities. CBP seizes an average of 13,000 pounds of drugs and \$350,000 in illicit currency at the borders on a daily basis. CBP deploys approximately 50,000 law enforcement officers daily in 26,000 tactical vehicles, 270 aircraft, 230 watercraft, 350 horse patrols and 1,500 canine teams to keep our border secure.

**Security at the Border:** The Office of Field Operations (OFO) oversees nearly 28,000 employees with more than 22,000 dedicated officers and agriculture specialists that protect U.S. borders from 20 Field Operations offices; 330 ports of entry; 15 preclearance stations in Canada, Ireland and the Caribbean.

The Office of Border Patrol (OBP) is assigned the mission of securing the border against all threats between the POEs along the over 8,000 miles of land and coastal border. These threats include criminal or undocumented aliens, drug smugglers, potential terrorists, wanted criminals, and persons seeking to avoid inspection at the designated POEs. OBP's drug interdiction activity includes staffing 35 permanent and 140 tactical checkpoints nationwide.

The Office of Air and Marine (OAM) engages in air and marine interdiction, air and marine law enforcement, and air domain security. In this capacity, the OAM targets the conveyances that illegally transport narcotics, arms, and aliens across U.S. borders and in the Source, Transit and Arrival Zones. In support of Source and Transit Zone interdiction operations, the Air and Marine P-3 Program has dedicated a minimum of 5,200 hours a year in support of Joint Interagency Task Force – South (JIATFS). In FY 2012, the P-3 Air Wing accounted for over 58.5 metric tons of cocaine either seized or disrupted.

**Security Beyond the Borders:** As part of its efforts to extend the nation's zone of security beyond U.S. ports of entry, the Office of International Affairs (INA) works with other U.S. government and foreign government components to provide a wide array of short-term and long-term technical training and assistance to countries throughout the world. These programs are designed to standardize and build the capacity of foreign organizations to implement more effective customs trade operations, border policing, and immigration inspection.

**International Engagement Programs:** CBP has a growing network of Attachés, Representatives and Advisors who serve abroad in U.S. Embassies along with the Combatant

Commands from the Department of Defense. These personnel work closely with CBP's foreign counterparts in the ongoing effort to counter drug-smuggling.

**Technical Assistance Programs:** INA coordinates and presents over 200 technical assistance programs to thousands of foreign participants each year. The majority of these programs take place outside the United States, although CBP also hosts training events at specific U.S. ports of entry.

**Capacity Building Programs:** In 2011, INA provided technical training and assistance in support of the ILEA-International Law Enforcement Academy programs currently operating in Bangkok, Budapest, Gaborone, San Salvador, and Lima. INA provided 250 capacity building sessions in over 75 countries for foreign partners, including 19 courses at the ILEAs.

**International Visitors Programs:** The International Visitors Program (IVP) provides an opportunity for foreign customs officials and other foreign officials working on contraband enforcement issues to consult with their U.S. counterparts and appropriate high level managers in CBP Headquarters. In FY 2011, IVP made arrangements for over 600 visits for over 3,100 visitors.

**Bulk Currency Smuggling Training:** Bulk Currency Smuggling training assists foreign government enforcement personnel in identifying techniques used by bulk currency smugglers. Further, it helps them to design and implement programs to counter that threat, resulting in seizures of millions of dollars in the proceeds of crime.

**Tactical Response Training:** At the request of the State Department's Bureau of International Narcotics and Law Enforcement Affairs, CBP's Border Tactical Unit (BORTAC) conducts training focused on South and Central American countries and also participates in training for the Drug Enforcement Administration's Foreign-Deployed Advisory Support Teams bound for Afghanistan.

# **CHEMICAL CONTROLS**

## 2012 Trends

Chemicals play two critical roles in the production of illegal drugs: as chemical inputs for the production of synthetic drugs such as methamphetamine and MDMA (3,4-methylenedioxymethamphetamine, commonly known as ecstasy); and as refining agents and solvents for processing plant-based materials such as coca and opium poppy into drugs such as cocaine and heroin. Chemicals used in synthetic drug production are known as “precursor” chemicals because they are incorporated into the drug product and are less likely to be substituted by other chemicals. Chemicals used to refine and process plant-based drugs are referred to as “essential” chemicals and can be readily replaced by other chemicals with similar properties. Both sets of chemicals are often referred to as “precursor” chemicals and for brevity this term is used interchangeably for both categories throughout this report.

Chemical control challenges have shifted significantly in recent years. Twenty-five years ago government authorities envisaged a system of regulation for chemicals used in the production of illicit drugs that would work along with the control systems for narcotic drugs and psychotropic substances under the United Nations treaties. Specifically, the chemical control system was developed to include a list of chemicals appended to the 1988 UN Convention with the monitoring and reporting requirements under the auspices of the International Narcotics Control Board (INCB). Since 2006, States Parties to the 1988 Convention have been reporting exports and imports of these licit chemicals on a specific basis to the INCB through an online Pre-Export Notification System (PENS). In March 2012 the INCB expanded its online capabilities at the request of UN Members to allow participants to notify the Board of suspicious or new shipments under a Precursor Incident Communications System (PICS).

Success in monitoring and tracking both listed chemicals and non-scheduled chemicals used in illicit production has led to significant changes in illicit drug production. As a result, drug traffickers continued in 2012 to seek new sources, methods, and trafficking opportunities to stay head of enforcement authorities, rules, and regulations. Increasingly, they are now using chemicals that are not listed under the convention and preying on countries that have limited enforcement and regulatory systems. In response, international efforts will need to focus on increased voluntary identification and reporting of possible substitute precursor chemicals; initiatives to track, seize and safely dispose of diverted chemicals; and further engagement with the private sector in supporting such voluntary efforts. Regional and multilateral cooperative efforts continue to be critical in this regard.

**Methamphetamine.** In 2012, production of methamphetamine continued to rise in the Western Hemisphere, in Europe, in Asia, and for the first time significantly in Africa. In 2012, the United States worked with international partners to prevent diversion of ephedrine and pseudoephedrine—the two most common chemicals used to produce methamphetamine—into illicit channels. Greater use of the INCB’s PENS has led to tracing and monitoring of licit bulk shipments of these chemicals and thereby preventing diversion. Operations conducted under Project Prism—an intergovernmental task force coordinated by the INCB—have aided law enforcement authorities in their efforts to understand the sources and methods of new smuggling trends. Two years ago, an operation initiated under Project Prism revealed increased use of

phenylacetic acid (PAA) and pharmaceutical preparations containing pseudoephedrine and ephedrine in methamphetamine production. Suspicious PAA shipments identified by this task force were destined for Mexico, with the leading sources shifting from China to India. The shift may be a result of new legislative and administrative efforts in China to strengthen controls over precursors, though many criminal investigations in 2012 indicated that China remained a major source of such precursors.

In recent years, Mexico and some Central American countries tightened legislative and administrative controls on methamphetamine precursor chemicals and finished medicines containing them, leading to increased seizures, arrests, and stopped suspicious shipments. In 2011, several countries, including El Salvador, Guatemala and Nicaragua, expanded their control measures to cover derivatives of phenylacetic acid. However, in 2012 such seizures appeared to drop off and authorities now believe that traffickers in the Americas are turning to non-scheduled precursor chemicals to manufacture methamphetamine through alternative methods. In Europe, criminal organizations are increasingly using alpha-Phenylacetoacetonitrile (APAAN), a non-scheduled precursor chemical pre-precursor to manufacture methamphetamine. Multi-ton shipments of APAAN from China were seized in the Netherlands in 2012.

Recent INCB operations under Project Prism also indicate that methamphetamine traffickers are increasingly procuring chemicals through and shifting production to regions with little experience with chemical control. According to numerous sources, Mexican-based criminal groups are establishing operations and contacts in Central and South America, specifically Argentina, Guatemala, Honduras, and Nicaragua, to purchase the chemicals needed to manufacture methamphetamine. Both Guatemalan and Belizean authorities have interdicted significant chemical shipments intended for methamphetamine production. Traffickers also appeared to be targeting West African nations in a more substantial way. West Africa is now a source of methamphetamine destined for Asia, and trafficking through East Africa has been reported. Pakistan has also emerged as a transit country, and trafficking of precursor chemicals from Bangladesh continues. Iranian methamphetamine-trafficking networks have become leading suppliers to markets across the Middle East and the Asia Pacific region.

**Heroin.** In 2012, the United States continued cooperative efforts to target the precursor chemicals used to produce heroin, primarily acetic anhydride. These efforts included increased use of the INCB's PENS and the new PICS systems as well as continued support for INCB-led operations. The Government of Afghanistan informed the INCB that there is no legitimate use for acetic anhydride in Afghanistan and now seeks to block all imports of the substance. Authorities believe that acetic anhydride is diverted primarily from neighboring countries to Afghanistan for heroin production. Afghanistan's neighbors and other international partners continue to work with Afghanistan to address this issue. As with methamphetamine precursors, traffickers are increasingly smuggling acetic anhydride through new routes in Africa, Asia, and Europe, as well as illegally diverting supplies from legitimate trade.

In 2012, the United States joined with other nations to promote the implementation of Security Council resolution 1817/2008 calling for more effective efforts to target acetic anhydride diversion smuggling into Afghanistan. The United States also participated with 58 other

countries in the Paris Pact meetings on chemical control that focus on ways to prevent smuggling and diversion of acetic anhydride.

**Cocaine.** Potassium permanganate, an oxidizer, is the primary precursor chemical used in producing cocaine, used to remove the impurities from cocaine base. It has many legitimate industrial uses, including waste water treatment, disinfecting, and deodorizing. Potassium permanganate also can be combined with pseudoephedrine to produce methcathinone, a synthetic stimulant that is also a controlled substance.

In South America, the INCB Project Cohesion Task Force focuses on monitoring the imports of potassium permanganate to cocaine processing areas. Developing an effective multilateral effort focused on potassium permanganate has proved difficult because of the vast licit uses of this chemical. Additionally, authorities now believe that increased reporting of licit shipments through PENS has led to recent efforts by drug trafficking organizations to divert from domestic sources in Latin American producing countries such as Colombia, or to develop alternate production methods. Alternative precursor chemicals have also been detected. The United States, the INCB and others are encouraging countries in South America to continue obtaining and sharing information on these new trends. Despite the lack of multilateral operations focusing on potassium permanganate, Colombia continues to report large numbers of seizures and has noted its concern about illicitly manufactured potassium permanganate.

## The Road Ahead

The United States continues to work with international partners to assist other countries to implement the provisions of the 1988 UN Convention, monitor those substances on the special surveillance list, and identify new substitute chemicals that can be used for illicit drug production. Development of effective chemical control regimes and legislation is critical. Additionally, it is important to develop the administrative and procedural tools to successfully identify suspicious transactions, as well as to make better use of watch lists and voluntary control mechanisms.

Against this backdrop, the United States will continue to promote efforts through the INCB and engage the UN Commission on Narcotic Drugs (CND). In the Western Hemisphere, the United States works through the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS) to advance cooperation on precursor chemical controls. Guided at the policy level by CICAD Commissioners (delegates from the 34 Member States in the region), the Supply Reduction Unit of CICAD carries out a variety of initiatives in this important field, and is supported by its Experts Groups on Chemicals and Pharmaceuticals, which meets annually.

## Precursors and Essential Chemicals

Plant-based drugs such as cocaine and heroin require precursor chemicals for processing, and cutting off supply of these chemicals to drug trafficking organizations is critical to U.S. drug control strategy. International efforts have a longer track record in targeting the illicit diversion of the most common precursors for cocaine and heroin, potassium permanganate and acetic anhydride, respectively. Diversion of less than one percent of worldwide licit commercial use of these chemicals is required to produce the world's supply of cocaine and heroin, and curbing supplies is an enormous challenge.

## International Regulatory Framework for Chemical Control

Preventing diversion of precursor chemicals from legitimate trade is one key goal of the 1988 UN Convention. Specifically, state parties are required under article 12 to monitor international trade in chemicals listed under Tables I and II of the Convention. Albeit a slow process, these tables are updated to account for changes in the manufacture of illicit drugs, and state parties are required to share information with one another and with INCB on international transactions. The Convention further encourages state parties to license all persons and enterprises involved in the manufacture and distribution of listed chemicals. Subsequent resolutions from the UN Commission on Narcotic Drugs (CND)—the UN's primary narcotic drug policy-making body—have provided additional guidance to states on how to implement these obligations according to specific best practices. The INCB is an independent, quasi-judicial body that monitors the implementation of the three UN international drug control conventions. The underlying strategy is to monitor the trade in drug precursors and prevent transactions to suspicious customers.

**Special Monitoring List:** In 1996, the United States supported a CND resolution that added a special monitoring list of chemicals that are not included in the Convention but for which substantial evidence exists of their use in illicit drug manufacture. Reporting on these non-listed chemicals is voluntary under international law, but widely implemented under INCB supervision. The list is regularly reviewed, but it takes time to update with the newly emerging non-scheduled substances. As a result, criminals vigorously exploit delays and gaps in the listings.

**Regional Bodies.** The regulatory framework codified by the United Nations does not exist in isolation. Regional bodies, such as the European Union (EU) and the OAS, actively collaborated with the United States on multilateral chemical control initiatives, including CND resolutions.

## Major Chemical Source Countries and Territories

This section focuses on individual countries with large chemical manufacturing or trading industries that have significant trade with drug-producing regions and those with significant

chemical commerce susceptible to diversion domestically for smuggling into neighboring drug-producing countries. Designation as a major chemical source country does not indicate a lack of adequate chemical control legislation or the ability to enforce it. Rather, it recognizes that the volume of chemical trade with drug-producing regions, or proximity to them, makes these countries the sources of the greatest quantities of chemicals liable to diversion. The United States, with its large chemical industry and extensive trade with drug-producing regions, is included on the list.

Many other countries manufacture and trade in chemicals, but not on the same scale, or with the broad range of precursor chemicals, as the countries in this section. These two sections are broken down by region.

## **The Americas**

### **Argentina**

Argentina is one of South America's largest producers of precursor chemicals. Over the past several years the Government of Argentina has enhanced its precursor chemical regulatory framework and improved its port, border controls and related criminal investigations to combat precursor chemicals trafficking. Additionally, Argentina has taken measures to prepare a voluntary code of conduct for the chemical industry and now implements a federal inspection plan for entities working with controlled substances with an emphasis on precursors used to produce cocaine.

Argentina is a party to the 1988 UN Drug Convention and has laws meeting the Convention's requirements for record keeping, import and export licensing, and the authority to suspend shipments. Argentina restricted the importation and exportation of ephedrine, both as a raw material and as an elaborated product, in 2008, resulting in a substantial decrease in legal ephedrine imports in both 2009 and 2010. The newly appointed SEDRONAR Secretary implemented several reforms to improve tracking of precursor chemical shipments and creating a Coordination Directorate to improve cooperation with the judiciary and public prosecution service to control precursor chemicals. Improved inter-ministerial cooperation would facilitate efforts to isolate shipments being diverted for illegal narcotics production.

### **Brazil**

Brazil is one of the world's ten largest chemical producers and is the leading chemical producer in Latin America. Brazil is a Party to the 1988 UN Convention and cooperates with other countries to prevent the diversion of precursor chemicals. Brazil has established a control system for precursor chemicals, including potassium permanganate and acetic anhydride. Either product, however, can be commercialized without restriction for quantities of up to one kilogram (kg) for potassium permanganate and one liter of acetic anhydride.

The Brazilian Federal Police (DPF) Chemical Division is the lead agency that controls and monitors chemicals via 27 DPF regional divisions and 54 satellite offices. The Chemical Division is comprised of two units; the Chemical Control Division, subordinate to the DPF Executive Directorate, and the Criminal Diversion Investigations unit which reports to the Organized Crime Division.

The DPF uses a national system to monitor all chemical movements in the country, including imports/exports and licensing. The DPF adheres to the UN CND - Resolution 49/3 on strengthening systems for the control of precursor chemicals used in the manufacturing of synthetic drugs. Brazil reports its annual estimates of legitimate requirements for ephedrine, pseudoephedrine, and phenyl-2-propanone (P2P) through the INCB PENS. The DPF routinely uses PENS in coordination with member states to alert importing countries with details of an export transaction. Use of more than 10 grams per month of either ephedrine or pseudoephedrine must be reported.

## **Canada**

Canada is both a destination and transit country for precursor chemicals used to produce synthetic drugs, particularly methamphetamine and ecstasy. The Government of Canada has enhanced its efforts to prevent the diversion of precursor chemicals used in production of methamphetamine and cooperates with U.S. law enforcement authorities. However, Canada's domestic production of methamphetamine and ecstasy continues.

Precursor and essential chemicals found in Canada (regulated and unregulated) are primarily manufactured in China and India and then imported or smuggled into Canada. Seizures of ephedrine and pseudoephedrine continued at Canadian ports of entry in 2012, but they do not appear to be at the same levels or the bulk shipments of 2009 and 2008. However, Canadian authorities have noted for the first time significant seizures of the non-scheduled substance alpha-phenylacetonitrile (APAAN) which is a precursor to produce both amphetamine-type stimulant and a pre-precursor to the manufacturing methamphetamine. Canadian authorities report two such seizures in 2012 netted 6.7 mt of APAAN that originated in China. Gamma-butyrolactone (GBL) seizures also increased from 2008.

The Royal Canadian Mounted Police has launched programs to target synthetic drugs and the chemicals used to produce them. The Synthetic Drug Initiative (SDI) launched in 2009 focuses on the production and distribution of illegal synthetic drugs. ChemWatch is a partnership between Canada's National Chemical Diversion Program and the chemical industry.

Canada has also established controls, including requiring licenses and permits, on those chemicals used in the production of methamphetamine, ecstasy, and other drugs. Canada participates in Project Prism, the INCB-led initiative that targets amphetamine-type stimulants.

## **Chile**

Chile has a large petrochemical industry engaged in the manufacturing, importation and exportation of chemical products. Despite government efforts to control the diversion of chemicals, precursors continue to be diverted from legitimate market uses in Chile for use in coca processing in Peru and Bolivia. Additionally, Chile has been a source of ephedrine for methamphetamine processing in Mexico, although no ephedrine has been seized by Chilean counterparts since 2009. The majority of chemical imports in Chile have originated from India and China. Such chemicals are primarily directed to Bolivia, Peru and Mexico. Chemicals

destined for Peru and Bolivia are transported by land, while those sent to Mexico are transported by air cargo and maritime shipments.

Chile is party to the 1988 UN Drug Convention and has in place, in accordance with Article 12 of the Convention, a chemical control regime to preventing diversion. Chile routinely submits information required by the Convention. Chile has ratified the Convention on Psychotropic Substances of 1971.

Chile's laws regulate potassium permanganate and acetic anhydride as well as ephedrine and pseudoephedrine. A specialized task force within the Investigative Police investigates diversion of permanganate, acetic anhydride, ephedrine and pseudoephedrine.

Chile's Ministry of Interior administers the country's chemical control regime. A special entity within the Ministry's Division of Studies, called the Directorate of Controlled Chemical Substances is the lead agency on precursor chemical control matters. Chilean law enforcement entities have chemical diversion units and dedicated personnel tasked with investigating chemical and pharmaceutical diversion cases. The Customs agency has a risk analysis unit which profiles suspicious imports and exports, including chemical precursors.

The Directorate of Controlled Chemical Substances within the Ministry of Interior maintains a Special Register of Controlled Chemical Handlers for the purpose of regulating chemicals. Approximately 500 companies that import, export, or manufacture chemical precursors are registered with the Directorate and maintain customer records. These firms are subject to inspections. However, the registration system is not yet well-developed, making effective monitoring of diversion difficult. Other weaknesses in Chile's efforts to prevent diversion include the country's cumbersome bureaucratic structure and a lack of personnel dedicated to this issue.

## **Mexico**

Methamphetamine production continues to increase in Mexico and importations of precursor chemicals are on the rise. Mexico does not control all chemicals listed in the 1988 UN Convention. Nonetheless, Mexican laws regulate the production and use of many of these substances, and the Mexican Office of the Attorney General (PGR) is responsible for enforcing chemical control laws. In 2008, Mexico outlawed imports of pseudoephedrine, except hospital use of liquid pseudoephedrine. Ephedrine imports are also banned. Mexico has enhanced regulatory laws on the importation of precursor chemicals, including regulations for imports of phenylacetic acid, its salts, and esters and derivatives, methylamine, hydriodic acid, and red phosphorous. Imports of both precursor and essential chemicals are also limited by law to two of 19 Mexican ports of entry. Mexico does not, however, regulate imports and exports of potassium permanganate or acetic anhydride.

Mexico participates in international mechanisms to control precursors and has a strong bilateral working relationship with the United States. Mexico participates in the National Methamphetamine and Pharmaceutical Initiative conference and signed a Memorandum of Cooperation with the United States to address precursor chemicals and clandestine laboratories

in 2012. The two governments also cooperate to convey best practices to Central American countries affected by the trafficking of precursor chemicals.

Mexico has several major chemical manufacturing and trade industries that produce, import, or export most of the chemicals required for illicit drug production, including potassium permanganate, and acetic anhydride. Although Mexico-based transnational criminal organizations are major producers of methamphetamine, no pseudoephedrine or ephedrine is produced legally within the country.

Despite legal controls, traffickers continue to smuggle these precursors into Mexico, and seizures of such chemicals have increased. Through September 2012, the Government of Mexico reported seizures of over 349 metric tons (MT) of precursor chemicals. Operations in Michoacán and Queretaro accounted for 69 percent of all precursors seized in Mexico in 2012. There was also an increase in seizures in Veracruz and Chiapas, which are transit points for precursor chemical shipments to and from Guatemala. Small quantities of acidic anhydride (200-400 liters) have also been identified at clandestine methamphetamine laboratories.

Illegal shipments of ephedrine and pseudoephedrine destined for Mexico come primarily from China, India, and Bangladesh. Those two chemicals are also often replaced with phenyl-2-propanone (P2P) and its precursors, such as phenyl acetic acid (PAA), which enters Mexico in large quantities from China, and to a lesser degree, from suppliers in Eastern Europe and other Asian countries. Relatively large amounts of these P2P precursors were seized in 2012. As of September 2012, the Government of Mexico seized 96,237 liters of PAA and 34,778 kg of PAA in powder form, as well as 47,553 kg of methylamine, an emerging precursor used in the production of methamphetamine via the P2P method. The import, export, and trade of PAA are controlled by 2009 regulations issued by Mexico's Health Secretariat.

Similar to P2P, monomethylamine can be used to create ephedrine, and is therefore a key ingredient in methamphetamine manufacture in Mexico. It is also used to produce several pesticides and solvents. In 2012, three major shipments of monomethylamine were seized in Mexican ports, all of which originated from China. The largest of these was an approximate 195 MT seizure in Lazaro Cardenas; the other two major seizures in Veracruz and Manzanillo totaled 32 and 35 tons, respectively.

### **The United States**

The United States manufactures and/or trades in all 23 chemicals listed in Tables I and II of the 1988 UN Drug Convention. It is a party to the 1988 UN Convention and has laws and regulations meeting its chemical control provisions.

The basic U.S. chemical control law is the Chemical Diversion and Trafficking Act of 1988. This law and subsequent chemical control amendments were all designed as amendments to U.S. C Substances Act of 1970, rather than stand-alone legislation. The Drug Enforcement Administration (DEA) is responsible for administering and enforcing them. The Department of Justice, primarily through its U.S. Attorneys Offices, handles criminal prosecutions and cases seeking civil penalties for regulatory violations. In addition to registration and record-keeping

requirements, the legislation requires traders to file import/export declarations at least 15 days prior to shipment of regulated chemicals. DEA uses the 15-day period to determine if the consignee has a legitimate need for the chemical. However, if a company has an established business relationship with their foreign customer, the 15-day period is waived and same day notification is permitted for any future shipments. Diversion investigators and special agents work closely with exporting and receiving country officials in this process. If legitimate end-use cannot be determined, the legislation gives DEA the authority to stop shipments. One of the main goals of DEA's Diversion Control Program is to ensure that U.S. registrants' (those companies registered with DEA to handle List I chemicals) products are not diverted for illicit drug manufacture.

U.S. legislation also requires chemical traders to report to DEA suspicious transactions such as those involving extraordinary quantities or unusual methods of payment. Close cooperation has developed between the U.S. chemical industry and DEA in the course of implementing the legislation. Criminal penalties for chemical diversion are strict; the penalties for some chemical trafficking offenses involving methamphetamine are tied to the quantities of drugs that could have been produced with the diverted chemicals. Persons and companies engaged in chemical diversion have been aggressively and routinely subjected to revocation of DEA registration as well as to civil and criminal prosecution as appropriate.

The United States has played a leading role in the design, promotion, and implementation of cooperative multilateral chemical control initiatives. The United States also actively works with other concerned nations, and with the UNODC and the INCB to develop information sharing procedures to better control precursor chemicals, including pseudoephedrine and ephedrine, the principal precursors for methamphetamine production. U.S. officials participate in the combined task force for both Project Cohesion and Project Prism. The United States has established close operational cooperation with counterparts in major chemical manufacturing and trading countries. This cooperation includes information sharing in support of chemical control programs and in the investigation of diversion attempts.

The Combat Methamphetamine Epidemic Act of 2005 (CMEA) mandated that DEA establish total annual requirements for these three chemicals for the United States and provide individual import, manufacturing and procurement quotas to registered importers and manufacturers that wish to conduct import and manufacturing activities with these chemicals. Since the implementation of quotas in 2008, the United States has seen decreases in assessments of importation of some of these chemicals by over 70 percent.

## **Asia**

### **Bangladesh**

Bangladesh is a transit state for methamphetamine precursors such as ephedrine and pseudoephedrine. Ephedrine and pseudoephedrine are diverted from legitimate trade and illicitly exported from Bangladesh to countries in Central America and the Caribbean through various methods including the use of express air courier services, sea, and air cargo shipment routes.

The Government of the People's Republic of Bangladesh is committed to the implementation of the principles and provisions of 1988 UN Convention and regional agreements regarding control of narcotic drugs, psychotropic substances and precursor chemicals. Article 18 of the Constitution provides legal obligations for restriction and control of harmful narcotic drugs and psychotropic substances, including precursor chemicals. The government has included 22 precursor chemicals in the Schedule of Drugs of the Narcotics Control Act to comply with the provisions of Article 12 of the 1988 UN Convention, placing them under the definition of controlled drugs. The Narcotics Control Act also allows for financial investigations and freezing of assets derived from trafficking in drugs and precursors. In 2002, the government amended the Narcotics Control Act with the provision that offenses of drugs and precursor chemicals should be investigated within 15 days and tried under the jurisdiction of Speedy Trial Court.

The Narcotics Control Rules regulate the control, monitoring and supervision of use of precursors for industrial, scientific and medical purposes through a licensing system. Under this system, no import, export, transport, shipment, manufacture, sale, distribution, purchase, possession, storage, warehousing, or other use can be done without a license, permit or pass from the Department of Narcotics Control (DNC). Persons managing storage and transshipment of precursor chemicals are also legally accountable for any misuse, damage or diversions. Through 2012, the government has issued 111 licenses for import, 32 licenses for processing, 61 wholesale licenses, 65 retail licenses, and 55 permits for use of various types of precursor chemicals.

Besides the DNC, the Police, Customs, Rapid Action Battalion (RAB), Border Guards, and Coast Guard are also empowered to detect and intercept illegal operations regarding precursor chemicals. Bangladesh has also established District Drug Control Committees (DDCC) to monitor and coordinate activities of all agencies responsible for interdicting drugs and precursors. Bangladesh's laws are adequate for effective control of precursors; however, the DNC lacks sufficient manpower, equipment, and training to consistently detect and interdict precursors. The number of arrests and seizures of precursor chemicals has risen dramatically since 2004. All of the seized precursors originated from India and were bound for clandestine laboratories in Eastern India and Burma. This suggests that international traffickers are using Bangladesh to smuggle precursor chemicals from Indian territories on the western border of Bangladesh to the Indian and Burmese territories on Bangladesh's east and southeast borders.

Bangladesh is not a manufacturer of precursor chemicals or amphetamine-type stimulants (ATS). Bangladeshi authorities continue to be challenged by drug traffickers diverting precursor-based pharmaceutical preparations from the legitimate market and smuggling shipments out of the country. In response, Bangladesh has banned all preparations of pseudoephedrine in tablet form. Furthermore, though the INCB has allotted 49,000 kg of pseudoephedrine to Bangladesh for its legitimate commercial use, the government allowed import of only 16,685 kg during 2011 and is currently working to revise the quota based on a needs assessment.

## **China**

China is one of the world's largest producers and exporters of precursor chemicals with approximately 160,000 precursor chemical companies and production facilities. In 2011, China

was the fourth largest exporter of pseudoephedrine with 65,000 kg in exports. China's close proximity to key drug production hubs in the Golden Triangle (Southeast Asia) and the Golden Crescent (Southwest Asia), its relatively weak regulatory oversight of the vast precursor chemical industry, as well as its numerous coastal cities with large precursor chemical factories and modern port facilities, make it an ideal source for precursor chemicals worldwide. Regulatory oversight of the precursor chemical industry is further complicated and challenged by the unknown number of unregistered or illegal precursor chemical factories operating in China.

Chinese-produced precursor chemicals are currently in high demand for illicit drug production by transnational criminal organizations. China is a source country for potassium permanganate; acetic anhydride; ephedrine and pseudoephedrine; and methylamine and phenylacetic acid and related chemicals (also used to produce methamphetamine). The diversion of precursor chemicals for the illicit production of drugs remains a problem within China. The Government of China reports that, in 2011, Chinese law enforcement officials investigated 414 precursor chemical cases that resulted in the seizure of approximately 1,834 MT of precursor chemicals. Seventy-five of these cases involved illicit smuggling activities via the concealment of precursor chemicals in other declared products, while 339 cases consisted of diversion activities that involved the mislabeling or false declaration of precursor chemicals. China also issued 696 Pre-Export Notifications (PENS) involving 51 countries. As a result, 720 MT of precursor chemicals from 10 shipments were suspended, and 130,000 MT successfully passed international checks. Criminal investigations and law enforcement authorities from Europe, Latin America and elsewhere in Asia continue to report that large-scale illicit methamphetamine producers in Asia and Mexico use Chinese-produced ephedrine and pseudoephedrine.

China controls all chemicals included in the 1988 UN Convention with the exception of PAA. Although China regulates the import and export of precursor chemicals covered by the 1988 UN Convention, it does not currently control, or notify other countries on the export of, non-regulated chemicals known as "pre-precursors." As noted above, these pre-precursors, such as variants of PAA, are now the primary chemicals employed in the manufacture of methamphetamine consumed in the United States. China has recognized this weakness in its existing chemical control law and is drafting new legislation to address the export of these currently unregulated chemicals. That new legislation is still pending approval.

## **India**

India is one of the world's largest manufacturers of precursor chemicals, including acetic anhydride, ephedrine and pseudoephedrine. In 2011 India was also the top exporter of both ephedrine (95,000 kg) and pseudoephedrine (1,658,000 kg). India does not have controls on all the chemicals listed in the Convention. Criminal organizations continue to target India as a source of precursor of amphetamine-type stimulants, in particular ephedrine and pseudoephedrine. The Narcotic Drug and Psychotropic Substances Act requires that every manufacturer, importer, exporter, seller and user of acetic anhydride, N-acetyl anthracitic acid, ephedrine, pseudoephedrine and anthracitic acid maintain records and file returns with the Narcotics Control Bureau. Any discrepancies must be reported to the Director General of the Narcotics Control Bureau. Exports of the precursors, ephedrine and pseudoephedrine, require a "No Objection" Certificate from the Narcotics Commissioner, who issues a Pre-Export

Notification to the Competent Authority in the importing country and to the INCB. India has also been an active participant in Project Prism, which targets precursors to manufacture amphetamine-type stimulants (ATS). However, despite its vigorous efforts to control precursor chemicals, India has been identified in a number of cases as the source of diverted precursor chemicals for a range of narcotic drugs, including methamphetamine and heroin.

India's large pharmaceutical industry manufactures narcotic drugs and psychotropic substances. India is also a major producer of precursor chemicals, including acetic anhydride (AA), ephedrine, and pseudoephedrine. India issues pre-export notifications for export of precursors using the INCB's PENS online system, and has a licensing regime to control pharmaceutical products.

In March 2010, India established a new procedure which centralized the allocation of quotas for the production of narcotic drugs. The Narcotics Commission of India, Central Bureau of Narcotics, now holds the authority to allocate quotas to manufacturers and collect the data required by the INCB.

### **Singapore**

In 2011, Singapore's exports and imports of both ephedrine and pseudoephedrine increased. Singapore was ranked the third largest exporter of ephedrine and the fourth largest importer of ephedrine (ranked first in 2009). Authorities indicate that the amounts not re-exported are used primarily by the domestic pharmaceutical industry and by the large number of regional pharmaceutical companies served by Singapore's largest port. Singapore is one of the largest distributors of acetic anhydride in Asia. Used in film processing and the manufacture of plastics, pharmaceuticals, and industrial chemicals, acetic anhydride is also the primary acetylating agent for heroin.

Precursor chemicals including ephedrine transit Singapore from India and Bangladesh en route to destinations such as Mexico. One of the busiest transshipment ports in the world, Singapore does not screen containerized shipments unless they enter its customs territory. In-transit or transshipment cargo shipped on a through bill of lading and which do not have a Singapore consignee involved in the shipment are not reported to Government of Singapore Authorities (Immigration and Checkpoints Authority (ICA) and Singapore Customs). Other transshipments do require inward/outward permits; however, reporting requirements of up to 10 days after arrival and three days prior to departure and very efficient cargo processing allow much cargo to move before being reported.

Singapore controls precursor chemicals, including pseudoephedrine and ephedrine, in accordance with the 1988 UN Drug Convention. Authorities will not authorize imports of precursors before issuing a "No Objection" letter in response to the exporting country's pre-export notification. Pre-export notifications are issued on all exports. The Government of Singapore conducts site visits on companies dealing with controlled chemicals to ensure awareness of the requirements and overall compliance.

Singapore participates in a multilateral precursor chemical control programs, including Projects Cohesion and Prism, and works closely with the USG. Singapore controls precursor chemicals, including pseudoephedrine and ephedrine, in accordance with the 1988 UN Drug Convention provisions, and accordingly tracks exports and works closely with industry officials.

### **The Republic of Korea**

In 2011, South Korea was the top importer of ephedrine and the fourth largest importer of pseudoephedrine. With one of the most developed commercial infrastructures in the region, the Republic of Korea (ROK) is an attractive location for criminals to obtain precursor chemicals. Precursor chemicals used for the manufacture of illicit drugs, such as acetic anhydride (AA), phenylacetic acid (PAA) and ephedrine, are imported from the United States, Japan, India and China and are then either resold and transshipped to other countries in the Middle East, Southeast Asia and Mexico. As of 2011, 30 precursor chemicals were controlled by Korean authorities.

Both the Korea Customs Service (KCS) and the Korean Food and Drug Administration (KFDA) participate in the INCB's Projects Cohesion and Prism and DICE. In this role, they closely monitor imports and exports of precursor chemicals, particularly acetic anhydride. Korean law enforcement authorities also cooperate with Southeast Asian nations to verify documents and confirm the existence of importing businesses and send representatives to the region to investigate. In April 2011, the National Assembly passed a new law that requires manufacturers and exporters of precursor chemicals to register with the government and provides for education to Korean businesses to prevent them from unknowingly exporting such chemicals to fraudulent importers. Implementation of the new law is a critical next step. South Korean authorities work closely with the U.S. authorities to track suspect shipments.

Many dual-use precursor chemicals, including acetone, toluene, hydrochloric acid and sulfuric acid, are imported into South Korea and then exported, both legally and illegally. Acetic anhydride (AA) remains the chemical of greatest concern. All imported AA is either sold domestically for legitimate use, or is diverted and smuggled to the Middle East by trafficking organizations. However, a recent trend includes the transshipment of PAA for the production of methamphetamine in Mexico.

### **Taiwan**

In 2011, Taiwan was the third largest importer of ephedrine and ranked as the third largest exporter of pseudoephedrine. Taiwan was also ranked the fourth largest importer of ephedrine in 2011. Taiwan law enforcement has long recognized that certain Taiwan-based chemical companies divert chemicals that may be used to manufacture illicit substances in other countries. The Ministry of Economic Affairs, Industrial Development Bureau serves as the regulatory agency for chemicals. Licensing is not required for the trade of these substances, but there are reporting requirements to prevent diversion.

Taiwan does not have control regulations for the trade of ephedrine or pseudoephedrine over-the-counter pharmaceutical preparations. However, companies engaging in their import/export must register their transactions with the Department of Health, which may elect to examine relevant

shipping records. Taiwan does have control regulations for the export and import of bulk ephedrine and pseudoephedrine. In 2011, Taiwan's Ministry of Economic Affairs added eight new precursor chemicals to the control list. In 2012, Taiwan began enforcing a 2009 law that requires the Department of Health to report to the Ministry of Justice Investigations Bureau (MJIB) any unusual or excessive sales of cold medicines, which has resulted in a reduction of cold medicine sales. New rules include restrictions on cold medicines containing ephedrine and pseudoephedrine. Law enforcement operations targeting illegal production of amphetamines, scrutiny of licit ephedrine production and stepped up law enforcement surveillance of drug smuggling routes has significantly reduced the precursor chemicals diversion and smuggling. Taiwan's law enforcement agencies work closely with U.S. law enforcement officials.

### **Thailand**

Precursor chemicals are not produced in Thailand, but the government imports chemicals in bulk for licit medical and industrial purposes. However, Thai officials are concerned by a dramatic increase in pseudoephedrine diversion. According to Thailand's Office of the Narcotics Control Board (ONCB), 961.2 kg of pseudoephedrine were seized in Thailand in 2011 and 141.7 kg were seized in the first half of 2012. Thailand's Department of Special Investigation (DSI) found 87 million tablets—most likely from South Korea—were smuggled by air into Thailand on nine occasions. Three Thailand-based companies are under investigation for pseudoephedrine imports.

Limited quantities of certain chemicals, like acetic anhydride, transit Thailand to laboratories in Burma. Most precursor chemicals and substances that transit Thailand originate in Indonesia or Malaysia. Acetic anhydride is produced in Indonesia while other chemicals are brokered through Indonesian chemical houses and transported through Malaysia into Thailand.

Thailand has laws in place to control precursor chemicals, including the Psychotropic Substances Act of 1975 which places drugs and chemicals into four schedules similar to the U.S. drug schedules. Pseudoephedrine and ephedrine are Type II controlled drugs. To prevent diversion of precursors and essential chemicals from legitimate industry, the Precursor Chemical Control Committee was established in 1993. The ONCB is the principal Thai law enforcement agency responsible for enforcing the laws against the illicit diversion of prohibited chemicals.

In August 2011, the Thai Ministry of Health and the Thai Food and Drug Administration announced new controls on over-the-counter cold preparations starting in September 2011. Cold preparations containing pseudoephedrine are now declared as prescription drugs to prevent diversion for methamphetamine production. In May 2012 the Thai government took further steps when the Thai Food and Drug Administration announced the ban on the sale of pseudoephedrine tablets at local pharmacies. The May 4, 2012, law includes penalties for possession of pseudoephedrine tablets (less than five grams) that include one to five year imprisonment and fines. Possession of quantities of more than five grams of pseudoephedrine carry a penalty of five to twenty years imprisonment and heavier fines.

### **Middle East**

## Iraq

In its 2011 report on precursors, the INCB urged Iraq to investigate and verify the credentials of importers, brokers, and individual end users of products containing 1-phenyl-2-propanone (P-2-P) (a precursor for crystal methamphetamine). According to the INCB, Iraq now prohibits the importation of P-2-P and products containing P-2-P. Nonetheless, attempts to import precursor chemicals and traffic them through Iraq continue. The most common chemicals trafficked through Iraq are ephedrine, pseudoephedrine, and acetic anhydride (a precursor for heroin), and Iraq requires licenses to import them. Iraq does not have an active commercial sector manufacturing or trading in precursor chemicals. Iraq has taken steps to implement UN CND Resolution 49/3 of the 2006 session, and provides the INCB its estimated legitimate requirements for the following: ephedrine; pseudoephedrine; P-2-P; and 3,4-methylenedioxyphenyl-2-propanone; and their preparations. Those estimates have remained the same level for the past few years. Iraq has registered to use INCB's Pre-Export Notification Online system. Border guards and law enforcement are becoming aware of the trafficking of precursor chemicals, and have shown interest in preventing their diversion. However, Iraq needs to update drug laws to address precursor chemicals and stop their diversion to illicit use.

## Europe

Chemical diversion control within the European Union (EU) is regulated by EU regulations binding on all 27 Member States. The regulations are updated regularly and the Commission currently has two legislative proposals that the Council and Parliament are discussing. The first proposal strengthens Customs controls on two drug precursors, namely ephedrine and pseudoephedrine; the second proposal tightens the rules for companies in the EU using acetic anhydride, which is used in the manufacture of heroin. The EU regulations meet the chemical control provisions of the 1988 UN Convention, including provisions for record-keeping on transactions in controlled chemicals, a system of permits or declarations for exports and imports of regulated chemicals, and authority for governments to suspend chemical shipments. The EU regulations are directly applicable in all Member States. Only a few aspects require further implementation through national legislation, such as law enforcement powers and sanctions.

The EU regulations govern the regulatory aspects of chemical diversion control and set up common risk management rules to counter diversion at the EU's borders. Member states are responsible for investigating and prosecuting violators of national laws and creating regulations necessary for implementing the EU regulations.

The U.S.-EU Chemical Control Agreement, signed May 28, 1997, is the formal basis for U.S. cooperation with the European Commission and EU Member States in chemical control through enhanced regulatory cooperation and mutual assistance. The agreement calls for annual meetings of a Joint Chemical Working Group to review implementation of the agreement and to coordinate positions in other areas. The annual meeting coordinates national or joint positions on chemical control matters before larger multilateral fora, including the CND.

Bilateral chemical control cooperation continues between the United States and EU member states. Many states participate in voluntary initiatives such as Project Cohesion and Project

Prism. In 2007, the EU established guidelines for private sector operators involved in trading in precursor chemicals, with a view to offering practical guidance on the implementation of the main provisions of EU legislation on precursor chemicals, in particular the prevention of illegal diversion.

Germany and the Netherlands, with large chemical manufacturing or trading sectors and significant trade with drug-producing areas, are considered the major European source countries and points of departure for exported precursor chemicals. Other European countries have important chemical industries, but the level of chemical trade with drug-producing areas is not as large and broad-scale as these countries. Belgium and the United Kingdom are also included this year because of their large exports of ephedrine and pseudoephedrine.

### **Belgium**

Belgium is not a major producer of illicit drugs or chemical precursors used for the production of illicit drugs. Belgium was the third largest importer of pseudoephedrine in 2011 with 45,000 kg in exports. Belgium has a substantial pharmaceutical product sector which manufactures ephedrine and pseudoephedrine for licit products to a very limited extent. Belgium requires and enforces strong reporting requirements for the import and export of precursor chemicals (bulk pseudoephedrine/ephedrine). However, shipments of pharmaceutical “preparations” containing pseudoephedrine and ephedrine are only controlled on a regulatory level by the Belgian Ministry of Safety and Public Health. Belgium is not a major producer of chemical precursors used for the production of illicit drugs and the country manufactures methamphetamine precursors for licit products to a very limited extent.

While usually not a final destination for international shipments of precursors, Belgium has surfaced as a transit zone for significant quantities of precursor chemicals including ephedrine/pseudoephedrine, safrole oil and BMK and the pre-precursor alpha-phenylacetonitrile (APAAN). Belgium and other Western European countries have been used as transshipment points for ephedrine and other methamphetamine precursors. The illicit ephedrine diversion market is mainly controlled by Mexican traffickers who purchase both legal (i.e., cold medicine and dietary supplements) and illegal ephedrine, and ship it to Mexico, where it is used to produce methamphetamine for distribution in the United States.

In instances where precursor diversion for drug manufacturing purposes was suspected, Belgian authorities have executed International Controlled Deliveries (ICDs) or seized the shipments when the ICD is not possible. The United States continues to coordinate with Belgian authorities to identify and investigate both suppliers and shippers of precursor chemicals.

### **Germany**

Germany continues to be a leading manufacturer of licit pharmaceuticals and chemicals. In 2011, Germany was the second largest exporter of ephedrine with 63,000 kg and of pseudoephedrine with 475,000 kg. Most of the 23 scheduled substances under international control as listed in Tables I and II of the 1988 UN Drug Convention and other chemicals, which are used for the illicit production of narcotic drugs, are manufactured and/or sold by the German

chemical and pharmaceutical industry. Germany's National Precursor Monitoring Act complements EU regulations. Germany has a highly developed chemical sector which is tightly controlled through a combination of national and EU regulations, law enforcement action, and voluntary industry compliance. Cooperation between the chemical/pharmaceutical industry, merchants, and German authorities is a key element in Germany's chemical control strategy. Germany works closely with the United Nations Office on Drugs and Crime (UNODC), and is an active participant in chemical control initiatives led by the INCB, including Project Prism and Project Cohesion. The United States works closely with Germany's chemical regulatory agency, the Federal Institute for Drugs and Medical Devices, on chemical control issues and exchanges information bilaterally to promote transnational chemical control initiatives. German agencies cooperate closely with their U.S. counterparts to identify and stop chemical precursor diversion.

### **The Netherlands**

The Netherlands has a large chemical industry with large chemical storage facilities, and Rotterdam serves as a major chemical shipping port. However, the Netherlands has strong legislation and regulatory controls and the police force tracks domestic shipments and works closely with its international partners. Trade in precursor chemicals is governed by the 1995 Act to Prevent Abuse of Chemical Substances (WVMC). The law seeks to prevent the diversion of legal chemicals into the illegal sector. Production of synthetics is significant in the Netherlands, and recent trends show an increase in new types of precursors and pre-precursors to circumvent national and international legislation. Alpha-phenylacetonitrile (APAAN) is used in amphetamine production and acetic anhydride is used as a pre-precursor for phenyl-2-propanone (BMK). Safrole continues to be used as a pre-precursor for piperonyl methyl ketone (PMK) and its increased availability has been attributed to an increase in MDMA production.

The Financial Investigation Service (FIOD) of the Ministry of Finance is responsible for law enforcement efforts targeting precursors and Customs monitors trade in chemical. The chemical industry is legally obliged to report suspicious transactions. The Netherlands abides by all EU Regulations for drug precursors. The Prosecutor's Office has strengthened cooperation with countries playing an important role in precursor chemicals used in the manufacture of ecstasy. The Netherlands signed a memorandum of understanding (MOU) with China concerning chemical precursor investigations. The Netherlands is an active participant in the INCB/project Prism taskforce and provides the INCB annual estimates of legitimate requirements. The Dutch continue to work closely with the United States on precursor chemical controls and investigations. In April 2009, the Netherlands established a separate Expertise Center on Synthetic Drugs and Precursors (ESDP) and a Precursors Taskforce.

### **The United Kingdom**

In 2011 the United Kingdom (UK) continued as the fifth largest worldwide exporter of ephedrine. The UK strictly enforces national precursor chemical legislation in compliance with EU regulations and is a party to the 1988 UN Drug Convention. In 2008, the Controlled Drugs Regulations (Drug Precursors) (Intra and External Community Trade) were implemented, bringing UK law in line with preexisting EU regulations. Licensing and reporting obligations are requirements for those that engage in commerce of listed substances, and failure to comply

with these obligations is a criminal offense. The Home Office Drug Licensing and Compliance Unit is the regulatory body for precursor chemical control in the UK. However, the Specialized Organized Crime Agency (SOCA) and the police have the responsibility to investigate suspicious transactions. Revenue and Customs monitors imports and exports of listed chemicals. As of October 2011, the UK Home Office reported a licit domestic need for 10,500 kg of ephedrine, 12,850 kg of pseudoephedrine, and 29,840 kg of preparations of these chemicals. US and UK law enforcement continue to exchange information and training on the methamphetamine threat. In 2011, several small clandestine methamphetamine laboratories were seized in the UK.

## **Significant Illicit Drug Manufacturing Countries**

This section is also broken down by region and focuses on illicit drug manufacturing countries, their chemical control policies and efforts.

### **Asia**

#### **Afghanistan**

Afghanistan does not have a domestic chemical industry or a legitimate use for acetic anhydride (AA) and consequently has banned all imports and exports of AA. The principal illicit sources are believed to be China, South Korea, Europe, the Central Asian states, and India. Re-packaging and false labeling often hide the identity of the shipper. Limited police and administrative capacity has hampered efforts to interdict precursor substances and processing equipment and Afghan heroin conversion laboratories tend to be small operations, making the task of control and investigative authorities more difficult. In the last 12 months, Afghan and Coalition Forces seized 5,000 liters of liquid precursors.

Afghanistan has an export/import regime for all 23 substances under international control listed in the 1988 UN Convention. Afghanistan's multi-agency body that includes the Counter Narcotics Police of Afghanistan (CNPA) and Department of Customs is responsible for tracking shipments. Afghanistan's limited administrative and regulatory infrastructure has inhibited its ability to comply with the Convention's record keeping and other requirements. However, the CNPA has established a Precursor Control Unit within the Intelligence Department that works closely with the United Nations and is beginning to establish cooperative efforts with other countries in the region.

#### **Burma**

The illicit production and export of synthetic drugs in Burma continues, requiring smuggling or diversion of significant quantities of precursor chemicals. Burma does not have a significant chemical industry and does not manufacture ephedrine, pseudoephedrine or acetic anhydride

used in synthetic drug manufacture. Organized criminal syndicates smuggle these precursor chemicals into Burma through the extremely porous and difficult to police borders shared with Bangladesh, China, Laos, India and Thailand. The precursors are then transported to heroin refineries and amphetamine-type-stimulant (ATS) laboratories primarily located in regions of Shan State which are under the control of armed militia groups or in other areas that are lightly policed.

In 2012, Burmese authorities continued to fail to control the illicit import and diversion of precursor chemicals for use in production of illegal narcotics. The Burmese police made significant precursor seizures in government controlled areas such as Mandalay, Burma's main distribution center for precursor chemicals. However, Burmese authorities have not made significant efforts to stem the illicit influx of chemicals from border areas where they have minimal controls. Between January and September 2012, Burmese authorities seized 606 liters of liquid chemicals, including acetic anhydride. (Government statistics do not differentiate between precursor chemicals). The Government of Burma has not provided estimates on the size of its licit domestic market for ephedrine or pseudoephedrine, though knowledgeable sources believe that the entire pharmaceutical industry in Burma earns less than \$200 million in revenue.

Official seizure statistics between January and September 2012 related to ATS production included approximately 5,620 kg of pseudoephedrine, 322 kg of ephedrine, and 1,441 kg of caffeine powder. Burmese police also seized 15.97 million ATS tablets and 100 kg of crystal methamphetamine during the same reporting period. Burma is a party to the 1988 UN Drug Convention, but has not yet instituted laws that meet all UN chemical control provisions. In 1998, Burma established a Precursor Chemical Control Committee responsible for monitoring, supervising, and coordinating the sale, use, manufacture and transportation of imported chemicals. In 2002, the Committee identified 25 substances as precursor chemicals, and prohibited their import, sale or use in Burma.

## **Indonesia**

Indonesia was the fifth largest importer of ephedrine and pseudoephedrine in 2011. Imports of ephedrine and pseudoephedrine pose significant challenges for Indonesia. While Indonesia's growing population of close to 240 million warrants a large demand for cough and flu medicines, authorities estimate that some of these medicines and their precursors are diverted for production of methamphetamine/ecstasy. China is the primary source of licit chemicals for the Indonesian pharmaceutical industry and for chemicals used to produce illicit methamphetamines. Taiwan, India, and other Asian countries are also significant sources of licit pharmaceutical drugs diverted for use to produce amphetamine type stimulants. The 2009 National Narcotics Law gave Indonesia's counternarcotics agency (BNN) the authority to monitor narcotics and precursor production at pharmaceutical plants, and to conduct investigations and arrests in response to precursor and narcotics violations. Although there are several laws and regulations in place regarding the import and export of precursor chemicals, and Indonesia has reorganized the Ministry of Trade and Industry and the Ministry of Health to better control the import of precursor chemicals and pharmaceutical drugs, the extent of enforcement is largely unknown.

BNN reports that it regularly conducts unannounced visits to companies that are listed importers of precursor chemicals such as potassium permanganate and acetic anhydride. In regard to supervision of acetic anhydride, BNN cooperates closely with the Ministry of Industry. Indonesia is now utilizing the INCB's PENS. Through the Ministry of Health, Indonesia reports its legal domestic narcotics precursor estimates annually to the INCB as recommended by CND Resolution 49/3.

### **Laos**

Laos is an important transit point for Southeast Asian heroin, ATS, and precursor chemicals en route to other nations in the region. This transit drug trade involves criminal gangs with links in Africa, Latin America, Europe, and the United States, as well as in other parts of Asia.

The Laos Penal Code has several prohibitions against the import, production, and use and misuse of chemicals used for manufacturing illicit narcotics. The Ministry of Health and the Customs Department maintain controls over chemical substances. Laos has a small and nascent industrial base and the use of industrial chemicals subject to misuse for narcotics manufacture is relatively small. In 2008 the Lao National Assembly passed a drug law (Law on Drugs and Article 46 of the Penal Law) that defines prohibited substances and pharmaceuticals for medical use. In March 2009, the Prime Minister's Office issued a "Decree" to the revised drug law to clarify criminal liability that includes a list of 32 chemical precursors which could be used for illicit purposes.

### **Malaysia**

Malaysia is emerging as a regional production hub for crystal methamphetamine and ecstasy. Narcotics imported to Malaysia include heroin and marijuana from the Golden Triangle area (Thailand, Burma, Laos), and other drugs such as ATS. Small quantities of cocaine are smuggled into and through Malaysia from South America. Methamphetamine, ecstasy, and ketamine, mostly from India, are smuggled through Malaysia en route to consumers in Thailand, Japan, Indonesia, Singapore, China, and Australia. Since 2006, Malaysia has been a location where significant quantities of crystal methamphetamine are produced. Since 2009 there have been reports of methamphetamine laboratories seized in Kuala Lumpur and in Southern Malaysia, and frequent police reports of ethnic Chinese traffickers setting up labs in Malaysia. Nigerian and Iranian drug trafficking organizations are also increasingly using Kuala Lumpur as a hub for their illegal activities.

### **Latin America**

#### **Bolivia**

While Bolivia is not a major producer of chemicals, in 2012 new trends appeared to emerge in terms of cocaine production. The Chemical Substances Investigations Group (GISUQ) within the Special Counternarcotics Police Force (FELCN) is charged with locating and interdicting chemicals used in the traditional cocaine process, such as sulfuric acid, kerosene, gasoline, diesel oil and limestone. Beginning in 2011, the GISUQ found drug traffickers using new chemicals,

such as isopropyl alcohol, liquid ethyl acetate and sodium bisulphate, and cement to produce cocaine. In 2012, while the GISUQ continued to find the same chemicals, Ethyl acetate was found to be used to purify cocaine into HCL. These chemicals are not among the precursor chemicals controlled under the Bolivian Counternarcotics Law. Through September 2012, the GISUQ seized 1,003 MT of solid substances and 1,602,712 liters of liquid precursor chemicals, a 9 percent decrease and 76 percent increase respectively over the same period in 2011.

The GISUQ coordinates activities with the Directorate General of Controlled Substances (DGSC), a civilian entity under the Government of Bolivia that administrates and licenses the commercialization and transport of controlled substances listed in Bolivian counternarcotics law 1008. Per Bolivian law, unless controlled substances are found next to a cocaine lab, unlicensed transport and commercialization generates only an administrative violation, resulting in a fine and the possibility of forfeiting the merchandise if proper paperwork is not produced within a certain period of time.

The Bolivian Government does not have control regimes for ephedrine and pseudoephedrine. The GISUQ, however, coordinates with the Ministry of Health to supervise and interdict illegal commercialization of these and other methamphetamine precursors.

## **Colombia**

Precursor chemical diversion is a serious problem in Colombia. Unlike illicit drugs, chemicals have a legitimate, and often widespread, use within Colombia. Currently, there are approximately 4,500 chemical companies in Colombia authorized to handle regulated chemicals for legitimate use. Although chemical companies must have governmental permission to import or export specific chemicals and controlled substances, the burden of proof is on the police to prove the chemicals are intended for illicit drug production.

The Colombian government has tightened chemical controls on chemicals used for coca processing as well as strengthened chemical control legislation. However, traffickers are now seeking new avenues and many of these precursors are camouflaged and clandestinely imported into Colombia. They have also been diverted-by large Colombian chemical handlers whose management may have no knowledge of the illegal activities. The bulk of the diversion occurs at the second or third level of the distribution chain. Chemical traffickers and clandestine laboratories use non-controlled chemicals such as n-propyl acetate to replace controlled chemicals that are difficult to obtain. They also recycle chemicals in order to decrease the need to constantly divert them. Along with this practice, traffickers are recycling the chemical containers, making it difficult to trace their origin.

The Government of Colombia's authority regulating chemical control is the Chemical and Narcotics Control and Compliance Section, operating under the newly created Ministry of Justice and Law.

The Government of Colombia implements tighter restrictions on precursor chemicals in certain zones known for coca processing. These restrictions include reduced numbers for production,

distribution and storage of chemicals, and in some areas, complete prohibition of some chemicals.

Colombian companies are not authorized to export ephedrine or pseudoephedrine in bulk form and all drug combination products containing ephedrine or pseudoephedrine have been banned from domestic distribution. However, they can import these precursors for the manufacture of pharmaceutical preparations which can be re-exported.

The Colombian National Police Chemical Sensitive Intelligence Unit (SIU) was formed in June of 1998. The unit's primary mission was to verify the existence of companies importing chemicals and the validity of the import permits, including those from the United States, as well as to review their compliance with chemical control regulations. This mission changed near the end of 2000 when the focus shifted to investigative work as opposed to solely regulatory inspections. In 2007, the regulatory function of the SIU was transferred to the Chemical Control and Compliance Unit (CCCU) and the SIU maintained its investigative focus. The SIU is currently comprised of 37 members and the CCCU has 27 members. The SIU has offices in four cities in Colombia (Bogota, Cali, Medellin, and Villavicencio). The CCCU is primarily based in Bogota, but travels as needed to other cities within Colombia.

The primary mission of the SIU is to target and dismantle large-scale chemical trafficking organizations that provide chemicals to cocaine, heroin, and synthetic drug producing organizations within Colombia, Panama and Mexico. The CCCU is responsible for on-site inspections and audits, verification of imports/exports, and for developing leads for criminal prosecution purposes. The SIU and the CCCU are also responsible for the multi-national chemical targeting operation Sin Fronteras ("without borders"). The SIU coordinates all operations within Colombia in association with the Colombian Military, the Judicial Police, Colombian Prosecutors office, Colombian Customs, and various other agencies.

In 2011, the Colombian government amended its chemical law making the diversion of listed chemicals a criminal act. With this amendment, the owners can be prosecuted and their companies are susceptible to forfeiture. In 2011, the Government of Colombia scheduled levamisole, which is now the most frequently used product to cut Colombian cocaine.

The Colombian National Police (CNP) primary interdiction force, the Anti-Narcotics Directorate's (DIRAN) Jungle Commandos (Junglas) or airmobile units, are largely responsible for the significant number of cocaine HCL and coca base labs destroyed in 2012 as well as for the seizure of significant amounts of listed chemicals during the course of their operations in 2012. The Junglas seized 14 MT of solid precursors and 4.5 MT of liquid precursors. The Carabineros, or rural police, seized 69 liters of liquid precursors in 2012 and 174 MT of solid precursors. However, there has been a recent trend of labs storing precursor chemicals and HCL labs, long thought to be only located in Colombian jungles, moving into the urban centers. Investigations in 2012 have led to large scale labs in the large urban areas of Cali and Medellin.

## **Peru**

Peru continues to be a major importer of precursor chemicals used in cocaine production, including acetone and sulfuric acid. Peru is also a major importer of other essential chemicals for cocaine production. Many tons of these chemicals are diverted from legitimate channels to cocaine production with a major concentration in the coca valleys. The Peruvian National Police (PNP) has identified the principal routes of precursor chemicals from Lima into the drug source areas.

In 2012, Peruvian law enforcement reported seizures of hydrochloric acid, acetone and calcium oxide, totaling 640 MT. The PNP Chemical Investigations Unit (DEPCIQ) continued its successful chemical enforcement and regulatory operations, leading to the seizure of significant quantities of precursor chemicals, including 55.1 MT of acetone, 103.5 MT of hydrochloric acid/muriatic acid, and 51.2 MT of sulfuric acid. The counternarcotics police (DIRANDRO) continued Operation Chemical Choke, a bilateral chemical control program that targets acetone, hydrochloric, and sulfuric acid through a specialized enforcement/intelligence unit of PNP officers. In 2012, Operation Chemical Choke targeted those organizations that divert these chemicals to cocaine production laboratories located near coca growing areas. The results included the arrests of several chemical traffickers and the seizure of 21.2 MT of acetone; 10.3 MT of hydrochloric acid, and 12.2 MT of sulfuric acid. In 2012, seizures of potassium permanganate increased to 3 MT from 2 MT in 2011.

Peruvian law enforcement also conducted chemical enforcement operations with neighboring countries and participated in enforcement strategy conferences to address chemical diversion. Peru was a major participant in the Operation *Sin Fronteras* Phase III held in Santiago, Chile. In 2012, Peru's efforts in Operation *Sin Fronteras* resulted in the seizure of 104 MT of sulfuric, acetone, and hydrochloric acid, as well as several arrests. Separately, in August 2012, the PNP and Brazilian Federal Police (DPF) conducted a 21-day enforcement operation, Operation *Trapezio*, against cocaine trafficking organizations operating in the Tri-Border Region of Peru-Brazil-Colombia. This successful enforcement operation targeted the floating gas stations that provide gasoline for the coca leaf alkaloid extraction process. PNP and DPF seizures included 19 floating gas stations and 60,747 liters of gasoline as well as additional precursor chemicals.

In 2012, the Government of Peru issued a legislative decree to enhance monitoring and control of chemical precursors, finished products, and machinery used to produce and transport illegal drugs. At year's end the Government of Peru was developing regulations to implement the new legislation. The National Tax and Customs Administration (SUNAT) is responsible for monitoring precursor chemicals controls. The legislation now requires SUNAT to define authorized routes for the licit transportation of chemicals and that those transporting be tracked via GPS technology. Deviation from authorized routes may result in criminal penalties as the company/individual will be viewed as participating in the illicit trafficking of chemical precursors.

### **Multilateral Efforts to Target Methamphetamine Chemicals**

Methamphetamine abuse, production and trafficking remain a significant global drug challenge. Abuse continues to expand in Asia and Europe, as well as in the United States. Moreover, continued pressure on the criminal organizations including monitoring licit chemicals in

methamphetamine production as well as medical preparations containing ephedrine and pseudoephedrine has forced traffickers to seek new sources, smuggling routes and production methods. For instance, following the ban on trade and use of pseudoephedrine in Mexico in 2008, Mexico-based traffickers gradually moved away from using the phosphorus-iodine production method (which uses pseudoephedrine as a precursor) to the Phenyl-2-propanone (P2P) method (which does not require pseudoephedrine). Although the pseudoephedrine-based methamphetamine typically is more potent, P2P is the primary method used in methamphetamine produced in Mexico. Additionally, methamphetamine producers have now found ways to improve the P2P methamphetamine to significantly increase potency. In Europe, traffickers have begun using alpha-Phenylacetonitrile (APAAN) a non-scheduled substance that can be easily converted into P-2-P. Multi-ton shipments of these substances from China have begun appearing in the Netherlands. Production is also shifting and authorities have begun to see a concerted effort by criminals to expand their operations out of the reach of sophisticated law enforcement efforts or established monitoring regimes to Africa.

To target the global challenge of methamphetamine production, diversion and trafficking, the United States continues to work in close cooperation with other nations through the United Nations and the OAS CICAD.

Additionally, the United States has actively supported Project Prism an international initiative under the auspices of the INCB designed to assist governments in developing and implementing operating procedures to control and more effectively monitor trade in amphetamine-type stimulant precursors to prevent their diversion. The initiative allows for sharing of information and helps to identify trends in diversion, trafficking, and distribution. Under five separate operations, a total of 167 notifications have been issued regarding suspicious and/or seized shipments with over 196 MT of ephedrine and pseudoephedrine suspended, stopped, or seized as well as over 600 MT of phenylacetic acid, its esters and derivatives, preventing up to 288 MT of methamphetamine from being produced.

INCB-led operations have been the backdrop for specific multilateral action on methamphetamine, including:

- the 2012 establishment of a new INCB-led operation Ephedrine and Pseudoephedrine Intelligence Gaps in Africa (EPIG);
- a 2011 INCB-led operation focusing on phenylacetic acid and derivatives (PAAD).
- increased use of the INCB Secretariat's PENS program to monitor licit shipments of precursor chemicals.
- support for the INCB expanded online capabilities allow participants to notify the Board of suspicious or new shipments under the Precursor Incident Communications System (PICS).

The United States has provided law enforcement training to a variety of countries, including training in basic drug investigations, chemical control, and clandestine laboratory identification (and clean-up) training. These programs help encourage international cooperation to pursue our common anti-drug and broader geopolitical objectives with the countries of the region, as well as to undercut illegal drug producers that could eventually turn their sights on U.S. markets.

## **Major Exporters and Importers of Pseudoephedrine and Ephedrine (Section 722, Combat Methamphetamine Epidemic Act (CMEA))**

This section of the INCSR is in response to the CMEA Section 722 requirement for reporting on the five major importing and exporting countries of the identified chemicals. In meeting these requirements, the Department of State and DEA considered the chemicals involved and the available data on their export, import, worldwide production, and the known legitimate demand.

Ephedrine and pseudoephedrine are the preferred chemicals for methamphetamine production, although traffickers are increasingly using substitutes or pre-precursors. Phenylpropanolamine, a third chemical listed in the CMEA, is not a methamphetamine precursor, although it can be used as an amphetamine precursor. In 2000, the FDA issued warnings concerning significant health risks associated with phenylpropanolamine. As a result phenylpropanolamine is no longer approved for human consumption. Phenylpropanolamine is still imported for veterinary medicines, and for the conversion to amphetamine for the legitimate manufacture of pharmaceutical products. Phenylpropanolamine is not a methamphetamine precursor chemical and trade and production data are not available on phenylpropanolamine. Therefore, this section provides information only on pseudoephedrine and ephedrine.

The Global Trade Atlas (GTA), compiled by Global Trade Information Services, Inc., (WWW.GTIS.COM) provides export and import data on pseudoephedrine and ephedrine collected from major trading countries. However, given the reporting cycles by participating countries, data often lags behind one year. 2011 is the most recent year with full-year data. The data, including data from the previous year, is continually revised as countries review and revise their data. GTA data is used in the tables at the end of the chapter.

Obtaining data on legitimate demand remains problematic, but it is more complete for 2011 and 2012 than in any previous years. It is still not fully sufficient to enable any accurate estimates of diversion percentages based on import data. There are significant numbers of countries which have yet to report regularly to the INCB their reasonable estimates about the trade in the end products that form the basis of legitimate demand. Many countries and regions do not report trade in ephedrine and pseudoephedrine when it is incorporated into a finished pharmaceutical product, in the form of finished dosage units such as liquids, tablets, and capsules, due to concerns that this type of information infringes on commercially sensitive information. Further challenges include governments that may not be able to ascertain this data if, for example, they do not subject pharmaceutical preparations to national control, or if a different ministry with different or less stringent means of oversight regulates preparations versus bulk chemicals.

Ephedrine and pseudoephedrine pharmaceutical products are not specifically listed chemicals under the 1988 UN Convention. Therefore, in the case of the reporting on licit market

requirements for ephedrine and pseudoephedrine, the governing UN resolutions are not mandatory and only request voluntary reporting trade and demand of pharmaceutical products. Even so, the trend in this direction has been positive. Since the passage of the 2006 CND resolution sponsored by the United States, 180 countries and jurisdictions of the 183 signatories to the 1988 Convention have reported import requirements to the INCB for the bulk chemicals ephedrine and pseudoephedrine. Before 2006, only a small number of countries reported, and these rare communications were scattered and irregular.

A further challenge to analyzing the data is that most countries have not made any attempt to reconcile trade data and their own reporting of licit requirements, although this is changing. There are some signs countries are beginning to make efforts to reconcile data. For instance, some countries that noted licit requirements, but had not reported into the Global Trade Atlas (GTA) data exports or imports, have begun to do so. And the INCB has indicated that it remains concerned about the high estimates of annual legitimate requirements for certain precursors, especially in West Asian and Middle East countries.

Thus far the economic analysis required by CMEA, remains limited because of insufficient and constantly changing data. Often the collection and reporting of such data requires a regulatory infrastructure that is beyond the means of some governments in question. The United States will continue to push in both diplomatic and operational forums – in both bilateral and multilateral settings – to urge countries to provide reporting on their licit domestic requirements for methamphetamine precursor chemicals to the INCB. We continue to work with the INCB and with authorities in the reporting countries themselves to secure explanations for any anomalies between reported imports and reported licit domestic requirements. We also will seek to support efforts to provide developing countries with the expertise and technical capacities necessary to develop such commercial estimates.

This report provides export and import figures for both ephedrine and pseudoephedrine for calendar years 2009-2011. The report illustrates the wide annual shifts that can occur in some countries, reflecting such commercial factors as demand, pricing, and inventory buildup. GTA data on U.S. exports and imports have been included to indicate the importance of the United States in international pseudoephedrine and ephedrine trade. Complete data on the worldwide production of pseudoephedrine and ephedrine are not available because the major producers will not release this proprietary data.

<b>Top Five Exporting Countries and the United States Ephedrine</b>				
Reporting Country	Unit	quantities in thousands		
		2009	2010	2011
India	KG	88	65	95
Germany	KG	13	16	63
Singapore	KG	12	9	10
Poland	KG	0	2	8
United Kingdom	KG	4	4	5
top five total		117	96	181
United States	KG	13	0.181	0.163

**Analysis of Export Data:** According to the Global Trade Atlas (GTA) ephedrine exports increased in 2011. India remained in the lead with 95,000 kg up from 65,000 kg in exports, followed by Germany, Singapore, Poland and the United Kingdom. The aggregate amount of ephedrine exported by the top five countries almost doubled from 96,000 kg to 181,000 kg. U.S. exports decreased from 22,000 in 2010 to 10,000 kg in 2011. (The top five countries in 2010 included India, Germany, Singapore, Taiwan, and the United Kingdom.) The aggregate amount of ephedrine exported by the top five countries 181,000 kg exceeds the high of 125,000 kg.

<b>Top Five Exporters and the United States Pseudoephedrine</b>				
Reporting Entity	Unit	quantities in thousands		
		2009	2010	2011
India	KG	534	458	1,658
Germany	KG	305	364	475
Taiwan	KG	76	102	70
China	KG	32	73	65
Switzerland	KG	42	47	49
top five total		989	1,044	2,317
United States	KG	26	14	13

**Analysis of Export Data:** For pseudoephedrine, the aggregate volume of worldwide exports for the top five exporters rose significantly from 1,044,000 kg in 2010 to 2,317,000 kg in 2011. The top five exporters of pseudoephedrine in 2011 were India, Germany, Taiwan, China and Switzerland. In 2010 the top five were India, Germany, Slovenia and China. India's exports increased fourfold. In contrast only China decreased slightly.

