

EUROPE AND CENTRAL ASIA

Albania

I. Summary

Drug trafficking is a significant issue for Albania. Organized crime groups use Albania as a transit point for drug and other types of smuggling due to the country's strategic location, weak—though improving—police and judicial systems, and porous borders. The most common illegal drugs are heroin, marijuana, and to a lesser extent, cocaine. Heroin is typically transported through the “Balkans Route” of Turkey-Bulgaria-Macedonia-Albania, and on to Italy and Greece. Cocaine is smuggled from South America, via the United States, Italy, Spain or the Netherlands, and then passes through Albania before distribution throughout Western Europe. Marijuana is produced domestically, and there is evidence that is distributed to other parts of Europe. Although Albania is not a major transit country for drugs coming into the United States, it remains a country of concern to the U.S. Drug abuse in Albania is a growing problem, but remains small scale compared with Western Europe. Statistics on drug trafficking and abuse in Albania continue to be unreliable, and the public is generally unaware of the problems associated with drugs.

The Government of Albania (GOA), largely in response to international pressure and with international assistance, is confronting criminal elements more aggressively, but is hampered by a lack of resources and endemic corruption. Albania is a party to the major UN drug conventions, including the 1988 UN Drug Convention. Although a 2002 Supreme Court decision questioned the validity of the U.S. government's 1935 extradition treaty with Albania, Albania has recently extradited one individual to the U.S. The GOA has no mutual legal assistance treaty with the U.S.

II. Status of The Country

The government is continuing its efforts to build security and stability throughout Albania. Police professionalism has increased in recent years, especially among units that defend public order. The judiciary is still weak and subject to corruption. However, a judicial code of conduct and a code of disciplinary procedures against judges have been implemented, leading to the dismissal of several judges on corruption charges. The government of Prime Minister Fatos Nano has undertaken a number of measures to combat trafficking of all kinds. Working with Italian law enforcement, the Albanian police and military brought a near halt to clandestine trafficking via speedboat across the Adriatic in August 2002. There have been no reports of renewed human or narcotics trafficking via that route since that time. Moreover, several senior police officials have been arrested for their participation in smuggling. More broadly, in 2003, over 450 police officers were fired, demoted, fined, transferred and/or suspended on the grounds of corruption.

Plagued by severe unemployment, crime, and lack of infrastructure, the Albanian public focuses little attention or debate on the problem of drug abuse. There are no independent organizations that compile data on drug use in Albania. No significant government assets are dedicated to tracking the problem and NGOs have neither the capability nor the finances to thoroughly assess the extent of drug use in Albania. However, according to the government, there are an estimated 30,000 drug users in Albania. The country continues to experience an upsurge in drug abuse among younger Albanians, though illicit drugs were only introduced to the country within the last decade. Heroin and marijuana abuse is growing; cocaine and “crack” cocaine are also available but expensive, keeping use of these drugs more or less stable at a low level. Heroin is imported through Macedonia, but originates in Turkey or Afghanistan; marijuana is produced domestically and smuggled abroad. Cocaine is smuggled from South America, though the route used to get it into Albania is in dispute. Albanian authorities have uncovered cases in which the cocaine was routed through the United States via airplane, while

international law enforcement agencies cite Italy, Spain, and the Netherlands as the main trafficking routes. The UN Office of Drug Control (UNODC) believes that drug use, especially among adolescents in cities, is on the rise. So far in 2003, the Toxicology Clinic at Tirana's Military Hospital—the only facility in the country to deal with overdoses—has treated 1,200 cases. There are no special treatment centers for drug addicts.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Inter-Ministerial Drug Control Committee established under Albania's basic narcotics law met for the first time on July 2, 2003. At this meeting, Committee members established a three-pronged approach to Albania's drug problem: prevention of cultivation of narcotics plants in Albania; identification and prosecution of national and international drug trafficking networks; and greater commitment to combating drug trafficking and abuse from local and central governments. Moreover, the Committee called for legal and operational changes that would enable police and prosecutors to fight drug trafficking more effectively, such as an amendment to the existing asset forfeiture law that would enable the GOA to seize criminals, illegal gains, properties, and proceeds and use them in the fight against crime. The GOA has already taken steps to increase the level of accountability to which its law enforcement officials are held. For example, a high-ranking police officer at the Adriatic seaport of Vlora was investigated and subsequently tried and convicted for cocaine trafficking.

The Albanian State Police continue to increase the number of police officers assigned to the Anti-Narcotics Unit. The current staff includes 146 police officers and agents (up from 100 last year) and a network of 12 regional offices. Nevertheless, the unit remains under-equipped. There is no on-line communication between the headquarters and the regional offices, and the unit lacks critical technology, such as a computer database of violators. However, this situation will change once the Total Information Management System (TIMS), a U.S.-supported database program, is implemented. Installation is scheduled for March 2004.

Law Enforcement Efforts. Albanian police continue to increase their counternarcotics operations, including a number of large drug seizures at the port of Durres—uncovered by U.S. trained drug-sniffing dogs—and a first-ever bilateral controlled delivery sting operation in cooperation with the DEA. Authorities report that through October 2003 (2002 whole-year figures in parenthesis), police arrested 246 (295) persons for drug trafficking, six (5) of them foreign citizens. The police seized 76 (71) kilograms of heroin, 7,644 (13,717) kilograms of marijuana, 1.4 kilograms (980 grams) of cannabis seeds, 1.285 kilograms (5.6 grams) of cocaine, and 48.5 liters (600 ml) of hashish oil. Police also destroyed 17,937 cannabis plants and five (7) cannabis presses. The destruction of cannabis plants and plantations can be largely attributed to the donations of helicopters and other monitoring equipment from Italian Interforza to the Albanian Anti-Narcotics Unit. Police also confiscated 50 tablets of amphetamines. Although the quantities of narcotics seized seem to be on a trend to increase, compared to previous years, they still represent a tiny fraction of the drugs transiting Albania. The UNODC estimated that from 1997 to 2002, 96 percent of confiscated heroin and cocaine in Italy had passed through Albania. According to the Italian Anti-Narcotics Service, in the first four months of 2003 Italian authorities seized 968 kilograms of heroin, 8,106 kilograms of marijuana, 17 kilograms of hashish, and three kilograms of cocaine that had either originated from or transited through Albania. Moreover, according to the UNODC, this year Greek authorities confiscated 164 kilograms of heroin that had transited through Albania.

During cooperative operations in April 2003, targeted on passenger vehicles and tourist buses, and later cargo trucks, for eleven days between June and August 2003, seizures of 124 kilograms of heroin, 17 kilograms of raw opium, 260 kilograms of marijuana, 63 kilograms of amphetamines, 0.5 kilograms of cocaine, 6,838 tablets of MDMA, 2,566 dosages of steroids, and 1,800 vials of sedatives

were registered. Authorities also noted an apparent increase in the Western Balkan route to smuggle marijuana to Western Europe and to smuggle synthetic drugs from Western Europe to Southeastern Europe and beyond.

Illicit Cultivation and Production. With the exception of cannabis, Albania is not a major producer of illicit drugs. Cannabis is typically sold in Greece, Italy, Turkey, Bulgaria, Slovenia, the United Kingdom, and Germany. Metric ton quantities of Albanian marijuana have been seized in Greece and Italy. Police estimate that planted areas are reduced from previous years, but the regions of Shkodra, Vlora, and Fier remain problematic. As noted, with the assistance of Italian Interforza, the Anti-Narcotics Unit destroyed 17,937 cannabis plants, as well as a number of plantations, in 2003.

Corruption. Corruption among police and magistrates hampers efforts to crack down on drug distribution, though distribution is less of a problem than transit of illegal narcotics for international trafficking. However, the GOA does not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances or launder proceeds from their transactions. With the assistance of the U.S. Embassy's ICITAP program, the Albanian State Police created the Office of Internal Control to investigate police corruption. Continued training and assistance should enable the police in the Anti-Narcotics Unit to weed out corrupt officers and combat narcotics distribution as well as trafficking. In addition, the Embassy's OPDAT program trained prosecutors and judges to enhance their legal and procedural knowledge.

Corruption remains a deeply entrenched problem. Low salaries and social acceptance of graft make it difficult to combat corruption among police, magistrates, and customs and border officials. Police and Customs officials signed a Memorandum of Understanding in December 2002 to foster greater cooperation to help reduce the influence of corruption at Albania's borders. In addition, the Office of Internal Control (created with ICITAP assistance and tasked with investigating police corruption) has been instrumental in bringing about the arrests of several corrupt officers. In 2003, the former Police Chief of the Vlora Regional Commissariat was sentenced to 15 years in jail for cocaine trafficking. For the period January through August 2003, some 183 officers have been fired, 198 have been transferred, 94 have been demoted, and 17 have been convicted and sentenced on corruption-related charges.

Drug flow/Transit. Heroin is the main drug that transits Albania. Authorities report that heroin typically flows through the "Balkan Route." Traffickers also use Albania as a transit point for Europe when smuggling South American cocaine, though the quantity is quite small compared to heroin. Domestically produced marijuana is smuggled to Greece, Italy, Turkey, Bulgaria, Slovenia, the United Kingdom, and Germany. According to some reports, high quality Albanian hashish is shipped to Turkey in exchange for heroin. Police sources, however, dispute this claim, noting that the quantity of hashish required to exchange for a significant amount of heroin makes the transaction cost-prohibitive.

Agreements and Treaties. The U.S. has had an extradition treaty with Albania since November 13, 1935. Despite a 2002 Albanian Supreme Court ruling that questioned the validity of the treaty, the Albanian government has extradited one individual to the U.S.. Albania has no separate mutual legal assistance treaty with the U.S. Albania is a party to the UN Convention Against Transnational Organized Crime, the Protocol against the Smuggling of Migrants and the Protocol to Prevent, Suppress and Punish Trafficking in Persons.. Albania is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, and the 1971 UN Convention on Psychotropic Substances.

Demand Reduction. Drug abuse is a comparatively new problem in Albania. Although local and national authorities collect little data and do not believe the problem is particularly widespread (owing both to the traditional cultural norms and low levels of discretionary income) the GOA has taken steps to address the problem with its National Drug Demand Reduction Strategy. The UNODC addresses demand reduction in Albania through youth activities. The GOA estimated that there were as many as

30,000 drug users in Albania in 2000 (the most recent year for which it has an estimate), six times the amount estimated in 1995; but NGOs believe the figure is closer to 10,000. Neither estimate is considered accurate by the UNODC, since the GOA and the NGOs have not conducted thorough, nationwide surveys. According to the Tirana Military Hospital, 60 percent of the 1,200 overdose cases treated so far this year resulted from injection drug use and heroin was the drug used in 88 percent of those cases.

The GOA's National Drug Demand Reduction Strategy for 2001-2004 has three foci: school-based programs, community-based programs, and mass media campaigns. The Ministry of Education plans to include drug education as a part of the mandatory curricula in primary and secondary schools, while a local NGO will train a select number of educators who can then share what they have learned with administrators, teachers, and students. In Tirana, the GOA plans to launch a community-based drug prevention program that will include a telephone hotline for parents and family members, an emergency service for street kids, and the distribution of leaflets to raise awareness about the risks of substance abuse. Thus far, mass media contribution to the Drug Demand Reduction Strategy has been sporadic and not well organized.

IV. U.S. Policy Initiatives and Programs

Bilateral And Multilateral Cooperation. The GOA continues to welcome assistance from the United States and Western Europe. The U.S. is intensifying its activities in the areas of public order and legal reform with expanded programming and additional staff members at the U.S. mission in Tirana. U.S. ICITAP and OPDAT advisors work closely with the Ministry of Public Order, the Ministry of Justice, and the Prosecutor General to combat organized crime and trafficking and to improve border control. In November 2002, the USG launched the Three Port Strategy, placing two U.S. advisors to work with police, customs, and security officials at each of Albania's three major ports of entry—Mother Teresa Airport and the Adriatic ports of Durres and Vlora—to bring interdiction operations up to international standards and disrupt trafficking through Albania. The GOA has welcomed this initiative, adding it to the National Strategy to Combat Trafficking in Human Beings. In 2003, the U.S. Embassy's ICITAP and OPDAT programs also assisted the GOA in the creation of the Organized Crime Task Force (OCTF). Under the OCTF, police and prosecutors work together to handle high profile and sensitive organized crime and trafficking cases. In addition, ICITAP has provided equipment and training to Albania's drug-sniffing police dogs and their handlers. Other U.S., EU, and international programs include support for Albanian customs reform and enhanced border controls, continued judicial training, efforts to improve cooperation between police and prosecutors, and anticorruption programs.

The Road Ahead. The U.S. Embassy's ICITAP program has planned several training and assistance courses for the Albanian State Police in 2004, including additional training for Albania's drug-sniffing dogs and their handlers in January and a course in interdiction and the use of informants in March. Additional course offerings will cover interviewing techniques, money laundering investigation, and covert entry. PAMECA, the Police Assistance Mission of the European Community to Albania, will continue to offer general assistance to the Organized Crime Vice Directorate to enhance its overall performance and status within the Albanian State Police. Moreover, ICITAP and EU programs assist the GOA's overall antitrafficking effort (narcotics, weapons, and humans) by providing integrated and coordinated border management and border control assistance. Finally, the U.S. will continue to encourage the GOA to make progress on illegal drug trafficking, to use law enforcement assistance efficiently, and to support legal reform.

Armenia

I. Summary

Armenia is not a major drug-producing country and its domestic abuse of drugs is relatively small. The Government of Armenia (GOAM), recognizing Armenia's potential as a transit route for international drug trafficking, is attempting to improve its interdiction ability. The Parliament passed a bill aimed at strengthening the police mandate to combat drug sales and trafficking in 2002. Together with Georgia and Azerbaijan, Armenia is engaged in an ongoing UN-sponsored "Southern Caucasus Anti-Drug Program (SCAD)," which was launched in 2001. Armenia is a party to the 1988 UN Drug Convention.

II. Country Status

As a Caucasian crossroads between Europe and Asia, Armenia has the potential to become a transit point for international drug trafficking. At present, poor roads and transportation arrangements among the country and neighboring states make Armenia a secondary traffic route for drugs; however, the Anti-Drug Department (ADD) of the Police Service expects an increase in drug traffic with the full opening of Armenia's borders and improvements in transportation options.

ADD experts have accumulated a significant database on drug transit sources, routes and the people engaged in trafficking. Scarce financial and human resources, however, limit the Police Service's ability to combat drug trafficking. Drug abuse does not constitute a serious problem in Armenia, and the local market for narcotics, according to the ADD, is not large. The principal drugs of abuse are opium, cannabis and ephedrine (ATS). Heroin and cocaine first appeared in the Armenian drug market in 1996 and, since then, there has been a small upward trend in heroin sales, while cocaine abuse has remained flat. In late November 2003, the GOAM began work to create an Interdepartmental Commission on Prevention of Illegal Trade of Drugs. Two NGOs started working on counternarcotics programs in 2002 and continue to be very active in this area. Their assessment of the number of drug addicts in Armenia is much higher than official estimates.

III. Country Actions Against Drugs in 2003

Policy Initiatives. On May 10, 2003, Armenia enacted a basic law on drugs and drug trafficking, called: the Law on Narcotics and Psychotropic Substances of the Republic of Armenia.

Accomplishments. Continuation of preventive measures to identify and eradicate wild and illicitly cultivated cannabis and poppy by implementation of the annual Poppy-Cannabis Program and production of a draft law on Money Laundering currently in final clearance.

Law Enforcement Efforts. In early December 2003, Armenian law-enforcement bodies arrested six people who attempted to smuggle heroin into Armenia. Two members of the group are former police employees. The group allegedly smuggled 7 kilograms of heroin into the Republic in 2002-2003.

Corruption. Corruption is endemic in Armenia. Although the GOAM has taken some measured steps to develop an anticorruption Program, political will and concrete steps toward implementation have been weak.

Agreements and Treaties. Armenia is party to the 1988 UN Drug Convention, and the other major UN drug conventions.

Cultivation and Production. Hemp and opium poppy grow wild in the northern part of Armenia, particularly in the Lake Sevan basin and some mountainous areas of Armenia.

Drug Flow/Transit. The principal transit countries through which drugs pass before they arrive in Armenia include Iran (opiates, heroin), Georgia (opiates, cannabis, hashish), and the Russian Federation (opiates, heroin.) Armenia's borders with Turkey and Azerbaijan remain closed owing to the Nagorno-Karabakh conflict; however, according to ADD information, opiates and heroin are smuggled to Armenia from Turkey via Georgia. When these borders open, drug transit could increase significantly.

Demand Reduction. Armenia has adopted a policy of focusing on prevention of drug abuse through awareness campaigns and treatment of drug abusers. These awareness campaigns are being implemented and manuals are being published under the framework of the South Caucasus Anti-Drug (SCAD) Program, funded by UNDP. In the first six months of 2003 approximately 261 drug-addicts were under preventive monitoring, which is 429 less than in the first six months of last year. According to SCAD program statistics for the first 6 months of 2003, there were 197 registered drug addicts receiving treatment, as opposed to 191 in 2002.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. Government continues to work with the Government of Armenia to increase the capacity of Armenian Law Enforcement through development of an independent forensic laboratory, improvement of the law enforcement training infrastructure and establishment of a computer network that will link law enforcement offices within Armenia and the rest of the world.

The Road Ahead. The USG will continue aiding Armenia in its counternarcotics efforts through capacity building of Armenian law enforcement.

Austria

I. Summary

Austria is primarily a transit country for drug trafficking along major trans-European routes. Foreign criminal groups, primarily from former east bloc countries, from Turkey, West Africa, and Central and South America dominate the organized drug trafficking scene. Austrian authorities do not consider consumption of illegal drugs to be a severe problem. In 2003, Austrian authorities registered the largest seizure of ecstasy (MDMA) tablets ever. Production, cultivation and trafficking by Austrian nationals remain insignificant.

Cooperation with U.S. authorities remained excellent during 2003 and was underscored by the September 2003 visit of Interior Minister Strasser to Washington and Miami, as well as by a meeting between Deputy U.S. Drug Czar Barry Crane and Austrian health and justice officials in September 2003. In 2003, Austria continued its efforts to intensify police cooperation with EU candidate countries in central Europe, with Ukraine, Lebanon, and with central Asian countries within the framework of the Central Asian Initiative. Austria is a party to the 1988 UN Drug Convention.

II. Status of Country

Production of illicit drugs in Austria continues to be marginal. However, Austria remains a transit country for drugs transported by organized crime syndicates along the major European drug routes. There were 179 drug-related deaths in 2002, representing a further decline for the second year from its peak in 2000. Experts point out, however, that the percentage of drug deaths from mixed intoxication has been rising steadily in past years. The 22,422 drug-related offenses in 2002 represent a 2.5 percent increase over 2001. Of these offenses, 566 involved psychotropic substances, four of them precursors.

According to the Federal Institute for Health Affairs' estimates, the number of conventional, illicit drug abusers remains more or less stable and is believed to range between 15,000 to 20,000 persons. By contrast, the number of users of "ecstasy" is on the rise, as reflected in higher number of seizures. A 2001 field study extrapolated that 20 percent of Austrians above 15 had "some experience" with cannabis, and four percent with ecstasy. One percent have tried opiates. One gram of street heroin (purity between 8 percent and 16 percent) sold for Euro 40-50 (\$48-60) in 2002, one ecstasy tablet sold for Euro 15 (\$18).

III. Country Actions Against Drugs in 2003

Domestic Policy Initiatives. In its February 2003 policy program, the new center-right coalition government pledged to (a) continue its "unrelenting" fight against drug trafficking, (b) prevent any liberalization of even soft drugs, (c) maintain the national policy of "therapy instead of punishment" in the case of non-dealing drug offenders, and (d) expand counseling services and facilities for Austria's youth. On December 3, 2003, parliament approved legislation appropriating an additional 70 million Euros for the Interior, Justice and Defense ministries for crime-fighting measures in 2004.

On January 1, 2003, a new law came into force permitting blood tests for individuals suspected of driving under the influence of drugs. Relevant sanctions compare to those concerning drunk driving. However, a positive test result does not lead to a report to the police for violation of the 1998 Narcotic Substances Act (NSA), though the police will inform district health authorities.

Law Enforcement Efforts and Accomplishments. No comprehensive seizure statistics are available for 2003. Seizure statistics for 2002 (latest available figures) show that cocaine seizures (108.2

kilograms in 2001) decreased to 36.9 kilograms in 2002 (black market value is approximately Euro 1.66 million or \$1,992,000). Heroin seizures decreased from 288.3 kilograms in 2001 to 59.5 kilograms in 2002 (black market value: Euro 1.49 million or \$1,788,000). Confiscation of MDMA/“ecstasy” rose sharply, from 256,299 units in 2001 to 383,451 in 2002 (black market value: Euro 1.34 million or \$1,608,000). Seizures of cannabis products rose from 457 kilograms (Corrected data) in 2001 to 743 kilograms in 2002 (black market value: Euro 2.22 million Euro or \$2,664,000). Authorities further registered four charges for crimes related to precursor materials in 2002. The interception of 232,000 ecstasy tablets in 2003 coming from the Netherlands constituted the largest such seizure ever in the country. Austrian authorities also seized four shipments of amphetamines coming from laboratories in Poland. Some experts conclude that the amphetamine usage problem might be somewhat bigger than commonly believed. Law enforcement officials further expect slightly higher amounts of cocaine and cannabis seizures, while heroin confiscation in 2003 is projected to remain below the 2002 level. The ongoing restructuring of the law enforcement bodies, additional financial resources for the Interior Ministry totaling 39 million Euro for 2004, and the streamlining and additional staffing of drug-related units in the Health Ministry are further examples of policy accomplishments in the fight against illicit drugs. Regarding illicit precursor materials, the Interior Ministry conducted several investigations on the national and international level on the basis of provisions in Austria's narcotics substances act which helped prevent the dissemination and use of such substances.

Corruption. The Government of Austria's (GOA) public-corruption laws recognize and punish the abuse of power by a public official. Austria has been a party to the O.E.C.D. Anti-Bribery Convention since 1999. Recent legislation has eliminated tax deductibility of bribes and any gray market payments. No records exist yet to assess the degree of its enforcement. There are no cases pending at the moment which involve any bribery of foreign public officials. The U.S. Government is not aware of any high-level Austrian government officials' involvement in drug-related corruption. As a matter of government policy and practice, the GOA does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. An extradition treaty and mutual legal assistance treaty is in force between Austria and the U.S. The Austrian Federal Ministry of Justice has prepared a draft bill on judicial cooperation in criminal matters among EU member states, which also covers European arrest warrant and extradition procedures. The bill will implement the EU Council framework decision on the European arrest warrant and the surrender procedure between member states. Parliamentary approval could come in early 2004. Austria is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotic Drugs and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Vienna is the seat of UNODC. Austria has been a “major donor” to the UNODC. In recent years its annual pledge has been approximately \$440,000. Austria has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime.

Cultivation. The U.S. Government is not aware of any significant cultivation or production of illicit drugs in Austria. Austria recorded no domestic cultivation of coca, opium, or cannabis in 2003.

Drug Flow/Transit. Austria is not a source country for illicit drugs. Illicit drug trade by Austrian nationals is negligible. Organized drug trafficking is carried out by foreign criminal groups (Kurdish clans from Turkey, Albanians, and members of former Yugoslavia, West African as well as Central and South American gangs) which are well established on major European drug routes, particularly along the Balkan drug paths. The illicit trade increasingly relies on central and east-European airports, including Austria's. Due to increased surveillance as a result of terrorist threats, the number of cocaine body packers and smuggling in luggage decreased significantly at Vienna Airport in 2003, while heroin smuggling by air from Turkey via Vienna to the Netherlands increased. Police estimate that West African (i.e., Nigerian) gangs traffic 90 percent of the heroin that enters Austria. Trafficking and consumption of MDMA (Ecstasy) products, originating in the Netherlands, continued to rise sharply

in 2003. Illicit trade of amphetamines, carried out by criminal groups from Poland and Hungary, as well as of cocaine, also increased.

Domestic Programs (Demand Reduction). Austrian authorities and the public generally view drug addiction as a disease rather than a crime. This is reflected in rather liberal drug legislation and in related court decisions. The center-right government has reaffirmed its more restrictive approach in its policy statement of February 28, 2003. Overall, federal and state authorities remain committed to Austria's "balanced, comprehensive" drug policy, focusing on health and social policy measures designed to prevent social marginalization of drug addicts. The government and regional authorities routinely sponsor treatment centers and basic outreach services. Federal guidelines ensure minimum quality standards for drug treatment facilities. The use of heroin for therapeutic purposes is generally not allowed. Demand reduction puts emphasis on primary prevention, drug treatment and counseling, as well as "harm reduction." New challenges in demand reduction are the need for psychological care for drug victims, and greater attention to older victims and to immigrants.

Primary intervention starts at the pre-school level, extends to apprenticeship institutions and includes out-of-school youth programs. Schools place special emphasis on programs that have a multiplier effect. Each of Austria's nine states maintains addiction prevention units, which, inter alia, use the Internet as a venue. The government and local authorities routinely sponsor educational campaigns inside and outside school fora, using techniques such as mass media campaigns. Overall, youths in danger of addiction benefit from new treatment and care policies.

Austria has syringe exchange programs in place for HIV prevention. The most recent available data (for 2002) indicate a stable HIV prevalence rate at a low level (0 percent to 5 percent) while the hepatitis prevalence rates among drug abusers remain high (hepatitis c: 48 percent to 71 percent; hepatitis b: 25 percent to 47 percent). The trend toward diversification in substitution treatment (methadone, prolonged-action morphine and buprenorphine), which has been in place for over a decade, continued in 2003.

IV. U.S. Policy Initiatives and Programs

Bilateral cooperation. Austrian cooperation with U.S. investigative efforts is excellent. In the past, Austrian Interior Ministry officials have consulted the FBI on know-how designed to help update its criminal investigation structures. Austria and the U.S. operate a joint "contact office" in Vienna which serves as a key facilitator for flexible and speedy anticrime cooperation. The U.S. Embassy regularly sponsors speaking tours of U.S. counternarcotics experts in Austria.

The Road Ahead. The U.S. will continue to support Austrian efforts to create more effective tools for law enforcement, and work with Austria within the context of U.S.-EU initiatives, the UN and the OSCE. The U.S. priority will remain promoting a better understanding of U.S. drug policy among Austrian officials.

Azerbaijan

I. Summary

Azerbaijan is located along a drug transit route running from Afghanistan and Central Asia west into Western Europe, and from Iran north into Russia and west into Western Europe. Consumption and cultivation of narcotics are low, but levels of use are increasing. During 2003, the main drugs seized were cannabis and opium. The United States has funded counternarcotics assistance to Azerbaijan through the FREEDOM Support Act since 2002. Azerbaijan is a party to the 1988 UN Drug Convention.

II. Status of Country

Azerbaijan's main narcotics problem is the transit of drugs through its territory. Azerbaijan emerged as a narcotics transit route several years ago because of the disruption of the “Balkan Route” due to regional conflicts in several countries of the former Yugoslavia. Narcotics from Afghanistan enter from Iran or cross the Caspian Sea from Central Asia and continue on to markets in Russia and Europe. Azerbaijan shares a 611-km frontier with Iran, and its border control forces are insufficiently trained and equipped to patrol it effectively. Iranian and other traffickers are exploiting this situation. Domestic consumption is growing with approximately 18,000 persons registered in hospitals for drug abuse or treatment in Azerbaijan. The actual level of drug abuse is estimated to be many times higher.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Ministry of Internal Affairs has continued its program, which organizes local counternarcotics police officials in several areas of the country to work closely together across local jurisdictions. Two new Customs Committee training facilities, completed in 2003, will provide training in border-interdiction techniques to Customs officers. Azeri law-enforcement and computer experts met with their counterparts from each of the GUUAM countries (Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova) in Baku for 90 days in the Fall of 2003 to draft and implement an action plan for the GUUAM Virtual Law Enforcement Center. The virtual center will be organized around an encrypted system of information exchange among the law-enforcement agencies in member countries, with the goal of coordinating efforts against terrorism, narcotics trafficking, small arms, and trafficking in persons. In 2003 the State Commission together with the UN's South Caucasus Anti-Drug Program (SCAD), a five-year regional initiative, established a resource center and information network that provides access to a central database of information pertaining to narcotics control. SCAD also conducted an epidemiological survey of drug use and abuse in Azerbaijan.

Accomplishments. In 2003 the Ministry of Internal Affairs continued “Operation Hash-Hash,” a successful poppy and cannabis cultivation and storage eradication program, in several parts of the country. This operation increased the quantity of illegal narcotics seized and destroyed significantly during the first ten months of the year—more than 200 tons of narcotic plants and 152 kilograms of other narcotic substances.

Law Enforcement Efforts. There were 1,828 drug-related arrests during the first ten months of 2003, mostly small-time traffickers and users. Of those arrested, 32 were foreign citizens. Police lack basic equipment and have little experience in modern counternarcotics methods. Border control capabilities on the border with Iran and Azerbaijan's maritime border units are inadequate to prevent narcotics smuggling.

Corruption. Corruption permeates the public and private sectors, including law enforcement. Government officials have remarked on the gravity of the problem. Current legislation has proven inadequate to address police and judicial corruption, as salaries remain low, and many officials turn to corruption to supplement inadequate incomes to support themselves and their families. However, as a matter of government policy, the Government of Azerbaijan does not engage in or facilitate illicit production or distribution of narcotics.

Cultivation and Production. Cannabis and poppy are cultivated illegally, mostly in southern Azerbaijan. During the first ten months of 2003, law enforcement authorities discovered and destroyed 291 tons of hemp and poppies that were under cultivation.

Drug Flow/Transit. Narcotics traffickers seem to rely on familiar transit routes. Opium and poppy straw originating in Afghanistan transit through Azerbaijan from Iran, or from Central Asia across the Caspian Sea. Drugs are also smuggled through Azerbaijan to Russia, then on to Central and Western Europe. Drug-enforcement officials suspect that traffickers may attempt to use new direct flights between Kabul and Baku as an alternate route, but there is no evidence so far to support this theory. Azerbaijan cooperates with Black Sea and Caspian Sea littoral states in tracking and interdicting narcotics shipments, especially morphine base and heroin. Caspian Sea cooperation includes efforts to interdict narcotics transported across the Caspian Sea by ferry. Law enforcement officials report that they have received good cooperation from Russia.

Demand Reduction. Opium and cannabis are the most commonly used drugs. The GOAJ (Government of Azerbaijan) has begun education initiatives directed at curbing domestic drug consumption, particularly among students.

IV. U.S. Policy Initiatives and Programs.

Bilateral Cooperation. U.S. law enforcement exchange of information and cooperation with Azerbaijan continued to increase in 2003. The U.S. and Azerbaijan signed a Letter of Agreement on Law Enforcement and Counternarcotics Assistance on January 3, 2003, which initiated a concerted U.S. effort to help Azerbaijan increase its counternarcotics capabilities. In 2003 DEA conducted training for local law enforcement on performing successful drug investigations, and DOJ's International Criminal Investigative Training Assistance Program trained Azeri forensic scientists in basic drug identification and purity analysis techniques.