<b>Top Five Importers and the United States</b>				
<b>Ephedrine</b>				
<b>Reporting Entity</b>	<b>Unit</b>	<b>quantities and thousands</b>		
		<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>South Korea</b>	<b>KG</b>	<b>11</b>	<b>16</b>	<b>26</b>
<b>Egypt</b>	<b>KG</b>	<b>65</b>	<b>0.1</b>	<b>20</b>
<b>Taiwan</b>	<b>KG</b>	<b>6</b>	<b>10</b>	<b>11</b>
<b>Singapore</b>	<b>KG</b>	<b>14</b>	<b>9</b>	<b>10</b>
<b>Indonesia</b>	<b>KG</b>	<b>13</b>	<b>8</b>	<b>9</b>
<b>top five total</b>		<b>109</b>	<b>43.1</b>	<b>76</b>
<b>United States</b>	<b>KG</b>	<b>18</b>	<b>22</b>	<b>10</b>

**Analysis of Import Data:** The top five ephedrine importers in 2011 are South Korea, Egypt, Taiwan, Singapore and Indonesia. (In 2010 Egypt was listed as the largest importer with 178,000 kg. This year the GTA data was corrected to 178 kg.) South Korea, Nigeria, Taiwan and Singapore were the other top four from 2010. U.S. imports of ephedrine dropped from 22,000 kg in 2010 to 10,000 in 2011 due to the refinement of the quota system implemented under the CMEA.

<b>Top Five Global Importing countries and U.S. Imports</b>				
<b>Pseudoephedrine</b>				
<b>Reporting Country</b>	<b>Unit</b>	<b>quantity in thousands</b>		
		<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Switzerland</b>	<b>KG</b>	<b>42</b>	<b>62</b>	<b>85</b>
<b>Singapore</b>	<b>KG</b>	<b>58</b>	<b>56</b>	<b>55</b>
<b>Belgium</b>	<b>KG</b>	<b>14</b>	<b>23</b>	<b>45</b>
<b>South Korea</b>	<b>KG</b>	<b>37</b>	<b>65</b>	<b>40</b>
<b>Indonesia</b>	<b>KG</b>	<b>39</b>	<b>45</b>	<b>40</b>
<b>top five total</b>	<b>KG</b>	<b>190</b>	<b>251</b>	<b>265</b>
<b>United States</b>	<b>KG</b>	<b>186</b>	<b>212</b>	<b>248</b>

**Analysis of Import Data:** Shifts in trade of pseudoephedrine have also continued to rise dramatically in 2011 and resulted in a change in the top five importers for 2010. Egypt was the largest non-U.S. importer in 2010, but in 2011 dropped off the top five list that consisted of Switzerland, Singapore, Belgium, South Korea and Indonesia.

The United States remained the top importer of pseudoephedrine, with imports of 248,000 kilograms in 2011. However, this is still down from the 312,000 kilograms imported in 2007. It should be noted that the United States no longer manufactures pseudoephedrine domestically.

## **INCB Tables on Licit Requirements**

### **Annual legitimate requirements for ephedrine, pseudoephedrine, 3,4-methylenedioxyphenyl-2-propanone and 1-phenyl-2-propanone, substances frequently used in the manufacture of amphetamine-type stimulants**

In its resolution 49/3, entitled “Strengthening systems for the control of precursor chemicals used in the manufacture of synthetic drugs”, the Commission on Narcotic Drugs:

(a) Requested Member States to provide to the International Narcotics Control Board annual estimates of their legitimate requirements for 3,4-methylenedioxyphenyl-2-propanone (3,4-MDP-2-P), pseudoephedrine, ephedrine and 1-phenyl-2-propanone (P-2-P) and, to the extent possible, estimated requirements for imports of preparations containing those substances that could be easily used or recovered by readily applicable means;

(b) Requested the Board to provide those estimates to Member States in such a manner as to ensure that such information was used only for drug control purposes;

(c) Invited Member States to report to the Board on the feasibility and usefulness of preparing, reporting and using estimates of legitimate requirements for the precursor chemicals and preparations referred to above in preventing diversion.

Pursuant to that resolution, the Board formally invited Governments to prepare estimates of their legitimate requirements for those substances. Those estimates, as reported by Governments, were published, for the first time, in March 2007.

The table below reflects the latest data reported by Governments on those four precursor chemicals (and their preparations, as relevant). It is expected that those data will provide the competent authorities of exporting countries with at least an indication of the legitimate requirements of importing countries, thus preventing diversion attempts. Governments are invited to review their requirements as published, amend them as necessary and inform the Board of any required change. The data are current as at 1 November 2012. (For updates, see [www.incb.org/documents/PRECURSORS/ANNUAL-LICIT-REQUIREMENTS/INCB\\_ALR\\_WEB.pdf](http://www.incb.org/documents/PRECURSORS/ANNUAL-LICIT-REQUIREMENTS/INCB_ALR_WEB.pdf)).

**Annual legitimate requirements as reported by Governments for imports of ephedrine, pseudoephedrine, 3,4-methylenedioxyphenyl-2-propanone, 1-phenyl-2-propanone and their preparations, as at 1 November 2012**  
(Kilograms, rounded up)

Country or territory	Ephedrine	Ephedrine preparations	Pseudoephedrine	Pseudoephedrine preparations	3,4-MDP-2-P <sup>a</sup>	P-2-P <sup>b</sup>
Afghanistan	50	50	6 000	5 000	0	0
Albania	3	0	0	0	0	0
Algeria	1		17 000		0	0
Argentina	77		20 709		0	1
Ascension Island	0	0	0	0	0	0
Australia	5	10	6 000	1 450	1	1
Austria	142	213	1	1 400	1	1
Azerbaijan	20		10		0	0
Bahrain	0	0			0	
Bangladesh	200		49 021			
Barbados	250		160			
Belarus	0	25	25	0	0	0
Belgium	300	200	11 000	8 000	5	1
Belize			P	P		
Benin	2		8	10		
Bhutan	0	0	0	0	0	0
Bolivia (Plurinational State of)	20 500	1	1 235	2 530	0	0
Bosnia and Herzegovina	7	0	1 010	0	0	0
Botswana	300					
Brazil	700 <sup>c</sup>		20 000 <sup>c</sup>		0	1
Brunei Darussalam	0	4	0	224	0	0
Bulgaria	3 000		500		0	0
Cambodia	200	50	300	900		
Canada	2 000	5	20 000		0	0
Chile	95	200	6 440	1 000		
China	155 000		200 000			
<i>Hong Kong SAR of China</i>	4 500	0	7 500	0	0	0
<i>Macao SAR of China</i>	1	10	1	159	0	0
Christmas Island	0	0	0	1	0	0
Cocos (Keeling) Islands	0	0	0	0	0	0
Colombia	4 <sup>d</sup>	3 <sup>e</sup>	5 000 <sup>f</sup>	P	0	0
Cook Islands	0	0	0	1	0	0
Costa Rica	0	0	728	27	0	0
Côte d'Ivoire	40	20	25	30	0	0
Croatia	2		1		0	1
Cuba	200			6		

Country or territory	Ephedrine	Ephedrine preparations	Pseudoephedrine	Pseudoephedrine preparations	3,4-MDP-2-P <sup>a</sup>	P-2-P <sup>b</sup>
<i>Curaçao</i>	0		0		0	0
Cyprus		0	500			
Czech Republic	600	10	1 600	800	0	1
Democratic People's Republic of Korea	1 500	0	0	0	5	0
Democratic Republic of the Congo	250		900			
Denmark					0	0
Dominican Republic	75	5	230	250	0	0
Ecuador	50	30	1 500	5 000	0	0
Egypt	6 000	0	60 000	2 500	0	0
El Salvador	P(6) <sup>g</sup>	P(2) <sup>g</sup>	P	P	0	0
Eritrea	0	0	0	0	0	0
Estonia	3	1		350		
<i>Falkland Islands (Malvinas)</i>		1		1		
<i>Faroe Islands</i>	0	0	0	0	0	0
France	5 000	10	20 000	500	0	0
Finland	6	100		1 000		1
Gambia	0	0	0	0	0	0
Georgia	50	30	50	200		
Germany	1 000		8 000		1	8
Ghana	4 500	300	3 000	200	0	
Greece	25		1 450		0	0
<i>Greenland</i>	0	0	0	0	0	0
Guatemala	0		P	P	0	0
Guinea	36					
Guinea-Bissau	0	0	0	0	0	0
Guyana	120	50	120	30	0	0
Haiti	200	1	350		0	0
Honduras	P	P(1) <sup>e</sup>	P	P	0	0
Hungary	600		1		1	2 120
Iceland	1		1			
India	1 023	87 467	300 507	383	0	0
Indonesia	7 032		38 293	692		
Iran (Islamic Republic of)	50	1	55 000	10	6	51
Iraq	3 000	100	14 000	10 000	0	P <sup>h</sup>
Ireland	1	3	1	1 173	0	0
Israel	1	4	3 000	21		
Italy	1 000	0	6 000	0	0	300
Jamaica			300	300	0	0
Japan	400		18 000			
Jordan	300		20 000			P

Country or territory	Ephedrine	Ephedrine preparations	Pseudoephedrine	Pseudoephedrine preparations	3,4-MDP-2-P <sup>a</sup>	P-2-P <sup>b</sup>
Kazakhstan	0		0		0	0
Kenya	2 500		3 000			
Kyrgyzstan	0		20	32	0	0
Lao People's Democratic Republic	0	0	220	50	0	0
Latvia	25	27	41	383	0	0
Lebanon	0	4	220	300	0	0
Lithuania	1	2	1	600	1	1
Luxembourg	1	0	0	0	0	0
Madagascar	702	180	150			
Malawi	1 000					
Malaysia	211	21	6 039	4 500	0	0
Maldives	0	0	0	0	0	0
Malta		220	220		0	0
Mauritius	0	0	0	0	0	0
Mexico	P(193) <sup>a</sup>	P(80) <sup>a</sup>	P	P	0	0
Monaco	0	0	0	0	0	0
Mongolia	3					
Montenegro	0	2	0	38	0	0
Montserrat		1		1		
Morocco	42	0	2 392	0	0	0
Mozambique	3					
Myanmar	2	0	0	0	0	0
Namibia	0	0	0	0	0	0
Netherlands		0		0	0	0
New Zealand	50		700		0	3
Nicaragua	P <sup>i</sup>	P <sup>i</sup>	P	P		
Nigeria	9 650	2 000	5 823	15 000	0	
Norfolk Island	0	0	0	0	0	0
Norway	400	0	0	0	0	0
Pakistan	22 000		48 000			
Panama	25	30	1 000	1 000		
Papua New Guinea	1		200		0	0
Paraguay	0	0	2 500	0	0	0
Peru	54		2 409	1 192		
Philippines	120	0	120	0	0	0
Poland	130	0	4 200	0	0	2
Portugal			15			
Qatar	0	0	0	80	0	0
Republic of Korea	23 316		62 901		1	1
Republic of Moldova		60		250		

<i>Country or territory</i>	<i>Ephedrine</i>	<i>Ephedrine preparations</i>	<i>Pseudoephedrine</i>	<i>Pseudoephedrine preparations</i>	<i>3,4-MDP-2-P<sup>a</sup></i>	<i>P-2-P<sup>b</sup></i>
Romania	200		6 500		0	0
Russian Federation	1 500					
<i>Saint Helena</i>	0	1	0	1	0	0
Sao Tome and Principe	0	0	0	0	0	0
Senegal	0	0	0	0	0	0
Serbia	25		718			1
Singapore	12 000	4 000	53 000	8 000	1	1
Slovakia	8	1	1	0	0	0
Slovenia	22		250		0	0
Solomon Islands	0	1	0	1	0	0
South Africa	15 000	0	10 444	0	0	0
Spain	307		6 427		0	1
Sri Lanka				0	0	0
Sweden	188	215	1	30	1	14
Switzerland	2 600		70 000		100	100
Syrian Arab Republic	1 000		50 000			
Tajikistan	38					
Thailand	53		12 000	0		
Trinidad and Tobago						0
<i>Tristan da Cunha</i>	0	0	0	0	0	0
Tunisia	1	13	3 000	0	0	0
Turkey	250		27 000		1	1
Uganda	150	35	2 500	400	0	0
Ukraine	0	101	46	940	0	0
United Arab Emirates	200	41	3 050	2 499	0	0
United Kingdom	64 448	1 011	12 680	1 683	8	1
United Republic of Tanzania	500	500	3 000	1 000		
United States of America	22 800		299 000		0	36 735
Uruguay	10	0	100	0	0	0
Uzbekistan	1		15			
Venezuela (Bolivarian Republic of)	1 000		3 000			
Yemen			5 000			
Zambia	5		10			
Zimbabwe	100	1	150	0	0	0

*Notes:* The names of territories, special administrative regions etc. are in italics.

A blank field signifies that no requirement was indicated or that data were not submitted for the substance in question.

A zero (0) signifies that the country or territory currently has no licit requirement for the substance.

The letter “P” signifies that importation of the substance is prohibited.

Reported quantities of less than 1 kg have been rounded up and are reflected as 1 kg.

<sup>a</sup> 3,4-Methylenedioxyphenyl-2-propanone.

<sup>b</sup> 1-Phenyl-2-propanone.

<sup>c</sup> Including the licit requirements for pharmaceutical preparations containing the substance.

<sup>d</sup> The required amount of ephedrine is to be used for the manufacture of injectable ephedrine sulphate solution.

<sup>e</sup> In the form of injectable ephedrine sulfate solution.

<sup>f</sup> The required amount of pseudoephedrine is to be used exclusively for the manufacture of medicines for export.

<sup>g</sup> Imports of the substance and preparations containing the substance are prohibited, with the exception of the imports of injectable ephedrine preparations and ephedrine as a prime raw material for the manufacture of such ephedrine preparations. Pre-export notification is required for each individual import.

<sup>h</sup> Including products containing P-2-P.

<sup>i</sup> Imports of the substance and preparations containing the substance are prohibited, with the exception of the imports of injectable ephedrine preparations and ephedrine as a prime raw material for the manufacture of such ephedrine preparations. Such export requires an import permit.<sup>1</sup>

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<sup>1</sup> The U.S. Department of State thanks the INCB for providing this very useful and informative chart



# **COUNTRY REPORTS**

# Afghanistan

## A. Introduction

Illicit drug cultivation, production, trafficking, and consumption flourish in Afghanistan, particularly in parts of the south and southwest where instability is high and state institutions are weak or non-existent. More than 90 percent of illicit poppy cultivation takes place in these regions. The United Nations Office of Drugs and Crime (UNODC) estimated that Afghanistan cultivated 154,000 hectares (ha) of opium in 2012, with a total yield of 3,700 metric tons (MT) of raw opium. This was an 18 percent increase in cultivation and a 36 percent decrease in opium production from 2011. Poor weather and naturally-occurring crop disease contributed to the lower yields. A symbiotic relationship exists between the insurgency and narcotics trafficking in Afghanistan. Traffickers provide weapons, funding, and other material support to the insurgency in exchange for the protection of drug trade routes, fields, laboratories, and their organizations. Some insurgent commanders engage directly in drug trafficking to finance their operations. The trade in narcotics undermines governance and rule of law in all parts of the country where poppy is cultivated and traffickers operate.

According to the United States government's 2012 assessment of the drug problem in Afghanistan, poppy cultivation increased by 57 percent, from 115,000 ha in 2011 to 180,000 ha in 2012, while potential opium production remained steady at 4,300 MT, compared to 4,400 MT in 2011. The U.S. and UNODC estimates differ due to dissimilar methodologies for estimating poppy cultivation and opium yields.

Afghanistan is involved in the full narcotics production cycle, from cultivation to finished heroin to consumption. Drug traffickers trade in all forms of opiates, including unrefined opium, semi-refined morphine base, and refined heroin. Some raw opium and morphine base is trafficked to neighboring and regional countries, where it is further refined into heroin. While estimates are imprecise, approximately 95 percent of the opiates produced in Afghanistan are ultimately trafficked out of the country; roughly 5 percent are consumed inside Afghanistan. Afghanistan is also struggling to respond to a burgeoning domestic opiate addiction problem.

Afghanistan generally relies on assistance from the international community to implement its national counternarcotics strategy. Greater political will, increased institutional capacity, enhanced security, viable economic alternatives for farmers, and more robust efforts at all levels are required to decrease cultivation in high-cultivating provinces, maintain cultivation reductions in the rest of the country, and combat trafficking.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The Government of Afghanistan is publicly committed to confronting the drug problem in Afghanistan, particularly focusing on what it identifies as the root causes of the drug economy including instability, poverty, unemployment; and organized crime. The Ministry of Counter

Narcotics (MCN) is the lead governmental agency for developing counternarcotics policy and coordinates the activities of other governmental bodies involved in issues related to the drug trade. MCN is currently drafting Afghanistan's National Drug Control Strategy (NDCS) for the period 2012–2016. The draft NDCS vision is “to implement a five-year plan that seeks to reduce by 50 percent the cultivation of poppy from its 2011 baseline of 131,000 hectares and to increase the capacity to treat drug addicts by 40 percent.” MCN is also working to insert counternarcotics into the activities of the entire government by “mainstreaming” counternarcotics efforts into other existing national strategies and programs.

Afghanistan has no formal extradition or mutual legal assistance arrangements with the United States. The 2005 Afghan Counter Narcotics Law (CNL), however, allows the extradition of drug offenders to requesting countries under the 1988 UN Drug Convention.

## 2. Supply Reduction

According to UNODC, Afghanistan cultivated 154,000 ha of opium poppy in 2012, up 18 percent from 2011. UNODC estimated that Afghan opium poppy crops in 2012 yielded 3,700 MT of raw opium, down 36 percent from 5,800 MT in 2011. According to the UNODC and MCN, the number of poppy free provinces (those provinces with less than 100 ha of poppy under cultivation) remained the same at 17. (Note: The U.S. and UNODC estimates differ due to dissimilar methodologies for estimating poppy cultivation and opium yields.)

There is significant evidence of commercial cultivation of cannabis in Afghanistan. The UNODC and MCN's 2011 cannabis survey found that commercial cannabis cultivation in 2011 was approximately 12,000 ha, capable of producing 1,300 MT of hashish per year. According to the survey, the number of households growing cannabis for commercial purposes increased by 38 percent from 47,000 in 2010 to 65,000 in 2011. UNODC also noted that, like poppy, most cannabis cultivation takes place in insecure areas.

MCN implements the U.S.-funded Good Performers Initiative (GPI) to reward provinces which successfully reduce poppy cultivation within their borders. Provinces that are determined to be poppy-free by UNODC, or where poppy cultivation has declined by 10 percent, receive funding for development projects proposed by provincial development councils and governors' offices. In 2012, 21 of Afghanistan's 34 provinces received \$18.2 million in GPI awards, including two provinces that received special recognition awards of \$500,000 each. The MCN-run Governor-Led Eradication program reimburses governors for expenses incurred for eradicating poppy fields. Eradication is verified by UNODC. In 2012, a total of 9,672 ha was eradicated, an increase of 154 percent over 2011. Both the quality and efficiency of eradication improved substantially, but attacks by criminals and insurgents on eradication teams killed over 100 civilians and security personnel during the course of the year. An additional 127 people were injured in such attacks.

The Afghan government's efforts to enforce its drug laws also enjoyed growing success. The Criminal Justice Task Force (CJTF) is a vetted, self-contained unit that consists of prosecutors, investigators, and first instance and appellate court judges. Under Afghanistan's 2005 Counternarcotics Law, the CJTF prosecutes all drug cases that reach certain thresholds

(possession of two kilograms of heroin, ten kilograms of opium or 50 kilograms of hashish or precursor chemicals) before the Counter Narcotics Tribunal. The Counter Narcotics Justice Center (CNJC) is a central facility for the investigation, prosecution, and trial of major narcotics and narcotics-related corruption cases and is considered a model of excellence within the Afghan justice system. Between April 2011 and March 2012, the CNJC primary court heard 468 cases and tried 788 suspects, involving more than 185 metric tons of illegal drugs. Those convicted receive sentences ranging from 11 to 20 years. The CNJC has a conviction rate of over 97 percent.

Afghan authorities made some progress in improving their capacity to interdict large quantities of narcotics and arrest narcotics traffickers. According to authorities, the police apprehended seven out of ten of the “most wanted” drug traffickers in 2011. Over the first nine months of 2012, Afghan and Coalition Forces conducted a total of 481 counternarcotics operations, 62 percent more operations than the previous year. They seized approximately three MT of heroin, 72 MT of opium, and 176 MT of hash in those operations. The Counter Narcotics Police of Afghanistan (CNPA) was established in 2003 as a specialized element of the Afghan National Police and is responsible for counternarcotics investigations and operations. The United States supports several specialized units within the CNPA, including the Sensitive Investigative Unit (SIU), the Technical Investigative Unit (TIU), and the National Interdiction Unit (NIU). These units are partnered with the U.S. Drug Enforcement Administration (DEA). The NIU is the tactical element of the CNPA and is capable of conducting independent evidence-based interdiction operations and seizures in high threat environments. The TIU and SIU are specially vetted and trained law enforcement units. The SIU carries out complex CN and counter corruption investigations using intelligence developed by the TIU. Outside these special units, low capacity and corruption within law enforcement institutions and the lack of CNPA’s direct authority over its resources in the provinces hampers counternarcotics efforts.

Primary trafficking routes into and out of Afghanistan are through Iran to Turkey and Western Europe; through Pakistan to Africa, Asia, the Middle East, China and Iran; and through Central Asia to the Russian Federation. Drug laboratories within Afghanistan still process a large portion of the country's raw opium into heroin and morphine base. Traffickers illicitly import large quantities of precursor chemicals into Afghanistan; UNODC estimates that 475 tons of acetic anhydride are imported each year for manufacturing heroin.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The Afghan Government acknowledges a growing domestic drug abuse problem, primarily opiates and cannabis. Funded by the United States, the National Urban Drug Use Survey released in 2012 provides a scientifically-valid prevalence rate for the country’s urban population based on interviews and toxicology. The United States will begin supporting a National Rural Drug Use Survey to complement the urban study and provide a national prevalence rate. Other recently conducted studies indicate that the prevalence of addiction and severity of consumption among Afghan children is the highest documented in the world.

The United States expects to fund more than 60 inpatient and outpatient drug treatment centers across the country by the end of 2012; however, the demand for services exceeds the capacity of

the centers, most of which have waiting lists for new patients. The United States also supports UNODC's global child addiction program throughout Afghanistan to develop protocols for treating opiate-addicted children, training treatment staff, and delivering services through Afghan non-governmental organizations. The current annual treatment capacity of Afghanistan's centers is over 15,000 persons. The Government of Afghanistan is planning an expansion of its treatment system by opening new clinics across the country. Private clinics have also proliferated in recent years, although many of these do not apply evidence-based practices, discharging clients after detoxification without follow-up, thereby resulting in high relapse rates.

The United States funds a multi-pronged public information program, implemented by the Colombo Plan with the support of the MCN, focusing on discouraging poppy cultivation, preventing drug use, and encouraging licit crop production. The United States has undertaken a vigorous public information campaign to reduce drug demand inside Afghanistan, including seeking the support of religious leaders in drug demand reduction efforts, engaging local media, and implementing an anti-drug curriculum in Afghan schools. In 2012, the U.S. government helped establish a partnership between the Colombo Plan's Preventive Drug Education program and the Afghan Premier Soccer League to spread an anti-drug message to youth. The United States also funds an Afghanistan-specific mobile preventive drug education exhibit.

#### **4. Corruption**

As a matter of government policy, the Government of Afghanistan does not encourage or facilitate illicit drug production or distribution, nor is it involved in laundering proceeds from the sale of illicit drugs. However, many central, provincial, and district level government officials are believed to directly engage in and benefit from the drug trade. Corrupt practices range from facilitating drug activities to benefiting from drug trade revenue streams. The CJTF actively investigates and prosecutes public officials who facilitate drug trafficking under Article 21 of the Counter Narcotics Law, which criminalizes drug trafficking-related corruption. The CJTF has successfully prosecuted high ranking government officials, including members of the CNPA. Between April 2011 and March 2012, 44 public officials were prosecuted in the CJTF primary court.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The U.S. government maintains a counternarcotics strategy that supports Afghanistan's four priorities for disrupting the drug trade; developing licit agricultural livelihoods; reducing the demand for drugs; and building the capacity of the government's CN institutions. The strategy is formulated to help restore Afghanistan's agriculture economy, build Afghan institutional capacity, and disrupt the nexus between drugs, insurgents, and corruption.

In 2012, the United States signed agreements with the Afghan government laying the groundwork for a Kandahar Food Zone in 2013. The Kandahar Food Zone is a multi-sectoral drug reduction program that combines elements of alternative development, law enforcement and eradication, public information and drug treatment. Twenty million dollars are anticipated to be provided over two years to develop the Alternative Livelihoods component of the Kandahar Food Zone, a comprehensive approach to counternarcotics in the province, integrating its

activities with U.S.-funded Counter Narcotics Public Information, Drug Demand Reduction, and Governor Led Eradication programs.

#### **D. Conclusion**

For Afghanistan to enjoy future success in combating the narcotics trade it must continue to strengthen the capacity of the MCN, actively combat corruption at all levels of government, and develop the ability of regular CNPA units to carry out operations. The Afghan government must also demonstrate the political will to challenge vested political and economic interests.

Farmers and those involved in processing and trafficking drugs must also have viable economic alternatives to involvement in the narcotics trade. Improvements in security and market access, as well as continued concentrated efforts to increase agricultural and other alternative livelihoods, will remain key to undermining the drug economy and the insurgency in Afghanistan. .

## Albania

Albania is a transit and destination country for cannabis, heroin and cocaine. It is a source country for cannabis going to EU member countries. Albanian authorities effected significant increases in drug seizures and arrests in 2012, a rise in enforcement activity attributable to better police training and techniques, including enhanced risk analysis and better use of donated equipment. The drastic increase in marijuana seizures – a 175-percent increase over 2011 – also signifies an increase in local production after trending downward over the prior two years. Evidence suggests that trafficking networks may be taking advantage of reduced policing activities in neighboring countries, bypassing Albania, which has long served as a transit country to Western Europe. With the exception of cannabis, Albania is not a significant producer of illicit drugs, precursor chemicals, or synthetic drugs. The Government of Albania does not keep drug-use statistics, but consumption of drugs other than marijuana does not appear to be common.

Albania continued to improve its counternarcotics efforts in 2012, highlighted by the release of a National Counternarcotics Strategy. Albanian State Police (ASP) statistics for 2012 showed marked increases in seizures and arrests. Cannabis seizures totaled almost 21.2 metric tons, nearly double the amount seized in 2011. Heroin and cocaine discoveries also more than doubled to 87.7 kilograms (kg) and 4.6 kg, respectively. Despite increased seizures, cumbersome bureaucracy and weak judicial and law enforcement institutions resulted in few convictions. The ASP arrested 729 people in 2012 for drug-related offenses, mainly trafficking. The Serious Crimes Prosecution office initiated over 149 investigations, but forwarded only 46 cases to the courts. The Serious Crimes First Instance Court handed down 56 trafficking convictions during 2012.

Albania continues to receive narcotics-related assistance from the United States and European Union countries. Albanian law enforcement agencies continued to develop partnerships with their international counterparts. The ASP conducted 43 international operations between January and October, the majority in cooperation with Italian authorities. The United States supports institutional reform and capacity building efforts in areas such as Integrated Border Management and judicial sector reform, as well as equipment donations. Drug demand reduction efforts are improving as the United States, ASP, and the Albanian Education Ministry co-sponsor a drug demand reduction project in the Tirana public elementary schools.

# Argentina

## A. Introduction

While Argentina continues to be a transit country for Andean-produced cocaine, domestic cocaine production and consumption are growing problems. Argentine officials believe there is increased transit through Argentina as a consequence of intensive counternarcotics efforts in Mexico and Colombia, forcing drug traffickers to utilize other routes to international markets. In June, after a year's hiatus, the Ministry of Security (MOS) allowed the U.S. Drug Enforcement Administration (DEA) to resume limited operations in Argentina.

Marijuana, the bulk of which is imported from Paraguay and used for domestic consumption, continues to be the most abused illegal drug in Argentina. Cocaine remains the leading illegal drug for which Argentines seek help at treatment centers, and the use of cocaine base, known locally as "paco," remains a problem among the poor. Many Argentines believe that violent crime linked to drug trafficking and consumption is increasing. Argentine authorities made significant efforts in 2012 to reduce narcotics trafficking in the urban slums of Buenos Aires.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Security Minister Nilda Garre continued to implement reforms designed to improve police performance, but insufficient coordination among federal and provincial law enforcement agencies continued to hamper Argentina's effectiveness in combating drug trafficking. The appointments of a new leader of the Secretariat of Planning for the Prevention of Drug Addiction and Drug Trafficking (SEDRONAR), a new Deputy Security Minister, and the replacement of the MOS' Under Secretary for the Investigation of Organized and Complex Crime facilitated greater cooperation between the security forces and international partners, including DEA. Backlogs in the judicial system continued to complicate the prosecution of drug traffickers. Two complicating factors are the incomplete move from an inquisitorial system to an accusatorial system at the national level, and the lack of specialized alternative mechanisms, such as drug courts. The SEDRONAR Secretary served as the President of the Organization of American States' until November.

Operation Northern Shield, an effort to deter illegal flights and illicit drug trafficking through improved radar coverage of the air space along Argentina's northern border, was only partially implemented in 2012. Its centerpiece is the planned installation of seven 3D radars, only one of which was operational as of November 2012. The reduction of Argentine Border Guard forces along the borders with Bolivia may have eroded the government's ability to interdict cocaine shipments from Bolivia. An October labor strike by public security forces protesting wage cuts, and the increased use of federal security forces for urban policing in Buenos Aires, including units re-deployed from border zones, may have reduced overall operational effectiveness of Argentina's security forces to combat drug trafficking.

Despite the Supreme Court's 2009 recommendation against imposing criminal penalties for the personal possession of small amounts of marijuana, Argentina's Narcotics Law 23.737 has not been modified. Several late 2011 and early 2012 legislative bills proposing the decriminalization of marijuana (and in some cases other drugs) failed to advance in the lower house of the Argentine Congress. According to opinion polls, approximately 65 to 70 percent of Argentines oppose decriminalization, and a consensus around the need to first formulate a National Addiction Plan is growing.

## **2. Supply Reduction**

The MOS estimates that Argentine security forces seized approximately 3.4 metric tons (MT) of cocaine from January through June 2012. The six-month total exceeds the 3.2 MT that the MOS estimates officials seized during the first six months of 2011, but represents a sharp decrease from the estimated 12 MT of cocaine Argentine authorities seized in 2010. Furthermore, the UN Office on Drugs and Crime (UNODC), using data provided by the Government of Argentina, estimated that Argentina seized 12.1 MT of cocaine in 2008 and 12.6 MT of cocaine in 2009. Government constraints on DEA operations within Argentina may have contributed to the decrease in cocaine seizures from 2010 to 2012. In October 2012, Argentine and Colombian law enforcement officials coordinated with DEA to successfully capture one of Colombia's most wanted drug traffickers.

Most Andean cocaine transiting Argentina is smuggled across the Bolivian-Argentine border and is primarily destined for Europe. The seizure of increasing numbers of cocaine production facilities, as well as the widespread availability of paco, suggests that domestic production of cocaine in Argentina, though small, is growing. There is no widespread cultivation of coca leaf for the production of cocaine in Argentina; domestic production appears to use imported coca paste, known as "pasta base."

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

According to the 2011 UNODC World Drug Report, Argentina had the highest prevalence of cocaine use (2.6 percent) among 15-to-64 year-olds in South and Central America. Argentine officials, however, estimate annual prevalence of cocaine use at 0.9 percent of the population. Fueled by reported seizures, there is growing concern about rising use of synthetic drugs by Argentine youth. The abuse of paco is another growing public concern. Paco is readily available on the streets, costs approximately \$1.50 a dose, and produces a brief, intense high when smoked in pipes or mixed with tobacco. While there is no effective centrally coordinated strategy to treat drug addiction nationwide, Congress tabled a draft National Anti-Addiction Plan in October 2012.

## **4. Corruption**

The Government of Argentina neither encourages nor facilitates the illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, or the laundering of proceeds from illegal drug transactions, and there is no evidence to suggest senior government officials are engaged in such activity. An independent judiciary and an investigative press

actively pursue allegations of corrupt practices involving government authorities. During the course of 2012, Argentine officials accused several security force members, including high-ranking officers, of either trafficking significant amounts of cocaine and/or marijuana or protecting drug trafficking organizations.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Limited counternarcotics cooperation between DEA and Argentine security forces resumed in June, ending a year-long hiatus following the Argentine Customs' confiscation of sensitive U.S. military cargo at the Buenos Aires international airport in February 2011. In response to MOS requests, the United States resumed information sharing and offered a limited number of counternarcotics trainings and seminars designed to enhance the capabilities of Argentine security forces, including maritime enforcement training. The MOS continued to discourage U.S. cooperation with provincial security forces, thereby limiting efforts to improve provincial counternarcotics capabilities.

### **D. Conclusion**

Though the Government of Argentina worked to improve aspects of the country's drug control effort, the slow process of implementing operational reforms and re-allocating sufficient domestic resources, combined with the reduction of counternarcotics cooperation with the United States, likely eroded Argentina's narcotics interdiction capabilities in 2012. The Argentine government could focus its diverse interdiction efforts on targeted investigations, assigning more personnel and enhancing use of technology such as x-ray scanning equipment, to reduce the amount of drug traffic that is currently escaping attention. Likewise, the Government of Argentina could complement its recent radar deployments in the northern border areas with additional equipment and human resources to ensure that better detection of air shipments of narcotics crossing the Bolivian and Paraguayan borders results in increased interdiction on the ground. Argentina could also improve cooperation among federal and provincial law enforcement entities to enhance the country's effectiveness in combating the illegal drug trade. Further improving judicial efficiency in processing narcotics-related investigations and prosecutions would also be useful.

## Armenia

Armenia is not a major drug-producing country, and domestic abuse of drugs is modest. Because Armenia is landlocked and the two longest of its four borders (with Turkey and Azerbaijan) are closed, the resulting limited transport options make the country less attractive for drug trafficking. With assistance from the United States and European Union, Armenia continues to develop and implement an integrated border management regime, improving its ability to detect illegal narcotics shipments. In addition, in July 2012, the United States provided narcotics interdiction training at Yerevan's international airport and bus station.

The most common illicit drug in Armenia is marijuana, most of which is grown locally. Both marijuana and poppies grow in the wild, and the government sponsors an annual eradication event in August. In 2012, a combined total of nearly 82 metric tons were destroyed.

Narcotics seizures declined overall in 2012. Police credit the arrest and dismantlement of several trafficking rings in late 2011 and early 2012 as the reason for the decrease. According to police, the overwhelming majority of illicit drug imports are opiates originating from Afghanistan transiting through Iran, with a smaller volume entering from Turkey via Georgia (as the Turkish border is closed to all traffic). In October, a large seizure occurred on the Iranian border at the Meghri crossing, when opium was discovered in a false-bottomed suitcase.

A new smuggling trend along the Iranian border involves plastic balls with light-emitting diodes attached: the balls are thrown across the Arax River at night, with opiates going one way (into Armenia) and payment going the other (into Iran). In addition, authorities have seized smaller quantities of the synthetic opioid buprenorphine from flights originating in France and from parcels mailed from France and Spain. In the past, amphetamines were trafficked from Iran to Europe via Armenia, but this transit appears to have diminished significantly following a major bust. Precursor chemicals are strictly regulated and industrial users must provide status reports every three months.

Drug addiction treatment resources have increased in recent years, and since 2009 prior use has been decriminalized for those who seek treatment.

## Azerbaijan

Azerbaijan is a significant transit country for heroin and other narcotics, as it is situated along major drug trafficking routes from Afghanistan and Iran to Europe and Russia. Drug use and cultivation exist on a relatively small scale in Azerbaijan and are less significant problems.

Due to Azerbaijan's location along major drug smuggling corridors, up to 11 metric tons (MT) of heroin is estimated to transit Azerbaijan every year, much of it entering through the southern border with Iran. Azerbaijan may be an increasingly favored transit country for drugs over Georgia and Turkey, which have both strengthened their border control procedures in recent years. Azerbaijan has also expressed concerns related to its inability to secure international borders in the occupied territories that surround Nagorno-Karabakh.

The most recent drug seizure and arrest statistics available are for 2011. According to the Central Asian Regional Information and Coordination Center, in 2011 Azerbaijan seized 557 kilograms (kg) of drugs during anti-smuggling operations, including: 164.9 kg of hashish; 52.2 kg of heroin; 298.9 kg of cannabis; and 14.1 kg of opium. These numbers were down considerably from 2010, when 1.86 MT of illegal drugs were reportedly seized. Also in 2011, 2,341 individuals were arrested for involvement in drug smuggling. Although the cultivation of drugs in Azerbaijan is not widespread, in 2011 Azerbaijan uncovered 59 cases of domestic illegal drug cultivation resulting in the seizure of 20.6 kg of poppy and 3.4 MT of cannabis.

Though the Government of Azerbaijan has expressed its desire to address drug addiction, government-sponsored programs targeting drug abuse remain inadequate, hindering substantial progress.

The U.S. Drug Enforcement Administration (DEA) re-engaged with Azerbaijan in 2011, and this relationship helped Azerbaijan pursue international drug trafficking organizations in 2012. The United States will continue to work with the Government of Azerbaijan to promote law enforcement cooperation, judicial reform, and the rule of law.

# The Bahamas

## A. Introduction

The Bahamas is not a significant drug producing country but remains a transit point for illegal drugs bound for the United States and other international markets. The Bahamas' close proximity to the coast of Florida as well as Caribbean drug transshipment routes makes it a natural conduit for drug smuggling. Furthermore, The Bahamas's 700 islands and cays, the vast majority of which are uninhabited, provide near ideal conditions for illicit smuggling. Smugglers readily blend in among the armada of pleasure craft traveling throughout The Bahamas archipelago spanning 100,000-square nautical miles. Recent law enforcement information points to increased smuggling through air traffic, both by newly established commercial traffic from South and Central America and through private planes. U.S. law enforcement analysts anticipate that sustained law enforcement pressure on networks in Central America will continue to compel illicit drug traffickers to reestablish both alternate and historic drug smuggling routes from producer countries to the United States, including through The Bahamas.

Surveys sponsored by the Bahamian government suggest the demand for cocaine has diminished, though casual and chronic use of marijuana is an area of concern. The government remains committed to reducing drug trafficking and demand for drugs.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In 2012, the Bahamian government released its update to the 2004-09 National Anti-Drug Strategy. The new 2012-16 strategy lays out government plans for reducing drug demand and supply; strengthening anti-drug institutions; building international cooperation; and resourcing anti-drug efforts. Written at the end of the previous Free National Movement government's tenure, the implementation of the strategy will fall to the new Progressive Liberal Party's (PLP) government elected in May.

Among the PLP government's new initiatives is the Swift Justice program which seeks to reduce processing time for serious cases through improved criminal case management. Construction of new facilities and increases in personnel are ongoing, and headway on its backlog of cases will depend on the flexibility and effective implementation of these measures by the criminal justice system.

The United States and The Bahamas are bilateral parties to both a mutual legal assistance treaty (MLAT) and an extradition treaty. The United States and The Bahamas have a strong mutual legal assistance relationship. The MLAT facilitates the bilateral exchange of information and evidence for use in criminal proceedings. Joint activities between the U.S. Drug Enforcement Administration (DEA) and the Bahamian government have resulted in evidence from The Bahamas being used to prosecute traffickers in the United States. Streamlining and establishing

better protocols to expedite the flow of extraditions would bring drug crime offenders more quickly to trial and serve as a more credible deterrent for traffickers. Currently, defendants can appeal a magistrate's decision up to Judicial Committee of the Privy Council in London. This process often adds years to an extradition proceeding; the last extradition occurred in 2010. Some subjects of U.S. extradition requests are known to continue illegal drug smuggling activities while out on bail awaiting the resolution of their cases.

The United States signed a comprehensive maritime agreement with The Bahamas in 2004 that enables cooperation in counternarcotics and migrant interdiction operations in and around Bahamian territorial waters, including the use of "ship riders" and expedited boarding approval and procedures.

## **2. Supply Reduction**

Under Operation Bahamas and Turks and Caicos Islands (OPBAT), U.S. agencies led by the DEA and including the Coast Guard and Customs and Border Protection integrate with the Royal Bahamas Police Force (RBPF) to gather intelligence, conduct investigations, and execute interdictions. OPBAT remains the cornerstone of counternarcotics law enforcement cooperation in the region. In 2012, operations under OPBAT led to the seizure of 236 kilograms (kg) of cocaine; 162 metric tons of marijuana; 149,074 marijuana plants; 201 arrests; and \$122,333 in assets. These operations are supported by marine and technical resources provided through U.S. assistance programs. With a small population base (353,000 people according to the 2010 census) and significant territory to cover, pooling U.S. and local resources and knowledge is essential to efficient deterrence and interdiction. The Royal Bahamas Defense Force (RBDF), as well as law enforcement personnel in the Turks and Caicos Islands, participate in counternarcotics operations.

Smugglers exploit the wide distribution of numerous islands and the high number of recreational vessels flowing through the boating-friendly waters of The Bahamas. Large loads are known to split up into smaller loads before entering the southern Bahamas through the customs station in Great Inagua, which is strategically located between the Turks and Caicos Islands, Haiti, the Dominican Republic, and Jamaica. Traffickers move cocaine through The Bahamas via go-fast boats, small commercial freighters, containers, and small aircraft. Small sport fishing vessels and pleasure crafts move cocaine from The Bahamas to Florida by blending in with legitimate traffic that transit these areas. Larger "go fast" and sport fishing vessels transport marijuana from Jamaica through The Bahamas and into Florida in the same manner as cocaine. Traffickers also skirt along the loosely monitored Cuban coast line, then head for Florida through Bahamian waters.

Haitian and Haitian-Bahamian drug trafficking organizations--increasingly networked between Haiti and the significant Haitian diaspora in The Bahamas--continue to play a major role in the movement of cocaine. Investigations of these organizations are hindered by a lack of trusted and appropriately assigned Creole speakers within the RBPF Drug Enforcement Unit (DEU). Investigations reveal that Bahamian drug trafficking organizations are using the Turks and Caicos Islands as a transshipment point. The Government of the United Kingdom suspended the

Turks and Caicos Islands' right to self-government in 2009 amid allegations of mismanagement of Crown land and other irregularities. Self-government was restored in late 2012.

Aviation routes are an increasing source of concern. Small, privately owned and operated planes ferry loads of cocaine from and between source countries South America into Haiti and the Dominican Republic. Information acquired by Bahamian law enforcement suggests that drug trafficking organizations have utilized airdrops and remote airfields to deliver large cocaine shipments to the Turks and Caicos Islands and to The Bahamas from Venezuela and Colombia. There has also been a rise in the interdiction of cocaine at the international airport by Customs and Border Protection agents working at the pre-clearance facility, with at least one case allegedly involving staff employed by the Nassau Airport Authority. Bahamian officials expect a significant increase in tourist traffic with the opening of new air routes from Latin America and the anticipated completion of the Bahamas megaresort in 2014.

Bahamian law enforcement agencies leverage their small fleet of vessels by prepositioning them in strategic locations on the archipelago. These vessels are located in New Providence, Grand Bahama, Exuma, Bimini, Andros, and other islands depending on operational needs. Effective use of this limited number of vessels over a vast area of coverage depends on effective use of quality intelligence and aviation support during critical interdiction missions. Additionally, the RBDF operates a fleet of 14 vessels and various small boats out of New Providence, Grand Bahama Island, Bimini, Abaco, and Great Inagua, which conduct regular patrols.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The Bahamian government determined in its most recent anti-drug strategy that cocaine dependency in The Bahamas is predominantly limited to those who became addicts during the 1980s and 90s. The report further reveals that experimentation and use of marijuana is increasing among school-aged groups. Intake surveys and testing found that many inmates at Her Majesty's Prison at Fox Hill (Nassau), the only prison in The Bahamas, tested positive for drugs and that some inmates maintain access to drugs during their incarceration.

The government's strategy employs a multi-tiered approach to reducing demand. Its main institutional bodies are the National Anti Drug Secretariat, the Bahamas National Drug Council, and the Sandilands Rehabilitation Center. In its approach, the Bahamian government seeks to strengthen its connections with civil society organizations that work with youth, addicts, and ex-convicts.

### **4. Corruption**

The Bahamian government does not encourage nor facilitate illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances. It also does not support the laundering of proceeds from illegal drug transactions. No senior official in the Government of the Commonwealth of The Bahamas was investigated for drug-related offenses in 2012.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The Bahamas is one of the most active and strategic contributors in the Caribbean Basic Security Initiative, both at the Ministry of National Security and senior police levels. Such contributions have made the Bahamian government a respected and welcomed voice in these regional fora.

U.S. assistance funds supported The Bahamas' maritime capabilities. In 2012, the United States funded new marine engines for the 40-ft Avenger interceptor. First donated by the United States in 2001, the Avenger will be the most capable law enforcement interceptor in the northern Bahamas until the new 41-foot SAFE boat interceptor arrives in 2013. Though the RBPF Marine Unit has effectively refurbished and maintained its marine vessels, it has not received additional funding for new law enforcement specific vessels.

RBPF, DEU and the U.S. Coast Guard (USCG) maintain an enduring presence on Great Inagua and, in four other locations in The Bahamas, to assist with counternarcotics enforcement. USCG is nearing completion of a hurricane-resilient aviation hangar adjacent to permanent living quarters, which will be used by rotating aviation and counter drug personnel, both U.S. and Bahamian. Since Hurricane Ike destroyed the original Great Inagua aircraft hangar in 2008, USCG helicopters have temporarily operated out of the Turks and Caicos Islands, as part of its participation in OPBAT.

In order to build regional safety and security capacity, the United States provided training in maritime law enforcement, small boats operations, port security, engineering and maintenance, and professional development for the RBDF's officer and enlisted corps. The RBDF uses the USCG Officer Candidate School as one of its primary officer ascension programs.

The United States has delivered training needed by RBPF counterparts to combat criminal networks in The Bahamas. For example, members of the RBPF were trained by DEA in proper forced entry and homicide investigations techniques. The RBPF has also benefited from a study tour of the Denver Gang Taskforce and an anti-gang seminar delivered by FBI and Department of Homeland Security Immigration and Customs Enforcement personnel.

U.S. assistance funds for demand reduction have supported the Bahamas National Drug Council in its work to prevent drug abuse in the outer Family Islands, improve the ability of civil society groups to develop and implement projects, and through the donation of 500 drug test kits to the Her Majesty's Prison. U.S. Mission personnel conduct outreach activities (particularly among youth) in support of demand reduction.

#### **D. Conclusion**

The United States and The Bahamas remain strong partners and enjoy a cooperative counternarcotics relationship. Funds associated with the Caribbean Basin Security Initiative will require intensified coordination and strategic planning. Long delays in extradition requests and lack of Creole speakers in key Bahamian law enforcement units endure as challenges. Better integration of financial monitoring and investigations would improve counterdrug efforts.

# Belize

## A. Introduction

Belize is a major transshipment country for cocaine and precursor chemicals used in the production of synthetic drugs. Due to its position along the Central American isthmus, Belize is susceptible to the transshipment of cocaine between drug producing countries in South America and the United States, as well as chemicals bound for processing into finished drugs in Mexico. The United States estimated that more than 80 percent of the primary flow of the cocaine trafficked to the United States first transited through the Central American corridor in 2012. Large stretches of remote, unpopulated jungles on its borders with Guatemala allow smuggling of cannabis and synthetic drugs. A relatively unpatrolled coastline including hundreds of small islands and atolls make maritime drug interdiction difficult. Belize is bordered by countries where the drug trade is controlled by organized and violent drug cartels.

Belize generally tolerates the use of cannabis. The National Drug Abuse Control Council (NDACC) reported that there was an increase in the use of marijuana in 2012 and crack cocaine remained the second most abused drug.

The Belize Coast Guard (BCG) and the Anti-Drug Unit (ADU) undertook enhanced efforts to monitor the country's coastal waters in 2012. Nevertheless, limited funds, equipment and personnel continued to hamper these organizations. Belize's overall counternarcotics efforts suffer deficiencies in intelligence gathering, analysis, and capacity of the judicial sector, in addition to corruption and inadequate political will.

## B. Drug Control Accomplishment, Policies and Trends

### 1. Institutional Development

In 2011, Belize passed the Interception of Communications Act to allow judicially-authorized wiretaps of telephones and other forms of communication, but the Government of Belize did not develop the capacity to intercept communications to implement this law. Belize completed mandatory registration of all existing prepaid cellular phones in compliance with the Act in June, 2012.

Citizen security deteriorated countrywide in 2012. There were 145 homicides over the course of the year, surpassing Belize's all-time high of 129 in 2010. The northern district of Corozal, bordering Mexico, experienced a 120-percent increase in murders compared to 2011. Law enforcement officials reported that at least 36 percent of these murders were drug related.

The Government of Belize readily assists in the capture and repatriation of U.S. citizen fugitives. Seven fugitives were repatriated to the United States via expulsion orders in 2012. Although the United States and Belize have an extradition treaty, Belize's response to formal U.S. extradition requests is slow, in part due to limited resources in its criminal justice system. As of October, three narcotics related extradition requests lodged in 1998 remained pending.

To enhance Belize's border security, the U.S. government provided training to support the establishment of a Mobile Interdiction Team. The team includes Belizean immigration, customs, and police officers and aims to interdict narcotics and other contraband at ports of entry along Belize's roads and highways.

Belize is one of six countries (along with Costa Rica, the Dominican Republic, France, Guatemala and the United States) to ratify the Caribbean Regional Agreement on Maritime Counter Narcotics, which is in force.

The United States and Belize maintain a counterdrug bilateral agreement used to facilitate maritime operations against drug trafficking. Two Belizean law enforcement officials participated in the Multilateral Maritime Counterdrug Summit, held in Peru, which also included participants from Colombia, Ecuador, Mexico and most Central American countries. Bilateral agreements between the United States and Belize include an extradition treaty that entered into force in March 2001, and a mutual legal assistance treaty that entered into force in 2003.

## **2. Supply Reduction**

Belize does not produce cocaine, heroin, or precursor chemicals, but is used as a transshipment point for the substances. There are indications that trafficking organizations are increasing their use of Belize as an air trafficking route. In 2012, Belizean authorities seized and destroyed 19.1 metric tons (MT) of marijuana, 156 MT of precursor chemicals, 55.4 kilograms (kg) of cocaine, 1.4 kg of crack cocaine and 4.9 kg of crystal methamphetamine. A Guatemalan national pled guilty to trafficking the 4.9 kg of methamphetamine and was sentenced to three years imprisonment and fined fifty thousand dollars. Belizean authorities also recovered an additional 59.5 kg of cocaine that was found abandoned, leading to no arrests (classified separately from seizures in Belize).

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

NDACC is the central coordinating authority responsible for the activities of demand reduction, supply reduction, and control measures. The Council has 21 regular employees and a 2012 budget of \$175,000, a 16-percent increase over the 2011 budget. However, these funds are limited to administrative expenses and not necessarily designated for the development and implementation of programs.

Marijuana, crack cocaine, and cocaine hydrochloride are the most abused illicit drugs in Belize. NDACC reported that there was an increase in the use of marijuana in 2012 and in the number of clients approaching its office for assistance and referrals for drug treatment. Between January and June, a total of 186 people sought assistance from the Council.

Belize has three operational drug rehabilitation centers. The primary facility operates at the Belize Central Prison and is run by the non-governmental Kolbe Foundation. The program, which started in 2006, is a 120-day residential program open to inmates and members of the public who are willing to overcome addiction. Between January and September 2012, the

program produced 141 graduates. As of October, 80 people were engaged in the program and scheduled to complete it in December. The second rehabilitation center is run by a religious organization and has approximately 35 participants at any given time. Belize also has an upscale rehabilitation center that targets overseas clients.

NDACC has 11 drug educators countrywide who conduct demand-reduction education programs in schools, as well as community empowerment and public education campaigns.

The Government of Belize appointed an eight-member committee to explore the possibility of decriminalizing marijuana in small quantities. Any amount of marijuana under 60 grams is considered possession and carries a fine of up to \$25,000 and/or up to three years imprisonment. One proposal made to the committee discussed instituting small penalties or no penalties for possession of less than 10 grams of marijuana. The committee will evaluate proposals from the public and make recommendations in 2013.

#### **4. Corruption**

The Government of Belize does not, as a matter of government policy, encourage or facilitate illicit drug production or distribution and in 2012 the Belizean government was not involved in laundering proceeds of illicit drug sales. A lack of resources, weak law enforcement institutions, an ineffective judicial system, and inadequate compensation for civil service employees and public safety officials combined to provide a facilitating environment for illegal activities. Belize lacks laws that specifically address narcotics-related corruption. Its Prevention of Corruption Act – passed in 2000 – includes measures to combat the misuse of public funds while holding public office and also provides a code of conduct for civil servants. Belizean authorities did not charge anyone under this Act during 2012.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Through the provision of equipment, training, and technical assistance, including through the Central America Regional Security Initiative, the United States bolstered Belize's efforts to disrupt and decrease the flow of narcotics, weapons, and illicit proceeds generated by sales of illegal drugs, and to confront gangs and criminal organizations in 2012. U.S. support included infrastructure upgrades, training, and the provision of equipment for the Belize Defense Force. The United States provided funding to implement an interconnected Personal Identification and Registration System at all immigration offices, land, sea and air border posts in Belize. The project will install a computerized information management system designed to detect and register all entries and exits of persons, and strengthen the capacity of immigration services to more efficiently manage the country's borders.

The Belize Coast Guard continued to receive U.S. assistance in 2012, including maritime law enforcement training and professional development of officers and enlisted corps, but was unable to maximize the utilization of donated equipment due to insufficient fuel and other operational resources.

**D. Conclusion**

Drug trafficking and drug-related violence continue to rise in 2012, threatening the security of Belizean citizens and the integrity of the country's borders. These threats will continue if more serious measures are not taken by Belize's government. The United States encourages Belize to continue to strengthen its public security and law enforcement institutions through more effective anti-corruption legislation, comprehensive background checks and vetting for new and existing personnel, better training, and continuing education programs. Belize should strengthen its border security through better management and leadership, increased training and coordination amongst the border management staff. Belize's criminal justice system requires improved efficiency, and better resources and training are required for prosecutors in the Director of Public Prosecution's office and police department. The United States will maintain its strong partnership with Belize, and assist its fight against drug trafficking organizations and other criminal groups.

## Bolivia

### A. Introduction

Bolivia is one of the three largest cocaine producing countries in the world and a significant transit zone for Peruvian cocaine. Significant amounts of Peruvian-origin cocaine have been intercepted in Bolivia in 2012, and two Bolivian-flagged aircraft loaded with Peruvian cocaine were seized in Peru in September. Most Bolivian cocaine flows to other Latin American countries, especially Brazil, for domestic consumption or onward transit to West Africa and Europe. The United States estimates that approximately one percent of cocaine seized and tested in the United States originates in Bolivia.

In September 2012, the President of the United States determined for the fifth consecutive year that Bolivia “failed demonstrably” to make sufficient efforts to meet its obligations under international counternarcotics agreements. This Presidential determination was based, in part, on evidence that Bolivia has not been able to stop the increase in cocaine production resulting from the use of more efficient technology in the production process, as well as insufficient law enforcement efforts to disrupt and dismantle drug trafficking organizations. The United States estimates that in 2011, cocaine production potential in Bolivia increased 29 percent from 2010 to 265 metric tons (MT).

The National Drug Control Council, chaired by the Ministry of Government, is the central counternarcotics policymaking body in Bolivia. The Vice Ministry for Social Defense (VMSD) is the body with the mandate to combat drug trafficking, regulate coca production, and advance coca eradication and drug prevention and rehabilitation. The Special Counternarcotics Police Force (FELCN) is comprised of approximately 1,600 personnel and reports to the VMSD. The Joint Eradication Task Force conducts manual coca eradication with approximately 2,300 personnel.

Bolivian President Evo Morales, who remains the president of the coca growers’ federation in the Chapare region, one of two major coca growing areas, maintains a “social control” policy for illicit coca eradication in which the government negotiates with coca growers to obtain their consent for eradication. Bolivia continues coca eradication efforts, reporting the eradication of over 10,000 hectares (ha) for the second consecutive year, in spite of resistance from some coca growers. However, illegal cultivation for drug production remains high, and the Bolivian government has inadequate controls to prevent the diversion of “legal” coca production to illicit cocaine production.

Bolivia’s ability to identify, investigate and dismantle drug trafficking organizations remains diminished following the 2008 expulsion of the U.S. Drug Enforcement Administration, which provided assistance to Bolivian counterparts. Colombian, Brazilian, Peruvian and other foreign nationals engage in financing, producing and exporting drugs and laundering drug proceeds within Bolivia. Bolivia denies foreign drug cartels operate in Bolivia, but acknowledges that cartel emissaries are present.

## **B. Drug Control Accomplishments, Policies, and Trends**

### **1. Institutional Development**

For several years, Morales administration officials have called for new legislation to increase the ceiling for licit coca cultivation from 12,000 to 20,000 ha. Movement on such legislation was delayed pending release of a study funded by the European Union (EU) to estimate the number of hectares required for traditional coca consumption. The study, originally requested in 2005, has remained with the Bolivian government for over a year for review and revision, despite international requests that it be published. Bolivia agreed to complete a separate study of cocaine yields by 2014 with UNODC support.

The Bolivian government, through the Executing Unit for the Fight against Narcotics, budgeted \$25.5 million in 2012 for counternarcotics operations. Since 2011, the United States has worked with the Bolivian government to take over operational and financial responsibilities for several U.S.-supported programs; this process continued in 2012.

FELCN's operations continue to focus on money laundering cases and leads from law enforcement counterparts from neighboring countries. In 2012, Bolivia continued to seek counternarcotics support from other countries, especially Brazil and Argentina. In particular, Bolivia and Brazil continued to work together on border security and other counternarcotics efforts, including the donation of four Brazilian helicopters to Bolivia.

The United States, Bolivia, and Brazil began a trilateral pilot project in January 2012 that will enable Bolivia to eradicate illegal coca more efficiently, detect the re-planting of eradicated coca, and improve the credibility of Bolivia's eradication results through satellite imagery. The United States has provided computer and digital measuring equipment as well as training to Bolivian personnel.

Bolivia's efforts in 2011 to amend the UN 1961 Single Convention on Narcotic Drugs led it to withdraw from the Convention, effective January 1, 2012. In December 2011, Bolivia requested to re-accede to the Convention with a proposed reservation for coca chewing. The United States formally objected to the Bolivian reservation in July 2012, noting that it could lead to a greater supply of available coca, thereby fueling narcotics trafficking and related criminal activity.

The United States and Bolivia are parties to an extradition treaty that entered into force in 1995 that permits the extradition of nationals for the most serious offenses, including drug trafficking. In practice, however, the treaty is not fully utilized. While Bolivia does not have a mutual legal assistance treaty with the United States, various multilateral conventions to which both countries are signatories are used for requesting mutual legal assistance.

### **2. Supply Reduction**

The 2011 U.S. government coca cultivation estimate for Bolivia of 30,000 ha was 13 percent lower than the 2010 estimate of 34,500 ha. The UN Office on Drugs and Crime (UNODC)

estimated 27,200 ha of cultivation for 2011, a 12percent decrease from 2010. Bolivia has stated its intention to reduce net coca cultivation to 20,000 ha by 2015.

Under an agreement with the Government of Bolivia, Chapare coca grower federations began enforcing a 2003 “coca zero” policy that legalized one “cato” (40 x 40 m) of cultivation per member of the federations. Because many farmers were growing two or more catos, the federations have implemented a “self-control” policy whereby growers voluntarily eradicate coca in excess of one cato. However, since 2003 only 261 farmers have lost the right to cultivate coca for one year and 71 farmers have lost the right to grow coca for life as punishment for violating the one-cato limit by planting additional catos of coca.

During 2012, the U.S.-supported Integrated Alternative Development (IAD) Program continued to help diversify the economies of Bolivia’s coca growing regions, reduce communities’ dependency on coca, and complement the Bolivian government’s coca eradication efforts. In its last year of implementation, the IAD Program completed more than 70 projects, generated nearly 700 new jobs and \$5.2 million in sales of U.S.-supported products for the direct benefit of approximately 6,800 families.

The FELCN achieved numerous high-profile successes in 2012, including the destruction of multiple cocaine labs in the Carrasco National Park and the Yapacani region. According to the Bolivian government, FELCN seized 32.1 MT of cocaine base and 4.2 MT of cocaine hydrochloride (HCL), representing a 13 percent increase in the amount of cocaine base seized and a 26 percent decrease in the amount of HCL seized over 2011. FELCN also destroyed 37 cocaine HCL processing labs and 4,433 rustic cocaine labs, a 48 percent increase and 16 percent decrease from the same period in 2011, respectively.

The FELCN arrested and charged 4,317 individuals on narcotics-related offenses in 2012, a 10 percent increase from 2011 in which 3,930 individuals were charged with narcotics offenses. Prosecutors reported 465 drug convictions in 2012, although some of these convictions may have stemmed from arrests made in previous years.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The last Bolivian-sponsored domestic drug use study was completed in 2008. A U.S.-sponsored study entitled “Drug Use in Bolivia 1992-2010” showed a steady increase in drug use throughout the country. A 2011 study on student drug use also show increased consumption of marijuana, cocaine, and cocaine base, but no studies were performed in 2012.

The United States sponsored a UNODC-implemented school-based drug abuse prevention program targeting 100,000 students. The United States also funded four drug-abuse prevention and rehabilitation projects as well as a drug education and rehabilitation program with a Bolivian youth soccer academy. Internet resources were developed for drug demand reduction and treatment in two cities.

There are approximately 80 drug treatment and rehabilitation centers in Bolivia, the majority of which are private initiatives funded primarily by religious organizations from the United States

and Europe. The national government does not allocate funds for these types of programs. No impact evaluations have been performed in this area. Forty percent of drug treatment and rehabilitation centers in Bolivia provide outpatient services based on counseling and education.

#### **4. Corruption**

The Ministry of Anticorruption and Transparency and the Prosecutor's Office are responsible for combating corruption. Corruption accusations were frequent and often unaddressed by an already strained judiciary. As a matter of policy, Bolivia does not encourage or facilitate illegal activity associated with drug trafficking. There were arrests and investigations of corrupt officials in 2012, but most were not related to corruption associated with drug trafficking.

In 2012 all FELCN members took the polygraph test and those who did not pass were transferred out of the program.

#### **C. National Goals, Bilateral Cooperation and U.S. Policy Initiatives**

Since 2011, the United States has worked to transfer operational and financial responsibilities for U.S.-supported counternarcotics programs to the Bolivian government, a process that remained underway in 2012. U.S. assistance seeks to augment Bolivia's capacity to generate and disseminate law enforcement information by improving border controls and checks on the internal movement of goods and persons. The United States also supports initiatives to promote greater cooperation between Bolivian law enforcement agencies and their international counterparts to advance investigations of drug trafficking and other transnational crimes, and participate in international law enforcement information-sharing networks. U.S. law enforcement capacity-building programs also promote the use of enhanced investigative tools and techniques for the arrest and prosecution of members of criminal organizations. The United States has worked with the Bolivian government to increase the effectiveness of Bolivia's counternarcotics laws to combat money laundering, precursor chemicals, and asset forfeiture, and continues to encourage the Bolivian police to improve internal anti-corruption efforts.

The United States also provides Bolivian law enforcement, prosecutors and judges with training. In 2012, the United States supported the training of 1,792 police officers, prosecutors and other officials through 60 training courses, seminars and conferences, including sending Bolivian police officers and officials for training in Peru, Mexico, Indonesia, El Salvador and the United States. The number of officers participating in this training decreased significantly from 2011, partially because of a decision by the police not to participate in U.S. training programs for part of the year.

#### **D. Conclusion**

Although Bolivia's eradication program is surpassing its stated targets, eradication and interdiction results were not sufficient to reverse increased potential cocaine production levels caused by new efficiencies in the narcotics production process, combined with the potency of Bolivian coca. Bolivia's policy to consider 20,000 hectares of coca cultivation as licit and its withdrawal from the 1961 UN Single Convention on Narcotic Drugs undermined Bolivia's

efforts to meet its international drug control obligations. The release of the results of an EU study confirming the true number of hectares needed for licit consumption has been significantly delayed, raising suspicion that the results will be much lower than current production levels, and probably lower than the 20,000 hectares Bolivia considers licit.

Bolivian public, media, and experts perceive that the challenge to Bolivian institutions from corruption and criminality associated with drug trafficking increased during 2012.

Bolivia should strengthen efforts to tighten controls over the coca leaf trade in order to stem diversion to cocaine processing in line with international commitments, achieve further net reductions in coca cultivation and enhance law enforcement efforts to investigate and prosecute drug traffickers. Enacting new asset forfeiture legislation and other counternarcotics measures would provide Bolivian law enforcement agencies with necessary tools. Those nations most directly affected by Bolivian cocaine exports are encouraged to increase their support to Bolivia as the United States transitions from operational support to training and law enforcement capacity building.

## Bosnia and Herzegovina

Bosnia and Herzegovina (“Bosnia”) is not a significant producer, consumer, or producer of illicit drugs or precursor chemicals. Bosnia is considered primarily a transit country for drug trafficking due to its location along traditional Balkan smuggling routes and between drug production and processing centers in Southwest Asia and markets in Western Europe. Bosnia achieved modest improvements in reducing the flow of illicit narcotics through its territory in 2012, but the capacity of law enforcement and security institutions at all levels of government requires further enhancement.

Weak state institutions, fragmented law enforcement structures, lack of capacity, and imperfect cooperation and information sharing among responsible authorities at the various levels of government contribute to Bosnia’s vulnerability to narcotics trafficking. The political will to improve narcotics control performance exists in many quarters of the Bosnian government. Faced with competing demands, the government has prioritized its limited law enforcement resources on problems such as investigating and prosecuting war crimes, counterterrorism, and trafficking in persons, and has not developed comprehensive counternarcotics intelligence and enforcement capabilities.

Bosnia has a national counternarcotics coordination body and a commission for the destruction of illegal narcotics, but resource constraints have hampered their work. The United States and the European Union provide technical assistance to help improve Bosnia’s ability to combat narcotics trafficking and to achieve compliance with relevant international conventions. Bosnian law enforcement agencies have increased cooperation with regional and international law enforcement counterparts, and have, often in cooperation with neighboring countries, succeeded in making narcotic-related arrests and seizures. The Border Police, the Indirect Taxation Authority (the Bosnian customs service), and the State Investigative and Protection Agency (SIPA) have undergone improvements, but continued underfunding and insufficient staffing and equipment remain challenges. SIPA continues to coordinate investigations and share information with U.S. law enforcement authorities.

Indigenous and regional organized crime groups are engaged in distributing narcotics within the country. There is evidence of links between Bosnian criminal elements and organized crime networks originating in Russia, Albania, Serbia, Kosovo, Montenegro, Croatia, Austria, Germany, Italy, and increasingly South America. There is no credible evidence at this time linking senior officials to the illicit narcotics trade, although anecdotal evidence exists of corruption among lower-level officials.

The United States will continue working with Bosnian authorities to strengthen Bosnian law enforcement and judicial institutions, promote the rule of law, and combat organized crime, terrorism, and corruption.

# Brazil

## A. Introduction

Brazil borders all of South America's cocaine-producing countries and is both a major transit and destination country for cocaine and a destination country for Paraguayan marijuana. The country's borders with Colombia, Peru, Bolivia, and Paraguay measure 5,656 miles – over three times the length of the U.S. border with Mexico. The Brazilian drug trade is controlled by large, violent and well-organized drug trafficking organizations operating throughout the country.

Much of the cocaine transiting Brazil is destined for Europe via West Africa with some shipments destined for the United States. While the Government of Brazil understands the importance of, and is committed to, combating drug trafficking and transnational crime, it faces significant challenges to stemming the flow of illegal drugs across its borders.

Brazil suffers from a substantial and growing domestic crack cocaine consumption problem that has reached epidemic proportions. Brazil is the world's second largest consumer of cocaine hydrochloride and potentially the largest consumer of crack cocaine. As such, Brazil places significant emphasis on drug abuse awareness, demand reduction, and treatment policies.

## B. Drug Control Accomplishments, Policies and Trends

### 1. Institutional Development.

The Government of Brazil's lead agency for counternarcotics is the Federal Police (DPF). The DPF reports to the Ministry of Justice and maintained a force of slightly fewer than 500 personnel working on counternarcotics issues in 2012. The DPF's limited staffing underscores the importance of inter-agency cooperation, which has increased and become more successful since the launch of the Strategic Border Plan in 2011.

In 2012, pursuant to the Strategic Border Plan, the DPF, military, National Secretariat of Public Security's National Force, Secretariat of Federal Revenue, Federal Highway Police, and state police forces worked together to strengthen security and enforce laws (against drugs, arms, and human trafficking; financial crimes; environmental crimes; and homicide) along Brazil's 9,600-mile land border.

Brazil has signed bilateral narcotics control agreements with the United States and every country in South America. The agreements provide the framework for capacity improvement, joint investigations, enforcement operations, and sharing law enforcement information. Brazil maintains formal partnerships with the UN Office on Drugs and Crime (UNODC), the Organization of American States' Inter-American Drug Abuse Commission, and INTERPOL, and is a signatory to the main UN and regional drug, corruption, and transnational crime conventions. Brazil has also signed extradition and mutual legal assistance treaties with the United States.

## **2. Supply Reduction**

Brazil continues to be a major channel to world markets of cocaine. Colombian and Peruvian cocaine is smuggled into Brazil via the Amazon River system which provides the primary conduit for cocaine laden fishing, cargo, and passenger vessels bound for the ports of Manaus and Belem. Once there, large multi-ton shipments are containerized for transshipment to Africa and Europe on commercial freighters. Bolivian cocaine enters Brazil across a 2,127-mile land border on commercial trucks using cover loads, privately owned vehicles, and commercial buses as well as via small aircraft. Cocaine loads are transported within Brazil in cargo or passenger vehicles while air couriers transport shipments via luggage, body-carry, and ingestion.

Brazil launched a new cross-border cooperation strategy in 2012 with the government of Peru under which DPF agents worked with Peruvian police to eradicate 900 hectares (ha) of coca on Peruvian soil. In addition, the Paraguayan and Brazilian bilateral agreement provides for joint marijuana eradication operations in Paraguay which resulted in the eradication of 600 ha of marijuana in 2012. An estimated 80 percent of marijuana production in Paraguay is destined for the Brazilian market. The DPF conducted quarterly marijuana eradication campaigns in the Northeastern states of Bahia and Pernambuco, where the majority of marijuana is grown in Brazil.

In 2012, the DPF reported seizing 19.9 metric tons (MT) of cocaine; 111.2 MT of marijuana; 446,178 dosage units (DUs) of ecstasy; and 65,033 DUs of lysergic acid diethylamide (LSD). In addition, Brazilian authorities eradicated 184.9MT of marijuana, conducted 3,999 arrests and/or indictments on drug related charges, and seized \$34.9 million in assets.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment.**

In 2012, the Secretariat of National Drug Policy concluded a landmark nationwide study of drug and alcohol use pursuant to the Integrated Plan to Confront Crack and Other Drugs launched in 2010. The results of the study are expected to be released in early 2013, and press reports indicate it may confirm Brazil's place as the world's second-largest market for cocaine hydrochloride and potentially mark Brazil as the world's largest consumer of crack cocaine.

Brazilian state and federal governments continued to promote drug abuse awareness and demand reduction through various media and outreach campaigns including the PROERD program, Brazil's version of Drug Abuse Resistance Education, which is implemented in schools by state police forces. The federal government's signature campaign "Crack, It's Possible to Win" continued in 2012 with a focus on demand reduction courses that trained 70,000 teachers; 15,000 prosecutors and judges; 15,000 health and social workers; 40,000 community leaders; 10,000 religious leaders, and 5,000 treatment center representatives. Despite the emphasis on drug abuse awareness, demand reduction, and treatment, Brazil's programs are not yet commensurate with the size of the addict population.