In 2003 the Export Control and Related Border Security (EXBS) program of assistance to the Azerbaijan Border Guards and Customs services expanded. EXBS training and assistance efforts, while aimed at nonproliferation of weapons of mass destruction, directly enhance Azerbaijan's ability to interdict all contraband, including narcotics. During 2003, EXBS sponsored numerous Boarding Officer and Law Enforcement courses for the Border Guard Maritime Brigade. These courses included extensive instruction on conducting at-sea law-enforcement boardings, and included training on defensive tactics, arrest procedures, hidden-compartment identification, smuggling detection, and use of force. EXBS also hosted numerous conferences and training sessions aimed at non-proliferation efforts in Azerbaijan, including a DOD/FBI Counter-proliferation training team, and a DOD "Counter-proliferation Awareness Training" course. In addition, in 2003 EXBS purchased or repaired Border Guard and Customs communications equipment, vehicles, vessels, and border-crossing x-rays.

The Road Ahead. The U.S. and Azerbaijan will expand their efforts to conduct law enforcement assistance programs in Azerbaijan. Such programs would include helping the Government of Azerbaijan modernize its criminal records system, training and exchanges for Azerbaijan's law-enforcement officials and police officers, and forensic lab development, in addition to counternarcotics/drug enforcement programs. Cooperation between DEA and the GOAJ continues to increase, and the DEA plans to help Azerbaijan increase its counternarcotics capabilities.

Belgium

I. Summary

Belgium remains an important transit point for a variety of illegal drugs, especially ecstasy and cocaine. It is the second-largest supplier of ecstasy to the U.S., and plays a significant role in the shipment of cocaine from South America to Europe. Usage and trafficking of heroin appear to be on the rise. Belgium is also a transit point for a variety of chemical precursors used to make illegal drugs. Traffickers utilize Belgium's busy seaports, international airports, and central location to move drugs to their primary markets in the United States, the United Kingdom, the Netherlands, and elsewhere in Western Europe. Belgium takes a proactive approach to interdicting drug shipments, and cooperates closely with U.S. and other foreign countries to help uncover distribution rings abroad. Belgian authorities also continued to fight the production of illicit drugs within their borders, shutting down six synthetic drug labs in 2003. Belgium is party to the 1988 UN Drug Convention, contributes to the UNODC's budget, and is part of the Dublin Group of countries concerned with combating narcotics trafficking.

II. Status of Country

Belgium is a producer of synthetic drugs (particularly ecstasy) and cannabis and remains a key transit point for illicit drugs bound for the United States, UK, the Netherlands, and Western Europe. Airline passenger couriers remained the principal means of transporting ecstasy to the United States, while the mailing of pills via both express and regular mail continued to decline. Sea freight is likely also used for shipping larger amounts of ecstasy from Belgium to the United States, but no such shipments have yet been discovered. Belgian authorities continue to make a concerted effort to stem the tide of ecstasy headed for the United States.

Turkish groups continue to control most of the heroin trafficked in Belgium. This heroin is principally shipped through Belgium to the U.K. market, but there appears to be growing demand in Belgium as well. Heroin usage is spreading to "casual" club users who sniff small, relatively inexpensive doses.

Hashish and cannabis remain the most widely distributed and used illicit drugs in Belgium. Although the bulk of the cannabis consumed in Belgium is produced in Morocco, cultivation in Belgium continues to increase. Official policy instructs authorities not to prosecute minor possession of cannabis for personal consumption, likely augmenting domestic demand. In addition to the domestic demand for cannabis, Dutch distributors also provide a market for Belgian cannabis cultivation.

Although Belgium is not a major producer of precursor essential chemicals used in the illicit manufacture of drugs, it is an important transshipment point for these chemicals. Precursor chemicals that transit Belgium include: acetic anhydride (AA) used in the production of heroin; PMK and BMK chemical precursors used in the production of Ecstasy; and potassium permanganate used in cocaine production.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Belgium's drug control strategy for 2003-2004 cites amphetamine-type stimulants and heroin as the top two large-scale drug trafficking problems. The strategy calls for Belgium to identify the top ten trafficking groups and concentrate efforts on them. Ports and egress areas will be given particular attention in order to limit the export of drugs—especially to the United Kingdom and the United States.

The Federal Prosecutor's Office, established in 2002, works to centralize and facilitate mutual legal assistance requests on drug trafficking investigations and prosecutions. At the request of the Belgian Government, U.S. DoJ, FBI, and DEA officials conducted a two-day training seminar in November for the Belgian Federal Prosecutor's Office, local prosecutors, investigating judges, and the Federal Police. The seminar addressed bilateral police-to-police cooperation, mutual legal assistance, and extradition requests.

Legislation passed in 2003 permits Belgium to share investigative assets with a foreign country in the conduct of a joint drug trafficking investigation. The new law also broadened and centralized powers to seize and confiscate assets used in the commission of certain criminal acts—including drug trafficking.

Accomplishments. Through November, 2003 Belgian authorities seized six laboratories; five producing ecstasy and one producing amphetamines. All were located along the northern border with the Netherlands. This brings the number of such laboratories seized in the past five years to 33. By comparison, only ten laboratories were seized in the six-year period from 1992 to 1998. An investigation conducted jointly with the Australian Federal Police resulted in the December seizure of 195 kilograms. (800,000 tablets) of ecstasy and the arrest of the Belgian ringleader, in Australia. The drugs were shipped from Zeebrugge, Belgium concealed inside three pieces of agricultural equipment.

For the past three years, the volume of heroin seized in Belgium has increased dramatically. Before 2000, Belgian law enforcement had never seized more than 200 kilograms of heroin in a year. In 2000 Belgian authorities seized 397 kilograms; 231 kilograms in 2001; and 262 kilograms in 2002.

Law Enforcement Efforts. Belgian Law Enforcement authorities actively investigate individuals and organizations involved with illegal narcotics trafficking. In keeping with Belgium's drug control strategy, authorities focused their efforts on combating amphetamines, ecstasy, cocaine, and heroin. Belgian authorities continued to cooperate closely with DEA officials stationed in Brussels. The exchange of information between the U.S. and Belgian authorities remained excellent in 2003.

At Brussels Zaventem airport, non-uniform personnel trained by the Federal Police to help detect drug couriers became increasingly proficient. Belgian authorities also continued a proactive approach to searches and inspections of U.S.-bound flights at the airport.

The resources Belgium devotes to the inspection of sea freight, however, remains inadequate. Though Belgium's busy seaports are utilized to ship ecstasy (as demonstrated by the seizure in Australia), port inspectors have uncovered no such shipments in 2002 or 2003.

Corruption. Corruption is not judged a problem within the narcotics units of the law enforcement agencies. Legal measures exist to combat and punish corruption.

Agreements and Treaties. Belgium is a party to the 1988 UN Drug Convention. Belgium is also a party to the other major UN counternarcotics conventions. In December 2000, Belgium signed the UN Convention Against Transnational Organized Crime and its protocols, but it has not yet ratified the Convention. The United States and Belgium have an extradition treaty, as well as a Mutual Legal Assistance Treaty (MLAT) that entered into force in January 2000. Under a bilateral agreement with United States as part of the U.S. Container Security Initiative, U.S. Customs officials in 2003 were stationed at the Port of Antwerp to serve as observers and advisors to Belgian Customs inspectors on U.S.-bound sea-freight shipments.

The Belgian Navy and the U.S. Coast Guard signed a Memorandum of Understanding in March 2001 formalizing Belgian Navy participation in the Caribbean Maritime Counterdrug Initiative. The MOU provides the terms and conditions for U.S. Coast Guard law enforcement detachments to embark on Belgian navy ships deployed to the Caribbean to participate in multinational efforts (led by the United

States) to detect, monitor and interdict drug smuggling by sea and air in the Caribbean. Belgian cooperation under the MOU has been excellent.

Cultivation/Production. Belgium's role as a transit point for major drug shipments, particularly Ecstasy, is more significant than its own production of illegal drugs. Nevertheless, Belgian authorities believe ecstasy and cannabis production is on the rise—primarily along the border region with the Netherlands. Only the Netherlands exports more ecstasy to the United States than does Belgium.

Cultivation of marijuana is increasingly done at elaborate, large-scale operations in Belgium. A 2003 investigation in Liege revealed 3,500 plants being cultivated and a capacity for an additional 3,500. The operation was found in a bunker built underneath a tennis court. The grower had been selling the marijuana in Holland and was linked to an additional five cultivation rings.

The production of amphetamines does not appear to have abated, as evidenced by the seizure of yet another five labs in 2003. Dutch traffickers are also linked to Belgium's production of Amphetamine-Type Stimulants. As Dutch law enforcement pressure mounts on producers of ecstasy and other ATS in the Netherlands, some Dutch producers either look to Belgian producers to meet their supply needs or establish their own facilities in Belgium. Authorities continue to report that when Belgian amphetamine production facilities are uncovered, there is often a connection to Dutch traffickers.

Drug Flow/Transit. Belgium remains an important transit point for drug traffickers because of its port facilities (Antwerp is Europe's second-busiest port), international airports, excellent highway links to cities throughout Europe, and proximity to the Netherlands. Illicit drugs from Belgium flow to the United States, the United Kingdom, the Netherlands and elsewhere in Western Europe.

Israeli drug traffickers, perhaps partly due to long-standing ties to Antwerp, continue to figure prominently in the transportation of major shipments of ecstasy from Belgium. Airline passenger drug couriers are recruited to transport ecstasy from Brussels to New York. Authorities also continue to find that the couriers bound for New York were frequently recruited by Dominican drug traffickers. Investigations indicate the Port of Antwerp is also used to transport shipments of ecstasy via sea freight.

The port of Antwerp continues to be an entry point in Europe for marine vessels transporting cocaine from South America, with an estimated 15 tons entering the port each year. In October 2003 Dutch authorities, acting on "lookout information", intercepted a vessel headed for the port of Antwerp. Four tons of cocaine were later discovered hidden inside a compartment between the fuel tanks. The ten-man crew was Colombian and the subsequent investigation resulted in the arrest of five additional Colombian co-conspirators in the Netherlands.

The predominant cocaine trafficking groups in Belgium are Moroccan, Albanian, Colombian, Surinamese, and Chilean. Though not as significant, Bulgarian, Russian, and Romanian traffickers have also been identified. There are documented cases of Albanian traffickers transporting cocaine from Antwerp to Italy for distribution.

Belgium remains chiefly a transit country for heroin destined for the British market. Seizures of the past three years and intelligence indicate that Belgium has also become a secondary distribution and packing center for heroin coming along the Balkan Route. Turkish groups continue to dominate the trafficking of heroin in Belgium and are also known to have become increasingly involved in the distribution of ecstasy and cocaine. The Belgian Federal Police have identified trucks from Turkey as the single largest transportation mechanism for westbound heroin entering Belgium. One such vehicle was found to have 100,000 ecstasy tablets when it was stopped on its return trip eastbound, possibly indicating a heroin for ecstasy exchange.

Moroccan and other North African groups generally control most of the marijuana importation overland from France. Moroccan groups have also become involved in heroin trafficking, but have generally been limited to facilitation roles or distribution just above the street level.

Demand Reduction. Belgium has an active counternarcotics educational program that targets the country's youth. The regional governments (Flanders, Wallonia, and Brussels) now administer such programs. The programs include education campaigns, drug hotlines, HIV and hepatitis prevention programs, detoxification programs, and a pilot program for "drug-free" prison sections. The Belgian system contrasts with the U.S. approach in that Belgium directs and targets its programs at individuals who influence young people versus young people themselves. Teachers, coaches, clergy, and the like are thought to be better suited to deliver the counternarcotics message to the target audience because they already are known and respected by young people.

There are an estimated 25,000 regular heroin consumers in Belgium creating an annual demand of about 3.4 tons. The annual spending on heroin consumption is about 79 million Euros (\$94.8 million). The number of intravenous heroin addicts in Belgium remains stable, but the sniffing of heroin is becoming more fashionable in clubs. The growing acceptance of heroin as a club drug is a matter of concern; especially given that one dose costs as little as 10 Euros (\$12.00). This worrying trend, together with the crime and social costs associated with heroin addiction, make thwarting the proliferation of this drug a priority for Belgian public health and law enforcement officials alike.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. During FY-2003, eight Mutual Legal Assistance Treaty (MLAT) requests for narcotics case information sharing were submitted between Belgium and the United States. Belgium allows for extraditions of non-Belgian nationals to the United States, and seeks extraditions of suspects from the United States to Belgium.

The Road Ahead. The United States and Belgium share an excellent counternarcotics working relationship and there is frequent exchange of information at the working level. Officials in the Federal Police, Federal Prosecutor's Office, and Ministry of Justice who work on counternarcotics are fully engaged with their U.S. counterparts.

Except for an increase in heroin usage and trafficking, continuation of current levels of narcotics use and trafficking in Belgium is a reasonable expectation in the near term. The large opium harvest in Afghanistan will likely contribute to larger and more frequent heroin shipments across Belgium. Belgium will continue to be a major supplier of ecstasy to the United States, and will continue to play an important role in the shipment of cocaine to Europe from South America via the port of Antwerp and via couriers and parcels at Zaventem airport.

The U.S. looks forward to continued close cooperation with Belgium in combating illicit drug trafficking and drug-related crime.

Bosnia and Herzegovina

I. Summary

Bosnia and Herzegovina (BiH) remains a small but growing market for drugs, and has emerged as a regional hub for narcotics trans-shipment. Despite increasing inter-entity law enforcement cooperation, gradual improvements in the oversight of the financial sector, several drug seizures, and substantial legal reform, local authorities are politically divided, law enforcement efforts poorly coordinated, and the justice system is still antiquated and inadequate. The narcotics trade remains an integral part of the influence of foreign and domestic organized crime figures and ethnic extremists who operate with the tacit acceptance—if not active collusion—of some corrupt public officials. Border controls have improved, but significant flaws in the regulatory structure and justice system, coupled with a lack of attention by Bosnia's political leadership, have, in practice, meant that few effective impediments to narcotics trafficking and related crimes exist.

BiH is still considered primarily a transit country for drug trafficking, due to its strategic location, passage from the Balkan Peninsula to Central Europe, weak state institutions, lack of personnel in Counternarcotics units, and poor cooperation among the responsible authorities. BiH has no national counternarcotics strategy. BiH needs to develop a national strategy as well as a state-level body to coordinate the fight against drugs. Police authorities need to be given to the State Information and Protection Agency (SIPA) through legislation amendments. Also, a public campaign should be launched by government officials, especially in BiH schools, to sensitize the public (and particularly young adults and children) to the dangers and effects of the drugs. BiH is party to the 1988 UN Drug Convention and is attempting to forge ties with regional and international law enforcement agencies.

II. Status of The Country

BiH occupies a strategic position along the historic Balkan smuggling routes between drug production and processing centers in South Asia and markets in Western Europe. Narcotics trafficking emerged as a serious problem during the 1991-1995 war, both as a reflection of the general breakdown of law and order and as a means for the warring parties to generate revenue. Bosnian authorities at the state, entity, cantonal, and municipal levels have been unable to stem the continued transit of illegal aliens, black market commodities (especially cigarettes), and narcotics since the conclusion of the Dayton Accords. Traffickers have capitalized in particular on an inefficient—and still largely politicized—justice system, widespread public sector corruption, the lack of specialized equipment and training in combating criminal networks that support illicit drug trade, and poor coordination between law enforcement authorities. Bosnia and Herzegovina is increasingly becoming a storehouse for drugs en route to Western Europe.

Information on domestic consumption is not systematically gathered, but anecdotal evidence and law enforcement officials indicate that demand is steadily increasing. No national drug information system focal point exists, and the collection, processing, and dissemination of drug-related data is neither regulated nor vetted by a state-level regulatory body. Moreover, Bosnia and Herzegovina lacks a comprehensive state-level strategy to stem narcotics trafficking and use, and an inter-ministerial coordination body does not exist. There is no state-level control over confiscated drugs.

BiH is also considered a storage country, since quantities, mainly of marijuana and heroin, coming into BiH from Montenegro, are stored in Bosnia until customers in Central European countries show an interest in purchase. One of the main routes for drug trafficking starts in Albania, continues into Montenegro, and enters BiH through a border point close to Trebinje. From BiH, drugs pass to Croatia

and Slovenia and then on to Central Europe. Cocaine arrives mainly from the Netherlands through the postal system.

In 2003, the Federation Ministry of Interior (FMUP) established a narcotics statistics department to track information on illegal drug laboratories. There have been several cases of suspicious imports and exports of precursors made by fictitious BiH companies. In 2003, 20,000-30,000 ecstasy pills of BiH origin were found in Austria.

In BiH there are only two methadone therapy centers, one in Sarajevo and one in Sanski Most, with approximately 150 patients and five to ten patients, respectively.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Although Bosnia and Herzegovina has neither a national police force nor a national counternarcotics control strategy, the full deployment of the State Border Service (SBS) this year has improved counternarcotics efforts. Telephone hotlines, local press coverage, and public relations efforts organized by the international community have focused public attention on smuggling and black-marketeering. Foreign donors continue to provide law enforcement assistance training to Bosnian authorities both on a bilateral basis and through international agencies. The USG's bilateral law enforcement assistance program continues to emphasize task force training and other measures against organized crime, including narcotics trafficking. The Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP) and U.S. Customs programs provided specific counternarcotics training to entity Interior Ministries and the SBS.

In March, the BiH Government implemented new Criminal (CC) and Criminal Procedure (CPC) Codes; and in July and August, the Federation and Republika Srpska (RS) Governments followed suit by adopting harmonized CPC and CC codes. The implementation of these codes enhanced the legal system's abilities to protect the rights of victims and criminal defendants. Although previous reports noted routine interference by organized crime and political leaders with the judiciary, judicial reform efforts reduced this undue influence. In the new CPC, law enforcement and judicial officials have been given tools to investigate and prosecute serious crime or corruption cases effectively. In particular, the new criminal procedure code permitted court-ordered communications surveillance, use of informants, and undercover police work. However, it will take a substantial investment of time and resources to fully implement the new investigative techniques. Department of Justice ICITAP and Overseas Prosecutorial Development Assistance Training (OPDAT) training organized for law enforcement agencies has significantly accelerated this process. Recent improvement in relations with Serbia and Montenegro, working-level cooperation with Slovenian and Croatian law enforcement authorities, and an upgraded information exchange system in Sarajevo's Interpol office may also presage progress in the fight against narcotics-related crimes.

On June 20, 2002, the BiH Parliament passed a law creating the State Information Protection Agency (SIPA) whose mandate is to serve as a conduit for information and evidence among local and international law enforcement agencies, and in limited circumstances to act as a Protection authority for diplomats and officials. As of December 2003, SIPA is still not fully operational, though approximately 100 staff have been hired.

Accomplishments. Under close supervision by the international community, Bosnian law enforcement agencies have taken steps toward increased cooperation on the counternarcotics front, most notably with the formation of an inter-entity (i.e., Federation and RS) joint task force. The state-level criminal procedure and criminal codes have undergone a major overhaul. The Government of BiH has established the State Court and State Prosecutors Office, which has jurisdiction for serious criminal offenses such as terrorism; created new state-level Ministries of Security and Justice (formed

by changes imposed by the High Representative to the Law on the Council of Ministers in January); strengthened border and financial controls; and created BiH's first national identity card.

As of last year, the SBS covers one hundred percent of Bosnia's borders. Forty-seven international border crossings are now manned by SBS personnel and all four international airports are under SBS control. However, there are still a large number of illegal crossing points which the SBS does not control. Five SBS Mobile Support Units working under the authority of regional SBS headquarters are responsible for policing roughly four hundred unofficial entry points, such as dirt paths and river fords, over Bosnia's more than 1600-km border. Moreover, most official checkpoints are minimally staffed and many crossings are severely understaffed, bordering on unsafe manning levels. Though the task of building a border control that meets European standards remains far from complete, less porous borders should help stem the flow of illicit goods through Bosnia. The SBS, meanwhile, has recently established a Central Investigative Office, as well as units for control and intelligence, and established a program to train police dogs.

With significant USG and international community financial assistance and technical support, computerized tracking information systems have been installed at the Sarajevo, Banja Luka, and Mostar international airports. However, the SBS lacks adequate command, control, and communication expertise, technology and equipment, as well as professional training.

The U.S. has donated and installed a secure radio communications network for the SBS that will greatly enhance the ability of headquarters and regional offices to direct, control, and coordinate operations with mobile and fixed border crossing units. The communications equipment and repeater network are intended for primary use by the SBS, but should also be available to other law enforcement institutions, particularly SIPA, on an as available basis for joint law enforcement operations. After the repeater installation work and training were provided, SBS technical personnel installed base stations, mobile units and portable equipment. The entire system will be completely installed in 2004.

Each of the ten Federation cantons has an counternarcotics enforcement unit, ranging in size from eleven persons in Sarajevo Canton to two persons in smaller cantons. Yet information exchange among the ten cantons' police forces—vital for effective law enforcement—is limited. Each canton has an autonomous administrative structure and budget, essentially independent of Federation-level coordination or control. Counternarcotics units are understaffed, particularly in the ten Federation cantons. The law providing for the Federation to be the competent authority over drugs has been violated repeatedly by the cantons, which take drug cases to their respective police authorities rather than utilizing the Federation Ministry of Interior (FMUP) Police. In the RS, a centralized narcotics enforcement unit based in Banja Luka is functioning in the RSMUP Criminal Department. Its primary role is to ensure coordination among the regional narcotics units that are placed in five Public Security Centers. In the RS, thirty-five policemen work on drug cases.

Despite the existence of information-sharing agreements and recent legislation (i.e., the “Law on Legal Assistance among Entities and Brcko” that was imposed by the High Representative and passed by the BiH Parliament) regulating contacts, provision of evidence, and information sharing and testimony between court systems, cooperation between law enforcement cooperation agencies and prosecutors is primarily informal and ad hoc. Mutual legal assistance is severely limited by judicial bureaucracy, and serious legal and bureaucratic obstacles to the effective prosecution of criminals remain in place. Last year, an Una Sana Cantonal investigative judge released two Bosnian citizens, taken into custody by the SBS who were wanted on an international Interpol narcotics-related warrant issued at the request of Austrian authorities. Neither the RS nor the Federation has made significant progress in addressing the legal environment that allows criminals to act with virtual impunity. Neither entity has pursued new legislation to adequately enforce or reinforce existing asset seizure/forfeiture or money-laundering statutes. However, under international community pressure, an aggressive judicial reform

process is underway to vet all judges and prosecutors in the country and reappoint those with demonstrated competency and the highest integrity. The process is expected to take another half a year to complete.

Law Enforcement Efforts. Counter-narcotic efforts have improved but remain inadequate given suspected trafficking levels. In the Federation, drug-related criminal reports to the prosecutor have increased by twenty-six percent, while the number of minor offence reports has decreased by fifty four percent. Federation counternarcotics operations have resulted in the seizure of 144 kilograms of marijuana (an 80 percent increase over 2002 levels), 2.252 kilograms of heroin (a 100 percent increase over 2002 levels), and 868 ecstasy (MDMA) pills.

Based on data through October 9, 2003, the number of drug-arrests in the RS has increased by 50 percent compared to 2002 levels. RS police operations have seized a total of approximately 215 kilograms of marijuana (an increase of 150 percent over 2002 levels), 3,893 grams of heroin (an 80 percent increase over 2002 levels), and 510 ecstasy pills (a 600 percent increase over 2002 levels).

Through December 1, the number of arrests in the Brcko District has increased to fifteen persons, compared to only two in 2002. Brcko police have seized a total of 4,868 grams of marijuana, which is five times more than in 2002, and 38 grams of heroin.

Meanwhile, preliminary figures indicate that the SBS has filed 31 criminal reports and 33 minor offence charges, and seized approximately 176 kilograms of marijuana, 11 grams of heroin, and 8 ecstasy pills through December 19, 2003.

In February 2003, Federation Anti-Narcotics Police, acting on a tip from Federation Customs officials, raided a warehouse in Tuzla, arrested three individuals, and seized approximately 34 metric tons of acetic anhydride (AA) liquid. Subsequent investigations identified two companies in Mexico as the AA supply sources. In early December, a well-organized group tried to steal the liquid precursors from the warehouse in Tuzla. However, the individuals were caught by a joint action of the Tuzla Canton MUP and Federation MUP Anti-Narcotics officers. After this incident, the Tuzla Canton Court issued an order to the Tuzla Canton Court Police to safeguard the warehouse.

In August, during a planned operation by the RS Crime Police in Doboje, a group of individuals were apprehended for the illegal production and trafficking of drugs. During the course of the arrests, shots were fired at the police with the police returning fire, killing one of the perpetrators and wounding another. An additional suspect was arrested and fifteen grams of heroin were found in his possession. An additional two kilograms and 176 grams of heroin were subsequently seized from a search of the suspect's vehicle.

These actions represent largely isolated efforts by local authorities rather than a coordinated national counternarcotics program. Despite these individual successes, narcotics trafficking remains a crime of opportunity limited primarily by the interest of criminal elements in the higher profit margins offered by black-marketeering, alien smuggling, and human trafficking. Authorities have yet to focus systematically on major narcotics traffickers, and have yet to bring a major case involving a criminal network to trial, or bring adequate resources to bear.

Corruption. Bosnia and Herzegovina has no laws specifically targeting narcotics-related public sector corruption and has not pursued charges against public officials on narcotics-related offenses. A long-standing parliamentary inquiry into the disappearance of over 20 kilograms of heroin from the safe of the war-time Federation Interior Minister has made no progress to date. Organized crime, corrupt officials, and ethnic hard-liners, all use the narcotics trade to generate revenue. As a matter of government policy and practice, BiH does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. There is no bilateral agreement between Bosnia and Herzegovina and the United States specifically pertaining to counternarcotics. Nonetheless, counternarcotics assistance does feature prominently in the USG's bilateral law enforcement assistance training program, which has provided both the Federation and the RS advice and assistance in a broad range of law enforcement issues including investigative techniques, border controls, and major case management. Bosnia and Herzegovina is a party to the 1988 UN Drug Convention and is developing bilateral law enforcement ties with neighboring states to combat narcotics trafficking. An extradition treaty between the U.S. and Serbia applies to the BiH as a successor state. BiH has ratified the UN Convention against Transnational Crime and its two Protocols.

Drug Flow and Transit. Major heroin and marijuana shipments are believed to travel through Bosnia and Herzegovina by several well-established overland routes. Local officials believe that Western Europe—not the U.S.—is the destination for this traffic. Judging by reported seizures, cocaine use and trafficking are minimal, while the market for designer drugs, especially ecstasy, in urban areas is rising rapidly. Law enforcement authorities posit that elements from each ethnic group and all major crime “families” are involved in the narcotics trade, often collaborating across ethnic lines. There is mounting evidence of links between, and conflict among, Bosnian criminal elements and organized crime operations in Russia, Albania, the FRY, Croatia, Austria, Germany, and Italy.

Cultivation and Production. Officials believe that domestic cultivation is limited to small-scale marijuana crops grown in southern and western Bosnia. However, cannabis production is reportedly going down, largely as a result of the ready import of cheaper and better quality cannabis from Albania through Montenegro. Although refinement and production are negligible, international and Bosnian law enforcement officials indicate that the country is increasingly becoming a temporary storage point for drug shipments en route from East to West. There are also indications that there is increasing production of synthetic drugs, like ecstasy, on a small but rapidly increasing scale. Though Bosnia and Herzegovina does not have the industrial infrastructure that could support large-scale illicit manufacturing, a modest level of synthetic drugs produced in clandestine labs cannot be ruled out given that the production and possession of chemical precursors to synthetic narcotics are currently legal under current Bosnian law. This legislative loophole will have to be closed with amendments to the new criminal codes.

Domestic Programs. USG-sponsored community-oriented policing programs, which contain a strong counternarcotics component, have reached over 40,000 Bosnian children. Although individual cantons have sponsored pilot community outreach programs and sought international assistance to introduce more proactive initiatives, there is no national drug awareness program. Meanwhile, the Sarajevo Canton Health Ministry has established a government-operated therapeutic center for recovering drug addicts.

UG-PROI—the Citizen's Association for Treatment, Support, and Re-Socialization of Drug Addicts—provides advice and support to drug addicts and their families, and assists in the re-socialization of recovered addicts after treatment. The organization is now in the process of establishing a therapeutic community for the rehabilitation of addicts near Sarajevo on a property donated by a local family. UG-PROI cooperates with the Drug Addiction Department of Kosevo hospital in Sarajevo and with the Canton Sarajevo Family Counseling Branch of the Center for Social Work. UG-PROI also cooperates on a regional level with the NGO “Help” from Split and with “The Association for Helping Drug Addicts Family” from Zagreb, Croatia. Daytop, Inc., from the USA provided a four-month orientation program and specialized training to two members of UG-PROI. Daytop Inc. will also provide experts who will support the work of the therapeutic community now being established by UG-PROI. During 2003, a total of forty patients were successfully rehabilitated through UG-PROI programs. Currently, UG-PROI is focusing on development of a nation-wide database, as well as on the development of a study to standardize treatments for BiH drug users.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. USG policy objectives in BiH include reforming the criminal justice system, improving the rule of law, depoliticizing the police, improving local governance, strengthening bank regulatory authorities, and introducing free-market economic initiatives. We will continue to work closely with Bosnian authorities and the international community to combat narcotics-trafficking and money-laundering.

Bilateral Cooperation. The USG remains committed to providing the counternarcotics training and support needed to foster independent law enforcement operations by Bosnian authorities.

The Road Ahead. As the European Union Police Mission (EUPM) has taken over from the International Police Task Force (IPTF), building local capacity in counternarcotics has become even more important as the EUPM has far fewer officers (approximately one-third the IPTF's size). The EUPM is concentrating its efforts on monitoring and advising mid-to upper-levels of law enforcement management, placing special emphasis on advanced specialized policing skills in areas such as counternarcotics, organized crime and counterterrorism. However, coordination among the international community is complicated by a lack of continuity and frequent turnover of international personnel. As international experts depart, knowledge leaves with them.

Strengthening the rule of law and reforming the judiciary remain top USG priorities. The USG will continue to focus its bilateral programs on related subjects such as organized crime, public sector corruption, and border controls. The adoption and full implementation (as well as provision of appropriate training and technical assistance) of the new criminal and criminal procedure codes are pivotal U.S. and international community goals for this year and next. The international community is also working to increase local capacities and to encourage interagency cooperation by mentoring and advising the local law enforcement community.

Bulgaria

I. Summary

Bulgaria is a major transit country as well as a producer of illicit narcotics. Strategically situated on Balkan transit routes, Bulgaria is vulnerable to illegal flows of drugs, people, contraband and money. Heroin moves through Bulgaria from Southwest Asia, while chemicals used for making heroin move from the former Yugoslavia to Turkey and beyond. It is estimated that 80 percent of the heroin distributed in Europe was first transported through Bulgaria. Marijuana and cocaine also continue to be transported through Bulgaria.

The Bulgarian government has continued to make progress in improving its law enforcement capabilities and customs services, although major structural deficiencies remain. GOB has proven cooperative, working with many U.S. agencies, and has reached out to neighboring states to cooperate in interdicting illegal flow of drugs and persons. Nevertheless, Bulgarian law enforcement agencies, prosecutors and judges require further assistance to develop the capacity to investigate, prosecute and adjudicate illicit narcotics trafficking and other serious crimes effectively. Bulgaria is a party to the 1988 UN Drugs Convention.

II. Status of Country

In the past year, Bulgaria has changed from being primarily an important drug-transit country into being as well an important producer of narcotics. Bulgaria is beginning to replace Turkey as a center of synthetic drug production, and laboratories are increasingly being moved to Bulgaria. Most importantly, the use of synthetic drugs has overtaken the use of heroin, formerly the most widely used drug in Bulgaria.

GOB has emphasized its commitment to combat serious crime including drug trafficking. Despite some progress on this goal, there were no major convictions for drug trafficking, or other serious crimes such as those involving organized crime activity, corruption or money laundering during 2003. Among the problems hampering counternarcotics efforts are poor inter agency cooperation, weak witness and victim protection mechanisms, inadequate equipment to facilitate the search for drugs, widespread corruption and an overall weak judicial system.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Bulgarian government issued a national drug prevention strategy in 2002 and in 2003 continued its efforts to interdict the flow of narcotics through Bulgaria. Additional measures began in 2002 and continued in 2003, including the creation of an counternarcotics coalition involving some 60 NGOs and work on establishing “prevention information centers” in various municipalities.

Unfortunately, the new national program for prevention, treatment and rehabilitation, scheduled to run to 2005, received only BGN 200,000 (ca. \$131,000) out of an estimated BGN 10 million (\$6.52 million) needed.

Accomplishments. Two particularly impressive accomplishments in 2003 were: First, the successful participation of Bulgarian law enforcement in Operation Moonlight; and secondly, participation in the Southeast European Cooperative Initiative (SECI) Center Regional Anti-Narcotics Task Force initiative, Containment II. Operation Moonlight was the one of the biggest Europe-focused operations against trafficking in cocaine in years. It netted 5 tons of seized cocaine in Bolivia, based on investigations conducted in Bulgaria. Bulgaria also demonstrated effective leadership in its

participation in Containment II. Bulgaria was responsible for coordinating all of the operations for the 18 countries that participated in Containment II. This successful cooperation resulted in the seizure of over 390 kilograms of narcotics and 11,000 doses/pills of synthetic drugs.

Law Enforcement Efforts. From January to September 2003, Bulgarian Customs seized 1074 kilograms of drugs, including 451 kilograms of heroin, at least 29 kilograms of marijuana and 341 kilograms of amphetamines. This compares to roughly 462 kilograms of drugs seized in all of 2002. The rise in seizures suggests that Bulgarian interdiction efforts have improved and that more traffickers are being apprehended. Additionally, 1,500 kilograms of precursor chemicals were taken in an operation between June 10 and July 10.

From January through October 2003, the National Police arrested 111 persons for drug dealing: 75 cases were referred to prosecuting authorities, but none of these cases resulted in actual convictions.

Corruption. In 2002, the government unveiled an “action plan” to implement its 2001 anticorruption strategy. Despite some progress, corruption in various forms remains a serious problem. The Customs Service is widely considered the most corrupt government agency. However, there was no evidence that senior government officials engaged in, encouraged or facilitated the production, processing, shipment or distribution of illegal narcotics, or laundered the proceeds of illegal drug transactions.

Agreements and Treaties. Bulgaria is a party to the 1988 UN Drug Convention, the 1961 Single Convention and its 1972 Protocol, the 1971 Convention on Psychotropic Substances and the 1990 Convention on Laundering, Search, Seizure and confiscation of Proceeds from Crime. Bulgaria signed the UN Convention Against Transnational Organized Crime and its Protocols in December 2003.

The 1924 U.S.-Bulgarian Extradition Treaty and a 1934 supplementary treaty are in force and in use although there have been difficulties in implementation in narcotics cases. The U.S. and Bulgaria signed a cooperation agreement in 2000.

Cultivation and Production. The only illicit drug crop known to be cultivated in Bulgaria is cannabis, but the extent of illicit cultivation is not known. It is certainly not very extensive, and is not a significant factor in abuse beyond Bulgaria's own borders..

Drug Flow/Transit. Synthetic drugs have become the main drug transported through Bulgaria. However, heroin from the Golden Crescent and Southwest Asia (e.g., Afghanistan) and some marijuana and cocaine also transit through Bulgaria. The Northern Balkan route from Turkey through Bulgaria to Romania is the most frequently used overland route. Other routes go through Serbia and Montenegro and the Former Yugoslav Republic of Macedonia. Precursor chemicals for the production of heroin pass from the Western Balkans through Bulgaria to Turkey.

Domestic Programs (Demand Reduction). The most popular illicit drugs are reportedly cannabis, heroin, synthetic drugs and cocaine. Law enforcement agencies estimate that the monthly consumption of heroin in Bulgaria is 60 kilograms, of which 20 to 25 are consumed in Sofia alone. Bulgaria's drug abuse problem is growing, although not as rapidly as some observers had anticipated. Cocaine is too expensive for all but the wealthy. Marijuana has traditionally been used in rural areas. Ecstasy use is an important and growing problem among university students. As in previous years, drug consumption is particularly widespread among the marginalized Roma (Gypsy) population.

Demand reduction has received government attention for several years. The Ministry of Education requires that schools nationwide teach health promotion modules on substance abuse. There is also a World Health Organization program for health promotion in 30 target schools. The Bulgarian National Center for Addictions (NCA) provides training seminars on drug abuse for schoolteachers nationwide. There are also municipal demand reduction programs co-sponsored by the NCA and the Institute of Public Health in six major cities and a number of smaller communities. Three universities provide professional training in drug prevention.

There are 35 outpatient units and 10- 12 inpatient facilities for drug treatment nationwide. The NCA has psychiatric units in 20 regional centers. Specialized professional training in drug treatment and demand reduction has been provided through programs sponsored by UNODC (funded by the U.S. State Department and the Government of Italy), EU/PHARE and the Council of Europe's Pompidou Group.

IV. U.S. Policy Initiatives and Strategies

The United States supports several programs, through the State Department, USAID, Department of Justice (DOJ) and the Treasury Department to address problems in the Bulgarian legal system. These initiatives address a lack of adequate equipment (e.g., in the Customs Service), the need for improved administration of justice at all levels and inadequate cooperation among Bulgarian agencies. A DOJ resident legal advisor works with the Bulgarian government on law enforcement issues, including trafficking in drugs and persons. An American Bar Association/Central and East European Law Initiative criminal law liaison advises Bulgarian prosecutors and investigators on cyber-crime and other issues. A Treasury Department representative enhances the capacity of the Bulgarian justice sector to investigate and prosecute financial crimes, including money laundering. USAID provides assistance to strengthen Bulgaria's constitutional legal framework, enhance the capacity of magistrates and promote anticorruption efforts.

The Road Ahead. Among the most important steps the U.S. would like to see taken by the Government of Bulgaria are: overhaul the cumbersome Code of Criminal Procedure; modernize the criminal code, make structural reforms to the judicial system; increase resources for training investigators, prosecutors and judges; greater cooperation between police and prosecutors; prosecute organized crime figures (especially, but not limited to drug traffickers); implement the anticorruption program; continue reforming the Customs service; and establish adequate witness protection mechanisms.

Croatia

I. Summary

Croatia is not a producer of narcotics. However, narcotics smuggling—particularly heroin—through the “Balkans route” to Western Europe remains a serious concern. Croatian law enforcement bodies cooperate actively with their U.S. and regional counterparts to combat narcotics smuggling. In the second half of 2003, Croatian law enforcement organizations initiated or played a key role in a major cocaine seizure, two large heroin seizures and an undercover operation that led to arrests in Austria of a key figure in a smuggling ring. Croatia is a party to the 1988 UN Drug Convention and signed the UN Convention against Corruption in December 2003.

II. Status of Country

Geographically, Croatia presents an attractive target to contraband smugglers seeking to move narcotics into the vast European market. When Slovenia and Hungary join the European Union in 2004, Croatia will have an almost 1,000 km direct border with the EU. Croatia has a 1,000 km border with Bosnia and Herzegovina that is crossed by 150 roads, as well as a 1,000 km long coastline (4,000 km adding in its 1,001 islands). Croatian police note a steady increase in smuggling from the east, estimating that 70 to 80 percent of heroin destined for European markets is smuggled through the notorious “Balkans Route”, branches of which pass through Croatia.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Croatia adopted a National Program for Narcotics Abuse Control in January 2003. The program identifies drug trafficking and abuse as priorities for the Croatian government and allocates specific tasks to various ministries and other governmental bodies. The Interior Ministry, Justice Ministry And Customs Directorate have primary responsibility for law enforcement issues, while the Ministry Of Health has primary responsibility for the strategy to reduce and treat drug abuse. The Interior Ministry's Anti-Narcotics Division is responsible for coordinating the work of counternarcotics units in police departments throughout the country.

In July 2003, the parliament approved significant changes to the criminal code, stiffening penalties for narcotics trafficking while reducing to a misdemeanor the possession of small quantities of soft drugs for personal use. However, in December 2003, the Constitutional court voided these changes on procedural grounds. The coalition that governed Croatia for the last four years lost its majority in parliamentary elections held in November. As of the end of the year, the Croatian Democratic Union (HDZ), the political party that won a plurality of seats in the parliament, was still in the process of forming its new government. Although the HDZ's political platform has strong counternarcotics elements, it supported the court challenge to the changes in the criminal code. By year's end, the new government had not indicated when and in what form it might reintroduce the criminal code changes affecting counternarcotics law enforcement.

Accomplishments. In October 2003, the parliament approved a new witness protection law, which came into effect on January 1, 2004. Croatian police and prosecutors believe this will become an invaluable tool in furthering the fight against narcotics trafficking. While cooperation on narcotics enforcement issues with neighboring states is generally described as excellent, officials complain that overlapping jurisdictions and significant legal loopholes in Bosnia and Herzegovina limit the utility of cooperation.

Law Enforcement Efforts. Croatian police recorded a string of counternarcotics successes, particularly in the second half of 2003. Working in cooperation with the U.S. DEA in September, Croatian authorities seized 336 kilograms of cocaine at the port of Rovinj destined for European markets. In November, customs authorities detained two vehicles on the main border crossing with Serbia after finding 74 kilograms of heroin. Overall, police report 5,630 narcotics seizures of all sizes in the first ten months of 2003, compared to 7,432 seizures in the same time frame in 2002.

The official strategy for State Prosecutors, approved by parliament in 2003, makes the prosecution of drug offenses one of the office's highest priorities. The Croatian government created a special office within the office of the State Prosecutor to combat organized crime and corruption, commonly referred to by its Croatian acronym USKOK. Created two years ago, USKOK has been given enhanced powers to detain suspects, freeze assets and use plea-bargaining to attack organized crime. However, USKOK has been slow in securing the staff resources to ramp up its activities, and has had its first publicly announced investigations leading to arrests only in the second half of 2003.

Corruption. Narcotics-linked corruption does not appear to be a major problem in Croatia. As a matter of government policy, Croatia 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 government official is alleged to have participated in such activities. Investigations by the State Prosecutor's Office continue into allegations of corruption, smuggling and financial crimes of a number of businessmen and politicians linked to members of the HDZ party when it was previously in power in the 1990s. Some of the smuggling offenses reportedly involved narcotics, according to local press reports.

Agreements and Treaties. Croatia is a party to the UN Conventional Against Transnational Organized Crime. Croatia is a party of the 1988 UN Drug Convention, the 1961 UN Single Convention and its 1972 Protocol and the 1971 UN Convention On Psychotropic Substances. Extradition between Croatia and the U.S. is governed by the 1902 U.S.-Serbia extradition treaty, which applies to Croatia as a successor state. According to the Croatian constitution, Croatian citizens may not be extradited, except to The Hague War Crimes Tribunal For The Former Yugoslavia (ICTY).

Cultivation/Production. Small-scale cannabis production for domestic use is the only narcotics production within Croatia. Opium poppies are cultivated on a very small scale for culinary use of the seeds. Because of Croatia's small market and its relatively porous border, Croatian police report that nearly all drugs are imported into Croatia. However, authorities believe that given the existence of ecstasy labs in Bosnia and Herzegovina, it is inevitable that small-scale labs will be discovered in Croatia.

Drug flow/Transit. Croatia lies along part of the "Balkans Route" through which authorities believe travels up to 80 percent of the heroin from Asian sources to the European market. Although Croatia is not normally considered a primary gateway for heroin moving on the Balkan Route, police seizure data indicate smugglers may be attempting to use Croatia to a greater extent as a transit point for other drugs, including cocaine and cannabis-based drugs. Ecstasy and other pill-form narcotics are smuggled into Croatia from Western Europe in small quantities for domestic use. Police believe that in the past illicit labs in the Netherlands were the primary source. Recent seizures indicate a growing problem with production in Bosnia and Herzegovina.

Demand Reduction. Drug abuse is centered in major urban areas, including Zagreb and the port cities of Zadar, Rijeka and Pula. Some 5,811 persons underwent drug addiction treatment in 2002, 70 percent of who were in treatment for opiate addictions. The number of first time treatment seekers fell by about 20 percent to 2,067 in 2002 from 2,548 in 2001(Revised Figures). Overall the government estimates that Croatia has between 14,000 and 16,000 heroin addicts. Over 70 percent of the addicts

are infected with hepatitis C and one percent are HIV positive. In 2002, there were 86 drug-related deaths in Croatia, primarily overdoses, up from 53 deaths in 2001.

The Ministry Of Education requires drug education in primary and secondary schools. The state-run medical system offers treatment for addicts, but slots are insufficient to accommodate all those needing treatment. The Ministry of Health operates in-patient detoxification programs as well as 14 regional outpatient methadone clinics. The government of Croatia budgeted nearly 85 million kuna (approx. \$13,500,000) for demand reduction related activities in 2003, a significant rise over 2002, but 22 million kuna short of what the Office for Combating Drug Abuse recommended.

IV. U.S. Policy Initiatives and Programs

U.S. Goals. The primary objectives of U.S. initiatives in Croatia are to develop the skills and tools among Croatian law enforcement agencies to improve their ability to combat narcotics trafficking, and to improve Croatian law enforcement agencies' abilities to cooperate bilaterally and regional to combat trafficking.

Bilateral Cooperation. In 2003, the U.S. completed a three-year legal reform assistance effort focused on money laundering, organized crime and witness protection. In 2003, the U.S. provided key assistance in developing the Croatian Prosecutors Handbook a practical desk reference for all types of criminal proceedings. All 300 State Prosecutors received training and personal copies of the handbook.

Police reform efforts begun in 2001 to provide technical assistance to the Interior Ministry have begun to show fruit. The first class of police recruits entered a completely revamped basic police school in October 2003. This class will be the first to proceed from graduation to probationary assignments with specially trained, senior police officers as coaches and mentors. Work on a new police policies and procedures field manual is pending final approval at year's end. The manual will be issued to all police officers in spring 2004.

The United States is currently reviewing a draft Customs Cooperation Agreement with Croatia. The U.S. is also providing technical assistance to the Croatian Customs Directorate that, inter alia, will improve the capabilities of Croatian Customs to profile suspicious shipments, interdict drug shipments and curb corruption.

The Road Ahead. In the next year the U.S. will complete basic training programs for Croatian police and provide follow on assistance to improve police and prosecutor cooperation in complex narcotics and organized crime cases. Additional training planned for 2004 and 2005 under the Export Control and Border Security and War Crimes prosecution programs will have ancillary benefits for Croatia's fight against narcotics trafficking, particularly in the areas of interagency cooperation, border management, vessel boarding/inspection, witness protection, and prosecution capabilities.

Cyprus

I. Summary

Although Cypriots do not produce or consume significant amounts of narcotics, there continues to be increasing concern on the island about an increase in drug use. The Government of Cyprus traditionally has had a low tolerance toward any use of narcotics by Cypriots and continues to utilize a public affairs campaign to remind Cypriots that narcotics use carries heavy costs, and risks stiff criminal penalties. Cyprus' geographic location and its decision to opt for free ports for its two main seaports continue to make it an ideal transit country for legitimate trade in chemicals and most goods between Europe and the Middle East. Drug traffickers use Cyprus to a limited extent as a trans-shipment point due to its strategic location and its relatively sophisticated business and communications infrastructure. Cyprus monitors the import and export of dual-use precursor chemicals for local markets.

Cyprus customs authorities have implemented changes to their inspection procedures, including computerized profiling and expanded use of technical screening devices, such as portal monitors to deter those who would attempt to use Cyprus free ports for narcotics smuggling. A party to the 1988 UN Drug Convention, Cyprus strictly enforces tough counternarcotics laws, and its police and customs authorities maintain excellent relations with their counterparts in the U.S. and other governments.

II. Status of Country

Cyprus' small, population of soft-core drug users continues to grow slowly. Cannabis is the most commonly used drug, followed by heroin, cocaine, and MDMA (ecstasy), all of which are available in major towns. Reports of heroine overdoses, sometimes resulting in death, have increased. The use of cannabis and ecstasy by young Cypriots and tourists continues to grow. The Government of Cyprus has traditionally adopted a low tolerance toward any use of narcotics by Cypriots and uses a pro-active public relations strategy to remind Cypriots that narcotics use carries heavy penalties. The media reports extensively whenever narcotics arrests are made. Cypriots themselves do not produce or consume significant quantities of drugs.

The island's strategic location in the eastern Mediterranean creates an unavoidable liability for Cyprus, as Cyprus is a convenient stopover for narcotics traffickers moving from Southwest Asia to Europe. Precursor chemicals are believed to transit Cyprus in limited quantities, although there is no hard evidence. Cyprus offers relatively highly-developed business and tourism facilities, a modern telecommunications system, and the fifth largest merchant shipping fleet in the world. Drug-related crime, still low by international standards, has been steadily rising since the 1980's. Cypriot law carries a maximum prison term of one year for drug users under 25 years of age with no police record. Sentences for drug traffickers range from four years to life, depending on the substances involved and the offender's criminal record. Cypriot law allows the confiscation of drug-related assets and allows the freezing of profits or a special investigation of a suspect's financial records.

III. Country Actions Against Drugs in 2003

Policy Initiatives. To comply with EU regulations in advance of Cyprus' accession to the EU in May 2004, Customs implemented in 2003 a container examination program targeting illegal contraband and goods. As part of this process, Customs established a computer database that is linked to the Cyprus port authority office. This database facilitates profiling and targeting of containers for inspection.

Cyprus also reassigned the commander of the narcotics unit to the new European Union and International Police Cooperation Division. The Division includes an International Police Cooperation Section, which replaces a similar operational unit established in 2002. The reorganization and appointment of this seasoned narcotics officer is expected to strengthen international police cooperation activities carried out by the Cyprus Police (National Central Bureau of INTERPOL, the EUROPOL National Unit and the S.I.R.E.N.E (SCHENGEN)). The Division is also responsible for cooperating with foreign liaison officers appointed to Cyprus as well as Cypriot liaison officers appointed abroad. This International Police Cooperation Section assisted with one extradition to the U.S. this year and are helping to coordinate the pending extradition of two individuals arrested on narcotics offenses.

Cultivation/Production. Cannabis is the only illicit substance cultivated in Cyprus, and it is grown only in small quantities for local consumption. The Cypriot authorities vigorously pursue this illegal cultivation.

Drug Flow/Transit. Although no longer considered a significant transit point for drugs, Cyprus has seen several cases of narcotics smuggling. During the past year, Cypriot law enforcement authorities continued to cooperate with the DEA office in Nicosia on several international investigations initiated in 2001. These cases, which remain pending, are expected to go to trial in 2004. Cypriot police cooperation and information sharing led to the initiation in 2003 of several new international narcotics investigations. One investigation resulted in the seizure of approximately eight kilograms of cocaine. Tourism to Cyprus is sometimes accompanied by the import of narcotics, principally ecstasy and cannabis. Cyprus police believe their efforts in combating drug trafficking have mostly converted Cyprus from a drug transit point to a “broker point,” in which dealers meet potential buyers and negotiate the purchase and transport of future shipments. This change is likely also as a result of improved conditions in Lebanon. Lebanese containerized freight now moves directly to third countries without transiting Cyprus. In the past, Cypriot authorities believed that there was no significant retail sale of narcotics occurring in Cyprus; however, with new information, that belief changed in 2002. Last year, arrests of Cypriots for possession of narcotics with intent to distribute were somewhat higher than the number of arrests of non-Cypriots on similar charges. There is no production of precursor chemicals in Cyprus, nor is there any indication of illicit diversion. Precursor chemicals manufactured in Europe do transit Cyprus to third countries. The Cyprus Customs Service no longer has the responsibility of receiving manifests of transit goods through Cyprus. This responsibility now rests with the Cyprus Ports Authority. Goods entering the Cypriot free ports of Limassol and Larnaca can be legally re-exported using different transit documents, as long as there is no change in the description of the goods transported.

Law Enforcement Efforts. Cyprus aggressively pursues drug seizures, arrests, and prosecutions for drug violations. Cyprus focuses on major traffickers when the opportunities are available and readily supports the international community in its efforts. Cypriot police are generally effective in their law enforcement efforts; their techniques and capacity remain restricted by a shortage of financial resources. The Republic of Cyprus authorities have no working relations with enforcement authorities in the Turkish-controlled northern sector of the island. The self-proclaimed “Turkish Republic of Northern Cyprus” (“TRNC”) is not recognized by the United States, nor any other country, except Turkey. The U.S. Embassy in Nicosia, including in particular the DEA office within the Embassy, works with Turkish Cypriot authorities on international narcotics-related issues. Turkish Cypriots have their own law enforcement organization, responsible for the investigation of all narcotics-related matters. They have shown a willingness to pursue narcotics traffickers and to provide assistance when asked by foreign law enforcement authorities.

Corruption. There is no evidence that senior or other officials facilitate the production, processing, or shipment of drugs, or the laundering of the proceeds of illegal drug transactions.

Agreements and Treaties. Cyprus is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention on Narcotic Drugs, and the 1971 Convention on Psychotropic Substances. It is also a party to the 1995 European Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, the European Convention on the Transfer of Proceedings in Criminal Matters, and the European Convention on Mutual Assistance in Criminal Matters. Cyprus has signed, but not yet ratified, the UN Convention against Transnational Organized Crime and its three Protocols. An extradition treaty between the United States and Cyprus entered into force in September 1999. The Mutual Legal Assistance Treaty (MLAT) between the United States and Cyprus entered into force on September 18, 2002.

Domestic Programs (Demand Reduction). Cyprus actively promotes demand reduction programs through the school system and through social organizations. Drug abuse remains relatively rare in Cyprus. Marijuana is the most commonly encountered drug, followed by heroin, cocaine, and Ecstasy, all of which are available in most major towns. Users consist primarily of young people and tourists. Recent increases in drug use have prompted the Government to promote demand reduction programs actively through the school system and social organizations, with occasional participation from the DEA office in Nicosia. Drug treatment is available.

IV. U.S. Policy Initiatives and Programs

The U.S. Embassy in Cyprus, through the regional DEA office, works closely with Cypriot police to coordinate international narcotics investigations and evaluate local narcotics trends. Utilizing its own regional presence, DEA assists the new coordination unit in establishing strong working relationships with its counterparts in the region. DEA also works directly with Cypriot customs, in particular, on development and implementation of programs to ensure closer inspection and interdiction of transit containers.

The Road Ahead. The USG receives close cooperation from the Cypriot Office of the Attorney General, the Central Bank, the Cyprus Police, and the Customs Authority in drug enforcement and anti-money laundering efforts. In 2004, the USG will continue to work with the Government of Cyprus to strengthen enforcement of existing counter narcotics laws and enhance Cypriot participation in regional counter narcotics efforts. DEA regularly provides information and insight to the GOC on ways to strengthen counter narcotics efforts.

Czech Republic

I. Summary

Illegal narcotics are manufactured in, shipped through, and consumed in the Czech Republic. Marijuana, both imported and to a much lesser extent grown locally, is used more than any other drug. Pervitin, a locally-produced methamphetamine is consumed locally and also exported, mainly to Germany. Ecstasy (MDMA) is imported, either for domestic consumption or re-export to more lucrative markets. Its popularity is growing, especially among “dance scene” visitors, who consider it a recreational drug. Heroin use in 2003 was similar to 2002, or even down slightly, due to successful police interdiction of the Balkan Route and consequent destabilization of the domestic heroin market. The level of cocaine use is low. The Czech Republic is a producer of ephedrine, a precursor for Amphetamine-Type Stimulants (ATS).

II. Status of Country

Several factors make the Czech Republic an attractive country for groups in the drug trade. These factors include its central location, low detection rates for laundered drug money, low risk of asset confiscation, and relatively short sentences for drug-related crimes. The maximum sentence for any drug-related crime is 15 years. The Government Commission for Coordination of Drug Policy, the main institution coordinating programs, estimates that there are between 35,000 and 37,000 problem drug users, most of whom are intravenous drug users. Police officials believe the numbers could be much higher.

While the average age of heroin users went up in 2003, suggesting fewer new young addicts, the average age of those using so-called soft drugs went down. Some surveys show that as many as 70 percent of Czech teens have tried marijuana. UN surveys show that Czechs have the highest level of marijuana use and the lowest level of cocaine abuse in Central and Eastern Europe. Marijuana cultivation used to be primarily for personal use only. However the police recently found many laboratories where the drug, cultivated hydroponically, had THC content as high as 30 percent.

Czech police focused their activities on ethnic Albanian drug gangs that import heroin via Turkey. Heroin transits the Czech Republic via the Balkan Route to Northern and Western Europe. Czech police, in cooperation with Scandinavian, German, Swiss and British colleagues had several successful interdictions and destabilized the local heroin market.

Cocaine reaches the Czech Republic, but then transits through to Northern and Western Europe. It is delivered most often to the Czech Republic by individual travelers returning from visits abroad or by mail. Police saw an increased activity among cocaine traffickers, which they link to the disruption of the heroin market, mentioned above. Due to the price of cocaine, to the degree it is used in the Czech Republic, it is mainly consumed by the middle and upper classes.

Pervitin, a synthetic amphetamine, is produced by Czechs, primarily for local consumption and by international groups for export. There was an increase in 2003 in the professionalism and level of organization of the gangs involved and the quality of drugs they produced. Pervitine is produced in either small home laboratories, where small groups of people make it for personal use, or by organized criminal organizations, usually intended for distribution. Small home laboratories tend to extract ephedrine, the main ingredient in Pervitine, from pills that are freely available. On a larger scale, Pervitine production is organized primarily by Russian speaking and Asian gangs who gain access to large amounts of ephedrine, which is produced in a factory not far from Prague, or through imports from the Ukraine, Hungary and Austria.

Ecstasy, still the favorite drug of the “dance scene”, is imported mainly from Holland and Belgium. The import is organized among small, closed groups or individuals. Ninety percent of ecstasy in the Czech Republic is in pill form. Toluene, a solvent, is still inhaled by poorer and younger segments of the population, primarily in the north of the country.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Czechs tried to crack down on drug use by passing a law in 1999 criminalizing possession of more than a small amount of marijuana. Some experts now feel that the 1999 amendment has done little to stop the manufacture, sale or consumption of hard drugs and ought to be scrapped. There is an ongoing debate in the Czech government over whether there should be a more liberal line taken in regard to soft drugs in order to focus on hard drugs.

Accomplishments. In the first ten months of 2003, the NADH seized 1450 doses of heroin; 34,656 ecstasy pills; 7,257 doses of methamphetamine, 5 kilograms of marijuana, 358 cannabis plants, 15,737 doses of hashish, 6.9 kilograms of ephedrine and 784 doses of cocaine. They have also found 32 laboratories for methamphetamine production.

In November 2003, the NADH, in cooperation with Austrian and Italian police, arrested a four-member gang, one Czech and three foreigners, suspected of organizing the export of drugs from the Czech Republic to various European countries. The police suspect them of having smuggled 238 kilograms of heroin and 19 kilograms of cocaine.

There have been several additional successful apprehensions by Czech law enforcement involving organized criminal gangs, both with Czech and foreign citizens members, who were believed to be smuggling drugs both to and from the Czech Republic.

Corruption. In the past, possession of a small amount of drugs was considered an administrative offence and possession of more than a small amount a criminal offence. The vague definition of what was a “small amount” opened up the possibility for police corruption, allowing some venal officers to construe an amount as “small” and treat the offense as an administrative one. To avoid any possible confusion and to eliminate possibilities for corruption, the Police President and Supreme Public Prosecutor issued internal regulations designed to clarify elements of the drug law that some feared allowed policemen too much discretion in whether to pursue drug cases.

In 2003 four officials received sentences from four to nine years for trying to sell five kilograms of heroin, part of a larger amount confiscated in an earlier case. A prosecutor and his superior arranged for part of a drug seizure to avoid destruction and then arranged with two policemen to sell the heroin. Telephone conversations were intercepted and formed the basis of the evidence against the four.

Agreements and Treaties. The Czech Republic is a party to the 1988 UN Drug Convention and the World Customs Organization's Convention on Mutual Administrative Assistance for the Prevention Investigation and Repression of Customs Offenses. An extradition treaty and an MLAT (are in force between the U.S. and the Czech Republic. The Czech Republic has signed, but not yet ratified, the UN Convention against Transnational Organized Crime.

Drug Flow/Transit. Heroin transits the Czech Republic, mainly from Turkey and the Balkans toward Northern and Western Europe. Ecstasy and some other manufactured drugs move from the Netherlands, Belgium and Germany southward and eastward. Cocaine enters with individual couriers from South America, while marijuana is grown in the Czech Republic, and imported from the Balkans.

The amount of drugs seized this year was smaller than in the past, apparently because shipments are being made in smaller amounts in order to minimize losses from police seizures. Police also say that prepaid cell phones to organize transactions clandestinely and Internet-arranged deliveries make smaller more frequent shipments feasible. Finally, Czech authorities believe that since 1999, when

possession of illegal drugs became a crime, dealers have started to be more careful. Drugs are now rarely offered on streets, as dealers have moved to private flats and clubs.

Domestic Programs (Demand Reduction). In the past, more than 80 percent of counternarcotics money was spent on police, judges, and prisons. In 2003 the government began to shift funds towards prevention through education, treatment centers and harm reduction programs. This trend is likely to continue over the next five years based on priorities set in the National Drug Strategy 2005-2009.

The Government Commission for Coordination of Drug Policy received \$4.45 million for projects at the local level, an increase from the 2002 amount of US\$3.75 million. The Commission is now funded directly by the central Czech Government. It receives about 50 percent of all drug-related disbursements, many of which previously went through various ministries.

The EU, through “PHARE” funds and twinning Programs ran several programs that focused on police, primary prevention and substitution treatment. The U.S. Department of State supports prevention efforts through a grant to the Lions' Club Lions' Quest Program. Children are taught at elementary schools how to live a healthy life without drugs. This program, supported by the Ministry of Health and Ministry of Education, is now being implemented at several pilot schools before it becomes a part of the national curriculum. The Ministry of Health also supports establishment of a research and development project that focuses on evaluation of drug prevention programs.