## **4. Corruption**

As a matter of government policy, Brazil does not encourage or facilitate illegal activity associated with drug trafficking and there was no evidence to suggest that senior government officials are engaged in such activity. Narcotics related corruption did not appear to be a major issue in Brazil in 2012.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

A memorandum of understanding (MOU) signed in 2008 between the United States and Brazil on Narcotics Control and Law Enforcement established projects designed to enhance the capacity of Brazilian federal and state agencies to address illicit narcotics trafficking and chemical diversion, organized crime and related criminal enterprises, and drug abuse awareness and demand reduction.

Pursuant to the MOU, in 2012 the United States provided support to the DPF canine program, airport interdiction program, and the DPF Special Investigation Units (SIUs), which produce the tactical intelligence that drives enforcement actions. The SIUs, in coordination with the U.S. Drug Enforcement Administration, are routinely involved in conducting complex criminal investigations. The United States also provided maritime law enforcement training to Brazilian military and civilian agencies in 2012. The United States also partnered with Brazil's National Secretariat for Drug Policy to support non-governmental organizations working with addicts and the families of addicts.

### **D. Conclusion**

Brazil's commitment to inter-agency cooperation to combat drug trafficking is significantly progressing, as is the level of political will behind Brazil's extensive demand reduction activities. However, the physical size of Brazil and the complex trans-border river system in the Amazon basin, coupled with a growing demand for cocaine, has placed significant resource challenges on the government. Brazil should continue to increase its focus on building Brazilian capacity to perform interdiction and eradication operations along its borders and with third countries in order to have a direct impact on stemming the flow of illegal narcotics into and through Brazil.

## Bulgaria

Bulgaria serves as a major transshipment point for heroin from Southwest Asia smuggled along the Balkan Route to Europe. Organized crime groups in Bulgaria are heavily involved in drug trafficking. Heroin and synthetic drugs are the primary drugs transported through Bulgaria, principally via overland methods of transportation. Small amounts are smuggled by air. In recent years, there has been a rise in cocaine smuggling from South America to Bulgaria. Cannabis cultivation, mainly for local consumption, has recently increased. Several small laboratories for synthetic drugs were uncovered in 2012.

Counternarcotics enforcement is primarily the responsibility of the General Directorate for Combating Organized Crime (GDBOP) within the Ministry of Interior (MOI), and the Customs Agency under the Ministry of Finance. The MOI actively combats narcotics, with GDBOP leading counternarcotics investigations and operations. GDBOP has led or facilitated several marquee seizures of cocaine, heroin, and other narcotics, including a joint operation with Spanish authorities in 2012 that netted three metric tons (MT) of cocaine from a Bulgarian-crewed ship off the coast of Spain.

The Customs Agency has authority to investigate drug trafficking at Bulgaria's borders and maintains an extensive database of information. Data sharing between Customs and GDBOP is improving. In 2012 the Customs Agency made two large seizures of hashish (4.2 MT) and precursor chemicals (600 kilograms). However, a de-facto policy of prioritizing the search for taxable contraband (i.e., cigarettes) over narcotics continues to result in low seizures for heroin.

According to the Bulgarian Institute for Addictions, Bulgaria has approximately 300,000 drug addicts, a number that has not fluctuated much in recent years. Marijuana is the most widely used narcotic, followed by heroin and synthetic drugs.

Bulgarian officials have vowed to increase their efforts to combat drug smuggling by Bulgarian nationals. On April 2, the U.S. Drug Enforcement Agency (DEA) opened a Country Office in the U.S. Embassy in Sofia. The opening was the culmination of many years of robust law enforcement cooperation between the United States and Bulgaria, a positive trend that should continue.

# Burma

## A. Introduction

Burma continues to be a major source of opium and exporter of heroin, second only to Afghanistan. However, there remains a significant gap between Burma and Afghanistan related to acreage and volume of poppy cultivation for opium production, with Burma's levels considerably lower than during the 1980s and 1990s, when production was at its peak. Since 1996, Burma has also become a regional source for amphetamine-type stimulants (ATS). Production sites for heroin and ATS are often co-located and are primarily situated along Burma's eastern borders with Thailand and Laos in areas controlled by ethnic armed groups beyond Government of Burma's immediate jurisdiction. The 2012 Joint Burma-UN Office of Drugs and Crime (UNODC) illicit crop survey reported that for the sixth straight year, opium poppy cultivation increased. UNODC estimated that the total area under opium poppy cultivation was 51,000 hectares (ha), an increase of 17 percent compared to 2011 (43,600 ha). In addition, UNODC estimated that during 2012 the potential production of opium increased by 13 percent to 690 metric tons (MT). Methamphetamine production in Burma is also a major concern. While there is no reliable methodology to estimate methamphetamine production, information derived from local and regional seizures indicates that methamphetamine production and trafficking is increasing. The last U.S. government joint opium yield survey occurred in 2004; however, prior to the visit of the Secretary of State in December 2011, the Government of Burma agreed to restart the survey, scheduled for February 2013.

Though police officers from the Central Committee for Drug Abuse Control (CCDAC) continue to make efforts to enforce Burma's narcotics laws, they lack training and funding. In addition, Burma faces the special challenge of having vast swaths of its territory, particularly in drug-producing areas, controlled by ethnic armies, border guard forces, or people's militias. The Burmese government considers drug enforcement secondary to national stability and is willing to allow narcotics trafficking in border areas in exchange for cooperation from ethnic armed groups and militias.

Burma is not currently a significant source or transit country for drugs entering the United States. However, Burma remains a major regional source of opium, heroin, and methamphetamine, particularly for neighboring Thailand and China. The overall level of drug abuse is low in Burma compared with neighboring countries, in part because most Burmese are too poor to be able to support a drug habit.

## B. Drug Control Accomplishments, Policies and Trends

### 1. Institutional Development

Burma's official 15-year counternarcotics plan, launched in 1999, called for the eradication of all narcotics production and trafficking by the year 2014, one year ahead of an ASEAN-wide plan of action to make the entire region drug-free by 2015. In pursuit of this goal, the CCDAC, chaired by the Minister of Home Affairs, directs all drug-enforcement efforts in Burma. This includes

the drug enforcement efforts of 26 police anti-narcotics task forces located in major cities and along key trafficking routes within Burma. Opium and methamphetamine production has been on the rise since 2006. In October 2012, the CCDAC admitted that Burma will not meet its own goal be narcotics-free by 2014 and extended its deadline to 2019.

Burma cooperated with its neighbors on drug control with varying levels of interaction. This ranged from regular positive cooperation with China and Thailand, to infrequent contact with India and Bangladesh.

Burma did not begin any major policy or operational initiatives during 2012; the applicable legislation remained unchanged and enforcement efforts followed longstanding patterns.

## **2. Supply Reduction**

Aggressive domestic efforts over the past 15 years, accompanied by some international assistance, had yielded a generally downward trend in Burma's opium cultivation from a 1996 estimated apex of 163,000 ha. However, since 2006, Burmese farmers have increased opium poppy cultivation each year. The 2012 joint UNODC-Government of Burma survey estimated that 51,000 ha were devoted to opium cultivation. This represents a 17-percent increase from 2011 levels (43,600 ha). UNODC estimated that during 2012, the potential production of opium increased 13 percent from 2011 levels to 690 MT due to increased hectares under cultivation.

According to the Government of Burma's statistics, law enforcement officers destroyed 23,584 ha of opium poppies in 2012 compared to 7,058 ha in 2011 and 8,268 ha in 2010. These government statistics cannot be verified. Furthermore, U.S. and UNODC reporting often reflects that eradication occurs after the poppies have been harvested.

The Burmese government again failed to provide sufficient suitable alternative development opportunities targeted at opium cultivators, though in December 2011 the CCDAC outlined an alternative development plan for the first time. Burma's alternative development plan will cost approximately \$500 million over three years. However, despite Burmese appeals for aid from the international community, no international donors pledged to support the plan during 2012.

While there is no reliable method to determine production levels, information derived from seizure data indicates that there has been a sharp increase in the production, consumption, and export of ATS since 1996. A 2011 UNODC ATS survey reports that Southeast Asia has experienced significant increases in the seizures of methamphetamine pills originating from Burma. UNODC reports that ATS is manufactured in Shan State and trafficked to Thailand, China, and Laos.

Though under-resourced and hampered by political constraints, the CCDAC continued drug interdiction efforts during 2012. From January through September 2012, Burmese police seized 15.97 million ATS tablets (1.6 MT) and 100 kilograms (kg) of crystal methamphetamine. During the same period, Burmese authorities seized over 1,350 kg of high-quality opium, approximately 21 kg of low-quality opium, and over 113 kg of opium oil. Heroin seizures totaled 148 kg.

During the reporting period, Burmese law enforcement made two notable seizures. On January 12, CCDAC Anti-Narcotics Task Force officers seized 98,200 tablets of methamphetamine in Rangoon, Burma. Follow-up investigations assisted by U.S. Embassy Rangoon resulted in the seizure of an additional 1,709,300 tablets (170.94 kg) of methamphetamine. The seizure totaled 1,807,500 tablets of methamphetamine and was the largest recorded seizure of methamphetamine in Rangoon. On February 13, CCDAC Anti-Narcotics Task Force officers seized 8,726,400 tablets of methamphetamine (873 kg) from a storage location in Tachilek, Shan State, Burma. This was the largest seizure of methamphetamine made by Burmese authorities since August 2009.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The overall level of drug abuse is low in Burma compared with neighboring countries, in part because most Burmese are too poor to be able to support a drug habit. Traditionally, farmers use opium as a painkiller and antidepressant because they lack access to other medicine or adequate healthcare. There has been a shift in Burma away from opium smoking toward injecting heroin, which has contributed to Burma having one of the highest rates in the world of HIV infection attributable to intravenous drug use. ATS is also increasingly injected and is an additional cause for concern.

The Government of Burma maintains that there are only about 65,000 registered addicts in Burma; this number cannot be confirmed. Surveys conducted by UNODC, as well as non governmental organizations (NGOs), suggest that the addict population could be as high as 300,000. NGOs and community leaders report increasing use of heroin and synthetic drugs, particularly among disaffected youth in urban areas and by workers in mining communities in ethnic minority regions.

Burmese demand reduction programs are in part directed and in part voluntary. Addicts are required to register with the government and could be imprisoned for three to five years if they fail to register and accept treatment. Demand reduction programs and facilities are limited. In 2012, there were six major drug treatment centers under the Ministry of Health, 49 other smaller detoxification centers, and eight rehabilitation centers.

### **4. Corruption**

Burma has no laws specifically targeting corruption, and the country has signed but not ratified the UN Corruption Convention. Many inside Burma assume some senior government officials benefit financially from narcotics trafficking, but these assumptions have never been confirmed through arrests, convictions, or other public revelations. Credible reports from NGOs and media claim that mid-level military officers and government officials were engaged in drug-related corruption; however, no military officer above the rank of colonel has ever been charged with drug-related corruption. The Government of Burma does not, as a matter of policy, encourage or facilitate the illicit production or distribution of drugs, or the laundering of proceeds from illegal drug transactions.

### **C. National Goals, Bilateral Cooperation and U.S. Policy Initiatives**

In 1988 the United States suspended direct counternarcotics assistance to Burma. However, the United States maintained limited engagement with the Burmese government through the U.S. Drug Enforcement Administration (DEA) attaché office in the U.S. Embassy Rangoon. Through this mechanism, DEA continues to share drug-related intelligence with the Government of Burma and conducts joint drug-enforcement investigations with Burmese counternarcotics authorities. In 2010, 2011, and 2012, these joint investigations led to several seizures, arrests, and convictions of drug traffickers and producers.

There are no longer any U.S. funded or supported alternative development programs aimed at opium poppy growers. No U.S. counternarcotics funding directly benefited or passed through the Government of Burma.

While in the past U.S. policies have limited direct assistance to the Burmese government, in September 2012 the President signed a national interest waiver which allows for the possibility of providing such direct assistance in the future. The last U.S. government joint opium yield survey occurred in 2004, though Burma and the U.S. agreed to restart this survey before the Secretary's visit in December 2011. Planning is currently underway for the survey to begin in February 2013. In addition, the U.S. is exploring opportunities to include Burmese counternarcotics police in International Law Enforcement Academy training programs in Bangkok in 2013.

### **D. Conclusion**

In 2012, Burma continued the series of positive political reforms and reengagement with the United States that began in 2011 with the establishment of a civilian led government. For the first time since 1990, as a result of restoring full diplomatic relations, the United States has an Ambassador in Rangoon. However, despite the momentous political changes over the last year, Burma's economic situation has not changed dramatically, and the country remains the poorest in Southeast Asia. While economic development is necessary to provide an alternative to drug production, such development, particularly in ethnic areas, has not materialized. The economic reality, coupled with the Government of Burma's own lack of resources, significantly reduces the efficacy of Burma's counternarcotics efforts. Politics, as well as economics, drives opium production in Burma, as much of the territory in Burma remains outside of government control. While the Burmese government has signed cease fire agreements with 10 of 11 ethnic armies, the parties have failed to reach a political solution; the brokered peace remains fragile, and some of the ethnic groups continue to be engaged in narcotics production and trafficking to support themselves. As a result of these factors, opium crop production has increased for the sixth year in a row. While difficult to quantify, most experts believe that ATS production has increased as well.

Burmese counternarcotics officials remain open to resuming counternarcotics cooperation with the United States, and the United States is open to collaborating on specific projects with the Burmese. While such joint activities may begin on a modest scale, over time such cooperation

has the potential to become significant. Any U.S. assistance must be matched with efforts by the Government of Burma to reach a political solution to the conflict with its ethnic minorities, address official corruption, and dedicate more resources to their existing counternarcotics laws. Only genuine and sustained efforts on both sides will enable Burma to reverse the disappointing trend and begin to decrease narcotics production.

## Cambodia

Cambodia is a source, transit, and destination country for amphetamine-type stimulants (ATS). Criminal networks, many of which are Asian and West African, also use Cambodia to illegally produce and export natural safrole oil, which can be used as a precursor for MDMA (ecstasy).

ATS are the most prevalent narcotic in Cambodia, and both ATS tablets and crystalline methamphetamine are widely available. Heroin addiction remains limited to a small number of users concentrated in Phnom Penh. Cocaine, ketamine, and opium are also available. It is a common practice among the homeless, particularly minors, to sniff glue or similar inhalant products. The availability and quality of drug treatment centers remains inadequate to cope with demand. Government rehabilitation centers lack trained professionals and resources and provide low quality care, although some international efforts are underway to improve the skills of drug counselors.

The volume of seizures increased considerably in the first nine months of 2012 compared to 2011, although the number of drug-related arrests decreased. A dual methamphetamine/MDMA laboratory in Phnom Penh was seized along with more than 3,000 liters of safrole oil allegedly smuggled from Thailand, and pseudoephedrine packaged as cold medicine from Vietnam.

Customs officials at the Phnom Penh and Siem Reap international airports intercepted four Thai and one Vietnamese women, transporting cocaine and methamphetamine through Cambodia to Thailand. Arrests also included high-profile targets. On August 24, the Cambodian National Police arrested the two-star general Deputy Chief of Staff of the Infantry Division of the Royal Cambodian Armed Forces and his bodyguard for narcotics trafficking. Police seized more than one kilogram of ecstasy, approximately 85,000 tablets of methamphetamine, and a large cache of illegal luxury wood during the arrest. Also charged is a Cambodian-Laotian couple who confessed to supplying the general with the narcotics.

The Royal Government of Cambodia conducted joint operations with the U.S. Drug Enforcement Agency and enacted an amended drug law in a joint effort with the UN Office on Drugs and Crime to strengthen penalties and eliminate procedural loopholes in the previous law. Counternarcotics authorities also cooperated closely with other regional counterparts to improve Cambodian law enforcement's capacity to disrupt and reduce international narcotics trafficking.

The United States provided maritime law enforcement training to Cambodian authorities both within Cambodia and the United States. Cambodia also took part in the U.S.-led Gulf of Thailand Initiative, an ongoing maritime law enforcement capacity building initiative involving Southeast Asian states.

# Canada

## A. Introduction

In 2012, the Canadian government continued its robust efforts in combating the production, distribution, and consumption of various illicit drugs. Canada is a substantial producer of ecstasy (MDMA) for domestic use and is the primary supplier of ecstasy to the United States. As part of its five-year National Anti-Drug Strategy, Canada has rolled out new initiatives specifically intended to fight the trafficking of marijuana and synthetic drugs. Canada and the United States cooperate extensively in counternarcotics efforts by sharing information and conducting joint operations.

## B. Drug Control Accomplishments, Policies and Trends

### 1. Institutional Development

In March 2012, the Government of Canada passed the Safe Streets and Communities Act (C-10) into law, increasing the penalties for serious drug crimes. C-10 amends the “Controlled Drugs and Substances Act” to include mandatory prison terms for drugs listed in Schedule I, such as heroin, cocaine and methamphetamine, and in Schedule II, such as marijuana.

In October, the United States and Canada announced a bilateral shiprider agreement to combat transnational maritime criminal activity. Vancouver/Blaine and Windsor/Detroit will be home to the first two regularized locations of the integrated cross-border maritime law enforcement operations.

In September, the Royal Canadian Mounted Police (RCMP) launched the Marihuana Grow Initiative (MGI). The MGI renews the RCMP’s commitment to combating marijuana production by organized crime groups.

Canada is party to the Inter-American Convention on Mutual Legal Assistance in Criminal Matters, the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials, and the Inter-American Convention against Corruption.

### 2. Supply Reduction

Canada is the primary foreign source of ecstasy to the United States with production occurring primarily in British Columbia, and to a lesser extent in Ontario and Quebec. Canada also supplies ecstasy to Japan, Australia, and New Zealand. Precursor chemicals for the production of ecstasy are smuggled into Canada from source countries such as China and India.

Cultivation of cannabis is extensive in Canada, mostly in the form of high-potency, indoor-grown marijuana destined for both domestic consumption and export to the United States.

Significant cultivation has been identified primarily in British Columbia, Ontario, and Quebec. Most exported Canadian marijuana is destined for the United States.

As of June 2012, the MGI centralized database listed 191 marijuana grow operations or clandestine labs dismantled by the RCMP since 2011. A clear majority of these operations were in British Columbia.

Although most cocaine destined for Canada originates in South America, the United States is the predominant transit point for cocaine smuggled into Canada. Recent smuggling patterns suggest, however, that traffickers may be increasing their efforts to ship cocaine directly to Canada via air, parcel, and maritime conveyances.

Canadians are among the heaviest consumers of pharmaceutical opiates globally, according to Canadian government reports, but organized crime involvement in this market remains small when compared with other drugs. The most commonly trafficked pharmaceuticals are diazepam, clonazepam, lorazepam, methylphenidate, pentazocine, oxycodone, and steroids.

Domestic production of methamphetamine remains steady, and it continues to be exported to the United States and other countries. Methamphetamine is also used as a compound in Canadian-produced ecstasy.

No overall drug seizure statistics are available at the time of this report from the Canadian government for 2012.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

According to a Canadian government study, the prevalence of past-year cannabis use among Canadians (15 years and older) decreased from 14.1 percent in 2004 to 10.7 percent in 2010, the most recent year for which data is available. The prevalence of past-year cocaine or crack use decreased from 1.9 percent in 2004 to 1.2 percent in 2010 while ecstasy (0.9 percent), speed (0.4 percent), and hallucinogen (0.7 percent) use was comparable to the rates of use reported in 2004.

For Canadian youth (ages 15 to 24 years), the prevalence of marijuana use in the past year decreased from 37.0 percent (in 2004) to 25.1 percent (2010). The same study reported that, among youth, past-year use of at least one of five illicit drugs (cocaine or crack, speed, hallucinogens, ecstasy, and heroin) decreased from 11.3 percent in 2004 to 7.0 percent in 2010. The rate of drug use by Canadian youth remains much higher than that reported by adults 25 years and older: three times higher for cannabis use (25.1 percent versus 7.9 percent), and almost nine times higher for use of any drug excluding cannabis (7.9 percent versus 0.8 percent).

The rates of psychoactive pharmaceutical use and abuse in 2010 remained comparable to the rates reported in 2009: 26 percent of respondents aged 15 years and older indicated that they had used an opioid pain reliever, stimulant, sedative, or tranquilizer in the past year while 0.3 percent reported that they used any one of these drugs to “get high” in the past year.

Canada has six drug treatment courts in operation: Toronto (commenced in 1998), Vancouver (2001), Edmonton (2005), Winnipeg (2006), Ottawa (2006), and Regina (2006).

#### **4. Corruption**

The Government of Canada has strong anti-corruption controls and holds its officials, including law enforcement personnel, to a high standard of conduct. The Canadian government pursues malfeasant civil servants and subjects them to prosecution. Government policy and law prohibit, and no senior government officials are known to engage in, encourage, or facilitate illegal activity associated with drug trafficking.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States and Canada exchange forfeited assets through a bilateral asset-sharing agreement and exchange information through a Customs Mutual Assistance Agreement. Judicial assistance and extradition matters between the United States and Canada operate under a mutual legal assistance treaty, an extradition treaty, and related law-enforcement protocols, including the long-standing memorandum of understanding between the U.S. Drug Enforcement Administration (DEA) and RCMP which established a formal mechanism by which their representatives can work directly with each other on U.S.-Canada drug-related matters.

The United States and Canada pursue joint operations against suspected drug transshipments and have an agreement in place that enables Coast Guard (USCG) personnel to embark from Canadian aircraft and ships. Additionally, Canada continues to participate in the North American Maritime Security Initiative (NAMSI) with Mexico and the United States, which serves as a forum to review cases and identify areas where the maritime forces of the three countries may be able to improve cooperation.

Canada and the United States focus their bilateral cooperation through the Cross-Border Crime Forum and other fora. Canada and the United States also cooperate through the Integrated Border Enforcement Teams (IBET) and Border Enforcement Security Task (BEST) Forces on integrated cross border law enforcement. IBETs operate in 24 locations along the border, including four locations where Canadian and American intelligence analysts are co-located. The BEST is an investigative task force model that incorporates personnel from Homeland Security Investigations (HSI), Customs and Border Protection (CBP), USCG, the Canadian Border Services Agency (CBSA), the RCMP and other key U.S. and Canadian Federal, state, provincial, local, and tribal agencies.

The DEA, CBP, HSI, USCG, and representatives from U.S. state, local, and tribal entities interact with CBSA, RCMP, and Canadian provincial authorities to ensure that our two countries meet shared objectives in combating illegal drugs.

#### **D. Conclusion**

The United States cooperates extensively with Canada on bilateral law enforcement matters and acknowledges the strong and consistent anti-drug message from Canada's federal government.

The United States will continue to engage with Canadian officials to enhance both enforcement capacity to stem flow of narcotics at the border, and regulatory frameworks to prevent access to precursor chemicals and lab equipment for criminal use.

## Cape Verde

Cape Verde is not a significant producer of illicit narcotics, but its location in the Atlantic Ocean makes it an important transit hub for cocaine and other drugs moving from Latin America to Europe. The country's ratio of sea borders to land area is among the highest in the world, posing significant challenges to border control and law enforcement efforts.

Cape Verde has two separate national law enforcement agencies that fight narcotics trafficking, the Judicial Police (PJ) and the National Police (PN). The PJ is primarily responsible for major criminal investigations and the PN is responsible for public order. The National Commission for Combating Drugs is responsible for coordinating Cape Verde's counternarcotics programs. In 2008, Cape Verde adopted anti-money laundering legislation that created a Financial Information Unit (FIU). In 2012, the government passed additional legislation (Decree-Law No. 9) that extended the FIU's powers and transferred it from the Central Bank to the Ministry of Justice. The FIU continues to lack adequate human and financial resources to effectively implement all of its functions. Cape Verdean authorities acknowledge the country's role as a transit state and proactively seek international assistance to combat drug trafficking. During 2012, the PJ detained and began criminal proceedings for two individuals, from Angola and Guinea-Bissau, for drug possession and seized a total of 2.226 metric tons of cocaine.

In 2012, the Government of Cape Verde cooperated with the United States and other international partners to advance common counternarcotics objectives. U.S. support included partnering with the UN Office on Drugs and Crime to combat financial crime and reduce local demand for drugs. The United States also partnered with the Portuguese Judicial Police to send 23 PJ officers to Lisbon for counternarcotics training, and provided communications, identification, and tactical equipment to enable more effective drug investigations. In July 2012, the U.S. Navy and Coast Guard conducted an African Maritime Law Enforcement Partnership mission involving joint training, surveillance, and law enforcement operations to suppress illicit transnational maritime activity in and around Cape Verdean waters. The operation bolstered the Cape Verde Maritime Operation Center's ability to coordinate national efforts and bilateral operations with The Gambia. Finally, the United States worked with authorities to improve use of its U.S.-provided Communications Fusion Center to better interdict drug shipments.

## Chile

Chile is a significant transit country for Andean cocaine destined primarily for Europe. Though Chile is not a major producer of organic or synthetic drugs, its long, porous borders with Argentina, Peru and Bolivia present special challenges to its efforts to combat drug trafficking. Restrictions on inspecting Bolivian-originated shipments (pursuant to a Bolivia-Chile treaty) especially impede efforts to interdict shipments of illegal narcotics.

The government of Chile considers counternarcotics one of its highest priorities. Chilean authorities seized 10.19 metric tons (MT) of cocaine from January through November of 2012, up 19.2 percent from the 8.55 MT seized during the same period in 2011. Authorities seized 13.01 MT of cannabis from January through November 2012, a 6.6 percent decrease compared with seizures for the same period in 2011. More than half of all cocaine seizures and almost half of all cannabis seizures occurred in Chile's three northern regions of Arica, Tarapaca and Antofagasta. The government continued its effective implementation of its Northern Border Plan, a three-year strategy initiated in October 2010 to combat narcotics trafficking along Chile's northern border and coastal regions. Among Chile's major accomplishments in 2012, the Chilean Navy counternarcotics unit and Chilean customs agency seized approximately 500 kilograms (kg) of cocaine from a containerized shipment in the port city of Arica in May. The Chilean Investigative Police seized another 636 kg of cocaine base and 222 kg of marijuana in the port city of Antofagasta in June. In both instances the shipments originated in Bolivia.

The National Service for Drug and Alcohol Prevention and Rehabilitation, a service of the Ministry of Interior, operated under a \$73 million budget in 2012. Chile's national drug control commission continued offering demand reduction and drug treatment programs, including four different school-based anti-drug programs. The most recent Chilean government statistics indicate that less than one percent of the population used cocaine in 2010, and less than five percent used marijuana.

The United States partners with Chile to strengthen the capacity of Chilean institutions and to confront drug trafficking. The majority of U.S. assistance supports law enforcement training and technical capacity-building, specifically in the areas of container inspection and advanced drug interdiction techniques. Chile also coordinates assistance, dialogue and information sharing on counternarcotics with other countries in South and Central America as well as Europe.

# China

## A. Introduction

China is a significant destination and transit country for drugs such as heroin and cocaine, as well as a major producer of drug precursor chemicals. Domestic abuse of heroin and cocaine continues to rise, and the consumption of synthetic drugs such as methamphetamine, ketamine, and MDMA (ecstasy) among the affluent and the middle class is emerging as a public health threat. Chinese organized crime groups (known as “triads”) based in southeast China control most large-scale drug and precursor chemical criminal activities in China. There are also a growing number of transnational criminal organizations from Colombia, West Africa, Iran, and Pakistan operating in China.

Heroin flowing into China from Burma, Laos, Afghanistan, Pakistan, and Tajikistan is smuggled in containerized cargo or fishing vessels to lucrative markets in other parts of Asia and Australia. Most synthetic drugs used in China originate from Southeast Asia, Latin America, and Europe. High grade methamphetamine is also known to have flowed into China from Burma and North Korea.

China is a major producer and exporter of precursor chemicals for legitimate industrial use. Many large chemical factories are located near coastal cities with modern port facilities, increasing the opportunity for criminal syndicates to divert legal shipments to illegal use. Most precursor chemicals seized in Mexico and Central America destined for illegal production of methamphetamine were legally exported from China and diverted en route.

China is also a significant producer and exporter of novel psychoactive substances, including synthetic cannabinoids (known by such names as “K2” and “spice”) and synthetic cathinones (stimulants sometimes called “bath salts”).

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

China’s drug control strategy, implemented by the National Narcotics Control Commission (NNCC), focuses on prevention, education, crop eradication, interdiction, rehabilitation, commercial regulation, and law enforcement. The Ministry of Public Security’s Narcotics Control Bureau is the primary national narcotics enforcement entity and works in conjunction with provincial public security bureau offices. The Anti-Smuggling Bureau within the General Administration of Customs is responsible for the enforcement of China’s drug control laws at seaports, airports, and land border check points. China maintains bilateral counter-drug agreements with various countries and international organizations, including the UN Office on Drugs and Crime, and participates in a variety of international drug conferences and bilateral meetings, including the annual International Drug Enforcement Conference hosted by the U.S. Drug Enforcement Administration (DEA).

## **2. Supply Reduction**

As reported in the 2012 NNCC annual report, Chinese law enforcement officials investigated 101,700 drug cases, arrested 112,406 drug suspects, and seized approximately 30 metric tons (MT) of illicit drugs in 2011 (the most recent year for which statistics are available). This represented an increase of 14 percent, 10 percent, and 25 percent, respectively, over the previous year. Additionally, 137 clandestine drug laboratories were raided and dismantled.

In 2011, Chinese law enforcement officials investigated 414 precursor chemical cases that resulted in the seizure of approximately 1,834 MT of precursor chemicals. Seventy-five of these cases involved illicit smuggling activities, and 339 cases were for diversion activities such as mislabeling or false declaration. Approximately 720 MT of precursor chemicals were suspended from export after pre-export-notification was carried out.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The NNCC has an outreach program to raise awareness about the negative health effects of drug abuse and to promote drug prevention. By the end of 2011, the number of registered drug users in China had reached 1.8 million, including 1.2 million heroin addicts, or 65 percent of all registered drug users. The number of registered synthetic drug users reached 587,000, or 32 percent of all registered drug users. Of this number, 146,000 were classified as new drug users. Centers for mandatory detoxification are managed jointly by the Ministry of Public Health and the Ministry of Justice to support HIV-positive patients in an effort to prevent the spread of HIV/AIDS. Community-based drug rehabilitation programs developed in Yunnan province to treat drug addiction and help former addicts reintegrate into society were replicated nationwide.

## **4. Corruption**

The Ministry of Public Security takes allegations of drug-related corruption seriously, launching investigations when it deems appropriate. Despite these efforts to stem drug-related corruption, financial corruption among lower-level provincial, prefectural, county, and district government officials continues to be a concern. To date, no senior Chinese official at the central government level is known to have facilitated the illicit production or distribution of drugs. Similarly, no senior Chinese official from the central government is known to have laundered proceeds from drug-related activities.

## **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States and China are parties to a mutual legal assistance agreement. Under the framework of the U.S.-China Joint Liaison Group on law enforcement cooperation, DEA and the Narcotics Control Bureau of China are parties to a memorandum of understanding that established the Bilateral Drug Intelligence Working Group. In September 2012, the White House Office of National Drug Control Policy (ONDCP) and NNCC renewed a Memorandum of Intent to enhance law enforcement cooperation, facilitate exchanges of information on development of drug control policies and promote education on drug treatment, rehabilitation

and prevention. In the multilateral context, China volunteered to lead the North Pacific Coast Guard Forum, a six-nation informal working group that targets maritime trafficking.

#### **D. Conclusion**

Trafficking of illegal narcotics, diversion of drug precursor chemicals, and other drug-related crime remain serious problems in China. Central government authorities continue to take steps to integrate China into regional and global counternarcotics efforts, and some progress has been seen over the years in addressing China's domestic heroin problem through enforcement and rehabilitation. In addition, China is taking steps to address the export of large quantities of precursor chemicals to Mexico and Central America used in the production of methamphetamine for U.S. consumption by drafting effective legislation. However, China's collaborative law enforcement efforts are hindered by cumbersome internal approval processes that often limit direct access by U.S. law enforcement officials to local counterparts at provincial Public Security Bureaus.

# Colombia

## A. Introduction

Colombia is a major source country for cocaine, as well as a source country for heroin and marijuana. However, the Government of Colombia continues to make important progress in its fight against the production and trafficking of illicit drugs. Due to sustained aerial and manual eradication operations and aggressive enforcement activity in 2011, potential pure cocaine production declined by 25 percent, from 260 metric tons (MT) in 2010 to 195 MT in 2011. This decline marks the lowest production level since 1994. Although figures are not yet available for 2012, the United States estimated that the area devoted to coca cultivation in 2011 was down 17 percent compared to 2010, from 100,000 to 83,000 hectares (ha). This represents a 50-percent decline in coca cultivation since 2007.

According to the U.S. Department of Justice's 2010 Cocaine Signature Program, 95.5 percent of the cocaine seized in the United States in their sampling system originates in Colombia.

In 2012, the Government of Colombia continued aggressive interdiction and eradication programs, and maintained a strong extradition record for persons charged with narcotics trafficking in the United States. Colombia extradited 184 fugitives to the United States in 2012, the majority of which were wanted for drug crimes. Colombian authorities reported seizing over 279 MT of cocaine and cocaine base (both national seizures and seizures outside Colombia made with Colombian intelligence), and eliminated hundreds of tons of additional potential cocaine through the combined aerial and manual eradication of 131,035 ha of coca.

Colombian efforts against narcotics trafficking by the Revolutionary Armed Forces of Colombia (FARC) and National Army of Liberation (ELN) continue unabated. Colombia continues to confront criminal organizations known as "bandas criminales," or BACRIMs, and achieved numerous successes against BACRIM leadership in 2012. The BACRIMs are active throughout much of the country – competing and sometimes cooperating with the FARC and other illegal armed groups in the drug trade.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Over the past ten years, Colombia has developed a strong institutional capacity to combat drug trafficking, which is often controlled and financed by the FARC and ELN (both designated Foreign Terrorist Organizations), as well as BACRIM and other narcotics trafficking organizations. These groups all use drug cultivation and trafficking proceeds to expand their influence and control and fund attacks on security forces.

In response, the Colombian government launched the National Consolidation Plan (PNC) in 2009 to focus coordinated government efforts on selected areas where violence and drug trafficking converged. Following a strategic review, the effort was re-launched in 2011 as the

National Plan for Territorial Consolidation (PNCT) and authorities created the Administrative Unit for Territorial Consolidation (UACT) in January 2012 to coordinate the activities of government institutions in these areas. Much of 2012 was spent staffing and establishing the administrative, legal, and contractual guidelines for the unit's operation. The U.S. Embassy's Colombia Strategic Development Initiative (CSDI) coordinates U.S. support to consolidation efforts in targeted regions. Separately, Colombia's National Security Council, focused on issues including land reform, restitution for crime victims, and transitional justice over the course of 2012. Judicial impunity reportedly declined in 2012, though serious challenges remain. Most cases are resolved through plea agreements, and a modest number through trials. The Colombian Minister of Defense participates in a tri-party group with the U.S. Drug Enforcement Administration and the Mexican Attorney General to discuss counternarcotics and other issues of mutual interest.

The 1997 U.S.-Colombian maritime ship boarding agreement facilitates timely permission to board Colombian-flagged ships in international waters and is the foundation for productive counternarcotics cooperation between the Colombian Navy (COLNAV) and the U.S. Coast Guard (USCG). Colombia's 1999 customs mutual assistance agreement with the United States provides for the exchange of information to prevent and investigate customs violations in both countries and led the U.S. Immigration and Customs Enforcement agency to create a Colombian-based Trade Transparency Unit. The Bilateral Narcotics Control Program – a 2004 agreement – provides the general framework for specific counternarcotics project collaborations with various Colombian implementing agencies. This agreement is amended annually and is a key vehicle for the delivery of U.S. counternarcotics assistance.

The extradition relationship between Colombia and the United States is robust and extremely productive. Since December 17, 1997, Colombia has extradited over 1,400 individuals to the United States.

## **2. Supply Reduction**

Coca fields continue to be less productive than when eradication operations began in the late 1990s. Nevertheless, illicit cultivation continues and is a growing problem in Colombia's national parks, indigenous reserves, and along its border with Ecuador. Colombian governmental policy prohibits aerial eradication in these areas.

Colombia's aerial eradication program sprayed 100,549 ha in 2012. Its manual eradication goal for 2012 was 40,000 ha, but security concerns and a major reorganization of the Consolidation Unit prevented the government from reaching that goal. In 2012, 30,486 ha were eradicated, compared to 34,500 ha in 2011.

Colombian police forces reported seizures of 143 MT of cocaine and cocaine base (both 90 MT in national seizures and 53 MT of seizures made outside Colombia with Colombian intelligence); 312 MT of marijuana; 468 kilograms (kg) of heroin; and approximately 13.08 million liters of liquid and 14.54 MT of solid precursor chemicals. In addition, Colombian authorities destroyed 152 cocaine hydrochloride (HCL) labs, one heroin lab, and four potassium permanganate labs.

In 2012, the COLNAV seized 89.71 MT of cocaine (21.54 MT unilaterally and 68.17 MT working with USCG and other partners) and 6.98 MT of marijuana. COLNAV also seized five self-propelled semi-submersibles, and arrested 208 persons on drug trafficking charges.

The movement of drugs via Colombia's numerous rivers, coastal ports and airports remains a concern. Drug seizures in Colombia's ports have decreased, which may be the result of the Colombian government and private seaport operators' improvements in port security. In 2012, the Colombian National Police (CNP's) Antinarcotics Directorate (DIRAN) seized approximately 4.5 MT of cocaine in seaports across the country. DIRAN units confiscated 1.1 MT of cocaine, 30 kg of heroin, and 135 kg of marijuana at Colombia's international airports. DIRAN arrested 498 people on drug-related charges at air and sea ports.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Colombia is committed to drug demand reduction and remains concerned about the increase in domestic consumption. Since 2007, Colombia has used the "National Policy for Reducing Substance Abuse and Its Impact," as its political and technical framework to guide its drug demand reduction activities. To coordinate efforts across many different sectors of government, the government formed an interagency group called the National Commission for the Reduction of Drug Demand. This Commission formulates and plans national policy for reducing substance abuse and is comprised of 15 departments, led by the Ministry of Justice. Colombia officially recognizes drug dependency as an illness and has been moving to include treatment for addiction in the social security and health systems. Treatment is now included in the Mandatory Health Plan.

In 2010, the government began drafting treatment protocols for addicts, though, these protocols are not yet finalized as the Ministry of Social Protection (MSP) continues to review how the Colombian health insurance system will cover drug addiction as a medical condition. Drug treatment services in Colombia are provided primarily by private organizations. According to the national consumption study, there are nearly 300,000 people with drug dependency problems in need of treatment, and only 20,000 available beds in treatment facilities. Drug treatment services in Colombia are currently provided primarily by private organizations. The Ministry of Justice presented to the Colombian legislature the "National Statute on Drugs" at the end of October 2012 to replace 1986 legislation and identify more legal tools to prosecute drug-related illegal conduct.

In December 2009, the Colombian government approved a law that prohibited the possession and consumption of small, "personal," amounts of illegal drugs. However, in August 2011, the Colombian Supreme Court overturned the law and set the "personal amount" of drugs at 20 grams of marijuana and one gram of cocaine.

The nationwide "Colombia: Free of Drugs" campaign, launched in 2010, continues to provide information and heighten social awareness regarding drug use. The CNP, with U.S. assistance, continues its Drug Abuse Resistance Education (DARE) program nationwide. Additionally, with UN and U.S. support, Colombia continues to implement its 2008 National Drug Consumption Reduction Plan focused on demand prevention, early intervention, treatment, and

recovery. In 2012, the MSP introduced the Bogotá “Caring Communities” program modeled after the Community Anti-Drug Coalitions of America (CADCA) program.

#### **4. Corruption**

Colombia is committed to minimizing the illicit drug trade and corrupt acts that facilitate drug trafficking as a matter of public policy. Despite this commitment, narcotics-related corruption of some government officials exists.

Drug-related corruption remains a problem within the public security forces. On July 3, 2012, Colombia arrested retired CNP General Mauricio Santoyo for alleged links to drug trafficking organizations. He voluntarily surrendered to U.S. authorities and later pled guilty to those charges.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States provides a range of counternarcotics assistance to the CNP and Colombian military, as well as to judicial institutions that investigate and prosecute drug traffickers. The United States also supports programs designed to develop rural policing capabilities.

The United States supports the efforts of the National Plan for Territorial Consolidation (PNCT) to move communities out of coca-based economies by dramatically expanding the presence of the state. In transition zones where the Colombian government has only recently established minimum security, the United States works with Colombia to meet urgent needs and provide longer-term assistance to ensure a permanent presence at the local level.

In 2008, the United States and Colombia began working closely to transfer operational and financial responsibility (“nationalization”) for selected counternarcotics programs from the United States to Colombia. Colombia has since successfully nationalized several programs, including the Air Bridge Denial program and the Plan Colombia Helicopter program. The latter occurred in October 2012 and marks the transfer of title and support responsibility for a total of 61 fixed and rotary-wing aircraft nationalized over the life of the program. Reflecting its increasing capability, Colombia took an important and active role in training thousands of police and justice officials from the region, including officials from Haiti, Mexico, Ecuador, Costa Rica, Panama, Honduras, Guatemala, and the Dominican Republic. Colombia also participated in both sessions of the semi-annual Multilateral Maritime Counterdrug Summit, which includes participants from 12 Central and South American Countries to consider improved strategies and coordination against drug trafficking organizations.

At the April 2012 Summit of the Americas, President Obama and President Santos announced plans to formalize coordination of Colombian and U.S. security cooperation activities in third countries. Through the High-Level Strategic Security Dialogue, the United States and Colombia launched the Security Cooperation Coordinating Group (SCCG). The SCCG identified specific areas of coordination and collaboration in the Western Hemisphere and agreed to support activities in Honduras, Guatemala, El Salvador, and Panama as a priority. These efforts draw on

Colombia's established and expanding expertise and capacity for countering transnational organized crime and drug trafficking.

#### **D. Conclusion**

Colombia continues to make important advances in combating the drug trade. These efforts have kept several hundred metric tons of drugs each year from reaching the United States and other markets, and have helped stabilize Colombia. Colombia is now a partner in exporting security expertise and training throughout the Western Hemisphere and Africa. Although these advances are significant, the progress is not irreversible and continued U.S. support to Colombia is needed. To lock in the gains made over the past decade, the Colombian government should devote additional resources to the PNCT to improve security, increase public service provision, build infrastructure, and generate additional economic opportunities in regions that have historically been heavily influenced by terrorist and criminal elements. Encouragingly, the Santos Administration is undertaking significant efforts in land reform and victim restitution. Formal peace negotiations between the Colombian government and the FARC, announced in October 2012, include illicit narcotics as one of five agenda items. These negotiations will have wide-ranging political and security implications for Colombia if successful.

# Costa Rica

## A. Introduction

The United States estimated that more than 80 percent of the primary flow of the cocaine trafficked to the United States first transited through the Central American corridor in 2012. Costa Rica's strategic geographic location linking narcotics producing countries in South America with the United States, its extensive Caribbean and Pacific coastlines, including the vulnerable Coco Island in the Pacific Ocean, and Costa Rica's lack of effective patrolling of both land and sea borders all contributed to Costa Rica's status as a drug transshipment point. The Costa Rican government expressed concern regarding the rising consumption of illicit narcotics, the increasing presence of Mexican drug trafficking organizations, and the level of drug-related violence.

President Laura Chinchilla's administration continued to emphasize security as its top priority, implementing security taxes, investing in police resources and training, and standing up new Border Police and Internal Affairs units within the Ministry of Public Security.

## B. Drug Control Accomplishments, Policies and Trends

### 1. Institutional Development

The Costa Rican government continued to work towards its goal, announced in 2010, of adding 4,000 officers to the national police by 2014. Taking attrition into account, Costa Rica has realized a net increase of 880 police officers, of which 230 were added in 2012.

In 2012, the Costa Rican government enacted a new tax on corporations, which provided the Ministry of Public Security (MPS) an additional important revenue stream. The Ministry of Finance estimated that the tax would generate approximately \$72 to \$74 million per year. Costa Rica also enacted a gaming law that includes a tax on casinos and gaming call centers. The proceeds of the tax will be directed to the Ministries of Justice and Security for prison infrastructure improvements and police equipment maintenance, respectively.

Costa Rica continued to take steps to enforce its financial and non-financial regulatory regimes to prevent and detect money laundering. However, additional efforts are necessary in certain sectors of concern, such as money remittance services. The Attorney General's Office (AGO) and Judicial Investigative Police (OIJ) demonstrated their capacity to pursue complex money laundering cases through the successful prosecution of a high-profile professional soccer team owner who laundered several million dollars. Costa Rica collaborated closely with the United States to investigate and prosecute the individual. In addition, the AGO and OIJ adopted more advanced investigative techniques to further their money laundering investigations.

In 2012, Costa Rica made strides towards enhancing its police capacity. The Ministry of Public Security, with U.S. assistance, began implementing COMPSTAT, a statistical accountability and management tool. The Ministry also continued to revamp its police academy curriculum for new

police officers. As a result of the Port Container Analysis/Interdiction Program created in 2011 with U.S. support, Costa Rican authorities searched 2,000 containers and seized approximately 1,064 kilograms (kg) of cocaine.

The Costa Rican Coast Guard finished construction of a new coast guard station on the Caribbean coast. The Air Surveillance Service also purchased two helicopters, and the MPS completed the \$1.2 million remodeling of the Immigration facilities at the Peñas Blancas checkpoint along the border with Nicaragua.

The United States and Costa Rica actively used the 1991 extradition treaty. In 2012, Costa Rica arrested 30 fugitives sought by the United States; three were extradited, 26 were deported, and one was released. Costa Rica is one of six countries (along with Belize, the Dominican Republic, France, Guatemala and the United States) that ratified the Caribbean Regional Agreement on Maritime Counter Narcotics, which is now in force.

## **2. Supply Reduction**

The Costa Rican Coast Guard is an under-resourced agency with limited operational capacity, making the Costa Rican coastline an attractive landing zone for smugglers. Costa Rican-flagged fishing boats continue to be used by traffickers to smuggle multi-ton shipments of drugs through the littorals and to provide fuel for “go-fast” boats that favor Pacific routes. The southern Golfito region also served as a common destination for traffickers to off-load cocaine for northern transport via the Pan-American Highway. Traffickers continue to smuggle drugs through the postal system, international courier services, containers, vehicle traffic, and via individual passengers on international flights. Traffickers use Costa Rica as a “warehouse” to store narcotics temporarily on their trip north, often landing drugs on Costa Rican shores from go-fasts and then storing them until further land- or air-based travel can be arranged. Drug traffickers pay for services rendered to local contacts with drugs instead of money, leading to domestic drug use, especially of crack cocaine, and contributing to the high street crime and sense of domestic insecurity in the country.

During 2012, the Costa Rican Drug Control Police eradicated and seized 928 metric tons (MT) of marijuana, a decrease from the 1,577 MT eradicated and seized in 2011. This decrease is due in large part to heavy rainfall that limited law enforcement access to growing regions. Cultivators likely export Costa Rican marijuana to international markets, but also support domestic consumption. Authorities seized 14.73 MT of cocaine, an increase from 11.2 MT seized in 2011. The Costa Rican government also seized 19.21 kg of heroin and confiscated approximately \$6.2 million in U.S. currency and assets, an increase from \$2.38 million seized in 2011. Investigations suggest DTOs intended to smuggle this currency to command and control structures within Costa Rica, rather than transiting the currency onwards to another country. Costa Rican authorities made 42,442 drug-related arrests in 2012.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The Costa Rican Institute on Drugs (ICD) oversees drug prevention efforts and educational programs throughout the country. The ICD is also responsible for producing and distributing

demand reduction materials, including anti-drug abuse materials for schools. The Costa Rican Institute on Alcohol and Drug Abuse offers various prevention and treatment programs, including training for businesses on how to create prevention programs and policies, and detoxification programs and group therapy for users. The Police Prevention Unit coordinates the Uniformed Police's drug prevention efforts. Its projects include the Secure Community Program, consisting of 22 lesson modules taught by Uniformed Police officers and directed towards adults, and the Secure Drawing Program, whereby officers present material to children through activities and drawing exercises.

In 2012, the United States supported five non-governmental organization programs to combat drug use and reduce trafficking in Costa Rica by working with youth at risk, impacting approximately 1,600 Costa Rican youth.

#### **4. Corruption**

As a matter of policy, the Government of Costa Rica does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. A 2006 Costa Rican law provides criminal penalties for official corruption, and the government generally implemented these laws; however, there were reports of lower-to mid-level government corruption during the year.

Government-funded contracts and municipal governments are especially prone to corrupt practices. The Prosecutor's Office investigated credible reports of corruption in at least ten municipal governments. Within a 15-month period, the MPS suspended more than 1,000 of the approximately 12,000 Uniformed Police officers on the force, mostly for suspected misuse of resources, abuse of authority and domestic violence. In several high profile cases, Uniformed Police officers were prosecuted for drug trafficking or other organized criminal activity. Despite the measures taken to investigate and address corruption, Costa Rican government institutions, particularly the judicial branch, lack adequate internal controls and processes to prevent, detect, and investigate corruption involving government officials. Widespread public perception of corruption among the Uniformed Police persists.

In the judiciary, there were allegations that judges' decisions were influenced by intimidation or that they accepted payment for making decisions that favored the accused. The Supreme Court investigated and found no cases of corruption, but in some cases found procedural errors. The Judicial Inspection Tribunal, the agency tasked with investigating and sanctioning official misconduct within the Judiciary, investigated a judge who granted house arrest to Mexican nationals awaiting trial on charges of high-level drug trafficking, and after finding a serious error in the judge's resolution, referred the case to the Supreme Court. Oftentimes, the tribunal lacks the personnel, resources, and authority to adequately investigate these types of corruption cases.

The MPS took steps to fight corruption in 2012 by restructuring its Internal Affairs Unit. This unit now sits at the ministerial level. The unit will handle cases for all law enforcement agencies within the MPS, as well as offer independence from cronyism within the individual agencies. Additionally, improved corruption investigation procedures and a digitalization project have

decreased the case processing time from two years to three months. The new procedures include firm guidelines for sentencing and punishment.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Costa Rica and the United States cooperate on programs to enhance the interdiction capabilities of Costa Rican authorities, disrupt and dismantle drug trafficking organizations and improve citizen safety. The United States is focusing its cooperation on programs that lead to more effective prosecutions, promote secure borders, and foster safe communities.

In 2012, the United States continued a wide range of justice and security sector assistance to Costa Rica through the Central America Regional Security Initiative. Efforts included support to the judicial sector by supporting several investigative technique trainings in areas such as drug trafficking and money laundering. The United States is assisting the Prosecutor's Office in a major restructuring to facilitate a more rapid processing of cases, and funded a U N Office on Drugs and Crime program with Costa Rica's judicial school that included mock trials to improve trial techniques.

Bilateral efforts to improve border security focused on enhancing Costa Rica's maritime interdiction capabilities, shoring up its ability to utilize targeted intelligence for containerized cargo, and assisting in the start-up of the Costa Rican government's new Border Police. The United States supported establishment of a new Coast Guard station at Flamingo, on the northern Pacific coast, and an inspection station at Kilometer 35 on the Pan-American Highway, a natural chokepoint of roads running north from Panama, expected to be completed in January 2013. The United States and Costa Rica maintain a bilateral agreement to facilitate maritime operations against drug trafficking. In March, Costa Rica hosted the U.S.-sponsored Multilateral Maritime Counterdrug Summit, which offered an opportunity for coast guard and naval representatives from 12 South and Central American countries to improve strategies and cooperation against drug trafficking organizations.

The United States continued efforts to strengthen the capacity of the Uniformed Police. In 2012, it completed the third year of a four-year police professionalization program. With U.S. support, the Uniformed Police implemented the statistical program, COMPSTAT, throughout Region 1 of the country. This system collects and maps statistics and police responses to improve accountability at all levels of the Uniformed Police.

### **D. Conclusion**

Costa Rica cooperates with the United States to combat drug trafficking, but due to inadequate resources and complicated bureaucracy, the country continues to suffer from drug-related violence and organized crime. As Costa Rican authorities have said, Costa Rica must allocate more resources to security to reduce the crime rate and diminish Costa Rica's attractiveness to drug trafficking organizations. The Costa Rican government should consider more effectively leveraging its limited resources by: 1) restructuring its police and judicial institutions; 2) making greater use of advanced investigative techniques; and 3) enacting additional laws specifically targeting criminal organizations and their proceeds. Costa Rica could also strengthen its law

enforcement institutions by improving systems for preventing and addressing corruption. The Costa Rican Coast Guard has the potential to become a more effective force on the littorals if sufficient resources, training, and guidance are made available. Costa Rica continued its successful regional partnerships this year and will continue to benefit from working with neighbors and learning from their experience.

## Croatia

Croatia is a narcotics transit point primarily for opiates and heroin smuggled via the “Balkan route,” as well as cocaine trafficked through the country’s seaports. Most illicit drugs smuggled into Croatia are bound for consumer markets in Europe and elsewhere, though a small percentage is consumed locally.

In 2011, Croatian authorities reported: 7,767 drug-related criminal offences; 5,715 persons taken into custody; 6,342 drug seizures; 2,438 new indictments; and 2,537 convictions. Over the first nine months of 2012, the police reported 5,896 drug-related criminal offences and 4,527 persons taken into custody, a five-percent decrease over same time period in 2011.

The Croatian government reported the following amounts of drugs seized in 2011: 33.1 kilograms (kg) of heroin; 4.1 kg of cocaine; 1,019.4 kg of marijuana; 23.5 kg of hashish; 4,136 cannabis plants; 15.1 kg of amphetamines; 2,898 ecstasy tablets; 682 doses of LSD; and 5,586 methadone tablets.

According to preliminary statistics provided by Croatian authorities, the following seizures occurred during 2012: 31.7 kg of heroin; 7 kg of cocaine; 885.9 kg of marijuana; 23.4 grams of hashish; 8,211 cannabis plants; 4.6 kg of amphetamines; 1,774 ecstasy tablets; 884 doses of LSD; and 1,462 methadone tablets.

Although the Croatian government does not facilitate the illicit production or distribution of narcotics or launder proceeds from illegal transactions, corruption remains a concern.

Croatia has a well-developed institutional framework to implement preventive and educational programs. Treatment efforts include early detection, rehabilitation and social reintegration. In 2012, the Croatian police continued to effectively collaborate with regional neighbors and law enforcement agencies in the United States, South America and the European Union. Croatia conducts joint international investigations and shares intelligence, which resulted in many of the narcotics-related seizures and arrests reported in 2012. The United States continues to provide, technical assistance to police, customs, and the judiciary to further improve domestic capacity to prosecute narcotics-related crimes, corruption and organized crime. Negotiations to update the 1902 extradition treaty between the United States and Croatia (as a successor state to the Kingdom of Serbia) still in force will continue.

# Cuba

## A. Introduction

Despite its proximity to major transit routes for illegal drugs to the U.S. market, Cuba is not a major consumer, producer, or transit point of illicit narcotics. Cuba's intensive security presence and bilateral interdiction efforts have effectively reduced the available supply of narcotics on the island and prevented traffickers from establishing a foothold. The Cuban Border Guard (TGF) maintains an active presence along Cuba's coastal perimeter and conducts maritime counternarcotics operations and coastal patrols. Drug trafficking organizations (DTOs) frequently attempt to avoid Cuban and U.S. government counternarcotics patrol vessels and aircraft by skirting Cuba's territorial waters.

Cuba's domestic drug production and consumption remain negligible as a result of active policing, harsh sentencing for drug offenses, and very low consumer disposable income. Cuba's counternarcotics efforts have prevented illegal narcotics trafficking from having a significant impact on the island.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In 2012, Cuba continued "Operation Hatchet," a Ministry of Interior-led multi-agency counternarcotics strategy that also includes the efforts of Cuba's ministries of Armed Forces, Justice, Public Health, Education and Culture, and the Border Guard. The operation aims to reduce supply through vigilant coastal observation, detection and interdiction, and reduce demand through education and legislation. The Cuban government's extensive domestic security apparatus and tough sentencing guidelines have kept Cuba from becoming a major drug consuming country. The government did not publicize new counternarcotics legislation policy initiatives or related budget increases supporting such measures in 2012.

Cuba continues to demonstrate a commitment to counternarcotics cooperation with partner nations. The government reports having 35 bilateral agreements for counterdrug cooperation and 35 agreements with partner nations regarding judicial proceedings and extradition. Cuba regularly participates in international counternarcotics conferences, such as the United Nations' Heads of National Drug Law Enforcement Agencies, and submits quarterly statistics on drug interdictions and seizures to the International Narcotics Control Board.

The 1905 extradition treaty between the United States and Cuba and an extradition agreement from 1926 remain in effect. In 2012, these agreements were not employed to hand over fugitives. Instead, bilateral arrangements were made to have the fugitives detained and deported from Cuba and directly placed in the custody of the receiving nation for further prosecution. Regionally, Cuba is not party to the Caribbean Regional Maritime Agreement which opened for signature in 2003.

## **2. Supply Reduction**

Major transshipment trends did not change from 2011. Through October 2012, the Government of Cuba reported seizing a total of 2.066 metric tons (MT) of illegal narcotics, 97 percent of which were found washed-up on Cuba's shores, a marked decrease compared to the 9.1 MT reported seized in 2011. Government counternarcotics forces reported disrupting 34 smuggling operations, seizing 26.88 kilograms (kg) of cocaine and 7.37 kg of marijuana. There are no reported seizures of synthetic drugs. Statistics on arrests or prosecutions were not made available.

Domestic production and consumption remained very limited, and Cuba concentrated its supply reduction efforts on preventing illegal smuggling through Cuban territorial waters, rapidly collecting reported narcotic wash-ups, and preventing visitors and smugglers from bringing smaller amounts of narcotics into the country. The Ministry of Armed Forces and Ministry of Interior's fixed and mobile radars, coupled with visual and coastal vessel reporting procedures make up an effective network for detecting illegal incursions of territorial air and sea by narcotics traffickers. Cuba continues to share "go-fast" vessel information with neighboring countries, including the United States, and has had increasing success in interdicting such vessels using independent assets and in coordination with United States and other nations' forces. In 2012, Cuba reported 31 real-time reports of "go-fast" narcotics trafficking events to the U.S. Coast Guard (USCG). TGF's email and phone notifications of maritime smuggling to the USCG have increased in timeliness, quantity and quality, and have occasionally included photographs of suspected narcotics trafficking vessels.

Overseas arrivals continue to bring in small quantities of illegal drugs mostly for personal use, although the extent of this problem remains unknown beyond occasional anecdotes. The Ministry of Interior conducts thorough entry searches using x-rays and trained counternarcotics detection canines at major airports.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The combination of extensive policing, low incomes, low supply, and strict drug laws (involving up to 15-year prison sentences) has resulted in very low illicit drug use in Cuba. There are nationwide campaigns aimed at preventing drug abuse, and the quantity of existing programs for the general population appears adequate given the very low estimated numbers of addicts. The National Drug Commission, headed by the Minister of Justice, with representatives from the Attorney General's office and the National Sports Institute, remains responsible for drug abuse prevention, rehabilitation and drug policy issues.

The Ministry of Health reports operating special drug clinics, offering services ranging from emergency care to psychological evaluation and counseling to treat individuals with drug dependencies. The government runs three substance abuse clinics that cater to foreigners, and the Catholic Church runs a center to treat addiction in Havana.

The government occasionally broadcasts anti-drug messages on state run media and operates an anonymous 24-hour helpline.

#### **4. Corruption**

Cuba has strong policies in place against illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, and laundering of proceeds from illegal drug transactions. Cuba professes a zero tolerance for narcotics-related corruption by government officials and reported no such corruption occurrences in 2012. As a matter of government policy, Cuba neither encourages nor facilitates illegal activity associated with drug trafficking.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

In 2012, Cuba maintained a significant level of cooperation with U.S. counternarcotics efforts. In Havana, the U.S. Interests Section (USINT) has a USCG Drug Interdiction Specialist to coordinate counternarcotics efforts with Cuban law enforcement officials. The United States does not provide narcotics-related funding or assistance to Cuba.

The USCG shares tactical information related to trafficking and responds to Cuban reporting on vessels transiting through Cuban territorial seas suspected of smuggling, or tactical information on drugs interdicted within Cuban territory. Cuba also shares real-time tactical information with the Bahamas, Mexico and Jamaica. Bilateral cooperation in 2012 led to multiple at-sea interdictions.

In 2011 the Cuban government presented the United States with a draft bilateral accord for counternarcotics cooperation, which is still under review. Structured appropriately, such an accord could advance the counternarcotics efforts undertaken by both countries.

#### **D. Conclusion**

Cuba continues to dedicate significant resources to prevent illegal drugs and their use from spreading on the island, so far successfully. The technical skill of Cuba's security services gives Cuba a marked advantage against DTOs attempting to gain access to the island. Upgraded links between the United States, Cuba, and regional partners, along with improved tactics, techniques, and procedures, would likely lead to increased interdictions and disruptions of illegal trafficking.

## **Democratic People's Republic of Korea (DPRK or North Korea)**

Drug use may be rising within the Democratic People's Republic of Korea (DPRK or North Korea), according to reports from DPRK refugees and travelers to North Korea. Chinese and South Korean press reports indicate that a substantial volume of methamphetamine continues to be produced within DPRK territory, mainly for transshipment to China. There are also reports of transactions between DPRK traffickers and large, organized criminal groups along the DPRK-China border, and of Chinese police enforcement targeting drugs entering China from the DPRK by way of enhanced patrols, periodic arrests, and drug seizures. However, the Chinese government rarely identifies the DPRK as the source of illicit drugs.

The proximity and availability of precursor chemicals in China likely contribute to the production of methamphetamine within North Korea. Reliable information is difficult to obtain regarding illicit activities within the DPRK territory, but drug production and other criminal activities, such as the counterfeiting of cigarettes, appear to have continued in 2012. There is insufficient current information, however, to confirm official DPRK state involvement in drug trafficking. There have been no confirmed reports of large-scale drug trafficking involving DPRK state entities since 2004. This suggests that state-sponsored drug trafficking may have ceased or been sharply reduced, or that the DPRK regime has become more adept at concealing state-sponsored trafficking of illicit drugs.

Despite the absence of reports of drug seizures linked directly to DPRK state institutions, the United States cannot entirely rule out the possibility of official DPRK state involvement in the manufacturing and trafficking of illicit drugs. A relatively large investment in precursor chemicals is necessary to produce the volume of methamphetamine trafficked from North Korea, and it is unclear how individual criminals could independently organize such activity within such a tightly-controlled state. It is likely that some official corruption on both sides of the DPRK-China border facilitates drug trafficking.

# Dominican Republic

## A. Introduction

The Dominican Republic is an important transit country for illicit drugs from South America destined for North America and Europe. The U.S. government estimates that approximately four percent of the cocaine transiting to North America and Europe transships through Hispaniola, much of it through the Dominican Republic. U.S. and Dominican analysts assess that maritime routes are the primary method of smuggling drugs into and out of the country and recent maritime interdiction operations validate this assessment. Drug Trafficking Organizations (DTOs) are using “go-fast” boats and commercial containers to smuggle drugs into and out of the Dominican Republic. The country is also experiencing an increase in narcotics-related violence, partially attributable to the practice of DTOs of paying local partners in narcotics rather than cash.

In order to combat the influence of DTOs, the Dominican Republic continued its cooperation with the U.S. government in 2012 in efforts to interdict illicit drugs and extradite criminals charged with narcotics-related crimes. The United States is actively working with Dominican counterparts to plan and conduct international operations to seize illicit drugs and dismantle DTOs; however, corruption continues to hamper these efforts. The Dominican government conducts outreach efforts to warn youth about the dangers of drugs.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Cooperation remains strong between the Dominican government and the United States government to control narcotics trafficking and related transnational crime. The U.S. government’s primary partners are the National Directorate for the Control of Drugs (DNCD), Dominican National Police (DNP), the National Council on Drugs (CND), the Office of the Attorney General, and the Dominican Armed Forces. The DNCD and DNP continued to enhance their joint cooperation in 2012 with a focus on money laundering activities and drug seizures. Dominican law enforcement and military units coordinated effectively, which contributed to increased drug seizures, but room for improvement remains. The Dominican Specialized Corps for Port Security, working in conjunction with U.S. authorities and private port operators initiated efforts to improve security at several ports. The participation of the Dominican government in the Cooperating Nations Information Exchange System and the Caribbean Basin Security Initiative (CBSI) enhanced relations with the United States and regional Caribbean partners. Dominican authorities continued joint efforts with Haitian National Police to combat drug trafficking by increasing law enforcement cooperation and providing training.

The Dominican Republic is a party to the Inter-American Convention against Corruption. In 1985, the United States and the Dominican Republic signed an agreement on international narcotics control cooperation. The Dominican Republic signed and ratified the Caribbean

Regional Maritime Agreement and has a maritime counter-drug agreement with the United States that entered into force in 1995. In 2005, the Dominican Republic augmented the United States-Dominican Extradition Treaty of 1909 to include judicial review for more transparency. In 2012, the United States and the Dominican Republic entered into a Permanent Forfeited Asset-Sharing Agreement.

The United States continues to receive excellent cooperation from the DNCD's Fugitive Surveillance/Apprehension Unit and other Dominican authorities. The Dominican Republic continues to be the fourth most active extradition partner to the United States, behind only Mexico, Canada and Colombia. The Dominican Republic is not party to the Organization of American States Mutual Legal Assistance Treaty and does not have a bilateral mutual legal assistance treaty with the United States. Requests for judicial cooperation are made through formal and informal channels related to the multilateral law enforcement cooperation treaties and conventions to which the United States and the Dominican Republic are parties. The Dominican Republic processes U.S. requests for legal and judicial assistance in a timely manner.

## **2. Supply Reduction**

Narcotics are seized throughout the country, but the majority of seizures are made through operations targeting vessels from South America. Dominican authorities seized approximately 10 metric tons (MT) of cocaine, 39 kilograms (kg) of heroin, and 754 kg of marijuana. Cocaine seizures represent a significant increase over 2011, during which Dominican authorities seized 6.71 MT. Marijuana is cultivated in the Dominican Republic for local consumption, and seizures are concentrated in the northwest and southwest provinces that border Haiti.

Following successful air interdiction efforts by Dominican authorities and the dismantling of two major DTOs in 2010, drug flights from South America to the Dominican Republic have all but disappeared and there were no reported drug flights in 2011 or 2012. However, illicit drugs remain available for local consumption and are transshipped to the United States and Europe, primarily through maritime routes. The DNCD and Dominican military officials cooperated with the United States and international partners in planning and conducting operations to interdict "go-fast" vessels attempting to deliver illicit narcotics to remote areas of the southern coast, as well as to interdict drugs exiting the Dominican Republic en route to the United States and other international destinations. One Dominican port, Caucedo, is operating in compliance with the Container Security Initiative (CSI), a U.S. initiative to help increase security for maritime containerized cargo shipped to the United States. However, the other 15 Dominican ports, including Rio Haina, the other major Dominican port handling container traffic destined for the United States, are not CSI compliant. The DNCD is attempting to place more narcotics-detecting dog teams at ports and is seeking to acquire scanners to check containers entering and exiting the country.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Local drug use is concentrated in tourist and major metropolitan areas, although drug use and associated violence in the larger provincial towns increased in 2012. The CNCD continued effective demand reduction efforts with a wide range of sporting, cultural, and educational events

and seminars designed to warn Dominican youth of the negative effects of drug use. Additionally, the CND placed numerous billboards and multimedia advertisements throughout the country warning youth against the use of illicit drugs. The CND and Ministry of Education developed the Strategic National University Plan on the Prevention and Use of Drugs, which the Organization of American States' Inter-American Drug Abuse Control Commission noted could be used by other nations as a model program. DNP continues to promote community-based policing as an effective way to deal with crime in local neighborhoods. Community policing events were well received and demonstrated a public desire for expansion of this program, prompting the DNP to develop a strategy to expand community based policing efforts.

#### **4. Corruption**

As a matter of policy, the Dominican government does not encourage or facilitate the illicit production, processing, or distribution of narcotics, psychotropic drugs and other controlled substances, or condone drug-related money laundering activities; however, corruption remains endemic at all levels of Dominican society. Dominican law enforcement, military, and government officials are often accused of a range of corrupt activities including narcotics trafficking, money laundering, extrajudicial killing and other crimes. The Dominican government pursued efforts to reduce corruption in several areas, including continued focus on developing internal affairs units, and changing the venue of judicial proceedings when necessary. In 2012, the DNCD created a polygraph team to vet DNCD personnel and implemented an incentives program that rewards personnel for providing information on corruption. Also in 2012, the DNCD removed 77 members for improper behavior and violations of the Code of Conduct. The DNP Internal Affairs Office conducted 1,415 investigations that led to the dismissal of 155 police officers.

Recognizing that corruption in the Dominican Republic adversely affects programs ranging from promoting economic growth to combating drug and other forms of illicit trafficking, the Dominican government asked multilateral organizations, the United States, and other donor nations to help address the issue, creating the Participatory Anticorruption Initiative (IPAC). The government has implemented many of the IPAC's 30 recommendations, and several become part of the Dominican Republic National Action Plan for the Open Government Partnership (OGP), presented in April 2012 at the OGP High-Level Summit in Brazil.

#### **C. National Goals, Bilateral Cooperation, and U. S. Policy Initiatives**

The United States supports a wide range of efforts designed to address crime and violence affecting Dominican citizens, primarily through the Caribbean Basin Security Initiative (CBSI). CBSI is a security partnership between the United States and Caribbean nations that seeks to substantially reduce illicit trafficking, advance public safety and citizen security, and promote social justice. With CBSI funds, the United States government implements programs designed to enhance existing Dominican law enforcement capabilities by improving technical and professional abilities to conduct investigations, to enable effective prosecution, and to coordinate and participate in counternarcotics efforts with the United States and neighboring countries' law enforcement agencies. The United States is also working with Dominican officials to develop an effective anti-money laundering agency. The U.S. law enforcement community has strong

relationships with its Dominican colleagues, as evidenced by the extradition or deportation of 24 fugitives to the United States in 2011, and 14 through the first 10 months of 2012.

The United States provided equipment and training to increase the capabilities of various Dominican law enforcement entities including support for the DNCD drug-detection canine units, and other specialized DNCD investigative and reactive units. The United States also enhanced DNCD's computer training, database expansion, and systems maintenance support. The United States is also supporting an initiative to increase port security in two of the busiest Dominican ports, and in 2012 provided training in maritime law enforcement, search and rescue, port security, crisis management and professional development for the Dominican Navy's officer and enlisted corps. In addition, the U.S. Southern Command provides tactical training, equipment, and other assistance to both the DNCD and Dominican military involved in illicit trafficking interdiction.

The United States continues to assist the DNP with its transformation into a professional, civilian-oriented organization by providing training at the entry and officer levels. In addition, the Dominican government has two Police Organic Law proposals pending that, if passed, would bring about significant institutional changes to the DNP. The Dominican Republic continues to work towards passing legislative proposals related to illegal enrichment and anti-corruption by public officials. Work to strengthen the infrastructure of the Financial Analysis Unit is ongoing.