Bilateral Cooperation. The DEA maintains an extremely active and cooperative relationship with its Czech counterparts. The FBI and the U.S. Customs Service also work closely and effectively with their Czech colleagues. Czech police cooperate with the U.S., Israel and the UK in fighting the export of ecstasy. Czech and German police continue to cooperate in Operation “Crystal” to combat pervitine trafficking.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. covers Czech Republic drug issues through the DEA office in Berlin. The State Department has given grants for counternarcotics education and has provided equipment and training for customs officers.

The Road Ahead. The Government Commission for Coordination of Drug Policy agreed on the National Drug Strategy 2005-2009 where a priority will be given to the public health concerns, including a balance between drug supply, drug demand reduction and risk minimization, and standardization and quality assurance of services such as primary prevention, treatment and rehabilitation. The government now runs nine drug treatment/substitution centers. One of the priorities for the Ministry of Health in 2004 is to increase the number of these centers. The government also wants to implement a certification scheme for NGOs providing these services. In the past NGOs had to establish their credentials every time they applied for a grant. Interestingly, last year less than 1 percent of drivers killed in traffic accidents tested positive for illicit drugs. Roughly 40 percent tested positive for alcohol. The existing legislation on the Protection Against Damage Caused by Tobacco Products, Alcohol and other Drugs, that seeks both to prevent use of these substances and their potential harm, is being amended in order to shift the responsibility for preventive measures and solving the problems caused by drug use to regional and municipal levels. The proposed amendment, which is expected to pass, would also make it harder to get access to tobacco and alcohol and lays down conditions for substitution treatment of drug addicts.

The Interior Minister intends to seek legislation approving undercover “buy-bust” type operations and use of criminal informants, which he feels would help catch criminals and corrupt officials involved in the drug trade. A bill could be introduced in 2004.

As a result of its May 2004 accession to the EU, the Czech Republic will have to reorganize its customs service and significantly cut its staff. The drug unit of the customs office will not be affected.

Denmark

I. Summary

Denmark's strategic geographic location and status as Northern Europe's primary transportation point make it an attractive drug transit country. The Danes cooperate closely with their Scandinavian neighbors, the European Union (EU), and the U.S. government (USG) against the transit of illicit drugs, and Denmark plays an increasingly important role in helping the Baltic States combat narcotics trafficking. Danish authorities assume that their open border agreements and high volume of international trade allow some drug shipments to transit Denmark undetected. Nonetheless, regional cooperation has contributed to substantial heroin seizures throughout the Scandinavian/Northern Baltic region. Denmark is a party to the 1988 UN Drug Convention.

II. Status of Country

Drug traffickers utilize Denmark's excellent transportation network to bring illicit drugs to Denmark for domestic use and for transshipment to other Nordic countries. Evidence suggests that drugs from the Balkans, Russia, the Baltic countries and central Europe pass through Denmark en route to other EU states and the U.S., although the amount flowing to the U.S. is relatively small. Police authorities do not believe Denmark to be a significant factor in the production of drugs or in the trading and transit of precursor chemicals.

III. Country Actions Against Drugs in 2003

Policy Initiatives. On June 3, 2003, long-awaited legislation allowing the use of undercover operations and informants was approved. Danish police view this legislation as an important tool in combating and infiltrating organized crime groups operating in Denmark, particularly in dealing with the criminality of the biker gangs Hells Angels and Bandidos—both involved in illegal drugs. The undercover operations and informants may now be used when investigating crimes punishable by terms of over six years in prison. Justice Minister Lene Espersen has also introduced legislation that would lead to stiffer penalties for narcotics-related crime. She has proposed raising the maximum jail sentence for serious drug-related crimes to sixteen years from the present ten years.

Additional Danish legislation passed in late 2002 requires that money exceeding 15,000 Euros (approximately \$17,850) be reported to customs upon entry to or exit from Denmark. This new law has led to a proactive response by Danish customs in intercepting illegal money.

Denmark continues to provide training, financing and coordination assistance to the three Baltic countries. Denmark, Sweden and Norway have each stationed a Nordic liaison officer in one of the Baltic countries through their Nordic Police Customs Council Agreement (PTN Agreement). Denmark's officer is stationed in Lithuania.

Accomplishments. During the year there was a large increase in the amount of cocaine seized at Kastrup International Airport in Copenhagen. One seizure contained approximately seven kilograms of cocaine inside shampoo bottles that were being transported from Brazil to several London-based Nigerian males in Copenhagen. There were also successful seizures at Billund International Airport. For example, in September, the Danish police arrested a man at Billund traveling from Paris with 6.8 kilograms of cocaine in his suitcase. With his assistance, the police were able to identify the intended recipient, a Nigerian citizen identified as the head of a drug smuggling organization with cells in numerous countries. Earlier in the year, the Danish police seized 12 kilograms of cocaine at Billund

from an abandoned suitcase on a charter flight from Venezuela. Several known individuals with links to the Hells Angels were aboard the flight.

Law Enforcement Efforts. There has been an increase in cocaine smuggled from South America into Denmark. Heroin levels have fluctuated at a “normal” level, rising and falling in part with production levels in Afghanistan. More heroin has been seized in the last year than previously, and the heroin smuggling market has been largely taken over by Serbian nationals from Albanian traffickers. Hells Angels and Bandidos motorcycle gangs are also important smugglers and distributors. By March 31, 2003, Danish authorities had seized 29.1 kilograms of amphetamine, 60.7 kilograms of heroin, 350.9 kilograms of hashish/marijuana, 12 kilograms of cocaine, and 17,000 tablets of MDMA (Ecstasy).

Corruption. The USG has no knowledge of any involvement by Danish government officials in drug production or sale, or in the laundering of their proceeds. Danish laws regarding public corruption are very stringent.

Agreements and Treaties. Denmark complies with the requirements of all major international conventions and agreements regarding narcotics to which it is party. Denmark is a party to the 1988 UN Drug Convention and the UN Convention against Transnational Organized Crime. The USG has a Customs mutual assistance agreement, a mutual legal assistance treaty, and an extradition treaty with Denmark.

Cultivation/Production. There is no substantial narcotics cultivation or production in Denmark. Only small MDMA (Ecstasy) production labs exist in the country and these are vigorously pursued, shut down, and their operators prosecuted.

Drug Flow/Transit. Denmark is a transit country for drugs on their way to neighboring European nations and, in small quantities, to the U.S. The ability of the Danish authorities to interdict this flow is slightly constrained by EU open border policies. However, the Danish Police and Customs at the German border have made large narcotic seizures this year. They reported by June 2003 that they had already seized more drugs than they had in all of 2002. The amount of cocaine seized by that point was four kilograms, compared with 200 grams in 2002; amphetamine seizures had increased from 62 grams to 22 kilograms, and MDMA seizures had increased from 39 tablets to 15,000 tablets. Continued international cooperation, including information sharing among EU members' national police counterparts, has helped solve the open border problem by allowing better detection (at origin) and tracking (to destination) of attempted narcotic smuggling efforts.

Domestic Programs. Denmark's Ministry of Health estimates that in 2002 there were approximately 14,000 drug addicts in the country, including 900 to 1,200 seriously addicted individuals. Seventy-five percent of heroin addicts at that time were receiving methadone treatment. The 2003 governmental action plan against drug abuse was built upon existing programs and offers a multi-faceted approach to combating drug addiction. Its components consist of prevention, medical treatment, social assistance, police and judicial actions (particularly against organized crime), efforts to combat drug abuse in the prison system, and international counternarcotics cooperation.

IV. U.S. Policy Initiatives and Programs

U.S. Goals. U.S. goals in Denmark are to serve as a liaison with the Danish authorities on drug-related issues, assist with joint investigations, and to coordinate USG counternarcotics activities with the eight countries of the Nordic-Baltic region.

Bilateral Cooperation. The USG enjoys excellent cooperation with its Danish counterparts on drug-related issues. In August and November, the Department of Homeland Security (DHS) and the U.S. Coast Guard conducted a joint training seminar, including presentations from the Drug Enforcement Administration (DEA), for 37 EU law enforcement officials, including 10 from Denmark. The training

contained segments on interdiction of vessels that might contain contraband, hidden compartments, smuggling trends, and narcotics identification. In September, DEA sponsored the Second International Drug Profiling Conference in Sweden, which twenty forensic chemists from the U.S., Europe, including Denmark, Asia and Australia attended.

The Road Ahead. Danish enforcement efforts will be strengthened by new legislation that authorizes police to utilize informants and conduct undercover operations. The 2004 accession of the Baltic States to the EU signals the impending weakening of international barriers, when visa-free travel is fully implemented and concomitant increased opportunity for smuggling. The Danes will seek to expand their cooperative efforts to successfully meet the new smuggling threat. At the same time, the USG will continue its liaison with Danish authorities and work to deepen the regional cooperation against drug trafficking.

Estonia

I. Summary

Despite concentrated police effort, the abuse of, and trafficking in, illegal drugs continues to rise in Estonia. The 2003 discovery and closure of one of the biggest Ecstasy factories in the Nordic and Baltic states, and the closure of two drug laboratories producing amphetamines, followed by seizures of record amounts of illegal drugs, clearly demonstrate both Estonia's counternarcotics efforts as well as the country's growing involvement in the international narcotics trade. Though narcotics control is a priority for the GOE, both the increasing domestic demand for drugs and the upsurge of HIV-infected intravenous drug users demonstrate that counternarcotics efforts must be continued. Estonia is a party to the 1988 UN Drug Convention.

II. Status of Country

The UN Report "Ecstasy and Amphetamines, Global Survey 2003" lists Estonia among countries with the widest use of amphetamine-type stimulants (ATS). Decreasing amphetamine prices on the local market and the record amounts of seized drugs indicate the increasing popularity of amphetamines among Estonia's drug users. In 2003 locally produced amphetamine almost displaced heroin and synthetic heroin in the local market. Meanwhile, the popularity of homemade poppy products has been rising in Estonia's economically depressed areas. Several cannabis-growing sites were also found in 2003. Police assert that the majority of locally produced cannabis is consumed in Estonia.

According to law enforcement authorities, Ecstasy has entered the domestic market in the wake of successful efforts to make heroin more difficult to obtain, including the imprisonment of key dealers and closure of sales sites. At the same time, Ecstasy's price has remained low; a clear indication of domestic manufacture. Law-enforcement authorities in Estonia are concerned not only about cross-border drug trafficking, but also about the growing domestic manufacture of illicit drugs, including amphetamine, Ecstasy and opiates.

III. Country Actions Against Drugs in 2003

Accomplishments. In 2003, three underground drug labs were closed in Estonia. During one operation, police seized 97 kilograms of liquid, including 21 kilograms of pure amphetamine, which, according to police, was the biggest seizure of domestically manufactured amphetamine ever made in Estonia. Also in 2003, authorities discovered in Tallinn one of the largest Ecstasy factories in the Nordic and Baltic countries. It had a production capacity of 12,000 pills per hour. During the operation 10,000 Ecstasy pills and raw material to make 750,000 pills were confiscated.

Law Enforcement Efforts. In recent years, the quantity of seized drugs in Estonia has increased considerably. In the first ten months of 2003, 324.8 kilos of illicit drugs were seized. During the same period in 2002, the total amount of seized drugs was 203.8 kilos. The seizures in the current year also indicate a dramatic increase in the abuse of amphetamines: in 2003, 106.9 kilos of amphetamine were seized, while in 2002, 35 kilos of amphetamine were confiscated. The amount of seized Ecstasy doubled in 2003. Meanwhile, only 0.2 kilos of heroin have been seized this year, while in 2002 the seized amount of heroine was 3.8 kilos. The amount of poppy substance seizures is declining as well: in 2002, 140.6 kilos; in 2003, 106.9 kilos. In 2003 the amount of seized cocaine doubled.

Transit. According to Ministry of Internal Affairs data, of the total narcotics business in Estonia, transit accounts for approximately 70 percent and local use 30 percent. The closures of drug labs is forcing some amphetamine producers to move to Finland. However, Estonia is still reportedly a key

supplier of illicit synthetic drugs to the Nordic countries. In addition, a new route of trafficking in drugs has appeared. In response to the continuously increasing demand and higher prices in Russia, there have been several cases of trafficking amphetamine and Ecstasy from Estonia to Russia.

Agreements and Treaties. Estonia has ratified the main international drug control conventions. These conventions and their supplementary schedules on narcotic drugs, psychotropic substances and precursors have been adopted in Estonian drug legislation. Domestically, the Narcotic Drugs and Psychotropic Substances Act entered into force on November 1, 1997. Sanctions for drug-related crimes are provided for by the Penal Code, which took effect on September 1, 2002. Article 53 of the Penal Code contains a new paragraph allowing for the imposition of a fine equivalent to the value of all assets of persons convicted of specified criminal offences and sentenced to imprisonment for a term of more than three years. This Article is applicable, inter alia, for unlawful handling of large quantities of drugs and provision of premises for the purpose of illegal activities, including consumption of narcotic drugs, as well as for membership in, or recruitment for, organized criminal groups.

In December 2003 the Estonian Parliament passed an amendment to the Penal Code strengthening the sanctions for drug related crimes. Under the amendment, imprisonment of two to fifteen years or a life sentence is the punishment for unlawful preparation, acquisition and possession of large quantities of narcotics and psychotropic substances by a group or criminal association. The same sanction is applicable to persons who have prior drug related convictions.

Domestic Programs (Demand Reduction). According to media sources, there are 15,000 intravenous drug users in Estonia.

A program entitled: "Prevention of HIV/AIDS and other STDs" is part of compulsory health education in Estonia's basic and secondary schools. The Government has not yet approved the multidisciplinary National Drug Strategy, designed by relevant state agencies, ministries and EU Phare experts, and initially drafted to cover 2002-2012. The Prime Minister has indicated that the ten-year time horizon is too long to wait for results.

The upsurge in the HIV rate among intravenous drug users

(IDU) in recent years has gone hand-in-hand with growing local consumption. During 11 months in 2003 about 700 new cases of HIV were registered, most of which were among intravenous drug users. The total number of HIV cases registered in Estonia is 3580. According to media reports, the number of young women needing emergency aid for drug overdose is rising. Women aged 20-24 form the biggest group of female overdose patients with 37.5 percent of the total.

IV. U.S. Policy Initiatives and Programs

In 2003, the USG-funded program "Rehabilitation of Young IDU's" continued. The USG also funded the translation and publication of a counternarcotics educational book called "Living with Heroin" by Paul Downes. Embassy Tallinn's Legal Attaché Office funded two mid-level police officers' participation in the FBI national re-training course in Slovenia. The Estonian government funded two additional officers' participation in this program as well.

The Road Ahead. The U.S. and Estonia will continue to cooperate to reduce drug abuse in Estonia.

Finland

I. Summary

Finland is not a significant narcotics producing or trafficking country. However, drug use and drug-related crime have increased steadily over the past decade. Drug seizures and arrests actually began to decline in 2002, a phenomenon police attribute to increased sophistication of drug traffickers and a lack of police resources rather than to a reduction in drug use. Law enforcement authorities are also affected by the fact that Finland's Constitution strongly emphasizes civil liberties and constrains the state from using electronic surveillance techniques such as wiretapping, etc., in all investigations but for the most serious crimes. Finland's political culture tends to favor demand reduction and rehabilitation efforts over strategies aimed at reducing supply. The police believe increased drug use is attributable to the wider availability of narcotics in post-cold war Europe, greater experimentation by Finnish youth, a cultural de-stigmatization of narcotics use, and a gap between law enforcement resources and the growing incidence of drug use. While there is some overland narcotics trafficking across the Russian border, particularly in heroin, police believe existing border controls are mostly effective in preventing this route from becoming a major trafficking conduit into Finland and Western Europe. Police also remain concerned about shipments of ecstasy (MDMA) and other MDMA-type designer drugs arriving from the Baltic countries, chiefly Estonia. Police fear that Estonia's accession to the EU and Schengen arrangements could lead to increased trafficking of ecstasy from Tallinn into Finland. Finland is a party to the 1988 UN Drug Convention.

II. Status of Country

Narcotics production, cultivation, and the production/diversion of precursor chemicals in Finland is relatively modest in scope. Most drugs that are consumed in Finland are produced elsewhere, and Finland is not a source country for exportation of narcotics abroad. Estonia, Russia, Spain, and the Netherlands are Finland's principal sources of illicit drugs. Finnish law makes the distribution, sale, and transport of narcotic substances illegal, and provides for extradition, transit, and other law enforcement cooperation, and precursor chemical control. Domestic drug abuse rehabilitation and education programs are excellent. New legislation passed in 2001 allows the police to fine violators for possession of small amounts of narcotics. Police issued approximately 5,000 such fines in 2002. Figures for 2003 are not yet available.

The overall incidence of drug use in Finland remains low but is increasing. Cocaine use is rare, and Finland has one of Europe's lowest cannabis-use rates, but amphetamines, methamphetamine, other synthetic drugs, and heroin use are increasingly popular. The use of ecstasy and other MDMA-type designer drugs is up significantly, and police are also concerned about the arrival of gamma-hydroxybutyrate (GHB) in Finland. As in many other western countries, ecstasy and GHB use in Finland tends to be concentrated among young people and associated with the "club-culture" in Helsinki and other larger cities. Finnish law enforcement authorities admit that lack of resources and legal restrictions on electronic surveillance and undercover police work make penetrating the ecstasy trade difficult. Changing social and cultural attitudes toward drug use and experimentation also contribute to the synthetic drug phenomenon.

Heroin use is on the rise in Finland. Police reported a significant drop in the purity of heroin imported to Finland subsequent to the conflict in Afghanistan in 2001. A number of seizures made prior to late 2001 had a purity as high as 75 percent. More recent seizures have indicated a purity as low as 5 percent, and overdose-related deaths have declined. Perhaps as a result of the difficulty of obtaining high-grade heroin, some users are turning to subutex (buprenorphine), which they obtain primarily

from France. According to the police, French doctors can prescribe up to three weeks supply of subutex. Finnish couriers travel frequently to France to obtain their supply, which is then resold in Finland with a high mark-up. Possession of subutex is legal in Finland with a doctor's prescription. The incidence of new HIV cases related to intravenous drug use in Finland held steady in 2003 after a decline in 2002. According to Finnish police, there are approximately two dozen organized crime groups operating in Finland, many of which have connections with organized crime syndicates in the Baltics and Russia. Some of these groups are facilitators and distributors of narcotics to the Finnish market. Police are concerned that as Estonia and the Baltic countries enter into the EU's Schengen agreement, which allows the free movement of goods and people throughout the Schengen Area without border-crossing formalities, Finland could increasingly become both a transit country for traffickers and a more attractive market.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Finnish government released a comprehensive policy statement on illegal drugs in 1998 which clearly articulated a zero-tolerance policy for illicit narcotics. The statement warned citizens that all narcotics infractions, from casual use to manufacturing and trafficking, are crimes punishable under Finnish law. However, a new law took effect in 2001 implementing a system of fines for possession of small amounts of drugs rather than jail time. This law enjoys widespread popular support, and is chiefly used to punish youth found in possession of small quantities of marijuana, hashish, or ecstasy. Finnish law enforcement authorities have expressed concern over the mixed message the 2001 legislation entails, and would prefer to send a stronger deterrent message on the demand side. There does not appear to be sufficient political support at this time for a policy aimed at curbing demand through stronger punitive measures, however.

Accomplishments. The Finnish government's strategy during 2003 focused on regional and multilateral cooperation aimed at stemming the flow of drugs before they reach Finland's borders and on beefed-up border control measures designed to discourage traffickers.

Law Enforcement Efforts. For the first time in about a decade, the police reported a decline in arrests and seizures of drugs in 2002. 2003 figures are not yet available, but arrests and seizures are projected to have remained relatively stable. Beginning in the mid-1980s, law enforcement authorities focused limited police resources on major narcotics cases and significant traffickers, somewhat to the detriment of street-level patrols, investigations, and prosecution. Police suggest the result of this focus was to reduce drug users' fear of arrest and to make recreational drug use more widespread. According to police, the rise in drug use during the past decade led to a situation in which the number of drug offenders exceeds the resources deployed to combat illegal drugs. The police report that, following the release of the 1998 government policy statement on drugs, greater resources have been devoted to investigations at the street-level. This includes action by uniformed patrols as well as plainclothes police officers.

Corruption. As a matter of government policy and practice, Finland does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal drug transactions. There have been no arrests or prosecutions of public officials charged with corruption or related offenses linked to narcotics trafficking in Finnish history.

Agreements and Treaties. Finland is a party to the 1988 UN Drug Convention and its legislation is consistent with all the Convention's goals. Finnish judicial authorities are empowered to seize the assets, real and financial, of criminals. Finland is also a party to the 1961 UN Single Convention On Narcotic Drugs and its 1972 Protocol, and the 1971 Convention On Psychotropic Substances. A 1976 bilateral extradition treaty is in force between the United States and Finland, although Finland will only extradite non-Finnish citizens to the United States. The United States has also concluded a customs mutual assistance agreement with Finland.

Cultivation/Production. There were no seizures of indigenously cultivated opiates, no recorded diversions of precursor chemicals, and no detection of illicit methamphetamine, cocaine, or LSD laboratories in Finland in 2003. Finland's climate makes natural cultivation of cannabis and opiates almost impossible. Local cannabis cultivation is limited to small numbers of plants in individual homes using artificial lighting chiefly for personal use.

Drug Flow/Transit. Hashish is the drug most often seized by the Finnish police. Trafficking in highly purified methamphetamine from Estonia and Poland, ecstasy from Estonia, and amphetamines from Lithuania are a continuing concern for Finland. Finnish authorities report that their land border with Russia is well-guarded on both sides to ensure that the border will not become a significant narcotics transit route.

Domestic Programs (Demand Reduction). The Finnish Government takes the approach that demand reduction is best achieved by implementing an effective Nordic welfare policy which calls for early and effective intervention before drug use becomes a problem. Though the Nordic welfare model tends toward centralization, the Finnish Government gives substantial autonomy to local governments to address demand reduction using federal money. Finnish schools are required to educate children about the dangers of drugs. Public health services offer rehabilitation services to users and addicts. Such programs typically use a holistic approach that emphasizes social and economic reintegration into society and is not solely focused on eliminating the subject's use and abuse of drugs. Replacement and maintenance therapy for heroin addicts using buprenorphine is relatively new in Finland and not yet widespread.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Cooperation between U.S. law enforcement agencies and their Finnish counterparts is excellent.

The Road Ahead. The United States anticipates continued excellent cooperation with the government of Finland in all areas of countering crime and narcotics trafficking.

France

I. Summary

France is a transshipment point for drugs moving in Europe. Given France's shared borders with trafficking conduits such as Spain, Italy and Belgium, and France's proximity to North Africa, France is a natural distribution point for drugs moving towards North America from Europe and the Middle East, as well as drugs originating in South America moving towards Western Europe from Spain. France's own large domestic market is, of course, attractive to traffickers, and France's participation in the Europe-wide Schengen open border treaty, makes the trafficking easier. Specifically, Ecstasy (MDMA) originating in the Netherlands and Belgium, heroin originating in southwest Asia, cocaine originating in South America, and cannabis originating in Morocco (source for 60 percent of cannabis in France) all find their way to France. Increasingly the Channel tunnel linking France to Great Britain, is also being used as a conduit for drugs from mainland Europe to the UK and Ireland.

French officials are concerned at the continuing rise in the number of users of Ecstasy and the large quantities of this synthetic drug that are entering France. Large-scale Ecstasy production laboratories have not yet been found in France, but important sources in Belgium and the Netherlands are close at hand. Recently, and in part as a result of French-U.S. cooperation, two small/home laboratories were shut down in France. Ecstasy use is prevalent among high school/college age young people at rave parties, but Ecstasy is also easily obtainable in some night-clubs and bars. The use of crack cocaine is negligible in France. The use of cannabis (primarily hashish) continues to rise, particularly among young people, making it the most widely used illegal drug in France. For the first time, French authorities seized YABA (an Amphetamine-Type Stimulant (ATS) also known as "Crazy Medicine" or "Hitler's drug", manufactured in Thailand) in the possession of an airline passenger transiting Paris Charles de Gaulle airport from Bangkok to Berlin. This second ever-European seizure of YABA is causing concern among French and European authorities since it may mark the beginning of a new drug market that may surpass Ecstasy consumption as the choice drug in the club scene. Like other European countries, France is increasingly facing the problem of multiple drug use and addiction. France is a party to the 1988 UN Drug Convention.

II. Status of Country

According to French authorities, French young people are turning to cannabis and synthetic drugs at alarming levels. Over the last six years, cannabis seizures have tripled, and the quantities of powder cocaine being seized are also rising. According to Lille customs authorities, Ecstasy seizures in northern France have risen by 320 percent from 2002-2003. According to French Judicial police statistics, the drug user profile in France is predominantly male and typically between the ages of 22-33 years old. Of French drug users 93.06 percent are male and 6.94 percent are female. The average age of consumers is as follows: cannabis—22 years old, Ecstasy—23.4 years old, LSD 25.3 years old, heroin 28.8 years old, cocaine 29.1 years old, crack 33.1 years old.

In France cannabis resin is the main drug being consumed (as opposed to cannabis oil or cannabis grass). It is produced in Morocco, transits through Spain and France before the majority is dispersed in the Netherlands, UK, Italy, Ireland, Germany and Belgium. In fact, 70 percent of all cannabis seized in France in 2002 was identified as being destined for countries other than France. Heroin arrives in France via the Netherlands and Belgium. An estimated 40 percent of the heroin seized in France was destined for use in Portugal, Italy, UK and Spain. While the median heroin user age is 28.8 years, the user population is aging, and heroin use is on the decline. Over 50 percent of cocaine and cocaine derivatives are entering France via sailboat or boat cargo, and a large percentage of the rest via

couriers on airlines. Arrest records show that couriers typically carry between 300 grams and 5 kilograms of cocaine either on them or in their luggage. A Nigerian network has also been detected funneling in cocaine via Spain through passengers on the rail system. These couriers tend to ingest bags of cocaine. Synthetic drugs are not produced in France, but France serves as a major conduit for distributing these drugs across Europe. Synthetic drugs are manufactured in the Netherlands, Belgium and Germany, and more recently in Poland and the Czech Republic. Synthetic drug use has been on the rise and is now the second most used drug in France, especially among the young population.

III. Country Actions Against Drugs in 2003

Policy Initiatives. France's drug control agency, MILDT ("La Mission Interministerielle de Lutte Contre la Drogue et la Toxicomanie" or The Interministerial Mission for the Struggle Against Drugs and Drug Addiction), is the focal point for French national drug control policy. Created in 1982, MILDT coordinates the nineteen ministerial departments that have a role in establishing, implementing, and enforcing France's domestic drug control strategy. The French also participate in regional cooperation programs initiated and sponsored by the EU.

The French Prime Minister, in an effort to combat increased drug use among teenagers, has pledged to modernize the 1970 law that governs drug abuse by focusing on prevention in addition to punishment. The Minister of Interior has also promised to revisit the law and try to adapt the punishment for consumption of "soft drugs" according to age.

On February 3, 2003, French legislators approved a bill instituting a driving under the influence of narcotics offense carrying a 4,500 euros fine coupled with 2 years in jail. For instances where a driver is found to be under the influence of drugs and alcohol simultaneously the fine is increased to 9,000 euros and jail sentence to 3 years. In cases of traffic accidents involving death or bodily harm, drug testing is now mandatory. Police officers can carry out drug testing in any situation where they suspect a driver of being under the influence of narcotics.

Accomplishments. French law enforcement officials regularly seize large quantities of narcotics. French law enforcement officials readily share intelligence information with U.S. authorities.

In addition to the significant drug seizures carried out in France by police and customs authorities, in 2003 France also organized an international conference on drugs, drafted and signed a multinational drug agreement called the Paris Pact. In May, France invited representatives from 55 countries to a Paris conference on drug routes, focusing specifically on the opium trafficking routes from Afghanistan. The French President opened the conference and Secretary of State Powell attended and made an address.

Law Enforcement Efforts. French counternarcotics authorities are efficient and effective. In 2003, French authorities made record seizures of narcotics. In addition, they dismantled several drug rings across France.

In January, Paris airport authorities seized 2 kilograms of YABA (6,644 tablets) from a passenger transiting through Paris from Bangkok on his way to Berlin. In Hendaye, on the Spanish-French border, French customs agents seized 1.5 metric tons of cannabis resin (estimated to be worth 5.3 million euros) and 1.5 metric tons of cannabis resin in Perthus.

A major drug operation was conducted in Colombes (outside of Paris) that included 400 police officers, 2 drug-sniffing dogs and customs agents. The operation was successful in arresting 40 drug dealers, seizing cannabis, other drugs and weapons.

In March, Orly airport customs agents seized a record 60 kilograms of cocaine in unaccompanied baggage flown in from Martinique. A Spanish car on its way into France from Italy was stopped by a Nice motorcycle brigade; the car contained 26.8 kilograms of cocaine estimated to be worth 1.3

million euros. Further evidence of a Nigerian cocaine ingestion trafficking ring was unearthed when police made several consecutive arrests of Nigerian nationals domiciled in Spain and transiting by train through France with ingested cocaine. Lyon police seized 750 kilograms of cannabis in the largest drug bust ever in the city's history. The drug originated from Morocco and came into France via large luxury cars.

In May, 108 kilograms of cannabis were seized on the highway between Nice and Monaco. Estimated to be worth 220,000 euros, the drugs were hidden in sports bags of an Austrian car driving from France towards Italy. A further 4,097 kilograms of cannabis were intercepted near Montpellier, hidden in a British truck transporting fruits and bathroom tiles. In Paris, Police authorities arrested a 25 year old man at the Gare de Lyon train station after they found 4 kilograms of amphetamines (estimated at 300,000 euros) on him.

In July, customs seized 10,000 Ecstasy tablets hidden in shoe boxes in a Belgian bus in the Moselle region. The bus was traveling from the Netherlands, through Belgium and into France. Four days earlier, Channel customs agents discovered 724 grams of cocaine hidden in the soles of a passenger's shoes. Charles de Gaulle airport agents seized a record of 54 kilograms of cocaine hidden in three passengers' luggage; the passengers were transiting Paris from the Dutch West Indies and on their way to Amsterdam.

In December, the largest ever French Ecstasy seizure was conducted by Dunkirk police. They found 852,528 tablets of Ecstasy hidden in the chassis of a British truck waiting to board a ferry.

Corruption. Narcotics-related corruption among French public officials is not a problem. The USG is not aware of any involvement by senior officials in the production or distribution of drugs or in the laundering of drug proceeds.

Agreements and Treaties. France is a party to the 1988 UN Drug Convention, and the other UN drug conventions. The USG and the French government have narcotics-related agreements, including a 1971 agreement on coordinating action against illegal trafficking. A new extradition treaty between France and the U.S. entered into force in February 2002. A new mutual legal assistance treaty (MLAT) entered into force in 2001. The U.S. also has a Customs Mutual Assistance Agreement (CMAA) with France. France is a party to the UN Convention on Transnational Organized Crime.