The United States continues to support the Dominican Republic's efforts to establish a transparent and effective justice sector. U.S. assistance promotes justice sector reforms by strengthening Dominican government capacity to manage and prosecute complex money laundering, fraud, public corruption and illicit trafficking cases, as well as to establish internal controls to prevent corruption. The United States works with the Offices of the Attorney General, Prosecutorial Training School, Judiciary, Public Ministry, Public Defense, Supreme Court of Justice, and Constitutional Tribunal. In partnership with the Dominican government, U.S. assistance improves service delivery at the district level by strengthening coordination between prosecutors, judges, public defenders and the DNP in processing cases and resolution of obstacles to effective caseload management. As part of CBSI, U.S. assistance also strengthens Dominican civil society coalitions for citizen security and criminal justice reform, and provides technical assistance for the development and passage of a new organic law on police reform. U.S. assistance also helps to strengthen leadership, strategic planning and human resources management capacity within the DNP. The United States supports the advancement of operational reforms established under the IPAC, which serves as the overall donor framework for anticorruption programming in the Dominican Republic. IPAC works to strengthen transparency and reduce corruption in key areas of public service delivery such as national budget execution, procurement and audit, education, health, water, and energy. The Dominican Republic's participation in the Open Government Partnership also serves to reinforce these efforts under IPAC.

#### **D. Conclusion**

Combating pervasive corruption, restoring public confidence in law enforcement entities and the judiciary, addressing maritime illicit narcotics smuggling, and combating rising levels of

narcotics-fueled violence remain among the challenges facing the Dominican Republic. The Dominican Republic's highly successful aerial interdiction efforts since 2010 demonstrate that Dominican institutions have the capacity and will to stem the flow of drugs into the country. Similar maritime interdiction efforts will be necessary to effectively combat narcotics trafficking by sea. The Dominican government must continue to improve its efforts to build a coherent, multifaceted counter-narcotics program. Key to that effort will be increased domestic cooperation between the DNP, DNCD, and military units combined with greater cooperation with law enforcement agencies in other countries in the region.

## Dutch Caribbean

### A. Introduction

The Dutch Caribbean (formerly the Netherlands Antilles) consists of the islands Aruba, Curacao, St. Maarten, and three smaller islands: Bonaire, St. Eustatius, and Saba (known as the BES islands). In 2010, the Netherlands Antilles ceased to exist as a political entity when Curacao and St. Maarten acquired the same semi-autonomous status within the Kingdom of the Netherlands as Aruba. The BES islands became part of the Netherlands, similar to Dutch municipalities.

Aruba, Bonaire, and Curacao (ABC Islands), located off the north coasts of Colombia and Venezuela, continue to serve as northbound transshipment points for cocaine originating from those countries. Cocaine shipments to Aruba, Bonaire, and Curacao primarily originate from the Guajira Peninsula in Colombia and from the area of Maracaibo, Venezuela. Cocaine is transported primarily via fishing boats and inter-coastal freighters for transshipment to the United States and Europe via the Netherlands. St. Maarten, which is located in the Eastern Caribbean, is a transshipment hub for cocaine and heroin destined for Puerto Rico and the U.S. Virgin Islands as well as Europe. It is home to one of the largest harbors in the Caribbean.

### B. Drug Control Accomplishments, Policies, and Trends

#### 1. Institutional Development

Aruba, Curacao, and St. Maarten have a high degree of autonomy over their internal affairs, with the right to exercise independent decision-making in a number of counternarcotics areas. The Kingdom of the Netherlands is responsible for the islands' defense and foreign affairs, and assists the Governments of Aruba, Curacao, St. Maarten, and the BES islands in their efforts to combat narcotics trafficking through its support for the RST (Dutch acronym for "Special Police Task Force"). The RST maintains its headquarters in Curacao and has its largest presence there.

In 2012, both Curacao and St. Maarten adopted the BOP (Dutch acronym for "law on special investigative techniques"), which governs the use of techniques such as electronic surveillance and the infiltration of criminal organizations by the police on those islands. The BOP was already in effect in Aruba. No new counternarcotics programs were initiated in 2012. The Netherlands extended the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances ("Vienna Convention"), the 1961 UN Single Convention on Narcotic Drugs, the UN Convention against Transnational Organized Crime, the 1971 UN Convention on Psychotropic Substances and the 1981 Netherlands-U.S. Mutual Legal Assistance Treaty (MLAT) to the former Netherlands Antilles and Aruba. Additionally, the former Netherlands Antilles and Aruba adopted the Agreement Regarding Mutual Cooperation in the Tracing, Freezing, Seizure and Forfeiture of the Proceeds and Instrumentalities of Crime and the Sharing of Forfeited Assets, which was signed by the Kingdom of the Netherlands in 1994.

#### Aruba

Aruba's police force, the Korps Politie Aruba (KPA), continues to evolve into a regional leader in the fight against narcotics trafficking and international criminal organizations. The KPA is at the forefront in collecting and sharing intelligence with regional law enforcement partners. Despite systemic problems of prison overcrowding, a lack of resources, and some corruption issues within law enforcement in Aruba, the KPA continues to investigate trafficking organizations effectively. The Organized Crime Unit of the KPA conducted several successful investigations in 2012, which led to multi-kilogram (kg) cocaine seizures and the arrest of multiple subjects.

### **Curacao**

Curacao continues to lack the capacity to effectively address endemic drug-related crime, violence, and corruption. The Curacao Police Corps (KPC) has been without a permanent police chief since 2010 and a general lack of leadership was among several factors that contributed to minimal counternarcotics success by the KPC in 2012. The price per kilogram of cocaine on the local black market decreased due to an influx of cocaine.

### **St. Maarten**

St. Maarten is co-located on a single island, with French St. Martin. This division provides unique challenges for law enforcement investigations. Colombian and Dominican-based drug-trafficking organizations (DTOs) have expanded their base of operations into St. Maarten believing that law enforcement is less prevalent than in those countries. However, regional law enforcement agencies have increased cooperation. In 2012, authorities successfully investigated a Croatian DTO that was attempting to transport a multi-hundred kilogram cocaine load from St. Maarten to Europe. That investigation included unprecedented cooperation from the Korps Politie St. Maarten (KPSM), RST, French, Dutch, British, U.S. and Croatian authorities. In addition, the KPSM and RST, in cooperation with French and U.S. authorities, seized several hundred thousand dollars in drug proceeds from a Colombian based DTO operating in St. Maarten.

### **Bonaire, St. Eustatius, Saba**

The National Office for the Caribbean in the Netherlands assumes the responsibilities of law enforcement, security, and other administrative functions on behalf of the Government of the Netherlands for Bonaire, St. Eustatius, and Saba islands.

## **2. Supply Reduction**

Authorities seized approximately 1.55 metric tons (MT) of cocaine in the entire Dutch Caribbean in 2012, considerably less than the 4.89 MT seized in 2011.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The United States continues to support demand reduction programs with the International School of Curacao and the Curacao Baseball City Foundation.

#### **4. Corruption**

As a matter of policy the Dutch Caribbean does not encourage or facilitate illegal activity associated with drug trafficking. However, corruption of public officials, particularly among members of the Dutch Caribbean Coast Guard, continues to be a major concern and efforts to address the problem are lacking. Background checks of law enforcement officials who hold sensitive positions are not routinely conducted, nor have public integrity standards been adopted in many government agencies.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The objectives of U.S. policy in the Dutch Caribbean are to reduce illicit trafficking, advance public safety and security, and promote social justice. The U.S. Drug Enforcement Administration (DEA) works with their island counterparts to advance joint investigations, both within the Dutch Caribbean and the United States.

The Kingdom of the Netherlands maintains support for counternarcotics efforts by continuing to support U.S. Forward Operating Locations (FOL) in Curacao and Aruba. U.S. military aircraft conduct counternarcotics detection and monitoring flights over both source and transit zones around the region. In addition, the Dutch Navy regularly conducts counternarcotics operations in the region and is a member of the Joint Inter Agency Task Force South.

#### **D. Conclusion**

Curacao and St. Maarten are in the infancy of their semi-autonomous status within the Dutch Kingdom and are still learning how to deal with complex issues including international drug trafficking. It is imperative that both islands embrace regional cooperation and intelligence sharing efforts. Both islands can look to Aruba as an example of how this is accomplished.

## Eastern Caribbean

### A. Introduction

The seven independent countries of Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines are collectively referred to as the Eastern Caribbean (EC) in this report.

The region hosts abundant transshipment points for illicit narcotics primarily from Colombia and Venezuela destined for North American, European and domestic Caribbean markets. Traffickers are increasingly using yachts for drug transit, though “go-fast” boats, fishing trawlers, and freighters continue to serve as transit vessels. Drug-related crime rates remain elevated as more drugs remain in the region for local consumption and organized gangs have formed to control drug distribution. Marijuana remains a staple crop, primarily for local use.

Three years of declining macroeconomic growth has left EC law enforcement capacity further under-resourced than during previous reporting periods, a condition exacerbated by antiquated criminal codes and public perception of corruption in the ranks. The EC struggles with communication and cooperation between states. The lack of regional or national law enforcement strategic plans, including comprehensive vetting programs, creates a vulnerability to narcotics-related corruption.

### B. Drug Control Accomplishments, Policies, and Trends

#### 1. Institutional Development

All EC countries are a party to the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials. In addition, all have an extradition treaty and a mutual legal assistance treaty in force with the United States. Several countries have also become signatories to a number of Inter-American Conventions such as the Convention Against Corruption, the Convention on Extradition, the Convention on Mutual Assistance in Criminal Matters, the Convention Against Corruption, and the Convention Against Terrorism. Barbados recently entered into an asset-sharing agreement with Canada.

All EC countries except St. Vincent and the Grenadines have laws requiring record keeping and reporting on the use of precursor chemicals, and importation of pseudoephedrine, ephedrine and pharmaceutical products containing those two chemicals.

The Eastern Caribbean continues to struggle with a lack of adequate infrastructure for counternarcotics maritime patrols. Each EC police force has a mandate to interdict drugs and share information and intelligence with regional and international counterparts. However, law enforcement authorities lack the capacity and resources to undertake systematic counternarcotics operations. The recent United States Government donation under the Caribbean Basin Security

Initiative (CBSI) of two interceptor vessels to each of the six EC partner nations has boosted regional operational capacity.

In Antigua and Barbuda, the legislature amended the Misuse of Drugs Act to require that persons charged with possessing more than two kilograms (kg) of drugs be subject to a judge and jury trial, removing the requirement for trial by magistrate, who do not have the authority to impose the strongest sentences. On July 17, the government secured its first money laundering conviction, with a second following on September 24.

In Barbados, the government announced plans to implement a drug treatment court.

In Dominica, the Drug Squad increased from 15 to 20 officers, led by a newly appointed head of the unit.

Grenada introduced to parliament a new master plan for 2012 through 2016 to combat drug trafficking. The plan covers the areas of institutional strengthening, demand and supply reduction, control measures, anti-money laundering, precursor chemicals and mechanisms for monitoring and evaluation.

In St. Kitts, the drug unit is understaffed and its effectiveness is limited due to budgetary issues, according to Kittian officials. The government has proposed new legislation to provide law enforcement authority to conduct judicially authorized wire intercepts.

Violent crime has increased in St. Lucia, mostly related to drug gangs, including the murders of witnesses in drug trafficking cases, prompting authorities to call for a regional witness protection program as a matter of national security. The government is committed to introducing civil asset forfeiture as a tool against drug gangs through an amendment to the Money Laundering Act, currently before Parliament.

St. Vincent and the Grenadines is drafting a National Drug Plan with assistance from the Organization of American States. The government has also set up a new forensic drug laboratory, which has helped expedite prosecutions. The Financial Intelligence Unit is a model for the region in working closely with the police and Coast Guard to target money laundering and identify traffickers. The installation of two radar sites in 2010 has increased the effectiveness of maritime interdictions.

## **2. Supply Reduction**

Drug traffickers, primarily from South America, use the region as a transit point to temporarily store drugs in the region's many uninhabited islands. Traffickers then move the cocaine up the island chain by "go-fast" or cargo vessels. Continued declining regional economic growth and increasing unemployment has led to increasing marijuana consumption and cultivation, according to host nation officials. Cannabis cultivation predominates in the mountainous regions of St. Vincent, where production may rival Jamaica, according to unofficial U.S. Drug Enforcement Administration estimates. St. Kitts and Nevis officials claim locally-produced

cannabis is gaining a foothold on the market with exports predicted to rise. Grenada also reports an increase in marijuana and cocaine transiting from St. Vincent and Trinidad, respectively.

In response to increased cocaine and marijuana transit, cultivation, and consumption, many of the islands have developed plans to combat drug trafficking. These plans specifically involve institutional strengthening, demand and supply reduction, control measures, and anti-money laundering initiatives. Many islands report increasing the number of searches, as well as using regional and international assistance in identifying suspect vessels and persons at ports of entry. Under CBSI, the United States donated 12 (two each) interceptor vessels to six EC nations in 2012. These vessels have participated in a number of significant maritime interdictions in their first months of operation.

In 2012, the total volume of drugs seized in the Eastern Caribbean was approximately 724.75 kg of cocaine; 19.19 metric tons of marijuana; 1,526 cannabis cigarettes; 3,526,305 cannabis plants; 25,264 cannabis seedlings; and isolated seizures of “crack” cocaine. During this period there were approximately 1,670 drug related arrests, 766 prosecutions for drug related offenses, and 1,478 convictions. The most notable case was in St. Vincent and the Grenadines, where major trafficker Anthony Gellizeau was convicted for drug and money laundering offenses related to the 2008 seizure of \$1.73 million.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The primary drugs consumed in the region are marijuana and cocaine. To promote awareness and prevention, Antigua and Barbuda, Barbados, Dominica, and St. Kitts and Nevis have employed Drug Abuse Resistance Education (DARE) programs. Barbados has additional drug demand reduction programs through the National Council on Substance Abuse and the National Committee for the Prevention of Alcoholism and Drug Dependency. St. Kitts and Nevis has a vibrant and successful program, according to its officials, in Operation Future, which is similar to DARE and is conducted by the National Drug Council. There are no drug demand reduction programs in either Dominica or St. Vincent and the Grenadines. Only Barbados, Grenada, and St. Lucia have drug rehabilitation clinics. Barbados has five drug rehabilitation clinics, one of which specifically targets youth.

### **4. Corruption**

As a matter of policy, the region’s governments do not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior government officials in the Eastern Caribbean were prosecuted in 2012 for engaging in or facilitating the illicit production or distribution of controlled drugs or laundering of proceeds from illegal drug transactions. Regional media continue to report on instances of high level government corruption that is not investigated or punished. U.S. government analysts believe drug trafficking organizations elude law enforcement through bribery, influence, or coercion.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

EC countries all have bilateral maritime counternarcotics agreements with the United States that include provisions such as ship rider, pursuit, entry into territorial seas, and ship boarding authorization. These agreements provide advanced permissions that expedite law enforcement action. In addition, an international organization known as the Regional Security System (RSS) exists by treaty, to which all seven countries are signatories. The EC and RSS are participating in the U.S.-led CBSI, as well as U.S. Southern Command's annual Trade Winds exercise. In addition, the United States provided training in maritime law enforcement, engineering and maintenance, port security, and leadership training to coast guards and navies in the region to build maritime interdiction capacity.

CBSI programs are now in place to strengthen the capacity of regional defense, law enforcement, and justice sector institutions to detect, interdict, and successfully prosecute criminal elements operating in the region. CBSI programs support information sharing networks, joint interagency collaboration, and regional training initiatives to promote interoperability.

#### **D. Conclusion**

The United States encourages the seven nations of the Eastern Caribbean to embrace CBSI partnership and to fulfill their monetary commitments to sustain the RSS. The United States also encourages the region's governments to make full use of the RSS vetting program to ensure the integrity of personnel in sensitive positions and to promote confidence in information sharing. The United States further encourages the seven nations to pass legislation to modernize their criminal codes, making use of regional best practices in fighting transnational organized crime and lauds Dominica, St. Vincent and the Grenadines, St. Kitts and Nevis, St. Lucia, and Grenada in their progress in this area. The United States draws special attention to the need to implement civil forfeiture provisions to turn the proceeds of crime into a weapon against traffickers and applauds Dominica for its leadership in introducing a bill in Parliament to bring this tool there. The United States also notes the strong public commitments to implement civil asset forfeiture by Barbados and St. Lucia.

# Ecuador

## A. Introduction

Located between two of the world's largest illicit drug producing countries, Ecuador is a major transit country for illegal narcotics. Cocaine and heroin from Colombia and Peru are trafficked through sparsely populated, porous land borders and via maritime routes through Ecuador for international distribution to the United States and Europe. Ecuador is also a major transit country for chemical precursors to process illegal narcotics and is vulnerable to transnational organized crime due to weak public institutions, porous borders, and corruption. The Ecuadorian National Police (ENP), military forces, and the judiciary lack sufficient resources to confront the transnational criminal challenges they face. Elements of the Ecuadorian government remain committed to reducing the supply of drugs, although the country's top leadership places more importance on demand reduction and addressing the public health aspect of the issue.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The Ecuadorian government is cognizant of the detrimental effects of narcotics trafficking, and the upsurge in transnational organized crime throughout the country. In 2012, U.S. funding provided logistical support for Ecuadorian counternarcotics operations, construction and maintenance assistance activities at police and military facilities, equipment, and training for police and military personnel. In 2012, Ecuador rejected \$15.6 million offered in U.S. foreign assistance for security, counternarcotics, and development work on the northern border, due to Ecuadorian government sovereignty concerns.

An article in Ecuador's pending draft penal code would decriminalize the possession of illegal narcotics for personal use, although it is unlikely that the bill will be voted on until after the February 2013 national elections.

Ecuador's Transitional Judicial Council continued its justice sector reform efforts to increase prosecutorial capacity through U.S.-sponsored training of over 3,700 prosecutors, judges, defense attorneys, and other judicial actors. The activity supported the transition from an inquisitorial legal system to an adversarial system.

The United States and Ecuador are parties to an extradition treaty which entered into force in 1873 and a supplementary treaty which entered into force in 1941. However, Ecuador's constitution prohibits the extradition of Ecuadorian citizens, and the United States and Ecuador do not have a significant extradition relationship.

The Government of Ecuador has signed bilateral counternarcotics agreements with Argentina, Brazil, Chile, Colombia, Cuba, the European Union, Guatemala, Mexico, Paraguay, Peru, Uruguay, Russia, Spain, the United Kingdom, Venezuela, and the United States, as well as the Summit of the Americas anti-money laundering initiative, and the Organization of American

States' Inter-American Drug Abuse Control Commission document on Anti-Drug Hemispheric Strategy. The United States and Ecuador have agreements on measures to prevent the diversion of chemical substances, on the sharing of information for currency transactions over \$10,000, migrant smuggling and human trafficking, and a customs mutual assistance agreement. The United States Coast Guard and Ecuadorian authorities also exercise Maritime Operational Procedures that facilitate the boarding of Ecuadorian-flagged vessels in international waters.

## 2. Supply Reduction

Ecuador remains a major transit country for cocaine shipments via aerial, terrestrial, and maritime routes, and heroin shipments via air and mail. According to U.S. government estimates, up to 110 metric tons (MT) of cocaine transit Ecuador annually. This includes cocaine from Peru and Colombia, heroin from Colombia follows a similar pattern. Drug traffickers and movers of contraband transport shipments in various ways, including through small fishing boats, self-propelled semi-submersible and fully-submersible submarines, "go-fast" boats, non-commercial aircraft, human couriers, mail, and container ships. Mexican, Colombian, Nigerian, Russian, and Chinese transnational criminal organizations including Los Zetas, the Sinaloa and Gulf cartels, and the Revolutionary Armed Forces of Colombia (FARC), are actively working in Ecuador.

In 2012, Ecuador's counternarcotics activities chiefly focused on the interdiction of land-based cocaine, including the identification and destruction of cocaine processing laboratories. Official police statistics indicated a small increase in cocaine seizures in 2012 compared with 2011, but an overall decrease since the closure of the Manta Forward Operating Location (FOL) – a facility that permitted U.S. flights to detect and monitor drug shipments – in 2009 when seizures exceeded 40 MT per year. Cocaine seizures in 2012 totaled 21.4 MT compared to 21.1 MT in 2011. Cocaine processing is common and appears to be on the rise.

In 2012, Ecuadorian police seized 185 kilograms (kg) of heroin compared with 152 kg in 2011. Authorities seized 10.7 MT of marijuana last year.

Maritime seizures remained low in part due to the 2009 closure of the Manta FOL, the Ecuadorian Navy's lack of resources, and its ineffective interdiction efforts. Nonetheless, U.S. cooperation with the Ecuadorian Coast Guard (an independent but subordinate unit to the Navy) resulted in seven operations in 2012 that disrupted or seized semi-submersible submarines, "go-fast" boats, or shore-side caches of drugs. In September, Ecuador acceded to the UN Convention on the Law of the Sea and continued to allow the U.S. Navy and U.S. Coast Guard to board Ecuadorian vessels suspected of narcotics trafficking in blue waters outside Ecuador's Exclusive Economic Zone.

Drug traffickers continued to use bulk cargo and shipping containers to smuggle drugs out of Ecuador, and did so at an increased rate. Drug traffickers often conceal drugs in a variety of licit cargo. On October 11, Belgian officials (with assistance from the ENP) seized 8 MT of cocaine packed in banana boxes aboard a ship that sailed from Guayaquil. Additionally, traffickers continued to smuggle petroleum ether (also known as white gas), gasoline, and other precursor chemicals in large quantities from Ecuador to Colombia and Peru for cocaine processing.

A 2010 UN Office on Drugs and Crime (UNODC) report on coca cultivation in Ecuador found no significant coca crop cultivation in Ecuador's northern border region. Although data indicate that poppy cultivation is rising, when Ecuadorian police or military detected small-scale poppy or coca cultivation, they immediately eradicated it. In 2012, the government eradicated 61,056 coca plants; 1.8 million poppy plants; and 85,134 cannabis plants.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Ecuador has a growing problem with domestic drug abuse. According to UNODC data, the average age of first-time drug users in Quito and Guayaquil dropped from 14.5 in 1998 to 13.7 in 2010. Local data regarding trends in drug abuse is limited. All drug offenders are entitled to drug treatment under the Ecuadorian constitution, but there is a lack of adequate resources and facilities to treat addicts. There are 25 out-patient drug treatment facilities and five public in-patient drug treatment facility in Ecuador. Other drug treatment options, such as the 187 private facilities that provide drug treatment alternatives, are often cost-prohibitive for addicts and users.

Coordination of abuse-prevention programs is the responsibility of the National Narcotics and Psychotropic Substances Control Council, known by its Spanish acronym, CONSEP. CONSEP leads a multi-agency national prevention campaign in schools. The campaign consists of nationwide workshops focused on the school-aged population and community outreach.

UNODC conducts a demand reduction and drug prevention program in Ecuador, with partial funding from the United States.

### **4. Corruption**

As a matter of policy, the Ecuadorian government does not encourage or facilitate the illicit production or distribution of narcotic or other controlled substances, or the laundering of proceeds from illegal drug transactions. Ecuador passed an anti-drug law in 1990 (Law 108) that prescribes prosecution of any government official who deliberately impedes prosecution of anyone charged under that law. As such, some aspects of official corruption are criminalized, but there is no comprehensive anti-corruption law. There were also no successfully-prosecuted cases of government officials, police, or military involved in narcotics trafficking-related corruption in 2012.

Several government entities are responsible for receiving and investigating corruption complaints, but resource constraints and political pressure generally lead to a lack of prosecution. A 2010 poll in Quito and Guayaquil indicated that 73 percent of the population perceived public sector corruption to be "somewhat widespread," and 21 percent of the respondents reported paying a bribe in the last 12 months. In 2012, Ecuador continued an anti-corruption initiative that includes polygraph examinations for the police force, authorization for commanders to permanently dismiss officers for corruption, and an augmentation of the internal affairs bureau. In 2012, authorities polygraphed approximately 1,100 officers, with a passing rate of approximately 50 percent.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

In 2012, U.S. counternarcotics assistance and capacity-building programs improved the professional capabilities and resources of Ecuador's police, military, and judicial agencies, enabling them to more effectively combat criminal organizations involved in narcotics trafficking and money laundering.

Factors such as widespread poverty, rural isolation, and a proximity to FARC-controlled Colombian territory fueled instability and insecurity Ecuador's northern region. The United States continued to support programs that improve good governance and create opportunities for licit activities in areas along the northern border. In 2012, the United States financed 37 infrastructure projects that benefited some 21,000 people; helped generate more than 2,000 jobs; increased the average incomes of nearly 3,000 families by strengthening value chains in cacao, coffee, and other products; and strengthened 20 local governments in the northern border. The United States also supported Ecuador's police and military presence in a variety of strategic locations throughout the country. Weapons smuggled through Ecuador and destined for the FARC are particularly concerning to Ecuador and the United States.

The National Antinarcotics Police (DNA) is the primary recipient of U.S. counternarcotics assistance, including the provision of training and equipment (including vehicles), as well as construction assistance at specific land and maritime ports of entry. The DNA includes units such as the Mobile Anti-Narcotics Team, a drug detection canine program, and a money laundering unit. In 2012, the United States continued to provide support to the military to facilitate its mobility and communications capacity, helping to improve security and the interdiction of illicit goods along the northern border. A U.S.-sponsored vetted police unit accounts for approximately 50 percent of all drug seizures in Ecuador (excluding marijuana).

Ecuador regularly participates in the U.S.-sponsored Multilateral Counterdrug Summit. The goal of these summits, which include participants from across the hemisphere, is to identify and implement cooperative measures to combat maritime drug trafficking. Additionally, the United States conducted a maritime interdiction course for the ENP's Special Forces (GIR) and Customs, and provided training to the Ecuadorian Coast Guard.

The United States also supports prevention programs in coordination with the Ministry of Education, CONSEP, and other governmental entities that address drug abuse awareness.

### **D. Conclusion**

The United States supports Ecuador's counternarcotics efforts and strongly encourages Ecuador to place a higher priority on the interdiction of illicit drugs, chemical precursors, eradication of coca and poppy, and destruction of cocaine labs. As traffickers continue to take advantage of Ecuador's vast maritime territory, increased port security and maritime patrols are increasingly necessary.

The Administration of President Rafael Correa recognized the need to increase interdiction efforts on the rivers and waterways throughout Ecuador and tasked the GIR to augment the Navy's interdiction efforts. In April, the GIR acquired two Renegade 38-foot boats, and Ecuador's government indicated that it intends to purchase more boats in the future. Ecuador is also building three, 100-foot intercept vessels to augment its maritime interdiction capability and is exploring ways to share information and begin joint maritime patrols with Peru. The United States will work with Ecuadorian Coast Guard, Navy, and Customs officials to increase its interdiction capacity at sea and port facilities.

Poor coordination between military and police hinders the government's ability to gather evidence and prosecute drug trafficking. Ecuador should give higher priority to the prosecution of transnational crime, including money laundering and official corruption cases, and increase its focus on justice sector reform and strengthening of the rule of law.

## Egypt

Although Egypt is not a major producer, supplier, or consumer of narcotics or precursor chemicals, it is a transit point for transnational shipments of narcotics from Africa to Europe. This is due to Egypt's mostly uninhabited borders with Libya and Sudan and the high level of shipping through the Suez Canal. It is also a destination market for hashish, primarily from Morocco and Afghanistan.

The Anti-Narcotics General Administration (ANGA) oversees national counter-narcotics operations in Egypt and cooperates with the U.S. Drug Enforcement Administration office in Cairo to identify, detect, disrupt and dismantle national and international drug trafficking organizations operating in Egypt. Since the revolution of 2011, ANGA has not conducted eradication programs in the Sinai due to security concerns but plans to reinstate these programs in 2013. Large-scale seizures and arrests related to cocaine, heroin and methamphetamine are rare, but there are very large seizures of opium, hashish, marijuana, and psychotropic pills, particularly tramadol. ANGA has identified tramadol, an opioid pain killer that is obtainable at local pharmacies, as a major problem. Tramadol originates primarily in India and China and enters Egypt mainly through the sea ports.

Although it has a limited budget, ANGA updates its operating equipment on a systematic basis, and routinely enhances and services its effective communication system. Cooperation between ANGA and other Egyptian law enforcement agencies remains good, including on large-scale anti-drug campaigns. ANGA's seizures for 2012 remain reasonably consistent compared to amounts in years past, with the exception of tramadol seizures. ANGA reports that it seized 374,474,296 tramadol pills between January and October of 2012, an eight-fold increase from 2011.

Imports to Egypt of ephedrine and pseudoephedrine, precursor chemicals for methamphetamine, increased sharply in 2010 and 2011 as Egypt became a regional producer of cold and flu medicine. There are no reports indicating widespread diversion of these chemicals, and Egyptian authorities have not made any seizures.

As a matter of policy, the Government of Egypt does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal transactions. Egypt has strict laws and penalties for officials convicted of involvement in narcotics trafficking activities.

# El Salvador

## A. Introduction

El Salvador continues to be a major transit country for illegal drugs destined for the United States from source countries in South America. El Salvador was identified as a major transit country for the second year in a row in the President's 2012 report to Congress on Major Illicit Drug Producing and Drug Transit Countries. The United States estimated that more than 80 percent of the primary flow of the cocaine trafficked to the United States first transited through the Central American corridor in 2012.

Traffickers in El Salvador use "go-fast" boats as well as fishing and commercial vessels to smuggle illegal drugs. Land transit of illicit contraband and cash primarily occurred along the Pan-American Highway. Salvadoran transnational criminal gangs were involved in street-level drug sales, but tend not to be a major component of the logistics supply chain for Mexican, Colombian, and other drug trafficking organizations. In October 2012, the U.S. Department of Treasury designated the Mara Salvatrucha (MS-13), a criminal gang, as a significant transnational criminal organization.

The government of President Mauricio Funes partnered with the United States on a wide range of counternarcotics activities. The U.S.-El Salvador Partnership for Growth agreement, signed in November 2011, does not specifically address counternarcotics cooperation, but does include programs aimed at reducing the security constraints to economic growth in the country. This includes efforts to enhance law enforcement, promote judicial reform, and divert at-risk youth from criminal activity. Despite ongoing cooperation, however, Salvadoran law enforcement lacked sufficient personnel, training, and equipment to effectively manage their land borders and interdict drug trafficking, particularly in the country's littoral waters.

According to El Salvador, the truce between MS-13 and 18th Street gangs that began in March 2012 produced a 40-percent decline in the country's homicide rate. The truce did not appear to significantly impact other forms of criminal activity, including narcotics trafficking.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The Anti-Narcotics Division (DAN) of the National Civilian Police (PNC) remains the primary law enforcement agency responsible for combating illegal drug activity. The vetted antinarcotics unit (GEAN) within the DAN is responsible for conducting sensitive counternarcotics investigations, but few operational results were achieved in 2012. The GEAN suffered from retention issues, staffing shortages and limited leadership.

The Government of El Salvador advanced an ambitious series of reforms to its correctional institutions, combating the management of criminal operations from behind prison walls. El Salvador's Central National Prison Directory (DGCP) opened two prison pilot programs to

reduce overcrowding in the prisons and temporary holding cells, estimated at 310 percent of their designed capacity. The Salvadoran government, with U.S. assistance, began remodeling and enlarging the temporary holding cells at all 25 PNC precincts, with the goal of completing the project by the end of 2013. The United States also provided 27,000 hard-copy files and 12,300 inmate uniforms of different colors to categorize different offenders, streamline prosecution and judicial processes, and classify offenses.

The DGCP began to implement an electronic filing system database to automate the prisons filing systems; to date it has completed 3,686 inmate files for Sonsonate, Quezaltepeque, and Ilopango prisons and completed 50 percent of the 6,000 inmate files for Mariona prison. The DGCP is in the process of initiating a \$50-per-month compensation plan for inmates who work in community service projects, payable upon the completion of their sentences. However, as part of the gang truce, the Government of El Salvador relaxed some of the restrictions that sought to prevent criminals from continuing to engage in their illicit activities from the prisons.

Since 2010, the United States has collaborated with El Salvador on a National Electronic Monitoring Center, which began operations in June 2012. The center will allow Salvadoran law enforcement to intercept electronic communications needed to pursue investigations of drug trafficking organizations, gangs, and other transnational criminal organizations. The center achieved one of its first operational successes by generating information that led to the capture of 14 gang members charged with extortion in August.

The government established Joint Task Force “Grupo Cuscatlan,” an interagency unit composed of civilian law enforcement and military personnel, in 2012 to better integrate the PNC and military in efforts to combat transnational organized crime. The Joint Task Force will utilize three helicopters and six inflatable boats provided by the United States. The United States also provided training to ten PNC and military officers assigned to the unit.

El Salvador is a party to the Central American Convention for the Prevention of Money Laundering Related to Drug-Trafficking and Similar Crimes, the Inter-American Convention against Corruption, the Inter-American Convention on Extradition, and the Inter-American Convention on Mutual Assistance in Criminal Matters.

The 1911 extradition treaty between the United States and El Salvador is limited in scope, and the constitutional prohibition on life imprisonment is an obstacle to negotiating a new bilateral extradition treaty. Narcotics offenses are extraditable crimes by virtue of El Salvador’s ratification of the 1988 UN Drug Convention. However, no Salvadoran citizens wanted for crimes committed in the United States have been extradited since 2010, and the Government of El Salvador has not processed two provisional arrest warrants submitted in June 2012. El Salvador signed an agreement of cooperation with the United States in 2000, permitting access to and use of facilities at the international airport of El Salvador (Comalapa) for aerial counternarcotics activities. The agreement was renewed in 2009 for an additional five years and will expire in 2015. Requests for judicial cooperation are made through formal and informal channels, including formal legal assistance requests through “central authorities” related to the multilateral law enforcement cooperation treaties and conventions to which the United States and

El Salvador are parties. El Salvador processes U.S. requests for legal and judicial assistance in a timely manner.

## **2. Supply Reduction**

In 2012, government authorities reported a decrease in the volume of illegal drugs seized from 2011 and 2010 levels, partially resulting from institutional turnover within military and police forces. According to government figures, authorities seized 327 kilograms (kg) of cocaine, 12.5 kg of heroin, and 452.6 kg of marijuana. In November, the DAN seized 118 kg of cocaine at Metalío beach, Sonsonate, with a U.S. street value of \$2,825,000. Authorities also seized approximately \$2.03 million in currency and property related to illicit activities, including drug trafficking. Salvadoran officials continued investigating the fraudulent importation of precursor chemicals used to manufacture synthetic drugs, seizing 57 barrels of chemicals imported from China, which were then abandoned by a local business.

## **3. Drug Abuse awareness, Demand Reduction, and Treatment**

Drug use among Salvadorans is a concern, particularly among youth, although the government did not keep reliable statistics for illegal consumption in 2012. The United Nations Office on Drugs and Crime reports the prevalence of cocaine use in Central America has increased slightly from 0.4 to 0.5 percent for the population age group of 15-64.

The PNC expanded the U.S.-funded Gang Resistance Education and Training (GREAT) program to reach more targeted schools. In 2012, the United States trained 18 PNC officers as full time GREAT instructors, allowing 2,000 youth-at-risk to complete the gang resistance curriculum. U.S. experts also provided training to over 600 officers in one precinct in investigative techniques, collection and analysis, and citizen outreach for model precinct initiatives.

## **4. Corruption**

As a matter of policy, the Government of El Salvador does not encourage or facilitate production and distribution of narcotics or psychotropic drugs or other controlled substances, or the laundering or proceeds of illicit drug transactions. Nevertheless, corruption within the Salvadoran political system remains a concern. In 2012, allegations of attempted bribery of national legislators to vote for candidates for Attorney General were reported and at least two legislators filed formal complaints.

## **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The Government of El Salvador is committed to cooperating with the United States to confront organized criminal and narcotics trafficking organizations and advance programs that strengthen institutional capabilities to investigate, sanction, and prevent corruption. The government continued to provide prompt responses to U.S. requests regarding maritime drug interdiction cases in 2012. El Salvador participated in the semi-annual Multilateral Maritime Counterdrug Summit, which included participants from 12 Central and South American Countries to improve strategies and cooperation against drug trafficking organizations.

U.S. assistance focused on enhancing the operational capacity of Salvadoran law enforcement agencies to interdict narcotics shipments and combat money laundering and public corruption. Assistance also promoted transparency, efficiency, and institutional respect for human and civil rights within law enforcement and the criminal justice system. The U.S. government supported Salvadoran efforts to combat transnational criminal gangs, particularly the 18th Street and MS-13 gangs, which also operate in the United States.

The United States provided assistance to El Salvador to combat crime, violence, transnational crime, and improve citizen safety, including through the Central America Regional Security Initiative. The United States supports Salvadoran efforts to develop and implement holistic initiatives to disrupt gang activity that leads to criminal activity including drug trafficking. In 2012, U.S. assistance included specialized training for 218 regional officers in intelligence-led policing, homicide reduction, and basic and advanced community policing.

The United States provided a total of 115 computers to 32 government-supported community outreach centers, as part of community policing and at-risk-youth prevention programs, centered on “model precincts” in high crime areas. The program includes the creation a National Civilian Police children’s athletic league managed and coached by PNC volunteers and targeting over 700 at-risk children. Both the outreach centers and model precincts work to decrease drug consumption and increase law enforcement presence in high-crime areas, reducing the high level of insecurity that makes these areas attractive to drug traffickers and other transnational criminal groups.

The United States provided support for the Government of El Salvador’s National Strategy on Municipal Crime Prevention, as well as the implementation of the new criminal procedure code. U.S. assistance helped to build local and national capacity to identify crime patterns and implement violence-prevention projects.

#### **D. Conclusion**

El Salvador strengthened its capacity to confront illegal drugs, crime, and violence in 2012. The PNC’s wiretapping unit is functional and beginning to deliver results. Drug-related violence declined in 2012, though attribution of declining rates to changing dynamics between criminal groups remained uncertain. El Salvador faces formidable challenges, and must take additional steps to promote sustainable and effective law enforcement institutions. Improved asset forfeiture laws need to be drafted and passed as a cornerstone for El Salvador’s ability to dismantle transnational criminal groups. Seized assets can also provide a resource base from which enhanced law enforcement and judicial capacities can draw.

The Government of El Salvador can extend the successes of 2012 by demonstrating continued leadership on crime prevention programs, citizen security, counternarcotics, and the rule of law. Next steps should include the provision of additional manpower, resources, and equipment to the PNC; strengthened internal affairs capacity to root-out those who support criminals from within the police, prisons, and judiciary; and ensuring adequate pay to minimize the risk of corruption. El Salvador should work to address issues associated with the extradition of its nationals to allow

for the use of extraditions as a deterrent for crime and a means to reinforce national security. El Salvador's correctional institutions also require management reform, and the country's security and justice sector officials must be held accountable for their performance. The Government of El Salvador understands that promoting citizen security is essential for promoting the country's economic growth. El Salvador can improve its interdiction operations, especially land transit of narcotics and cash via the Pan American highway. The United States also encourages El Salvador to carefully monitor remittances from the United States to prevent money laundering.

## French Caribbean

The islands of the French Caribbean serve as transshipment points for drug trafficking by air and sea between South and Central America to Europe and, to a lesser extent, the United States. There is also limited marijuana cultivation for domestic consumption. The broad geographic expanse of the Caribbean Sea and the proximity of the French Caribbean departments to other nations with relatively lax law enforcement and endemic corruption facilitate drug trafficking in the area. Specifically, Martinique and Guadeloupe are significant transshipment points for drugs moving through the region, primarily imported cocaine, cannabis, and ecstasy. More than half of France's cocaine seizures are made on or off the coast of these two islands. Official 2012 statistics were not available at this report's publication, but in January 2012, the French Central Office for Combating Drug Trafficking (OCRTIS), in conjunction with the French Navy, seized 1.2 metric tons of cocaine from two yachts off the east coast of Martinique. In May, French officials seized 174 kilograms of cocaine from a sailboat off the coast of Martinique and arrested four Croatian nationals found to be part of a larger network trafficking large quantities of drugs to Europe. Both seizures resulted from investigations conducted at least partly in collaboration with American authorities.

French Guyana and the islands of Martinique, Guadeloupe, the French side of Saint Martin, and St. Barthelemy are all overseas departments of France and subject to French law. They all follow French policies and programs regarding the treatment of drug addiction and lessening of domestic demand. They are also subject to all international and bilateral conventions signed by France and participate in regional cooperation programs initiated and sponsored by the European Union. The departments' governments can request additional resources from the central government in their fight against illegal drug smuggling. The French Judiciary Police, Gendarmerie, and Customs Service play major roles in narcotics law enforcement in France's overseas departments. In February 2012, former Interior Minister Claude Gueant announced the creation in Fort-de-France of an OCRTIS satellite office that will focus on financial assets of criminal networks involved in drug trafficking.

# Georgia

## A. Introduction

Georgia is a transit and destination country for illicit drugs produced in other countries. The most significant route runs from Afghanistan and Iran through Azerbaijan and Georgia, to destinations in Western Europe, Turkey, and Russia. International-bound trucks sometimes carry narcotics on this route, transiting Georgia before traveling to Ukraine, Moldova, or Bulgaria on Black Sea ferries. Concealed compartments in passenger cars are another means used to smuggle heroin from Iran to Turkey via Georgia, with the ultimate destination being Western Europe. The Russian-occupied territories of South Ossetia and Abkhazia remain beyond the control of Georgian law enforcement, and there is speculation that drugs flow through these areas.

Georgia also has a domestic drug problem. Domestically-manufactured amphetamine-type stimulants (ATS) nicknamed “Jeff” and “Vint” and a locally-produced desomorphine opioid known as “Krokodil” have been gaining popularity. Among other drugs, heroin, buprenorphine, methadone, and marijuana are available on the domestic market. There is domestic production and use of methamphetamines and pseudoephedrine derivatives and abuse of pharmaceutical drugs, especially in urban areas.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In 2011, the government created a coordinating council facilitated by the Ministry of Justice to draft a national strategy and action plan to combat drug use, involving multiple government agencies, NGOs, international organizations, experts, and scientists. The Georgian government will likely submit the National Strategy and Action Plan for parliamentary review in 2013. Despite some amendments to the national law on narcotics in 2012 to meet certain international norms, current national legislation does not conform to the 1988 UN Drug Convention’s requirements, particularly in the listing of drugs designated as illegal under Georgian law.

The Government of Georgia has signed counternarcotics agreements with the United States, with the Black Sea basin countries, the GUAM organization (Georgia, Ukraine, Azerbaijan, and Moldova), Turkey, Iran, Egypt, Kazakhstan, Uzbekistan, and several European countries.

### 2. Supply Reduction

Emphasis at Georgia’s borders is on facilitating trade, and less on control and inspection. As a result, drug seizures at the border vary significantly from year to year and do not give a reliable indication of the amount of contraband transiting the country. According to the Ministry of Internal Affairs (MoIA), less than one-tenth of one kilogram (kg) of heroin was seized between January and June of 2012 (.095 kg), along with less than one kg of marijuana. Both of these totals are marginally less than seizures in 2011. Seizure totals for synthetic drugs were similarly

low (a fraction of a kilogram for all categories), but higher than amounts for similar periods during 2011. During this six month reporting period, 1,391 drug-related cases were reported, a lower volume than previous years.

Traditional drugs such as heroin, cocaine, and barbiturates are in limited demand in Georgia due to their high price. These drugs are rarely found on the black market. Physicians and analysts have expressed concern about the increasing use of Jeff and Vint, which can be made at home from widely available over-the-counter medicines, cleaning solutions, and chemical solvents; and Krokodil, made at home from similar precursors mixed with codeine. Codeine is available with a prescription, but is also sold “under the table” by pharmacies without a prescription. The Government of Georgia has not yet developed a comprehensive mechanism for combating the steadily increasing use of homemade stimulants and opioids, which are injected, highly addictive, and carry severe health risks including brain and tissue damage.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Domestic drug abuse remains a problem for Georgia. Experts estimate that the intravenous drug user (IDU) population in Georgia is approximately 40,000-45,000 (out of a total population of 4.5 million). According to the National Forensic Bureau, the number of all types of registered drug users is about 180,000, but this figure is widely regarded by experts as over-inclusive and includes one-time experimenters. Intravenous drug use is very low both among youth and female populations.

There is still a lack of systemic drug prevention measures, even though treatment and social rehabilitation programs have become more active. The United States has supported development of a healthy lifestyle course discussing the harmful impact of drug use, and is now assisting the Government to institutionalize the course in the Georgian public education system. Public information about dangerous drugs remains inadequate, and statistics about drug use are limited and unreliable. The Georgian government has increased funding for drug treatment and prevention in 2011 and 2012. Newly added methadone treatment centers and increased funding for infrastructure improvements resulted in a decreased number of patients on waiting lists for drug substitution therapy. Some NGOs and faith-based groups also run detoxification, drug substitution, or walk-in and counseling centers for drug addicts. The Global Fund fully covers treatment of HIV/TB infected patients. There is nevertheless a continuing lack of trained human resources in this field, particularly in the area of psychosocial addiction treatment and rehabilitation programs.

### **4. Corruption**

The Georgian government has made great strides in eliminating corruption from law enforcement agencies since the 2003 Rose Revolution and remains committed to this effort. The Georgian government continues to implement civil service, tax and law enforcement reforms aimed at deterring corruption and prosecuting it when detected. Despite these efforts, however, allegations of some high-level corruption still surface and a small number of civil servants are prosecuted each year on corruption charges. There have been no serious corruption allegations

against the narcotics law enforcement units at the MoIA. The Government of Georgia does not, as a matter of policy, encourage or facilitate trafficking in narcotics.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States provides direct counternarcotics assistance on demand reduction and treatment, and to enhance law enforcement's capacity to detect and interdict illegal narcotics. The United States is working to establish a canine drug detection program, and provides additional training for counter narcotics units, including case management, drug-trafficking financial investigations, "train-the-trainer" sessions for basic narcotics courses, and developing task forces of police and prosecutors to handle more complex investigations of drug rings and narcotics trafficking networks. To counter the increase in domestic production of homemade stimulants and opioids, the United States also plans to offer training in identifying clandestine laboratories and illicit compounds, as well as preservation of evidence for prosecution.

In 2012, U.S. assistance supported Georgian efforts to make testing and treatment more accessible for methadone therapy participants, which included opening the first drop-in center in Tbilisi for psycho-social assistance. The United States is currently helping the Georgian government start counseling and referral centers for mobile populations.

The United States continues to help Georgian authorities improve the prosecution of narcotics crimes and money laundering, and developing trial skills in an adversarial system. Similarly, the United States is providing training and equipment for Georgia's forensics laboratories, including drug screening, toxicology, and chemistry labs.

U.S. training and equipment assistance programs for border police and customs officers continues to focus on port security, drug interdiction, and the identification and detention of violators and criminals at the border. U.S. assistance has helped to rebuild the Georgian Coast Guard's capacity for maritime law enforcement. Because Georgia's basic police force is increasingly being tasked with border security responsibilities, the United States has also been ensuring that police receive appropriate training and equipment to manage ports of entry.

### **D. Conclusion**

The United States encourages Georgia to continue mounting a strong law enforcement response to drug trafficking. With the noteworthy shift in domestic drug use from heroin and other traditional drugs to domestically-produced stimulants and opioids, it is also important for law enforcement and prosecutors to work closely to investigate and bring these evolving cases to trial. At the same time, NGOs, addiction experts, faith-based groups, and other stakeholders should continue working to provide more effective treatment and advocacy to reduce drug demand. The United States will continue to provide training and technical support on narcotics control issues, and encourage inter-agency and government-to-civil society cooperation.

## Germany

Germany is a consumer and transit country for narcotics, but not a significant drug cultivation or production country. The German government actively combats drug-related crimes, emphasizing prevention programs and assistance to victims of drug abuse. The Federal Cabinet adopted the new National Strategy on Drug and Addiction Policy on February 15, 2012; it replaced the 2003 Action Plan on Drugs and Addiction. Cannabis remains the most commonly consumed illicit drug in Germany. Germany is a major manufacturer of legal pharmaceuticals, making it a potential source of precursor chemicals used in the production of illicit narcotics. Germany, however, strictly and effectively controls precursor chemicals.

Led by the National Drug Commissioner, the Federal Ministry of Health has the leading role in developing, coordinating, and implementing Germany's drug policies in programs, working in close cooperation with others such as the Federal Ministry for Economic Cooperation and Development, the Federal Ministry of the Interior, the Federal Foreign Office and the Federal Ministry of Finance. Policies stress prevention through education. The Ministry, in close cooperation with other competent ministries and federal states, funds numerous research and prevention programs. Addiction therapy programs focus on drug-free treatment, psychological counseling, and substitution therapy. Since the mid-1980s, Germany considers substitution therapy an important pillar in the treatment of opiate abuse. Currently, around 77,000 patients are undergoing substitution therapy in Germany.

600,000 individuals in Germany show risky consumption patterns of cannabis, while 200,000 individuals show risky patterns with regard to other illegal drugs, according to Federal Health Ministry data. The number of drug-related deaths in Germany continued to decrease in 2011 (the most recent year for which statistics are available). A total of 985 people died as a result of consuming illegal drugs (mostly heroin in combination with other drugs) in 2011, down from 1,237 in 2010. Over 21,300 users of "hard drugs" (classified as non-cannabis substances) were newly recorded in 2011, a 14.5-percent increase over 2010.

Extradition and mutual legal assistance treaties are in force between the United States and Germany, as well as a customs mutual legal assistance agreement.

Germany participates actively in bilateral cooperative arrangements and European and international counter-narcotics fora. Counternarcotics enforcement remains a high priority for the Federal Office of Criminal Investigation, the Federal Office of Customs Investigation, and state-level law enforcement agencies. German law enforcement agencies work effectively with their U.S. law enforcement counterparts on narcotics-related cases. The United States anticipates that Germany and the United States will continue this level of cooperation on counternarcotics into the future.

# Ghana

## A. Introduction

Ghana continues to be a transshipment point for illegal drugs, particularly cocaine from South America and heroin from Afghanistan and Pakistan. Although Europe is the main destination, large amounts of drugs also transit to the United States through Accra's Kotoka International Airport (KIA). Traffickers exploit ports at Tema and Takoradi and officials on the borders with Togo and Cote d'Ivoire report significant drug trafficking activity.

Trafficking is fueling increasing domestic drug consumption in Ghana. Local use of cannabis, heroin, and cocaine is increasing, as is the local cultivation of cannabis. Diversion of precursor chemicals seems to be on the rise, primarily for the production of methamphetamine. There is a lack of government regulation and oversight of precursor chemicals.

Corruption, insufficient resources, and porous borders seriously impede interdiction efforts. While law enforcement authorities continue to arrest low-level narcotics traffickers, Ghana has had relatively little success pursuing so-called drug barons. Cases involving narcotics and other serious crimes can sometimes take years to prosecute. Inexperienced prosecutors and judges, overbooked attorneys, the failure of witnesses to appear in court, and breakdowns in coordination among law enforcement agencies all contribute to delays in prosecution.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The Government of Ghana took several noteworthy steps in 2012 to expand its capacity to fight narcotics trafficking and to uphold the rule of law. In February, Ghana became a party to the UN Convention against Transnational Organized Crime. The Economic and Organized Crime Office (EOCO), established in 2010 to investigate narcotics trafficking and other serious crimes, developed internal standard operating procedures, which will be considered for ratification by Parliament in early 2013. The Financial Intelligence Center, charged with analyzing and reporting suspicious financial transactions, became fully functional in 2012 and has taken numerous steps to make Ghana compliant with international anti-money laundering regulations. However, law enforcement institutions continue to face a number of obstacles, including limited budgets.

### 2. Supply Reduction

Cocaine and heroin are the main drugs traffickers smuggle through Ghana. Cocaine is sourced mainly from South America and is destined for Europe, while Afghan heroin comes mainly from Southwest Asia and goes to Europe and North America. Locally-grown cannabis is shipped primarily to Europe. Domestic production and trafficking of methamphetamine is in its nascent stages. Law enforcement officials report that traffickers are increasingly exploiting Ghana's relatively unguarded and porous maritime border, offloading large shipments at sea onto small

fishing vessels, which carry the drugs to shore undetected. Some narcotics enter Ghana from other locations in West Africa. Narcotics are often repackaged in Ghana and then hidden in shipping containers or secreted in air cargo. Smaller shipments are also moved by human couriers through KIA. The most common methods involve false bottom suitcases or body cavity concealment. While cases involving West African traffickers are the most common, Ghanaian officials continue to arrest nationals from other regions for trafficking as well.

Ghanaian law enforcement had some success in 2012 working with neighboring countries on joint interdiction efforts. In July, immediately following a joint training involving ECOWAS, Interpol, Benin, Ghana, and Togo, trainees from those three states carried out counternarcotics operations at their countries' airports, sea ports, and land borders. In Ghana, officials seized 24 kilograms (kg) of marijuana.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Illicit drug use is growing in Ghana. Ghanaians most frequently abuse cannabis, but the use of other drugs is on the rise. According to Ghana's Narcotics Control Board (NACOB), it is difficult to track drug abuse because there has never been a baseline study of the drug environment in Ghana and existing drug abuse statistics in Ghana are not comprehensive. Data from the Ghana Police Service indicate that cases involving cannabis are much more common than those involving cocaine or heroin. Ghanaians between the ages of 15 and 35 are the most likely to consume illicit drugs.

NACOB has a small office that handles drug-abuse awareness and demand reduction programs. It supports a coalition of roughly 15 non-governmental organizations that work on youth education and demand reduction. The National Committee on Civic Education (a government funded, quasi-independent body) also launched a drug awareness tour of the country in 2012 that brought students, young professionals, teachers, local leaders, law enforcement officials, and former drug addicts together for a series of educational workshops.

### **4. Corruption**

As a matter of government policy, Ghana does not encourage or facilitate illegal activity associated with drug trafficking.

Corruption continues to be an issue in Ghana. Ghanaians perceive corruption as endemic in the police service, as well as in other government institutions. There is some public speculation that substantial amounts of drug money have been handed over to politicians in the form of campaign contributions. NACOB and the EOCO have taken steps to conduct strict background investigations for new recruits; however, these institutions are still young and face numerous difficulties that continue to hamper their operations. For example, on September 24, officials at London's Heathrow airport seized 1.9 metric tons of cannabis from three different cargo containers on a commercial flight originating from KIA. The following day, UK authorities intercepted 7.5 kg of cocaine on the same direct flight from Accra. Subsequently, NACOB officials detained several of their own officers and airport security personnel on suspicion of

corruption and conspiracy. To date, Ghana has not formally charged or prosecuted anyone in relation to this case.

In December 2011, Ghanaian courts acquitted a woman who had been arrested in 2008 for trafficking 1,020 grams of cocaine after a re-testing of the substance revealed that it had been replaced with baking soda while in the custody of the police. As a result of this case, the Ghana Police Service dismissed the Deputy Superintendent of the Ghana Police Service, but the government did not prosecute.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

U.S. and Ghanaian law enforcement enjoy excellent cooperation on counternarcotics. The United States continues to provide technical assistance to several Ghanaian ministries and offices. As part of the West Africa Cooperative Security Initiative, the United States funded the creation of the West Africa Regional Training Center in Accra, scheduled to open in January 2013. The new facility will host training courses for law enforcement stakeholders in the region on combating transnational organized crime. The United States is working with the UN Office on Drugs and Crime and the Community Anti-Drug Coalition of America (CADCA) to provide assistance in combating drug trafficking and abuse in Ghana. The United States provides technical assistance to the Financial Intelligence Center and other key stakeholders to assist in anti-money laundering efforts. The United States has also provided operational and leadership training to Ghanaian maritime personnel.

### **D. Conclusion**

Ghana's political leadership remains committed to combating narcotics trafficking and maintaining cooperation with international partners on counternarcotics. However, Ghana's law enforcement and judicial institutions continue to face a number of operational challenges that hinder the country's ability to combat narcotics trafficking. Ghana should provide increased technical, human, and financial resources to law enforcement and judicial institutions, take steps to combat corruption, and improve interagency coordination among law enforcement agencies.

# Guatemala

## A. Introduction

Guatemala remains a major transshipment point for drugs destined for the United States. The United States estimated that more than 80 percent of the primary flow of the cocaine trafficked to the United States first transited through the Central American corridor in 2012. International and local drug trafficking organizations (DTOs) exploit Guatemala's weak public institutions, pervasive corruption, and porous ports and borders to move illicit products, persons, and bulk cash. In addition to marijuana for primarily domestic consumption, Guatemala produces opium poppy and synthetic drugs for export. Improved law enforcement efforts in Colombia and Mexico, among other factors, led to an increasing volume of precursor chemicals transiting Guatemala.

President Otto Perez Molina, who took office in January 2012, made combating drug trafficking one of his administration's top priorities. His government remained a partner on counternarcotics in 2012. Perez Molina created a new Vice Ministry for Counter Narcotics within the Ministry of Government. The Vice Minister coordinates the government's extensive anti-drug efforts and established a mobile land interdiction unit charged with targeting DTOs operating in remote areas. Clandestine lab interdiction and the eradication of opium poppy increased in 2012, largely as a result of the government's counternarcotics initiatives.

Guatemala's pressing issues include high levels of violence fueled by the drug trade, money laundering, and other organized criminal activities; corruption within the police; and an overburdened and inefficient judicial system. Impunity remained high in 2012. Guatemala confronts continuing fiscal challenges in seeking to fund its counternarcotics initiatives. The country has the lowest tax collection rate in Central America and one of the lowest in Latin America.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Decreasing the country's high levels of violence and insecurity was the Perez Molina administration's stated top priority in 2012. According to the 2011 UN Office on Drugs and Crime (UNODC) homicide report, Guatemala had the eighth-highest murder rate in the world. The murder rate declined from 41 per 100,000 citizens in 2009 to 34.5 per 100,000 in 2012, according to UNODC. The Guatemalan Ministry of Government reported that, as of August 2012, the number of murders decreased by 42 percent compared to the same period the prior year.

Since passing the Seized Assets Law in December 2010, Guatemalan authorities seized approximately \$7 million in bulk cash. In February, the Seized Asset Secretariat disbursed more than \$190,000 to the Supreme Court to provide additional security for judges.

A 1903 extradition treaty between Guatemala and the United States is in effect and allows for the extradition of Guatemalan nationals. Guatemala adopted a supplemental extradition treaty adding narcotics offenses to the list of extraditable offenses in 1940. As a result of laws passed in 2008, all U.S. requests for extradition in drug cases are consolidated and expedited in specialized courts located in Guatemala City. Guatemala worked with the United States to arrest high-profile traffickers in 2012. While cooperation in extraditing traffickers facing charges for crimes in the United States has at times been uneven, Guatemala did extradite a major drug trafficker in December. Lower courts have also authorized the extradition of high-level Guatemalan drug dealers to the United States.

Guatemala is a party to the Central American Commission for the Eradication of Production, Traffic, Consumption and Illicit Use of Psychotropic Drugs and Substances, as well as the Central American Treaty on Joint Legal Assistance for Penal Issues. It is also a party to the Inter-American Convention against Corruption, and the Inter-American Convention on Mutual Assistance in Criminal Matters. A maritime counternarcotics agreement with the United States is fully implemented. Guatemala ratified the Inter-American Mutual Legal Assistance Convention, and is a party to the Organization of American States' Inter-American Drug Abuse Control Commission. Guatemala is one of six countries (along with Costa Rica, the Dominican Republic, France, Belize and the United States) that ratified the Caribbean Regional Agreement on Maritime Counter Narcotics, which is now in force.

## **2. Supply Reduction**

The Vice Ministry for Counter Narcotics conducted two marijuana and opium poppy eradication missions along Guatemala's border with Mexico in 2012 – the first operations in more than a year. Anti-narcotics officials reported eradication of more than 590 hectares of opium poppy on these missions. The Vice Ministry also proposed developing a pilot plan to provide alternative sources of income and opportunities in the poppy growing region of San Marcos.

Sustained air interdiction efforts, supported by six U.S.-titled helicopters, have significantly deterred drug flights from entering the country. In 2012, Joint Inter-Agency Task Force South identified only seven suspected drug flights entering Guatemala, down from 60 in 2009.

According to government figures, Guatemala seized 4.7 metric tons (MT) of cocaine in 2012, compared to 3.96 MT in 2011, along with eight kilograms of heroin, over \$2.4 million in drug-related currency, and over \$5.6 million in drug-related assets. Law enforcement entities dismantled eight clandestine methamphetamine laboratories, double the number in 2011.

The growing stockpile of precursor chemicals in Guatemala presents an environment and health hazard. In October, the United States conducted an assessment of the seized chemicals in order to determine the location, quantity and storage conditions. Guatemalan authorities had on hand over 14,000 barrels of precursors, 7,000 bags of dry chemicals and 25,000 liters of liquid chemicals. In 2012 Guatemala seized 234 metric tons of precursor chemicals, and the United States intends to work with Guatemala to build capacity for proper storage and/or destruction.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Guatemala lacks current information and data to accurately assess the breadth of illicit drug abuse in the country. A 2005 household survey estimated a life-time prevalence of illicit drug use at 3.16 percent. Anecdotal evidence and the experience of other transshipment countries suggest that traffickers may be building a domestic market by providing drugs rather than cash to local couriers as payment.

In 2012, the Commission against Addictions and Drug Trafficking (SECCATID) remained underfunded with an annual budget of \$450,000, of which approximately 80 percent was used to cover salaries. U.S. assistance to SECCATID for demand reduction focused on three main areas: institutional capacity building (training and equipment), drug research, and evidence-based programs. Guatemala has one government funded treatment center, though many private centers are in operation.

SECCATID developed a school-based drug prevention program, “My First Steps,” in 2011 in 100 schools in the municipalities of Santa Catarina Pinula and Mixco, but the program was not expanded in 2012. SECCATID continues to support the implementation of U.S. Drug Abuse Resistance Education (DARE), Gang Resistance Education and Training program (GREAT), and the Police Athletic League (PAL) programs in high-crime areas of Guatemala with U.S. assistance funds.

### **4. Corruption**

The Government of Guatemala does not, as a matter of policy, encourage or facilitate illicit production and distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. The UN-led International Commission Against Impunity in Guatemala (CICIG) was created in 2007 to investigate and dismantle criminal organizations operating within state institutions, to support Guatemala’s prosecution of individuals involved in those organizations, and to transfer capacity to Guatemalan justice sector institutions. Its current mandate expires in September 2013, but President Perez Molina informally requested that its mandate be extended until September 2015.

The United States focuses its anti-corruption assistance on developing vetted and specialized units to counter the threat of corruption. The United States continues to work with the Guatemalan Police Reform Commission to address police reform.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Guatemala cooperated with the United States and regional partners on several important counternarcotics initiatives in 2012. As part of “Operation Martillo,” an international effort aimed at disrupting illicit trafficking routes in the region’s coastal waters, Guatemala hosted a contingent of U.S. Marines in Retalhuleu. In September, the Guatemalan Navy attended the U.S.-sponsored Multilateral Maritime Counterdrug Summit, which includes participants from Colombia, Ecuador, Peru, Chile, Mexico and all other Central American countries. The Guatemalan Navy also participated in maritime interdiction activities. Guatemalan military and

law enforcement personnel participated in counterdrug operations in Honduras, resulting in the interdiction of several tons of cocaine.

Guatemala and the United States continued to collaborate on a range of ongoing citizen security, counternarcotics, law enforcement, and rule-of-law initiatives in 2012, including the Central America Regional Security Initiative. U.S. assistance largely focused on building Guatemalan capacity and strengthening local institutions. Individual programs targeted training, equipping and developing partner capacity to detect and interdict drug trafficking; investigating and building criminal cases to prosecute towards successful resolution of cases; and improving police capacity for modern law enforcement techniques.

U.S. assistance supported the government's Police Reform Commission's efforts to professionalize the National Civil Police (PNC). United States law enforcement agencies also supported and mentored vetted PNC units, charged with investigating high-profile corruption, money laundering, and drug trafficking cases.

The United States provided support to an inter-agency anti-gang unit that brought together the PNC, Attorney General's office (MP), and analysts from the PNC's criminal analysis unit (CRADIC) to investigate and dismantle local gang organizations. Sustained aviation support for joint Air Force-PNC activities enhanced the Guatemalan government's ability to interdict drugs, conduct eradication, transport law enforcement agents and detainees/evidence to and from remote areas of Guatemala, and respond to natural disasters.

Through U.S. support for rule-of-law activities, Guatemala increased its capacity to prosecute narcotics traffickers, organized crime leaders, money launderers and corrupt officials. The United States provided financial and technical support to three special prosecutorial units for criminal cases and a special task force for investigation and preparation of high-impact narcotics cases. The seized asset law is a tool to deprive drug traffickers of illicit proceeds and provide needed resources to the law enforcement and justice sector.

#### **D. Conclusion**

The United States enjoys productive relations with Guatemala and will continue to support the government's efforts to improve its technical and organizational capacity in the security and justice sectors.

Drug seizures remained low in 2012, compared to the flow of narcotics through the country. The change in government complicated efforts to develop long-term strategies and fully implement programs. Moreover, for most of 2012, the PNC's counternarcotics units lacked a director and operational budget.

Guatemala would be better equipped to combat narcotics-related crimes in the country by fully implementing the Organized Crime Law and establishing and training operational units to use key investigative methods and practices. The United States encourages the Government of Guatemala to continue implementation of the Asset Seizure Law; quickly implement an anti-corruption law enacted by the Congress in October; approve legislation to regulate the gaming

industry; and reform its law governing injunctions, which is often used to delay processes and trials. These steps would help deprive criminals of their gains, expedite trials and procedures, and channel resources to security activities. Guatemala's anti-corruption efforts would be more effective if PNC reforms were implemented and the office of the Inspector General and the Office of Professional Responsibility reorganized. CICIG should continue to transfer capacity and responsibility to Public Ministry officials. Concrete and substantial police reform, with appropriate budgetary support, is necessary for sustained progress in Guatemala.

# Guinea

## A. Introduction

Guinea is a transshipment point for cocaine and heroin. Traffickers smuggle supplies of both drugs in from Guinea-Bissau for packaging and transport to Europe, the United States, and East Asia. Local demand is primarily for marijuana, which is mainly imported from Sierra Leone. Widespread corruption, budget cuts, damaged credibility of drug enforcement leadership, and growing public apathy on the use of narcotics have weakened drug enforcement efforts over the past two years.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In 2008, the Government of Guinea placed the Central Anti-drug Office (OCA) under a newly created secretariat designed to combat drugs and organized crime. During the first two years of operation, the department was very active arresting known traffickers and limiting the flow of drugs through Guinea. As a result of its success, the organization faced growing resistance from powerful traffickers in custody and from high-ranking officials involved in the drug trade. Political attacks against the OCA leadership have had a damaging effect on the organization's performance.

Other factors that have reduced the effectiveness of drug enforcement in Guinea include: budget cuts, reassignment of key law enforcement leadership, and a lack of cooperation with the judicial system. Most criminal cases in Guinea require the courts to conduct independent investigations to verify information presented by law enforcement. Courts rarely complete drug related investigations, allowing traffickers to evade prosecution.

### 2. Supply Reduction

An increasing number of drug seizures at Guinean ports, as well as international seizures traced back to Guinea indicate that the volume of drug trafficking through the country is increasing. Guinean law enforcement officials report that aircraft carrying illegal drugs have been landing at the Conakry international airport as well as in Dinguiraye, a small town in north central Guinea. Some sources believe Guinea-Bissau's recent political crisis has contributed to this situation by creating a permissive environment for narcotics trafficking to Guinea. Sources also report that many previously-arrested traffickers have been released by Guinean officials, and that traffickers are working with locally-based South American traffickers.

### 3. Drug Abuse Awareness, Demand Reduction, and Treatment

The government is making little effort to reduce demand for drugs in Guinea. Drug enforcement officials have limited resources for enforcement operations and no government agencies have resources for drug education or treatment. Marijuana is popular, and local demand for cocaine

and heroin is increasing as more expatriates move to Guinea. There is also a growing public tolerance toward the existence of illegal drugs. Many Guineans have grown cynical about the impunity enjoyed by many drug traffickers and feel there is little that can be done, given the current level of corruption existing in the government. Some wealthy traffickers also provide assistance to local families to increase support among the community.

#### **4. Corruption**

While as a matter of government policy, the Government of Guinea does not encourage or facilitate illegal activity associated with drug trafficking, corruption is prevalent throughout all elements of the Guinean government. Traffic police, airport security officers, soldiers manning checkpoints, government officials who issue documents, border guards, customs officials, and port authorities all routinely solicit bribes. Guinean law enforcement officials believe that criminals have significant political power and top-level government officials are involved in the drug trade. Law enforcement officers are reluctant to pursue arrests.

#### **C. National goals, bilateral cooperation, and U.S. policy initiatives**

Guinea and its neighboring countries do not have strong bilateral cooperation to fight the illegal drug trade. However, in October 2012, seven West African nations (Benin, Cote d'Ivoire, Guinea, Guinea-Bissau, Mauritania, Senegal and Togo) held a two-day regional seminar in Conakry to discuss ways to fight cocaine trafficking. These seven countries agreed to cooperate on a three-year initiative to fight cocaine trafficking in West Africa. France has agreed to provide up to \$2.05 million to fund the initiative.

Pervasive corruption will constrain efforts to limit the flow of drugs. Full-time electricity is not available in most parts of Guinea, and computer databases to maintain criminal records, vehicle registration, and other information do not exist. Guinea also lacks the capacity to ensure border security.

The United States has had limited involvement in Guinean drug enforcement activities because the leader of the counter-drug agency remains wanted for questioning by the International Criminal Court concerning alleged human rights abuses.

#### **D. Conclusion**

Narcotics control efforts in Guinea have suffered considerably over the past two years. The Government of Guinea is in need of judicial reform, anti-corruption initiatives, information systems modernization, drug enforcement resources, credible drug enforcement leadership, drug treatment and awareness campaigns, as well as international assistance to monitor enforcement operations. Without improvement in some of these areas, narcotics trafficking in Guinea is likely to continue to rise.

# Guinea-Bissau

## A. Introduction

Guinea-Bissau is a significant transit hub for drug trafficking from South America to Europe. The country's lack of law enforcement capabilities; demonstrated susceptibility to corruption; porous borders; convenient location between Europe, South America, and neighboring West African transit points; and linguistic connections to Brazil, Portugal, and Cape Verde provide an opportune environment for traffickers. Islands off the coast of Guinea-Bissau are drug trafficking hubs. Guinea-Bissau's political systems remain susceptible to and under the influence of narcotics traffickers; the complicity of government officials at all levels in this criminal activity exacerbates the problem.

President Malam Bacai Sanha died in January 2012. Guinea-Bissau planned to hold a run-off election in late April 2012, but these plans were interrupted by a coup on April 12. The Economic Community of West Africa States (ECOWAS) brokered an agreement for Manuel Serifo Nhamadjo, Interim President of the National Assembly and next in line of succession to head the transitional government until a president is democratically elected in spring 2014.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Developments

The Transitional Government of Guinea-Bissau is in the process of reforming the country's security services, including those responsible for counternarcotics enforcement, but without international support. The UN Office on Drugs and Crime (UNODC) and the UN Integrated Peace-Building Office in Guinea-Bissau (UNIOGBIS) reduced their Security Sector Reform programming before the April coup. After the coup, the Governments of Brazil, Angola, and Portugal suspended their military and police training indefinitely.

In 2011, the United States funded a Justice Sector Advisor, who assessed the needs of Guinea-Bissau's justice agencies and coordinated U.S.-funded projects with UNIOGBIS and UNODC. A U.S.-funded Regional Law Enforcement Advisor developed a training strategy and coordinated U.S. assistance to Guinea-Bissau's law enforcement agencies. This low-cost effort proved to be highly successful in developing relations between Guinea-Bissau's law enforcement authorities and U.S. law enforcement officials. The U.S. government suspended all assistance as a result of the April coup.

Guinea-Bissau established a transitional government in May 2012. The Transitional government appointed a new Justice Minister, Mamadou Saido Balde; a new Commissioner for the Public Order Police (the national police), Armando Nhaga; and a new Attorney General, Abdou Mane. The chief of the Judicial Police, João Biague, remained in his post.

### 2. Supply Reduction

Inadequate resources and professionalism hampered efforts to seize drug shipments and investigate drug trafficking. Law enforcement and judicial officers are involved in drug trafficking, as are elements of the military. The lack of effective civilian control over the military and limited resources makes it difficult to estimate the quantity of drugs that pass through Guinea-Bissau. The borders are porous and poorly controlled. The port of Bissau has no meaningful security and containers routinely leave the country without inspection. In February 2012, the Judicial Police seized and stored almost 400 kilograms of cocaine as evidence. This evidence went missing before it was destroyed.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

UNODC reports drug abuse is a growing problem in Guinea-Bissau, but it is still minimal. No systematic study of the problem has been conducted to determine its scope. There are no government-funded treatment centers in Guinea-Bissau. The few operational centers are privately-funded.

### **4. Corruption**

While as a matter of policy the Guinea-Bissau Transitional Government does not encourage or facilitate the illicit production or distribution of narcotics or launder proceeds from illegal drug transactions, corruption is endemic at all levels of government. Members of the customs service take money to allow passengers and articles to pass through border posts without inspection. Police routinely accept bribes during traffic stops. Government salaries are inadequate; in the past, officials have gone without pay for months. Due to government budget shortfalls, corruption is likely to increase.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The U.S. Embassy in Bissau suspended operations in June 1998. In 2007, the U.S. government opened a small liaison office in Bissau. The U.S. Ambassador to Senegal is accredited to Guinea-Bissau and one U.S. officer assigned to the embassy in Dakar monitors events in Guinea-Bissau. Representatives from relevant U.S. agencies make infrequent visits to Guinea-Bissau to conduct needs assessments. A January 2010 memorandum of agreement between the United States and Guinea-Bissau allowed the United States to assign a Justice Sector Advisor to Guinea-Bissau on a full-time basis. Coup sanctions superseded the memorandum after the April 2012 coup, and U.S. assistance was suspended in May 2012.

### **D. Conclusion**

Guinea-Bissau is a significant narcotics trafficking hub and government officials at all levels are complicit in drug trafficking. The U.S. government suspended all assistance to Guinea Bissau after the April 2012 coup.

# Guyana

## A. Introduction

Guyana is a transit country for cocaine destined for the United States, Canada, the Caribbean, Europe, and West Africa. Cocaine originating in Colombia is smuggled to Venezuela and onward to Guyana by sea or air. Smugglers also transit land borders with Brazil, Venezuela, and Suriname. Cocaine is often concealed in legitimate commodities and smuggled via commercial maritime vessels, air transport, human couriers, or the postal services.

The influence of narcotics trafficking is evident in the political and criminal justice systems. The value of cocaine seized by Guyanese authorities in 2011 (the last year for which statistics are available) totaled \$42 million.

Traffickers are attracted by the country's poorly monitored ports, remote airstrips, intricate river networks, porous land borders, and weak security sector capacity.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The Government of Guyana has passed legislation to enable a more-effective response to the threat of drug trafficking. The Anti-Money Laundering and Countering the Financing of Terrorism Act of 2009, the Interception of Communications Bill, and the Criminal Procedure Bill were designed to enhance the investigative capabilities of law enforcement authorities and prosecutors to convict drug traffickers. To date, however, the government has sought no prosecutions under these laws. The United States supports the Government of Guyana's justice-sector modernization strategy by assisting with case backlog, law reform, and improvements of the operating system of the Director of Public Prosecutions, among other activities.

The Government of Guyana is drafting anti-gang legislation and developing an Integrated Crime Information System to monitor trends in crime through a network linking the Ministry of Home Affairs to the public hospitals, prisons, and police stations. Some police stations in remote areas, however, continue to lack reliable telecommunication service. The government is also drafting a new Drug Strategy Plan (2012-2016), and the government's Inter-Agency Task Force on Narcotics & Illicit Weapons is reviewing an inception report.

Guyana is party to the Inter-American Convention on Mutual Assistance in Criminal Matters, and the Inter-American Convention Against Corruption. The 1931 Extradition Treaty between the United States and the United Kingdom is applicable to the United States and Guyana. In 2008, Guyana acceded to, and has filed information requests under, the Inter-American Convention on Mutual Assistance in Criminal Matters, to which the United States is also a party. Guyana has bilateral counter-narcotics agreements with its neighbors and the United Kingdom. Guyana is also a member of the Organization of American States' Inter-American Drug Abuse Control Commission (OAS/CICAD). Guyana signed a maritime counternarcotics bilateral

agreement with the United States in 2001, but has yet to take the necessary domestic action to bring the agreement into effect.

## **2. Supply Reduction**

Guyana has a drug enforcement presence at its international airports, post offices, and, to a lesser extent, at port and land-border entry points. The four major agencies involved in anti-drug efforts are the Guyana Police Force (GPF), Guyana Customs and Revenue Authority (GRA), the Customs Anti-Narcotics Unit (CANU), and the Guyana Defense Force (GDF). The GDF supports law enforcement agencies with boats, aircraft and personnel, but has limited capacity and lacks law enforcement authority.

The Guyana Coast Guard (GCG), a GDF sub-component and partner in maritime interdiction, patrols Guyana's territorial waters and conducts humanitarian search and rescue. In September and October, through the Caribbean Basin Security Initiative (CBSI), Guyana's security forces received training in port security and container control from the UN Office on Drugs and Crime's Container Control Program (CCP). The government established a full-time, multi-agency CCP Port Control Unit at the John Fernandes Wharf, one of Guyana's most active ports.

Not all government agencies/units reported seizure and arrest statistics for 2012. The GPF Narcotics Branch reported seizing 8.6 kilograms (kg) of cocaine with 124 people charged, and 132 MT of cannabis with 540 arrests. The high volume of seized cannabis reflects the increasing trend of farm-grown marijuana for personal use and transshipment. In August, authorities discovered evidence of marijuana cultivation and processing, as well as boats for shipment on a two acre island in the Essequibo River. CANU also seized 92.2 kg of cocaine and 109.4 kg of cannabis. However, these totals do not reflect the full volume of seizures by all Guyanese agencies. The Guyana Revenue Authority's Drug Enforcement Unit made significant seizures through the Joint Port Control Unit, but did not provide information on quantities during this reporting period.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Guyana lacks a robust demand reduction strategy that adequately addresses drug rehabilitation. Marijuana is the most widely used drug in Guyana, followed by cocaine. The Guyana National Council for Drug Education, Rehabilitation and Treatment, within the Ministry of Health, is the single government body responsible for addressing demand reduction. Non-governmental organizations, such as the Salvation Army and the Phoenix Recovery Project, also offer rehabilitation services. The University of Guyana initiated a demand reduction curriculum through OAS/CICAD funding. As part of CBSI, the United States supports a Skills and Knowledge for Youth Employment project that provides vulnerable youth with alternatives to drug-related activities and provides skills for transitioning to the work force.

## **4. Corruption**

As a matter of policy, the Government of Guyana does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Guyana is a party to the Inter-American Convention against Corruption, but has not fully implemented provisions, such as the seizure of property obtained through corruption.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

CBSI forms the central nexus for the United States government's security and law enforcement relationship with Guyana, with its goals of reducing illicit trafficking, increasing public security, and promoting social justice. Efforts to increase law enforcement capabilities, strengthen workforce development, and promote anti-money laundering effectiveness directly address priority concerns for Guyana and the United States.

CBSI-funded programs support Guyana's maritime operations by providing interdiction assets, including riverine patrol boats that will be delivered in 2013 and relevant command and control systems, as well as associated logistical support and training. Initiatives also target law enforcement professionalization, forensics, and more effective narcotics investigations. In 2012, the United States provided port and maritime training to Guyana's Coast Guard, including in container inspection, port security and leadership development. By strengthening Guyana's counter-narcotics capabilities, the United States seeks to enhance interagency coordination and help gather better intelligence on drug trafficking routes. The U.S. Drug Enforcement Administration's Trinidad and Tobago office collaborates with the Government of Guyana on counternarcotics-related activities.

### **D. Conclusion**

The United States encourages the Government of Guyana to deepen mutual security and law enforcement cooperation. Guyana has shown strong interest in furthering collaboration under CBSI. The United States looks forward to tangible progress on investigations, prosecutions, extraditions, security sector and judicial capacity enhancement, the engagement of at-risk communities, and enforcement of laws against money laundering and financial crimes.

# Haiti

## A. Introduction

Haiti remains a transit point for cocaine from South America and marijuana from Jamaica for transshipment to the United States, Canada, Europe, and elsewhere in the Caribbean. Traffickers take advantage of Haiti's largely unguarded shores and skies on both the northern and southern coasts. Haiti is not a significant producer of illicit drugs for export, though cultivation of marijuana for local consumption does occur. Haiti's subsistence economy does not provide an environment for problematic levels of domestic drug consumption, though a recent rise in the use of crack cocaine in the Cite Soleil area of Port-au-Prince is cause for concern.

In 2012, increased political stability allowed the Haitian government to devote more attention to its security posture, including the central role of the Haitian National Police (HNP). The government maintained loose control over the principal land border crossing points with the Dominican Republic at Malpasse (in the south) and Ouanaminthe (in the north). In July, the government launched a new enforcement initiative at the four major border crossings with the Dominican Republic, including Ouanaminthe, Belladere, Malpasse, and Anse-a-Pitre. This initiative has resulted in increased vehicle inspections at the border, although the focus has been on customs revenue generation. The southern coastline remains virtually enforcement-free, with a long-awaited new operating base for the Haitian Coast Guard at Les Cayes unfinished. The President designated Haiti as a major drug trafficking country in 2012, largely as a result of this open channel northward into the Caribbean, and Haiti's still nascent counternarcotics capacity.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Efforts to increase the numerical strength of the HNP suffered a setback between June 2011 and April 2012, when police authorities delayed the start of a new cadet class at the national police academy. Only 244 candidates – less than a third of the previous class – participated when the new cadet class did begin training. On the joint recommendation of the United Nations and the HNP commission, the Minister of Justice also terminated the employment of 79 officers in September after the officers failed corruption vetting. The official strength of the HNP decreased during the year to approximately 10,000 officers.

The Supreme Council of the National Police (CSPN), led by Prime Minister Laurent Lamothe and including the Ministers of Justice and the Interior, the HNP Director General and Inspector General, was increasingly active over the course of the year. As part of the new leadership team, President Martelly named Godson Orelus, a 15-year HNP veteran, as the new Director General of the police force on August 15. In his first few months, Orelus took several steps that signaled a commitment to developing the institution, including fully staffing the top posts in the Inspector General's office for the first time in its 17-year history and naming an experienced officer -- and longtime U.S. interlocutor -- to head the fledgling judicial police. The CSPN also approved a new five-year development plan for the HNP on August 31 that aims to increase the strength of

the force to 15,000 officers by the end of 2016. Included in the plan is a provision to increase strength to 200 officers for the *Bureau de Lutte de Trafique en Stupéfiants* (BLTS), the HNP's dedicated counternarcotics unit.

The BLTS in 2012 grew from 42 to 138 officers. The BLTS operates from two bases in Port-au-Prince and from new posts in Ounaminthe and Cap Haitien and has plans to expand to further locations. The unit has a 10-dog canine component with drug, explosive, and currency detection capability.

The Haitian Coast Guard (HCG) has a total strength of 144 personnel and nine boats with operating bases in Cap Haitien in the north and the Killick area of Port-au-Prince. A third base at Les Cayes on the southern coast remains incomplete. As with the HNP generally, lack of material support and logistical management deficiencies hamper the HCG's operational capacity. Since its inception, the HCG has participated in counternarcotics interdiction operations with international partners, but has focused on its search and rescue/repatriation mission. In 2012, the United States coordinated with international donors to update the HCG Development Plan for the first time in nearly 15 years, with the goal of synchronizing donor efforts.

Haiti remains the only member of the Organization of American States not a party to the 1971 UN Convention on Psychotropic Substances. A U.S.-Haiti bilateral letter of agreement signed in October 1997 concerning Cooperation to Suppress Illicit Maritime Drug Traffic allows U.S. law enforcement agencies to enter Haitian territorial waters and airspace when in pursuit of suspect vessels or aircraft, to board and search suspect vessels, and to carry members of the Haitian Coast Guard as ship riders. Although there is no mutual legal assistance treaty between Haiti and the United States, the Haitian government has cooperated on many cases within the limits of Haitian law. The bilateral extradition treaty entered into force in 1905, and though the Haitian Constitution prohibits extradition of Haitian nationals, the Government of Haiti has willingly surrendered Haitians and other nationals under indictment in the United States to U.S. law enforcement agencies.

## **2. Supply Reduction**

HNP seizures over the course of 2012 increased over the previous year, but remain inadequate. In 2011, cocaine transshipped from South America through Haiti constituted roughly one percent of the total that reached the United States. In 2012, eight cocaine seizures totaled 337 kilograms (kg) with a single 302 kg shipment composing the bulk, and the largest single seizure in Haiti since 2007. BLTS also seized 300 kg of marijuana in five actions. Enforcement actions in 2012 yielded 92 arrests, \$95,647 in cash, 24 weapons, 12 seized properties valued at more than \$5 million, and seven vehicles. Haitian authorities transferred four of the arrestees to U.S. custody.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

There are no Haitian Government-sponsored drug demand reduction and treatment programs, and no non-government organizations provide such services. Low income throughout the country is a mitigating factor against widespread drug abuse.

#### **4. Corruption**

As a matter of policy, the Government of Haiti does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. President Martelly and Prime Minister Lamothe have expressed their desire to combat trafficking.

One area of promise is the installation of a full staff of six senior officers to the HNP Inspectorate General, the first time in HNP history that the office is fully staffed at upper leadership levels. A second area is Haiti's Unit for Combating Corruption (ULCC) which, under the leadership of Director General Antoine Atouriste, has bolstered the government's efforts to root out official corruption; the unit has 16 cases waiting to go to court and a further 15 cases in development. Nonetheless, resource shortages, a lack of expertise, and insufficient political will represent substantial obstacles to anti-corruption efforts.

The Haitian constitution grants blanket immunity from prosecution to members of Parliament. This immunity is a point of concern for U.S. assistance, including counternarcotics activities.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Despite the incremental gains in 2012 in the number of enforcement actions and the resultant seizures, the pace of HNP counternarcotics activity leaves room for improvement. In addition, the chronic backlog of pre-trial detainees in the Haitian judicial system leads to delays in prosecutions of cases the HNP does pursue.

The United States government provides assistance to support general development of the HNP and anti-drug trafficking efforts. The overall operational capacity and professionalism of the HNP are indispensable to counternarcotics activity in Haiti. The United States supports each police cadet class with food, training supplies, uniforms, and equipment. In addition, the United States cooperates with the New York City Police Department (NYPD) to deploy rotating six-member teams of NYPD officers to Haiti to serve as technical advisors to the HNP, including on counternarcotics. The United States also funds joint enforcement operations with the HNP, which have resulted in operations that include the seizure of drug trafficker property near Cabaret in August 2012. With U.S. government encouragement, hemispheric partner Colombia also provided canine training for BLTS in 2012.

Other U.S. support to the BLTS included additional uniforms, badges, search equipment, and computers.

The United States also provides maintenance and parts to support five vessels originally purchased for the Haitian Coast Guard by the Government of Canada. Additional funds will be used to refurbish and maintain two small vessels at the northern Coast Guard base in Cap-Haitien. Funds will eventually assist in outfitting the Canadian built Coast Guard base in Les Cayes to provide a badly-needed operating base for the Haitian Coast Guard on the south coast.

**D. Conclusion**

Despite progress, the tempo of drug enforcement actions in Haiti remains stubbornly low. The Haitian Government has made clear its commitment to strengthening the HNP, including the BLTS. The addition of BLTS bases in the north of the country is a sign that the HNP is beginning to expand beyond a Port-au-Prince-centric posture for policing the main corridors for trafficking in and out of the country. The Martelly administration and the government of Prime Minister Lamothe both have noted the importance of improving Haiti's border security. The United States is prepared to support Haiti's efforts to improve counternarcotics enforcement.

# Honduras

## A. Introduction

Honduras is a major transit country for cocaine, as well as some chemical precursors, and synthetic drugs. The United States estimated that more than 80 percent of the primary flow of the cocaine trafficked to the United States first transited through the Central American corridor in 2012. The United States also estimated that as much as 87 percent of all cocaine smuggling flights departing South America first land in Honduras. The Northern Atlantic coastal region of Honduras is a primary landing zone for drug-carrying flights. The region is vulnerable to narcotics trafficking due to its remoteness, limited infrastructure, lack of government presence, and weak law enforcement institutions. Transshipment from the North Atlantic coastal region is facilitated by subsequent flights north as well as maritime traffic and land movement on the Pan American Highway.

In addition to violent drug trafficking organizations, gangs such as Mara Salvatrucha (MS-13) and 18<sup>th</sup> Street contributed to violence and trafficking in Honduras. They did not appear to be a formal part of the transnational drug logistics chain, but generally participated in drug distribution in local communities. In addition, these gangs conducted other illicit activities such as extortion, kidnapping, and human trafficking. In October, the U.S. Treasury Department designated MS-13 as a transnational criminal organization.

Honduras suffered from violence and a high homicide rate in 2012. The UN Office on Drugs and Crime's (UNODC) ranked Honduras as the country with the highest murder rate in the world, with an official murder rate of 82 per 100,000 inhabitants in 2011.

In 2012, Honduran institutions worked to thwart violence and narcotics trafficking. Though institutional weaknesses and lack of resources limited the impact of interdiction operations, Honduras seized 22 metric tons (MT) of cocaine and \$21 million in drug-related cash and assets with U.S. assistance. Although the government did not dismantle any large drug networks in 2012, authorities arrested 77 people in connection with drug related activities.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In 2012, the United States and Honduras took several important steps to reduce violence and drug trafficking while building Honduran institutions.

The United States supported the Public Security Reform Commission, which is charged with reforming key laws, police, and justice sector institutions. The United States also assisted the Security Tax Trust, which distributes funds collected by the country's national security tax to priority citizen security initiatives.

To strengthen investigative institutions, the United States trained 816 Honduran police, prosecutors, and judges on topics including oral advocacy, financial investigation techniques, and crime scene protection. The United States also provided support to the National Police Investigative School, which graduated over 455 students from its Basic Criminal Investigation course.

Honduras implemented measures to improve its financial institutions. Through the Honduran Office for the Management of Seized and Forfeited Assets (OABI), funds are approved for distribution to units involved in the fight against organized crime and the money sent to Honduran agencies is invested to combat against organized crime.

Honduras has counternarcotics agreements with the United States, Belize, Colombia, Jamaica, Mexico, Venezuela, and Spain. A United States-Honduras maritime counternarcotics agreement and a bilateral extradition treaty remain in force, and in 2012 the Honduran Congress amended the Constitution to allow extradition of Honduran nationals for narcotics trafficking, organized crime and terrorism offenses. Honduras signed the Caribbean Regional Maritime Counter Drug Agreement, but did not ratify it. A Declaration of Principles between the United States and Honduras for the Container Security Initiative covers the inspection of maritime cargo destined for the United States.

## **2. Supply Reduction**

The Government of Honduras actively engaged in narcotics interdiction operations in 2012 and worked to strengthen institutions responsible for preparing criminal cases, bringing them before a judge, and remanding convicted criminals to prison facilities. The Honduran Navy attended the U.S.-sponsored Multilateral Maritime Counterdrug Summit in March 2012, joining participants from 12 Central and South American Countries to consider improved strategies and cooperation against drug trafficking organizations.

From mid-April until early July, Honduras and the United States conducted Operation Anvil, a joint aerial interdiction operation. Prior to Operation Anvil, drug trafficking organizations operated in northern Honduras largely uncontested. Over the course of Operation Anvil, officials seized approximately 2.25 MT of cocaine, valued at between \$45 and \$63 million, and disrupted traffickers' free access to Honduran territory. The Government of Honduras arrested seven drug traffickers.

Honduras also improved its border and land interdiction capabilities. For example, on June 23, the Honduran National Police (HNP) executed search warrants on 10 vehicles located within a warehouse in San Pedro Sula. The police seized \$450,000 and 32 kilograms (kg) of cocaine hidden in false compartments. On September 12, the Honduran Frontier Police searched a tractor-trailer near Las Manos border with Nicaragua and seized \$349,960 in bulk cash.

Although Honduras is not a major production center for drugs, on August 28, Honduran law enforcement officials discovered a cocaine-processing lab located in a ranch in the Department of Atlantida. Honduran officials seized the ranch, 20 kg of cocaine, cocaine paste and other chemicals used for processing of cocaine. This was the second lab discovered in Central

America since March 2011. Honduras also has modest marijuana production for domestic consumption. In November, the Honduran authorities dismantled a criminal network possibly involved in manufacturing synthetic drugs. Press reports indicate that this network was linked to Mexico's Sinaloa Cartel. As part of this operation, Honduran authorities seized millions of dollars in assets along, with over 12 tons of precursor chemicals used to produce methamphetamine.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

According to a 2011 United Nations Development Program survey, 66 percent of Hondurans identified drug consumption as the primary security problem at the neighborhood level. Alcohol and inhalants remained the most common abused substances, followed by marijuana and cocaine. According to the government-affiliated Honduran Institute for the Prevention of Alcoholism and Drug Addiction and Dependency, drug use is on the rise. A growing percentage of Hondurans between the ages of 15 and 19 have tried illegal drugs, especially cocaine. UNODC reported that 0.9 percent of the Honduran population aged 15-64 have used cocaine.

To increase drug education, 2,500 students participated in the Gang Resistance Education and Training (GREAT) program, a school-based curricula used widely in the United States. The United States also provided training to 121 Honduran National Police in several specialized courses, including Community Policing Basic Principles; Advanced Community Policing; Intelligence-Led Policing; and Gang Resistance and Education and Anti-Extortion.

### **4. Corruption**

The Government of Honduras does not, as a matter of policy, encourage or facilitate illicit production and distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. However, Honduras continued to struggle with public sector corruption in 2012.

To address the need for immediate results while minimizing corruption, Honduras increased the capacity of their special vetted units and task forces. In general, these units are composed of polygraphed and/or background checked Honduran police and prosecutors. These units normally receive U.S.-supported training and have U.S. or international advisors assigned to the unit. The units typically have a small number of Honduran officers and focus on major crimes. Various U.S. law enforcement agencies provide close support to Honduran police units focusing on counternarcotics, tactical response, customs and borders, and anti-gang enforcement.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

In 2012, the United States continued to assist Honduras in improving the capacity of its law enforcement and justice sector institutions necessary for improving counternarcotics cooperation and safeguarding citizen security, including through the Central America Regional Security Initiative. The United States focuses its efforts on building partnerships between governments, civil society, the private sector, and the international community.

The United States and Honduras signed a memorandum of understanding (MOU) on September 13, 2012, to focus joint efforts on citizen security. The MOU identifies five priority lines of action: prevention and interdiction of narcotics entering Honduras; building investigative and prosecutorial capacity; implementing crime prevention programs and restorative justice; improving personnel integrity and internal affairs; and combating financial crimes. The MOU calls for cooperative efforts to implement a joint operational plan to assist Honduras with improving citizen security while respecting the rule of law and human rights.

The United States seeks to counter gangs and drug traffickers through a mix of policy initiatives. In addition to our law enforcement and justice sector efforts, we support municipal crime prevention efforts and community services for youth at risk. For example, U.S. assistance supports 29 outreach centers that provide a safe place to learn, study, and participate in recreational activities for at-risk youth. More than 500 local volunteers mentor 11,000 youth and children at these centers. The United States also supports Municipal Committees for Education in at least 120 high-risk municipalities to strengthen the communities' capacity to influence education quality. The U.S. government supports the Security Ministry's Safer Municipalities Initiative and supports four Violence Observatories in high-crime areas to improve efficiency in crime reporting.

#### **D. Conclusion**

Honduras remains exposed to the threat of well-armed, well-funded transnational criminal organizations. Honduras made tough decisions to enhance the security of its citizenry, including standing up the Department of Investigation and Evaluation of Career Police, establishing a Reform Commission to provide the government with recommendations on improving police and the justice sector, and updating Honduras' extradition legislation. The United States encourages Honduras to continue institutional reform and investment in building effective security and justice institutions.

## Hong Kong Special Administrative Region

The Hong Kong Special Administrative Region is neither a major narcotics production center nor a significant illicit drug transshipment point. However, Hong Kong remains an attractive irregular transit point for drugs and for coordinating drug trafficking elsewhere due to its status as a highly efficient financial and transportation hub. The Hong Kong government remains a committed counter-narcotics partner, as evidenced by statements by senior officials, strict legislation, vigorous law enforcement efforts, and a robust prevention and treatment program.

Effective law enforcement capacity and the existence of alternative, and less scrutinized, air and sea ports in the region limits Hong Kong's attractiveness as a major transshipment point. However, in July 2012, Hong Kong authorities seized a record 649 kilogram cocaine load from a shipping container originating from Ecuador. Additionally in 2012, authorities arrested numerous drug couriers originating from South America. While these successes demonstrate Hong Kong's enforcement capacity, they also point to a rising demand for drugs, particularly cocaine, in Hong Kong and the region.

The Narcotics Bureau of the Hong Kong Police Force and the Drug Investigation Bureau of the Hong Kong Customs and Excise Department are the principal law enforcement agencies charged with suppressing drug trafficking and regulating trade in precursor chemicals. These agencies collaborate closely with U.S. law enforcement personnel. The U.S. Drug Enforcement Administration specifically works closely with these agencies to combat emerging cocaine networks with links to South America, money laundering activity tied to drug trafficking, and diversion of precursor chemicals worldwide.

In 2012, the Hong Kong government launched the Sixth Three-year Plan on Drug Treatment and Rehabilitation Services for the period 2012-2014. It also continued its support for the "Beat Drugs Fund," a government initiative established in 1996 with a \$4.5 million capital base raised to \$390 million in 2010 to fund anti-drug community outreach, education, and treatment projects proposed by the public. Dissemination of anti-drug messages by the Hong Kong Security Bureau's Narcotics Division is augmented through the Jockey Club Charities Trust-funded Drug Information Centre, via electronic media, posters and other printed materials.

Hong Kong routinely extradites individuals to the United States and affords mutual legal assistance to the United States in narcotics cases and other matters.

# India

## A. Introduction

India's geographic location makes it an attractive transshipment area for heroin bound for Europe, Africa, Southeast Asia, and North America. In addition, India is authorized by the international community to produce licit opium for pharmaceutical uses. Licit opium is grown in the states of Madhya Pradesh, Rajasthan, and Uttar Pradesh. India is also a major producer of precursor chemicals, including acetic anhydride (AA), ephedrine, and pseudoephedrine.

India is a main source of ketamine, a veterinary anesthesia. Ketamine is not under international control, though some 50 countries have listed it as a controlled substance. The number of significant ketamine seizures at major airports, in sea containers and in parcels continues to increase. India also manufactures organic and synthetic licit opiate/psychotropic pharmaceuticals (LOPPS). Destined for licit sales in markets around the world, these pharmaceutical items and precursor chemicals are vulnerable to diversion, including through illegally operating internet pharmacies. Licit and illicit manufactured opiate/psychotropic pharmaceuticals are often diverted in small quantities to the United States as illegal "personal use" shipments. There is also evidence that opium is grown illicitly in India, especially in the northeastern regions. India also continues to be a main source of illicit synthetic drugs, including amphetamine-type stimulants and methaqualone.

Despite these challenges, India is committed to enhancing its law enforcement capacity through increased training for its national enforcement officers, and is vigorously exploiting opportunities for international cooperation in an effort to improve the effectiveness of both its demand and supply control efforts.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

India's stringent Narcotic Drugs and Psychotropic Substances Act (NDPSA) was last amended in October 2001 and is designed to fulfill India's treaty obligations under the 1988 United Nations Drug Convention. An amendment to India's NDPSA was introduced to Parliament in September, but has not been passed.

The Central Bureau of Narcotics (CBN) has a mandate to monitor India's licit opium production and prevent diversion. The Narcotics Control Bureau (NCB) is the national drug control agency, established to prevent and combat the abuse of narcotic drugs and psychotropic substances. While the Government of India continues to tighten licit opium diversion controls and increase training of national enforcement officers, the capacity of India's drug law enforcement personnel to collect and analyze intelligence data and to initiate and conduct complex investigations of criminal drug trafficking and other organized crimes remains limited by insufficient training and modern equipment. In addition, India's challenging terrain in the northeast and its lack of infrastructure provide exploitable opportunities for illegal cultivation and production.

Licit opium poppy cultivation in India is a labor-intensive and geographically dispersed industry, with inherent control challenges. Both the CBN and the Narcotics Control Bureau (NCB) stress the strictness of the Indian licensing and control system. India is the only country that uses the incising method to produce raw opium rather than poppy straw concentrate, which is less prone to diversion. The CBN organizes and supervises the licit cultivation of opium poppy, deciding on the quantity of opium it intends to purchase and makes a careful estimate of the expected yield per hectare. After the harvest, the CBN collects opium gum from farmers and operates two processing centers (in Neemuch, Madhya Pradesh and Ghazipur, Uttar Pradesh) where the opium is purified, dried, weighed and packaged for export or partially refined to supply to Indian pharmaceutical companies.

The possibility for diversion exists if licensed and harvested fields yield more opium than the Minimum Qualifying Yield (MQY) set by the CBN and the unreported excess is sold into the illicit market. Cultivators may also falsely claim their licensed fields are not harvestable and then sell their harvests illicitly. While farmers who submit opium above the MQY are paid a premium by the government, sales made on the illicit market often have a much higher profit margin.

India makes a serious effort to control precursor chemicals produced in its large chemical industry. India actively participates in precursor control programs such as Project Cohesion and Project Prism. India issues pre-export notifications for export of precursors using an online system developed by the International Narcotics Control Board (INCB), and has an elaborate licensing regime to control dual use (licit/illicit) pharmaceutical products.

## **2. Supply Reduction**

Smuggling of heroin into India from Afghanistan and Pakistan continued to increase in 2012. Drug-trafficking organizations in India use human couriers and commercial package services to send illicit drugs overseas, both to Europe and the Americas. India continues to be targeted by traffickers as a primary source for ephedrine and pseudoephedrine. Despite government control efforts, India has been identified in some law enforcement cases as a source of such precursors destined for illicit methamphetamine labs in Mexico.

The INCB reports pseudoephedrine from India is formed into tablets in Bangladesh and then sent to countries in Central America and the Caribbean. To circumvent existing diversion control measures, drug trafficking organizations have also begun smuggling uncontrolled pharmaceutical preparations containing those chemicals, instead of the highly controlled basic precursors. There have also been increasing numbers of ketamine seizures, a substance not under international control.

The Government of India estimated in 2009 that half of India's heroin consumption and all of the country's opium consumption (70 metric tons, or MT) was met by domestic supply; the government noted that to produce these amounts of heroin and opium in 2009, India would have needed to have a minimum of 7,500 hectares (ha) of illegal opium cultivation. Informed observers of the Indian scene downplay the role of diversion of opium from licit production to

the illicit domestic market. The UN Office of Drugs and Crime (UNODC) 2011 report, “The Global Afghan Opium Trade: A Threat Assessment,” states the estimated quantity of licitly produced opium diverted from licit to illicit use is limited. Information provided by the Government of India to UNODC suggests that some 15 MT of heroin – or 3 percent of global supply – are illicitly produced in India. Thus, illicit production in India seems to be the main domestic source of illicit opiates, not diversion from licit production.

The NCB uses satellite imagery and intelligence gathering to track illicit poppy cultivation. The resolution of satellite images is improving, but remains difficult to interpret. The NCB relies on officers to reach the site and provide visual verification, but has only approximately 700 officers to monitor the entire country. Illicit cultivation shifts each year to new districts, and recent media reports indicate that Naxals – insurgent groups that have been fighting with the Indian Government since 1967 – are protecting illicit cultivation in exchange for protection money from traffickers and cultivators. In 2010, the last year for which information is available, the largest tracts of illicit cultivation were found in West Bengal, which shares a porous border of 2,429 miles with Bangladesh, and Arunachal Pradesh which shares a porous 273-mile border with Burma. Media reports allege a comprehensive network of corruption, with bribes paid to rural police stations and panchayats (local governance bodies) for fields under their jurisdiction, that facilitates the illicit cultivation and harvest.

In 2011, the last year for which seizures data is available, Indian authorities seized 438 kg of heroin, down from 550 kg in 2010. Seizures of hashish (2.37 MT) and marijuana (86.4 MT) were also down from 2010 totals (2.99 MT and 144.5 MT, respectively). Raw opium seizures increased, however (1.67 MT from 1.28 MT), and ephedrine seizures remained stable (2.08 MT from 2.1MT).

The Ministry of Home Affairs has not provided updated information on NCB eradication efforts since the release of its 2010-2011 report. Information from 2011 noted the NCB coordinated the activities of various Indian Border Security Forces to destroy 3,396 ha of illicit poppy cultivation in Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Manipur, Arunachal Pradesh, Bihar, Jharkhand, Orissa, and West Bengal. NCB also separately detected and destroyed an additional 308 ha. The most recent available INCB information reports law enforcement eradicated 4,883 ha of illicitly cultivated cannabis plants in 2009, about three times more than in 2008. It should be noted that the amount of drugs destroyed does not accurately reflect the amount of drugs seized in the same time period. India’s legal system is overburdened and understaffed, with tens of millions of court cases pending at any given time.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

India has not conducted a national household survey on substance abuse since 2000-2001; more recent information on the national prevalence of drug abuse is not available. Pilot work on a national survey of drug abuse began in early 2010. Information from the National Drug Dependence Treatment Centre at the All India Institute of Medical Sciences indicates drug abuse in India is on the rise.

The Ministry of Social Justice and Empowerment (MSJE) has a three-pronged strategy for demand reduction, including drug abuse awareness building and education, counseling and treatment programs, and training volunteers to work in the field of demand reduction. India has a National Consultative Committee on De-addiction (i.e., detoxification) and Rehabilitation, which provides training, research and documentation for use in drug abuse prevention. The MSJE continues to work on a national policy on prevention of substance abuse, which will include: more awareness training in medical colleges and schools; periodic surveys on drug abuse; increased monitoring of pharmacists; drug demand reduction as a public health policy; a shift in treatment from detoxification and rehabilitation to longer-term substitution therapy; and more sensitive treatment of patients in de-addiction centers. Treatment and rehabilitation services from drug abuse are mainly provided by non-governmental organizations, which operate 376 treatment and rehabilitation centers and 68 counseling and awareness-raising centers. The Government of India also runs 100 treatment centers at its hospitals and Primary Health Centers for those who need long-term rehabilitation.

#### **4. Corruption**

Neither the Government of India nor any senior government official as a matter of policy encourages or facilitates drug trafficking. Since 1964, India has had an independent statutory body, the Central Vigilance Commission (CVC), which issues guidelines and conducts inquiries to address government corruption. The CVC reports to the President of India through the parliament.

However, corruption is pervasive across police forces at all levels of government, with officers rarely being held accountable for illegal actions. This undermines the effectiveness of even the most elaborate control regimes for dangerous drugs.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Law enforcement agencies in India continue their extensive cooperation with the U.S. Drug Enforcement Administration (DEA). India has conducted a number of joint operations against illicit internet pharmacies with DEA, and many significant conspiracies were detected and dismantled in recent years.

#### **D. Conclusion**

India remains vigilant against the threat of transnational narcotics trade. However, lack of full acknowledgement of the extent of the domestic drug problem limits the ability to effectively address it. The Government of India continues to tighten licit opium diversion controls. However, India's drug law enforcement personnel have limited capacity to collect and analyze intelligence data and to initiate and conduct complex investigations of criminal drug trafficking and other sophisticated/organized crimes. The lack of infrastructure and challenging terrain in the northeast provides exploitable opportunities for illegal cultivation and production. Continued training and the acquisition of modern equipment will help build domestic capacity to counter narcotic cultivation and chemical diversion while increasing India's ability to investigate and effectively prosecute offenders.

India makes a serious effort to control precursor chemicals produced in its large chemical industry. India actively participates in precursor control arrangements such as Project Cohesion and Project Prism. India issues pre-export notifications for export of precursors using an online system developed by the International Narcotics Control Board, and has an elaborate licensing regime to control dual use (licit/illicit) pharmaceutical products. India is in compliance with international control requirements for these products. Given high demand for precursor chemicals and the need to safe guard licit pharmaceutical production India is likely to continue to face chemical control challenges for the foreseeable future.

# Indonesia

## A. Introduction

Indonesia remains both a transit and destination for illicit narcotics. Indonesia is one of the world's largest consumers of marijuana, methamphetamine, and heroin. Cannabis is the most widely used drug in Indonesia, followed by methamphetamine. The majority of methamphetamine entering Indonesia originates in Iran, while the majority of heroin originates in the "Golden Crescent" region of Southwest Asia. African, Chinese, and Iranian drug trafficking organizations continue to be a significant concern for Indonesian law enforcement.

Indonesia engaged in significant efforts in 2012 to address cannabis production in the Aceh region of Northern Sumatra and recently began a mapping program. Progress has been made in strengthening the capacity of Indonesia's counter narcotics agency (BNN) to gather intelligence and interdict drugs at airports, sea ports, and land borders. Nevertheless, Indonesia faces significant challenges due to porous borders and significant corruption.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

BNN's effectiveness increased in 2012 due to an expansion of its organizational and technical capabilities. Based on significant new powers provided by the 2009 National Narcotics Law and the substantial budget that followed, BNN has put in place stronger policies and procedures, collaborated successfully with other ministries, and formed drug control agreements with other countries. BNN increased staffing from 2,832 in 2011 to 3,350 in 2012.

BNN's budget fell slightly in 2012, but remained robust compared to 2010, despite significant budget cuts that impacted many government agencies. BNN established four new field offices, one new rehabilitation unit, and 24 of the 68 outstations planned for completion in 2012. Indonesia continues to increase efforts to coordinate with stakeholder countries and with the United States, which has provided technical assistance, equipment, training, and information sharing support. Adding to bilateral agreements already in place, a drug control information sharing agreement with the Peoples Republic of China was signed in 2012. Also, BNN signed a memorandum of understanding with the Indonesian National Police in October, which involves coordination to facilitate Presidential Instruction No. 12 of 2011 to achieve a drug free zone in Indonesia by 2015.

There is currently no mutual legal assistance or extradition treaty between Indonesia and the United States.

### 2. Supply Reduction

BNN improved its investigative and technical capabilities in 2012, areas where U.S. assistance has been particularly helpful. In May, Indonesian law enforcement officials seized 1.4 million

ecstasy tablets at the port in Jakarta and arrested 12 individuals, one of Indonesia's most significant interdictions to date. Other supply reduction efforts during the year include: placement of additional interdiction personnel at airports, seaports, and land borders; an increase in the number of field offices and outstations throughout the country; apprehension of members of approximately 20 drug syndicates; and the formation of a joint regulation with the Ministry of Transportation on the prevention and combating of trafficking and narcotics abuse.

In 2012, drug trafficking operations by West African and Chinese drug trafficking organizations increased, while Iranian activity decreased. The trafficking of methamphetamine remained relatively constant, while there was an increase in heroin and ecstasy trafficking. While the overall volume of cannabis under cultivation in Indonesia has been on a downward trend for the past few years, significant production remains in Aceh. BNN destroyed many hectares of cannabis during the past year and has begun a cannabis mapping program in Aceh aimed at identifying remote production areas.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

In May, BNN published the results of its National Survey of Narcotics Abuse. The survey indicated an increased number of narcotics users in Indonesia, with an estimated 3.7 to 4.7 million users in 2011. Research indicated that 70 percent of users were workers; students made up 22 percent of users. The typical user was a male between the ages of 20 and 29. The most widely used narcotics were cannabis (64 percent), methamphetamine (38 percent), and ecstasy (18 percent). Cannabis use declined from 71 percent to 64 percent, which was attributed to the reluctance of drug dealers to distribute cannabis due to the small profit margin and relatively high risk of being caught.

The 2009 National Narcotics Law enabled BNN to hire qualified medical staff to advise on drug treatment and prevention programs; establish BNN-run rehabilitation units, which are comprised of community-based units and outreach centers throughout the country; engage in outreach campaigns highlighting the dangers of drug addiction; and work with the Ministry of Education to raise awareness among youth. In 2012, BNN's drug treatment facility cooperated with several hospitals to leverage medical and professional counseling resources. BNN collaborated with a group of non-governmental organizations in an effort to reduce demand by raising awareness, synchronizing programming to avoid overlap. BNN also sent personnel to run Therapeutic Communities (TC) at two prisons and engaged in TC socialization for officers in sixteen separate detention and correctional facilities.

### **4. Corruption**

As a matter of public policy, Indonesia does not encourage or facilitate illegal activity related to drug trafficking, and no senior government officials are known to be engaged in such activity. However, corruption at all levels of government and society is pervasive, and this poses a significant threat to the country's counternarcotics strategy. Indonesia has made some progress in combating official corruption, primarily through a growing body of laws and the efforts of its Corruption Eradication Commission. This remains a work in progress, however. Lower level Indonesian officials in particular remain susceptible to corruption, due partly to low wages.

Even when narcotics offenders receive stringent prison sentences, corruption within the prison sector facilitates the ongoing use, distribution, and trafficking of illicit substances.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

BNN co-hosted the 2012 International Drug Enforcement Conference (IDEC) in Bali, the first Asian country to host the event. IDEC is the world's largest international drug enforcement meeting. Law enforcement officials from more than 50 participating countries and more than 20 observer countries were represented at the conference.

The U.S. Drug Enforcement Administration (DEA) opened the Jakarta Country Office in 2011, which included a Country Attaché and Deputy Attaché. The United States has provided wide-ranging support that includes training, technical assistance, equipment, and infrastructure. In 2012, the United States funded the construction of administrative offices, classrooms, and barracks for training counter narcotics officers as well as infrastructure support for the establishment of a command center at BNN's headquarters. The U.S. Department of Defense, Joint Interagency Task Force West and DEA also collaborated on a Cannabis Eradication Course in North Sumatra in 2012. The United States also provided maritime law enforcement training and technical assistance to Indonesian maritime authorities.

### **D. Conclusion**

The Government of Indonesia's commitment to strong drug-control institutions is evidenced by its continuing efforts to implement the 2009 National Narcotics Law. BNN's administrative capability, budgetary resources, and collaboration with other ministries are positive indicators. Indonesia's focus on improving information systems, especially the linking of its headquarters in Jakarta with outstations throughout the country, is noteworthy. BNN's continued expansion and the placement of interdiction personnel at airports, seaports, and land borders are expected to increase interdictions. While BNN and the Ministry of Law and Human Rights established a joint regulation in 2011 to prevent and combat trafficking and narcotics abuse in detention and correctional facilities, efforts to combat drug-related corruption, particularly in prisons, remains an area for improvement.

## Iran

Iran remains a significant transit and consumer country for opiates and hashish originating in Afghanistan, as well as a growing source of methamphetamine for both domestic and international markets. According to Iran's own statistics provided to the UN Office on Drugs and Crime (UNODC), the country led the world in opium seizures in 2011, the last year for which statistics are available. In 2012, media reports indicate that Iran's Law Enforcement Police seized approximately 430 tons of illicit drugs between March 2011 and March 2012 (the Iranian calendar year), with approximately 70 percent of these seizures occurring along the country's 1,147-mile eastern border with Afghanistan and Pakistan. Opium and heroin seizures appear to be remaining stable or declining, while seizures of methamphetamine appear to be increasing dramatically (over 11-fold between 2008 and 2011).

Iran devotes considerable resources to confronting the illegal drug trade, approximately \$1 billion annually according to official government estimates. Iranian enforcement strategies rely heavily on border interdiction, and include the construction of moats, barriers and watchtowers along the country's eastern borders. Some reporting indicates that these border deterrents have caused trafficking networks to shift increasingly to maritime routes, including the Sea of Oman and the Persian Gulf. Iranian-based methamphetamine trafficking networks have become leading suppliers to markets within the country and across the Middle East and the Asia Pacific region. Drug-related corruption appears to be a significant problem, though there is no evidence that senior level officials condone drug trafficking.

Addiction rates within Iran are among the highest in the world. The Iranian government officially cites 1.2 million registered addicts and 800,000 casual users; other informed estimates are higher. Iran's demand reduction and treatment programs are among the most visible and comprehensive in the region. Addicts are treated as patients and treatment services include several hundred detoxification centers and methadone substitution clinics. According to Iran's Ministry of Health, Treatment and Medical Education, intravenous drug use has accounted for the transmission of approximately 70 percent of HIV cases in the country since 1986.

UNODC has maintained a country office in Iran since 1999, and provides a range of technical assistance activities intended to enhance border interdiction, demand reduction, and greater law enforcement cooperation with neighboring states. Donor states in Europe and Japan have pledged approximately \$13 million to support UNODC activities between 2011 and 2015. The United States has no bilateral engagement with Iran on drug control issues, but encourages regional cooperation between Iran and its neighbors, such as cooperation facilitated by UNODC.

# Iraq

## A. Introduction

Iraq is a transit country for illegal drugs destined for international markets. While domestic drug abuse largely involves licit pharmaceuticals, overall demand for illegal drugs is increasing. Government of Iraq efforts to address trafficking and drug consumption are limited and secondary to its focus on internal security and public order.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The Government of Iraq generally maintains that the country does not have a significant drug abuse or internal trafficking problem. However, some elements of the government increasingly acknowledge expanded activity in both areas. The Ministry of Interior's (MOI) Port of Entry Directorate and Directorate of Border Enforcement and the Ministry of Finance's (MOF) General Directorate of Customs share responsibility for deterring and interdicting contraband across Iraq's borders. The MOF Civil Customs Officers and MOI Customs Police search vehicles crossing into Iraq. However, this focus on seizing drug shipments at the borders has rarely been accompanied by further investigation into the sources of the narcotics or by arrests and prosecutions of top leaders of drug trafficking enterprises. The Iraqi Federal Police do not devote significant resources to drug cases.

Iraq's drug laws are in need of reform, as the vast majority of laws date from the 1960s and do not reflect advances in law enforcement or treatment. Personal use can carry sentences from three- to 15-years incarceration and trafficking can draw a life sentence or the death penalty. Convicted drug users can request treatment in lieu of incarceration, but treatment capacities would be grossly inadequate if this option were routinely implemented. Extradition between the United States and Iraq is governed in principle by the 1934 U.S.-Iraq Extradition Treaty. There is no mutual legal assistance treaty in force between the United States and Iraq, though mutual legal assistance is provided on a reciprocal basis through letters of request.

### 2. Supply Reduction

Iraq's relatively porous post-conflict borders are poor deterrents to increasing volumes of narcotics trafficking. Methamphetamine and hashish from Iran and fenethylamine pills (an amphetamine-type stimulant, or ATS) from Syria are trafficked into Iraq for transshipment to other Middle Eastern countries and for domestic consumption. Heroin and opium originating in Afghanistan are trafficked into the country via Iran, and then onward to international markets through neighboring countries, especially Syria and Turkey.

Iraq does not have interdiction programs specifically targeting drugs. Rather, interdiction efforts are included in routine border control duties. Traffickers have adapted more sophisticated concealment methods in response to more frequent searches of vehicles by border authorities.

The government first seized fenethylamine pills in 2009, and seizures have increased substantially each year since. At the beginning of 2012, Iraqi border authorities seized several shipments of heroin exceeding 50 kilograms before they could enter Syria. Law enforcement officials in Basrah contend that the city has become a central entry point and a major distribution center for drugs in Iraq. Border authorities are seeing an increase in drug seizures, and have some concern terrorists could be turning to increasingly lucrative narcotics trafficking as a revenue stream.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Abuse of illegal narcotics is growing in Iraq, and two forms of ATS – fenethylamine pills and methamphetamine – have emerged as new favorites. Iraqis also abuse more traditional opiate products and hashish. Abuse of pharmaceuticals, most of which are available over-the-counter at Iraqi pharmacies, is a significant problem. Substances like trihexyphenidyl (also known as benzhexol), diazepam, clonazepam, and tramadol (an opioid analgesic) have a large and growing user base. In one recent three-month period, more than one million injections of tramadol were provided over-the-counter by Iraqi pharmacies.

The Ministry of Health attributes substance abuse to low employment, poor living conditions, and violence. Drug abuse prevention efforts in Iraq are still in their infancy. The stigma surrounding drug use is substantial, which deters those with substance abuse problems from seeking treatment. Mosques and churches throughout Iraq attempt to prevent drug abuse by talking about the consequences and the importance of making healthy lifestyle choices. The Ministry of Health has announced plans to establish treatment units in hospitals and outpatient facilities throughout Iraq, as well as training programs for paramedical professionals, physicians, psychologists, and psychiatrists. The Ministry of Health has plans to develop proposed best practices for the safe storage of drugs (i.e., at pharmacies), and promotes prevention through youth-oriented media campaigns and brochures for various age groups.

### **4. Corruption**

As a matter of government policy, Iraq does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. The growing volume of domestic and international drug trafficking raises the potential for increased corruption. A September 2012 drug seizure by Iraqi border officials at the Safwan Port of Departure in Southern Iraq ultimately led to the arrest of a government employee working at the port of entry. While this shows some drug-related corruption exists, it also demonstrates the commitment of other law enforcement officials who investigated and ultimately arrested that employee for his alleged involvement in the drug smuggling.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Pursuant to the 2008 U.S.-Iraq Strategic Framework Agreement, the United States continues to fund counternarcotics assistance programs. U.S. Immigration and Customs Enforcement and Customs and Border Protection officers work with the Iraqi Directorate of Border Enforcement to improve border control. In 2012, CBP officers trained passport police officers on techniques

for detecting suspicious behavior, narcotics identification, and luggage examination. Iraqi Civil Customs and Customs Police repeatedly request further counternarcotics training. At the request of the Iraqi Federal Police, U.S. advisors provided drug identification materials to assist police at checkpoints with identifying bulk shipments.

The United States also funds the Iraq Drug Demand Reduction initiative. Working with the Iraqi Ministry of Health, that initiative led to development of a national substance abuse training, research, and treatment center in Baghdad to integrate substance abuse intervention and treatment services into the Iraqi primary health care system. This initiative also helped form the Iraq Community Epidemiology Working Group, which produced the first comprehensive profile on the nature and extent of drug abuse in Iraq. This report was submitted to the Iraqi Council of Ministers in May, and details a dramatic increase in the use of licit pharmaceuticals and illegal drugs.

#### **D. Conclusion**

Iraq's law enforcement agencies are gaining technical expertise in drug interdiction, but Iraq's political leadership has not yet acknowledged the country's growing role as a transit and consumer country for illegal drugs. Iraq needs to provide adequate resources to counter drug trafficking and reduce domestic demand. The Iraqi government should also modernize outdated drug control laws to improve law enforcement, drug abuse prevention, and treatment. The United States will continue to work with the Government of Iraq to confront these challenges.

## Israel

Israel is not a major narcotics producing or trafficking country, but has a significant domestic market for illegal drugs. The Israel Anti-Drug Authority, which falls under the auspices of the Prime Minister's Office, but under administrative control of the Ministry of Public Security, states that demand for conventional drugs (cocaine, heroin, methamphetamine, etc.) remained steady in 2012. Use of cannabis and synthetic cannabinoids, however, is on the rise. The Anti-Drug Authority regularly adds new synthetic drugs to Israel's Dangerous Drugs Ordinance, which provides the legislative basis for drug definition, penalties, and related enforcement authorities.

Law enforcement continues to link drug offenses to a number of other crimes, including human trafficking, illegal labor, and money laundering. The U.S. Drug Enforcement Administration (DEA) has seen an increase in drug-related money laundering cases involving Israelis working in both the United States and Israel. The majority of drugs enter Israel via its borders with Jordan, Lebanon, and Egypt, as well as by sea shipment and through the mail.

Excellent bilateral cooperation on illicit drug enforcement and interdiction continues between U.S. and Israeli authorities, with efforts shared between the DEA country office in Cyprus and the Department of Homeland Security's Immigration and Customs Enforcement office (DHS/ICE) in Tel Aviv. Recent joint U.S. and Israeli actions have included joint investigation of drug couriers on flights from South America into Ben Gurion airport, investigations of trafficking of mephedrone from Israel to the United States, and the May 2012 conviction of a prominent Israeli drug trafficker and organized crime leader in Los Angeles. DHS/ICE cooperated with the Israel Tax Authority and Israel National Police to investigate counterfeit pharmaceutical distribution operations based in Israel, which led to guilty pleas for two Israelis in a U.S. district court in April 2012. DEA Cyprus continues to work closely with the Israeli Ministry of Health's Pharmaceutical Crimes Unit on a wide range of issues pertaining to drug identification as well as the identification of new trends in drug production. Multiple bilateral projects, training programs, and joint investigations are currently in various planning stages.

## Italy

Italy remains a significant European transit and consumer point for illegal drugs. Southwest Asian heroin arrives from transit routes in the Middle East and the Balkans, while cocaine enters Italy directly from South America or through the Iberian Peninsula en route to the rest of Europe. In addition to heroin and cocaine, synthetic drugs, hashish, and marijuana are also illicit drugs of domestic concern. Almost all cocaine found in Italy originates from Colombia and is managed in Italy by criminal organizations based in Calabria and Campania. Drug trafficking organizations in the Americas use Italy as a transit and consolidation point for the repatriation of drug proceeds via bulk currency shipments back to Colombia and Mexico and for wire transfers throughout the world.

In 2011 (the most recent year for which information is available), Italian authorities seized 6.35 metric tons (MT) of cocaine; 811 kilograms (kg) of heroin; 20.3 MT of hashish; 10.9 MT of marijuana; and 16,573 doses of synthetic drugs. The largest drug seizures during this period were: 1.02 MT of cocaine in Livorno; 131 kg of heroin in Verona; 2.63 MT of hashish in Rome; 754 kg of marijuana in Bari; and 10,000 tablets of ecstasy in Como. Also during this period, 39,796 individuals were arrested in Italy on drug-related charges.

In 2011, the Italian Carabinieri (national military police), with cooperation from the U.S. Drug Enforcement Administration (DEA), concluded a three year multilateral investigation of a drug trafficking cell of the 'Ndrangheta transnational criminal organization. Two of Italy's most-wanted fugitives were apprehended as well as 61 other defendants in New York and Italy, with additional arrests in Holland, Spain, and elsewhere in the United States. Approximately 850 kg of cocaine, numerous firearms, and nearly \$20,700,000 in assets were seized. In another important case also involving DEA cooperation, the Italian Guardia di Finanza (GdF) and Carabinieri dismantled a significant 'Ndrangheta group in Catanzaro, Calabria, seizing approximately 56 kg of cocaine, more than \$98,275,269 in assets, and arresting 77 individuals.

The United States and Italy enjoy outstanding counternarcotics cooperation, sharing intelligence and coordinating joint criminal investigations on a daily basis. Italy's law enforcement community promotes investigative cooperation and intelligence-sharing initiatives with the United States and other international counterparts.

# Jamaica

## A. Introduction

Jamaica remains the largest Caribbean supplier of marijuana to the United States. Although cocaine and synthetic drugs are not produced locally, Jamaica is a transit point for drugs trafficked from South America to North America and other international markets. In 2012, drug production and trafficking were both enabled and accompanied by organized crime, domestic and international gang activity, and police and government corruption. The gun trade for illicit drugs exacerbated the problem as handguns moved into the country in exchange for drugs.

Drugs flow into, through and from Jamaica by maritime conveyance and human couriers, and to a limited degree by private aircraft. Most drugs leaving Jamaica are bound for the United States and Canada. However, some amounts of marijuana and cocaine are smuggled from Jamaica into the United Kingdom, Belgium, Germany and the Netherlands. Countries in South and Central America are also destinations of Jamaican marijuana, which is transported in vessels and sometimes exchanged for cocaine. Marijuana is increasingly being trafficked to Caribbean nations as well, and some Central American drug trafficking organizations exchange Jamaican marijuana for cocaine. Recent information suggests that Jamaica is emerging as a transit point for cocaine transiting Central America and destined for the United States.

Factors that contribute to drug trafficking include the country's convenient position as a waypoint for narcotics being trafficked from Latin America; its lengthy, rugged and difficult-to-patrol coastline; a high volume of tourist travel; its status as a major transshipment hub for containerized cargo; inadequate educational and employment opportunities for at-risk youth who engage in crime; and a struggling economy that encourages marijuana cultivation.

The government and law enforcement authorities are committed to combating narcotics and illicit trafficking. However, despite competent leadership and political will, their efforts were only moderately effective in 2012 because of a lack of sufficient resources, corruption, and an inefficient criminal justice system.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Cooperation against narcotics and related transnational crime remained strong over the course of the year between the Governments of Jamaica and the United States. The United States' primary partners are the Jamaica Constabulary Force (police), the Jamaica Defence Force (military), Jamaica Customs, and the Ministry of Finance's Financial Investigation Division.

The Jamaican government and the United States have a mutual legal assistance treaty that assists in evidence sharing. Both governments have a reciprocal agreement for the sharing of forfeited criminal assets and a bilateral law enforcement agreement that governs cooperation in the interdiction of the maritime flow of illegal drugs.

The extradition treaty between the United States and Jamaica was actively and successfully used by both countries in 2012.

Realizing that gangs, drugs, and corruption begin at the community level, the police implemented community-based policing (CBP) efforts with U.S. support. The CBP program spread from three pilot communities in 2008 to 360 communities in 2011. Of Jamaica's 11,200 police officers, 9,000 have received training in CBP practices. Civilian acceptance of CBP was facilitated through programs such as a safe schools program and youth civic engagement.

The Commissioner of Police, with support from the Minister of National Security, took a strong public stance against police corruption and continued to make steady progress toward reform of the institution, which has suffered from decades of endemic corruption.

Progress in combating narcotics, illicit trafficking and corruption was also hobbled by an underfunded, overburdened and sluggish criminal justice system with limited effectiveness in obtaining criminal convictions. The conviction rate for murder was five percent, and the courts continue to be plagued with a culture of trial postponements and delay. This lack of efficacy contributes to impunity for many of the worst criminal offenders and gangs, an abnormally high rate of violent crimes, lack of cooperation by witnesses and jurors, frustration among police officers and the public, a significant social cost and drain on the economy, and a disincentive for international investment.

## **2. Supply Reduction**

An estimated 15,000 hectares (ha) of marijuana is grown in all 14 parishes of Jamaica, generally in areas inaccessible to vehicular traffic on small plots in mountainous areas and along the tributaries of the Black River in Saint Elizabeth parish. The police and military, supported by the United States, employed teams of civilian cutters to cut growing plants, seize seedlings and cured marijuana, and burn them in the field. Because Jamaican law prohibits the use of herbicides, only manual eradication was conducted in 2012.

Eradication of marijuana increased from 2011: 710.51 ha of cannabis were eradicated; 2,483,710 seedlings destroyed and 785.33 kg of seeds destroyed in 2012 compared to 707 ha, 1,900,630 seedlings and 480 kg of seeds in 2011.

Jamaica prohibits the manufacture, sale, transport, and possession of ecstasy and methamphetamine, and regulates the precursor chemicals used to produce them. Jamaica does not produce precursor chemicals or other chemical substances and, relies on countries exporting goods to conform to international standards governing export verification. The importation and sale of pharmaceutical products and chemical substances are regulated and reinforced with fines or imprisonment. Other controls monitor the usage of pharmaceutical products and chemical substances including register controls, inspections, and audits. In 2012, there was an increased movement of quantities of precursor chemicals through Jamaica to Central America. The precursors were concealed in shipping containers that passed through the Port of Kingston, and

included methylamine hydrochloride and monomethylamine, both of which are utilized in the manufacture of methamphetamine.

Smugglers continued to use maritime shipping containers, ships, small boats, aircraft and couriers to move drugs into, from and through Jamaica to the United States. In 2012, authorities seized 66.8 metric tons (MT) of cannabis, 42.2 kg of hash oil and 2.99 kg of hashish, compared to 47.7 MT of cannabis, 170 kg of hash oil and nine kg of hashish in 2011. Seizures of cocaine decreased to 338.28 kg in 2012 from 552 kg in 2011, and crack cocaine increased slightly to 1.37 kg in 2012 from 1.3 kg in 2011.

High-profile organized crime gangs continued to successfully operate within Jamaica. Gangs are sometimes afforded community tolerance or protection and, in some cases, support through police corruption. Nevertheless, drug-related arrests decreased to 17,481 in 2012, compared to 20,216 in 2011.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Marijuana was used by nine percent of the population in 2012, making it the most-abused illicit drug among Jamaicans, while cocaine abuse remained less than 0.1 percent of the population over the last 10 years.

The Ministry of Health's National Council on Drug Abuse (NCDA), working through the primary care system and mental health clinics, provides assessment, counseling and treatment services for substance abusers. With funding from the Jamaican government's National Health Fund, NCDA also supported 18 community medical clinics across the island in 2012, primarily through faith-based institutions, that provided drug-related primary treatment services with referrals, counseling and trauma services.

The Jamaican government operates one detoxification center located at the University Hospital of the West Indies (UHWI) in Kingston, and offers services for dual diagnosis clients through UHWI and Kingston's Bellevue Hospital (a mental health institution). In collaboration with the Organization of American States Inter-American Drug Abuse Control Commission, Jamaica offers a university-level certificate program for drug professionals in drug addiction and drug prevention. The UN Office on Drugs and Crime works directly with the Jamaican government and non-governmental organizations on demand reduction.

The Ministry of Health (MOH) regulates precursor pharmaceuticals, including the importation of pseudoephedrine, both in powder and final product forms. The NCDA, the Pharmacy Council, and the MOH work to expand awareness among health professionals on the potential danger of pseudoephedrine and ephedrine when they are diverted to produce methamphetamine.

### **4. Corruption**

As a matter of policy, the Jamaican government does not encourage or facilitate illegal activity associated with drug trafficking; nor are any senior Jamaican officials known to engage in such activity. The law penalizes official corruption; however, corruption remains entrenched,

widespread, and compounded by a judicial system that is poorly equipped to handle complex criminal prosecutions in a timely manner.

In 2012, an improved anti-corruption stance within the police, Jamaica Customs, Tax Administration, and the Office of the Contractor General showed encouraging signs. Additionally, the U.S.-supported National Integrity Action helped focus increased public and government attention on the need for continued anti-corruption reforms.

The police Anti-Corruption Branch (ACB) showed success in identifying and removing officers engaged in corrupt and unethical behavior. Since the ACB's reorganization with international support in 2007, 454 police personnel have resigned or been dismissed for corruption or ethical violations, with 51 of those removed in 2012. Another 43 officers faced criminal corruption charges during the year. Police success was due partly to mechanisms that allowed it to dismiss corrupt or unethical officers when evidence was insufficient to justify criminal prosecution. For example, the police required high level officers to sign employment contracts that improved accountability and facilitate speedy dismissal for corrupt or unethical behavior. Vetting and a polygraph examination were also required for promotions into key positions. The ACB expanded its physical presence in 2012 by opening a branch office in Montego Bay, funded by the United States.

Proposed legislation to create an anti-corruption special prosecutor has been pending before parliament since 2008. Efforts by legislators from both political parties have stalled the proposal. The Minister of Justice, appointed by the government elected in January, worked to organize legislative support and move the bill, but no action occurred during the year. There has been no legislative action to create a National Anti-Corruption Agency, which is required by the Inter-American Convention against Corruption to which Jamaica is a signatory.

### **C. National Goals, Bilateral Cooperation and U.S. Policy Initiatives**

Supporting Jamaica's transformation into a more secure, democratic, and prosperous partner is a major U.S. policy goal. Narcotics trafficking, corruption, and related crime undermine the rule of law, democratic governance, economic growth, and the quality of life for all Jamaicans. Success in combating crime depends on a comprehensive approach that recognizes the link between drugs, gangs, organized crime, poverty, unemployment, lack of educational opportunities, and government corruption.

U.S. support to Jamaica includes training, equipment and logistical assistance for marijuana eradication and narcotics interdiction operations, and strengthening border security at air and sea ports. The United States provides training in maritime law enforcement, port security, and professional development for the Jamaican Defence Force Coast Guard. In addition, the United States supports the development of police capacity to interrupt gang operations, investigate financial and cyber crimes, seize criminal assets, and reduce violent crimes. The United States also funds projects to improve the effectiveness of the courts, of vetted police units that target narcotics and lottery scams, of crime scene investigators and forensic analysts, and of prosecutors involved in prosecuting narcotics, corruption and financial crimes. Indirect support for counternarcotics efforts is furnished through projects to develop effective community-police

relations, improve police training facilities, enhance police anti-corruption efforts, and implement education and workforce development programs targeting at-risk youth who are susceptible to narcotics and gang influence. The primary source of U.S. funding in support of law enforcement and justice reform is through the Caribbean Basin Security Initiative.

#### **D. Conclusion**

Through strong leadership, democratic institutions, and support from the United States and other international partners, Jamaica continued to make slow but steady progress in combating narcotics trafficking, corruption and organized crime in 2012.

There were success stories in the police anti-corruption program, the police forensic laboratory, the community-based policing initiative, and the vetted police units attacking narcotics and lottery scams. There were also successes within the offices of the Independent Commission of Investigations, the Financial Investigation Division and the Contractor General, which struggled with limited resources to reduce civilian deaths resulting from police actions, financial crime, and corruption in government contracting, respectively.

The momentum of progress gained within Jamaica's law enforcement agencies, however, is being obstructed by the inability of prosecutors and the courts to secure prompt convictions. The United States will continue to support efforts to reform and strengthen the judicial system.

## Japan

Drug control in Japan is primarily a problem of domestic drug consumption. Illicit narcotics generally do not transit Japan, nor are they generally manufactured in Japan for markets abroad. In 2012, over 80 percent of all drug arrests in Japan involved methamphetamine or amphetamine-type stimulants, the most widely-abused illegal drugs. Marijuana also continues to be popular and accounted for 12 percent of drug cases.

Japan is one of the largest and most lucrative markets in Asia for methamphetamine. The U.S. Drug Enforcement Administration notes a marked increase of methamphetamine originating from Mexico and the emergence of potential cooperation between Japanese organized crime and Mexican and other transnational criminal organizations. There is growing evidence that liquid methamphetamine is entering the country for conversion and refinement, though laboratories have not yet been discovered. There were several mail parcel seizures of liquid methamphetamine at Kansai International Airport in 2012, and also corroborated evidence of multiple successful imported shipments that evaded seizure.

Between January and June 2012, Japanese law enforcement agencies seized 146.8 kilograms (kg) of methamphetamine; 51.6 kg of marijuana; 1.9 kg of cocaine; 1 kg of heroin and 662 dosage units of MDMA (ecstasy).

While law enforcement officers in Japan are well trained and skilled at conducting reactive investigations, proactive law enforcement efforts are at times hindered by the limited investigative techniques authorized under Japanese law.

A few Japanese law enforcement agencies made notable achievements combating drug trafficking in 2012. Japan Customs has been effective in identifying inbound drug shipments and made numerous significant seizures at international airports. Japanese authorities have recently coordinated enforcement operations on several investigations resulting in large methamphetamine seizures. The Japan Coast Guard (JCG) embedded an officer aboard a U.S. Coast Guard vessel for several weeks as an observer during a drug interdiction patrol. This officer also attended the Joint-Interagency Task Force-South as an observer. This level of coordination and cooperation is an emerging positive trend.

There were no reported cases of Japanese officials being involved in drug-related corruption in Japan in 2012. The government does not encourage or facilitate the illicit production or distribution of drugs, or the laundering of illicit proceeds.

## Jordan

Jordan is a transit country for opiates, cannabis, and synthetic drugs destined for markets in the Gulf states and Israel. There is no evidence that illicit drugs are produced within Jordan, and the country's domestic market for illegal drugs appears to be insignificant.

The Jordan Anti-Narcotics Department (JAND), which falls under the authority of the Public Security Directorate, is the country's primary counternarcotics enforcement agency. JAND officials maintain that internal drug distribution within Jordan is insignificant, and estimate that 85 percent of drugs entering the country are bound for further international markets. Heroin of Afghan origin enters Jordan from Syria on its way to markets in Israel. Cannabis originating from either Afghanistan or Lebanon enters the country from Lebanon, Syria and Iraq. Fenethylline (an amphetamine-type stimulant) enters from Syria for transshipment to Gulf states.

According to JAND, the number of people involved in drug cases fell by almost four percent between 2011 and 2012. In 2012, 4,713 people were arrested for drug possession and 732 were arrested for drug dealing. The majority of those arrested for drug-related crimes are foreign nationals.

As a result of more effective border interdiction operations, improved intelligence gathering, and stronger cooperation between Jordan and neighboring countries, the amount of opium and methamphetamine seized by JAND increased in 2012 from 2011. However, seizures decreased for hashish, marijuana, fenethylline, heroin, and cocaine. The majority of Jordan's drug seizures take place along the country's northern border with Syria. Airport seizures were rare in 2012; improved screening capabilities at Jordan's airports also appear to have deterred traffickers from attempting to smuggle drugs by air.

Cooperation between Jordan and neighboring countries has been critical to the success of Jordanian law enforcement operations. Jordan is one of the only countries in its region to have excellent working relations with all of its neighbors on counternarcotics, including Israel, as well as the United States. In 2012, Jordan and Israel conducted a large joint exercise targeting drug smuggling, and Jordan also partnered with Lebanon to conduct a controlled delivery exercise. JAND and the Public Security Directorate work closely with U.S. Immigration and Customs Enforcement, the Regional Security Office in U.S. Embassy Amman, and the U.S. Drug Enforcement Administration. In 2012, JAND officials took part in a Regional Targeting Conference to coordinate common action against top drug trafficking threats in the region and a seminar, organized by U.S. authorities, on the use of technical equipment to enhance and expand drug investigations.

# Kazakhstan

## A. Introduction

Kazakhstan lies along the major drug trafficking route from Afghanistan to Russia and is primarily a transit country for Afghan heroin and opiates. The UN Office on Drugs and Crime estimates that less than one percent of the 70 to 75 tons of heroin trafficked through Kazakhstan annually is interdicted. Cannabis grows wild in parts of southern Kazakhstan, and the production and trafficking of cannabis-related narcotics appear to be increasing.

The overall volume of drug-related crimes and seizures declined over the first nine months of 2012 compared to the same period in 2011. However, there was a major increase of such crimes in the western part of the country, as traffickers increasingly used routes through Western Kazakhstan via Uzbekistan in response to strengthened enforcement on the Kyrgyz border.

The reduced number of recorded drug crimes and seizures may have been due to reduced enforcement pressure. In April, President Nazarbayev ordered competency testing of officers from most law enforcement agencies (excluding the Border Guard Service) in an exercise known as the "Law Enforcement Attestation Process." This exercise diverted the attention of many officers from their regular duties and led to the dismissal or transfer of thousands of officers.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

On April 12, the Government of Kazakhstan adopted the Program on Combating Drug Addiction and Drug Business for 2012-2016 with a total budget of \$41 million. The Program supplements traditional counternarcotics enforcement efforts through promoting demand reduction efforts, treatment and rehabilitation of drug addicts, and strengthening border control measures. The Border Guard Service is equipping the southern border with enhanced infrastructure to interdict smugglers, and construction began on 10 new border posts: four in Zhambyl oblast, four in Almaty oblast, and two in the South Kazakhstan oblast.

Kazakhstan hosts the Almaty-based Central Asia Regional Information and Coordination Center (CARICC), which in 2012 granted observer status to China, Romania, and Ukraine. Azerbaijan, Russia and the five Central Asian countries are full members.