Cultivation/Production. French authorities believe the cultivation and production of illicit drugs is not a problem in France. France cultivates opium poppies under strict legal controls for medical use, and produces amphetamines as pharmaceuticals. It reports its production of both products to the International Narcotics Control Board (INCB) and cooperates with the U.S. Drug Enforcement Administration (DEA) to monitor and control those products. MILDT officials stated that no Ecstasy laboratories existed in France.

Drug Flow/Transit. France is a transshipment point for illicit drugs to other European countries. Most of the heroin consumed in, or transiting France originates in southwest Asia (Afghanistan) and enters France via the Balkans after passing through Iran and Turkey. New routes for transporting heroin from southwest Asia to Europe are developing through central Asia and Russia and through Belgium and the Netherlands. West African drug traffickers (mostly Nigerian) are also using France as a transshipment point for heroin and cocaine. These traffickers move heroin from both southwest Asia (primarily Afghanistan) and Southeast Asia (primarily Burma) to the U.S. through West Africa and France, with a back-haul of cocaine from South America to France through the U.S. and West Africa. Law enforcement officials believe these West African traffickers are stockpiling heroin and cocaine in Africa before shipping it to final destinations. France is also a transit point for Moroccan cannabis (hashish) destined for European markets, and for South American cocaine destined for Europe. There is no evidence that heroin or cocaine entering the U.S. from France is in an amount sufficient to have a significant effect on the U.S. Most of the South American cocaine entering France comes through

Spain and Portugal. Most of the Ecstasy in France or transiting France is produced in the Netherlands and Belgium.

Domestic Programs/Demand Reduction. MILDT is responsible for coordinating France's demand reduction programs. Drug education efforts target government officials, counselors, teachers, and medical personnel, with the objective of giving these opinion leaders the information they need to assist those endangered by drug abuse in the community. The government is continuing its experimental methadone treatment program. Although there continues to be public debate concerning decriminalizing cannabis use, the French government is opposed to any change in the 1970 drug law that criminalizes all use of a defined list of illicit substances, including cannabis.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. and GOF counternarcotics law enforcement cooperation remains excellent, with an established practice of information sharing. Recent examples of U.S./French cooperation include investigation and tracking of chemicals used to manufacture Ecstasy. French and U.S. narcotics authorities have worked closely to look at Internet sales of precursor chemicals and followed the chemical path from source to makeshift labs. This collaboration culminated in the shutting down of nine Ecstasy labs, three of which were in the U.S. and two small ones in France.

At the request of French gendarmes, DEA organized and held a week-long money laundering and asset forfeiture training program in Paris in September. This training brought together 30 mid-level French narcotics officers and was considered highly successful.

The Road Ahead. The U.S. will continue its cooperation with France on all counternarcotics fronts, including through multilateral efforts such as the Dublin Group of Countries Coordinating Narcotics Assistance and UNODC.

Georgia

[\[Click for chapter on Georgia.\]](#)

Germany

I. Summary

Although not a major drug producing country, Germany continues to be a consumer and transit country for narcotics. The most recent official statistics of the Federal Criminal Police Office (Bundeskriminalamt/BKA) of June 30, 2003 indicate three trends. First, narcotics related deaths have been declining over several years; they declined by 17.5 percent in 2002 compared to the previous year (the lowest number since 1997). However, this trend did not continue in the first half of 2003; the number of drug deaths increased by 7.2 percent compared to the first half of 2002.

First-time heroin, ecstasy, LSD, and other hard drug consumption decreased compared to August 2002. On the other hand, first-time amphetamine consumption increased by 18.7 percent. The decrease in ecstasy seizures in 2002 for the first time in years continued into the first half of 2003. Third, seizures of opium, heroin, LSD, and hashish in the first half of 2003 rose considerably compared to the first half of 2002, while seizures of cocaine, ecstasy, and marijuana decreased. In June 2003, the cabinet adopted the “Action Plan on Drugs and Addiction,” which supersedes the 1990 national plan. Germany is a party to the 1988 UN Drug Convention.

II. Status of Country

Germany is not a significant drug cultivation or production country. However, Germany's location at the center of Europe and its well-developed infrastructure make it a major transit hub. Cocaine and ecstasy transit through Germany from the Netherlands to Scandinavia, Eastern and Southern Europe. Ecstasy also transits from the Netherlands through Germany to the United States. Cocaine is transported from South America directly to Germany. Heroin transits Germany from Eastern Europe via the Balkan route to Western Europe, especially the Netherlands. Synthetic drugs (e.g., Ecstasy) for the European market are mainly manufactured in Europe. Organized crime continues to be very involved in drug trafficking. Germany is a leading manufacturer of pharmaceuticals, making it a potential source for precursor chemicals used in the production of illicit narcotics.

III. Country Actions Against Drugs in 2003

Policy Initiatives. In June 2003, the cabinet adopted the Health Ministry's new “Action Plan on Drugs and Addiction,” which replaces the 1990 “National Plan to Combat Narcotics.” The action plan establishes a comprehensive strategy to combat narcotics for the next five to ten years in harmony with European and international drug policy. The plan focuses on specific prevention strategies (for new risk groups, e.g., immigrants) and international cooperation, responds to trends in the states of the former East Germany, and develops the use of new drug abuse survival assistance measures and technologies. A National Drug and Addiction Council will review implementation of the plan.

The Drug Commissioner at the Federal Health Ministry continues to coordinate national drug policy. Key pillars of the government's drug policy remain (1) prevention, (2) therapy and counseling, (3) survival assistance, and (4) interdiction and supply reduction. The following new 2003 initiatives or studies are in line with Germany's four key policy components:

Survival Aid. In March 2003, there were 19 “drug consumption rooms” in Germany. The Health Ministry views drug consumption rooms as one solution to promoting survival and stabilizing the health of the most difficult to treat drug addicts, while simultaneously facilitating treatment. According to a 2003 drug consumption evaluation study conducted on behalf of the Health Ministry,

drug consumption rooms fulfill the government's expectations in reaching the intended target group and in significantly improving medical care and the access to medical aid in general.

Telephone Hotline. Initiated by the Health Ministry, a single telephone hotline was established in November 2003 offering professional counseling, aid, and information regarding drugs and drug problems. It merges previously operated telephone hotlines of several local drug counseling institutions.

Law Enforcement Efforts. Counter-narcotics law enforcement continues to be a high priority for the Federal Criminal Police (BKA). The BKA publishes an annual narcotics report on illicit drug related crimes in Germany that contains data on seizures, drug flows, and consumption. German law enforcement agencies scored numerous successes in seizing illicit narcotics and arresting suspected drug dealers, often working with other countries. In June 2003, an Australian citizen was arrested in Germany for smuggling cocaine from South America to Europe; investigations had been ongoing since September 2002. Several million U.S. dollars were seized as a result of this investigation. Several other suspects were arrested in the Netherlands and at least 400 kilograms of cocaine was seized there.

In October 2003, the Dutch Justice Minister and German Interior Minister agreed to intensify counternarcotics law enforcement cooperation by establishing an operational bilateral working group and by posting a German liaison officer at Amsterdam's Schiphol Airport.

Corruption. Neither the government nor senior officials encourage or facilitate the production or distribution of illicit drugs. No cases of official corruption have come to the USG's attention.

Agreements and Treaties. A 1978 extradition treaty and supplement is in force between the U.S. and Germany. The U.S. and Germany signed a mutual legal assistance treaty on October 14, 2003, after over twenty years of negotiations. The MLAT is expected to be ratified in 2004. There is a Customs mutual legal assistance agreement (CMAA) between the U.S. and Germany. Germany is party to the 1988 UN Drug Convention. Germany signed the UN Convention Against Transnational Organized Crime and its protocols in December 2000. Germany signed the UN Convention against Corruption in December 2003.

Cultivation and Production. Germany is not a country of major hashish/marijuana cultivation or significant production. The Federal Criminal Police Office statistics from June 2003 reported a handful of synthetic drug labs operating in Germany (ecstasy, amphetamine, GHB).

Drug Flow/Transit. Germany's central location in Europe and its well-developed infrastructure make it a major transit hub. Traditionally, cocaine and ecstasy transits through Germany eastward and northwards, e.g., from Western Europe to Scandinavia, East and Southern Europe. Heroin transits from Eastern Europe to Western Europe. Source countries for drugs seized in Germany continue to be Afghanistan, Colombia, and the Netherlands.

Domestic Programs (Demand Reduction). The Federal Ministry of Health continues to be the lead agency in developing, coordinating, and implementing Germany's drug treatment policies and programs. Drug consumption is treated as a health and social issue. Germany sees education as the key measure for preventing drug use. Internet-based information and other education programs continue to be developed and expanded. Drug treatment continues to focus on drug-free treatment, psychological counseling, and substitution therapy. The first heroin-based treatment pilot project started to offer assistance to seriously ill, long-term opiate addicts in March 2002. This project is ongoing under medical supervision. In response to the growing number of drug-related deaths among young immigrants, in January 2003 a clinic in Lower Saxony opened twelve slots for drug addicts from states of the former Soviet Union.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. German law enforcement agencies work closely and effectively with their U.S. counterparts in narcotics related cases. Close cooperation to curb money laundering continues between DEA, the Federal Bureau of Investigation (FBI), the Internal Revenue Service (IRS), the U.S. Customs Service, and their German counterparts, including the Federal Criminal Office (BKA), the State Criminal Offices (LKAs), and the Customs Criminal Office (ZKA). German agencies routinely work very closely with their U.S. counterparts in joint investigations, including against international drug trafficking organizations, using the full range of investigative measures (e.g., undercover actions). German-U.S. cooperation has led to effective programs (e.g., Operations “Purple” and “Topaz”) designed to stop diversion of chemical precursors for cocaine production. A DEA liaison officer is assigned to the BKA headquarters in Wiesbaden to facilitate cooperation and joint investigations. Two DEA offices, the Berlin Country Office and the Frankfurt Resident Office, facilitate information exchanges and operational support between German and U.S. drug enforcement agencies. A tablet exchange program exists between the BKA and DEA which enables the exchange of samples of ecstasy pills.

The Road Ahead. The U.S. will continue its cooperation with Germany on all bilateral and international counternarcotics fronts, including the Dublin Group of Countries Coordinating Narcotics Assistance and the UNODC. The recently signed MLAT will simplify and expedite law enforcement cooperation.

Greece

I. Summary

Greece is a “gateway” country in the transit of illicit drugs. Although Greece is not a major transit country for drugs headed for the United States, it does serve as a major transit point for drugs flowing into Western Europe. Greek authorities report that drug abuse and addiction continue to climb in Greece as the age for first-time use drops. Greece also has the second highest annual per capita rate of deaths from drug overdoses in Europe. Drug trafficking remains a significant issue for Greece in its battle against organized crime. Investigations initiated by the DEA and its Hellenic counterparts suggest that a dramatic rise has occurred in the number and size of drug trafficking organizations operating in Greece. Greece is a party to the 1988 UN Drug Convention.

II. Status of Country

With its extensive coastline border, numerous islands, and borders with other countries through which drugs are transported, Greece's geography plays an important role in establishing Greece as a favored drug transshipment route to Western Europe. Greece was the first country in the Balkan region to have membership in the EU. Greece is also home to the world's largest merchant marine fleet.

Greece is not a significant source country for illicit drug production, though shipment of anabolic steroids to the United States does occur on a small scale. (Use of anabolic steroids is legal in Greece. However, it is illegal to ship them to countries where they are a controlled substance.)

III. Country Actions Against Drugs in 2003

Policy Initiatives. Greece participates in the Southeast European Cooperative Initiative's (SECI) anticrime initiative, in the work of the regional Anti-Crime Center in Bucharest and in its specialized task force on counternarcotics. Enhanced cooperation among SECI member states has the potential to disrupt and eliminate the ability of drug trafficking organizations to operate in the region.

Law Enforcement Efforts. The Central Narcotics Council, composed of representatives from the Ministries of Public Order, Finance, and Merchant Marine, coordinates Greece's drug enforcement activities. Cooperation between U.S. and Greek law enforcement officials is exceptionally close and professional; the GOG pursues U.S. requests for legal assistance aggressively.

Several notable drug seizures and arrests have occurred or been reported publicly recently. In June 2003, after a two-year joint investigation, Hellenic authorities, British Customs, Spanish authorities, and the DEA dismantled a major maritime smuggling organization, culminating with the seizure of 3,600 kilograms of cocaine and the ship M.V. CORK, as well as the arrest of 10 individuals. This major transportation group was responsible for transporting multi-ton quantities of cocaine from South America to Europe and the U.S.

The counternarcotics unit of the Greek police does not have its own budget, and as a result police equipment is often outdated and training is infrequent. The situation improved during 2003, partially as a result of \$2.2 million that was shared with Hellenic authorities as a result of joint operations with the DEA.

Corruption. Officers and representatives of Greece's law enforcement agencies are generally under-trained, underpaid, under-appreciated, and overworked. Although this atmosphere has the potential to breed corruption, the level of corruption in the law enforcement agencies is relatively low with regard to narcotics and narcotics-related money laundering. As a matter of government policy, Greece does

not encourage or facilitate illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances. Greece also does not encourage or facilitate the laundering of proceeds from illegal drug transactions. No known senior official of the GOG engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Greece is a party to the 1988 UN Drug Convention. Greece is also a party to the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs, and the 1972 Protocol amending the Single Convention on Narcotic Drugs. An agreement between Greece and the United States to exchange information on narcotics trafficking has been in force since 1928, and an extradition treaty has been in force since 1932.

A mutual legal assistance treaty between the U.S. and Greece entered into force in November 2001. A Police Cooperation Memorandum, signed in September 2000, enhances operational police cooperation between the United States and Greece. The United States and Greece also have concluded a customs mutual assistance agreement (CMAA). Greece has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, and the Protocol against the Smuggling of Migrants.

Cultivation/Production. Cannabis, cultivated in small amounts for local consumption, is the only illicit drug produced in Greece.

Drug Flow/Transit. Greece is a major transshipment route to Western Europe for heroin from Turkey, hashish from the Middle East, and heroin and marijuana from Southwest Asia. Metric ton quantities of marijuana and smaller quantities of other drugs are smuggled across the borders from Albania, Bulgaria, and the Former Yugoslav Republic of Macedonia (FYROM). Marijuana has been smuggled into Greece on pack mules across the mountainous border with Albania. Hashish is off-loaded in remote areas of the country and transported to Western Europe by boat or overland. Larger shipments are smuggled into Greece in shipping containers, on bonded “TIR” trucks, in automobiles, on trains, and in buses. Such trucks typically enter Greece via Turkish border crossings, then cross the Adriatic by ferry to Italy. A small portion of these drugs is smuggled into the United States, including Turkish-refined heroin that is traded for Latin American cocaine, but there is no evidence that narcotics entering the United States from Greece are in an amount sufficient to have a significant effect on the United States. Nigerian drug organizations smuggle heroin and cocaine through the Athens airport, and increasingly through the Aegean islands from Turkey.

Domestic Programs (Demand Reduction). Drug addiction continues to climb in Greece. The most commonly used substances are chemical solvents and marijuana. There is a surge in the use of ecstasy that reflects developments in the growing European synthetic drug market. The GOG estimates that there are 22,000 addicts in Greece, with the addict population growing. OKANA, the state agency that coordinates all national treatment policy in Greece, is currently treating 1,640 addicts in six methadone treatment centers. OKANA runs a buprenorphine substitution program with seven public hospitals and has plans to extend the program to nine more regions. OKANA treated 1,469 addicts in “cold-turkey” therapeutic programs in 2003, up from 697 in 2002. (NB. Some figures used above have been updated from those used in last year's report.)

IV. U.S. Policy Initiatives and Programs

The Road Ahead. The United States will encourage the GOG to continue to participate actively in international organizations such as the Dublin Group-focused on narcotics assistance coordination efforts. The DEA will also continue to organize additional conferences, seminars, and workshops with the goal of building regional cooperation and coordination in the effort against narcotics.

Hungary

I. Summary

Hungary is primarily a transit country for illegal narcotics from Southwest Asia to Western Europe, but has expanded into a consumption and production country as well over the past ten years. According to the Hungarian National Police, there are an estimated 200,000 drug users in Hungary. Drug abuse shot up in the nineties, and is still increasing, but at a much slower pace. The drugs of choice in Hungary are heroin, marijuana, amphetamines, ecstasy(MDMA), and LSD. Counternarcotics legislation, passed in late 1998 and which went into effect in 1999, introduced stiff penalties for using and/or selling narcotics. It has slowed growth in drug abuse, but not completely halted it. An amendment to the 1998 legislation that was enacted in March 2003 puts greater emphasis on treatment programs, grants judges more flexibility in sentencing, and allows police and prosecutors to differentiate between large scale and small scale drug offenses in an effort to focus on dealers rather than users. At present, drug traffickers may be punished with life imprisonment. A data-sharing memorandum of understanding to further improve U.S.-Hungarian law enforcement cooperation was concluded in January 2000. The USG and Government of Hungary (GOH) have had a mutual legal assistance treaty (MLAT) and an extradition treaty in force since 1997. Hungary is a party to the 1988 UN Drug Convention.

II. Status of Country

Hungary continued to be a major transit country for illegal narcotics smuggled from Southwest Asia and the Balkans to Western Europe. Traditional routes in the Balkans that had been disrupted due to instability in the FRY were once again being used to smuggle narcotics. Hungarian authorities report that narcotics smuggling is especially active across the Romanian and Serbian? borders.

Foreign organized crime, particularly those from Albania, Turkey, and Nigeria, control transit and sale of narcotics in Hungary. Officials report the increasing seriousness of Hungary's domestic drug problem, particularly among teens and those in their twenties, who have benefited from the country's strong, if unequal, economic performance. Hungarian "drug couriers" are very popular among foreign dealers as they are inexpensive. At present, there are twenty Hungarian citizens imprisoned abroad for drug smuggling.

III. Country Actions Against Drugs in 2003

Policy Initiatives. A key element of the national drug strategy is the creation of the National Drug Prevention Institute (NDPI), introduced in 2000. The NDPI provides financial and technical support to combat drug abuse to Hungary's outlying regions with populations over 20,000. The NDPI encourages the creation of regional forums composed of local government institutions, law enforcement agencies, schools and non-governmental organizations. These fora then create drug strategies, formulated for each specific region. Out of 64 regions with populations of over 20,000, 56 have thus far established counter narcotics fora to discuss strategies. As of December 2003, many cities in these regions had also developed their own drug strategies.

The GOH has had programs for combating drug use at schools since 1992, however, given the shortage of police trainers and funding, there has been an increase in drug trading at schools. According to the latest statistics, every fifth youth has tried marijuana, with one third of these experimenters under the age of fourteen. The drugs of choice are marijuana, amphetamines, ecstasy, and LSD. Between 8 and 9 percent of young people report using these drugs on a regular basis.

An amendment to Hungarian counter narcotics legislation, which went into effect in March 2003, was designed to shift the focus of criminal investigations from consumers to dealers. Before this amendment was enacted, Hungarian civil rights leaders claimed that the Hungarian narcotics law, among the toughest on users in Europe, subjected even casual users to stiff criminal penalties, while addicts were often exempted from prosecution. The amendment encourages police, prosecutors, and judges to place drug users in government-funded treatment or counseling programs instead of prison. Drug addicts are encouraged to attend treatment centers while casual users are directed towards prevention and education programs. The amendment also provides judges with more alternatives and flexibility when sentencing drug users. The Drug Coordination Center reports that, since the amendment of the law, there has been a 2 percent increase in people choosing special programs over incarceration. The recently appointed Drug Affairs Secretary of the Ministry of Children, Youth, and Sports Affairs, stated that the amendment of the drug law was only the first step towards decriminalization of drug consumption. In late 2003, the GOH set up several needle exchange dispensers in Budapest to guarantee inexpensive, sterile needles for drug users.

Accomplishments. In 2003, the GOH arrested 20 individuals in connection with seizure of a large shipment of ecstasy smuggled into Hungary from the Netherlands. The investigation is ongoing at year's end. Modern electronic detection equipment provided by the European Union for certain high threat border posts installed in 2003 will likely improve border interdiction of all types of contraband.

Intensive cooperation between the Hungarian National Police (HNP) and DEA offices in Vienna and Athens within the framework of Southeast European Cooperative Initiative (SECI) occurred during the year, leading to important accomplishments in combating Turkish and Albanian drug trafficking by organized crime groups in the Balkans. Approximately 178 kilograms of heroin were seized in the region as a result of this cooperation.

Law Enforcement Efforts. During the first six months of the year, the Customs Authority seized nearly as much narcotics as during the whole previous year. A special action unit was trained for investigating not only couriers, but dealers as well.

Corruption. The USG is not aware of systematic corruption in Hungary that facilitates narcotics trafficking. The Hungarian Government enforces its laws against corruption aggressively, and takes administrative steps (e.g., re-posting of border guards) to reduce the temptation for corruption whenever it can.

Agreements and Treaties. Hungary is party to the 1961 UN Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. A treaty on mutual legal assistance and an extradition treaty between the U.S. and Hungary entered into force in 1997. A bilateral data-sharing memorandum of understanding was signed in January 2000. This agreement paved the way for even closer cooperation between U.S. and Hungarian law enforcement agencies. Hungary has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime.

Cultivation/Production. GOH authorities claim that marijuana (mostly cultivated in Western Hungary), ecstasy (MDMA), and LSD are locally produced; all other illegal narcotics are imported into Hungary.

Drug Flow/Transit. Authorities believe that foreign groups control transit and sale of narcotics in Hungary, particularly nationals of Albania, Turkey and Nigeria. Many of these traffickers have been resident in Hungary for many years. Budapest's Ferihegy International Airport in Budapest is an increasingly important stop for the transit of cocaine from South America to Europe. Synthetic drugs are transported into Hungary, usually by car, from the Netherlands and other Western European Countries.

Domestic Programs (Demand Reduction). Hungarian officials continue to report the seriousness of their domestic drug problem, particularly among youth. Prevention programs were influenced by a USG-financed pilot project to train teachers to identify and counsel students using drugs. Prevention focuses on the teen/twenties age group and delivers more complete information about the dangers of drug use while emphasizing productive lifestyles as a way of limiting exposure to drugs. National drug treatment capabilities have also been expanded. Although the national drug strategy called for 17 billion HUF to be used to implement the plan over a three-year period, only 5 billion HUF was actually allotted. The government spent 1.5 billion HUF in 2002 on the national drug strategy. In 2003, the Ministry of Children, Youth, and Sports Affairs spent 3.5 billion HUF on prevention programs. As part of the national drug strategy, prevention programs were expanded to elementary schools, in addition to existing programs in junior and high schools. Six hundred schools utilized drug prevention curricula in 2003.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG focuses its support for GOH counter narcotics efforts on training and cooperation through the ILEA and a small bilateral program developed especially for Hungary by the U.S. Embassy in Budapest. DEA maintains a regional office in Vienna that is accredited to Hungary and works with local and national authorities. In 2003, the Department of Justice donated investigative surveillance equipment and trained the national drug police and prosecutors on its use.

The Road Ahead. The USG supports Hungarian legislative efforts to stiffen criminal penalties for drug offenses, and will continue to support the GOH through training at ILEA and in-country programs. The DEA office in Vienna is working with the HNP in an effort to forge a closer relationship with the Hungarian national drug investigators, and may possibly be invited to send an agent to work full time with the HNP.

Iceland

I. Summary

Icelandic authorities do not have to confront significant levels of drug production or transit. Their focus is thus on stopping importation and punishing distribution and sale, with a lesser emphasis on prosecuting for possession and use. Along with the government, secular and faith-based charities organize abuse prevention projects and run respected detoxification and treatment centers. Iceland is a party to the 1988 UN Drug Convention.

II. Status of Country

Reflecting Icelandic society's coolness to liberalization of drug laws, an IMG-Gallup survey conducted in June showed that 87 percent of Icelanders oppose the legalization of cannabis. Preliminary results of the third European School Survey Project on Alcohol and Other Drugs, conducted in 2003, showed that controlled substance use among Icelandic adolescents has decreased significantly in recent years, and that students currently completing secondary school have used drugs less throughout their school careers than did earlier cohorts.

Illegal drugs and precursor chemicals are not produced in significant quantities in Iceland. The harsh climate and lack of arable land make the outdoor cultivation of drug crops almost impossible. Icelandic authorities believe that the production of drugs, to the extent it exists, is limited to greenhouse-hydroponic marijuana plants and small-time amphetamine laboratories. Authorities charged only 13 persons with production of drugs in 2002 (latest available Ministry of Justice figures).

Most illegal drugs in Iceland are smuggled in through the mail, inside commercial containers, or by airline passengers. The chief illicit drugs entering Iceland, mainly from Denmark, are cannabis and amphetamines. Smuggling of steroids and ephedrine, which is used to produce methamphetamine, is a growing problem. Authorities in 2002 (latest available Ministry of Justice figures) charged 67 persons with importing drugs and precursors.

The discovery by Faeroese Customs in July and August of two shipments of cannabis totaling 40 kilograms bound for Iceland by passenger ferry suggests that the Denmark-Faeroe Islands-Seydisfjörður (East Iceland) route is a particular target for smugglers.

III. Country Actions Against Drugs in 2003

Policy Initiatives. On July 1, 2003, the government established a new Public Health Institute. The new body subsumed the formerly independent national Alcohol and Drug Abuse Prevention Council (ADAPC) as well as the Icelandic Nutrition Council, the Anti-Tobacco Council, and the Program on Child and Youth Injury Prevention. ADAPC's primary activities continue to be data collection on use of intoxicants and funding and advising local governments and non-governmental organizations working in prevention and treatment. During the year it made grants worth \$600,000 to a total of 70 groups across the country. The organization also distributed pamphlets in pre-natal clinics to alert women to the consequences of drug and alcohol use during pregnancy. Its "together" project urged on parents (through posters, print advertisements, and television spots) the importance of developing better relationships with children, using the slogan: "The togetherness of the whole family is the best prevention."

Reykjavik Customs continued with its national drug education program, developed in 2002, in which an officer accompanied by a narcotics sniffing dog informs students participating in confirmation

classes about the harmful effects of drugs and Iceland's fight against drug smuggling. The officer meets separately with parents to inform them about their role in the fight against drugs. In order to formalize the program, Reykjavik Customs in November signed a cooperative drug education agreement with the state church. Customs officials have also commissioned a multimedia CD dealing with drug awareness that they will distribute in schools during educational visits.

Accomplishments. At seaports, authorities conducting container searches confiscated 9.7 kilograms of cannabis arriving from Denmark in June; one kilogram of amphetamines arriving from Rotterdam in September; and 60,000 ephedrine tablets from the U.S. in June. Icelandic authorities believe that there may be a general increase in ship borne smuggling due to greater security at airports post-9/11 and a younger generation of sailors seeking to profit from on-shore demand.

Through November 2003, Keflavik International Airport (KEF) authorities made about 45 seizures. In the year's largest seizures, customs at KEF in May discovered three kilograms of cannabis hidden in two passengers' food tins. In two separate incidents in October and December, alert screeners stopped four passengers who turned out to be concealing 800 grams of cocaine in condoms in bodily orifices. No U.S.-bound passengers were discovered smuggling illegal drugs.

In the year to December 8, 2003, local police forces shut down 26 cannabis producers, the largest, found in November near Selfoss, growing 700 marijuana plants. Police in November turned up an apartment in Kopavogur containing more than 200 grams of amphetamines, drug making equipment, and various types of precursor chemicals. During the year, Reykjavik police confiscated at least 1,550 ecstasy pills, almost double the number seized in 2002.

Law Enforcement Efforts. In the fourth and fifth such incidents in recent years, Icelandic authorities in December expelled a total of 14 members of the Norwegian branch of the Hell's Angels motorcycle club arriving at KEF. Nordic and local officials believe the organization is attempting to import its criminal operations to Iceland and have taken a pro-active, cooperative approach to stopping the spread.

To stem the flow of drugs smuggled into Iceland's prisons, the Ministry of Justice purchased a narcotics-detecting "Ion Trap" mobility spectrometer. Though installed at Iceland's main prison, Litla Hraun, in December, the machine is to be periodically moved to various seaports to be used in unannounced cargo searches. Authorities also plan to rotate narcotic-sniffing dogs to Litla Hraun for spot checks on visitors.

Following the year's biggest drug trial, the Supreme Court in November sentenced an Icelander to eight years imprisonment for smuggling 300 grams of cocaine and over five kilograms of amphetamines to Iceland in 2001-2, and then laundering the proceeds of his crime.

In May, Dutch and Icelandic counter narcotics officers participated in a joint exercise in which they searched all small aircraft traveling between the countries. While they did not make any seizures, officials say they found the effort at coordination and cooperation to be valuable.

Agreements and Treaties. Iceland is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs, and its 1972 Protocol. Iceland has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime. An extradition treaty is in force between the U.S. and Iceland.

Domestic Programs (Demand Reduction). Heroin abuse is virtually unknown in Iceland. Cannabis is the drug of choice for persons under 20, while older addicts are partial to injecting morphine. Ecstasy, cocaine (but not crack), and amphetamines are popular, particularly on the capital region's club scene. Between them, Icelandic governmental, non-governmental, and faith-based organizations provide about one alcohol- and drug-rehabilitation bed for every 800 citizens. Three detoxification facilities (of which two have doctors on call around the clock) are supplemented by a number of

dedicated treatment and rehabilitation facilities as well as halfway houses with beds for about one in every 1400 citizens.

Most alcohol and drug abuse treatment is taken on by SAA, the Laymen's Society on Alcoholism and Drug Abuse. Founded in 1977 by a group of recovered addicts who wished to replicate the rehabilitation services they had received at the Freeport Hospital in New York, SAA now receives roughly two thirds of its annual budget from the government. It makes detoxification and inpatient treatments available free to Icelandic citizens. While there can be waiting lists for long-term adult male addicts, there are none for women and teens. SAA's main treatment center admits around 2,400 patients a year, while another 300 or so (often those with complicating psychiatric illnesses) go to the National-University Hospital. Individuals with less acute problems may turn to Samhjalp or Byrgid, two Christian charities that use faith-based approaches to treating addiction.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. During 2003, a narcotics officer from Iceland's National Commissioner of Police's office attended the two-week Drug Commander Unit School offered by the U.S. Drug Enforcement Administration (DEA) in Quantico, Virginia. DEA will continue to support Icelandic requests for U.S.-sponsored training. Further, to encourage regional cooperation, DEA plans to invite Icelandic officials to a two-week course it has proposed for the Baltic countries in spring 2004.

The Road Ahead. The DEA office in Copenhagen, the Regional Security Office in Reykjavik, and the Naval Criminal Investigative Service at Naval Air Station Keflavik have each developed good contacts in Icelandic law enforcement circles for the purpose of cooperating on narcotics investigations and interdiction of shipments. The USG's goal is to maintain the good bilateral law enforcement relationship that up to now has facilitated the exchange of intelligence and cooperation on, e.g., controlled deliveries.

Ireland

I. Summary

The Republic of Ireland is not a transshipment point for narcotics to the United States, nor is it a hub for international drug trafficking. Ireland is a party to the 1988 UN Drug Convention. According to Government of Ireland (GOI) officials, overall drug use in Ireland continues to remain steady, with the exception of cocaine use, which has increased significantly. Seizures have also increased as traffickers attempt to import drugs in larger quantities. The GOI's National Drug Strategy is to significantly reduce drug consumption through a concerted focus on supply reduction, prevention, treatment, and research.