Kazakhstan cooperates with a number of countries on a bilateral basis, and also participates in counternarcotics activities as part of the Shanghai Cooperation Organization and the Collective Security Treaty Organization (CSTO). Kazakhstan's special divisions, internal troops and police participated in the anti-drug drill "Grom-2012" (Thunder-2012), a joint exercise for CSTO member countries. On April 11, the CSTO's Coordination Council of Counternarcotics Agencies' Activities established a working group for interagency cooperation in drug demand reduction and agreed to discuss a draft Protocol on Interaction between CSTO and CARICC.

In July 2012, Kazakhstan's Prosecutor General's Office (PGO) proposed a bilateral agreement with the United States on mutual legal assistance. In September 2012, the United States signed its tenth amended letter of agreement with the Ministry of Interior (MVD). The U.S. Drug Enforcement Administration (DEA) is also negotiating a memorandum of understanding with the MVD on counternarcotics cooperation.

## **2. Supply Reduction**

According to PGOs' Legal Statistics Committee, during the first nine months of 2012, law enforcement agencies in Kazakhstan seized approximately 27 metric tons (MT) of drugs (compared to 32.8 MT in the same period in 2011). These seizures included: 208.1 kilograms (kg) of heroin (265 kg in 2011); 26.3 MT of marijuana (26.4 MT in 2011); 183 kg of opium (9.6 kg in 2011); and 181 kg of hashish (314.5 kg in 2011). The number of registered drug-related crimes decreased from 3,561 to 3,098, including 1,830 drug sales and 176 contraband cases. 2012 revisions to the criminal code converted certain drug-related offenses from criminal to administrative violations.

The Ministry of Interior reportedly dismantled nine organized drug trafficking groups in 2012. From June 1 to October 31, Kazakhstani law enforcement agencies conducted the annual Operation "Kendir" (Poppy) to interdict and eradicate marijuana growing wild in the Chu Valley.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

In 2012 registered drug addicts in Kazakhstan decreased 13 percent to 41,614, although unofficial estimates put the total as much as four times higher. Among those officially registered, 3,232 were women (down 14 percent), and 2,202 adolescents (down 17 percent). The most widely consumed drugs are from the opioid group (heroin and opium), with 21,325 users; followed by cannabinoids (hashish, marijuana) with 10,126 users; and psychotropic substances, with 4,533 users.

State agencies have implemented a number of activities aimed at reducing demand, including the State Program for Development of Healthcare (2011-2015) and "Healthy Lifestyles" (2008-2016). The MVD Counternarcotics Committee coordinates these activities with other agencies.

The Ministry of Education and Science and the Ministry of Interior began implementation of the Drug Abuse Resistance Education (DARE) program with United States assistance in 2011. A pilot program was introduced in May 2012 in several Astana schools, and the Ministry of Interior is working to include the DARE program in the 2013 education plan.

The Ministry of Health is responsible for diagnosis, treatment and rehabilitation of individuals addicted to drugs and psychotropic substances, and operates drug demand reduction programs. The Ministry promotes improved treatment and rehabilitation of drug addicts, including development of new standards for narcological assistance, protocols of treatment, rehabilitation of imprisoned drug addicts, and tertiary prevention (harm reduction) programs. In October 2012, the Ministry of Health issued a decree on the expansion of methadone therapy in Kazakhstan to cover HIV-infected opium and heroin users in seven cities. Also, the National Center for Applied Research on Drug Addiction in Kazakhstan implements the Treatment Training

Package, the central goal of which is to increase knowledge among health care workers, educators, and prison staff about drug abuse and treatment. The Ministry of Education and Science works to counter the spread of drug addiction and associated HIV/AIDS and provides rehabilitation programs for children, minors and youth in the educational system. The Ministry of Communications and Information organizes media campaigns to discourage drug consumption.

The MVD Counternarcotics Committee (CN Committee) and its field divisions work with representatives of non-governmental organizations and youth associations to prevent drug addiction among children and youth as part of the Program on Combating Drug Addiction and Drug Trafficking. Its website ([www.narcopost.kz](http://www.narcopost.kz)) provides updates on demand reduction activities, and success stories in the battle against drug trafficking. The Commission on Coordinating Demand Reduction Activities and Combat Against Drug Trafficking, established in 2003, monitors the work of all relevant agencies and provides recommendations for further activity. The MVD also publishes the magazines *Narcopost* and *Future without Drugs*.

#### **4. Corruption**

As a matter of government policy, the Government of Kazakhstan does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. A major stated goal of the Law Enforcement Attestation process was to reduce police corruption. Kazakhstan law enforcement agencies do not report corruption statistics, though press reports occasionally disclose corruption or illegal activity by police officers, including drug possession. In August, the Government of Kazakhstan approved incentives to encourage citizens to report cases of police corruption. Rewards may range from \$300 to \$750 for information. In April, special interagency groups began monitoring crossing points along the China-Kazakhstan border in an effort to eliminate corruption and increase the flow of cargo.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States provides assistance to develop counternarcotics capacity in Kazakhstan. In 2012, the United States organized six interagency workshops for counternarcotics officers on drug-related and money laundering investigations, all taught by DEA's Central Asia Regional Training Team. The United States also continued its program to train dogs to search for drugs – with participants from all of Kazakhstan's law enforcement agencies – while OMC provided funding to develop canine facilities.

#### **D. Conclusion**

The drug situation in Kazakhstan remains relatively stable, though there is concern that the 2014 transition to Afghan lead and withdrawal of coalition forces will worsen the drug trafficking problem. While Kazakhstan's governmental agencies still need to strengthen their capacity to combat drug trafficking and promote demand reduction, the government clearly recognizes the public health and national security threats posed by drug trafficking and addiction. While law enforcement agencies remain constrained by a segregation of responsibilities, they have shown

increased willingness to cooperate with each other to investigate drug crimes and money laundering offenses.

## Kosovo

Kosovo remains a transit country for drugs destined for Europe, but is not a significant narcotics producer. Kosovo coordinates its multi-agency inter-ministerial efforts to combat narcotics trafficking through the National Coordinator for Anti-Drug Strategy. The Kosovo Police Narcotics Trafficking Investigation Directorate is primarily tasked with implementing Kosovo's National Anti-Drug Strategy and Action Plan and is responsible for narcotics-related investigations, seizures, and arrests. The directorate reported a significant increase in staffing and technical support in 2012, attributing its improved counternarcotics performance during the year to this factor.

Over the first nine months of 2012, marijuana constituted the bulk of seizures (1,091.4 kilograms, or kg), followed by heroin (51.5 kg) and cocaine (7.2 kg), a significant increase from 2011. Police also seized cannabis seeds and plants, as well as 153 ecstasy tablets. Factors adversely impacting Kosovo's efforts to combat narcotics trafficking include its geographic location, lack of control over northern municipalities, poor economy, and an ineffective border management system.

There are no comprehensive assessments of drug use in Kosovo. Based on available information, the vast majority of offenders are men ages 18-35, and marijuana is their drug of choice. The Ministries of Health and Education conduct drug education programs; community police officers educate students about risks of drug use, and non-governmental organizations such as Labyrinth assist with anti-drug education and drug treatment.

Estimating the extent to which corruption influences drug trafficking in Kosovo is difficult. While laws prohibit narcotics-related corruption, allegations persist that narcotics move across Kosovo's borders by truck, bus, and private vehicle, sometimes aided by customs officers who accept bribes.

Kosovo adopted its first counternarcotics strategy in 2009 and is drafting a successor strategy. Because Kosovo is not yet a United Nations member state, it is party to relatively few international conventions and protocols or bilateral agreements relating to counternarcotics. Kosovo cooperates and exchanges information with neighbors through informal bilateral and multilateral meetings. U.S. law enforcement agencies continue to coordinate and share information with Kosovar authorities to develop investigations. Kosovo also cooperates with the United States on counternarcotics issues and receives technical assistance and training from U.S. assistance programs.

# Kyrgyzstan

## A. Introduction

Kyrgyzstan is a major transit country for illicit drugs, primarily heroin, from Afghanistan to Europe and Russia. The country's geographical location, limited resources, weak law enforcement institutions, and politicized judiciary leave it vulnerable to exploitation by transnational drug trafficking networks. Illicit drugs often arrive in Kyrgyzstan via dangerous mountainous passes bordering Tajikistan. In 2012, the UN Office on Drugs and Crime (UNODC) estimated that 75 to 80 metric tons (MT) of heroin and 18 to 20 MT of opium were trafficked through Tajikistan. According to local government statistics, upwards of 20 metric tons of illegal narcotics move through Kyrgyzstan each year. Kyrgyzstan is also beginning to experience a rise in local consumption of drugs, especially heroin and cannabis. There were no significant changes in domestic law enforcement and judiciary capabilities in 2012. Endemic corruption at all levels of government and society hinders efforts to successfully combat narcotics trafficking, money laundering, and other crimes.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

When he assumed office in 2011, President Almazbek Atambayev announced his intent to increase the effectiveness and capacity of all agencies devoted to counternarcotics efforts, especially the State Drug Control Service (SDCS). Although this goal remains in place, the SDCS has struggled to find competent leadership and increase its effectiveness. Between July and September of 2012, four chairmen were named to lead the SDCS in quick succession. The current incumbent, Alymbay Sultanov, previously served as Chairman of the Kyrgyz Drug Control Agency, a predecessor agency to the SDCS. There has been a slight uptick in drug seizures since Sultanov's appointment, although net seizures remain low.

### 2. Supply Reduction

Kyrgyzstan partners with United States to train and equip law enforcement bodies including the State Drug Control Service (SDCS). The U.S. Drug Enforcement Administration (DEA) opened its first field office in Kyrgyzstan in 2012. DEA worked closely with local law enforcement to conduct international narcotics investigations and to evaluate emerging trends. DEA also partnered with other offices in the region to coordinate and establish strong working relationships. In addition, Kyrgyzstan is also a member of Central Asian Regional Integration and Coordination Centre (CARICC), which promotes regional coordination and cooperation among participating states to stop drug trafficking.

In the first nine months of 2012, the Ministry of Interior (MVD) reportedly initiated 1,352 of the 1,530 current total drug cases in the Kyrgyz Republic. According to official government of Kyrgyzstan statistics, law enforcement bodies seized between three to seven MT of narcotics in

2011. These statistics are questionable, however, as the technology and techniques used to identify and weigh narcotics are rudimentary.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The Government of Kyrgyzstan seeks to reduce domestic demand for illicit drugs through working with international partners such as UNODC and Community Anti-Drug Coalitions of America (CADCA). Programs administered by these international organizations focus on both improving the capacity of law enforcement and educating youth. According to UNODC, Kyrgyzstan has rising rates of both intravenous drug use and HIV. This trend is most evident in the south where drugs are heavily trafficked and where prostitution and poverty loom large. Local experts believe that there are between 20,000 and 50,000 drug users in Kyrgyzstan. Several treatment, detoxification, and methadone clinics exist in Kyrgyzstan but they are often poorly staffed and equipped. Methadone clinics came under fire in early 2011 after the release of the film, "The Trap," which presented a negative view of methadone treatment. Several parliamentarians called for the closure of methadone clinics at the time of the film's release, but none have been closed to date.

### **4. Corruption**

As a matter of government policy, the Government of Kyrgyzstan does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. However, corruption, judicial inefficiency, and organized crime remain ongoing problems for the Government of Kyrgyzstan. The government failed to implement effective civil service, tax, and law enforcement reforms which would reduce corruption. Widespread public perception is that government workers pay for their positions in order to gain direct access to bribes and the lucrative narcotics trade. A prime example of such abuse would be within the Ministry of Internal Affairs. It is not uncommon for traffic police to stop local drivers and demand bribes in exchange for making purported infractions disappear. Many high-ranking government officials are also suspected of supporting and profiting from narcotics trafficking. Several towns in the south are major distribution and trafficking hubs that appear to be controlled by local leaders and mayors' offices.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The Government of Kyrgyzstan recognizes the challenges posed by drug trafficking but has not generated a unified, government-wide approach to reduce supply or demand. Kyrgyzstan is developing an integrated national strategy, which it expects to release in early 2013. The United States supports the development of the national strategy through joint consultations facilitated by the UNODC in Bishkek.

The U.S. Department of the Treasury designated Kyrgyz national Kamyrbek Kolbayev as part of the Brothers' Circle Transnational Organized Crime group on February 23, 2012. Kolbayev had previously been designated under the Foreign Narcotics Kingpin Designation Act on June 1, 2011. Kolbayev was in custody in Kyrgyzstan as of December 31, 2012. The Treasury

Department designated Zakhary Kalashov, Almanbet Anapiyaev, and Adilet Kasenov all also associated with the Brothers' Circle on December 20, 2012. Kasenov, a Kyrgyz national, is in custody in Kyrgyzstan as of December 31, 2012. These designations were made pursuant to Executive Order (E.O.) 13581, which targets entities or individuals determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be significant transnational criminal organizations or to have links to such organizations.

The United States' policy objectives in Kyrgyzstan are to enhance the existing capacity of law enforcement agencies, help the Government of Kyrgyzstan expand its ability to investigate and prosecute criminal cases, and to improve overall security in the country. In 2012, the United States provided an estimated \$3 million in counternarcotics support to Kyrgyzstan by means of training and technical assistance. In particular, U.S. assistance helped to facilitate the professionalization of the police by promoting information sharing with their counterparts in neighboring countries such as Tajikistan and Kazakhstan. The U.S. supported a multi-year communication program to improve the interdiction capacities of border troops. In addition, DEA established a satellite office inside the SDCS headquarters and provided training programs and operational support to increase the size and scope of drug investigations. SDCS and DEA cooperate under a memorandum of understanding signed in 2011 that allows for the sharing of drug intelligence and promotes closer cooperation on international investigations. The United States also provided technical assistance such as radios and funded the building of border outposts in remote areas of Kyrgyzstan.

#### **D. Conclusion**

The Government of Kyrgyzstan faces many challenges in effectively enforcing the drug laws of the Kyrgyz Republic and to eradicate narcotics trafficking and drug abuse within its borders. Over the course of 2013, the United States will continue to support the development of capacity building of law enforcement agencies and legislation which supports counternarcotics efforts. The United States will also encourage better coordination among the various law enforcement agencies that play a role in counternarcotics.

# Laos

## A. Introduction

The Lao People's Democratic Republic is a major transit country for opium, heroin and amphetamine-type stimulants (ATS) and is a major producer of opium. Laos sits at the heart of the regional drug trade in mainland Southeast Asia, sharing remote and poorly-controlled borders with Burma, Thailand, Cambodia, Vietnam, and China. Economic development and the improvement of Laos' road, bridge and communications networks have created opportunities for the illicit drug trade to grow.

The Lao government recognizes the threat posed by illegal narcotics production and trafficking and has taken some actions to address it, especially in the areas of demand reduction and alternative development. However, the Lao government possesses little ability to act independently of international donor support, since a high percentage of the government's budget comes from donor aid. Lao law enforcement suffers from a lack of training and resources to combat internal drug crime. Additionally, Lao law enforcement must monitor 3,000 miles of mountainous and Mekong River border regions used by drug traffickers to smuggle contraband into and out of the country.

From 1998 to 2007, opium cultivation decreased by 95 percent due to aggressive government action and international cooperation. Since then, however, cultivation has rebounded, rising from 1,500 hectares (ha) in 2007 to 6,800 ha in 2012, as estimated by the UN Office on Drugs and Crime (UNODC). Although reporting does not indicate that ATS tablets are being produced in Laos, drug seizures indicate that they are moving through Laos in increasing quantities.

Intravenous drug use is a contributing factor to HIV transmission. A recent estimate puts the number of intravenous drug users (IDUs) in the country at 1,500.

In April 2012, Lao police arrested Naw Kham, a major Burmese trafficker and source of violence in the Golden Triangle region. Quickly sent to China, Kham and five accomplices were convicted in October of having attacked a Chinese commercial vessel on the Mekong River and killing 13 of its crew members.

## B. Drug Control Accomplishment, Policies, and Trends

### 1. Institutional Development

The National Drug Control Master Plan, 2009-2013, written with international assistance, remains the guiding document for the Lao government's drug control strategy. The Comprehensive National Drug Control Strategy for the Lao National Commission for Drug Control and Supervision (LCDC) includes nine elements covering:

- Trend analysis and risk assessment
- Alternative development and poverty reduction

- Drug demand reduction and HIV/AIDS prevention
- Civic awareness and community mobilization
- Law enforcement
- Criminal justice and the rule of law
- Chemical precursor control and forensics capacity
- International and national cooperation
- Institutional capacity-building

This national strategy calls for a budget of \$72 million for the LCDC over the course of the plan, largely funded by international donors and UNODC. As of November 2012, \$15 million had been funded.

Since 1998, the United States has provided Laos with \$33.7 million in narcotics-related assistance. Cooperation through crop substitution programs helped to significantly reduce opium cultivation from 27,000 ha in 1998 to 1,500 ha in 2007. Since 2007, however, cultivation has been slowly increasing.

The LCDC is responsible for managing efforts to combat the trafficking and abuse of illegal drugs via demand reduction, crop control, and law enforcement. The top policy-making body for counternarcotics is the National Steering Committee to Combat Drugs (NSCCD), chaired by the Prime Minister. The head of LCDC and the Minister of Public Security (MOPS) are co-chairs. The NSCCD helps integrate the domestic law-enforcement activities of MOPS with the broader coordinating functions of LCDC.

Lao drug police are organized into 17 provincial Counter Narcotics Units (CNU). Although the Lao government participates in regional conferences on counternarcotics cooperation, it rarely shares operational information.

Laos has no bilateral extradition or mutual legal assistance agreements with the United States.

## **2. Supply Reduction**

Between January and June 2012, the Lao government reportedly seized 29 kg of heroin (almost twice as much as in same period of previous year), 15.1 kg of opium (slightly less than previous year), 2.26 metric tons of marijuana (up by more than half), and 8,714,205 methamphetamine tablets (a 6-fold increase, mostly due to seizures of 7.2 million tablets in May).

Most drug-related arrests in Laos in 2012 were for methamphetamine trafficking and use. Methamphetamine is the cheapest and most common illegal drug in Laos. Profit margins for traffickers are higher than for any other illegal drug due to high volume and low production expenses. There has been an increase in the availability of other synthetic drugs. MDMA (ecstasy) and crystal methamphetamine are available in Vientiane and major tourist destinations. Most synthetic drugs come from Burma. Lao authorities moved decisively in the fall of 2012 to close down drug-selling establishments in Vang Vieng (nearly 100 miles north of Vientiane), which had been a haven for young foreign travelers seeking cheap drugs.

Laos continues to struggle against an upward trend in the supply of opium. Opium cultivation was banned in 1972; however, hectares planted or harvested remains over 1,000 (the U.S. “Majors List” criterion) and is unlikely to fall below that milestone in the near future. The demand for opium continues in the remote highlands of Laos, as well as in China and Thailand. Opium cultivation occurs in areas bordering China, Vietnam, and Burma. Most poppy is grown in areas that have received little or no development assistance. Heroin is trafficked from Burma through Laos to markets in China and Vietnam.

Marijuana is also produced in Laos. Commercial quantities for regional export are grown in large plantation-type plots, sometimes financed by foreign customers, primarily in Thailand.

The Lao government seeks international support for supply reduction. A three-year UNODC project to upgrade Laos’ law enforcement capacity, at the cost of almost \$900,000, ended in 2012.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The LCDC’s budget for demand reduction in 2011 included approximately \$200,000 for drug-treatment centers. UNODC implemented projects to promote the production of licit crops, alternative livelihoods, and efforts to prevent HIV among injecting drug users.

Out of a Lao population of 6.5 million (2005), the LCDC estimates 40,000 are methamphetamine users, and the UNODC annual report of its 2012 opium survey for Laos estimates 10,776 opium users. Many observers believe that consumption has increased significantly for synthetic drugs. Methamphetamine addicts frequently turn to crime to support their addiction. Drug addiction treatment facilities remain deficient in human resources and post-discharge follow-up. The United States funds the two principal treatment facilities, one near Vientiane and one in Savannakhet.

U.S.-funded UNODC programs in northern Laos remain the only treatment and rehabilitation activities there for opium addicts. A new U.S.-funded pilot project promotes community-based treatment in Vientiane.

### **4. Corruption**

As a matter of government policy, the Lao government does not encourage the illicit production or distribution of narcotic drugs, psychotropic or other controlled substances, or the laundering of the proceeds of illegal drug transactions. The State Inspection Authority is the Lao government organization charged with fighting corruption. Salaries for police, military and civil servants are low, and corruption in Laos continues to plague law enforcement and government. Lao law explicitly prohibits official corruption, and there have been no reported arrests, prosecutions or convictions of officials for drug-related corruption. However, it is likely that corruption in the security forces and government plays a role in narcotics trafficking in Laos.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States signed initial agreements with Laos to provide international narcotics control assistance in 1989 and has since signed additional letters of agreement with amendments to provide additional assistance for crop control, drug demand reduction, and law enforcement cooperation annually. The United States continues to implement agreements signed in 2011 to assist Lao Customs with training and equipment and with UNODC to promote legal sector reform in cooperation with the Ministry of Justice. In 2012, the United States funded a UNODC effort to assist the Office of the Supreme Public Prosecutor to increase the use of evidence in criminal trials.

Most U.S. counternarcotics assistance to Laos has supported the effort to reduce poppy cultivation and, more recently, to bring about demand reduction. In 2012, U.S. crop control assistance continued winding down in favor of justice-sector and law-enforcement reform, consistent with U.S. priorities. Law enforcement assistance continues to support operations, training and equipment for the Drug Control Division of MOPS, provincial CNUs, and Lao Customs. The Law Enforcement and Narcotics Section of the U.S. Embassy in Vientiane and UNODC continued efforts to raise the profile of money laundering and terrorist financing in Laos in 2012. Laos is currently receiving assistance from the Asia/Pacific Group on Money Laundering (APG) to improve its weak anti-money laundering (AML) regime. In July, the APG found the Lao AML framework seriously deficient. In November, Luxembourg and Mongolia experts visited Vientiane as part of an UNCAC peer review.

In 2012, with funding from the United States, 33 Lao officials participated in regional training at the International Law Enforcement Academy in Bangkok.

#### **D. Conclusion**

Counternarcotics cooperation between Laos and the United States continues to evolve, but the significant gains in poppy eradication and crop substitution of the 1990s and 2000s are increasingly at risk due to factors that include high opium prices and a dearth of funding for crop-substitution programs. Even more troublesome is the increase in ATS trafficking and usage in Laos. The effort to treat ATS addiction is straining Laos' limited treatment resources. ATS also figures prominently in the rise in violence along Laos' borders with Burma, Thailand and China in the Golden Triangle area.

Laos' justice, law enforcement and security systems lack the resources necessary to counter the rise in narcotics-related crime that has accompanied the country's increasing economic development. Institution building within the Lao government and basic law enforcement training are needed, emphasizing interdiction, investigation, prosecution and, for the guilty, incarceration. Regional law enforcement cooperation among Vietnam, China, Burma, Thailand, and Cambodia is also vital to Laos' fight against drug trafficking. The United States will continue to work on improving cooperation with Laos as it seeks to address these problems.

# Lebanon

## A. Introduction

Lebanon is a transit country for cocaine and heroin. Criminal networks based in West Africa, Panama, and Colombia, including some with ties to known weapons smuggling and terrorist networks, work with Lebanese networks to traffic drugs to markets in Europe and the Gulf States. Additionally, minor quantities of heroin may be processed in remote side valleys of the Bekaa Valley which are difficult for Lebanese security forces to control. Despite a robust eradication program, the stagnant economic situation in rural Lebanon makes illicit crop cultivation appealing to local farmers in the Bekaa Valley, a condition recently exacerbated by the worsening security situation in Syria that has interrupted legitimate export opportunities.

## B. Drug Control Accomplishments, Policy, and Trends

### 1. Institutional Development and Supply Reduction

The Lebanese Internal Security Forces (ISF) Counter Narcotics Units are well led, equipped, and disciplined. The ISF estimates that yearly illicit drug production continues to decline from its peak in 2002, due in large part to regular, high-profile eradication campaigns. The ISF Counter Narcotics Units' eradication program came to a halt between August 15 and mid-September due to the redeployment of security forces to other parts of the country to respond to an outbreak of sectarian instability. This redeployment led to the cultivation and some harvesting of marijuana and hashish. Despite the temporary halt to the program, the ISF Counter Narcotics Units estimates that 75 percent of the cultivation was eradicated before it could be harvested.

Different types of drugs transit through and are available in Lebanon, including: marijuana, hashish, heroin, cocaine, amphetamine-type stimulants (ATS), and other synthetics such as MDMA (ecstasy). There has been a rise in synthetic drugs, particularly fenethylamine, due to local law enforcement's lack of familiarity with identifying these types of drugs and the lack of import restrictions on precursor chemicals. While some synthetic drugs are manufactured in Lebanon, they are primarily smuggled into the country from Eastern Europe both for sale to high-income recreational users in Lebanon and for transit to the Gulf States.

As of October 2012, the ISF reported 2,198 drug related arrests since the beginning of the year, which is up slightly over the same time period in 2011. The ISF arrested 284 heroin users, 394 cocaine users, 773 hashish users, and 133 drug users of various synthetics. Between January and the end of September, Lebanese authorities seized 69 kilograms (kg) of cannabis, 5 kg of cocaine, and 188 kg of hashish. Authorities also seized 206,000 fenethylamine pills, 6 kg of ephedrine powder and 13 liters of ATS. Tourists and international visitors traffic in small quantities of illegal drugs, mostly for personal use, although the extent of this problem remains unknown. The Ministry of Interior conducts thorough entry inspections using recently trained counternarcotics detection canines at Beirut airport.

## **2. Drug Abuse Awareness, Demand Reduction, and Treatment**

There are no reliable estimates of the number of drug users in Lebanon. There are several detoxification and rehabilitation programs, some of which receive support from the Ministries of Social Affairs and Public Health and the UN Office of Drugs and Crime.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The Lebanese Government has pledged to work with local farmers affected by eradication programs on a crop substitution program, but it has not finalized the details of remuneration or the substitution of crops.

The United States donated significant resources to ISF Counter Narcotics Units in 2012 including vehicles; communications and tactical gear; patrol boats; and spray trucks to assist in the narcotics eradication program.

The U.S. government has increased cooperation with the Government of Lebanon to combat money laundering and its connections to the international drug trade. Lebanon continues to be a hub for drug money laundering as evidenced by the 2011 designation of Lebanese Canadian Bank (LCB) as a financial institution of primary money laundering concern. The LCB facilitated money laundering activities of an international narcotics trafficking and money laundering network.

There is an ongoing investigation into this network, which moved illegal drugs from South America to Europe and the Middle East via West Africa and laundered hundreds of millions of dollars monthly through accounts held at LCB. This network also used trade-based money laundering tactics involving consumer goods throughout the world, including used-car dealerships in the United States. The terrorist organization Hizballah received financial support from the criminal activities of this network. DEA continues to investigate ongoing money laundering drug trafficking organizations within Lebanon.

### **D. Conclusion**

Lebanon is working to confront drug trafficking networks operating on its territory, despite considerable challenges. Lebanon has a nascent but functioning judicial system that is slowly recovering from the effects of civil war and Syrian occupation, and the number of arrests and convictions for drug trafficking rose in 2012. The United States will continue to support improvements to Lebanon's enforcement institutions to suppress narcotics trafficking and its associated financial crimes.

# Liberia

## A. Introduction

Liberia is not a significant transit country for illicit narcotics, but the country's weak law enforcement capacity, porous border controls, and proximity to major drug transit routes leave it vulnerable to becoming one. While Liberia is not a significant producer of illicit narcotics, local drug use, particularly of marijuana, is common. Other drug usage includes heroin (mostly smoked) and cocaine (snorted). Local authorities have reported increasing prevalence of amphetamines. However, reliable data on consumption of narcotics or overall drug trends are not readily available. Locally consumed drugs enter Liberia via commercial aircraft and maritime vessels.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Given its long coastline, uncontrolled territorial waters, predominantly open land borders, and years of internal strife, Liberia remains vulnerable to narcotics trafficking networks. Local authorities are aware of the threat and are working with the United States and other donors to prevent illicit criminal networks from gaining a strong foothold in the country. Several local law enforcement agencies work in concert to fight narcotics trafficking in Liberia, including the Liberian National Police, the Coast Guard, the National Security Agency, and the Drug Enforcement Agency.

In 2010 Liberia signed the "West Africa Coast Initiative (WACI) Freetown Commitment," a UN initiative to address the growing problem of illicit drug trafficking, organized crime, and drug abuse throughout the sub-region. A cornerstone of the WACI was the establishment of a Transnational Crime Unit (TCU) in post-conflict states (including Liberia, Côte d'Ivoire, Guinea-Bissau, and Sierra-Leone) with the intent of preventing organized crime networks from working with weapons dealers. Although Liberia's TCU is not yet fully operational, it should provide a coordination mechanism for counternarcotics efforts in Liberia. The Ministry of Justice and the Drug Enforcement Agency, with support from the United States and the UN Office on Drugs and Crime (UNODC), continue to review the draft of new legislation related to drugs and organized crime in Liberia, which, if enacted, should create a stronger foundation for more effective law enforcement activities. Under Liberia's existing legislation, defendants can only be charged under public health laws.

The Liberian Drug Enforcement Agency benefited from new leadership in 2012 and, in recognition of its growing effectiveness, began to receive international donor assistance for the first time.

The U.S.-Liberia extradition treaty dates to 1939 and is in effect.

### 2. Supply Reduction

Local production of marijuana is not prioritized as a major concern by most of the public; however, local law enforcement authorities occasionally conduct eradication operations. These sporadic efforts have not included provision for alternative livelihoods and have been largely ineffective. Little information exists regarding the extent of local cannabis cultivation, or the networks responsible for local sales, but marijuana is clearly the most widely available drug in the country.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

UNODC's 2011 report notes that overall consumption of cannabis is high, including cannabis combined with other illicit drugs. Occasionally, marijuana is mixed with cocaine, heroin, or pharmaceutical products. Psychotropic drugs are not common in Liberia, since the local population lacks the disposable income to buy them. Low average incomes and high unemployment rates continue to plague Liberia, leaving many without the income to purchase illicit drugs. However, drug use is increasing in the emerging middle class and is likely to grow as the economy continues to recover from years of conflict. Use of other illicit drugs, independent of cannabis, is low to moderate. However, statistical tracking mechanisms are nascent and reliable data are not yet available. Historically, drug abuse was strongly linked to Liberia's civil conflict from 1989-2003, which left behind more than 100,000 ex-combatants. Many of the combatants used drugs during the war and remain users. The government has conducted very little drug rehabilitation and treatment since the pre-war era. Health professionals refer addicts to a psychiatric ward or to one of the few NGOs working in the field. Liberia's unemployment rate also plays a role in its drug abuse problem, with only 15 to 20 percent of the workforce employed in the formal sector.

Liberians United Against Drug Abuse, an NGO founded in 1993, provides limited drug awareness education through workshops and radio announcements. Another local NGO, Teen Challenge, offers drug rehabilitation to a limited number of men each year. Christian Children's Fund lists 40 active NGO youth organizations, with more than one fourth dealing with HIV/AIDS prevention/treatment and general health awareness training, but only three of these NGOs specifically target drug abuse issues.

### **4. Corruption**

The Government of Liberia neither encourages nor facilitates the production or distribution of illicit drugs, nor the laundering of proceeds from illegal drug transactions. The United States has no information of senior government officials engaging in such activity.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

In cooperation with other donor countries and organizations, the United States is working with the Government of Liberia to fight international narcotics trafficking and reduce local demand. In late 2011, the United States funded UNODC's assessment of drug use, treatment, prevention, and needs in Liberia. In 2012, the United States supported UNODC's special assessment of the Liberian Drug Enforcement Agency. In 2013, the United States plans to introduce new demand

reduction assistance, which will support the integration of preventive drug education into school curriculums, the creation of outreach centers for drug addicts, the professional training of addiction treatment providers, and the increased capacity of governmental service-providers and NGOs to focus their demand reduction efforts on at-risk children and adolescents. In 2013, the United States will also provide an advisor to the Liberian Drug Enforcement Agency.

The United States launched the West Africa Cooperative Security Initiative (WACSI) in 2011, a five-year initiative to increase global security by addressing transnational organized crime, particularly drug trafficking, in West Africa. Under WACSI, U.S. assistance to Liberia will focus on establishing functional and accountable institutions and building basic operational capacity

#### **D. Conclusion**

The Government of Liberia is committed to preventing transnational criminal organizations from gaining a foothold in its territory, but currently lacks the resources to respond adequately to this challenge. The Liberian government requires additional training and assistance to be able to successfully investigate and prosecute counternarcotics and financial crimes. The United States will continue to cooperate with international donors to support Liberia's efforts and assist its efforts to fulfill its international drug control commitments.

## Malaysia

Malaysia is neither a significant source country nor a major transit point for U.S.-bound illegal drugs. However, regional and domestic drug-trafficking remains a problem. International drug syndicates are increasingly turning to Malaysia as a production site for crystal methamphetamine (“ice”) and ecstasy (MDMA). Drugs smuggled into Malaysia include heroin and amphetamine-type stimulants (ATS) from the Golden Triangle (Thailand, Burma, Laos), and ecstasy, cocaine, erimin-5 (nimetazepam), and methamphetamine from several countries, particularly Iran. Nigerian and Iranian drug trafficking organizations use Kuala Lumpur as a hub for illegal trafficking to markets across Southeast Asia and the Asia Pacific region. Drugs transiting Malaysia do not have a significant impact on the U.S. market. Nigerian-based trafficking organizations mail cocaine to Kuala Lumpur for further distribution. There is no significant cultivation of illicit drug crops in Malaysia. While local consumption of drugs is limited in Malaysia, police are concerned about increased use of methamphetamine. Ketamine and erimin-5 remain popular drugs on the local market.

The Malaysian government promotes the Association of Southeast Asian Nations’ (ASEAN) “Drug-Free by 2015” policy. Malaysian officials made 90,429 drug-related arrests between January and September 2012. Malaysia's counter-narcotics officials have the support of senior officials, but problems with the legal system hinder enforcement and interdiction efforts. Malaysian law currently stipulates a mandatory death penalty if convicted of “trafficking,” with harsh sentences for possession of smaller quantities. In practice, minor offenders generally are placed into treatment programs instead of prison. When major traffickers are arrested, they are often detained without trial or charged under the Dangerous Drugs Act. Often, charges are reduced, or, if convicted of drug trafficking, the sentence is sometimes commuted upon appeal.

Over the last three years, the U.S. Drug Enforcement Administration has deepened its cooperation with Malaysian counterparts on drug investigations. The U.S. Coast Guard continued its maritime law enforcement training program with the Malaysian Maritime Enforcement Agency (MMEA) by conducting Joint Boarding Officer and curriculum development courses to further develop the MMEA’s instructional capabilities. U.S. and Malaysian law enforcement authorities cooperate on extradition and mutual legal assistance through treaties in force since 1997 and 2009, respectively.

In 2013, the United States will strengthen coordination and communication with Malaysian law enforcement authorities in counternarcotics efforts, including by assisting interdiction efforts, sharing intelligence, funding counternarcotics training for Malaysian law enforcement officers, and working to improve Malaysia's investigative and prosecutorial processes.

# Mexico

## A. Introduction

Mexico remains a major transit and source country for illicit drugs destined for the United States (including cocaine, heroin, marijuana, and methamphetamine), and a center for money laundering. Although narcotics trafficking and related violence in Mexico remain significant problems, signs of improvement regarding violence emerged in 2012. According to a major Mexican newspaper, the annual number of organized crime-related homicides through November 2012 declined by an estimated 19 percent from 2011. This overall decline was led by abatement of violence in Chihuahua and several other states. Shifting patterns of violence, however, led to higher homicide rates elsewhere.

Mexico aggressively combats drug trafficking, and U.S.-Mexico cooperation in this area is unprecedented. The bilateral Merida Initiative is a major component of these efforts; since 2008, it has provided some \$1.1 billion in training, equipment, and technical assistance to help transform Mexico's judicial and security institutions. Such cooperation has boosted Mexican efforts to bring to justice leaders of transnational criminal organizations (TCOs). That success, however, has also resulted in smaller, fractured organizations that have violently attempted to consolidate their power. Also, as narcotics-driven profits fall, TCOs have increasingly turned to domestic criminal activities such as kidnapping, extortion, human trafficking, and retail drug sales.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Mexico has strengthened its institutional capacity to confront TCOs. The Secretariat of Public Security has restructured and tripled the size of its Federal Police, from 11,000 officers in 2006 to nearly 40,000 by the end of 2012. To fight TCOs at the state level, the Federal District and 29 of 31 states (except Yucatan and Tabasco) are creating Accredited State Police (PEA) units (formerly called Model Police Units) that are composed of specially-trained and vetted investigators, analysts, and operations personnel. To date, over 10,000 PEA officers have received training from the Mexican government.

Similarly, the Mexican customs service has expanded its traditional focus on revenue collection to include enforcing contraband and intellectual property violations. The Office of the Attorney General (PGR) has restructured key divisions, dismissed employees who failed internal vetting, and continued efforts to increase prosecution rates. Additionally, many states are rebuilding their police forces to reduce corruption.

Mexico's 2013 budget for all security-related functions is approximately \$ 9.4 billion, an increase of 3.7 percent from 2012 budget levels. Funding is used to combat organized crime, expand crime prevention programs, improve interagency coordination, consolidate police forces, support justice reforms, and encourage citizen participation in crime control.

Justice sector reforms remain uneven. Twenty-two of 31 states have adopted new criminal procedure codes, in compliance with a 2008 federal constitutional reform requiring such legislation by 2016. The Calderon administration presented a new federal code of criminal procedure to Congress in 2011. The Congress did not bring the legislation to the floor, and will thus be taken up by the newly elected body.

A long-awaited anti-money laundering law was approved in October 2012 that aims to: (1) impose harsher sanctions; (2) create a specialized PGR unit for investigations and prosecutions; and (3) restrict the amount of U.S. banknotes and coins that Mexican banks may receive. It will take effect nine months after its passage.

The current U.S.-Mexico bilateral extradition treaty has been in force since 1980. A 2001 Protocol to that instrument allows for temporary surrender for trial of fugitives serving a sentence in one country but wanted on criminal charges in another. A bilateral mutual legal assistance treaty fosters cooperation in judicial assistance matters.

Multilaterally, Mexico is a party to the Inter-American Convention on Mutual Assistance in Criminal Matters, and subscribes to the 1996 Anti-Drug Strategy in the Hemisphere and the 1990 Declaration of Ixtapa. It participates, along with the United States and Colombia, in a tripartite group that meets semi-annually to discuss counternarcotics issues.

Likewise, Mexico plays a leading role in the Central American Integration System and with Central American countries to improve regional security. It also participates in the semi-annual Multilateral Maritime Counterdrug Summit, which includes the United States, Colombia, Ecuador, Peru, Chile, and all Central American countries. Similarly, in September 2012, Mexico attended the International Drug Enforcement Conference, a global forum for senior law enforcement officials.

The U.S. and Mexican governments also use North American Maritime Security Initiative (NAMSI) Standard Operating Procedures for maritime interdiction operations. U.S., Canadian, and Mexican officials convene quarterly NAMSI meetings to develop and execute coordinated operations.

## **2. Supply Reduction**

As of December 27, 2012, the Government of Mexico seized over 3 metric tons (MT) of cocaine, 1,250 MT of marijuana, 182 kilograms (kg) of heroin, over 30 MT of methamphetamine, and 1.46 MT of opium gum. Additionally, it eradicated 8,659 hectares (ha) of marijuana and 14,000 ha of opium poppy, and dismantled 267 methamphetamine labs. Also during this reporting period, 22,964 Mexican nationals and 251 foreign nationals were arrested on organized crime charges. Fifteen high-level drug traffickers were captured or killed, including high-ranking members and co-leaders of the Sinaloa Cartel, Zetas Cartel, and Gulf Cartel.

Marijuana and opium poppy are primarily grown in rural areas of Sinaloa, Chihuahua, Durango, and Guerrero with small crops in Sonora, Nayarit, Michoacan, and Oaxaca.

Mexico accounts for approximately seven percent of the world's heroin supply, producing primarily black tar and brown powder heroin. White heroin is also produced domestically and smuggled into Mexico from South America. While most heroin is smuggled into the United States, its use within Mexico is also increasing.

While the focus on TCOs has produced significant results in Mexico, interdiction of cocaine poses problems. Over 90 percent of U.S.-bound cocaine transits Mexico and Central America. Due to insufficient information about inbound shipments and drug movements inside Mexico, less than two percent of cocaine assessed to be transiting Mexico was seized in 2011-12. Nonetheless, the Government of Mexico cooperates closely with the U.S. government on this issue.

The seizure of drug labs that produce methamphetamine and other synthetic drugs has increased dramatically. During the Calderon administration, officials seized 958 drug labs, a 660-percent increase over the 145 labs seized during the prior administration. Similarly, authorities seized 267 labs through December 27, 2012, compared to 227 in all of 2011.

Since 2008, Mexican smugglers have significantly expanded their presence in Central America. Land corridors through Central America and Mexico are now the most significant transit routes for cocaine from South America. While the United States remains the primary destination for illicit drugs trafficked via Mexico, trafficking routes are evolving due to increased interdiction and TCO efforts to supply growing markets in Latin America, the Caribbean, Europe, and Asia.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

According to the most recent information available from Mexico's National Council Against Addictions (CONADIC), prevalence of marijuana, cocaine, and methamphetamine use nationwide increased steadily from 2002 to 2008, but has since stabilized. Nevertheless, recent drug use by men between 18 and 24 years of age has risen significantly. Northern states are disproportionately impacted by increased availability of drugs from failed smuggling attempts and the use of drugs as payment.

Mexico's demand reduction priorities, which receive Merida Initiative support, include: creating a standardized certification program for drug treatment counselors; promoting the development of drug courts; improving addiction research; and connecting government-supported clinics with a private network. Using Merida funds, Mexico has established a drug treatment partnership with the United States to establish clinical trial nodes in Mexico. A primary care provider for drug-addicted youth has expanded its treatment centers in underserved areas of Ciudad Juarez through a Merida grant. And during 2012, six hundred new counselors were trained in a standardized curriculum developed with support from the Organization of American States' Inter-American Drug Abuse Control Commission and Merida assistance, with plans to train 5,000 additional counselors. Mexico's 2012 budget for addiction-related activities (including alcohol and tobacco) is approximately \$84 million.

### **4. Corruption**

Corruption remains a substantial impediment to Mexican counternarcotics efforts, but federal anti-corruption standards are improving. The Mexican government took unprecedented steps to reduce corruption in law enforcement, and designated the National System for Public Security (SENSP) as the agency responsible for overseeing stronger vetting processes for law enforcement, which includes increased use of polygraph exams, toxicological tests, and background investigations. Each Mexican state has established a “*Control de Confianza*” Center (Center for Evaluation and Trust Control) that is responsible for vetting all law enforcement police officers in that state. Also, some Mexican law enforcement entities have established, restructured, or augmented their internal affairs offices, and judges can no longer reinstate police officers fired for corruption.

Long under-resourced and inadequately trained, state and municipal law enforcement officials remain vulnerable to corruption. Although progress in vetting police officers has been uneven, state vetting (“*Control de Confianza*”) centers have begun identifying corrupt police officers and prompted the removal of officers and rejection of police recruits. The Mexican government and some state governors conducted large-scale dismissals of municipal police forces where corruption is prevalent. Public sentiment in Mexico is mixed about these efforts. Some appreciate the focus on corruption, but others are apprehensive about the high turnover among police, minimal police interaction with citizens, and lack of attention to human rights abuses. The mixed public sentiment, new vetting requirements, and uneven reform are symptomatic of the fundamental change Mexico’s law enforcement community is experiencing.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Since 2008, United States has provided some \$1.1 billion in assistance. U.S. assistance goes toward four areas: 1) disrupt and dismantle the capacity of organized criminal groups to operate; 2) institutionalize the capacity to sustain the rule of law; 3) construct a twenty-first century border; and 4) build strong and resilient communities. U.S.-Mexico cooperation has been used to train over 55,000 law enforcement and justice sector officials, including 7,500 Federal Police officers. Likewise, it has helped state criminal justice reforms, strengthened crime prevention/reduction efforts, and funded programs for at-risk youth. It also supports human rights initiatives that help protect human rights defenders and journalists.

U.S. and Mexican law enforcement exchange information from investigations and seizures of illegal weapons at monthly meetings. Such cooperation is especially relevant given that, according to the Department of Justice, of the 99,691 weapons that were recovered in Mexico between 2007 and 2011 and submitted to the ATF for tracing, 68,161 originated in the United States. Also, Mexico extradited 115 people to the United States in 2012, an all-time record including 52 for narcotics-related offenses.

The United States also provided training in maritime law enforcement, port security, and professional development for the Mexican Navy officer and enlisted corps.

### **D. Conclusion**

Mexico has made significant progress in dismantling and disrupting TCOs and their operations. This progress has led to a number of TCO leaders being brought to justice, the fragmentation of cartels, and a reduction in violence, as evidenced by the decline in organized crime-related homicides in 2012. Mexico's efforts to reform its judiciary, improve its police forces, reform its federal prison system, and address money laundering continue. These efforts have fortified Mexico's state institutions while helping to weaken TCOs and their ability to operate. Nonetheless, domestic illegal narcotics production appears to have increased, as has drug use among Mexicans. And, although seizures of methamphetamines have increased, interdiction of cocaine bound for the United States is relatively limited.

Future bilateral efforts should emphasize strengthening Mexican institutions, continued expansion of programs to states and municipalities, and further progress toward achieving our shared goals. The focus of U.S.-Mexico cooperation has shifted from providing large scale equipment to engaging in training and capacity building, and from focusing on the federal-level to building state- and municipal-level capabilities. Accordingly, justice sector reforms, drug demand reduction, and culture of lawfulness initiatives should play a larger role. The United States should also continue programs to curb its domestic drug demand and inhibit the illegal flow of arms and cash into Mexico.

In sum, the U.S.-Mexico relationship remains strong. Both parties are committed to working together to combat TCOs, strengthen Mexican institutions, and support the rule of law.

## Moldova

Moldova is neither a major drug trafficking nor drug producing country, but serves as a transit point for drugs destined for Western Europe. Moldova's proximity to the European Union, limited law enforcement capacity, and lack of control of the separatist Transnistria region significantly complicate its drug control efforts. Counternarcotics activities are hampered by insufficient specialized police officers and inadequate funding and equipment. The government has taken some steps to address the situation in the context of ongoing police reform efforts, and plans exist to increase staffing and reorganize specialized anti-drug units.

Moldovan authorities registered 1,134 drug-related cases in the first nine months of 2012, with approximately 60 percent proceeding to prosecution. During that same period, authorities dismantled eight drug trafficking networks. Police, customs, and border officials cooperated in counternarcotics activities, but with limited effectiveness. As in previous years, combating domestic cultivation of marijuana was the biggest challenge facing Ministry of Internal Affairs (MoIA) anti-drug units. However, synthetic cannabinoids and synthetic cathinones emerged as a growing problem in 2012. These substances were imported into the country as plant feeders, "bath salts", aromatherapy treatment incenses, air fresheners, and herbal smoking blends. In response to this trend, the MoIA has petitioned the government to add many of these synthetics to the official list of banned substances.

The recently established National Anti-Drug Commission coordinates interagency cooperation among governmental institutions, and liaises with non-governmental institutions and civil society on all matters relating to drug policy. The Moldovan government does not condone or promote drug trafficking as a matter of policy. However, corruption, including drug related corruption, is a major problem in Moldova.

There is no bilateral extradition or mutual legal assistance treaty between Moldova and the United States. Regardless, Moldovan and U.S. authorities cooperated on criminal cases connected with transnational organized crime. The Moldovan constitution does not permit extradition of its nationals. The Prosecutor General's Office is responsible for handling requests for international legal assistance in the pre-trial phase, whereas the Ministry of Justice handles the in-trial and correctional phases.

## Montenegro

Montenegro is a transit country for illegal drugs moving towards Central and Western Europe. A variety of marijuana known as “skunk” trafficked from Albania, heroin from Afghanistan, and cocaine from Latin America are the most prevalent drugs trafficked to Montenegro. Approximately 15 percent of skunk, cannabis, and heroin trafficked are consumed locally. Few cases of illicit drug production were reported in 2012.

While Montenegrin police participated in several international operations, non-governmental organizations (NGOs) criticized the government for its perceived failure to disrupt the activities of major drug kingpins. Police estimate that 25 local gangs are involved in international drug smuggling. In the first ten months of 2012, criminal charges were brought against 155 persons, connected to the seizure of 492.6 kilograms (kg) of marijuana, 7.1 kg of heroin, 0.4 kg of cocaine, and nominal amounts of synthetic drugs and hashish.

Montenegro has stringent laws against illegal drugs, with sentences ranging from two to 15 years in prison for drug production and distribution. During the first ten months of 2012, 75 narcotics-related convictions were handed down by the courts, including one for Dusko Saric, a global drug trafficker. Naser Keljmendi, who the U.S. Department of Treasury designated as a major international drug trafficker in 2012, reached a settlement for illegal construction deals in Ulcinj. Bosnia and Herzegovina issued an arrest warrant for Keljmendi, but Montenegrin prosecutors claimed to lack evidence to prosecute him in Montenegro.

The government continues to prioritize the fight against drug trafficking. However, its counternarcotics efforts were hampered by a lack of resources and capacity. Montenegro’s institutional drug abuse and treatment capacity is limited, particularly for women. There are no statistics on the number of drug users in Montenegro. Authorities believe that Montenegro has between 2,500 to 3,000 addicts, but NGOs estimate that the actual number may range from 10,000 to 15,000. According to a 2011 survey, drug consumption rose by 6 percent over the previous year.

Montenegrin police work closely with counterparts from neighboring states to curb drug trafficking, and cooperate with the U.S. Drug Enforcement Administration, various EU law enforcement coordination bodies including Europol and the UN Office on Drugs and Crime. Police continue to share information and cooperate in investigations with U.S. law enforcement agencies. The United States provides ongoing technical assistance to Montenegro’s police, and in 2012, trained a narcotics supervisor at the U.S. Drug Enforcement Administration Drug Unit Commanders Academy. The 1902 extradition treaty between the United States and Serbia also applies to Montenegro.

## Morocco

Morocco remains a leading source country for cannabis, trailing only Afghanistan in hashish (cannabis resin) production. Although Morocco has traditionally been the largest supplier of hashish to Europe, its relative importance as a source country may be waning, according to the UN Office on Drugs and Crime (UNODC), with Afghanistan and India gaining prominence as suppliers for the that market.

Most large shipments of hashish bound for Europe are transported via speedboats and other small vessels. The Moroccan Navy, the Gendarmerie, and Moroccan Customs maintain an aggressive maritime interdiction effort against smuggling activity, with the Moroccan media reporting multiple seizures during 2012.

Authorities have also seized cocaine in Morocco, and given its location and transportation infrastructure, the country serves as a transshipment zone for cocaine originating in Latin America that is smuggled via West Africa to Europe.

The Moroccan government has worked to reduce cannabis production in recent years, but it remains a significant cash crop. According to local press reports, cannabis production in the traditional growing areas of northern Morocco has significant economic impact on the local populace, especially given the generally impoverished conditions of areas where cannabis is cultivated. UNODC estimates that the cannabis crop provides incomes for 800,000 people, and accounts for 3.1 percent of Morocco's agricultural GDP. Police corruption and tacit non-enforcement remains an issue in Morocco.

The Moroccan government implements demand reduction programs that focus on youth, and it also has developed some drug treatment programs.

Moroccan law enforcement agencies cooperate extensively with European counterparts on narcotics interdiction operations. For example, the Interior Ministers of Spain and Morocco recently agreed to establish new narcotics detection strategies targeting airborne narcotics trafficking across the Strait of Gibraltar. Morocco's Air Force is also engaged in efforts to identify aircraft suspected of narcotics trafficking.

Morocco works closely with U.S. law enforcement agencies, including the Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), and Department of Homeland Security (DHS). In addition, the Department of State's Bureaus of International Narcotics and Law Enforcement Affairs and Diplomatic Security maintain a very close and productive working relationship with Moroccan law enforcement agencies.

## Mozambique

Mozambique is not a significant producer of illegal drugs or chemical precursors, but is a transit point for drugs moving from South America and Asia to consumer markets in South Africa and Europe. Domestic drug consumption and production is limited primarily to small-scale cannabis.

Weak security infrastructure, inadequately trained and equipped law enforcement personnel, 2,750 miles of porous borders, and 1,550 miles of coastline hamper the Mozambican government's counternarcotics efforts.

The Office to Combat and Prevent Drug Use (GCPCD) reported that in 2011 total drug seizures included 48 kilograms (kg) of hashish, 31.6 metric tons of marijuana (up 900 percent from 2010 and mostly seized in a single province), 4.7 kg of cocaine, and 4.3 kg of heroin. In 2011, 455 Mozambicans and 47 foreign nationals were charged with drug-related offenses, of which 111 Mozambicans and an unknown number of foreign nationals were convicted. Customs officials reported that arrests at airports rose in 2011, although data was unavailable due to poor recordkeeping.

The Government of Mozambique has robust laws and a strong counternarcotics and anti-corruption stance; however, corruption remains widespread and government officials are widely suspected of facilitating or condoning drug trafficking. The GCPCD is responsible for reporting on and analyzing trends in the government and civil society's drug enforcement and treatment efforts and works closely with the UN Office on Drugs and Crime and the Mini-Dublin Group of counternarcotics donors. The GCPCD reported that during 2011 it gave 24,076 anti-drug lectures and reached an audience of 1,076,846 citizens. Mozambique lacks dedicated drug treatment facilities; most treatment for addicts is provided by their families. While under-resourced, some HIV clinics offer drug dependency programs.

The United States provides a wide range of drug-related training to the Government of Mozambique. In 2012, nine Mozambican National Police attended drug interdiction training at the International Law Enforcement Academy in Botswana. Additional trainings included maritime search and boarding. The United States has also provided equipment, including 17 rigid-hull inflatable boats to the Mozambican Navy, and plans to assist the Attorney General's office in preventing and prosecuting drug trafficking and corruption.

## Nepal

Nepal is not a significant source or transit state for illegal drugs. However, Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) reports that more Nepalis are investing in and managing trafficking operations. Customs and border controls in Nepal remain weak, but international cooperation has resulted in increased narcotics-related seizures in Nepal and abroad. No new narcotics control legislation was passed or implemented in 2012.

Cultivation of cannabis is on the rise in some areas, most destined for India. Heroin from Southwest and Southeast Asia is smuggled into Nepal across the porous border with India and through Kathmandu's Tribhuvan International Airport (TIA). Pharmaceutical drugs also continue to be diverted and abused. Nepal is not a producer of chemical precursors, but serves as a transit route for precursor traffic between India and China.

Nepal's basic drug law is the Narcotic Drugs Control Act, 2033 (1976, last amended in 1993), making the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs illegal. The NDCLEU has the lead in law enforcement efforts and is focused on supply control. It improved its capacity in recent years, and has made more quality arrests and seizures, particularly through stationing more personnel at TIA.

In 2012, the overall number of drug-related arrests increased, and overall drug seizures also rose. According to the Government of Nepal, between January and September 2012, police arrested 1,983 individuals for drug trafficking. Hashish seizures in 2012 increased 161 percent from 2011. Heroin seizures were up 127.1 percent, and diverted pharmaceutical drugs seizures were up 375.4 percent over 2011 figures.

Evidence suggests that narcotics come through Nepal from India, Pakistan, and Afghanistan en route to China, Iran, Europe, North America, Australia, and other countries in Asia. A small percentage of narcotics (especially hashish) is sent to the United States by individuals involved in trafficking through the use of the international express parcel services.

The United States continues to provide support to various parts of the justice sector to combat corruption and improve the rule of law. The United States also encourages the Government of Nepal to enact and implement updated drug legislation.

# The Netherlands

## A. Introduction

The Netherlands is a significant transit country for narcotics, and a sizeable percentage of the cocaine consumed in Europe enters through the Netherlands. It remains an important producer of synthetic drugs, such as MDMA (ecstasy), although a sizeable amount of production appears to have shifted to other countries. The Netherlands has a large legal chemical sector, making it an opportune location for criminals to illicitly obtain or produce precursor chemicals. Cultivation of cannabis is extensive. The government places a high priority on combating the illegal drug trade and has had considerable success. The government views domestic drug use as a public health issue first and a law enforcement issue second. The Dutch Opium Act prohibits the possession, commercial distribution, production, import and export of all illicit drugs. The act distinguishes between “hard” drugs that have “unacceptable” risks (e.g., heroin, cocaine, ecstasy), and “soft” drugs (cannabis products). Sales of small amounts of cannabis products (under five grams) are “tolerated” (i.e., not prosecuted, even though technically illegal) in bars called “coffee shops” which operate under regulated conditions.

Bilateral cooperation with the United States is excellent, and law enforcement agencies maintain excellent operational cooperation, with principal attention given to South American cocaine trafficking organizations, drug related money laundering activities, and countering ecstasy entering the United States.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The Dutch Ministry of Health, Welfare and Sport (MOH) coordinates drug policy and the Ministry of Security and Justice (MOSJ) is responsible for law enforcement and criminal prosecution. On May 1, to reduce international drug tourism, the government introduced the “weed pass” in three southern provinces of the country. Coffee shops were designated as private clubs only accessible to adult Dutch nationals and residents upon presentation of IDs and official residency papers from the local city hall. This resulted in a decrease in foreign buyers, but local buyers also began utilizing street dealers. The policy was scheduled to go nationwide on January 1, 2013. On May 14, authorities placed the party drug gamma hydroxybutyric acid (GHB) on Schedule I of the Dutch Opium Act, making it a “hard” drug similar to cocaine and heroin. The MOH announced that khat (*Catha edulis*), a stimulant narcotic for which the Netherlands serves as a major European distributing hub, would be added to Schedule I on January 1, 2013.

The United States and the Netherlands have fully operational extradition and mutual legal assistance agreements. The Netherlands also has a maritime shiprider agreement with the United States and is a member of the Maritime Analysis and Operation Centre-Narcotics. The Netherlands is also a member of the San Jose Agreement as well as a partner in the Joint Interagency Task Force South, both aimed at combating narcotics trade in the Caribbean. The Caribbean countries within the Kingdom of the Netherlands are members of the Caribbean

Regional Maritime Agreement. The MOSJ plans for the Netherlands to become party to the Council of Europe's Illicit Traffic by Sea Agreement.

## **2. Supply Reduction**

The Netherlands is a significant producer of cannabis and ecstasy, much of which is destined for foreign markets. Ecstasy production had dropped substantially from 2008 to 2011 due to shortages of precursor chemicals from Russia and China. However, in 2012 production had almost recovered to pre-2008 levels due to new manufacturing methods using "pre-precursors." In 2008 the government established the National Taskforce on Organized Hemp Cultivation to focus on fighting criminal organizations behind cannabis plantations. The fight against drugs focused on a chain approach, scrutinizing each step down the criminal chain (from cultivation to distribution). Participating government agencies included the public prosecutor, the financial investigative service, the police, the tax authorities, the MOSJ, local governments, and private housing companies.

In 2012, the government continued its policy of 100-percent security checks on inbound flights from the Netherlands Antilles, Suriname, and some Western African countries. There were also extensive customs checks in place for imports via the Port of Rotterdam.

According to the MOSJ, there were 16,000 fewer drug-related offenses registered by the police in 2011 (latest available data) than in the previous five years. In 2011, drug-related cases constituted 6.8 percent of the total number of criminal cases handled by the courts. The average prison sentence for a drug offense in 2011 was 236 days (253 for hard drugs, 124 for soft drugs), slightly below the average for the prior five years.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

According to the most recent data (2009), despite a reputation for tolerance of soft drugs, the share of the population abusing drugs was on par with the rest of Europe. Only the use of ecstasy was higher than the European average. Heroin and amphetamine use was below average.

Local governments are responsible for prevention programs, with the national government offering best practices. The main national awareness program for children was "The Healthy School and Substances," a school program offered for students aged 12 and above. The program was not mandatory but approximately 70 percent of Dutch schools participated. Online eHealth services (including chat sessions with experts) and warning systems grew in popularity. The MOH does a biannual research project with the National Institute of Drug Abuse.

Treatment programs are the responsibility of insurance companies and the individual facilities. There is no differentiation between gender and age groups. A recent trend is that more cannabis addicts are seeking professional help (in facilities) to deal with their problem. Exact information on budgets is not available, but estimates were that the prevention budget ranges in the tens of millions of dollars, while the treatment budget was over \$125 million.

## **4. Corruption**

The government does not encourage or facilitate illegal activity associated with drug trafficking. No senior official has been found to engage in, encourage or facilitate illegal drug trafficking. Press reports of low-level law enforcement corruption appear sporadically, but the problem is not widespread or systemic.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

U.S. and Dutch law enforcement agencies maintained excellent operational cooperation, with principal attention given to South American cocaine trafficking organizations and the production of synthetic drugs. For example, the United States and the Netherlands have a memorandum of understanding allowing the U.S. Coast Guard to conduct counter drug operations from the platforms of Dutch Naval vessel in the Caribbean. Regulations continued to restrict the use of “criminal infiltrants,” i.e., undercover informants in investigations of drug traffickers. Asset forfeiture laws in conjunction with drug-related investigations are not used to the same extent as in the United States. In 2006, the Ministry of Justice decided that the Schiphol airport “black list” of couriers could no longer be shared with DEA, citing privacy concerns. To date the suspension continues.

### **D. Conclusion**

Despite its toleration of soft drug use, the government addresses drug trafficking seriously. In particular, it made the fight against organized cannabis cultivation a priority issue. Although the Netherlands is hampered to some degree by domestic legal restrictions on the extent to which it can cooperate bilaterally, the United States has every reason to believe the Netherlands will remain a close bilateral partner on counternarcotics efforts.

# Nicaragua

## A. Introduction

Nicaragua is a major transit route for cocaine flowing from South America to the United States. The United States estimated that more than 80 percent of the primary flow of the cocaine trafficked to the United States in 2012 first transited through the Central American corridor. Nicaragua faces limited law enforcement capabilities and sparsely populated regions that are difficult to police. These factors provide an opportune environment for Drug Trafficking Organizations (DTOs) to transit drugs, weapons, and currency, as well as to establish clandestine labs and warehouse facilities. The unemployment rate on the Atlantic Coast of Nicaragua is over 55 percent, creating a favorable climate for drug traffickers to receive logistical support from isolated communities with few sources of legitimate income. Judicial corruption and political interference remain impediments to meaningful prosecution of narcotics trafficking.

Despite these conditions, Nicaragua's civilian and military law enforcement agencies conducted counternarcotics operations in 2012, mostly along the coasts, within the South and North Atlantic Autonomous Regions (RAAS and RAAN, respectively), which represent the most vulnerable geographical area of the country. Nicaragua remains primarily a transshipment point for illegal drugs, but the country is also at risk for increased domestic drug consumption.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In 2012, Nicaraguan authorities made efforts to publicize and enforce the country's open-records law as a tool against official corruption tied to drugs and other crimes, known as Law 621 (Access to Public Information, approved in 2007). In January, the Association of Municipalities of Nicaragua (AMUNIC) organized a national meeting of more than 60 officials responsible for implementing the law in 30 municipalities to exchange experiences on the law's application. The United States provided assistance to seven municipalities, which opened new public offices to provide citizens with a designated space to demand the access to official records granted by the law.

Nicaraguan authorities continued to enforce Law 735, which regulates the prevention, investigation, and prosecution of organized crime, as well as the administration of seized, forfeited and abandoned assets. In the first prosecution involving a politically appointed government official, 21 defendants, including the official, were found guilty under Law 735.

The Nicaraguan National Police (NNP) announced the creation of five new police divisions in 2012: Border Security Division; Farm Security Division; Tourism Division; Counter-intelligence Division; and Embassy Protection Division.

In 2012, 200 youth enrolled in the Nicaraguan National Police Youth Center. Inaugurated in 2011, the center will provide psychological counseling and vocational training to students for

one year to help them recover from addictions, seek employment and participate in the development of their communities.

In October, the Nicaraguan National Police and the Government of the Russian Federation signed a cooperation agreement to create a Regional Training Center to fight drug trafficking in the region.

Nicaragua ratified the Central American Simplified Extradition Treaty to facilitate the prosecution of third-country nationals for organized crime and similar offenses. The United States and Nicaragua are parties to an extradition treaty dating back to 1907, but the Nicaraguan constitution bars the extradition of Nicaraguan citizens.

In 2004, the United States and Nicaragua signed agreements to access the Cooperating Nation Information Exchange System, which allows greater law enforcement intelligence sharing among nations. The United States and Nicaragua signed a maritime counterdrug bilateral agreement in November 2001 and ratified the Inter-American Mutual Legal Assistance Convention in 2002, an agreement that facilitates sharing of legal information between countries and improves cooperation with U.S. requests for evidence sharing or transfer. In 2002, Nicaragua also ratified the Inter-American Convention against Terrorism, and signed, but did not ratify, the Caribbean Regional Maritime Counternarcotics Agreement in 2003.

## **2. Supply Reduction**

The Nicaraguan Navy (NNP), U.S. Coast Guard, and U.S. Drug Enforcement Administration (DEA) shared operational information and worked together on a number of counterdrug efforts in 2012.

Border security continued to be concern in 2012, as DTOs used the remote areas of the border with Honduras and the RAAN as a primary transit route. The transshipment methods continue to be varied among land, sea and air routes, though most significant drug interdictions occurred at sea. To strengthen border security, the NNP created a Border Security division that will work in coordination with Nicaraguan Customs and Immigration.

Drug seizures in 2012 remained consistent with 2011 levels. Nicaraguan authorities seized 9.3 metric tons (MT) of cocaine (up from 8.8 MT in 2011), 986 kilograms (kg) of marijuana, 4 kg of crack, and 13 kg of heroin. Authorities also reported eradicating 43,252 marijuana plants and reportedly neutralized 14 drug trafficking cells. Seizures of bulk currency and other assets increased in 2012. Nicaraguan authorities seized \$13 million in U.S. currency, up from \$5 million in 2011, in addition to 528 vehicles; 46 boats; 195 illegal firearms; 192 real estate properties; and 1,444 items of communication equipment.

In a joint operation with the Nicaraguan Army, Ministry of Health and Customs officials in Managua and the NNP seized 4,400 gallons of chemical precursors. Seven suspects were arrested, including one Mexican national, who were believed to be building a laboratory to produce hallucinogenic synthetic drugs.

### **3. Drug Awareness, Demand Reduction, and Treatment**

Nicaragua remained at risk of increased drug consumption, particularly on the Atlantic coast where transshipment increased. Domestic use of crack cocaine, methamphetamine, and marijuana were on the rise in 2012, particularly among 16 to 35 year olds, according to Nicaraguan community leaders and law enforcement. The Nicaraguan government focused limited education and law enforcement resources on the Hispanic Pacific Coast regions of Nicaragua, neglecting the largely indigenous communities of the Atlantic Coast.

By the end of September 2012, Nicaragua's NNP Drug Abuse Resistance Education (DARE) program reached 14,717 new students from 108 public schools. Since 2001, the DARE program reached more than 84,714 English, Spanish, and Miskito-speaking students in 800 public schools.

The NNP's Second Step Program (Segundo Paso) for drug awareness and prevention at the preschool-level continued in Managua, the RAAS, and the RAAN. The drug prevention program reached 470 students in 16 schools in the Pacific and Atlantic Coast regions by the end of September.

In an effort to prevent drug addiction, the Nicaraguan National Police in conjunction with the Ministry of Education organized 80 anti-drug rallies with 30,000 students and 19,000 parents from across the country.

In 2012, the Gang Resistance Education and Training (GREAT) program graduated 2,689 students from 30 public elementary and high schools in Nicaragua. Through the Community Policing Program sponsored by the U.S. government, the Nicaraguan National Police engaged 15 neighborhoods in critical areas of Managua to educate 404 at-risk youth on the risks of gangs.

The government-affiliated Institute Against Alcohol and Drug Abuse is the only public drug and alcohol treatment center in Nicaragua, working in alliance with seven rehabilitation centers administered by non-governmental organizations (NGOs). Private treatment centers offer two models of attention, out-patient and residential. Various NGOs continue efforts to provide treatment to drug addicts and implement prevention programs.

### **4. Corruption**

As a matter of policy, the Nicaraguan government does not encourage or facilitate the illicit production, processing, or distribution of narcotics, psychotropic drugs, and other controlled substances, or condone drug related money laundering activities. However, Nicaraguans perceive their government as highly corrupt, and low salaries for police, custom officials, and judges continue to hinder efforts to combat corruption in Nicaragua.

For the first time since the 2007 approval of Law 735, focused on organized crime, a politically appointed official (a former magistrate of the Supreme Electoral Council) was found guilty in 2012 on several corruption charges, including the fraudulent creation of Nicaraguan identification cards to foreigners linked to organized crime.

The management and disposition of seized criminal assets remains problematic. The Nicaraguan National Assembly passed legislation (Law 793) authorizing the creation of a new financial intelligence unit, which could contribute towards more transparent management of assets. However, there is still concern over potential government abuse of the proposed unit.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States supports a wide range of efforts designed to address crime and violence affecting the security of Nicaraguan citizens. In June 2012, due to ongoing concerns about fiscal transparency within the Government of Nicaragua, the U.S. Department of State ceased providing certain funds to Nicaraguan government agencies. This decision, mandated by U.S. law, led to phasing out of several bilateral programs during the second half of the year. In response, Embassy Managua developed plans to redirect counternarcotics efforts towards drug education and other similar non-government demand reduction programs in 2013.

To develop the maritime interdiction capacity of the Nicaraguan Navy, the United States provided a range of equipment, including night vision goggles for night operations, advanced communication equipment, spare parts for Nicaraguan Navy Patrol boats, marine binoculars, navigation lights, radar reflectors, vapor tracers and waterproof cameras. The Nicaraguan Navy attended the U.S.-sponsored Multilateral Maritime Counterdrug Summit in March 2012, which included participants from Colombia, Ecuador, Peru, Chile, Mexico and all other Central American countries to consider improved strategies and coordination against drug trafficking organizations.

To build the capacity of the NNP Drug Unit, the United States provided equipment including mobile canine kennels, protective vests, motorcycles and trailers to enable mobile inspection operations along the Pan American Highway, specifically targeting the Nicaragua-Honduras border.

The United States also worked with the NNP academy to create a distance learning program to provide police training to officers around the country, which earned praise from the police leadership. The United States donated 136 computers and related equipment to computer labs in police stations throughout the country allowing NNP officers to access the videos and course content remotely. The United States also provided 17 training sessions for 100 members of the NNP.

To support the NNP's new center for at-risk youth, the United States provided two 65-passenger buses to the NNP Juvenile Affairs Division, along with cameras, compact-disc players, and educational material as part of the Drug Abuse Resistance Education (D.A.R.E.) and Gang Resistance Education and Training (G.R.E.A.T.) prevention programs.

### **D. Conclusion**

Nicaragua faces many challenges related to illegal drugs, including the need to combat corruption, address judiciary independence, reduce drug demand and combat drug trafficking.

The Nicaraguan Navy confronts drug trafficking organizations, and achieved interdiction results working in conjunction with the U.S. Navy and U.S. Coast Guard. This level of commitment to upholding Nicaragua's international drug control obligations must be extended across additional institutions within the Nicaraguan government. Demand reduction and treatment resources expanded, but remain inadequate to the country's needs. Nascent efforts to root out official corruption and increase transparency must be reinforced, and the capacities and professionalism of the NNP and the Prosecutor General's office must be further strengthened.