II. Status of Country

Ireland is not a transit point for drugs to the United States; it is occasionally used as a transit point for narcotics trafficking to other parts of Europe, including across its land border to Northern Ireland. Ireland is not a significant source of illicit narcotics or precursor chemicals.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The GOI continued with drug abuse strategies it established in its National Drug Strategy in 2001. As of September 2003, substance abuse programs were a part of every school curriculum in the country. The National Awareness Campaign on Drugs was launched on May 15, 2003. The campaign featured television and radio advertising supported by an information brochure and website, all designed to promote greater awareness and communication about the drug issue in Ireland. Regional Drug Tasks Forces (RDTF), set up to examine drug issues in local areas, were fully operational throughout the country. The GOI will undertake a review procedure to measure how effectively each department in the government is internally implementing the National Drug Strategy.

Accomplishments. The Garda Siochana (Irish Police) continued to cooperate closely with other national police forces. In May 2003, the Garda and the Northern Ireland Office held a two-day seminar to enhance cooperation between the Garda and the Police Service of Northern Ireland (PSNI). While there were no major drug seizures this year as a result of international cooperation, the GOI continues to maintain a close relationship with other countries' law enforcement agencies, particularly the UK, France, Spain, and the Netherlands.

Law Enforcement Efforts. Official statistics are not yet available for 2003 but the Garda confirmed that drug-related arrests remained constant over the last three years (approximately 450 arrests per year), and most drug-related arrests were for possession. Cannabis was the drug most often seized, followed by ecstasy, heroin, and then cocaine.

Law enforcement services in Ireland made several major drug seizures during 2003, including the January seizure of 1.6 metric tons of cannabis resin at a business premises near Dublin. The drugs were worth 20 million Euros (\$25 million). The Garda made two further cannabis seizures with a street value of over 10 million Euros in April and May. According to a recent GOI report, cocaine use is increasing and seizures of cocaine increased accordingly. As of December 1, approximately \$3.5 million worth of cocaine had been seized, in a total of 23 seizures amounting to around 19 kilograms of cocaine. This included two separate raids in December where over 1 million Euros worth of cocaine was seized in total. In April, the Garda seized over 1.3 million tablets of ecstasy. During the first six months of 2003, 67 million Euros worth of drugs were seized, more than the total of drugs seized for the whole of 2002 (47 million Euros worth of drugs). GOI officials attributed this increase primarily to

traffickers attempting to import larger quantities per shipment than in the past; resulting in more drugs confiscated per seizure.

Corruption. There were no verifiable instances of police or other official corruption related to drug activities in 2002.

Agreements and Treaties. The United States and Ireland signed a mutual legal assistance treaty (MLAT) in January 2001, which was ratified by the Senate in July April 2003 and is awaiting ratification by the GOI. An extradition treaty between Ireland and the United States is currently in force.

Ireland is a party to the 1998 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Ireland has signed, but not yet ratified, the UN Convention against Transnational Organized Crime and the Protocol to Prevent, Suppress and Punish Trafficking in Persons.

Cultivation/Production. Only small amounts of cannabis are cultivated in Ireland. There is no evidence that synthetic drugs are being produced domestically.

Drug Flow/Transit. Among drug abusers in Ireland, cocaine, cannabis, amphetamines, ecstasy (MDMA), and heroin are the drugs of choice. Cocaine comes primarily from Colombia and other countries in Latin America and the Caribbean. Heroin, cocaine, ecstasy, and cannabis are often packed into cars in either Spain or the Netherlands and then brought into Ireland for distribution around the country. This distribution network is controlled by 6 to 12 Irish criminal gangs based in Spain and the Netherlands. Herbal cannabis is primarily imported from South Africa.

Domestic Programs (Demand Reduction). There are 6,844 treatment sites for opiate addiction, exceeding the GOI's National Drug Strategy target of 6,500 treatment places. The Strategy also mandates that each area Health Board have in place a number of treatment and rehabilitation options. For heroin addicts, there are now 60 methadone treatment locations. Most clients of treatment centers are Ireland's approximately 14,500 heroin addicts, 12,400 of which live in Dublin. The GOI is evaluating drug treatment centers' ability to cope with the leveling off of heroin use and the increase of other drugs.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. In 2003, the United States pursued greater legal and policy cooperation with the GOI, and benefited from Irish cooperation with U.S. law enforcement agencies such as the DEA. Information sharing, and joint operations and investigations between U.S. and Irish officials continued to strengthen ties between the countries.

The Road Ahead. U.S. support for Ireland's counternarcotics program, along with U.S. and Irish cooperative efforts, continue to work to prevent Ireland from becoming a transit point for narcotics trafficking to the United States.

Italy

I. Summary

The GOI is firmly committed to the fight against drug trafficking in-country and internationally. Italian law enforcement agencies are capable and effective. The Berlusconi government is continuing its strong counternarcotics positions. Italy is a consumer country and a major transit point for heroin coming from the Near East and southwest Asia through the Balkans en route to western/central Europe and, to a lesser extent, the United States. Counternarcotics efforts are complicated by heavy involvement of domestic and Italy-based foreign organized crime groups in international drug trafficking. Italian and ethnic Albanian criminal organizations work together to funnel drugs to and through Italy. GOI cooperation with U.S. law enforcement agencies continues to be exemplary.

II. Status of Country

Italy is a narcotics transit and consumption country, but not a drug producer. Priority drugs for law enforcement officials are heroin and cocaine. Possession of small amounts of illegal drugs is an administrative, not a criminal offense, but drug traffickers are subject to stringent penalties. Law enforcement agencies with a counternarcotics mandate are highly professional. However, some ecstasy couriers have been arrested at U.S. ports of entry after having transited Italy. Although Italy produces some precursor chemicals, they are well controlled in accordance with international norms and not known to have been diverted.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Italy continues to combat narcotics aggressively and effectively. The Berlusconi government has made combating drug abuse a high priority, although its focus is more on prevention, improved treatment, and rehabilitation than criminalization. A draft law submitted to parliament in late 2003 would eliminate the legal distinction between hard and soft drug use. Drug users would at a minimum be compelled to enter treatment or face administrative penalties. Above certain prescribed levels, addicts would face criminal charges. The special commissioner for counternarcotics policies is preparing omnibus legislation to strengthen the capacity of his department to coordinate supply-reduction efforts and demand reduction programs run by the ministries of health, education, and labor.

At the multilateral level, Italy is a leading contributor to the UN office of drug control and crime prevention (UNODC), funding almost 20 percent of UNODC's counternarcotics work. It supported U.S. key objectives at the UN commission on narcotic drugs. The Italian EU presidency championed the need to get tougher on synthetic drugs, beef up counternarcotics assistance in the Balkans, and strengthen the role of the family in drug abuse prevention.

Law Enforcement Efforts. The fight against drugs is a major priority of each of the three services coordinated by the central directorate for drug control prevention (DCSA): the national police, carabinieri, and financial police. Working with the liaison offices of the United States and western European countries, DCSA's 18 drug liaison officers in 17 countries focus on major traffickers and their organizations. These often overlap with Italy's traditional organized crime groups (e.g. the Sicilian Mafia, the Calabrian n'drangheta, and the Puglia-based sacra corona unita). Other priority traffickers are Albanian and Russian organized crime groups, which traffic in heroin. Italian law enforcement officials use the same narcotics investigation techniques as other western countries: informants, extensive court-ordered wire-tapping, and controlled deliveries under certain

circumstances. Adequate financial resources, money laundering laws, and asset seizure/forfeiture laws help insure the effectiveness of these efforts.

Accomplishments. Italian law enforcement made life difficult for narcotics traffickers, seizing significant quantities of heroin, cocaine, and synthetic drugs throughout 2003. Comparing January-September data for 2002 and 2003, seizures of heroin and hashish rose, while cocaine and marijuana seizures decreased slightly. Seizures in 2003 of MDMA have lagged behind those in 2002 because of a major (over 150,000 pills) take down last year.

Corruption. Italian officials do not encourage or facilitate the illicit distribution of narcotics or the laundering of proceeds from illegal drug transactions. No senior official of the government of Italy engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Corruption exists only among bit players and has not compromised investigations. When a corrupt law enforcement officer has been discovered, authorities have taken appropriate action.

Agreements and Treaties. Italy is a party to the 1961 UN Single Convention and its 1972 Protocol, as well as the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Italy has signed, but has not yet ratified, the UN Convention Against Transnational Organized Crime, which is still being examined by the Justice Ministry. Italy has bilateral extradition and mutual legal assistance treaties with the U.S., which will be affected by the new U.S.-EU mutual legal assistance and extradition treaties agreed to in 2003; Italy is currently concluding negotiations with the U.S. on bilateral instruments to implement the U.S.-EU treaties.

Cultivation/Production. There is no known cultivation of narcotic plants in Italy. No heroin laboratories or processing sites have been discovered in Italy since 1985. However, opium poppy grows naturally in the southern part of Italy, including Sicily. It is not commercially viable due to the low alkaloid content. No MDMA-Ecstasy laboratories have been found in Italy.

Drug Flow/Transit. Italy is a consumer country and a major transit point for heroin coming from southwest Asia through the Balkans en route to western and central Europe and, to a lesser extent, the United States. Albanian heroin traffickers work with Italian criminal organizations as transporters and suppliers of drugs. Cocaine, destined for Italy and other European countries, originates with Colombian and (more recently) Mexican criminal groups.

Heroin is smuggled into Italy via fast boats and overland via truck and privately owned vehicles. Cocaine reaches Italy primarily in containerized shipments direct from South American ports. In smaller quantities, both drugs are transported via primarily Nigerian and Colombian couriers or air express parcels. Some of the ecstasy entering Italy, which is primarily imported from the Netherlands, is destined for the United States. Hashish is smuggled regularly into Italy on fishing and pleasure boats in multi-hundred kilogram quantities from Morocco and Lebanon.

Domestic Programs/Demand Reduction. The Italian Ministry of Health funds 556 public health offices operated at the regional level while private non-profit NGOs operate another 1,430 “social communities” for drug rehabilitation. Of the 500,000 estimated drug addicts in Italy, 145,000 receive services at public agencies and 15,000 are served by the generally smaller private centers. The Berlusconi government is promoting more responsible use of methadone at the public treatment facilities. Due to budget shortfalls, Italy in 2003 spent only \$9 million on counternarcotics programs run by the health, education, and labor ministries. An counternarcotics information campaign was undertaken in 2003.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. and Italy continue to enjoy exemplary counternarcotics cooperation. The September-October 2003 visit to Italy by ONDCP director John Walters served to reinforce collaboration and expand information sharing on demand reduction. Italian officials uniformly agreed with Walters on the need for a balanced drug policy strategy to decrease demand for and check the supply of illicit drugs. Italy voted in favor of the U.S. candidate to the International Narcotics Control Board.

Italy's Special Commissioner for Anti-Drug Policies participated in a State Department-sponsored demand reduction tour in January. His favorable impression of U.S. programs resulted in a follow-on program for a group of Italian magistrates to expose them to U.S. drug courts. A digital video conference on drug prevention in school is being planned for early 2004 to give Italian and U.S. experts an opportunity to share thoughts on best practices.

The Road Ahead. The USG will continue to work closely with Italian officials to break up trafficking networks into and through Italy as well as enhance both countries' ability to apply effective demand dampening policies.

Kazakhstan

I. Summary

Kazakhstan continues to be an important transit corridor for drugs being transported to Russia and Europe. UNODC estimates that approximately one-third of Afghanistan's predicted 4,500 metric ton opium crop will transit Central Asia in 2004, with 70 percent of that amount expected to transit Kazakhstan. Reports also continue to suggest that Kazakhstan has become a transit country for illegal drugs going to Europe from China and other parts of Eurasia. Local drug use and its consequences continue to increase, but local crime connected to drug use seems to have dropped. Kazakhstan continues to take steps to control drug abuse within its own borders, but official corruption complicates efforts to improve controls over drug trafficking. Kazakhstan became a party to the 1988 UN Drug Convention in 1997.

II. Status of Country

Although vast fields of wild marijuana and ephedra, along with some local production of opium, show that Kazakhstan could become a major producer of narcotics, evidence continues to suggest that local production is mostly limited to in-country use with some smuggling into Russia. Drugs transiting Kazakhstan impact mainly Russia and Europe, but proceeds from drug smuggling are a potential revenue for terrorist groups. No discovery of laboratories for the production of narcotics was announced this year, but a large increase in the seizure of precursors suggests that Kazakhstan could become a source for these chemicals.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Kazakhstan is in the third year of its five-year plan against drug trafficking, although the President recently announced that it will be twenty years before Kazakhstan gains control over its narcotics problem. For the last three months of 2003, the GOK has been holding extensive meetings on the reinforcement of all law enforcement bodies, with a view to simplifying bureaucratic structures and eliminating duplication of functions. Other meetings have focused on counternarcotics forces, proposing, inter alia, eliminating the moribund Drug Control Committee, the creation of a DEA-like office with sole responsibility for fighting narcotics, or the transfer of all counternarcotics forces to the Ministry of the Interior. The GOK also announced a reform of all law enforcement academies in the country.

GOK's announcement last year that it would be establishing a regional counternarcotics information center under the EU's Central Asia Drug Action Program (CADAP) has been superseded by a UNODC project, in which GOK will participate, to create a Central Asia Regional Information and Coordination Center (CARICC) based in Tashkent. The project announced last year to convert 20,000 hectares of wild marijuana in the Chu Valley to the commercial production of hemp apparently will not be carried out.

Internally, GOK continues to strengthen its law enforcement capacity, having increased the total budget for law enforcement agencies from 45.7 billion tenge (\$326.4 million) in 2001 to 70 billion tenge (\$500 million) in 2003. Police salaries were increased in 2003 with promise of a further fifty per cent increase in 2004, weakening the argument for "survival-based corruption." In January, the Ministry of Justice began drafting a strengthened counternarcotics law and in September, the GOK placed controls over a wide range of equipment that might be used for the production of illegal narcotics and precursors. The GOK also announced the construction of twenty-five major new border

posts, fifteen for the search of trucks and ten for the search of trains. The first five of these posts will be built in 2004.

Law Enforcement Efforts. The GOK continues to fight drug smuggling actively with results, however, showing only slight improvement over last year. The first nine-month figures for 2003 show only a moderate increase in seizures of opium and a slight increase in seizures of heroin. The majority of narcotics seizures were made by the Border Guards, with Ministry of the Interior running a close second. Seizures by Customs were negligible. One notable seizure not reflected in these figures, however, is Customs' seizure in November of 340 kilograms of heroin, discovered in a train car filled with vegetables stopped at the Temirzhol Railway Station on the Russian border.

Kazakhstan also participated with other CIS states (Armenia, Belarus, Kyrgyzstan, Russia, and Tajikistan) in a joint operation that netted 116 kilos of heroin and 168 kilos of opium. The fact remains, however, that the vast majority of drug seizures in Kazakhstan consist of locally grown marijuana.

The lack of improvement in narcotics seizures has not gone unnoticed by the GOK. In September, the Deputy-Prosecutor General denounced the ineffectiveness of GOK customs and border services, pointing out that the Russian Federal Security Forces often seize more in a single operation than GOK forces seize all year.

Data furnished by the Ministry of the Interior show a drop in drug-related arrests from 18,000 in 2001 to 13,000 in 2002, with a continued drop during the first nine months of 2003. Other sources suggest, however, that these figures only show a drop in the general crime rate and that drug-related crime is actually on the increase. After a steep drop in 2001 and 2002, arrests for narcotics smuggling showed a fifteen per cent increase in the first nine months of 2003.

Corruption. In a recent poll, ninety per cent of respondents claimed daily experience of corruption while seeking government services. A poll of local businessmen again rated Customs as the most corrupt agency in Kazakhstan, with every other government agency rated a close second or third. GOK regularly denounces corruption among government officials and, in fact, there were 3,370 corruption-related arrests between April 1, 2002, and March 31, 2003, the majority of these arrests being made in the Ministry of Defense, Ministry of Internal Affairs, Customs and the Tax Inspectorate. Arrests for corruption are up thirteen per cent during the first nine months of 2003.

Agreements And Treaties. These were discussed in detail above. GOK readily cooperates regionally and internationally in the fight against narcotics.

Cultivation And Production. Marijuana and ephedra grow wild on about 1.2 million hectares of southern Kazakhstan, with the largest single location being the 130,000 hectares of marijuana in Chu Valley. Approximately 97 percent of the marijuana sold in Central Asia originates in Kazakhstan. Production of opium and heroin remain minimal.

Drug Flow/Transit. One estimate of last year's predicted opium harvest in Afghanistan was 3,000 metric tons (three million kilos), of which one-third was expected to pass through Central Asia. Seventy per cent of that amount (700 metric tons, or 700,000 kilos) was expected to transit Kazakhstan. If we assume that half of that was converted to heroin (the ratio is ten to one), then a total of 385 metric tons (385,000 kilos) of opiates passed through Kazakhstan in 2002. Total seizures last year were less than 400 kilos of opiates, about 0.1 percent (zero point one per cent) of the total. In other words, the flow of narcotics through Kazakhstan is essentially unimpeded.

The main routes for narcotics coming into Kazakhstan continue to run through Tajikistan and Kyrgyzstan, or Turkmenistan and Uzbekistan. Kazakhstan's increasing prosperity has created a new market for artificial drugs like Ecstasy and amphetamines shipped in from Russia.

Domestic Demand. During the first nine months of 2003, there were 49,207 registered addicts in Kazakhstan, almost a six per cent increase over last year. Experts estimate that the true number of addicts is about five times the number of those registered. Recent reports suggest that the huge influx of narcotics from Afghanistan into Russia and Europe has begun to saturate the market, and that opiates are beginning to face stiff competition from artificial narcotics. If this is true, narcotics dealers are likely to turn to the less profitable Central Asia market for increased sales and we may expect Kazakhstan's drug-use problem to grow.

IV. U.S. Policy Initiatives and Programs

In March, President Nazarbayev approved the State Department's Narcotic Assistance Program Letter of Agreement, signed in December 2002, allowing assistance to begin. The U.S. overall goal is to develop a long-term cooperative relationship between police and investigative services of the United States and those of Kazakhstan. Within that framework, the U.S. has the more specific goal of working with the GOK to strengthen areas of recognized weaknesses. The U.S. will be working with the National Forensics Laboratory, the Ministry of the Interior and the Border Guards to provide equipment and training related to counternarcotics.

Given that Kazakhstan will soon become a regional financial center, but has little experience investigating money laundering related to narcotics and terrorism, the U.S. will begin a long-term training effort with the Financial Police Academy, using the Federal Law Enforcement Training Center as the lead agency, but also involving FBI, Treasury and others as appropriate. In the near future the U.S. will also start a trafficking in persons (TIP) program in coordination with USAID. The U.S. program will emphasize training local investigators and prosecutors to build successful legal cases against traffickers.

The Road Ahead. Despite its current problems, Kazakhstan is making serious efforts to end its status as a narcotics transit country, refining laws, developing its police services and cooperating with the international community. Corruption, failure to devote sufficient resources to training and equipment, and a weak infrastructure remain serious problems, but trends are encouraging.

Kyrgyz Republic

I. Summary

The Kyrgyz Republic produces almost no illicit narcotics or precursor chemicals, but is a major transit country for drugs originating in Afghanistan and destined for Russian, Western European and American markets. During the calendar year 2003, the Government of the Kyrgyz Republic (GOKG) attempted, with limited resources, to combat drug trafficking and locate and prosecute offenders. The GOKG has been supportive of international and regional efforts to limit drug trafficking and has begun major initiatives to address its own domestic drug use problems. The GOKG recognizes that the drug trade is a serious threat to its own stability and is doing what it can against money laundering, drug-related street crime, and corruption within its own government ranks. Drug abuse is a continuing and escalating problem that has placed a burden on law enforcement and the health care industry. The Ministry of Health reports that over 90 percent of known HIV and AIDS cases are related to intravenous drug use.

Public confidence is eroding concerning the GOKG's ability to address important concerns of its citizens such as unemployment, unpaid salaries, inadequate health care, and rising crime. The result has been public apathy towards government initiatives on counternarcotics programs, tolerance of government corruption, and a growing dependency on a shadow economy that includes drug trafficking, street sales, and usage. While the GOKG has been a verbal supporter of counternarcotics programs, it is still struggling to deliver a clear and consistent counternarcotics strategy to either the Kyrgyz people or the international community. The State Commission for Drug Control (SCDC) has been fighting a losing battle against drug trafficking, particularly in the city of Osh, where drug trafficking has become a growing source of income and employment. The GOKG hopes that a new Drug Control Agency, a counternarcotics unit sponsored by the USG and initially managed by UNODC, will be a new beginning in the Kyrgyz Republic's efforts to minimize drug trafficking. The Kyrgyz Republic is a party to the 1988 UN Drug Convention.

II. Status of Country

The Kyrgyz Republic shares a common border with China, Kazakhstan, Uzbekistan, and Tajikistan. Mountainous terrain, poor road conditions, and an inhospitable climate for much of the year make detection and apprehension of drug traffickers difficult. Border stations located on mountain passes on the Chinese and Tajik borders are snow covered and uninhabited for up to four months per year. These isolated passes are some of the most heavily used routes for drug traffickers. Government outpost and interdiction forces rarely have electricity, running water, or modern amenities to support their counternarcotics efforts. The Kyrgyz Republic is one of the poorest successor states of the former Soviet Union, relying on a crumbling infrastructure and suffering from a lack of natural resources or significant industry. Unlike some of its Central Asian neighbors, the Kyrgyz Republic does not have a productive oil industry or significant energy reserves. The south and southwest regions, the Osh and Batken districts, are primary trafficking routes used for drug shipments from Afghanistan. The city of Osh, in particular, is the main passage point for road and air traffic and primary transfer point for narcotics into Uzbekistan and Kazakhstan and on to markets in Russia, Western Europe and the United States. The Kyrgyz Republic is not a major producer of narcotics. However, cannabis, ephedra, and poppy grow wild in many areas.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Kyrgyz Republic has developed a comprehensive plan to combat drug trafficking and abuse. There is an open forum for communication on drug-related issues including crime prevention, health care, legal affairs, and financial concerns. There have also been initiatives in the area of drug abuse education and treatment of drug dependent persons. Projects currently underway include Regional Precursor Control in Central Asia; Strengthening Drug Capacities in Data and Information Collection Project; Diversification of HIV Prevention and Drug Treatment Services for Intravenous Drug Users.

Law Enforcement Efforts. Nearly 3000 kilograms of heroin, and 5000 of opium, pass through the Kyrgyz Republic, only 5-6 percent of which is ever seized. Drug traffickers have refined their efforts to conceal and transport narcotics, reportedly using women and children as “mules” to pass through border stations known not to have female inspectors. The Osh region remains an unwieldy and volatile drug trafficking region that the State Commission for Drug Control (SCDC) has declared a high priority target of its counternarcotics efforts.

The GOKG is attempting to counter trafficking with a new U.S.-funded, UNODC-sponsored Drug Control Agency (DCA), modeled after the U.S. Drug Enforcement Agency (DEA). This new 297-man agency will draw upon other Kyrgyz law enforcement agencies for its initial staff and leadership. It will have two special units, one in Bishkek and the other in Osh, designed as quick-reaction squads to respond to cross-border trafficking.

The Ministry of the Interior (MVD) reported that heroin smuggling has increased ten-fold in the last five years. The number of officially designated drug related crimes reported in 2003 is 2,569, a 2.1 percent increase over the same period in 2002. The number officially designated drug related crimes prosecuted in 2003 rose by less than one percent. The total amount of seized drugs in 2003 was up 12.7 percent from 2002, from 2,763.571 kilograms to 3,115.921 kilograms.

Agreements and Treaties. The Kyrgyz Republic is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. It is also a party to the Central-Asian Counter Narcotics Protocol, a regional cooperation agreement encouraged by the UN. The Kyrgyz Republic is a party to the UN Convention against Transnational Organized Crime.

Corruption. The SCDC openly admits that some Kyrgyz officials are involved in the drug trade, including members of the MVD, and SNB (National Security Service), successor to the Soviet-era KGB). In January 2001, a SNB officer was tried and convicted, along with his associates, after being arrested for heroin possession with the intent of sale. However, as a matter of government policy and practice, the Kyrgyz Republic does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal drug transactions.

Drug Flow/Transit. The GOKG previously identified four separate routes for drug trafficking: the Kyzyl-Art route across the southernmost part of the Kyrgyz Republic and onward to Osh and the Ferghana valley and Uzbekistan; the Batken Route stretching to the far western and most remote areas bordering Tajikistan and Uzbekistan; the Altyn-Mazar route that follows a similar path into the Ferghana; and a fourth route overlapping some of these routes and beginning in the city of Khojand on the Tajik border. All of these routes originate somewhere on the 1000-kilometer Tajik border and consist of footpaths, minor roads, and only a few major thoroughfares. The GOKG estimates that there may be over 100 different paths smugglers use to move narcotics and contraband across Kyrgyz borders.

Street values of heroin and opium domestically have remained relatively stable over the last year. In August 2003, a kilogram of heroin could be purchased in Bishkek for approximately \$5,000-\$8,000 depending on purity. Other officials maintain that street prices in Osh have shown a steady decline

over the last five years indicating a burgeoning supply. In 1997, in Kyrgyzstan a kilogram of heroin cost \$10,000. According to MVD data, a single dose of heroin is currently available for 40-50 Som (\$1).

Domestic Demand. In July 2003, the Kyrgyz Republic's National Narcological Center reported 5,591 registered drug addicts, including 12 people less than 18 years of age. While the number of official addicts has increased by more than 10 percent since the 2002 report, the actual number of drug abusers is likely to be 10-15 times the reported amount. The number of registered addicts in 2003 was 5,518 men and 73 women. Of the total number of addicts registered, 3,550 are heroin and opium addicts and 1,420 are cannabis addicts.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In December 2001, the GOKG and the U.S. Embassy in Bishkek, on behalf of the State Department's Bureau of International Narcotics and Law Enforcement (INL), signed a Letter of Agreement (LOA) to construct a Model Customs Post in the village of Kyzyl-Art on the Tajik border. This post will be equipped with modern detection equipment and manned on a 24-hour basis. It should be in operation by the summer of 2004. This \$250,000 project will seek to serve as a model response to narcotics trafficking on one of the busiest drug-trafficking routes. If the model project succeeds it can be replicated to disrupt other trafficking routes. Additional drug assistance projects will provide the Kyrgyz enforcement authorities with drug detection equipment, communication, and mobility equipment with a value of almost \$500,000.00. The Kyrgyz Republic also receives UNODC counter narcotics trafficking assistance and its national passport is being redesigned with an eye towards better security with the assistance of the International Agency for Migration.

The Road Ahead. The USG will continue to assist the GOKG in its counternarcotics efforts through prosecutorial, customs and advanced law enforcement training. The USG will also provide direct support and training to law enforcement and customs canine services.

Latvia

I. Summary

Heroin, amphetamines and cannabis are the drugs of choice in Latvia. Deteriorating quality in the heroin available in Latvia seems to have accelerated a shift towards increased abuse of amphetamines, cocaine and cannabis. Latvia is a party to the 1988 UN Drug Convention.

II. Status of Country

Drug production is not a significant problem in Latvia, though potential does exist for manufacture or cultivation of certain drugs. Narcotic substances are frequently smuggled into Latvia via Poland, principally by train, bus, truck and car. Secret compartments inside gas tanks, or built-in compartments underneath car floors, car trunks, doors, and inside engines are common concealment methods. Individual couriers traveling by land frequently conceal drugs in baggage or within their bodies. Amphetamines are trafficked from the Netherlands, Poland, and Estonia, often using posted parcels. Heroin is primarily trafficked via Russia. Drugs tend to be transhipped through Latvian seaports; drugs destined for Latvia itself rarely arrive at seaports.

Latvia is not a significant producer of precursor chemicals. It has, however, served as a destination and transit point for precursor chemicals. Customs officials believe that there is a significant presence of “pre-precursors” that originate in Belarus. International customs officials for Nordic Countries have traced a significant amount of the precursor trade back to Lithuania, where it then goes through Latvia to Estonia before taking advantage of the frequent ferry service from Tallinn to Helsinki. The amount of confiscated precursors rose from 500 ml of liquid substance in the first half of 2002 to 7.54 kilograms of solid substances and 1560 ml of liquid substances in the first half of 2003.

Heroin is sold at “retail” in public places such as parks, at the city center, or more discreetly in private apartments; selling tactics and methods constantly change. Larger dealers use intermediaries to limit the clients' contact with the dealer. Amphetamines are mainly distributed at gambling centers and other areas that attract youth, such as nightclubs, discotheques and raves. According to police and NGO sources, much of the cannabis trade is carried out by persons of Roma (Gypsy) origin. Distribution is often a family business and an essential source of income. Other members or close relatives of the family continue the business if one family member is detained or prosecuted. Stable organized crime groups also engage in both wholesale and retail trade.

Heroin demand, supply, and usage have decreased since September 2001. Police officials report that this is due to a disruption in the supply of heroin flowing from Central Asia through Russia to Latvia and points further west. The quantity and quality of heroin available in Latvia has deteriorated as a result of events in Afghanistan. Both the Taliban poppy ban and subsequent military action disrupted established trafficking networks leading to a sharp decline in the quality of heroin sold to drug abusers on Latvia's streets. Trafficking routes appear not to have been re-established, despite the sharp recovery in illicit opium/heroin production in Afghanistan. Heroin samples from recent seizures have had a basic substance concentration of 6 percent to 30 percent, down from the average 80 percent two years ago and 20-30 percent last year. Analyses of seized samples of “low quality” heroin reveal that they were produced in Central Asia and Afghanistan. Heroin is diluted locally with additives to stretch the limited supply. Latvia's growing affluence, coupled with the diminished supply of heroin, has led to increased usage of cocaine. The Organized Crime Bureau reported that the standard purity of seized cocaine averages 50-60 percent.

Recreational drug use has also increased, with both amphetamines and cannabis usage showing an increasing trend. Nonetheless, among officially registered drug addicts at Latvia's Narcology Center, heroin and opiates account for the largest single category. As of September 2003, there were 2362 registered opiate users. Retail prices for heroin have continued to rise. In 2001, 0.1 gram of heroin retailed for 5 LVL (approx. \$9). The most current retail price is over 8 LVL for 0.1 gram (approx. \$15).

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Latvian government is in the process of drafting a master plan for 2004-2008 that addresses national drug control and drug abuse. This plan will create an institutional body with the authority to coordinate the state's counternarcotics efforts. The plan has six goals: Reduce the prevalence of drug use; Reduce the negative health consequences of drug use; Increase treatment of addicts; Reduce the supply of drugs; Reduce the number of drug related crimes; Reduce ancillary drug crimes, including money laundering; And reduce the illegal trafficking of drug precursors.

The State Police reorganized their efforts in combating drug distribution in May 2003, placing their domestic drug control unit under the supervision of the Organized Crime Bureau. Police interviews with detainees arrested for drug-related crimes revealed that stable organized crime (OC) groups control the narcotics supply and distribution networks in Latvia.