# Nigeria

## A. Introduction

Nigeria is a transit country for heroin and cocaine destined for Europe, and to a lesser degree, the United States. The Nigerian Drug and Law Enforcement Agency (NDLEA) frequently arrests drug couriers at Murtala Mohammed International Airport (MMIA) in Lagos. Traffickers are increasingly exploiting the country's seaports and land borders to avoid the risk of detection traveling through MMIA.

Nigerian organized criminal networks remain a major factor in moving cocaine and heroin worldwide, and have begun to produce and traffic methamphetamine to and around Southeast Asia. In addition to drug trafficking, some of these criminal organizations also engage in other forms of trafficking and fraud targeting U.S. citizens. Widespread corruption in Nigeria facilitates criminal activity, and, combined with Nigeria's central location along major trafficking routes, enables criminal groups to flourish and make Nigeria an important trafficking hub.

The only drug cultivated in significant amounts domestically is marijuana. Nigerian-grown marijuana is the most commonly abused drug domestically. Traffickers also export marijuana throughout West Africa and to Europe through Nigeria's porous borders.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The NDLEA enforces laws against drug trafficking and abuse and plays the lead role in demand reduction and drug control policy development. Weak inter-agency cooperation contributes to the dearth of apprehensions of major traffickers. Although all law enforcement elements have representatives at Nigeria's ports of entry, joint operations between them are rare. No single law enforcement agency has adequate resources to combat sophisticated international criminal networks.

The NDLEA and the U.S. Drug Enforcement Administration (DEA) signed a memorandum of understanding in 2012 to establish a vetted unit of 14 officers to exclusively work with DEA. The unit has begun operations.

Nigeria's counternarcotics policy derives from a 1998 National Drug Control Master Plan. However, the NDLEA's budget is inadequate to implement the plan. The Government of Nigeria held NDLEA's budget at its 2011 level of approximately \$61 million. Of this, 0.02 percent, or approximately \$140,497 is allocated for NDLEA staff training. Personnel costs account for 92.4 percent of the NDLEA's budget, while one percent supports capital expenditures.

The 1931 U.S.-United Kingdom Extradition Treaty, made applicable to Nigeria in 1935, remains the legal basis for U.S. extradition requests. Defendants often challenge the continued validity of the extradition treaty.

The NDLEA cooperated with international drug enforcement efforts in 2012, including joint operations with DEA. Most notable among these were the Tin Can Port seizure in May of 113.49 kilograms (kg) of heroin originating in Pakistan and the seizure of a methamphetamine laboratory in Lagos in February. The NDLEA and DEA continue to target clandestine methamphetamine production in Nigeria, which involves transnational criminal groups that legally import and then divert large quantities of precursor chemicals. Criminals have also resorted to new methods of drug trafficking. There were two seizures in 2012 of heroin woven into rugs originating from Pakistan and Iran, as well as heroin packed inside soccer balls originating from Pakistan.

## **2. Supply Reduction**

The NDLEA has made good use of U.S.-provided technology and training. Most of the organization's drug seizures occur at airports using U.S.-donated body scanners, with the vast majority occurring at MMIA. The NDLEA faces challenges with arresting the higher level drug traffickers and financiers who organize the regular traffic of low-level drug couriers.

Although there have been some reports of asset seizures since 2010, authorities do not systematically use asset seizure as an enforcement tool against traffickers and money launderers. The NDLEA reported no money laundering convictions in 2012. Asset forfeiture remains challenging in Nigeria, which lacks non-conviction based forfeiture or plea bargaining laws. Without an appropriate plea bargaining mechanism, the NDLEA encounters difficulty winning cooperation from low-level couriers to build cases against criminal gang bosses. Another problem lies with Nigeria's courts, where intimidation and corruption are common.

Marijuana is the most common illicit drug produced in Nigeria, though in 2012, the NDLEA discovered four clandestine methamphetamine laboratories in Lagos. Traffickers sell marijuana in Nigeria and export it through West Africa and into Europe, but little reaches the United States. The NDLEA continues to pursue an aggressive eradication campaign, which destroyed 893.9 hectares of marijuana cultivation between January and September 2012.

The introduction of vigorous interdiction regimes at Nigeria's five major seaports and its porous land borders would likely yield significant seizures. Drug seizures at the MMIA have increased by 54 percent from last year. Between January and October 2012, the NDLEA Command at MMIA seized 64.1 kg of cannabis, 64.8 kg of cocaine, 61.7 kg of heroin, 77.6 kg of methamphetamine, and 31.8 kg of ephedrine, a precursor chemical used to produce methamphetamine.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Cocaine and heroin use increased in 2012. As in many other drug transshipment countries, traffickers have encouraged greater domestic consumption in Nigeria by offering drug supplies

to local distributors in lieu of cash payment. The NDLEA's Demand Reduction Directorate has reinvigorated its school-oriented programs and other programs targeting youth, professional truck and bus drivers, sex workers, community leaders, and transport workers. In the past year, the NDLEA counseled and rehabilitated 2,493 drug addicts, most of whom were marijuana users.

#### **4. Corruption**

The Government of Nigeria does not encourage or facilitate illicit production or distribution of narcotics, or the laundering of proceeds from illegal drug transactions. However, Corruption plays a major role in drug trafficking in Nigeria. Nigeria has anti-corruption laws, but has secured only a few notable convictions, including that of a former NDLEA chief. This high level of impunity encourages narcotic trafficking in Nigeria.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Despite NDLEA budget increases, Nigerian government funding for law enforcement agencies remains insufficient. Unless the Government of Nigeria remedies this situation, little progress will be made over the medium to long term. In 2012, the United States facilitated the training of 30 NDLEA officers assigned to Nigeria's four international airports to enhance detection of drug couriers, and donated an additional body scanner for MMIA; the NDLEA now has one scanner dedicated for arrivals and another for departures.

The United States works closely with the NDLEA and other law enforcement agencies to strengthen capacity. The United States also promotes greater cooperation between the Nigeria Customs Service and the NDLEA to improve interdiction at the vulnerable seaports and porous land borders. In 2012, the United States funded a counternarcotics advisor and DEA established its elite vetted unit, both of which will help to improve the NDLEA's ability to conduct complex cases. The United States facilitated the transfer of vessels and provided a wide range of maritime operational and small boat maintenance training to assist in building Nigeria's maritime law enforcement capability.

#### **D. Conclusion**

The United States will continue to engage the Government of Nigeria to combat drug trafficking, corruption, money laundering, and other criminal issues. The institutional and societal factors that contribute to these criminal activities remain deeply rooted and will require a comprehensive and collaborative effort. Progress will require sustained Nigerian government efforts and political will.

# Pakistan

## A. Introduction

Pakistan remains a source and transit country for illicit opiates. Drug-trafficking occurs through the country's seaports, train routes, and along the porous 1,500-mile border with Afghanistan. Pakistan's borders with India and Iran are also exploited by traffickers. In 2012, Pakistani law enforcement units had moderate success at interdicting drug shipments but were underfunded and spread thin, particularly in the remote provinces of Balochistan and the Federally Administered Tribal Areas (FATA), which adjoin Afghanistan's major opium producing regions. Regional trade agreements signed in recent years have contributed to heavy traffic at official border crossings and customs points, making detection and seizure of contraband difficult. Authorities also face challenges of organized crime, political violence, and terrorist and militant activities.

Domestic drug addiction is a continuing problem. Although recent official statistics are unavailable, cannabis is widely grown and freely available. The UN Office on Drugs and Crime (UNODC) estimated in 2010 that at least 20 metric tons (MT) of Afghan heroin was consumed annually within Pakistan. Demand for amphetamine-type stimulants (ATS) is believed to be increasing.

Pakistan remained the world's foremost heroin transit country in 2012, and UNODC estimates that 40 percent of the world supply traversed the country en-route to China, the Gulf States, Africa, and Europe. Seizures in recent years suggest that traffickers are diverting precursor chemicals from Pakistan to clandestine refineries (mainly in Afghanistan) to synthesize heroin from opium.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

President Zardari pledged a renewed commitment to combat illicit narcotics at the 2012 session of the United Nations General Assembly and at the South Asian Association for Regional Cooperation, hosted in Islamabad. In November, Pakistan hosted a minister-level, 12-nation meeting to develop a comprehensive regional counternarcotics strategy. Pakistan was a key participant in the Paris Pact and the Triangular Initiative, two UNODC-led mechanisms that promote regional counternarcotics coordination. Though few agreements were implemented at the working-level, Pakistan hosted 34 foreign Drug Liaison Officers as part of its Paris Pact obligations. Over the course of the year, both the Anti-Narcotics Force (ANF) and Pakistan Customs intermittently collaborated with counterpart agencies in Asia, Europe, and Africa in an effort to interdict contraband.

The ANF remained Pakistan's lead counternarcotics agency. But with only 2,500 personnel stretched across over 30 locations, it was both under-manned and under-funded. Although federal funding paid staff salaries, the ANF depended heavily on foreign assistance for the

procurement and maintenance of workspaces, vehicles, and gear. In August 2012, a court ruled that cases stemming from ANF raids in FATA had to be tried in a politically independent court instead of the special counternarcotics courts established by the ANF.

Pakistan's internal government collaboration improved in 2012, as the ANF chaired quarterly high-level meetings of the Inter-Agency Task Force on counternarcotics. The Task Force was established in 2010 to coordinate counternarcotics analysis and reporting, and 27 federal and provincial law enforcement agencies participated in these high-level coordination meetings. The ANF also partnered with the U.S. Drug Enforcement Administration (DEA) and the United Kingdom's Serious Organized Crime Agency to operate elite Special Investigation Cells (SICs). Its recently inaugurated training academy provided internationally certified instruction to 1,200 trainees from across Pakistan's law enforcement community. With UNODC support, Pakistan Customs continued to host an international training center for selective container inspection in Karachi.

Extradition was once a relatively common mechanism for pursuing drug traffickers based in Pakistan, but enforcement of the 1931 Extradition Treaty between the United States and United Kingdom (adopted by Pakistan upon independence) has become problematic in recent years. In 2011, Pakistani courts denied one U.S. extradition request that had been ongoing since 2004. No suspected narcotics traffickers have been directly extradited to the United States in recent years.

## **2. Supply Reduction**

UNODC estimates that in 2011, Pakistan's dry opium potential production was approximately 9 MT, down from an estimated 40 MT in 2010. In 2011, the most recent statistics available from UNODC, the ANF eradicated 1,053 hectares (ha) out of 1,415 ha of opium poppy in the country. Total cultivation figures in Pakistan are difficult to determine accurately, however, due to insecurity in the FATA that prevents access to survey teams. ANF leadership has underscored the need for alternative livelihood and development for farmers; Pakistan depends heavily on foreign assistance to carry out such endeavors.

According to UNODC, between 160 and 200 MT of Afghan heroin was trafficked into Pakistan in 2011, making Pakistan the world's preeminent opiate transit country. The ANF reports that 7.3 MT of heroin were seized in 2011, an increase over the 5.3 MT confiscated in 2010. UNDOC has reported higher seizure totals, however, estimating that authorities seized 12 MT of heroin in 2011, a significant increase over the 1.9 to 4 MT confiscated annually between 2004 and 2010. According to the ANF, interdiction of raw opium and morphine increased by 16 and 586 percent, respectively, over 2010 levels. Cannabis and acetic anhydride seizures fell by about four and 92 percent, respectively. The ANF led Pakistan's law enforcement community in seizure volume across all drug categories, with Frontier Corps Baluchistan, Customs, Punjab Police, and KPK Police also conducting major confiscations.

In 2011, Pakistani authorities arrested over 103,000 suspects on drug charges, a six percent increase over 2010. However, more than 96 percent of these cases involved low-level possession or trafficking in small quantities. Registered defendants were tried in special narcotics courts, and the ANF employed a sizeable number of prosecutors to move the caseload. Of the 600 cases

that were decided, 84 percent resulted in conviction – less than the 91-percent conviction rate achieved in 2010. Pakistani authorities managed to either freeze or seize \$2.2 million in assets linked to narcotics traffickers during 2011, a significant improvement over 2010's \$1.3 million figure.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

There are an estimated 500,000 addicts and over 5 million habitual drug users in Pakistan, though no comprehensive measurement has been completed since 2006. UNODC estimated that 20 to 40 MT of heroin remained in Pakistan's domestic market in 2011, suggesting a per-capita consumption rate double to triple that of the United States. While cannabis use has always been high, UNODC believes ATS consumption is growing, particularly among urban women developing chemical dependencies to over-the-counter pills. Pakistan's prescription medicine laws are commonly ignored by all but the most-reputable pharmacies. In 2012, the Drug Authority Regulatory Bill was signed into law, establishing the country's first regulatory body that would oversee the manufacturing and trade of therapeutic goods.

Pakistan's economic crisis precluded a vigorous response to rising drug demand. In 2011, the Government of Pakistan committed \$75,000 towards the implementation of a UNODC-designed comprehensive drug user survey. When completed in 2013, this survey will measure the drug consumption rates and preferences of both household and street users across the country. Results should help the Government of Pakistan and international donors in effectively distributing limited resources to educate the public about the dangers of drug addiction, the ANF's Drug Abuse Prevention and Resource Directorate organized 439 low-budget outreach campaigns in 2011, including university lectures, parade walks, and sporting tournaments. Several prominent non-governmental organizations (NGOs) coordinated similar programs.

In 2012, Pakistan's capacity for drug treatment remained insufficient to meet demand, with only 73 treatment facilities operating nationwide – the majority run by NGOs. Few of these centers possessed formal training or certifications. In November 2012, Pakistan officially adopted UNODC-proposed national drug treatment certification standards, while the UNODC launched a "train-the-trainer" campaign to better educate treatment specialists employed at government hospitals. In September 2012, The Colombo Plan, a multi-national organization promoting development in the Asia-Pacific region, launched a similar "train-the-trainer" program targeting NGO treatment specialists; 140 will be certified by 2014. Despite these achievements, demand for treatment far outpaced supply. In 2011, fewer than 30,000 drug users received detoxification therapy in all of Pakistan, as over-worked clinics were forced to turn back thousands more seeking treatment. Because Pakistan lacks the institutional capacity to serve women addicts, virtually all who received treatment were men.

### **4. Corruption**

Government officials, media, and international observers have acknowledged that corruption is a major challenge to law enforcement and the business climate. Although parliamentary oversight committees, an independent judicial system, and the country's critical free press exposed corrupt practices in 2012, the consequences for perpetrators were rarely severe. Accordingly, corruption

continued to facilitate the movement of contraband, principally in the form of bribes to Pakistani officials. Narcotics traffickers are not thought to have major influence on senior-level government policy or law enforcement, and the Government of Pakistan neither encouraged nor facilitated drug trafficking as a matter of policy. In 2012, two government officials were charged with influencing lower-level regulators to improperly modify distribution quotas. These officials were granted bail and await further legal proceedings.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Counternarcotics is an area in which Pakistan-U.S. cooperation has remained positive. However, visa delays and restrictions on the movement of U.S. personnel constrain bilateral counternarcotics programs. Multiple U.S. agencies work with the Government of Pakistan to address narcotics issues.

The United States provided funding for a variety of counternarcotics efforts. These efforts included construction of roads and alternative development projects to promote growth of licit crops, particularly in formerly inaccessible areas; support for ANF training, interdiction, and crop eradication activities; and demand reduction and rehabilitation programs. The United States also provided equipment to Pakistan's ANF, Coast Guard, and Marine Security Agency. U.S. law enforcement agencies provided operational assistance to ANF's SIC, and advice and training for Pakistani Customs. U.S. agencies and Pakistani law enforcement units coordinated to provide this support, increasing Pakistan's capacity for conducting narcotics seizures, arrests, and convictions, and drug treatment.

The United States is promoting initiatives to help Pakistan disrupt the narcotics trade. Among these is an effort to increase Pakistan's ability to interdict contraband and dismantle crime rings. To this end, the United States will help Pakistani law enforcement further develop its capacity for conducting sophisticated investigative operations, such as controlled deliveries and intelligent container profiling. By primarily directing this assistance through elite vetted units such as the ANF's SIC, the United States also aims to help Pakistan cultivate a model for corruption-free law enforcement.

The United States also intends to support Pakistan's efforts to treat drug addiction – specifically, by training additional treatment specialists while concurrently enabling the nationwide expansion of treatment facilities for both men and women. The United States may work with Pakistan's entertainment sector to design and distribute compelling anti-drug awareness messages via radio, TV, and film. Improving public perceptions of Pakistani law enforcement will be an additional objective.

### **D. Conclusion**

The complexity of Pakistan's narcotics trade hinders any quick or easy solutions. However, many of the same factors that propel the drug economy – such as border insecurity and illicit finance – also drive terrorism. During a 2012 regional conference in Islamabad, President Zardari acknowledged the connection between drug-trafficking and terrorist operations, along with other forms of crime. The United States has worked with Pakistan on common

counternarcotics objectives for over 30 years. Through a multi-pronged approach targeting both supply and demand, U.S. assistance to Pakistan also serves to promote international security.

Pakistan has made improvements to its counternarcotics capacity and has taken initiative to promote inter-agency and regional cooperation. However, Pakistan continues to face enormous social, economic, and security challenges that often exceed counternarcotics in priority. Pakistan can improve its efforts against drug-trafficking if government agencies and law enforcement coordinate closely, share information, and channel limited resources to avoid duplicative or contradictory efforts. Pakistan should continue and increase cooperation with other governments and international organizations to further reduce drug supply, and increase support for private organizations that focus on demand reduction.

# Panama

## A. Introduction

Panama remains a transshipment crossroads for illicit trafficking due to its geographic location and the presence of the canal. The United States estimated that more than 80 percent of the primary flow of the cocaine trafficked to the United States first transited through the Central American corridor in 2012. Drug Trafficking Organizations (DTOs), including Mexican and Colombian groups such as the Revolutionary Armed Forces of Colombia (FARC), move illegal contraband through Panama's remote Darién region, its coastline and littoral zones, and its transportation infrastructure, including the second largest free trade zone in the world, four major containerized seaports, the Pan-American Highway, and the fourth busiest airport in Latin America. The U.S. Agency for International Development (USAID) officially closed its Panama office in 2012 and transferred management to its regional office in El Salvador. The United States enjoys a strong partnership with all Panamanian security services.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Developments

In 2012, Panama built on past efforts to strengthen and improve its security institutions, enhance interdiction capacity and ensure citizen security. Despite cutbacks across government agencies in the fiscal year 2013 budget, the Ministry of Public Security's budget increased by 16.2 percent over 2012 levels, the fourth straight year of increase. Most of the increase will cover the costs of new equipment purchased from Italy, including six helicopters, 19 radar stations, and a digital mapping system.

The Panamanian National Police (PNP), with U.S. assistance, continues to implement a modern, statistics-based police philosophy (known as "COMPSTAT"). This implementation includes training in new methods of community policing and technological upgrades to manage workflow, improve response, and generate statistical reports on crime. Connectivity issues and internal cabling deficiencies in police stations slowed the technological upgrades, delaying implementation.

Panama undertook a whole-of-government strategy to improve governance in the Darién province. Largely due to the absence of other Panamanian agencies, the Panamanian National Border Service (SENAFRONT) remains the mainstay of this strategy, performing humanitarian assistance and community policing missions alongside its normal duties. SENAFRONT gained territorial control of the region's population centers and made efforts to recruit from the local Darién population and indigenous communities. In part due to "train-the-trainer" efforts with the United States and Colombia, SENAFRONT is able to meet most of its own training needs at its new Darién training center and offered training opportunities to neighbors such as Costa Rica.

Panama is transitioning to an accusatory system of criminal justice, intending to add two additional provinces into the system per year until it is fully implemented in 2014. Coclé and

Veraguas transitioned to the new system in 2011, and showed favorable results in 2012 with case duration rates declining 70 percent. In September 2012, the system expanded to the Herrera and Los Santos provinces. Panamanian budget shortfalls may negatively affect this program going forward; limited resources will prove particularly problematic as Panama begins to implement in more populous and complex regions. In the meantime, justice sector institutions remain weak, susceptible to corruption and have difficulty prosecuting complex organized crime and money laundering cases, hampering efforts to disrupt sophisticated trafficking organizations.

A mutual legal assistance treaty and an extradition treaty are in force between the United States and Panama, although the Panamanian Constitution does not allow extradition of Panamanian nationals. Both countries signed the Salas-Becker Agreement in 2002, enabling cooperation on bilateral maritime interdiction. Panama has bilateral agreements on counternarcotics with the United Kingdom, Colombia, Mexico, Cuba, and Peru. Panama is also a member of the Organization of American States and is a party to the Inter-American Conventions on Mutual Assistance in Criminal Matters, Against Corruption, on Extradition, against Terrorism, and against the Illicit Manufacturing of and Trafficking in Firearms. Panama is a member of the Central American Integration System. Panama participated in both sessions of the semi-annual Multilateral Maritime Counterdrug Summit, which includes Chile, Colombia, Ecuador, Mexico, Peru and all other Central American countries.

## **2. Supply Reduction**

Panama reported seizing 30.8 metric tons (MT) of cocaine in 2012, largely in cooperation with U.S. law enforcement. This includes cocaine captured by Panamanian authorities, but does not include 8.3 MT of cocaine seized by U.S. Coast Guard (USCG) assets in or near Panamanian waters, or cocaine jettisoned by traffickers during pursuit. Panama continued its downward trend in annual cocaine seizures with a 10-percent drop from the 34 MT seized in 2011. The United States attributes the drop in cocaine seizures to a combination of factors: disruption of established DTOs; a trafficking shift away from multi-ton shipments; reduced production in Colombia; and increased disruptions and seizures in some source countries. Panama continued to increase forward deployment of its interdiction assets in 2012, making it more difficult to traffic narcotics through Panama. Additionally, Panamanian authorities seized 1.5 MT of cannabis, 1.7 MT of coca base, 111 kilograms of heroin, and \$4.36 million in drug-related cash, down from \$8.4 million over the same period in 2011.

With U.S. assistance, Panama's Air Naval Service (SENAN) is working to overcome a number of shortcomings, including poor logistics and maintenance systems, inadequate human resources, a deficit of maritime expertise among senior officers, limited intelligence collection capability, and insufficient operational intercept assets. SENAN accounted for approximately 40 percent of all narcotics seizures in Panama, the largest among Panama's security institutions. In addition, it supported joint counternarcotics operations, including interdiction, patrolling, providing liaison officers aboard U.S. maritime vessels and patrol aircraft, photographing suspect areas, and identifying suspect aircraft. It also provided the transportation assistance for SENAFRONT officer rotations to remote areas such as the Darién.

In 2012, maritime trafficking along Panama's north coast stabilized at 2011 levels, but movements increased on the southern coast in regions west of Panama City. Based on seizures from containerized-cargo, the United States assesses that the bulk of container-based drug trafficking continued to flow to Europe. The Panama Canal expansion will significantly increase shipping traffic by 2015, with an expected corresponding increase in illicit container traffic.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Panama lacks an official budget for drug demand reduction programs, although funding sources include donations from civil society groups and international cooperation. The Ministry of Education provides drug prevention programs in schools, and the Ministry of Health supports a drug-counseling program. The last drug demand study was conducted in 2008, making it difficult to assess current trends. The Mental Health Institute reported a slight increase of people seeking assistance for addiction-related issues. Panama has not updated its written strategy on drug demand reduction since 2007. In February, Panama published new procedures regulating the operation of drug treatment and rehabilitation centers. The University of Panama now offers the country's first a technical degree in the treatment of drug dependents. The United States partnered with the PNP and other local actors to implement programs like Drug Awareness and Resistance Education (D.A.R.E.). The UN Office on Drugs and Crime (UNODC) worked with local partners to offer instruction in prevention and addiction treatment research.

Panama, with assistance from the United States and the United Nations, improved its prison system by increasing the number of trained rehabilitation personnel and implemented programs aimed to create more humane conditions and lower recidivism rates. The United States and Panama launched a project with a local non-governmental organization to provide rehabilitation services and vocational training for youth in detention.

### **4. Corruption**

The Government of Panama does not encourage or facilitate illicit drug production or distribution, nor is it involved in laundering proceeds of illicit drug sales. Corruption nevertheless remains a concern throughout the security services and justice sector. Panama adjudicated few cases of corruption in 2012, in part due to poor investigative capacity and a weak judicial system. DTOs penetrated the security services and several security-service members involved in trafficking were detained. A major reform of the internal affairs process, supported by the Ministry of Public Security, met resistance from within PNP ranks and became the flashpoint for a disagreement between the then-PNP director and the Security Minister, leading to the temporary resignation of the Minister. As a result, the government postponed reforms. In 2012, the PNP Internal Affairs unit received and processed 367 citizen complaints, and 27 police officers of various ranks were removed from service for cause. In an effort to improve transparency in Panama, UNODC inaugurated a Regional Anti-Corruption Academy in November, offering courses to government officials, including members of Panamanian security services.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States supports citizen security, law enforcement, and rule of law programs in Panama, including through the Central America Regional Security Initiative (CARSI). Efforts included improving Panama's ability to secure its own borders and strengthen the capacity of its law enforcement and judicial system. More specifically, the United States works closely to expand Panamanian capabilities to interdict, investigate, and prosecute illegal drug trafficking and other transnational crimes, while strengthening Panama's justice sector, including its prisons.

In 2012, the United States continued to provide assistance to modernize and maintain SENAN, SENAFRONT, and PNP vessels and facilities in support of interdiction efforts. The United States helped to improve the professionalism and effectiveness of Panama's security services by providing technical training in areas such as small boat operations, small unit tactics, and maritime interdiction, equipment, and logistics support. The United States is advancing a training relationship between Panama and Colombia, through which Colombian police experts train members of Panama's security services, and is exploring future cooperation opportunities in support of Panama's accusatory justice system transition. The United States is assisting the PNP to optimize its management and operational processes by supporting the implementation of the latest policing methods, like the COMPSTAT law enforcement modernization project.

United States and Panamanian law enforcement units collaborated closely on counternarcotics efforts, which in 2012 included high-profile investigations involving a nexus to U.S. cases. Panamanian vetted units, working in partnership with U.S. law enforcement agencies conducted sensitive investigations and operations related to counternarcotics, money laundering, human smuggling, and other transnational crimes.

In advance of closing the USAID mission to Panama, the United States sought to ensure sustainability of USAID programs and minimize the impact of anticipated Panamanian 2013 budget shortfalls. The United States provided assistance in potentially vulnerable project areas, and worked with the Panamanian government on assurances related to turnover of U.S. assistance programs.

The United States and Panama finalized an asset-forfeiture sharing agreement that will provide proceeds from a past money laundering investigation to the Panamanian government. These proceeds will fund jointly-agreed upon projects aimed at furthering anti-money laundering efforts and protecting Panama's robust financial sector.

#### **D. Conclusion**

The Government of Panama continued its support for joint counternarcotics operations and investigations in 2012, while continuing to invest in building its own capacity. Nevertheless, reductions in funding throughout Panama's 2013 budget could weaken U.S.-supported initiatives. Despite the two-year downtrend in seizures, Panama remains one of the regional leaders in narcotics interdiction. To that end, the United States will continue to assist Panama in completing and implementing reforms to ensure that the PNP, SENAFRONT, and SENAN become strong, professional security services and Panama's judicial system can capably overcome the corrosive effects of transnational crime. The United States will also encourage Panama to support efforts to prevent, detect, investigate, and prosecute financial crimes and

money laundering. The United States urges the Government of Panama to devote more resources to the modernization of its security and justice institutions to bolster citizen security.

# Paraguay

## A. Introduction

Paraguay faces various challenges to reduce narcotics trafficking and production. Its location near major source countries for illegal narcotics, as well as institutional challenges within its law enforcement agencies and courts, continue to impede counternarcotics efforts.

Paraguay produces one of the largest marijuana crops in the western hemisphere, largely for export to Brazil and Argentina. It is also a transit country for Andean cocaine, most of which is destined for Paraguay's neighbors or to Europe, Africa, and the Middle East. Significantly smaller quantities are transported to the United States. According to the United Nations Office on Drugs and Crime (UNODC), in 2012, crack cocaine users accounted for two of every three admissions to drug treatment centers for consumption of controlled substances, compared to only one of every 12 when the survey was last conducted in 2005.

Drug traffickers exploit the landlocked country's porous borders, extensive internal waterways, and law enforcement and judicial institutions. Arms trafficking, money laundering, counterfeiting, and other illegal activities linked to narcotics trafficking and other forms of transnational crime are prevalent, with the proceeds contributing to judicial corruption. These activities increasingly involve international criminal organizations operating along the Paraguay-Brazil border, challenging the capacities of Paraguay's primary counternarcotics agency, the National Anti-Drug Secretariat (SENAD), which has just over 380 members.

Despite these challenges, the Government of Paraguay expanded its efforts in 2012 to disrupt the activities of drug traffickers through interdiction, eradication, and demand reduction efforts, led by SENAD and aided by the Paraguayan National Police (PNP) and the Customs Administration. These agencies, along with the Attorney General's Office, the Anti-Money Laundering Secretariat, and the Supreme Court all welcome cooperation with the United States in fighting drug trafficking.

## B. Drug Control Accomplishments, Policies and Trends

### 1. Institutional Development

In 2012, Paraguay's Congress made progress in strengthening legislation against money laundering, terrorist financing, and illegal enrichment. The current administration also began creating an inter-agency Money Laundering and Terrorist Finance Task Force. SENAD has served since 2011 as the country coordinator for a UNODC-led multi-agency and multi-country program to address illicit trafficking and demand reduction and treatment initiatives. With U.S. assistance, in November the UNODC program completed a national baseline drug survey, the first such survey in Paraguay since 2005. SENAD's budget more than doubled to \$8.0 million in 2012, from \$3.5 million in 2011.

Paraguay is a party to the Inter-American Conventions Against Corruption and Against Terrorism. Paraguay is also a signatory to the Organization of American States Inter-American Drug Abuse Control Commission Hemispheric Drug Strategy and to the 1992 Inter-American Convention on Mutual Assistance in Criminal Matters.

U.S. and Paraguayan law enforcement authorities cooperate in extradition matters pursuant to a 2001 extradition treaty. The United States and Paraguay extended the 1987 bilateral letter of agreement providing counternarcotics assistance in 2004 and have amended it annually through 2012.

## **2. Supply Reduction**

Combined SENAD and PNP seizures in 2012 exceeded the totals for 2011. Precursor chemical seizures increased substantially. Seizures of 11.9 metric tons (MT) of marijuana seeds and wax exceeded 2011's 9.5 MT, and 316 production camps were destroyed during this period compared to 238 in 2011. The seizure of nearly 4 MT of cocaine exceeded the 2.8 MT seized in 2011. Also, 749 drug-related arrests and 226 vehicle seizures during this period were comparable to 2011 year-end totals of 827 arrests and 238 vehicles.

Other seizure statistics lagged behind last year's totals, including: 231 MT of marijuana (540 MT in 2011); six airplanes (eight in 2011); 73 firearms seized (98 in 2011); and 868 hectares of marijuana crops eradicated (2,489 in 2011). Overall, narcotics seizures increased significantly in the second half of 2012 under the new Franco Administration: by 272 and 119 percent when compared to the first half of 2012 for cocaine and marijuana-related substances respectively.

Included in the statistics above, on November 10, Paraguay's Joint Special Forces Battalion raided a clandestine airstrip in Canindeyú department and arrested 19 individuals, seized 1,759 kg of cocaine, five airplanes, five vehicles, various precursor chemicals, weapons, and ammunition valued at a total of \$6.6 million. The raid resulted in the first discovery of a cocaine conversion lab in Paraguay.

According to UNODC, Paraguay is one of the largest marijuana producers in the hemisphere. Marijuana cultivation takes place primarily in northeastern departments near the Brazilian border.

Various methods are used to smuggle narcotics through Paraguay to regional and international markets, including containerized cargo, cargo trucks, passenger buses, small airplanes, and human mules. Towns along the Brazilian border such as Pedro Juan Caballero, Salto del Guaira, and Ciudad del Este are notorious transit centers for narcotics, arms, and other contraband. Vehicular and foot traffic routinely cross the border unchecked by authorities on either side. Additionally, due to a limited law enforcement presence and lack of radar coverage, traffickers use large farms in the northwestern Chaco region along the Bolivian border as bases of operation for aerial cocaine shipments originating in Bolivia.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

In 2012, SENAD sponsored 189 workshops that reached 14,791 students, parents, and teachers in 99 different educational institutions. It distributed 2,600 informational pamphlets and 45 DVDs to students, teachers and counselors, and conducted 57 drug abuse awareness radio broadcasts.

The Ministry of Health's National Addiction Control Center is the only public drug treatment facility in Paraguay. It offers in-patient, out-patient, and walk-in assistance to all patients seeking treatment regardless of gender or age. There is only one private rehabilitation center in Paraguay.

#### **4. Corruption**

The Government of Paraguay neither encourages nor facilitates illegal activity associated with drug trafficking, and no senior government official was implicated in such activity in 2012. Nevertheless, widespread corruption and a lack of resources in the law enforcement and judicial systems often prevented the effective prosecution of narcotics producers and traffickers.

#### **C. National Goals, Bilateral Cooperation and U.S. Policy Initiatives**

The Franco Administration has placed a high priority on counternarcotics efforts, as demonstrated by increased seizures and the appointment of qualified leadership in SENAD. Congress echoed this support through increased counternarcotics funding.

The United States worked closely with the Paraguayan government to disrupt drug trafficking organizations and to strengthen legal and regulatory frameworks in a joint effort to combat narcotics trafficking and associated crimes, such as money laundering and arms trafficking. U.S. operational support, including U.S. Drug Enforcement Administration support for joint investigations, resulted in increased numbers of drug seizures, arrests, and cases presented for prosecution.

#### **D. Conclusion**

The Government of Paraguay continued to advance its counternarcotics capacity as evidenced by increased drug seizures as well as SENAD's collaboration with the Brazilian Federal Police on select narcotics cases. Still, Paraguayan interagency collaboration remains underdeveloped. Enhancing the judicial system's ability to prosecute narcotics cases quickly and effectively, combined with strengthening law enforcement efforts underway, would help to deter narcotics producers and traffickers.

The United States encourages Paraguay to continue to institute measures to address corruption across all levels of government and to develop a comprehensive approach to combating the production and trafficking of precursor chemicals. The United States also encourages Paraguay's congress to pass long-pending legislation to support counternarcotics objectives, including the asset forfeiture law.

# Peru

## A. Introduction

Peru remained the world's top potential producer of cocaine for the second consecutive year. Peru was the second-largest cultivator of coca, with an estimated 49,500 hectares (ha) of coca under cultivation in 2011, the most recent year for which data is available. The majority of cocaine produced in Peru is transported to South American countries for domestic consumption, or for onward shipment to Europe, East Asia, Mexico and the Caribbean via land and maritime conveyances, and commercial and private aircraft. Peru is a major importer of precursor chemicals used for cocaine production.

Under President Ollanta Humala, Peru adopted a comprehensive five-year counternarcotics strategy (2012-2016) in March 2012 and dedicated substantial resources to implement it. The strategy calls for a 200-percent increase in the eradication of illicit coca by 2016. In 2012, some coca growers resorted to violence to resist eradication. Eradication operations were suspended for nearly four weeks in August when several hundred coca growers wielding explosives, grenades, and rocks confronted eradicators and security personnel. Sendero Luminoso (SL or Shining Path) operating in the Apurimac-Ene-Mantaro River Valley (VRAEM) relied on cocaine production and trafficking for funding, and killed or wounded scores of police and military personnel engaged in counternarcotics operations.

Domestic consumption of illicit drugs is growing, and the number of treatment and rehabilitation centers falls short of what is needed to treat the estimated 32,000 to 45,000 cocaine addicts and an even larger number of marijuana addicts nationwide. The general Peruvian population was increasingly concerned about the impact of drug trafficking and abuse on citizen security, political stability, and the nation's youth; the environmental damage of illicit drug production; and the impact of corruption on democratic institutions, including the police and the judiciary.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In March, the Peruvian government adopted its counternarcotics strategy with ambitious goals for eradication, interdiction, and alternative development, as well as associated issues, including: control of precursor chemicals; organized crime; money laundering; and the rule of law. The Humala administration more than doubled its counternarcotics budget from the previous year (from an estimated \$102 million in 2011 to \$220 million in 2012), which has already resulted in increases in the seizure of precursor chemicals and drugs, as well as the capture or death of several high-profile narco-terrorists. Of this amount, the government approved \$48 million to support three programs within its counternarcotics policy agency, DEVIDA ("National Commission for Development and Life Without Drugs"), including alternative development (\$27 million), drug supply control (\$12.8 million), and drug abuse prevention and rehabilitation (\$8.2 million). Peru also hosted the "International Conference against the World Drug Problem" in

June; 61 countries and nine international organizations participated. Peru and Thailand also co-hosted an international conference on alternative development in November.

The government implemented extensive reforms of the Peruvian National Police (PNP), including changes in the PNP organizational structure, disciplinary regulations, personnel system classifications, enhanced PNP specializations, and citizen safety and security policies. The government also increased the total number of police officers and established additional police stations in the VRAEM and Huallaga Valley.

The Public Ministry continued to provide training on the New Criminal Procedure Code (NCPC), which transitions the Peruvian legal system from an inquisitorial to an accusatory system. By the end of 2012, the NCPC was implemented in 23 of the 31 judicial districts in Peru. Nationwide implementation will likely be delayed by a year, with Lima anticipated to be the final (and largest judicial) district to implement the code in 2014. The NCPC has been applied to corruption cases nationwide since September 2010.

The United States and Peru are parties to an extradition treaty that entered into force in 2003. Peruvian law requires individuals to serve sentences and probation in Peru before becoming eligible for extradition. There were three pending U.S. extradition and provisional arrests in 2012 related to narcotics trafficking, murder, and fraud. Two subjects of extradition requests remain at large. Four individuals were extradited to the United States in 2012, two for fraud, one for murder, and one for sexual assault charges. One extradition request – for attempted murder – was denied.

## 2. Supply Reduction

The U.S. government estimates that 49,500 ha of coca were under cultivation in Peru in 2011, a 6.6-percent decrease from the 2010 estimate of 53,000 ha. The United Nations, using a different methodology, estimated 62,500 ha of cultivation in 2011, a 2.1-percent increase from its 2010 estimate of 61,200 ha. The U.S. government 2011 estimate for potential pure cocaine production dropped to 305 metric tons (MT), a 6.1-percent decrease from 2010. The U.S. government 2011 estimate of potential export-quality cocaine also decreased three percent to 360 MT.

In 2012, the Peruvian Government eradication agency, CORAH, focused its efforts on central Peru's Huánuco and Ucayali regions. Despite coca growers' attempts to pressure the government to halt or limit eradication, Peru eradicated 14,171 ha of illicit coca, exceeding the 10,290 ha eradicated the previous year. By that same date, Peru officials also destroyed a total of 142 rustic maceration pits found at eradication sites. Due to the prohibitive security environment, CORAH does not yet eradicate in the VRAEM, a region that accounted for as much as 40 percent of all of Peru's potential pure cocaine production in 2011.

DIRANDRO, the police anti-drug unit, received a \$13 million budget in 2012, up from \$7.7 million in 2011, and reported significant increases in the seizure of precursor chemicals and a moderate increase in the monthly average of drug seizures. DIRANDRO reported the seizure of approximately 35 MT of cocaine (19.6 MT of cocaine base and 12.5 MT of HCL cocaine) – surpassing the 24.5 MT of cocaine seized in 2011. In addition, DIRANDRO seized 3 MT of

marijuana, and destroyed 1,172 cocaine laboratories and 15 MT of coca leaf in the UHV and the VRAEM.

Peru produces precursor chemicals, such as sulfuric acid, required for the processing of coca to cocaine base. Peru is also a major importer of other essential chemicals for cocaine production. DIRANDRO's Precursor Chemical unit (DEPCIQ) seized 1,926 MT of precursor chemicals, 46 percent more than what was seized in 2011 (1,053 MT). Ongoing interdiction operations on major roads east of the Andes, assisted by two U.S.-donated backscatter x-ray scanners, are responsible for much of this increase.

As of October, authorities from SUNAT (the Peruvian customs and tax agency) and the PNP seized 1,345 kilograms (kg) of cocaine in maritime counterdrug operations within the Callao and Paita ports. Of an estimated 1.8 million containers handled at Peruvian ports, SUNAT officers inspected approximately 11,900 – up from 5,800 containers inspected in 2011. SUNAT and PNP officers conducted the majority of these inspections using dogs and non-intrusive inspection instruments donated by the United States. The PNP-SUNAT Maritime Task Force continued to conduct profile exams from analysis of export cargo, generating alerts that lead to several successful interdiction operations.

Maritime smuggling is the primary method for transporting large cocaine shipments. Peruvian, Colombian and, increasingly, Mexican traffickers maintain sophisticated networks in Peru to ship cocaine to Europe, East Asia, Mexico, the Caribbean, the United States, and other Latin American countries. Peru and the United States exercise maritime operational procedures that enable U.S. authorities to board Peruvian flagged vessels in international waters. In September, Peru hosted the Multilateral Maritime Counterdrug Summit, which offered an opportunity for coast guard and naval representatives from across the Western Hemisphere to improve strategies and cooperation against drug trafficking organizations. In joint investigations with U.S. law enforcement, DIRANDRO identified and disrupted major international cocaine trafficking organizations using maritime and air conveyances to ship cocaine for export. Police noted an increase in the use of small aircraft to transport cocaine from clandestine runways in the Peruvian jungle to unknown locations in Bolivia. In two separate operations in September, DIRANDRO seized more than 500 kg of cocaine and impounded two Bolivian-registered Cessna aircraft.

In February, Peruvian law enforcement and armed forces captured “Comrade Artemio,” wanted for drug trafficking and terrorism charges and the organizational head of Shining Path Upper Huallaga Valley (SL-UHV), effectively dismantling this faction of SL. Peruvian authorities deployed more than 300 police and 500 military personnel for this operation. This four-year investigation, dubbed Operation Eclipse, resulted in the arrest of over 90 SL-UHV members. In September, Peruvian forces killed the second-most-senior military commander of SL in the VRAEM, “Comrade William,” delivering a second blow to the narco-terrorist organization.

The PNP also conducted successful investigations resulting in the seizure of financial assets, including the January seizure of \$40 million from a chemical trafficking organization. A second case involved the seizure of \$100 million in assets related to SL-VRAEM leader Victor Quispe

Palomino. Peruvian authorities, however, struggle to effectively manage and dispose of these assets once in custody.

### **3. Drug Abuse Awareness, Demand Reduction and Treatment**

Drug abuse in Peru is increasing. DEVIDA completed a nationwide study indicating that 5.1 percent of Peruvians had used an illegal substance in their lifetime, and 1.6 percent of the population (roughly 265,000 people) had abused a drug in the past year. Marijuana accounts for the majority of drug use, with cocaine paste and cocaine hydrochloride a distant second and third.

DEVIDA launched a media campaign to advertise a hotline for drug counseling services and produced a movie for distribution in coca-cultivating areas promoting licit livelihoods. DEVIDA also provided funding to local governments for drug awareness and prevention campaigns nationwide.

Public treatment facilities in Peru provide 200 beds for drug addicts requiring services. There are private treatment centers in urban areas, but many suffer from a shortage of trained staff. Peru has approximately 300 “therapeutic community centers” (a participative, group-based approach to drug addiction treatment) nationwide, but the majority of these centers are unregulated, often run by former addicts with no formal training. In 2012, fires in two of these centers resulted in the deaths of more than 50 patients locked in their rooms. Only 13 of 80 prisons nationwide offer treatment programs for inmates. There are no rehabilitation centers or clinics specifically designed to treat adolescents, women, or their children.

### **4. Corruption**

As a matter of policy, the Government of Peru does not encourage or facilitate the illicit production or distribution of narcotics or other controlled substances, or the laundering of proceeds from illegal drug transactions. Nonetheless, corruption remains a concern. According to a 2012 national survey, 47 percent of Peruvians believe corruption is one of the biggest problems in the country, and 55 percent perceive the judiciary and the police as corrupt.

A whistleblower statute, which falls under the 2011 legislation providing the Office of the Comptroller General with greater authorities to sanction public officials guilty of corruption, generated 4,681 complaints from April 2011 to December 2012. These complaints come from public servants who have denounced colleagues and private citizens they suspect are guilty of corruption.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The U.S. government funds projects to support key areas identified in the Peruvian counternarcotics strategy through training, technical assistance, intelligence, and the targeted provision of equipment through international organizations, local non-governmental implementers, and the government of Peru. A primary focus of U.S. government interagency

support is to enhance the capacity of the Peruvian police and military to more effectively counter SL's narco-terrorist activities in the VRAEM and to increase state presence in this remote area.

To reduce dependence on illicit coca cultivation, the U.S. government partners with the Peruvian government to implement alternative development projects in recently eradicated areas of coca cultivation. In 2012, the U.S. Agency for International Development coordinated the U.S. approach and successfully promoted farmer participation in the cacao, coffee, and palm oil industries, helping increase productivity and quality to boost sales in San Martin, Huánuco, and Ucayali. U.S. assistance supported over 19,000 families with the cultivation of over 37,000 ha of alternative crops in 2012. U.S. assistance also supported programs to improve farmers' access to credit, thereby building producer associations' capacity and linking producers to national and global buyers.

#### **D. Conclusion**

Although Peru is the world's foremost producer of cocaine, the Peruvian government is demonstrating strong political will to address this problem, particularly through its comprehensive counternarcotics strategy. The U.S. partnership with and support to Peru in implementing its counternarcotics strategy is a critical element in combating the production and export of cocaine. The United States encourages Peru to continue its efforts to implement its comprehensive five-year counternarcotics strategy, including by dedicating sufficient resources to achieve its goals.

## Philippines

The Philippines faced significant challenges in combating illegal drug trafficking in 2012, particularly the manufacture and importation of large quantities of methamphetamine by transnational criminal organizations. Domestic cultivation of marijuana for domestic consumption remains problematic, and methamphetamine and marijuana remain the two most-widely consumed illicit drugs domestically. Philippine law enforcement and justice sector agencies lack necessary resources, staff, and effective investigative tools, such as the ability to execute telephone intercepts and plea bargaining, to effectively identify, investigate, and prosecute transnational drug trafficking organizations (DTOs).

The Philippine Drug Enforcement Agency (PDEA), the nation's counternarcotics and chemical-control agency, led successful illicit drug enforcement operations over the course of 2012 and seized considerable quantities of precursor chemicals, methamphetamine, and marijuana. An investigation into methamphetamine laboratories hidden in an affluent community led to the capture of members of transnational DTOs. The PDEA, in coordination with the Bureau of Customs and other Philippine law enforcement agencies, continued to develop a Manila Airport Drug Task Force that resulted in increased apprehensions of drug couriers at Manila's international airport.

The government implemented several drug demand reduction initiatives and educational programs in 2012. Limited funding, however, hampered efforts to build a rehabilitation center in every province as planned. Prosecuting drug cases remained difficult and many cases were dismissed for failure to follow the strict evidence collection and chain of custody rules in the Comprehensive Dangerous Drugs Act of 2002. Bills to amend the law remained pending at the end of the reporting period. The government conducted seminars on the law for judges, prosecutors, and law enforcers in an effort to increase prosecution of drug cases. The drug conviction rate increased by only one percent in 2012.

Philippine drug law enforcement units continued to effectively cooperate with U.S. law enforcement and other international and regional law enforcement agencies. In 2012, the United States provided maritime law enforcement training to the Philippine Coast Guard.

Corruption among law enforcement remained a concern. Several officers, including top leaders of the PDEA, were dismissed for alleged corrupt practices and irregularities. Several incarcerated Chinese drug traffickers escaped from prison with the aid of a prison official.

Although the Philippine government takes the problems of drug trafficking and drug abuse seriously, the lack of resources and effective investigative tools, combined with a high degree of law enforcement corruption, continued to make the Philippines vulnerable to exploitation by transnational criminal organizations.

## Portugal

Portugal continues to be a gateway for drugs entering Europe, particularly from South America and Western Africa. Traffickers are increasingly using former Portuguese colonies Guinea Bissau and Cape Verde as transshipment, refueling, and storage points for cocaine-laden vessels from South America en route to Europe through the Iberian Peninsula. It is not a significant center of drug production nor a significant source of drugs destined for the United States. While cocaine is the most-significant drug threat in Portugal, MDMA (ecstasy), hashish, and heroin are also readily available. Portugal cooperates well with U.S. law enforcement to combat drug trafficking. In July 2012, the U.S. Drug Enforcement Administration and the Portuguese Judicial Police conducted a joint investigation resulting in 340 kilograms of cocaine seized in Lisbon, multiple arrests, and the dismantling of an international drug trafficking organization.

Portugal and the United States have a customs mutual assistance agreement, which is enforced, as are protocols to the 2003 U.S.-EU extradition and mutual legal assistance agreements. Portugal is also a member country of the Maritime Analysis and Operations Center-Narcotics, headquartered in Lisbon.

Portugal focuses much of its counternarcotics efforts on treatment and prevention. Drug use remains stable and below the EU average, despite nationwide decriminalization of personal drug use in 2001. "Problem" drug use and HIV cases are referred to the Drug Addiction Dissuasion Commission, consisting of multi-disciplinary teams that assess users and decide the appropriate sanction and referral to educational or treatment programs. The Portuguese Ministry of Health's Institute on Drugs and Drug Addiction (IDT) operates 66 drug treatment centers nationwide. The IDT also has prevention programs that include training sessions, awareness-raising activities, and dissemination of informational pamphlets. Universal drug prevention is part of the Portuguese school curriculum. In addition, as part of the "Safe Schools" program, law enforcement patrols the areas surrounding schools to prevent and protect students from criminal activities such as drug trafficking in the surrounding area. Law enforcement also actively participates in awareness and training activities.

## Republic of Korea (ROK or South Korea)

Narcotics production and abuse is a minor problem in Republic of Korea. South Korea has very strict laws regarding illicit drugs. Conviction for possessing, using, or trafficking illicit drugs can result in long jail sentences and large fines. Anomalously, because of its reputation for not having a drug abuse problem, South Korea is favored as a transshipment location for drug traffickers. With one of the region's largest ports, Busan, located on its Southeast tip, South Korea remains an attractive location for illegal drug transshipments coming from countries that are more likely to attract a contraband inspection upon arrival. Some narcotics smuggled through South Korea are en route to the United States. South Korea is a party to the 1988 U.N. Drug Convention.

As a matter of government policy, South Korea does not encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs. According to the ROK Customs Service, there were 546 drug interdictions of persons, carriers, cargo, and mail into and out of the country in the first eight months of 2011, resulting in the seizure of approximately 25 kg of illicit drugs. The number of interdictions during the first eight months increased by approximately five times over the first six months of last year. The drugs seized included methamphetamine, marijuana, hashish, and previously rarely seen substances such as cocaine, MDMA (methylenedioxyamphetamine), JWH-018-artificial marijuana, and other synthetic prescription drugs.

According to the Supreme Prosecutors' Office, Korean authorities arrested 4,228 individuals for drug violations in the first six months of 2011, an approximately 9.5 percent decrease from 4,673 arrests in the same period last year. Of the arrests, 63.1 percent were for use, 22.1 percent were for supply, and 5.6 percent were for possession of illicit drugs. Synthetic psychotropic drugs continued to be the most widely used illicit drugs, accounting for approximately 73.9 percent of drug arrests. Marijuana seizures were 72.8 kg, an approximate 97% increase from 36.9 kg in the same period last year. Each District Prosecutor's Office, in conjunction with local governments, conducts annual surveillance into suspected marijuana growing areas during planting or harvesting time periods to limit possible illicit diversion. According to the Supreme Prosecutors' Office, as of September this year, Korean authorities had seized 70,864 marijuana plants. Some traditional Korean garments are made from the hemp of marijuana plants. Hemp production is illegal, but the Korean Food and Drug Administration issues licenses to farms that produce traditional Korean garments. This year Korean authorities conducted a crackdown on unlicensed hemp farms and many owners have abandoned their farms, resulting in a spike of marijuana plant seizures. Opium poppy production is also illegal in South Korea, but poppy continues to be grown in Gyeonggi Province where farmers have traditionally used the harvested plants as a folk medicine to treat sick pigs and cows. Opium is not normally processed from these plants for human consumption. Korean authorities continue surveillance of these opium poppy-growing areas. According to the Supreme Prosecutors' Office, as of September this year, Korean authorities seized 37,270 opium poppy plants.

The Ministry of Health and Welfare Affairs conducts programs to treat drug addicts at 22 hospitals nationwide. The treatment is free and patients can remain in the program for up to one year. The South Korean government also funds the primary NGO involved with drug treatment, Korean Association Against Drug Abuse (KAADA), which has 12 branches throughout the country. KAADA provides education on the risks and dangers of drugs, as well as counseling, sports therapy, and Narcotics Anonymous programs. KAADA also runs a free rehabilitation center where drug addicts may live up to a year at the center for intensive treatment and receive follow-up services after their stay.

The South Korean authorities remain mindful of the challenges they face in combating transshipment of illicit drugs in and out of the country and actively engage with law enforcement authorities from other countries in drug control efforts through various regional and international organizations. The Drug Enforcement Administration (DEA) Seoul Country Office and U.S. Immigration and Customs Enforcement, Homeland Security Investigations (HSI) officials continue to work closely with South Korean narcotics law enforcement authorities on international drug interdiction, seizures of funds and assets related to illicit narcotics trafficking, and the diversion of precursor chemicals in South Korea and in the Far East region.

## Romania

Romania is not a significant source of illicit drugs but continues to be an important transit country due to its location along the well-established Northern Balkan Route. Opium, morphine base, and heroin typically move from Afghanistan to Europe along this route, while synthetic drugs and precursor chemicals transit from west to east. The effects of the global economic crisis, coupled with domestic political turmoil, continued to impact all Romanian government agencies, while resources for counternarcotic units were scarcer than in previous years.

Drug use has increased in recent years, with a noted rise in the use of synthetic drugs and heroin. Reports indicate there are between 28,000 and 30,000 drug abusers in Bucharest. Cannabis and hashish are more widely used than heroin; however, a new trend developing is the use of amphetamine-type stimulants and MDMA (ecstasy). These synthetic drugs are easier to use than heroin or cannabis, and more affordable than cocaine.

The Romanian National Police Narcotics Unit, under the Romanian Ministry of the Interior Organized Crime and Anti-Drug Unit, is responsible for investigating major drug trafficking offenses. Between January and June, the Unit seized: 44.73 kilograms (kg) of heroin; 54.55 kg of cocaine; 175.14 kg of cannabis; 5,553 tablets of MDMA; 3.27 kg of methamphetamine; and approximately 2.17 kg of designer synthetic drugs and other smaller quantities of chemical and pharmaceutical substances.

As a matter of government policy, Romania does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal drug transactions. There is no evidence that senior Romanian officials engage in, encourage, or facilitate the illicit production or distribution of drugs or that they launder proceeds from illegal transactions. However, low-level corruption and judicial inefficiency remain serious problems for the Romanian government. Criminal convictions, including those that are drug-related, are difficult to obtain, and as many as 50 percent of those convicted do not serve their full sentences.

Romanian authorities continue to work closely with international partners, including the U.S. Drug Enforcement Administration, the Southeast European Law Enforcement Center and regional counterparts, for successful and effective international seizure operations.

# Russia

## A. Introduction

Russia is a major destination country for heroin from Afghanistan and a significant market for opium, hashish, marijuana, and synthetic drugs. UN Office on Drugs and Crime (UNODC) data continue to identify Russia as the largest single market for Afghan-origin heroin, consuming approximately 70 metric tons (MT) per year, and as the largest per capita consumer of heroin in the world.

Approximately 25 percent of Afghanistan's annual heroin production traverses neighboring Central Asian states along the so-called "northern route" to Russia. According to a May 2012 UNODC report, approximately 90 MT of heroin was trafficked along this route in 2010. Russia's 4,107-mile border with Kazakhstan accounts for the overwhelming majority of smuggling activity. Opiate trafficking along this route may have increased due to the 2010 customs union between Russia and Kazakhstan, as Russia relies on customs inspections at the union's external borders, and Kazakhstan's seizure rate is very low.

Between 1992 and 2010, the number of drug addicts in Russia increased more than nine fold, and as of 2011 there were more than 670,000 officially registered drug users, with some estimates being five times higher. Up to 100,000 people are believed to die every year from drug overdoses and other causes associated with drug use. In Moscow alone, drug deaths for the year reached 202 through June 2012, twice the number for the same period in 2011. According to official statistics of the Federal AIDS Center, as of September 15, 682,000 HIV-positive people have been registered in Russia since 1987. A main driver of the epidemic is intravenous drug use.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In June 2012, the government launched the "State Counternarcotics Strategy until 2020" that calls all agencies and all levels of government to join in the fight against illicit drugs. The Strategy urges improvements in supply and demand reduction, and outlines new legislation aimed at deterring drug trafficking. An important development in implementing the Strategy in 2012 was the signing in March by then-President Medvedev of a law stipulating life sentences for trafficking large quantities of drugs. Previously, the maximum sentence was 20 years. The law also allows for the confiscation of property and money obtained by drug dealing.

Russia maintains bilateral counternarcotics cooperation agreements with over 35 nations, and the Federal Narcotics Service (FSKN) maintains drug liaison officers in many countries of the region. FSKN recently assigned liaison officers to the Central Asian Regional Information and Coordination Center, after joining as a member last year. In the capacity of Chairperson of the Russian State Anti-Narcotics Committee, FSKN Director Viktor Ivanov participated in the third meeting of the "Central-Asian Quartet" composed of the heads of the anti-narcotics agencies of

Afghanistan, Pakistan, Russia, and Tajikistan, held September 2012 in Dushanbe. Participants adopted a “road map” for 2012-17 including joint countermeasures against drug threats from Afghanistan, prevention of drug abuse, treatment measures, and international cooperation.

As part of the NATO-Russia Council’s counternarcotics project, Russian trainers continued to conduct training courses for Afghan, Pakistani and Central Asian counterparts at the MVD training center outside Moscow and the Counternarcotics Training Center in St. Petersburg. Russia also continued to partner with the United States in implementing an Organization for Security and Cooperation in Europe project to improve drug interdiction capacity building for border guards in Tajikistan and Turkmenistan, and with UNODC to support the State Drug Control Service in Kyrgyzstan.

A 1999 mutual legal assistance treaty is in force between the United States and Russia.

## **2. Supply Reduction**

Seizure statistics for 2012 were not available at the end of the reporting period. Total seizures of illegal narcotics over the first nine months of 2011 by type of substance were as follows: 1.64 MT of heroin; 19.66 MT of cannabis; 1.92 MT of hashish; 188.1 kg of cocaine; and 533.6 kg of synthetic substances.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The Russian government addresses demand reduction and drug abuse prevention in the State Counternarcotics Strategy. The Strategy outlines ongoing deficiencies in the demand reduction system, including insufficient medical treatment and social rehabilitation services, a shortage of specialized workers (doctors and social workers) and a shortage of centers serving drug abusers. At present, there exist only four state-run and 70 non-governmental organization (NGO) centers for rehabilitation of drug addicts. The few government-supported drug addiction treatment programs that do exist are generally ineffective, with high rates of recidivism. Most drug replacement therapies, such as methadone, are illegal in Russia, although treatment centers in St. Petersburg and Orenburg are implementing a few new models of cognitive therapy which expand the breadth of substance abuse programs and rehabilitation. A new medication-assisted therapy study on Naltrexone abuse, supported by the United States and Russian governments, is ready for publication. The Russian Orthodox Church continues to operate approximately 40 faith-based rehabilitation centers.

Local NGOs are also active in drug prevention activities. The Health and Development Foundation (formerly Healthy Russia Foundation), for example, has established a peer-to-peer outreach program. The program targets youth in high drug use target areas through vocational schools, youth clubs, activities, summer camps, and other special programs set up by regional governments to reach teenagers at greatest risk. From October 2011 to September 2012, program activities of the Health and Development Foundation reached over 100,000 young people, and trained over 2,500 volunteer peer educators.

## **4. Corruption**

As a matter of policy, the Government of Russia does not encourage policies that facilitate illegal activity associated with drug trafficking, nor were senior Russian officials known to engage in, encourage or facilitate the illicit production or distribution of such drugs, or the laundering of proceeds from illegal drug transactions. However, corruption among law enforcement officials in Russia continues to present major challenges. In 2012, the FSKN internal security service continued to publicize corruption cases among low-level FSKN officers ranging from extortion to drug trafficking to bribery and fraud.

At a March 2012 meeting of the Anti-Corruption Council, then-President Medvedev introduced a new anti-corruption bill targeting government officials. According to this bill, public officials (including members of parliament, governors, and public and municipal civil servants) will be required to declare their own and immediate families' expenditures for purchasing real estate, securities, and vehicles.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

U.S.-Russian counternarcotics cooperation continued in 2012, particularly between the U.S. Drug Enforcement Administration (DEA) and FSKN. The Counternarcotics Working Group of the U.S.-Russian Bilateral Presidential Commission led by the U.S. Office of National Drug Control Policy (ONDCP) Director Gil Kerlikowske and FSKN Director Viktor Ivanov conducted productive meetings during the year. Joint participation in DEA-FSKN training programs continued on tactical operations, intelligence analysis, investigative techniques, and financial investigations. DEA and FSKN continued joint investigative work on both heroin trafficking derived from Afghanistan and cocaine trafficking emanating from South and Central America. Meetings of the Northern Route Working Group also continued in 2012. In addition to operational law enforcement cooperation, the United States has, since 2002, conducted a range of programs to promote counternarcotics and law enforcement cooperation with the Russian government. The FSKN and DEA will co-host the International Drug Enforcement Conference in Moscow in 2013. The two agencies worked in close coordination throughout 2012 in developing themes and objectives for the conference.

### **D. Conclusion**

Russia treats counternarcotics efforts as a top national priority, as reflected by its efforts to implement the 2010 National Counternarcotics Strategy. Russia's active participation in international, regional, and bilateral counternarcotics activities and the productive work in the U.S.-Russia Bilateral Presidential Commission's Counternarcotics Working Group reflect this emphasis, as do the numerous recent operational successes involving both U.S. and Russian law enforcement. Russia and the United States have been especially successful in jointly addressing new trends in cocaine trafficking, and intend to achieve the same level of success with other types of narcotics. Russia and the United States share a commitment to continuing bilateral and multilateral cooperation in counternarcotics.

## Senegal

Senegal's location on Africa's west coast and the country's established transportation infrastructure make it an enticing transit point for drug traffickers moving narcotics from South America to Europe. Cocaine is trafficked into Senegal by land and sea from neighboring countries, namely Guinea-Bissau and Guinea, and then on to Europe by sea and air. Cannabis is cultivated in the southern Casamance region for local use and regional trafficking. The United States is not a destination point for drugs cultivated in or trafficked through Senegal.

Senegal's Drug Law, first passed in 1997, was amended in 2006 to include tougher penalties for drug trafficking. Senegal's national counternarcotics plan, drafted in 1998, seeks to control the cultivation, production, and trafficking of drugs, inform the population of the dangers of drug use, and reintroduce former drug addicts into society. The Senegalese government lacks the financial resources to ensure the capacity of state agencies responsible for border control to identify and seize narcotics.

Senegal works with partners in the Economic Community of West African States to combat narcotics trafficking. Senegal has several bilateral agreements to combat narcotics trafficking and signed mutual legal assistance agreements with the United Kingdom and France to facilitate the exchange of enforcement information on narcotics trafficking and other transnational crimes. In April 2011, the United States and Senegal signed a bilateral agreement that strengthens Senegal's capacity to counter maritime drug trafficking through joint U.S.-Senegalese maritime operations.

In July 2012, the U.S. Navy and Coast Guard conducted an African Maritime Law Enforcement Partnership mission involving joint training, surveillance, and law enforcement operations with the Senegalese Navy to suppress illicit transnational maritime activity in and around Senegalese waters. The operation showed a marked increase in communication, allowing the Senegalese Maritime Operation Center to coordinate national efforts and bilateral efforts with The Gambia. Also in July, the United States provided basic drug enforcement training in Dakar for officers from Senegal and neighboring countries.

Limited infrastructure and funding hamper Senegalese efforts to fight drug trafficking. Although the national plan to counter narcotics trafficking and cooperation with regional neighbors are positive steps to help Senegal in this fight, Senegal continues to struggle against well-financed traffickers.

## Serbia

Serbia is a transit country for illicit narcotics, mainly heroin and marijuana originating from Afghanistan, smuggled along the traditional Balkan smuggling corridor to Europe. Serbian organized crime groups also smuggle cocaine directly from South America to Europe. Serbia is not a major producer or consumer of organic, synthetic drugs, or precursor chemicals.

There is no government-wide coordinating body responsible for counternarcotics law enforcement. Resource constraints hamper a more centralized and robust response. Serbia prioritizes international law enforcement cooperation, and Serbian law enforcement agencies routinely interact and exchange information with counterparts in the United States, Europe and South America. Serbian police worked closely with Spanish authorities to investigate and dismantle the transnational criminal organization led by Luka Bojovic, who was arrested in February 2012. Serbia participates in regional cooperation bodies, but does not recognize Kosovo and has not cooperated directly with Kosovo government representatives in the past. In 2012, Serbia modified its policy to allow participation in regional fora with Kosovo under certain conditions. Serbia legally succeeded the State Union of Serbia and Montenegro on June 3, 2006. All international treaties and agreements continue in force, including the 1988 UN Drug Convention. The Criminal Procedure Code adopted in September 2011 is now under revision.

The majority of drug seizures in Serbia result from intelligence sharing abroad and interagency cooperation at home, with trends remaining constant. Drug abuse prevention and treatment capacity is limited. A government-run drug rehabilitation clinic provides services, and public and prison hospitals run drug rehabilitation programs.

As a matter of policy, the Serbian government does not facilitate the illicit production or distribution of narcotics or launder proceeds from illegal transactions. Senior government officials do not encourage or facilitate illicit drug production or distribution, but corruption remains a serious concern, however.

Serbia works closely with the United States, the Organization for Security and Cooperation in Europe, and European Union countries to reform and improve law enforcement capacity. The United States has provided technical assistance to police, customs, border police, prosecutors, and the judiciary to professionalize the police and customs services, and improve domestic capacity to prosecute corruption and organized crime. Negotiations continue on a new extradition treaty that would supersede the 1902 Extradition Treaty between the United States and the Kingdom of Serbia, which is still in force.

More-effective cooperation with Kosovo is needed, as is improved communication and strategic coordination among domestic criminal justice entities. The United States will continue to support Serbian law enforcement and judicial institutions through training, capacity-building, and equipment donations.

## Singapore

Singapore is not a producer of narcotics, but as a major regional financial and transportation center, it is an attractive target for money laundering and a transshipment point for narcotics. Traffickers use Singapore as a transit point for narcotics moving to other countries such as Indonesia and Malaysia via parcels, maritime containers and air cargo. Air and maritime ferry passengers have also frequently transited Singapore in possession of narcotics for delivery to neighboring countries such as Malaysia. The Government of Singapore enforces stringent counternarcotics policies through strict penalties (including the death penalty and corporal punishment), vigorous law enforcement, and active prevention programs. Domestic rates of illegal drug use are low by global standards.

According to the Government of Singapore, the total number of drug arrests during the first six months of 2012 dipped slightly by 2.5 percent from the same period in 2011, from 1,756 to 1,712. Heroin and methamphetamine remain the top two drugs consumed in Singapore, accounting for 93 percent of the drug offenders arrested in the first half of 2012. In the first half of 2012, the number of registered heroin abusers (1,090) increased by 6.1 percent compared to the same period in 2011 (1,027). While methamphetamine remained the second most commonly used illegal drug, arrests of methamphetamine offenders declined 10.6 percent, with 60 fewer methamphetamine abusers arrested in 2012.

Between January and June of 2012, Singapore seized 44.9 kilograms (kg) of heroin, a 13 percent increase from the same time period in 2011; 9 kg of cannabis, a 62 percent increase from 2011; 9.5 kg of methamphetamine, a 137 percent increase from 2011; 624 tablets of methamphetamine tablets, a 45.1 percent increase since 2011; and 130 tablets of buprenorphine, a 465-percent increase since 2011. According to the Singapore Central Narcotics Bureau (CNB), Singapore seized approximately \$7.75 million worth of drugs in the first half of 2012, which is \$1.25 million more than during the same time period in 2011.

Singapore is ranked as one of the least corrupt countries in the world. Corruption cases involving Singapore's counter narcotics and law enforcement agencies are rare, and their officers regularly attend U.S.-sponsored training programs as well as regional forums on drug control. In 2012, the United States hosted one Singaporean officer at a Coast Guard Maritime Law Enforcement Officer course in the United States.

## South Africa

### A. Introduction

South Africa remains an important market and international distribution hub for illegal narcotics, as well as a source of domestically-produced cannabis and synthetic drugs. Drug-related crimes increased in all nine provinces in 2012 for a country-wide increase of 17 percent, according to the South African Police Service (SAPS) annual crime statistics report. The South African Central Drug Authority's (CDA) has delayed plans to launch a national narcotics database, part of the 2012-2017 National Master Plan on Drugs. A new asset forfeiture unit and an independent police corruption agency became operational in 2012, increasing tools available to South Africa to counter narcotics. The United States provided specialized training for detectives in 2012 that was well-received.

### B. Drug Control Accomplishments, Policies, and Trends

#### 1. Institutional Development

The current draft of the CDA 2012-2017 National Master Plan calls for the creation of a nationwide database to track drug crimes more thoroughly. The plan is still in the review process.

Border control responsibility remains with the South African National Defense Force (SANDF), which struggles to control South Africa's porous borders. In August 2012, the government instructed SANDF to assist SAPS with intelligence-driven operations in the Eastern and Western Cape provinces to decrease "gang warfare" and "drug hotspots." The SAPS Directorate of Priority Crimes (DPCI), also known as the "Hawks," created a Financial Asset Forfeiture Investigative Unit (FAFI) to target the organized crime syndicates that are partly responsible for drug trafficking and money laundering in South Africa. This initiative is based on provisions of the South African racketeering statute, the Prevention of Organized Crime Act (POCA), which is similar to U.S. racketeering statutes. POCA allows for the seizure of assets used in the commission of crimes and the profits from illegal activities, such as drug trafficking. The statute allows for stiffer penalties when the perpetrators are gang members.

The United States and South Africa have bilateral extradition and mutual legal assistance treaties in force. The United States and South Africa also have a letter of agreement on law enforcement and counternarcotics assistance and a customs mutual legal assistance agreement.

#### 2. Supply reduction

Cannabis has long been cultivated in South Africa. Manufacturing of amphetamine-type stimulants (ATS), methaqualone (mandrax), methcathinone (khat), and methamphetamine (known locally as "tik") is increasing, according to the CDA.

According to South Africa's annual crime statistics report released in September 2012, drug-related crime increased nationwide, rising from 150,673 between April 2010 and March 2011 to 176,307 cases between April 2011 and March 2012.

Gauteng province, with the highest urban population in South Africa, recorded a record increase of drug-related cases, up 58 percent from the prior year. Gauteng's drug-related arrests increased from 16,457 to 25,949. Western Cape Province's arrests increased by nine percent (from 70,588 to 77,069). Rural Mpumalanga Province, which borders Kruger National Park and Mozambique, had a 30-percent increase in drug-related arrests, from 3,178 to 4,153.