Law Enforcement Efforts. The total number of drug-related crimes increased from 584 in the first 11 months of 2002 to 895 in the same period of 2003. The 2003 drug-related crime statistics include 302 crimes related to drug sales, of which 269 crimes involved small-scale sales, purchasing, possession, and repeated illegal use of narcotics, and only 5 crimes related to large-scale drug contraband. In the first nine months of 2003, drug-related criminal charges were brought against 559 individuals, up from 354 in 2002. In the first 11 months of 2003, the amount of seized hashish, ephedrine and amphetamines, cocaine, and psychotropic substances increased compared to 2003 figures, while the amount of heroin, ecstasy, and marijuana seizures dropped.

The significant increase in the amount of seized hashish and cocaine are disproportionately influenced by several large seizures. The dramatic increase in the amount of confiscated hashish can be attributed to a seizure of 29.85 kilograms of hashish at the Grenctale border crossing point with Lithuania in March, and a seizure of 19.8 kilograms at the same location in October. The considerable increase in the seized cocaine is due to a seizure of 1726.58g from a narcotics wholesaler in Riga in May.

As part of the GOL's strategy to target distribution channels, the legislature amended the criminal code to institute harsher sentences for those with the intent to distribute. The Prosecutors Office, though, contended that their ability to prosecute offenders is limited due to three factors: 1) Latvia's small size makes it difficult to implement an effective witness protection program and thus reduces their ability to infiltrate criminal groups; 2) the current criminal procedures code (due for reform in 2004) does not allow for plea bargaining; 3) there are limited state resources to fund rehabilitation programs.

Corruption. Corruption remained a problem in Latvia, but the government established a new Anti-Corruption Bureau in February 2003. An investigation in March 2003 focused on allegations of police involved in retail drug dealing and led to the arrest of two former criminal police officers. Although there are allegations that Customs Officers and Border Guards sometimes conspire with smuggling rings, the USG has no evidence of drug-related corruption at senior levels of the Latvian government.

Agreements and Treaties. Latvia is a party to the 1988 UN Drug Convention. A 1923 extradition treaty, supplemented in 1934, remains in effect between Latvia and the United States. A bilateral mutual legal assistance treaty between the United States and Latvia entered into force in 1999. Latvia signed the UN Convention against Transnational Organized Crime on December 13, 2000 and ratified

it on December 7, 2001. Latvia also ratified the Protocol against the Smuggling of Migrants and signed the Protocol to Prevent, Suppress and Punish Trafficking in Persons.

IV. U.S. Policy Initiatives and Programs

U.S. Policy and Bilateral Cooperation. The United States maintains programs in Latvia focusing on investigating and prosecuting drug offenses, corruption, and organized crime. Several Latvian enforcement personnel have attended U.S. training courses in Latvia and elsewhere in the region.

The Road Ahead. In the future, the United States will continue to pursue and deepen cooperation with Latvia. The United States will expand efforts to coordinate with the EU and other donors to ensure complementary and cooperative assistance and policies with the GOL.

Lithuania

I. Summary

Lithuania is on a transit route for heroin from Asia to Western Europe. Narcotics producers in Lithuania manufacture synthetic narcotics for local use and export. Poppy straw extract, heroin, synthetic narcotics, and cannabis are drugs of choice in Lithuania, and industrially produced psychotropic drugs are increasingly popular. Narcotics use and sales continue to increase. In 2003, Lithuania continued strengthening its counter narcotics efforts and developed the National Drug Addiction Prevention and Drug Control Strategy for 2004-2008. Lithuania is a party to the 1988 UN Drug Convention.

II. Status of Country

Poppy straw extract, heroin, synthetic narcotics, and cannabis are the most popular drugs in Lithuania. The low price of poppy straw and cannabis has contributed to their popularity. The current price of a heroin dose is 20 litas (about \$6). Poppy straw is especially popular in the countryside and is smuggled to the Kaliningrad district of Russia. Hashish is not popular in the country. Industrially produced psychotropic drugs (e.g. GHB), liquid heroin, amphetamines, and new psychotropic substances are increasingly popular. The police estimate that the annual revenue of Lithuanian drug dealers increased and currently amounts to 300-500 million litas (\$100-\$160 million).

About 75 percent of all drug addicts are less than 35 years old. More than 90 percent of drug addicts live in cities. One-fifth of all the registered drug addicts are women. Over 90 percent of drug dependency cases are intravenous drug users. Two thirds of HIV positive persons are intravenous drug users. By November 2003, Lithuania had registered 832 HIV infected persons, compared to 735 in the end of the year 2002. In 2003 hepatitis B and C infection among intravenous drug users decreased by 26 percent and 35 percent respectively.

Drug use continues to be a problem among adolescents. The number of 15-16 year old students who tried drugs at least once reached 15.6 percent in 2003 (15 percent in 2002). After a decade of significant increases, however, the rate of increase has slowed. Health education programs associated with the 2001 Resolution on the Order of Early Detection of Psychoactive Substance Use Among Children targets this population and is now part of the school curriculum. These programs address drug awareness and prevention, have structured after-school programs, and try to involve parents in their children's social activities. Officials are considering implementing voluntary and/or obligatory drug testing in schools. Consumption of cannabis/hashish and amphetamines has increased, consumption of heroin and Ecstasy has decreased, and alcohol and tobacco use has also increased among pupils. A recent study found that almost 98 percent of students between the ages of fifteen and sixteen have tried alcohol; 82 percent stated they have become intoxicated at least once. This represents a two percent increase of students who have tried alcohol and a 20 percent increase of student who became intoxicated, over 1999 figures.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Government of Lithuania (GOL) has begun efforts to establish a more efficient drug control and drug addiction prevention policy. Its new strategy emphasizes the development of cooperation between national authorities and drug control organizations, promotes initiatives of local governments in the field of drug prevention and control, and increases the role of civil society in dealing with drug problems. The Parliament approved the budget (11 million litas, approximately \$4.1

million) for the 2004 National Drug Control Strategy, but has yet to vote on the overall action plan that will utilize these resources.

The Lithuanian Cabinet of Ministers ruled in October 2003 to establish a Narcotics Control Department under the GOL and allocated 1.2 million litas (\$408,000) for its operation. The new authority will deal with the implementation of narcotics prevention and control policy and the coordination of central and local governments' drug-related activities. The department will employ 20 specialists and start operations in January 2004. In September 2003, the GOL approved the National HIV/AIDS Prevention and Control Program for 2003-2008 which includes preventive measures for the HIV/AIDS intervention groups for high-risk intravenous drug users and their families, prostitutes and their clients, sailors, long-distance drivers, prisoners, and others.

Public awareness of the dangers associated with drugs and drug use has notably increased due to a larger government public information effort. The GOL has allocated 10 million litas (\$3.7 million) to government agencies and NGOs to support activities aimed at combating drug abuse.

Law Enforcement Efforts. 2003 saw a slight decrease of drug-related crimes year-on-year. Lithuanian law enforcement authorities registered 886 crimes thru November (937 in 2002). In the two-year period from 2002 to 2003, police shut down ten well-equipped laboratories producing amphetamines, Ecstasy (MDMA), and precursor chemicals. In close cooperation with Lithuania's police, customs officials initiated 13 narcotics-related criminal cases (14 in 2002, 8 in 2001, 0 in 2000). In the largest raid in 2003, authorities in Kaunas seized 300 kilograms of heroin and hashish (transported from Iran to Russia, and seized at the port in Klaipeda) and 61,000 tablets of Ecstasy. The U.S. worked closely with Lithuania police and customs officials to break up a drug smuggling and counterfeiting ring involving Lithuanian organized crime members.

Lithuanian law enforcement officials in Vilnius in October detained an American citizen on charges of synthetic drug dealing and smuggling. He was the alleged leader of a known criminal organization involved in narcotics trafficking and distribution in the U.S. A Lithuanian court granted the U.S. extradition request, and the suspect returned to the U.S. in custody on December 14. This case represents the first application of the bilateral extradition treaty.

Corruption. As a matter of government policy and practice, the GOL does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal drug transactions.

Cultivation/Production. Intravenous opium extract, produced from locally grown poppies, and "Ephedrone," made from medications containing ephedrine, continue to be most popular in Lithuania. Between June and September, police, in cooperation with customs, destroyed 31,428 square meters of poppies plots (22,676 in 2002) and 687.5 square meters of cannabis plots (1,884 in 2002).

Drug Flow/Transit. Poppy straw is transported through Lithuania to Kaliningrad and Latvia. Marijuana and hashish arrive in Lithuania from the east and the west, by land and sea (e.g. from Morocco). Heroin comes to Lithuania by the Silk Road (Afghanistan, Pakistan, Tajikistan, Uzbekistan, Kazakhstan, Russia, Belarus, Lithuania) or the Balkan road (via the Balkans and Central or Western Europe). From Lithuania, heroin leaves by ferry or car to Scandinavian countries, Poland, and Kaliningrad. Cocaine arrives in Lithuania from Central and South America via Germany, the Netherlands, and Belgium; Amphetamines from Poland and the Netherlands. Local production of amphetamines for domestic use and for export to Scandinavia is growing. Lithuanian organized crime groups traffic narcotics to Western Europe from Lithuania and Central and South America. In most cases, cannabis that transits Lithuania enters from the Netherlands, Russia, Belarus, Spain, and African countries. However, the majority of marijuana that Lithuanians consume is locally grown marijuana.

Lithuanian citizens are becoming increasingly involved with internationally organized drug rings related to narcotic and psychotropic substances. Through the beginning of December, foreign law

enforcement officials detained 102 Lithuanian citizens (113 in 2002) for trafficking amphetamines, cocaine, heroin, marijuana, Flunitrazepam (Rohypnol), and other illegal pills. Most of the arrests occurred in Germany (42), Sweden (29) and Norway (11). The number of Lithuanians detained in Latin America decreased (2 in 2003 and 15 in 2002).

Domestic Programs (Demand Reduction). Lithuania operates five national dependence disorder centers. Ten regional Public Health Centers with local outlets work to prevent the use of drugs, especially in schools. Twenty rehabilitation centers, servicing approximately 200 people annually, currently operate in Lithuania. Methadone treatment programs have operated in major cities since 1995, with 315 people receiving treatment in 2003 (The figure reported in 2002 (133) by the Narcotics Information Bureau were significantly lower; the new number reflects the Bureau's revisions).

Twelve percent of all inmates in Lithuanian prisons, 1,194 prisoners, were registered drug users as of July 2003, according to the Ministry of Interior's Prisons Department. After an HIV outbreak in the Alytus prison in 2002, GOL allocated 2 million litas (\$740,000) for equipment and activities aimed at training of prison officials, educating inmates, and preventing drug trafficking into the prison. Of 433 conscripts, 2.3 percent tested positive for drug use in 2003. Heroin and synthetic drugs were the most abused substances among conscripts.

Treaties and Agreements. An MLAT and an extradition treaty is in force between the U.S. and Lithuania. Lithuania is a party to the 1988 UN Drug Convention and the UN Convention against Transnational Organized Crime.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. USG and GOL law enforcement cooperation is very good. In 2003 the U.S. continued supporting the GOL efforts to strengthen law enforcement bodies and improve border security. To strengthen regional cooperation among Baltic states and Russia in the fight against HIV/AIDS, the U.S. funded "The Network of Excellence" project.

The Road Ahead. The USG looks forward to a continued close cooperation on law enforcement with Lithuania. Although Lithuania has made progress in developing an export control infrastructure, regulations and procedures, it still lacks the necessary level of professional skills and capabilities to detect narcotics and clandestine labs. In 2004 the USG will continue to promote increased GOL attention to the drug problem, and support activities to prevent production and trafficking of illicit narcotics..

Macedonia, Former Yugoslav Republic of

I. Summary

Macedonia is neither a major producer of, nor a major transit point for, illicit drugs. However Macedonia lies along a southern variant of the Balkan Route used to ship heroin, especially from Afghanistan, to the western European consumer market. Disruption from political friction and internal conflict also unavoidably encouraged criminal behavior. Drug seizures in the first nine months of 2003 increased significantly both in number and in quantity of drugs seized from the previous year due to more effective enforcement procedures as well as improved policing in the former conflict areas. Trafficking to and from Kosovo decreased in 2003, while trafficking to and from Albania increased. Macedonian local police, in particular ethnically mixed police teams, benefited from international assistance and appear increasingly focused and effective, despite security and equipment challenges. The increase in drug seizures in 2003 reflects both increased professionalism in the police force and increased trafficking. The political will to seriously address drug trafficking and its effects in Macedonia has improved in 2003 and needed legislation appears to be closer to final adoption planned for mid-2004. Macedonia is a party to the 1988 UN Drug Convention.

II. Status of Country

Macedonia lies along one of several overland routes used to deliver Southwest Asia heroin (through Turkey) to Western Europe. This route is also used to deliver high grade hashish produced in Albania to Turkey where it is exchanged for heroin, which is later sent to Western markets. Small amounts of marijuana are grown mainly for personal use, since the market for it is small and it cannot compete with the higher quality, lower priced Albanian product. Wild marijuana plants have been a problem in the eastern border areas in Macedonia due to favorable climate conditions there. Macedonia is not known to produce precursor chemicals, and police and custom officials strictly control entrance of possible precursors at the borders. Cocaine does not transit Macedonia in significant quantities. Trafficking in synthetic drugs, in particular Ecstasy, has increased in 2003.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Macedonia is undertaking comprehensive legislative reform in its criminal codes, including amendments to the Constitution, to allow for specialized investigative methods. Changes to the Law on Criminal Procedure, the Criminal Code, the Law on Misdemeanors and the Law on Enforcement of Sanctions are expected to strengthen penal policy and the fight against organized crime, corruption, and narcotics trafficking. The Law on Prevention of Money Laundering entered into force in 2002, and the Government is currently reviewing amendments to strengthen the authority of the Money Laundering Prevention Directorate and to bring the law into compliance with European Union guidelines. The Government in December 2003 amended its constitution to permit wiretapping, and also is reviewing the Second Additional Protocol to the European Convention on Mutual Legal Assistance in Criminal Matters, which will improve cross-border monitoring, secret investigations, joint investigative teams, and witness protection. This Protocol is expected to become operational once changes to the Constitution and criminal legislation are adopted. Anti-corruption legislation entered into force in 2003, creating a National Anti-Corruption Commission.

The draft law on control of precursors, narcotics, and psychotropic substances that would bring Macedonian law into compliance with UNODC and European Union (EU) standards underwent its first reading in the Parliament and is expected to be adopted in Spring 2004. An inter-ministerial

working group, including medical and pharmaceutical experts, is also preparing a draft text for a special law on narcotics.

The Customs Administration continued to develop its intelligence units and mobile teams, which resulted in an increased number of drug seizures by customs officers in 2003. The Ministry of Interior and the Customs Administration improved their cooperation and coordination in 2003.

Accomplishments. Macedonian police worked successfully with colleagues from neighboring countries on a number of cases in 2003. Through increased interagency cooperation and intelligence sharing with the MoI, the Customs Administration was able to seize significantly larger quantities of drugs compared to previous years.

Law Enforcement Efforts. Counternarcotics police have benefited from U.S., EU, and UNODC training and support. They are focused and effective. The high turnover rate in political-appointee leadership positions in the MoI in 2002 is no longer an issue.

Drug seizures in the first nine months of 2003 increased by about 40 percent over the previous year's total. In this period, the MoI seized 382.105 kilograms of hashish, 136.128 kilograms and 86 plants of marijuana, 61.899 kilograms of heroin, 6.502 kilograms of cocaine, 17.947 kilograms of raw opium, 5,302 ecstasy pills, and 400 liters of acetic anhydride. Following record high seizures in 1999 and 2000, the decrease in 2002 reflected challenges faced by police following the 2001 conflict, including reduced police presence in the former conflict areas. In 2003, police restored their presence throughout the country, including in the former conflict areas.

In the first nine months of 2003, police succeeded in cutting off eleven international drug trafficking routes through Macedonia—four involving heroin, six involving marijuana, and one involving cocaine. The number of convicted offenders increased about 33 percent over 2002 totals. In total, 222 cases of illegal production and trafficking with narcotic drugs, psychotropic substances or precursors were uncovered and 296 offenders convicted.

During the same time period, the MoI participated in several coordinated regional activities. As a result of these efforts, three illegal narcotics laboratories in Serbia and Montenegro were discovered, and a large amount of synthetic drugs were seized. In addition, a Turkish national, a well-known narcotics transport organizer, was arrested in Bulgaria. In 2003, the MoI worked with Interpol to identify individuals and forward data on 29 Macedonian nationals arrested abroad for narcotics trafficking.

Counternarcotics police clearly understand the need to focus on major traffickers and organizations, but continue to have difficulty penetrating these predominantly ethnic Albanian organizations. Despite the increased number of ethnic Albanian police officers in high-ranking positions, few potential ethnic Albanian informants are willing to work with counternarcotics police. Law enforcement officials were hampered by the lack of legislation to protect potential informants.

Police and customs officials have a restricted mandate. Due to legal restrictions on the use of special investigative methods and rules on evidence admissibility in court evidence, police and customs officials may only arrest traffickers in the act. They may seize vehicles involved in trafficking, but courts are reluctant to rule on seizure of other assets. The Macedonian parliament in December 2003 amended the constitution to permit wiretapping under certain circumstances, and amendments to criminal legislation are expected to be adopted by mid-2004.

Corruption. Corruption is deeply entrenched and widely seen as a necessary part of doing business. Low salaries and high unemployment foster graft among law enforcement officials. However, corruption among police and customs officials appears to have declined in 2003. The judiciary remains weak and is frequently accused of corruption. As a result, the National Anti-Corruption Commission called upon the Republican Judicial Council to review allegations of corruption against

seven judges. Anti-corruption legislation drafted with technical assistance from the World Bank was adopted in 2002, and became operational in 2003, although much work in this area remains. As a matter of government policy and practice, the government of the Former Yugoslav Republic of Macedonia does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal drug proceeds.

Agreements and Treaties. Macedonia is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. A 1902 extradition treaty between the U.S. and Serbia, which applies to Macedonia as a successor state, governs extradition between Macedonia and the United States. Difficulties arise from the fact that the Macedonian Constitution does not allow for the extradition of its own nationals arrested in Macedonia. Macedonia signed the UN Convention Against Transnational Organized Crime and its two Protocols in 2000, but has not yet ratified them due to pending constitutional and criminal legislation changes.

Illicit Cultivation/Production. Macedonia is not a major cultivator or producer of illicit narcotics. There are no reports of local illicit production or refining of heroin or illegal synthetic drugs. The small amount of legal opium poppy cultivation that exists is strictly controlled and decreasing. The only authorized pharmaceutical company for production, processing, and import of poppy seed cultivates poppy on 380.3 hectares with a 22.16 kilograms production per hectare in 2003. The overall 2002-2003 yield is down compared to the previous year due to unfavorable climate conditions. Limited quantities of marijuana also are cultivated illegally for personal use in southeastern Macedonia, and wild poppy plants were located and destroyed to the extent possible in eastern Macedonia.

Drug Flow/Transit. Macedonia lies along the southern variant of the Balkan Route used to ship Southwest Asian heroin to the western European consumer market. Police report that some 90 percent of large-scale traffickers arrested in Macedonia are ethnic Albanians; however, the number of arrested Serbian nationals trafficking synthetic drugs in Macedonia also increased in 2003. The gangs use heavy trucks, vans, buses, and cars laden with an average of several kilograms each trip. Local officials report a notable trend in smuggling high quality hashish and marijuana produced in Albania to Turkey in exchange for heroin produced in Turkey and other near-east countries. The heroin is then smuggled back through Macedonia to Albania and on to western European markets. Police report that the quality of heroin produced in Turkey is increasing, while the price is decreasing. However, officials report that these groups prefer to exchange marijuana for heroin via northern Greece or by sea, rather than via Macedonia.

Police officials also report that narcotics traffickers are using the northern Balkan route more often (from Turkey to Bulgaria, Serbia or Romania and then on to Western Europe) than the southern route through Macedonia. The small quantity of cocaine that enters Macedonia from Bulgaria and Greece generally arrives in packages of one to six kilos via airmail or courier through one of Macedonia's two airports. The average price of a kilo of cocaine in Macedonia is between \$35,000-\$40,000.

Trafficking in synthetics remains limited but increased in 2003, as illustrated by seizures of several thousand Ecstasy pills and steroids in one case. Officials are aware of Macedonia's increasingly vulnerability to synthetic drugs trafficking, since the cost for such drugs is low. Most synthetic drugs aimed at the Macedonian market originate in Bulgaria and Serbia and arrive in small amounts in vehicles. They are sold retail for about \$10 per pill in Macedonia.

Domestic Programs (Demand Reduction). Official Macedonian statistics regarding drug abuse and addiction are unreliable. Observers believe the number of drug abusers in Macedonia to be relatively high. According to police and health care officials, most registered drug abusers use marijuana, and data show a fairly constant level of heroin abuse. There is also an increase in the abuse of Ecstasy by both long term drug users and beginners. However, heroin remains Macedonia's biggest drug problem.

Cocaine abuse remains modest due to its high price and low supply on the domestic market. Police data available for the first nine months of 2003 show 5,458 registered drug addicts, indicating an additional 236 addicts compared to 2002.

Macedonia's health care and social welfare systems are still woefully unprepared to deal efficiently with the effects of drug abuse and dependence. Periodic public awareness campaigns intensified in 2003, but still need to address the underlying causes of drug abuse and provide accurate information about its harmful effects. Education officials and non-governmental organizations (NGOs) joined forces in 2003 on several occasions to produce public campaigns about the harmful consequences of drug abuse. In some secondary schools, offices to handle drug abuse issues have opened. Education specialists take an active role in the recently reinvigorated work of the National Commission in developing an action plan to combat drug abuse.

The prevailing societal attitude is that only complete abstinence is acceptable, and that demand reduction activities are not important. This policy changed slightly in 2003. The Ministry of Labor and Social Policy opened an office for social inclusion activities for drug addicts and their families in order to avoid stigmatization and to reintegrate drug addicts into society. It is too early to determine its success. A few local NGOs have made limited efforts to establish prevention programs. There is increased interest in such programs by the Chairman of the National Commission.

Macedonia has one state-run outpatient clinic for drug addicts, founded in 1985, which dispenses methadone to over 300 registered heroin addicts daily. The clinic needs to expand its capacity, technical equipment, and personnel. Methadone diversion from treatment centers to the streets is high. Evidence indicates that official statistics do not capture all overdoses, which may amount to up to 150 non-lethal overdoses per year, according to health care officials. There were six registered fatal overdoses among drug addicts in 2003. Drug treatment programs are unlikely to receive greater priority, given state budget constraints.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA officers work closely with the Macedonian police, support coordination of regional counternarcotics efforts, and organize specialized training for Macedonian police officers in the U.S. Macedonian police and customs officers benefited from a two-month specialized law enforcement training course at ILEA in Budapest. A State Department assistance-financed Prosecutor, working in conjunction with DEA, conducted specialized training in counternarcotics investigations and prosecutions for police, prosecutors, and judges. U.S. Customs officials provide technical advice and assistance to Macedonian Customs officials through SECI.

The Road Ahead. Because of Macedonia's porous borders and the growing strength of regional, mostly ethnic Albanian narcotics trafficking groups, Macedonia is likely to face increased transit rates of illegal drugs, synthetic drugs in particular. The United States will continue to encourage police to monitor well-known narcotics traffickers and to refine their abilities to prosecute them. The United States will continue to push for constitutional and criminal legislative changes and the adoption of specialized counternarcotics legislation, which are indispensable tools for the effective investigation, prosecution, and conviction of drug traffickers.

Malta

I. Summary

The Republic of Malta does not play a significant role in the shipment, processing or production of narcotics and psychotropic drugs and other controlled substances. The Maltese Government has expended a great deal of time and energy over the past several years updating Malta's laws and criminal codes in preparation for accession to the European Union. As a result, Malta's criminal code stands in harmony with the goals and objectives of the 1988 UN Drug Convention.

The Malta Police Drug Unit and the National Drug Intelligence Unit (NDIU) continue to improve their capabilities. Success in the battle waged against the drug problem in Malta is perhaps best illustrated by the increase in seizures of heroin and cocaine. The steady increase in the quantity of drugs seized over the last five years is a clear indication of improved coordination and communications among all agencies involved.

Maltese Government approved surveys indicate that illicit drug use is confined to a small segment of the population. The Government claims that drug usage is much lower than in other European countries and points to these surveys indicating that cannabis is used by less than 3.5 percent of the population as a key indicator. Enforcement agencies enjoy popular support for their efforts to combat drug related crime and the local press routinely gives favorable coverage to initiatives undertaken by the police to combat drug trafficking and drug abuse.

II. Status of Country

Malta is a minor player in global production, processing, and transshipment of narcotics and other controlled substances. There is no evidence to indicate that Malta's role in the worldwide drug trade will change significantly in the near future. Malta's small population makes unwanted trends easy to detect and deter. The drug problem is generally limited to the sale and use of consumer quantities of illegal drugs. Cultivation activity in Malta is limited to the growing of less than 200 cannabis plants per year.

III. Country Actions Against Drugs in 2003

Accomplishments. In August of 2003, the Government of Malta (GOM) and the United States concluded negotiations on the final language of an agreement concerning "cooperation to suppress illicit traffic in narcotic drugs and psychotropic substances by sea." This agreement should be signed and enter into force in the near future.

Law Enforcement Efforts. The GOM is increasingly concerned with the proliferation of recreational drugs such as ecstasy (MDMA). Police officials are disturbed by the fact those using and trafficking in illicit drugs are doing so with greater impunity than in the past. The GOM is particularly concerned about drug use among teenagers and has taken an aggressive stance in combating drugs and drug-related crime. A growth in the budget resources devoted to the National Drug Intelligence Unit (NDIU) and the Special Assistant Commissioner for drug-related matters, are clear indications of the emphasis the government places on the fight against drugs. The Malta Police Drug Unit has grown from 12 to 58 officers over the past 6 years.

Police and Customs personnel have had significant success through the profiling and targeting of suspected passengers transiting the airport. The police and the armed forces work together to monitor, intercept and interrupt sea borne smuggling of illegal drugs. Maltese custom officials have worked to

become more adept at detecting and preventing the movement of drugs through the sea terminal. This task is somewhat daunting given the volume of containers moving through Malta's free port. Port authorities have shown the ability to respond quickly when notified by foreign law enforcement of intelligence related to transshipment attempts. In 2003, there were seizures of approximately 6.7 kilograms of cocaine and 4.4 kilograms of heroin

There was no significant seizure of property related to drug crimes in 2003. However, current Maltese law provides the necessary provisions for asset forfeiture of those accused of drug related crimes.

Corruption. The USG is not aware of any corruption of public officials associated with illegal drug activities and does not have evidence that a serious corruption problem exists within the ranks of enforcement agencies. Maltese law contains the necessary provisions to deal effectively with official corruption. By way of example, in 2002 the country's Chief Justice and two fellow judges were arraigned on corruption charges for taking bribes from inmates convicted on drug charges. Investigative agencies used newly-granted wiretapping authority to identify the judges involved and gather evidence that they were planning to accept bribes in exchange for reducing the sentences of several individuals appealing the terms of their drug convictions. This case was an important example both of the Government's willingness to properly apply anticorruption laws and as a signal to the Maltese people that the social elite are not "untouchable" as had been believed widely for many years.

Agreements and Treaties. Malta is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Currently, extradition between the U.S. and Malta is governed through the 1931 U.S.-UK Extradition Treaty, made applicable to Malta as of 1935. The USG and the GOM have begun negotiations on both a mutual legal assistance treaty (MLAT) and a bilateral extradition treaty. At this time, negotiations are on hold but are expected to resume following Malta's accession to the EU in the spring of 2004.

Illicit Cultivation/Production. There is no significant cultivation/production of narcotics in Malta.

Drug Flow/Transit. Currently, there is no data that indicates that Malta is a major trafficking location. The free port in Malta is a continuing source of concern due to the volume of containers which pass through its vast container terminal. Equipment and training provided through USG non-proliferation and border security initiatives have enhanced Malta's ability to monitor illicit trafficking through the sea terminal. This should improve detection and act as a deterrent to narcotics traffickers seeking to use container shipping activity at Malta's free port as a platform for drug movements through the country. Malta serves as a routine transfer point for travel between North Africa and Europe. Heroin smuggled into Malta by this route is primarily carried in by visitors from North African countries (Libya, in particular).

Domestic Programs (Demand Reduction). Sedqa is the name given to the Maltese government-funded agency responsible for all aspects of drug and alcohol abuse and rehabilitation. Sedqa runs awareness and drug education programs in the schools (similar to the DARE program in the U.S.) This agency promotes a drug awareness program through advertising in the national media. Police officials also work closely with an agency funded by the Catholic Church called CARITAS. Police will often refer arrestees to CARITAS for rehabilitation and counseling services.

A nation-wide survey of Malta's population regarding the drug abuse problem conducted in 2001 indicated that 83 percent consider drug abuse to be a serious problem, compared with 43 percent in 1984. The same survey revealed that people in Malta perceive illicit drug users more as those in need of medical care ("patients") than as criminals. Like other predominantly Christian southern European cultures, a variety of festivals and open-air concerts take place in Malta throughout the year. A large number of such activities are held during the warmer months and attract younger tourists as well as local youth. The police have sought to reduce the demand for ecstasy and similar drugs at such events

by establishing a strong police presence and through random searching of those entering the venues. Regardless, the police are disturbed by the growing market for these types of “party drugs” in Malta.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. law enforcement and security agencies and their Maltese counterparts continue to cooperate closely on drug-related crime. Maltese officials remain interested in securing USG-sponsored training for personnel involved in narcotics control whenever possible. U.S. Customs, and the U.S. Coast Guard both provided training in Malta during 2003. The U.S. Customs Regional Export Control Advisor continues to work closely with port officials in an effort to improve their ability to monitor and detect illegal shipments. The proper utilization of the recently-donated VACIS monitoring system is a key goal and therefore the emphasis in training is on suspicious container identification, monitoring, and use of the detection equipment. The Defense Attache's Office routinely provides training through the U.S. Coast Guard to personnel assigned to the Maltese Maritime Enforcement Squadron. Training focuses on maritime search and seizure techniques as well as on the proper utilization and operation of the recently donated state-of the-art patrol boat. The joint effort to provide training, support and assistance to GOM law enforcement agencies has clearly improved the Maltese enforcement agencies ability to profile individuals possibly involved with trafficking and/or in possession of dangerous drugs.

The Road Ahead. Maltese authorities work harmoniously with USG efforts to stem the proliferation of narcotics and dangerous drugs. We fully expect that such cooperation will continue.