The South African Police Service achieved some law enforcement successes in 2012, thanks partly to specialized counternarcotics training as well as new tools such as the asset forfeiture legislation and the asset forfeiture investigation unit. For example:

- In July, the DPCI arrested a man in possession of approximately \$34,483 worth of methamphetamine. Police seized cannabis and equipment valued at approximately \$2.3 million during a raid on a drug laboratory in the same area as the methamphetamine arrest.
- In May, police seized 1,100 kilograms of hashish with a street value of approximately \$4.4 million.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Substance abuse is a major social problem in South Africa, contributing to the overall crime rate. Drug-related crime increased in 2012. According to the CDA, the Western Cape Province continues to be affected by gang violence linked to illegal drug sales. Heroin is starting to appear on the South African drug scene, and youth in South Africa appear to be increasingly using methamphetamine, particularly in the Western Cape. A popular mixture of methamphetamine and ecstasy has become a health risk and has led to an increasing number of deaths among users. School-age children in Limpopo province chew khat and are increasingly using "kuber," a highly addictive nicotine based drug. South Africa lacks addiction research, and treatment availability is limited, with demand widely exceeding availability.

### **4. Corruption**

As a matter of policy, the South African government does not encourage or facilitate the illicit production or distribution of narcotics or launder proceeds from illegal drug transactions. The South African government actively combats narcotics-related corruption. The government implemented an Independent Police Investigative Directorate (IPID) Act in 2012 to place greater emphasis on police corruption and enhance public confidence in the efforts of the police. This Directorate replaced the Independent Complaints Directorate with more powers and a direct line of reporting to the Minister of Police. The IPID will investigate most police-related criminality and other corruption for the SAPS.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States continued to support substance abuse and prevention programs in partnership with the South African National Council on Alcoholism and Drug Dependence. The U.S. Drug Enforcement Administration office in South Africa provided a two-week course in Basic Narcotics Investigations in September in Pretoria to 14 SAPS and nine Tanzanian Police Force members. The SAPS has requested additional iterations of this course for 2013.

#### **D. Conclusion**

Drug use has not abated in South Africa. There is still a lack of sufficient information to formulate an adequate profile on drug addiction victims. The SAPS is committed to improving the counternarcotics investigative skills of its detectives and achieving greater success with drug interdiction efforts. South Africa's Prevention of Organized Crime Act, particularly its robust new asset forfeiture provisions, is proving a useful tool in the war against illicit drugs. The country's new asset forfeiture unit should play an increasing role in countering organized drug sales and trafficking. The United States encourages South Africa to build on these incremental steps and finalize its National Master Plan to provide a unified strategy for reducing the supply and consumption of illicit drugs.

## Spain

Spain remains an important European transit point to Europe for narcotics originating in Latin America and for hashish from Morocco, especially via its North African exclaves of Ceuta and Melilla. There was an increase in the use of small aircraft to move hashish shipments as an alternate to sea-based shipments. There is growing concern over possible consolidation of links between drug trafficking networks in Latin America and West Africa, though there is no evidence of greater inflows of cocaine via North Africa. A shift continues away from large containerized shipments from Latin America to smaller more dispersed shipments transiting North Africa. Spanish law enforcement efforts continued to achieve success through a robust combination of border control and coastal monitoring, sophisticated application of technology, domestic police action, and international cooperation.

The UN 2012 World Report on Drugs noted that usage rates of cannabis and cocaine among Spanish citizens declined modestly, although rates remain amongst the highest in Europe, especially among the 15 to 34 age group. Despite drastic cuts in the 2012 national budget, funding for counternarcotics programs were largely unaffected. Thirty percent of assets seized in counternarcotics operations continued to go towards supply reduction programs, supplementing operational budgets.

Domestic drug production is minor. There is limited marijuana production and a small number of labs involved in cutting, mixing, and reconstituting cocaine products. Law enforcement seizures declined for hashish (3.9 percent), cocaine (1.7 percent), and MDMA (43.2 percent) in the first six months of 2012. In contrast, seizures of amphetamine-type stimulants increased 9.2 percent and heroin by 25.5 percent.

Spain enjoyed excellent bilateral and multilateral law enforcement cooperation in 2012. Cooperation on EU operations in the Mediterranean improved, and EU funds are being used to construct an EU command and control center to oversee maritime operations. Spain provides law enforcement liaisons to two EU operational platforms in Dakar, Senegal and Accra, Ghana, and law enforcement cooperation improved with countries in Latin America. In a joint operation with Venezuela, authorities seized 5.644 metric tons of cocaine and dismantled the largest drug-trafficking and money laundering organization in Spain's history. U.S. law enforcement agencies maintained strong working relationships with Spanish police services, resulting in multiple significant cocaine seizures in 2012.

# Suriname

## A. Introduction

Suriname is a transit zone for South American cocaine en route to Europe, Africa and, to a lesser extent, the United States. Suriname's sparsely populated coastal region and isolated jungle interior, together with weak border controls and infrastructure, make narcotics detection and interdiction efforts difficult. Traffickers are able to move drug shipments into and through Suriname by land, water, and air with little resistance. There is little evidence of drug production in Suriname, although national police officials (widely known as "Korps Politie Suriname" in Dutch, or KPS) have advised U.S. law enforcement officials of increased cultivation of cannabis.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

As a matter of official policy, the Government of Suriname is committed to combating illegal narcotics trafficking. However, Suriname's practical ability to apprehend and prosecute narcotics traffickers remains inhibited by drug-related corruption, bureaucratic hurdles, and inadequate legislation.

Under the coordination of the Office of the President, the National Anti-Drug Council and the Ministries of Health, Justice/Police, and Education formulated the draft National Drug Master Plan for 2011-2015. The National Assembly approved the Plan, which addresses both supply and demand, in October 2011.

Suriname passed four laws intended to satisfy the recommendations of the Caribbean Financial Action Task Force, in order to implement common countermeasures to address the problem of criminal money laundering: a law regulating oversight of money transfer offices; an amendment on reporting unusual transactions; a law regulating bank and credit system supervision; and additional legislation on money laundering and terrorism financing.

Suriname is a party to the Inter-American Convention against Corruption and Migrant Smuggling and the Inter-American Convention on Mutual Assistance in Criminal Matters. Since 1976, Suriname has been sharing narcotics information with the Netherlands pursuant to a mutual legal assistance agreement. In 1999, the United States and Suriname completed a comprehensive bilateral maritime counternarcotics enforcement agreement that remains in force. Suriname has also signed bilateral agreements to combat drug trafficking with Brazil, Venezuela and Colombia.

Suriname has two memoranda of understanding (MOU) with the U.S. Drug Enforcement Administration (DEA) that provide for a DEA presence in Suriname and the establishment of the Narcotics Intelligence Unit, a vetted unit of five to eight officers. In 2012, Suriname signed an MOU with the UN Office on Drugs and Crime (UNODC) to participate in their Container Control Program. Current law prohibits the extradition of Surinamese nationals and this is upheld in practice.

In 2012, Suriname began the installation of an automated biometrics border control management system that will identify and record people traveling to and from Suriname at the principal airport and border crossings. Suriname also participated in the Caribbean Basin Security Initiative-funded digitized fingerprint system to link its criminal databases among the major law enforcement entities in the country as well as internationally.

## **2. Supply Reduction**

In 2012, the Government of Suriname seized 395 kilograms (kg) of cocaine, 102 kg of cannabis, 8000 ecstasy pills and 80 grams of hashish. Two hundred and sixty-nine people were arrested for drug-related offenses, of which two hundred and sixteen cases were sent to the Office of the Attorney General for prosecution. One hundred and forty-one people were prosecuted for drug-related offenses.

Suriname is working on legislation to control precursor chemicals, but currently is unable to detect the diversion of precursor chemicals for drug production. The Government of Suriname focuses significant narcotics interdiction resources on the country's western border with Guyana, a key route for cocaine trafficking by land and water.

Suriname's international airport, Johan Adolf Pengel International, continues to work with the Government of Suriname and a Canadian partner to implement an air-traffic radar and control system first installed in 2010, but which is still not operational. Interdiction efforts at the airport are run by the Combating International Drug Trafficking (CIDT) team composed of approximately 32 KPS members. The team focuses almost exclusively on searching passengers and cargo on flights bound for the Netherlands, where the majority of narcotics are trafficked from Suriname. The use of foodstuffs to move narcotics through the airport continued in 2012. In October, 57 kg of cocaine were recovered from hollowed-out sweet potatoes.

The CIDT team utilizes urine test kits at the airport to identify suspected drug mules, and "sniffer dogs" for additional narcotics detection. Drug mules who evade detection in Suriname may be arrested upon arrival in Amsterdam, where 100-percent inspection of all bags and passengers from Suriname is routine.

The bulk of cocaine smuggled from Suriname to Europe and Africa occurs via container cargo. Smaller fishing vessels also carry drugs out to sea and transfer them to large freight vessels in international waters. The Government of Suriname is working to create a coast guard, though its current maritime capability is limited. Suriname does not operate a maritime radar system to track movements at sea.

There is local cultivation of cannabis in Suriname but little data exists on the amount under cultivation. There was one seizure of 20 kg at the Zorg en Hoop Airport from luggage intended for Guyana. However, there is no additional evidence that cannabis is exported in significant quantities.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The Organization of American States' Inter-American Drug Abuse Control Commission will begin a survey on Suriname's drug consumption in 2013. A new National Anti-Drug Council was installed in 2012 and worked to raise drug awareness, held prevention meetings with children, parents, and teachers and focused efforts on educating dropouts. There is one government-run detoxification center that is free of charge; other treatment centers are run by non-governmental organizations.

#### **4. Corruption**

During 2012, the Government of Suriname officially maintained its commitment to combat narcotics trafficking and took measures to apprehend government officials for drug-related corruption. However, corruption remained pervasive throughout all levels of government and there was evidence of drug-related corruption among government officials.

Two high-level officials within the Suriname government have previous convictions for drug trafficking: President Desire Bouterse and Member of Parliament Ronnie Brunswijk have been convicted in absentia in separate court cases in the Netherlands. France also has an outstanding arrest warrant for Brunswijk on similar charges. Neither has served the sentence associated with the conviction, as Suriname does not extradite its citizens.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

In 2012, the United States provided training, technical assistance and material support to several elements of the KPS, as well as to the Suriname Navy and other maritime authorities. The operational effectiveness of Suriname's law enforcement institutions continued to be hampered by government reorganization efforts within the law enforcement structures and unfilled vacancies within law enforcement units.

#### **D. Conclusion**

The United States encourages the Government of Suriname to increase efforts to pursue major narcotics traffickers, dismantle their organizations, and strengthen regional and international cooperation. Additionally, the United States encourages Suriname to work to eliminate bureaucratic obstacles that limit law enforcement's effectiveness and to continue to develop the capacity of its counternarcotics-focused units. Suriname's participation in UNODC's Container Control Program is a positive sign that the Government of Suriname intends to improve enforcement at seaports, the primary conduits for shipments of narcotics exiting Suriname. Increased monitoring and protection of porous borders and the interior with a radar detection system and adequate air support to conduct arrests in Suriname's interior should also be a priority.

## Taiwan

Taiwan is neither a major transshipment point for nor a significant producer of illicit narcotics. Aggressive law enforcement action targeting domestic production, coupled with enhanced surveillance of smuggling routes, led to reduced availability and higher black market prices for all categories of illicit drugs and diverted precursor chemicals in 2012.

Seizures decreased in all categories except ketamine, which increased by 85 percent from the previous year. A serious problem in Taiwan, ketamine remains popular among teenagers as a party drug due to its perceived low potential for addiction and the absence of criminal penalties for possession of small amounts (less than 20 grams). China is the source of 80 percent of the ketamine seized or sold in Taiwan. Consumption of amphetamine-type stimulants (ATS) is also a significant domestic problem, but greater efforts to monitor sales of legally produced precursor chemicals and aggressive efforts to identify and seize illegal drug factories have significantly decreased domestic ATS production. In August, authorities reported seizing 77 kilograms of heroin originating from Cambodia – the largest heroin seizure in ten years.

The Ministry of Justice leads Taiwan's counternarcotics efforts with respect to manpower, budgetary, and legislative responsibilities. The Ministry of Justice Investigations Bureau, National Police Agency, Coast Guard, Customs Directorate, and Military Police contribute to counternarcotics efforts and cooperate on joint investigations, openly sharing information with the U.S. Drug Enforcement Agency and other law enforcement counterparts in the Asia Pacific region. Taiwan's undercover and electronic surveillance laws hamper law enforcement efforts to investigate drug cases, while geographic challenges limit authorities' abilities to provide long-term witness protection.

Addiction is viewed primarily as a health issue, and efforts focus on treatment, rehabilitation, and support of recovering addicts. The criminal justice system offers users the option of voluntary long-term treatment in lieu of incarceration. Most prisons lack the infrastructure and resources to treat addicts, and the recidivism rate is high.

Taiwan's inability to participate in the United Nations and other international organizations presents obstacles to its full involvement in regional and international counternarcotics efforts. However, Taiwan continues to forge relationships with other Asia-Pacific countries, including China, to exchange drug intelligence resulting in drug seizures and arrests.

Although there is no bilateral extradition treaty between the United States and Taiwan, a bilateral mutual legal assistance agreement is in place through which Taiwan regularly affords mutual legal assistance to U.S. counterparts.

# Tajikistan

## A. Introduction

Tajikistan is a major transit country for heroin moving from Afghanistan to Russia and Eastern Europe. Tajikistan shares a 749-mile border with Afghanistan, where more than 80 percent of the world's opium and heroin originates. Drug trafficking contributes to corruption throughout all levels of the Tajik government and is a revenue source for militants and terrorists in Afghanistan.

The UN Office on Drugs and Crime (UNODC) estimates that about approximately 90 metric tons (MT) of the heroin produced in Afghanistan is smuggled through Central Asia, and that between 75 and 80 MT of heroin is smuggled through Tajikistan each year.

Reported domestic consumption in Tajikistan is relatively low, with only 7,255 registered addicts. However, UNODC and the International Red Cross Society estimate that about 70,000 people regularly use opiates in the country. These estimates suggest that roughly one percent of the population is addicted to opium or heroin.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In 2010, the Government of Tajikistan adopted a National Border Management Strategy (NBMS), drafted by the Organization for Security and Cooperation in Europe. In August 2011, President Emomali Rahmon took the first step toward implementing the NBMS when he established an Inter-Agency Secretariat to oversee it. However, the government has yet to fully implement the Strategy. Since September 2011, the Secretariat has not convened and some Ministries have opposed its formation

### 2. Supply Reduction

According to Tajikistan's Drug Control Agency (DCA), in 2012 law enforcement agencies seized 5.98 MT of narcotics, 41 percent more than in 2011. Of this amount, 515 kg were heroin; 627 kg were opium; and 4.83 MT were cannabis. Cannabis seizures increased by 49.6 percent, and for the second year in a row, accounted for about 80 percent of total seizures. Heroin seizures increased slightly by one percent and opium by 28 percent.

All government agencies increased their seizure rates in 2012 with the exception of the DCA, which experienced a 2.6 percent decrease. The Ministry of Internal Affairs (MVD) seized 2.56 MT of narcotics. The State Committee on National Security (GKNB) dramatically increased seizures since 2010 from just seven kg up to 2.38 MT, almost equaling the DCA. The Customs Service continues to seize the least amount of drugs, but increased their total by 11 percent in 2012, reaching 65.6 kg. In addition to the drugs listed above, the DCA reported an increase in synthetic drugs transiting Tajikistan, and confiscated a small amount, including barbiturates and

benzodiazepine. One seizure in May reportedly interdicted 63 kg of methamphetamine, according to media reports.

UNODC estimates that 70 to 75 percent of opiates are transported by truck or other vehicle through Central Asia. Air and rail account for another 15 to 25 percent of trafficking, possibly utilizing direct flights and rail lines from southern Tajikistan to Moscow. Low-level smugglers often use body concealment to transport drugs by air. Better connected traffickers hide drugs in all types of goods, especially concrete, which makes up the bulk of truck cargo from Afghanistan, and obstructs the detection power of scanners and drug sniffing dogs. If smugglers are unable to use official border crossing points (BCPs), they must cross the Panj River from Afghanistan on rafts, or they simply wade across in areas where the water level is low.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Tajikistan's Ministry of Health funds five drug rehabilitation centers throughout the country, with 295 beds and 52 doctors. Over 80 percent of the 7,255 registered drug addicts in the country are addicted to heroin. Women account for less than four percent of registered drug users. Over 55 percent of Tajik citizens infected with HIV are intravenous drug users. The United States sponsors a "Dialogue on HIV and TB Project" which provides technical assistance, training, and direct outreach services to treatment centers and drug users.

In October 2012, the United States concluded a year-long drug demand reduction program which used a community-based approach to educate youth about the dangers of drugs and provide them with healthy alternatives to drug use such as sports, music, art, theater, and dance. The DCA self-financed similar campaigns to spread an anti-drug message. The Ministry of Health has developed a five-year DDR program that builds on DCA activities.

### **4. Corruption**

Based on UNODC estimates that Central Asia received \$1.4 billion in profits from the drug trade in 2010, the value of the illicit drug trade could be equivalent to as much as 21 percent of Tajikistan's gross domestic product. The scale of profits to be made and the extremely low salaries of law enforcement officers create strong incentives for facilitating the drug trade in Tajikistan.

As a matter of government policy, the Government of the Tajikistan does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. However, the DCA does not monitor drug-related criminal cases, which are sometimes dismissed for connected individuals, or used by corrupt officials to go after internal opponents. In the past year, several law enforcement officials, including the brother of the First Deputy Head of the GKNB and the head of MVD's counternarcotics department were arrested and prosecuted for drug trafficking and corruption.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States continues to provide salary supplements to Tajikistan's DCA, and will also support an elite DCA unit as part of the Central Asia Counternarcotics Initiative. Since 2003, the United States has provided \$11.3 million to the DCA. The United States and the DCA support a Drug Liaison Office (DLO) in Taloqan, Afghanistan, where DCA officers work with Afghan officials to prevent drug smuggling from Afghanistan to Tajikistan. While DCA's seizure rates declined in 2012, the efforts of the DLOs led to significant seizures and destruction of several drug laboratories in Afghanistan.

In July, the U.S. Embassy's Office of Military Cooperation (OMC) organized training for Customs officials operating U.S.-provided vehicle scanners at the Nizhny-Panj BCP on the Tajik-Afghan border. Despite efforts to improve operator techniques and repair technical problems, the scanners remain underused and have produced negligible drug seizures. In June, the customs chief at Nizhny-Panj was arrested for corruption.

#### **D. Conclusion**

The significant increase in drug seizures this year is a sign of progress, but continued lack of commitment to implement the NBMS, negligible seizures at the U.S.-built Nizhny-Panj BCP, and cases of high-level corruption continue to hinder the success of counternarcotics programs in Tajikistan. However, the Government of Tajikistan has shown a strong willingness to combat militants and extremists crossing into Tajikistan. The United States plans to build on this shared goal to engender more robust cooperation on border security and counternarcotics.

# Thailand

## A. Introduction

Thailand is a transit and destination country for illicit narcotics. Heroin and methamphetamine move from Burma directly across Thailand's northern border and indirectly via Laos and Cambodia for consumers in Thailand and for export markets. Most marijuana consumed in Thailand is grown along the Laos-Thailand border.

2011 saw a significant growth in the seizure of heroin, methamphetamine tablets (in Thai: *yaa-baa*), crystal methamphetamine, and MDMA (ecstasy). The cultivation of opium and cannabis, and production of amphetamine-type stimulants, remain minimal. According to the UN Office on Drugs and Crime (UNODC), Thai authorities eradicated 205 hectares (ha) of poppy in 2012, a decrease of 1 percent from 2011 when 208 ha were eradicated. While notable, this decrease should not be judged as a significant trend in opium cultivation and heroin use in Thailand. The small quantities of opium produced in Thailand are primarily intended for local consumption by hill tribe growers.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Responding to the growing and widespread problem of methamphetamine abuse, the Thai government implemented a comprehensive anti-drug campaign beginning in September 2011. The new national policy aims to reduce drug-related social problems, the number of drug addicts, and recidivism, and to increase awareness of the dangers of drug use.

Thailand's counternarcotics assets are insufficient to patrol the long and remote borders with Laos, Burma, and Cambodia. Thailand continues to increase its efforts to coordinate with neighboring law enforcement entities, assisted by U.S. support for equipment and training, to enhance effectiveness and cooperation.

The United States and Thailand have extradition and mutual legal assistance treaties in force. Thailand is among the most effective and cooperative partners of the United States in Southeast Asia.

### 2. Supply Reduction

Drug seizures by Thai law enforcement agencies continued to increase throughout 2011 and into 2012. The U.S. Drug Enforcement Administration (DEA) has worked closely with Thai law enforcement on joint investigations, resulting in the successful disruption of several international drug trafficking organizations. One investigation resulted in the seizure of 4,164,800 methamphetamine tablets (416 kg) and 153 kg of crystal methamphetamine.

Heroin seizures in Thailand significantly decreased during the first eight months of 2012 and were on pace to be the lowest since 2006. Between January and August 2012, 71.9 kg of heroin were seized, compared to 540.7 kg for 2011. This decline, however, has been largely offset by higher methamphetamine seizures (582 million seized tablets over the first 8 months of 2012, compared to 54 million for all of 2011). Burma-based traffickers are believed to produce thousands of kilograms of methamphetamine annually, in both tablet and crystal form, for regional export. A substantial portion is trafficked into Thailand, where it remains the primary drug of abuse. In addition, Iran and Africa-sourced crystal methamphetamine continues to enter the country, though at much lower detected quantities than in 2011.

Thailand has a small domestic market for ecstasy and cocaine, largely among affluent residents in large cities, as well as tourists and expats in Thailand. Ecstasy is customarily smuggled into Thailand on commercial aircraft from Europe, although Malaysia remains a primary route for ecstasy entering southern Thailand. Limited quantities of cocaine continue to be imported into Thailand, mostly destined for international markets. While the cocaine market is still largely controlled by African drug syndicates, South American and Chinese trafficking groups are also involved in the regional importation of bulk quantities, typically for export to China, Hong Kong, and Australia.

Marijuana remains less visible, but is readily available in Thailand and throughout the region. Marijuana is domestically cultivated in limited quantities, with bulk shipments imported from Laos for domestic use and regional export. Kratom (*mitragyna speciosa*), a local drug with modest psychotropic properties, is grown locally and consumed primarily in Thailand's southern provinces.

Ketamine use appears to be limited to use as an alternative to methamphetamine tablets. Seizures of ketamine within Thailand have declined greatly in 2012, with 2.3 kg seized from January to August 2012, compared to 77.9 kg seized in 2011. Most of the ketamine entering Thailand is transshipped from other countries, specifically India, Malaysia, and Singapore. Thailand-based enterprises continue to market steroids and human growth hormone for worldwide sale.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Thailand carries out comprehensive demand reduction programs, combining drug abuse prevention programs with treatment for addicts. According to the Office of the Narcotics Control Board, drug treatment programs have reached over 550,000 drug addicts since the government announced its counternarcotics priorities in September of 2011, with nearly 400,000 of those being voluntary cases. The Thai government also invests in building awareness of the perils of drug addiction, but the effectiveness of awareness programs is difficult to gauge, with the methamphetamine problem growing rather than shrinking. Heroin and opium usage remain relatively low and stable.

### **4. Corruption**

As a matter of policy, the Thai government does not permit, encourage, or facilitate illicit production or distribution of narcotic/psychotropic drugs or other controlled substances, or the laundering of drug proceeds, by individuals or government agencies. However, corruption remains a problem in Thailand, some officials are susceptible to bribery. No current senior Thai government official is known to have engaged in those types of activities, but drug-related corruption at working levels is likely, given the volume and value of drugs consumed in and moving through Thailand.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Thailand and the United States enjoy a strong cooperative relationship. U.S. law enforcement agencies receive willing cooperation from their Thai counterparts and are supported at the highest levels of Thai government. Thailand is one of several countries in which DEA maintains Sensitive Investigative Units (SIUs). Thai SIU participants receive specialized training and undergo a rigorous vetting process.

Additionally, the United States provides a stream of training and assistance to Thai law enforcement and criminal justice entities on some of Thailand's top priorities, including counternarcotics. Through the U.S.-funded International Law Enforcement Academy and other programs, the U.S. and Thailand are working to enhance regional cooperation to combat transnational crime. The U.S. Joint Interagency Task Force West provides wide-ranging support, including training, equipment, and infrastructure.

Thailand also took part in the U.S.-led Gulf of Thailand Initiative, an ongoing maritime law enforcement capacity building initiative involving Southeast Asian states.

### **D. Conclusion**

The U.S. government enjoys a particularly close and collaborative relationship with Thai law enforcement. The U.S. government has encouraged laws and regulations more closely aligned with international standards, and helped Thailand develop more consistent adherence to rule of law principles. All such activities contribute to the fight against illicit drug trafficking and other transnational crime.

The United States will continue to work with Thailand to build on drug control successes in all phases of the effort, from reducing the demand for illegal drugs to law enforcement cooperation leading to the criminal convictions of drug traffickers. U.S. efforts will continue to: promote greater cooperation between police and prosecutors; promote legal and institutional development related to narcotics control; help Thailand combat corruption; and bolster regional cooperation.

# Trinidad and Tobago

## A. Introduction

Trinidad and Tobago's location, porous borders, and direct transportation routes to Europe, West Africa, Canada, and the United States make it an ideal location for cocaine and marijuana transshipment. Drug production and use in Trinidad and Tobago (TT) centers on marijuana, but other drugs, including cocaine, heroin, solvents, pharmaceuticals, and ecstasy, are also available.

The Government of Trinidad and Tobago has long struggled to effectively coordinate and adequately fund its counternarcotics efforts. Interdiction efforts are robust and continuing, but overall seizures in 2012 were down from 2011. Treatment efforts for cocaine addiction, including crack cocaine, place a significant burden on rehabilitation facilities. Many state-supported drug prevention and treatment programs must raise additional operating funds from local and international donors. Sustainability, corruption, and gaps in legislative and organizational implementation remain challenges to the country's efforts to curb the trafficking and use of illegal narcotics.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Trinidad and Tobago's drug control institutions continue to be challenged by deficiencies in staffing, organization, funding, and interagency communication. Barriers to interagency communication persist as supply-side operational units only work together on specific cases and do not trust one another due to allegations and rumors of corruption. Operational units are also heavily dependent upon international donors for physical assets such as cars, computers, or tactical equipment that repeatedly go unfunded by government budget streams.

The National Drug Council (NDC) and National Alcohol and Drug Abuse Prevention Programme (NADAPP) received funding increases in TT's 2013 budget. These funds will be used to expand demand reduction programs, public awareness campaigns, and usage studies. Furthermore, the NDC, working closely with the Organization of American States' Inter-American Drug Abuse Control Commission (OAS/CICAD) and the Canadian High Commission, launched a pilot drug treatment court for chemically dependent offenders in September and plans to open two more pilot courts in the first half of 2013. The NDC is also leading the revision of the National Anti-Drug Plan (2008-2012) of Trinidad and Tobago.

Trinidad and Tobago's mutual legal assistance treaties with the United States, Canada, and United Kingdom remain in force. The United States also maintains a maritime law enforcement agreement, an extradition treaty, and a narcotics control and law enforcement letter of agreement with Trinidad and Tobago. Several pieces of anti-crime legislation progressed on the path to proclamation in 2012, most notably regarding asset forfeiture, electronic monitoring, and the admission of DNA into evidence.

## **2. Supply Reduction**

Marijuana is the only known locally produced illicit narcotic. Producers are small farmers, often families seeking additional income. Crop production may be interspersed among other crops or planted intermittently among dense vegetation in the mountainous regions. There is no average field size or large controlling syndicate, but local producers compete with imports from St. Vincent and the Grenadines, Jamaica, Grenada, and Guyana.

Other illicit substance operations – primarily cocaine, but also small amounts of heroin and ecstasy – are trafficked through the country by international organized crime groups operating in Trinidad and Tobago, exploiting its close proximity to Venezuela and weaknesses at ports of entry. The main destination for these substances is the European market.

Law enforcement entities in Trinidad and Tobago seized 146.3 kilograms (kg) of cocaine and 2.26 metric tons of marijuana in 2012 and made five major seizures at seaports during the year. National seizures and interdictions, however, were down for the year in comparison to 2011, while trends in importation, production, and usage are conjectured to have remained static. The root cause for the decrease in seizures is unknown, but may be attributable to cyclical variations in trafficking methodologies, which commonly result in seizure reductions for a period of time.

Similarly, narcotics prosecutions, convictions, and extraditions continued to remain low relative to the scale of drug trafficking in Trinidad and Tobago. While 4,027 people were arrested for possession and another 468 for trafficking, only 58 small scale traffickers were convicted during the year.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Most information on drug-use trends in Trinidad and Tobago is anecdotal, as empirical evidence on usage trends is limited. The National Alcohol and Drug Abuse Prevention Programme, in cooperation with the National Drug Council, plan to conclude secondary school and prison-based usage surveys in early 2013.

The primary drug used in Trinidad and Tobago is marijuana, with cocaine, including crack cocaine, the second-most frequently used drug. Use of ecstasy, solvents, pharmaceuticals, and heroin has been reported. Rehabilitation providers are particularly concerned by the increasingly younger age of initiation into drug usage and the growing availability of heroin.

The rising price of drugs, specifically of the so-called “black” cigarettes that combine tobacco and marijuana with cocaine, indicates that the middle and upper classes are increasingly involved in recreational drug use. Given the close-knit nature of Trinidad and Tobago society, wealthier or politically affiliated persons would seek or send family members to treatment in Antigua, Barbados, or the United States. On Tobago, the main tourist destination, visitors are partly responsible for the demand.

There are 10 substance abuse residential rehabilitation programs that are publicly and privately supported, providing less than 200 beds for a population of 1.2 million. Only one facility, with

14 beds, specifically addresses the needs of female addicts and their minor dependents. There is no residential rehabilitation program specifically designated for minors, so most are placed in delinquent youth homes operated by religious organizations or receive out-patient treatment. Non-governmental organizations, religious groups, and hospitals also provide treatment options, as well as inpatient, outpatient and prison-based modalities that last from several weeks to two years.

Drug prevention efforts include school education at all levels; training for educators; anti-drug media campaigns; and special event outreach. Outreach programs are performed by the NADAPP in conjunction with rehabilitation facility counselors and members of the police services. The government is working to strengthen its programs with the assistance of OAS/CICAD.

#### **4. Corruption**

The Government of Trinidad and Tobago neither encourages nor facilitates illicit production or distribution of drugs nor the laundering of proceeds from the sale of illicit drugs. No charges of drug-related corruption were filed against senior government officials in 2012. Media and anecdotal reports of corruption in the ranks of the Police Service, Defense Force, Customs and Excise Division, and port employees are common.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States government's regional security partnership, the Caribbean Basin Security Initiative (CBSI), began in 2010 with goals of reducing illicit trafficking, increasing public safety and security, and promoting social justice. Trinidad and Tobago's CBSI programming focuses on law enforcement, military strengthening, youth development, juvenile justice, and demand reduction. In 2012, the United States trained hundreds of military and law enforcement personnel, with specific courses on tactical event management, the use of intercept software for law enforcement intelligence gathering, and canine handler training. Training was also provided to Trinidad and Tobago's Coast Guard to boost maritime law enforcement capacity.

Regional projects are also underway in maritime and aerial domain awareness; law enforcement information-sharing; law enforcement capacity-building; corrections reform; criminal justice reform; preventing financial crimes; demand reduction; and reducing illicit trafficking in firearms.

#### **D. Conclusion**

The entities and individuals working to combat narcotics in Trinidad and Tobago face considerable challenges and insufficient support from political leadership. Additional reforms are necessary to expedite case prosecution, revise outdated laws, and establish an evidence-based criminal justice system as fundamental prerequisites for raising conviction rates and deterring traffickers. Insufficient interagency cooperation and information sharing remain concerns. The Government of Trinidad and Tobago should take concrete steps to address these issues in order to improve the country's narcotics control efforts in the coming years.

# Turkey

## A. Introduction

Turkey remains a significant transit country for illicit drug trafficking. Heroin, opium, and cocaine are generally trafficked through Turkey to European markets, and methamphetamine and amphetamine-type stimulants (ATS) are trafficked to markets in the Middle East and elsewhere in Asia. Large amounts of opiates and precursor chemicals continue to be seized in Turkey, and the Government of Turkey remains committed to upholding its international drug control obligations.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The Turkish National Police (TNP) is the country's most proactive counterdrug force and has jurisdiction for drug-related crimes in urban areas. The Jandarma, a branch of the Turkish Armed Forces responsible for rural areas outside the jurisdiction of the TNP, also plays a significant role. TNP intelligence frequently leads to rural areas, in which case the two agencies conduct investigations and seizures together. Turkey's Coast Guard, under the Ministry of Interior, has some counternarcotics responsibilities under, and the Ministry of Customs and Trade's Directorate General of Customs Guards is the Turkish counterpart to the U.S. Drug Enforcement Administration (DEA). The Ministry of Health (MOH) is responsible for issues relating to importation of chemicals for legitimate use. The Ministry of Finance oversees the financial intelligence unit, which investigates potential money laundering activities.

The Turkish International Academy Against Drugs and Crime (TADOC) is an important resource for providing advanced training to law enforcement professionals from within Turkey and across neighboring states. The UN Office on Drugs and Crime (UNODC) sponsors training sessions at TADOC for narcotics police from Central Asia and other states. TADOC also partners with the NATO-Russia Council, the Organization for Security and Cooperation in Europe, the Turkish International Cooperation and Development Agency and other mutual security organizations in the planning and execution of training projects, instructor fellowship exchanges, and workshops throughout the region.

U.S.-Turkey extradition and mutual legal assistance relations are governed by the 1981 U.S.-Turkey extradition and mutual legal assistance treaty.

### 2. Supply Reduction

Most heroin trafficked via Turkey is marketed in Western Europe, where Turkish-based traffickers control much of the distribution. Turkey also acts as a transit route for opium smuggled overland from Afghanistan via Turkmenistan, Azerbaijan, and Georgia en route to Western Europe. Major Turkish smugglers are frequently involved in both heroin sales and transport, as well as limited production and smuggling of synthetic drugs. Some criminal

elements in Turkey reportedly have interests in heroin laboratories operating in Iran near Turkey's border. Heroin increasingly arrives in Turkey as a finished product from Afghanistan. Turkish authorities have stated that no labs have been detected in Turkey since 2008.

Turkey also serves as a transit route for methamphetamine smuggled from Iran and bound for markets in Southeast Asia, as well as ATS originating in Eastern Europe bound for countries in the Middle East. Methamphetamine is more widely available in Turkey, and authorities fear that local addicts will turn to this less expensive drug.

Cocaine arrives from either South America or via trans-shipment locations in West Africa. TNP intelligence indicates most cocaine transported to Turkey is brought via couriers onboard commercial aircrafts. Seizures indicate cocaine is predominantly hidden inside passenger luggage or hidden on persons. Many West African drug smugglers in Turkey have obtained citizenship through marriage with Turkish nationals.

Cannabis, primarily as hashish, enters Turkey through Afghanistan, Lebanon, and Albania, and is primarily for local consumption. Turkey also acts as a transit route for opium smuggled overland from Afghanistan via Turkmenistan, Azerbaijan, and Georgia en route to Western Europe. While the Balkan Route into Western Europe remains heavily used, intelligence suggests that traffickers also use a more northerly route through Azerbaijan, Georgia, Russia, and Ukraine.

Turkey and India are the only two licit traditional poppy-growing countries recognized by the United States Government and the International Narcotics Control Board. Opium is produced in Turkey under strict domestic controls and international treaty obligations. The Turkish Grain Board strictly controls licit opium poppy cultivation and pharmaceutical morphine production, with no apparent diversion into the illicit market.

The TNP uses TADOC to train officers on interdiction and investigation techniques to fight trafficking. Border control initiatives and upgrades include the deployment of x-ray machines and ion scanners to Turkey's Eastern borders.

Turkish-based heroin traffickers operate in conjunction with smugglers, laboratory operators, and money launderers who finance and control the smuggling of drugs into Turkey from Afghanistan. Many major drug traffickers in Turkey are ethnic Kurds or Iranians. In recent years, many ethnic Kurdish traffickers have expanded operations to larger cities in Turkey and other countries in Europe. In February 2012, the U.S. Treasury Department sanctioned supporters of the Kurdistan Workers' Party (PKK) who ran significant drug trafficking networks based in Moldova and Romania, and in July, an estimated 1700 Turkish police and soldiers participated in a major crackdown on drug trafficking by the PKK in southeast Turkey.

Drug proceeds are often moved to and through Turkey informally, despite the fact only banks and authorized money transfer companies can legally move money. Money exchange bureaus, jewelry stores, and other businesses believed to be part of the hawala banking system are investigated only if the business is directly tied to an existing drug or other criminal investigation.

Over the first nine months of 2012, Turkish authorities seized slightly over 11.1 metric tons (MT) of heroin, more than twice the total seized in 2011. Seizures of ATS (1,746,000 tablets) increased by approximately 30 percent, and seizures of methamphetamine increased from 70 kilograms (kg) in 2011 to approximately 446 kg in 2012.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The Turkish Science Committee for Methods of Drug Addiction is responsible for the national coordination of treatment. Its main tasks are to monitor, accredit and evaluate treatment services. Drug-related treatment is provided mainly by public agencies, private entities and non-governmental organizations and is mainly funded through the state and health insurance.

Most Turkish treatment services for drug abusers are aimed at achieving a drug-free life and dealing with addiction in general and not specifically for users of illicit drugs. These programs include psychotherapeutic and supporting methods, with the majority of drug-related treatment services taking place within inpatient settings.

While abuse remains modest in scale in Turkey compared to other countries, the number of addicts seeking treatment is increasing. The Ministry of Health has responsibility for promoting drug awareness and providing treatment, but it remains under-funded and does not conduct regular, periodic drug abuse surveys.

### **4. Corruption**

As a matter of government policy, Turkey does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Similarly, no senior level government official is alleged to have participated in such activities in 2012.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The United States works closely with Turkey to offer regional training opportunities to Turkish Law Enforcement officials throughout the country and at the TADOC center to provide additional tools to Turkish officials and their international counterparts. Turkey hosts several international counter drug forums with goals to enhance investigative abilities, cooperation, and relationships between international law enforcement agencies.

### **D. Conclusion**

Turkish law enforcement agencies remain strongly committed to disrupting illicit drug trafficking. The United States will continue to work with Turkish law enforcement agencies to strengthen Turkey's ability to combat drug trafficking, money-laundering, and financial crimes. The United States will also continue to support Turkey's work as a regional leader in counternarcotics training and education.

# Turkmenistan

## A. Introduction

Turkmenistan is a transshipment route for Afghan opiates destined for Turkish, Russian and European markets, either directly or through Iran. It is not, however, a major producer or source country for illegal drugs or precursor chemicals. Most illegal drug seizures occur along Turkmenistan's rugged and remote 446-mile border with Afghanistan and its 595-mile frontier with Iran.

Counternarcotics efforts continue to be a government policy priority. Although reliable statistics remain difficult to obtain, internal narcotics sales reportedly dropped in 2012 due to a government decision to end the granting of pardons to prisoners previously convicted of drug-related crimes.

Turkmenistan continues its limited cooperation with international organizations and diplomatic missions, but its law enforcement agencies are still hampered by a lack of resources, training and equipment.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

The Government of Turkmenistan directs the bulk of its law enforcement resources and manpower towards stopping the flow of drugs either directly from Afghanistan or via Iran. Common methods of transporting illegal narcotics include concealment in cargo and passenger vehicles, deliveries by pedestrian carriers, and in some cases, by concealment in the stomach or body cavities of humans and animals. Commercial truck traffic from Iran continues to be heavy, and Caspian Sea ferry traffic from Turkmenistan to Azerbaijan and Russia continues to be an opportune smuggling route.

President Berdimuhamedov continued to stress in official settings that combating drug trafficking should be a consistent and uncompromising priority for his administration. Internal narcotics sales have reportedly dropped since President Berdimuhamedov stopped pardoning prisoners previously convicted of drug-related crimes. The price of heroin, opium and marijuana, though generally lower along established drug trafficking routes, continues to be high in the population centers, reflecting decreased supply. The State Counter Narcotics Service of Turkmenistan (SCNS) held a "drug burn" ceremony destroying 635 kilograms (kg) of narcotics in June, an event that coincided with the UN International Day against Drug Abuse and Illicit Trafficking.

In August, the SCNS was renamed the State Service of Turkmenistan for the Protection and Security of a Healthy Society. The government also adopted a law governing the treatment of persons suffering from alcoholism, drug addiction, or dependence on psychoactive substances in

March. The new law reduced the period of compulsory treatment from one-two years to six months.

In May, the SCNS concluded an inter-agency agreement with Iran's Ministry of Internal Affairs. The agreement envisages bilateral cooperation on the control of narcotics, and promotes the exchange of information and other joint activities. The United States does not have a bilateral extradition treaty with Turkmenistan.

## **2. Supply Reduction**

According to official statistics, the total amount of narcotics seized in Turkmenistan over the first six months of 2012 totaled 635 kg. This is on pace to exceed 2011 numbers, the most recent year for which full annual statistics are available, when 747.6 kg were seized. Most seizures appear to be of raw opium. Officials seized over 11.6 metric tons (MT) of "nass" – a smokeless powder produced from dried plant leaves which produces a slight narcotic effect when placed under the tongue – along the Uzbekistan border in August 2012. The substance, which was banned in Turkmenistan in 2009, was hidden in a shipment of cement being sent by rail into Turkmenistan. There is no evidence of synthetic drug production in Turkmenistan, and the government reported no seizures of synthetic drugs in 2012 or 2011.

## **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The Ministry of Health operates six drug treatment clinics and one out-patient facility for drug addicts in Ashgabat, as well as a Psychological and Narcological Hospital in the Ilyaly district of Dashoguz province, and one in each of other four provincial administrative centers. Addicts can receive free de-toxification treatment at these clinics without revealing their identity as clinic visits are kept confidential. Additionally, each of the hospitals has fee-based treatment facilities which cost approximately \$10 per day. The only available drug abuse-related statistics are more than six years old. The statistics from this period show that the total number of registered intravenous drug users nearly tripled during this period, to 33,697 official users, most of whom were male.

Citing more recent information, the UNODC office in Ashgabat reported in September 2011 that there were 26,312 registered drug users in Turkmenistan in 2010, down from 28,978 registered users in 2009. Heroin users were reported to constitute the bulk of registered addicts. Government-run facilities provided specialized, inpatient treatment to 16,495 patients. The services offered nationwide by the government included a referral system for specialized services, treatment planning, detoxification, counseling, HIV prevention and testing, and counseling. It is likely that a significant number of drug users are not registered and thus not reflected in these statistics.

In honor of the International Day against Drug Abuse and Illicit Trafficking in June 2012, the United States renewed its "Sport against Drugs" Small Grant Program to assist Turkmenistan's registered sport unions, federations and organizations to implement projects and activities promoting a healthy lifestyle free of narcotics for the country's citizenry. Recipients used the funds to organize sporting events, competitions, shows, workshops and other public activities.

#### **4. Corruption**

The Government of Turkmenistan does not encourage or facilitate the illicit production or distribution of narcotics or other controlled substances. Nevertheless, law enforcement officials' low salaries and broad powers foster an environment in which corruption occurs. A general distrust of the police by the public, fueled by evidence of police officers soliciting bribes, indicates a problematic level of corruption in law enforcement. Payments to junior officials at border crossing points to facilitate passage of smuggled goods occur frequently. Allegations persist that law enforcement officials are directly linked to the drug trade.

#### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

In March 2012, the United States launched the sixth round of English Language Training classes for law enforcement officials. Twenty-three officials graduated from the course in September. By expanding English-language competency among Turkmen law enforcement officers, the course increases the potential for international cooperation, including training opportunities and information sharing.

Also in March, the United States organized two, one-week advanced drug enforcement seminars for 24 SCNS officers in Ashgabat and 14 SCNS officers in Turkmenabat. U.S. Drug Enforcement Administration's (DEA) Central Asia Regional Training Team (CARTT) experts resident in Almaty, Kazakhstan conducted the training.

On August 24, the U.S. and Turkmenistan governments signed a modification to the existing bilateral letter of agreement on narcotics control and law enforcement assistance. The modification provides an additional \$250,000 to improve the State Counter Narcotics Service's training facility.

#### **D. Conclusion**

The Turkmen government has begun to acknowledge openly the country's narcotics trafficking and drug abuse problems. Law enforcement efforts targeting drug cultivation and drug trafficking receives high profile coverage in state-controlled media. The government has conducted public awareness efforts to discourage illegal drug successfully throughout the country. The Turkmen government's efforts to provide drug seizure reports seem to indicate a desire for enhanced cooperation with international donors.

The U.S. government plans to expand counternarcotics law enforcement agency training, in particular with DEA's CARTT. Capacity building will continue to focus on supply reduction through interdiction training, law enforcement institution building, the promotion of regional cooperation, and the exchange of drug-related intelligence. The U.S. government will also encourage the Government of Turkmenistan to intensify long-term demand reduction efforts and to continue its partnership with international organizations such as UNODC and regional bodies such as the Central Asian Regional Information and Coordination Center.

## Ukraine

Although Ukraine is not a major drug producing country, its location astride several important drug trafficking routes into Western Europe makes it an important transit country. Ukraine's numerous ports on the Black and Azov seas, its extensive river routes, and its porous northern and eastern borders make Ukraine an attractive route for drug traffickers into the European Union's illegal drug market.

Heroin from Afghanistan is trafficked to Ukraine through routes in Russia, the Caucasus, and Turkey. Latin American cocaine is moved through seaports and airports for both domestic use and further transit to EU countries. Ukrainian law enforcement occasionally seizes large quantities of drugs in commercial shipments transiting southern ports. The largest in 2012 was 38.3 kilograms of cocaine seized in Illichivsk port in a shipment of pineapples. More commonly, drugs are found in small quantities, ranging from several grams to several hundred grams.

The use of synthetic drugs and psychotropic substances, especially amphetamines, has been rapidly increasing in Ukraine over the past decade following the general trend in Europe. Synthetic drugs are trafficked to Ukraine primarily from Poland, Lithuania, and the Netherlands, but they are also produced locally in small clandestine labs.

Most domestic drug abuse continues to be focused, however, on drugs made from regionally grown narcotic plants (hemp and poppy), which account for more than 90 percent of the total drug market in Ukraine. In most instances these drugs are either locally produced or supplied from Russia or Moldova.

The number of registered drug addicts has dropped slightly from 151,786 in 2011 to 147,876 in 2012. However, various experts estimate the total number of actual drug addicts in Ukraine is much higher, between 300,000 and 500,000. As a matter of policy, the Ukrainian government does not promote or condone drug trafficking. However, corruption, including drug related corruption is a significant problem.

The Ukrainian Government continues to implement its five year (2010-15) anti-drug plan, aimed at a "balanced but persistent" policy of prevention, control, and enforcement. In pursuit of this policy, Ukraine works with United States and other international partners as opportunities present themselves.

## United Arab Emirates

The United Arab Emirates' (UAE) role as a sea and air transportation hub, in addition to its proximity to Afghanistan, Pakistan, and Iran, has made the country a target for the transshipment of heroin and other narcotics. Increased volumes of drug seizures since 2010 indicate that traffickers may be increasingly utilizing the UAE as a staging point to warehouse, stockpile, and distribute narcotics. There is no evidence of major drug cultivation or production in the UAE.

Between January and early October 2012, UAE authorities interdicted approximately 720 drug smuggling attempts and successfully convicted 1,022 smugglers related to those incidents, according to press reports. This represents a 13-percent increase from a similar period the previous year, resulting primarily from increased bilateral cooperation between the Department of Anti-Narcotics in Dubai and international law enforcement partners as well as awareness campaigns resulting in better collaboration with residents.

The UAE has a zero-tolerance policy towards illegal drug use and drug trafficking is a severe criminal offense. The rate of illegal drug use in the UAE is low by international standards. The most common drug threats are hashish, illegal pharmaceutical drugs, and heroin. Of the pharmaceutical drugs, fenethylamine, a methamphetamine-related drug, may be the most widely-available drug in the Persian Gulf. Additionally, a synthetic drug marketed as "spice," targeted to youth drug users has become a growing problem. The UAE banned the drug in May.

The UAE government has made significant commitments of financial and human resources toward building new drug control institutions and conducting counter-narcotics law enforcement operations. The UAE hosts and funds a UN Office on Drug and Crime semi-regional office.

The UAE Government coordinates with the U.S. Drug Enforcement Administration's (DEA) Dubai office to combat drug trafficking organizations based in the UAE and the region. In 2012, this cooperation resulted in the sharing of information on 40 drug couriers and the subsequent arrest of a majority of those suspects. DEA also works with the Dubai police in schools to increase drug awareness. UAE law enforcement officials also coordinate with the Abu Dhabi and Dubai offices of U.S. Homeland Security Investigations to investigate smuggling in the UAE and neighboring countries. These investigations include shipments of contraband in cargo containers and/or by passengers traveling through air, land, and sea borders throughout the region.

## United Kingdom

The United Kingdom of Great Britain and Northern Ireland (UK) is a consumer country of illicit drugs. Like other developed nations, the UK faces a serious domestic drug problem. Crime syndicates from around the world exploit the underground narcotics market and sometimes use the UK as a transshipment route. The UK plays an important role in the khat (*Catha edulis*) trade, serving as the most significant transshipment route to the United States and Canada. More than 90 percent of the heroin sold in the UK originates from Afghanistan and is trafficked through Iran, Pakistan, Turkey, and the Balkans. The UK is an active U.S. partner on counternarcotics efforts worldwide, particularly in Afghanistan, West Africa, and the Caribbean.

Cannabis is the most widely used drug in the UK, followed by cocaine as the second most used drug. Organized criminals often use the proceeds from trafficking in cannabis to fund other illicit activities

The UK has a robust drug-control institutional capability. The UK published a National Security Strategy in 2010 that identified transnational organized crime, which includes drug trafficking, as a priority. The Serious Organized Crime Agency (SOCA) is the current lead agency that tackles drug trafficking and drug-related crime. In July 2010, the Home Secretary released the government's plans, in a document entitled "Policing in the 21<sup>st</sup> Century," to absorb SOCA into a National Crime Agency in an effort to address these issues at the national level. The changes set forth in the Home Secretary's plan will be implemented in 2013.

Excellent bilateral cooperation on illicit drug enforcement continues between U.S. and UK authorities. For example, the United States and UK have a memorandum of understanding allowing joint operations from the platforms of UK naval vessels in the Caribbean. Cooperation on extradition and mutual legal assistance in drug-related cases is strong. Additionally, UK and U.S. authorities continue to collaborate in multinational joint operations such as Operation Rubix Cube, which focuses on West African criminal organizations smuggling narcotics to the United States and European Union. The United States has also supported the Metropolitan Police Service with khat trafficking and terrorist financing investigations. UK authorities are actively engaged in cyber-crime enforcement, particularly as it relates to trafficking in counterfeit or gray market pharmaceuticals.

## Uruguay

Although Uruguay is not a major narcotics-producing country, foreign drug traffickers take advantage of its strategic maritime location and borders with Argentina and Brazil, using Uruguay as a base for logistics and transit operations. Local consumption of the highly addictive and inexpensive cocaine base product, “pasta base,” remains a serious problem. The Uruguayan government proposed controversial legislation in 2012 to legalize the sale of marijuana through government dispensaries. The draft legislation remained pending at year’s end.

Uruguay’s demand reduction strategy focuses on prevention, rehabilitation, and treatment, and pays special attention to “pasta base.” The National Drug Rehabilitation Center trains health care professionals and sponsors teacher training, public outreach, and other programs. The National Anti-Drug Secretariat trains educators to run an anti-drug program for adolescents, and Uruguayan government’s interagency treatment and prevention program Portal Amarillo serves addicts seeking help. The National Drug Police (DGRTID) continued to implement Uruguay’s 2009-2012 National Plan against Drug Trafficking and Money Laundering, which focused on coordinating interagency efforts to combat drug-related illicit activities.

In national and multi-jurisdictional counternarcotics operations, the DGRTID seized 647 kilograms (kg) of cocaine in 2012. The DGRTID also seized 194 kg of “pasta base,” 1.84 metric tons of marijuana, and just under four kg of lidocaine, a chemical precursor often procured inexpensively in Uruguay and smuggled into Brazil to be mixed with pure cocaine.

In May 2012, Uruguay’s National Drug Board released the results of a 2011 U.S. government-supported survey, reporting that 8.3 percent of Uruguayans (between the ages of 15 and 65) had used marijuana in the previous twelve months, while 1.9 percent had used cocaine in the previous twelve months. In 2012, U.S. assistance included support to demand reduction programs and operational assistance from the U.S. Drug Enforcement Administration’s (DEA) office in Buenos Aires. In September, DEA opened an office in Montevideo. The Uruguayan Navy received training from the United States in maritime law enforcement, port security, search and rescue, container inspections, and canine interdiction units.

The United States and Uruguay are parties to a bilateral extradition treaty (since 1984) and mutual legal assistance treaty (since 1994).

# Uzbekistan

## A. Introduction

Uzbekistan is a major transit country for heroin, opium and marijuana moving from Afghanistan through Central Asia to markets in Russia and Europe. Uzbekistan shares an 85-mile border with Afghanistan and borders every other Central Asian country. In addition to 134 legal crossing points, Uzbekistan's borders include thousands of miles of rugged terrain that is difficult to police and affords drug traffickers opportunities to enter Uzbekistan's territory undetected. Superior infrastructure relative to its neighbors, difficult to control borders, and corruption have all led to Uzbekistan becoming a transit route for Afghan drugs to international markets.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

Uzbek law enforcement agencies continue to develop their counternarcotics capacity with assistance from the United States.

In September 2012, the U.S. Drug Enforcement Administration signed a memorandum of understanding (MOU) with the Ministry of Interior (MOI). This document lays the legal foundation for increasing communication, information sharing, and conducting bilateral law enforcement counterdrug investigations.

In 2012, the United States continued specialized training for Uzbek law enforcement and prosecutors. Training covered anti-money laundering, financial investigations, ethics and anticorruption, and investigation techniques. In 2012, Government of Uzbekistan agencies used U.S.-funded training and equipment in counternarcotics activities. U.S. assistance also provided training and equipment to Uzbek border-control agencies that, as an offshoot to their main objectives, increased drug interdiction capacity.

The United States does not currently have an extradition treaty or mutual legal assistance agreement in place with Uzbekistan.

### 2. Supply Reduction

The Government of Uzbekistan continues to list combating drug trafficking and associated criminal activity as one of its three major security goals.

Uzbekistan is generally a leader among Central Asian states in seizing illicit narcotics. This reflects the strength of its police, customs, and national security service, bolstered by assistance from the U.S. government and other international organizations such as UNODC, which receives funding from the United States and other donors.

Uzbek officials continue to note that the long, rugged, poorly protected border with Tajikistan, not the 85-mile border with Afghanistan, is their biggest border security concern. To emphasize this, the government-controlled press routinely reports on drug seizures from trains, vehicles, and travelers originating in Tajikistan. Because it does not see membership in regional organizations as beneficial, Uzbekistan is developing its border security policies largely in isolation from other Central Asian countries, which significantly reduces the overall effectiveness. It is, however, a full member of the Central Asian Regional Information and Coordination Center and participates in a number of regional UNODC and European Union projects. Uzbekistan hosts the UNODC Regional Office for Central Asia and provides rent-free premises.

The Uzbek National Center for Drug Control, the coordinating agency for counternarcotics in Uzbekistan, reported that drug seizures over the first nine months of 2012 decreased by 46.5 percent over the same period in 2011, to 2.56 metric tons. Seized drugs consisted of marijuana (48.3 percent), opium (23.8 percent), poppy straw (12.8 percent), heroin (8.0 percent), and hashish (7.1 percent).

Although Uzbekistan is not a significant producer of illegal narcotics, in 2011 over 11,000 Uzbek law enforcement officers carried out the annual countrywide eradication campaign, but eliminated only 2.59 hectares of illicit crops.

Uzbek law enforcement reports that they are seeing Iranian methamphetamine transiting Uzbekistan on its way to Southeast Asian countries.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

Official data on drug use is unreliable. In 2011, the Government of Uzbekistan reported 18,179 illegal drug users, a decrease of 3.9 percent. UNODC, however, estimates that there are over 100,000 intravenous drug users in Uzbekistan.

Neighborhood drug education programs, demand reduction, and some treatment programs are available, though they are widely considered to be inadequate. Only recently has drug addiction been treated as a chronic disease, and not as a crime.

In 2012, Uzbekistan turned down a U.S.-proposed and funded Drug Abuse Resistance Education (DARE) pilot project in schools.

### **4. Corruption**

In March 2012, the Organization for Economic Cooperation and Development released its final Anticorruption Network for Eastern Europe and Central Asia Program report. The report commended Uzbekistan for its efforts to raise awareness and educate public officials on corruption, but found little evidence of progress in the criminalization of corruption or increased integrity in the public sector.

As a matter of policy, the Government of Uzbekistan does not encourage or facilitate the production or distribution of illegal narcotics. However, corruption continues to permeate all

levels of government, with either tacit approval of or participation by high government officials. UNODC found that border security continues to be compromised through the regular occurrence of bribes and informal payments at border crossings. In many such cases, officials are being paid to overlook illicit activity rather than to participate in the smuggling process.

In 2012, government media reported the arrests of corrupt government officials. Yet, with very few exceptions, reports highlighted the arrests of administrative personnel rather than law enforcement personnel.

At the request of the Prosecutor General's Office, the United States continued funding its UNODC-implemented anticorruption program in Uzbekistan. The program is focused on developing and strengthening the legal framework in Uzbekistan against corruption.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

Counternarcotics cooperation between the United States and Uzbekistan continues to grow, paralleling the trajectory of the overall bilateral relationship. The September 2012 MOU signing is a landmark event that provides the legal framework for the bilateral counternarcotics partnership to expand rapidly into areas such as joint investigations, previously severely limited.

Increased capacity through training is one of the cornerstones of Uzbekistan's counternarcotics strategy. The continuing implementation of the DEA Central Asia Regional Training Team in Almaty, Kazakhstan helps to address this priority by providing direct law enforcement and counterdrug training to law enforcement agencies in Uzbekistan and elsewhere in Central Asia. Uzbek officers also participate in the NATO-Russia Council Counternarcotics Training Project.

In 2012, the United States launched a pilot program to address illicit financing and build investigative capacity within the Uzbek Financial Intelligence Unit (FIU) by embedding two Uzbeks FIU officers within a DEA Money Laundering Enforcement Group. The Uzbek FIU is a relatively new division (established in 2006), allowing further investigation of suspicious financial transactions.

### **D. Conclusion**

The completion of the Uzbek Ministry of Interior's MOU with DEA was a landmark event in the growth of bilateral counternarcotics cooperation. The MOU signing highlights the political will of the Government of Uzbekistan to address the challenges of drug trafficking and transit through the country. In the coming year the United States will focus on implementing the operational activities for which the MOU provides a framework.

As training and technical assistance provided by the United States becomes more institutionalized and part of the everyday operations of Uzbek law enforcement, the ability of these agencies to investigate and interdict illicit counternarcotics in Uzbekistan should continue to grow and become self-sustaining.

# Venezuela

## A. Introduction

In 2012, Venezuela remained a major drug-transit country. Its easily permeated western border with Colombia, weak judicial system, sporadic international counternarcotics cooperation, generally permissive law enforcement, and a corrupt political environment have made Venezuela one of the preferred trafficking routes for cocaine from South America to the Eastern Caribbean, Central America, the United States, western Africa, and Europe.

Limited coca cultivation occurs along Venezuela's border with Colombia. Low-grade marijuana is grown in various parts of Venezuela but is not exported due to its poor quality. Some precursor chemicals are trafficked through the country. According to a 2009 drug-consumption study by the Venezuelan National Anti-Narcotics Office (ONA), illegal drug use remained a problem, with marijuana being the most commonly consumed illicit drug, followed by "crack" cocaine and "basuco" (cocaine paste). Effective prosecution of drug traffickers is hindered by corruption and a lack of judicial independence.

The President of the United States determined in 2012 that Venezuela had failed demonstrably to adhere to its obligations under international counternarcotics agreements, though a waiver allowing for continued assistance was granted in the interests of national security. Bilateral counternarcotics cooperation between Venezuela and the United States is limited. Although a party to the 1988 UN Drug Convention, Venezuela has not signed the addendum to the 1978 bilateral counternarcotics memorandum of understanding (MOU) with the United States that was negotiated in 2005. Additionally, Venezuelan law enforcement lacks the equipment, training, and reach to match the resources and scope of major drug trafficking organizations.

## B. Drug Control Accomplishments, Policies, and Trends

### 1. Institutional Development

In June, Venezuela introduced a security program, Mission Life for All, which incorporated anti-drug efforts led by the ONA. The program calls for prevention efforts that include sports, music, and educational activities.

Mission Life for All built upon ONA's National Anti-Drug Plan for 2009-2013 which promoted the creation of state and municipal anti-drug offices to implement national policies. The Plan originally proposed the creation of a counternarcotics judicial jurisdiction – composed of specially trained judges and personnel – to expedite prosecution of drug-related offenses, but no implementation of this proposal was apparent in 2012.

The 2010 Organic Law on Drugs replaced the previous Organic Law on Narcotic and Psychotropic Substances and, among other things, increased potential penalties for drug trafficking and gave ONA the authority to seize and use assets of individuals connected with drug trafficking. In 2012, evidence of enforcement of this directive was not made available.

The Venezuelan government has signed bilateral law enforcement agreements with the United States, including a mutual legal assistance treaty that entered into force in March 2004. The U.S. and the Venezuelan governments also signed a customs mutual assistance agreement as well as a 1991 bilateral maritime counterdrug agreement, updated in 1997, that authorizes the United States to board suspect Venezuelan-flagged vessels in international waters with Venezuelan permission. The U.S. and Venezuelan governments also signed a bilateral MOU concerning counternarcotics cooperation in 1978 but, since 2005, Venezuela has not signed an addendum that would extend the agreement.

Venezuela is a party to the Inter-American Convention against Terrorism, the Inter-American Convention against Corruption, and the Inter-American Convention on Mutual Assistance in Criminal Matters. Venezuela remains an active member of the Inter-American Drug Abuse Control Commission.

The United States and Venezuela are parties to an extradition treaty that entered into force in 1923; however, the treaty has limited application, as the 1999 Venezuelan constitution bars the extradition of Venezuelan nationals. Venezuela periodically deports non-Venezuelan nationals to the United States.

## **2. Supply Reduction**

Venezuela remains a major transit country for cocaine shipments via aerial, terrestrial, and maritime routes. According to a U.S. government estimate, approximately 161 to 212 metric tons (MT) of cocaine likely departed from Venezuela to global destinations in 2011, the same as in 2010. Suspected narcotics trafficking flights depart from Venezuelan states bordering Colombia. Nearly all of the illicit drug flights arriving in Honduras originate from Venezuela. Large cargo containers, fishing vessels, and “go-fast” boats are used to move cocaine out of Venezuela via maritime routes.

The vast majority of illicit narcotics that transited Venezuela during 2012 were destined for the Eastern Caribbean, Central America, the United States, West Africa, and Europe. Colombian drug trafficking organizations, including the Los Rastrojos, the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), facilitate the transshipment of narcotics through Venezuela. Media reports alleged that elements of Venezuela’s security forces directly assisted these organizations and also reported on the presence of Mexican drug trafficking organizations in Venezuela, including the Sinaloa Cartel and Los Zetas.

The Venezuelan government reports drug seizures, arrests, and destruction of drugs and airstrips on an ad hoc basis. It is not a member of the Cooperating Nations Information Exchange System and does not share data or evidence needed to verify seizures or the destruction of illicit drugs. According to Minister of the Interior and Justice Nestor Luis Reverol, who also serves as President of the ONA, Venezuelan authorities seized 45 MT of illegal drugs in 2012, compared to 42 MT in 2011 and 63 MT in 2010. Of the 45 MT figure, cocaine comprised 60.15 percent and marijuana 39.58 percent. The 2011 UN World Drug Report noted that cocaine seizures in Venezuela “peaked at 59 metric tons in 2005, and have fallen to approximately one half that

level since then, amounting to 28 metric tons in 2009.” Anecdotal evidence indicates that Venezuelan authorities pad their measurements by including suitcases and equipment in weigh-ins.

The Venezuelan government reported that during 2012, operations “Centinela” and “Boquete Jaque” led to the seizures of drugs, aircraft, and precursor chemicals, as well as the destruction of drug laboratories and clandestine airstrips. According to government agencies, as of September 21, 2012, the Venezuelan government seized 25 aircraft involved in illicit drug trafficking, destroyed 36 clandestine drug trafficking airstrips in the state of Apure, and dismantled 22 drug processing labs. The Venezuelan government reported in 2012 that it performed 7,403 counternarcotics operations and arrested 9,692 suspects in related cases, 220 of whom were foreigners from 23 different countries.

### **3. Drug Abuse Awareness, Demand Reduction, and Treatment**

The use of illegal drugs in Venezuela remained a significant problem in 2012. The 2012 UN World Drug Report noted that cocaine use among adults grew to 0.7 percent in 2011, a small increase from the previous estimate of 0.6 per cent. It also reported that cannabis use grew to 1.7 percent from 0.9 in 2010, and that opioid use was at 0.03 percent.

The Venezuelan government incorporated drug abuse prevention efforts into its new security program, Mission Life for All, in June 2012. The program focuses on the 79 Venezuelan municipalities with the highest crime rates, and in September of 2012, the ONA director for demand reduction announced that ONA would visit 26,000 schools as part of the Mission. The ONA effort is designed to educate students on the dangers and prevent use of alcohol, tobacco, and drugs. In November, Venezuelan officials stated that they funded 697 social prevention programs during 2012. Non-governmental organizations throughout the country offer drug abuse awareness, demand reduction, and treatment programs.

### **4. Corruption**

Public corruption continued to be a major problem in Venezuela and likely bolstered the use of Venezuela by drug trafficking organizations to move and smuggle illegal drugs. As a matter of stated government policy, the Venezuelan government does not encourage or facilitate illegal activity associated with drug trafficking. Senior government officials are, however, believed to have engaged in drug trafficking activity. In 2008, the former Minister of Defense, Henry Rangel Silva, the Vice Minister of Integrated Systems and Penal Investigations; former Director of Military Intelligence, General Hugo Armando Carvajal Barrios; and the former Minister of Interior and Justice, Ramón Emilio Rodríguez Chacín, were designated by the U.S. Treasury Department as having assisted the narcotics trafficking activities of the FARC.

In 2011, the U.S. Treasury Department designated four other senior government officials, including Major General Cliver Antonio Alcalá Cordones and National Assembly Deputy Freddy Alirio Bernal Rosales for acting on behalf of the FARC. The Venezuelan government did not take action against these or other government and military officials known to be linked to the FARC.

The 2010 Organic Law on Drugs imposes penalties, ranging from eight to 18 years in prison, on military and security officials convicted of participating in or facilitating narcotics trafficking. In 2012, however, there was no public information available regarding investigations of senior government officials involved in drug trafficking.

### **C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

The Venezuelan government has maintained only limited, case-by-case counternarcotics cooperation with the United States since the cessation of formal cooperation with the U.S. Drug Enforcement Administration in 2005. Since 2005, the United States has proposed that the Venezuelan government sign an addendum to the 1978 U.S.-Venezuelan bilateral counternarcotics MOU that would allow for expanded cooperation. Venezuelan officials regularly made clear that Venezuela would neither sign a bilateral agreement nor cooperate with the United States on counternarcotics. The Venezuelan government rarely shares information with the United States on money laundering or drug trafficking. Since 2009, when former Interior and Justice Minister El Aissami prohibited police officers from receiving training abroad without the Ministry's prior approval, Venezuelan law enforcement authorities have not participated in U.S.-sponsored counternarcotics training programs.

Bilateral cooperation with the United States in 2012 included of the deportation of Puerto Rican Oscar “Cali” Martínez Hernández to the United States. In 2012, Venezuela detained four Colombian citizens who are wanted by the United States and deported all but one of them to Colombia in November.

The Venezuelan government continued to permit U.S. Coast Guard (USCG) boarding of Venezuelan-flagged vessels suspected of engaging in narcotics trafficking in international waters. During 2012, the Venezuelan government cooperated with the USCG in five maritime drug interdiction cases, compared to three cases in 2011 and nine in 2010. The United States is unaware of the Venezuelan Navy or Coast Guard making any drug seizures independently.

### **D. Conclusion**

In 2012, Venezuela maintained minimal counternarcotics cooperation with Colombia and deported some fugitives to the United States, Colombia, and other countries. As in prior years, the United States remains prepared to deepen cooperation with Venezuela to help counter the increasing flow of cocaine and other illegal drugs transiting Venezuelan territory. Productive cooperation would require a change in Venezuelan government policy, and could be improved through a formal re-engagement between Venezuelan and U.S. law enforcement agencies on counternarcotics issues. One specific avenue for improving the counternarcotics relationship is for Venezuela to sign the addendum to the 1978 MOU. Signature and enforcement of this agreement could allow for joint counternarcotics projects and demand reduction programs. Other areas of cooperation could possibly include counternarcotics and anti-money laundering training programs for law enforcement and other officials. Such training would require the Venezuelan government to permit law enforcement officials to participate in capacity-building programs hosted by other countries.

Better and more transparent cooperation with the United States could also improve Venezuela's port security, and reduce Venezuela's role as a major drug transit country. Port security programs could help Venezuela assess security at its major seaports and develop best practices for enhanced maritime security. Since the last assessment in 2004, the Venezuelan government has denied permission for U.S. officials to return to conduct an updated assessment.

These cooperative activities and actions could increase the exchange of information and ultimately lead to more drug-related arrests, help dismantle organized criminal networks, aid in the prosecution of criminals engaged in narcotics trafficking, and stem the flow of illicit drugs transiting through Venezuela.

## Vietnam

Vietnam remains an attractive illicit drug transshipment point for local and international criminal organizations, including West African drug syndicates. Abuse of amphetamine type-stimulants (ATS) appears to be increasing among urban youth. Cultivation and production of illicit narcotics in Vietnam remains limited. Vietnamese law enforcement in the last year detected Vietnamese and foreign nationals smuggling illicit narcotics from China, Laos, and Cambodia through Vietnam and onwards to Australia, Canada, and the United States. In addition to conventional land- and sea-based drug trafficking routes, increasing use of commercial aviation routes has been observed during the first six months of 2012. Official statistics show heroin continues to be the most widely abused drug among users, at 85 percent of all registered cases.

The Government of Vietnam is committed to implementing a comprehensive national drug control policy. The Prime Minister allocated \$121 million for drug-control efforts between 2012 and 2015 through a new national target program approved on August 31, 2012. In June 2012, Vietnam ratified the UN Convention against Transnational Organized Crime (UNTOC). In July, Vietnam's National Assembly passed the Administrative Violations Law which mandates judicial review for admission of drug users to compulsory drug detention and rehabilitation centers (commonly known as "06 Centers") beginning in January 2014.

Between January and August 2012, Vietnam's law enforcement forces detected 14,070 cases of drug trafficking involving 20,576 suspects, a five- to seven- percent increase in activity compared to the same period in 2011. Seizures of illicit narcotics continue to be dominated by heroin, with smaller amounts of opium, cannabis, and ATS.

Vietnam works closely with neighboring countries to carry out interdiction operations, including through newly established border liaison offices on both sides of the Sino-Vietnamese border with support from the UN Office on Drugs and Crime. The United States promotes counternarcotics information sharing and coordination of operations between Vietnam's Ministry of Public Security and the U.S. Drug Enforcement Administration, and also supports capacity building efforts within the Ministry. The United States supports Methadone Maintenance Therapy for over 10,000 drug users, thereby lowering their risk for HIV infection and transmission.

Vietnam also took part in the U.S.-led Gulf of Thailand Initiative, an ongoing maritime law enforcement capacity building initiative involving Southeast Asian states. The United States also provided maritime law enforcement training to the Vietnamese Maritime Police and hosted two Vietnamese officers at a Coast Guard Maritime Law Enforcement Officer course in the United States.