Moldova

I. Summary

Moldovan counternarcotics efforts underwent significant leadership changes this past year, with the Drug Enforcement Unit of the Ministry of Interior (MOI) changing directors three times in a six-month period. The number of law enforcement personnel within the Drug Enforcement Unit remained constant, with 95 officers in the field and 20 serving in headquarters or support functions. To date, 2003 statistics regarding the quantity of illicit opium and poppy straw seized show a noticeable decrease compared with 2002, while marijuana seizures are on track for a significant increase. There was a noticeable increase in narcotics cases referred to the Prosecutor General (PG). Drug usage within Moldova remains a concern, with the number of officially 'registered' addicts increasing by over 20 percent. Despite the fact that consistently poor economic conditions make Moldova a relatively unattractive market for narcotics sales, the MOI continues to claim that domestic drug abuse increases by approximately 35 percent each year. Moldova is not a significant producer of narcotics or precursor chemicals, and the true extent of money laundering here is difficult to determine. During 2003, the United States supported travel by Moldovan prosecutors, judges, and legislators to travel abroad to learn enhanced prosecutorial, judicial, and legislative techniques directed at combating corruption, money laundering, and organized crime. Moldova is a party to the 1988 UN Drug Convention.

II. Status of Country

Moldova is an agriculturally rich nation with a climate that is favorable for cultivating marijuana and opium. Annual domestic production of marijuana is estimated at several thousand kilograms. Authorities seized and destroyed 7,798 kilograms of cannabis plants and roughly 6,000 poppy plants through November 2003. The market for domestically produced narcotics remains small, largely confined to local production areas or neighboring countries. The importation of synthetic drugs continues, although authorities seized only small quantities of Ecstasy (MDMA), codeine, ephedrine, and other psychotropic substances this year. Domestic drug traffickers remain closely connected to organized crime elements in neighboring countries. These elements are involved not only in narcotics trafficking, but trafficking in women as well. Moldova is not a significant factor in the production or diversion of precursor chemicals.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Moldova strives to fulfill all obligations under the 1988 UN Drug Convention. The introduction of a new criminal code in 2003 reduced the maximum penalty for narcotics trafficking to 12 years in prison. All drug enforcement unit personnel are dedicated exclusively to counternarcotics activity. Moldova also continues to pursue, with U.S. support, anticorruption, antitrafficking, and border control initiatives that supplement counternarcotics efforts.

Accomplishments. Despite the lack of even the most rudimentary equipment such as vehicles, Moldovan drug police pursue narcotics traffickers vigorously, and seizures and lab destruction remain high priorities for the counternarcotics units. MOI officials also continue to work with the Prosecutor General to ensure that quality cases are pursued. During the first 11 months of 2003, 2,051 cases (96 percent of all reported) were sent to the Prosecutor General, with 1,588 (71 percent) going to trial.

Law Enforcement Efforts. This year, 497 kilograms of poppy straw, and 6 kilograms of opium were seized, down from 1,509 kilograms of poppy straw and 17 kilograms of opium in 2002. This reduction

in seizures of opium and poppy straw is difficult to explain. In contrast, domestically produced marijuana seizures will likely show a 33 percent increase. The possibility exists that narcotics smuggling and importation routes were disrupted, in Turkey's case due to Operation Iraqi Freedom. Despite this reduction in seizures, concerns remain for Moldova regarding the historical trend of transit countries becoming user countries. Moldova will need to invest significant resources into education, border enhancement, and further law enforcement initiatives if it hopes to stem the growth of its user population.

Corruption. The Center for Combating Economic Crimes and Corruption (CCECC) was created in 2002 at the behest of President Voronin. This Center, independent from the MOI, investigates all allegations or incidents of corruption, including those related to narcotics. The Government of Moldova, as a matter of policy, does not encourage or facilitate the production or distribution of drugs or launder proceeds from illegal drug transactions.

Agreements and Treaties. Moldova is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as well as its 1972 Protocol. Moldova also has bilateral agreements with Ukraine (1992), Turkey (1994), and Hungary (1997) related to cooperation against narcotics activity, terrorism, and organized crime.

Drug Flow/Transit. Seizures this year continue to indicate that Moldova remains primarily a transshipment country for narcotics. Information provided by the MOI indicates that two of the predominant heroin routes are from Ukraine through Moldova to Western Europe; and also from Turkey through Romania/Moldova into the CIS.

Domestic Programs. Moldova's officially registered addicts increased from 6,940 to 8,620, with treatment remaining an option for only the wealthiest of offenders. Financial hardships and poor facilities restrict rehabilitation and treatment efforts by the Moldovan government, although NGO's have previously provided limited funding for counternarcotics information and education campaigns.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Ongoing USG training and equipment initiatives are designed to improve the abilities of police to investigate and infiltrate organized crime and narcotics syndicates. Ancillary efforts related to counter narcotics include customs and border security improvement programs aimed at strengthening Moldovan border controls, thus reducing the flow of illegal goods through Moldova.

The Road Ahead. The U.S. and Moldova will work together to discourage narcotics trafficking through Moldova, and improve the administration of justice generally.

Netherlands

I. Summary

The Netherlands continues to be a significant transit point for drugs entering Europe (especially cocaine), an important producer and exporter of synthetic drugs (particularly Ecstasy and amphetamines), and an important consumer of most illicit drugs. U.S. law enforcement information indicates that the Netherlands still is the most significant source country for Ecstasy (MDMA) in the U.S. The current Dutch center-right coalition has made measurable progress in implementing the five-year strategy (2002-2006) against production, trade and consumption of synthetic drugs announced in May 2001. For example, there has been a significant increase in Dutch seizures of Ecstasy pills from 3.6 million in 2001 to six million in 2002 (most recent year for statistics). In July 2003, the National Criminal Investigation Department was set up with the key objective of enhancing the efficiency and effectiveness of criminal investigations and international joint efforts against narcotics trafficking. Operational cooperation between U.S. and Dutch law enforcement agencies is excellent, despite some differences in approach and tactics. Dutch popular attitudes toward soft drugs remain tolerant to the point of indifference. The Government of the Netherlands (GONL) and the public view domestic drug use as a public health issue first and a law enforcement issue second.

II. Status of Country

The central geographical position of the Netherlands, with its modern transportation and communications infrastructure, the world's busiest container port in Rotterdam and one of Europe's busiest airports, makes the country an attractive operational area for international drug traffickers and money launderers. Production of amphetamines, Ecstasy and other synthetic drugs, and marijuana is significant. The Netherlands also has a large chemical sector, making it a convenient location for criminals to obtain or produce precursor chemicals used to manufacture illicit drugs.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The current Dutch center-right coalition government, formed in May 2003, announced a tougher approach to the production of and trafficking in “hard” drugs, Ecstasy in particular. The coalition accord of May 16, 2003, outlining the government's intentions for the next four years, stated that “airlines will be made responsible for carrying out controls so that drug smugglers can no longer make use of their flights. If airlines fail to do so, sanctions will be imposed, including withdrawal of landing rights.” It also announced that it will continue at its current level (and not expand) the heroin distribution program, under which heroin is prescribed under strict medical guidance to serious drug addicts for whom all other treatment options have failed. In addition, the new Cabinet announced consultations with local authorities about closure of “soft” drug “coffeeshops” near schools and in border regions. Justice Minister Donner is also investigating the possibility of banning foreigners from coffeeshops, in order to fight drug “tourism.”

In the summer of 2003, the National Criminal Investigation Department (“Nationale Recherche”, or NR) became operational. The new department combines the current five core police teams, the National Criminal Investigation Team, the Unit Synthetic Drugs (USD), the Trafficking in People Unit, and the five Ecstasy teams. The NR, which is part of the National Police Services (KLPD) and which comes under the authority of the National Public Prosecutors' Office, gives top priority to international cooperation in the fight against organized crime, in particular the production of and trafficking in synthetic drugs.

Despite fierce political opposition, the Dutch Parliament approved Justice Minister Donner's plan to "close down" Schiphol airport to cocaine smuggling from the Caribbean. An estimated 20,000-40,000 kilograms of cocaine, destined primarily for the European market, are smuggled annually through Schiphol (Dutch cocaine use is estimated at 4,000-8,000 kilograms annually; in 2001 and 2002, more than 3,500 drug couriers were arrested and almost 10,000 kilograms of cocaine seized at the airport). Donner hopes to achieve 100 percent interdiction of the drugs coming into Schiphol on targeted "high-risk" flights from the Netherlands Antilles, Aruba and Suriname. He told the Second Chamber of Parliament that, as a result of the 100 percent checks on passengers, luggage, freight and aircraft, the number of drug couriers apprehended is expected to rise significantly. According to Donner, this justifies a temporary adjustment in prosecution policy in which "a certain category of drug couriers will not be prosecuted." (Unconfirmed reports suggested that only smugglers caught with 3 kilograms or more are prosecuted.) Relevant identification data on drug couriers will be made available to airlines, which will be responsible for taking special measures against these persons, including an indefinite flight ban.

The chemical precursor PPK is the principal precursor used by Dutch Ecstasy laboratories. It comes mainly by sea from China through the port of Rotterdam. In an effort to enhance cooperation to combat illicit diversion of PPK, the GONL is pursuing a memorandum of understanding with the Government of China, formalizing the sharing of administrative information on shipments and investigations. In addition to working directly with the Chinese, the Netherlands is an active participant in the INCB/PRISM project's taskforce (A program run by the International Narcotics Control Board to avoid diversion of precursors).

Cannabis is available legally in certain coffeeshops in the Netherlands. According to the fourth survey on coffeeshops in the Netherlands, published in October 2003, there were 782 officially tolerated coffeeshops at the end of 2002, which is a 3 percent drop over 2001, principally in the four major cities. About 73 percent of Dutch municipalities do not tolerate any shops at all, according to the study. In early 2004, Justice Minister Donner, whose CDA Christian Democratic Alliance Party has advocated closing of coffeeshops, is expected to publish a "Cannabis Policy Paper," which is likely to discourage cannabis use. The 2002 National Drug Monitor shows that the number of recent (used last month) cannabis users in the Dutch population over the period 1997-2001 rose from some 326,000 to 408,000, or 3 percent of the Dutch population of 12 years and older (of a total population of 16 million). The largest increase is reported among young people aged 20-24, while use among the 12-15 year-old age group remained limited and hardly changed from 1997. Life-time prevalence (used at least once) of cannabis among the population of 12 years and older rose from 15.6 percent in 1997 to 17 percent in 2001. The average age of recent cannabis users is 28 years.

Since March 17, 2003, doctors have been allowed to prescribe medicinal cannabis to their patients. Contracts were entered with two suitable government-controlled cannabis growers, and, as of September 2003, the drug can be bought in pharmacies. The Health Ministry's Bureau for Medicinal Cannabis controls quality and organizes the distribution. According to the Health Ministry, cannabis may have a favorable effect on seriously ill patients, but the government recognizes that the therapeutic effects of cannabis have not been proved and that research is on-going.

The Cabinet decided in December 2003 not to expand the so-called heroin experiment, under which heroin is medically prescribed to a limited group of heroin users for whom all other forms of treatment have failed. The current capacity for 300 participating addicts will be maintained, with a spring 2004 decision on possible expansion.

Accomplishments. Justice Minister Donner's plan to target high risk flights from the Caribbean went into effect on December 11, and, during the first five days, 120 couriers were arrested on flights from the Netherlands Antilles, of whom 31 were released without a summons after drugs were seized. The remaining 89 cases are being investigated or prosecuted. In addition, 104 potential passengers were

turned away by the airlines and 375 passengers did not turn up. About 120 kilograms of drugs were seized. During routine checks on flights from Suriname, 22 couriers were arrested, one of whom carried 14.5 kilograms of cocaine.

The Justice Ministry's progress report on the implementation of the five-year (2002-2006) action plan against production, trade, and consumption of synthetic drugs highlights the increased seizure of Ecstasy: six million Ecstasy pills were seized in 2002 compared to 3.6 million in 2001. The number of Ecstasy laboratories dismantled rose to 43 in 2002, from 35 in 2001. The increase in Ecstasy seizures was attributed to intensified controls at Schiphol airport by the special team of Dutch Customs and the Military Police (more than one million pills were seized there in 2002), the introduction of five special police Ecstasy teams (total manpower: 90), and increased staffing at the Fiscal Intelligence and Investigation Service-Economic Control Service (FIOD-ECD). The progress report shows that the measures announced in the action plan are well underway.

Law Enforcement Efforts. The Health Ministry coordinates drug policy, while the Ministry of Justice is responsible for law enforcement. Matters relating to local government and the police are the responsibility of the Ministry of Interior. At the municipal level, law enforcement policy is coordinated in tripartite consultations between the mayor, the chief public prosecutor and the police.

The Dutch Opium Act punishes possession, commercial distribution, production, import, and export of all illicit drugs. Drug use, however, is not an offense. The act distinguishes between "hard" drugs that have "unacceptable" risks (e.g. heroin, cocaine, and Ecstasy), and "soft" drugs (cannabis products). Trafficking in "hard drugs" is prosecuted vigorously and their dealers are subject to a prison sentence of up to 12 years. Such trafficking on an organized criminal scale carries an additional one-third of the original sentence (up to 16 years). Sales of small amounts of cannabis products (under five grams) are "tolerated" (i.e., not prosecuted, even though technically illegal) in "coffeeshops" operating under regulated conditions (no minors on premises, no alcohol sales, no hard drug sales, no advertising, and not creating a "public nuisance").

Dutch police inter-regional core teams and National Prosecutors give high priority to combating drug trafficking. Drug Enforcement Administration (DEA) agents stationed with Embassy The Hague have close contacts with their counterparts in the Netherlands. Beginning in FY 2002, the Dutch assigned Dutch liaison agents to Miami, Florida and Washington, D.C. to improve coordination with U.S. law enforcement agencies.

All foreign requests for information are sent to the Regional Intelligence Department (DIN). Cooperation in quickly executing U.S. requests and obtaining teams to work on U.S. cases has been excellent. Problems remain with the exchange of intelligence on major criminal organizations, with or without a U.S. nexus. It was hoped that the formation of the National Criminal Investigation Department (also known as the National Crime Squad) would eliminate the need for foreign liaison officers to shop around to obtain a team to work on a U.S. case. However, to date, few procedures have changed because foreign offices and liaison officers still must to work through the DIN. Dutch officials also indicated they would try to complete 200 cases a year, with only 5 percent to 10 percent dedicated to foreign requests, i.e., they will only assist in approximately 20 cases annually for the numerous foreign offices with qualified status in the Netherlands.

Corruption. The Dutch government is committed to fighting national and international corruption. It 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. No senior official of the Dutch government engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Press reports of low-level law enforcement corruption appear from time to time but the problem is not believed to be widespread. At year's end, the Royal Marechaussee (military police with responsibility for Schiphol Airport and border control generally) reported it had been investigating credible

allegations of drug trafficking and corruption involving ground service personnel, Dutch Customs and military police at Schiphol. In order to remove any conflict of interest, the investigation has been turned over to Ministry of Defense inspectors.

Agreements and Treaties. The Netherlands is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, the 1961 Single Convention on Narcotic Drugs, and the 1972 Protocol amending the Single Convention. It has ratified the 1990 Strasbourg convention on money laundering and confiscation. The U.S. and the Netherlands have agreements on extradition and mutual legal assistance (including asset sharing). The Netherlands has enacted legislation on money laundering and controls on chemical precursors. The Netherlands is a member of the UN Commission on Narcotics Drugs and the major donors group of the UN ODC. It is a member of the Financial Action Task Force (FATF) and the Caribbean Action Task Force (CATF) as a Cooperating and Supporting Nation. The Netherlands is a leading member of the Dublin Group of countries coordinating drug-related assistance and chairs its Central European regional group. The Netherlands has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime, and two of its three Protocols.

Cultivation and Production. About 75 percent of the Dutch cannabis market is Dutch-grown marijuana (“Nederwiet”), although indoor cultivation of hemp is banned, even for agricultural purposes. Amsterdam University researchers estimate that the Netherlands has at least 100,000 illegal home growers of hashish and marijuana, with the number increasing. Together they produce more than 100,000 kilos of soft drugs and are the largest suppliers of coffeeshops, according to the study. The estimates are based on a significant rise in the number of lawsuits and police raids. Although the Dutch government has given top priority to the investigation and prosecution of large-scale commercial cultivation of Nederwiet, tolerated coffeeshops appear to create the demand for large-scale commercial cultivation. Indeed, there is evidence that demand for growers leaks over the Netherlands' borders into Belgium, and perhaps elsewhere.

The Netherlands remains one of the world's largest producers of synthetic drugs, especially Ecstasy. In 2002, the USD listed a total of 740 seizures of synthetic drugs around the world, of which 205 (some 30 percent) took place in the Netherlands. Of the remaining seizures registered in 35 other countries, some 70 percent could be related to Dutch criminal organizations. Of the 205 Dutch seizures, 141 involved synthetic drugs that were intended for export. The seizures of drugs around the world that could be linked to the Netherlands involved some 24.6 million Ecstasy tablets and over 910 kilos of MDMA powder. Of this total, the largest amount was seized in the Netherlands (6.1 million pills) and Belgium (more than 5 million pills), followed by Germany (almost 3 million), the U.S. (2.5 million), France (2 million) and the UK (1.8 million). The USD reported lower amphetamine seizures in 2002 than in 2001, but the quantity of “Dutch-related” amphetamine seized in other countries went up. In 2002, the USD dismantled 43 production sites for synthetic drugs, of which 26 were situated in residential areas. Most production sites were Ecstasy laboratories. According to the USD, the production of synthetic drugs in residential areas is an alarming development. The FIOD-ECD, which is primarily responsible for intercepting chemical precursors, seized some 318 liters and 9,255 kilos of PMK and 1,228 liters of BMK in 2002.

Drug Flow/Transit. The Netherlands remains a primary point of entry for drugs to Europe, especially cocaine. The GONL has stepped up border controls to combat the flow of drugs. Confronted with an explosive growth in the number of drug couriers at Schiphol, the government announced in January 2002 a special counter narcotics offensive—the Schiphol Action Plan. The government has also expanded the number of container scanners in the port of Rotterdam and at Schiphol airport. Controls of highways and international trains connecting the Netherlands to neighboring countries were also intensified.

Demand Reduction. The Netherlands has a wide variety of demand-reduction and harm-reduction programs, reaching about 80 percent of the country's 26,000-30,000 opiate addicts. The number of opiate addicts is low compared to other EU countries (2.6 per 1,000 inhabitants); the number has stabilized over the past few years, their average age has risen to 40, and the number of overdose deaths related to opiates has stabilized at between 30 and 50 per year. Needle supply and exchange programs have kept the incidence of HIV infection among intravenous drug users relatively low. Of the addicts known to the addiction care organizations, 75 percent regularly use methadone.

According to the 2002 National Drug Monitor, the out-patient treatment centers registered some 26,605 drug users seeking treatment for their addiction in 2001, compared to 26,333 in 2000. The number of cannabis and opiate addicts seeking treatment has stabilized at 3,443 and almost 15,544, respectively. Statistics from drug treatment services show a sharp increase in the number of people seeking help for cocaine problems (representing an increase of 49 percent between 1994 and 2000). Two out of three people seeking help for cocaine problems are crack cocaine users. The average age of drug "clients" was 39 years. Total costs of drug treatment programs are put at \$100 million. Drug experts have noted a significant drop in Ecstasy use, while cocaine use appears to be going up.

Drug prevention programs are organized through a network of local, regional and national institutions. Schools are targeted in efforts to discourage drug use, while national campaigns are conducted in the mass media to reach the broader public. The Netherlands requires school instruction on the dangers of alcohol and drugs as part of the health education curriculum. The Netherlands Institute of Mental Health and Addiction (the Trimbos Institute) has developed a project in the field of alcohol and drugs in the context of teaching "healthy living" in classrooms. About 75 percent of Dutch secondary schools participate in the project. In October 2002, the Health Ministry and the Trimbos Institute launched the new mass media campaign "Drugs, Don't Kid Yourself," providing drug information to parents, teachers and students. The 24-hour national Drug Info Line of the Trimbos Institute has become very popular.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. and the Netherlands cooperate closely on law enforcement activities throughout the Kingdom of the Netherlands. Despite excellent operational cooperation between U.S. and Dutch law enforcement agencies, concern remains over the Netherlands' role as the key source country for MDMA/Ecstasy entering the U.S. The U.S. and the Netherlands agree on the goal (to reduce production and traffic of illicit drugs), but differ over which law enforcement methodology will be most effective in achieving it. The Dutch continue to resist use of controlled deliveries and criminal informers in their investigations of drug traffickers. They are also reluctant to admit the involvement of large, international drug organizations in the local drug trade and do not use their asset forfeiture rules often in narcotics cases. The second U.S.-Dutch bilateral law enforcement talks, held in The Hague in March 2003, resulted in an "Agreed Steps" list of actions to enhance law enforcement cooperation in fighting drug trafficking.

The Road Ahead. The U.S. expects U.S.-Dutch bilateral law enforcement cooperation to intensify. The GONL's Ecstasy Action Plan should further counter Ecstasy smuggling from the Netherlands. The Dutch synthetic drug unit will also continue to make concrete progress. The establishment of a central police investigative body in the spring of 2003 will certainly boost cooperation on international investigations, including Ecstasy cases.

Norway

I. Summary

The Nordic and Baltic countries have decided to introduce joint measures to counter drug abuse and trafficking. Illicit drug production remained insignificant in 2003, but drug demand increased. Norway continued to tightly control domestic sales, exports and imports of precursor chemicals. The number of individual drug seizures fell for the first time in a decade, but the total amount of drugs seized rose as the police shifted their attention from individual abusers to bulk drug suppliers. Norway is a party to the 1988 UN Drug Convention.

II. Status of Country

Illicit drug production remains insignificant in Norway, primarily as a result of Norway's stringent regulations governing sale, export, and import of precursor chemicals and because of its harsh climate conditions. Given its strong legal framework and active law enforcement efforts, Norway is unlikely to become a significant producer of precursor chemicals for the illicit drug trade. It remains, however, a popular market and transit point for drugs produced in Central/Eastern Europe and elsewhere.

III. Country Actions Against Drugs in 2003

Policy Initiatives. In a September 2003 meeting in Lund, Sweden, Ministers from the Nordic Council of Ministers and the Baltic States introduced joint measures to combat drug abuse. The so-called Lund Declaration calls for enhanced Nordic/Baltic cooperation to counter drug abuse in Northern Europe through prevention, law enforcement, and treatment. Areas of focus include police cooperation, the sharing of information and data, and the prevention of contagious disease linked to drug abuse.

Domestically, the Norwegian Police Directorate (PST) began to implement its 2003-2008 Counter-Narcotics Action Plan, carrying out an increasing number of drug raids in Oslo and other locations. The Action Plan focuses on reducing domestic drug abuse and identifying and curbing illicit drug distribution.

The Ministry of Social Affairs announced the establishment of a narcotics action committee to advise the government on narcotics policy for the 2003-2005 period. According to the committee's mandate, it will evaluate preventive strategies and propose drug rehabilitation and treatment measures. The committee will also study Norway's current narcotics policy and submit recommended changes.

As part of its own counternarcotics plan aimed at curbing drug imports, the Customs and Excise Directorate (CED) unveiled draft regulations to strengthen oversight of small private aircraft because of concerns that foreign gangs are dropping drugs at locations in Norway. According to the draft legislation, small aircraft will be required to submit detailed information on passengers. The CED also established a mobile narcotics control unit (including narcotics detection dogs), strengthened its surveillance, began use of mobile X-ray scanners at border crossings.

Accomplishments. In 2003, Norway contributed approximately NOK 18.5 million (\$2.6 million), compared with NOK 20.5 million in 2002, to the UN Drug and Crime Prevention Program (UNDCP).

Law Enforcement Efforts. The number of drug seizures dropped for the first time in a decade to 26,816 cases (estimated) in 2003 from 30,310 in 2002. However, the amount of seized drugs rose as the police shifted their attention from individual abusers to bulk drug suppliers. The police believe that the figures might be higher were it not for large seizures in Denmark and Sweden of narcotics destined for Norway. Of the 2003 seizures, cannabis accounted for the bulk (40 percent), followed by

benzodiazepines (22 percent) and amphetamines (18 percent). With the police's increased focus on bulk drug suppliers, the number of persons charged with narcotics offenses dropped to 38,380 in 2003 from 50,510 the previous year.

In October, seven men, Norwegian and Vietnamese, were charged with smuggling and possession of approximately 100 kilograms of amphetamines, one of the largest quantities ever seized by Norwegian police. Police investigators in "Operation Kenwood" estimate that the gang was earning upwards of 20 million NOK (nearly \$3 million) a week from April 2002 up until the time of their arrests. The "Kenwood Gang" smuggled the drugs into Norway from the Netherlands, stored the drugs, and prepared them for sale in Oslo and the surrounding areas. Working together, Norwegian and Lithuanian police arrested three people in Lithuania and several Lithuanians in Norway for smuggling amphetamines into Norway hidden in secret compartments in vehicles.

Corruption. As a matter of government policy and practice, Norway does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal drug transactions. According to Norway's penal code, corruption of Norwegian and foreign officials is a criminal offense. Norway's corruption laws were recently strengthened to cover corruption overseas, meaning that Norwegian nationals/companies bribing officials in foreign countries can be brought to court in Norway.

Agreements and Treaties. Norway ratified the 1988 UN Drug Convention in 1994. Norway has a bilateral extradition treaty and customs agreement with the U.S. It has laws outlawing money laundering and it closely regulates exports and imports of precursor chemicals. Norway is a party to the UN Convention against Transnational Organized Crime and two of its three Protocols.

Cultivation/Production. Norway's harsh climate and stringent laws governing drugs and drug distribution discourages illicit cultivation. Insignificant amounts of illicit drug plants were discovered. While there is concern that narcotics dealers may establish mobile laboratories to convert chemicals into synthetic drugs, the police did not uncover significant synthetic drug production in 2003.

Drug Flow/Transit. The inflow of illicit drugs—particularly cannabis, heroin, benzodiazepines, ecstasy/MDMA, and amphetamines—remains significant. Most illicit drugs are brought into Norway by vehicle from other European countries, including the Baltic States, the Netherlands, Belgium, Germany, Spain, and the Balkans. As an example, in June police in Poland uncovered a major amphetamine laboratory using Norway as one of its main outlets. Norway has also blamed Russia for failure to control rohypnol. The Norwegians report, however, that the flow of rohypnol into the country has been reduced since a Swiss pharmaceutical company stopped shipping the drug to Russia.

Domestic Programs. The Government's Action Plan against alcohol and drug problems focuses on youth, including children of drug abusers, and the most problematic abusers. Drug education programs are integrated into the curricula of most Norwegian schools. Many of Norway's municipalities have outreach programs for drug abusers, and in Oslo two million clean needles are now distributed annually free of charge to addicts. Medically assisted rehabilitation with the use of methadone and other medication has been available since 1998. According to the latest available statistics, approximately 13-19 percent of Norway's estimated 10,500-14,000 intravenous drug users have been admitted into a treatment program. The last extensive survey of drug use in Norway was conducted by the Norwegian Institute for Drug and Alcohol Research in 1999. According to the results, 15.4 percent of the population aged 15-64 had at one time tried cannabis, 3.8 percent amphetamines, 1.3 percent ecstasy, 2.1 percent cocaine, and 1.4 percent heroin. The next interview survey is scheduled for 2004.

Norway's Ministry of Defense (MOD) made drug enforcement raids at several military camps as part of its efforts to curb drug abuse in the armed forces. At one camp, 79 new recruits out of 1,420 were found to be in possession of illegal narcotics. The MOD continues to discourage drug use in the armed forces by conducting seminars and distributing counternarcotics information.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG had no counternarcotics assistance programs in Norway in 2003. U.S. Drug Enforcement Administration officials consult with Norwegian counterparts when required.

The Road Ahead. The United States and Norway will continue to cooperate on narcotics control issues..

Poland

I. Summary

While Poland has traditionally been a transit country for drug trafficking, it is now gaining significance as a consumer market and a producer of amphetamines. Illicit drug production and trafficking are closely tied to organized crime, and, while Polish law enforcement agencies have been successful in breaking up organized crime syndicates involved in drug trafficking, criminal activities are becoming more sophisticated and global in nature. Poland finalized a National Program for Counteracting Drug Addiction in July 2002, and this year allocated a budget for its implementation. Cooperation between USG officials and Polish law enforcement has been consistent and outstanding, and Poland's imminent EU accession has accelerated the process of GOP diligence on narcotics policy. Poland is a party to the 1988 UN Drug Convention.

II. Status of Country

Poland continues to be a major center for synthetic drug production, particularly amphetamines. High-purity amphetamines and ecstasy are produced in large quantities in Poland, and are subsequently exported to other European markets. In particular, ecstasy production is on the rise, due in part to increased domestic demand. Poland is a major producer of precursor chemicals, and acts as a transshipment route from eastern suppliers of precursors and narcotics, particularly Ukraine and Turkey.

Drug use in Poland is rising, particularly the use of opiates. The Ministry of Health estimates that there are between 300,000 and 600,000 drug addicts in Poland, with the drugs of choice being marijuana, amphetamines and heroin. Drug abuse and drug-related crime are increasing in Poland, and represent a serious problem (drug-related arrests were up more than 30 percent this year). Drug-related crimes perpetrated by juveniles have increased alarmingly, and studies show that one out of every four Polish secondary school students has taken drugs.

Polish authorities indicate that there are two tiers of drug trafficking and law enforcement in Poland: large-scale, international operations dealt with by the CBS, Poland's FBI equivalent, and small-scale dealers and abuse, addressed by local municipal police. The drug trade is largely controlled by three organized crime groups operating in the areas of Warsaw, Krakow and Gdansk. Poland's law enforcement community has had marked success in breaking up drug smuggling operations, and continues to focus on identification of drug-production facilities, many of which are mobile clandestine laboratories.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The National Program for Counteracting Drug Addiction, which covers the period 2002-2005, brings Poland into compliance with the 2000-04 EU Drugs Strategy. The National Program is a comprehensive and realistic plan focusing on prevention, supply reduction, treatment, and monitoring. MONAR, a non-governmental organization, is the main actor in the implementation of the National Program. For the first time since its creation, a budget (approximately \$3.2 million) was approved in 2003 to finance the implementation of the National Program. In addition, individual ministries and local governments continue to finance Program activities out of existing counter narcotics budgets.

Accomplishments. During 2003, Polish police shut down 9 major amphetamine-producing laboratories. Five of these were in the Warsaw region, and the other four were located in southern

border areas of Poland. More than 13,000 drug-related arrests were made in Poland during 2003. To fight international crime, new regulations recently went into effect, which give Polish police more operational tools for law enforcement. Informants, telephone taps, controlled purchases are now all permitted by Polish law, and a witness protection program is in place.

Law Enforcement Efforts. DEA agents visit Poland at least every other month, and have enjoyed close collaboration with Polish officials on drug-related investigations. Other embassies' Police Liaison Officers praise the openness and cooperative nature of the National Bureau for Drug Addiction in discussing drug-related issues.

Corruption. A comprehensive inter-ministerial anticorruption plan was adopted by the government in late 2002. The detailed plan contains strict timelines for legislative action, and for the implementation of strict and transparent anticorruption procedures within each individual ministry. While instances of small-scale corruption bribery, smuggling, etc., are prevalent at all levels within the customs service and among police, the USG is not aware of large-scale corruption that facilitates the production, processing or shipment of narcotic and psychotropic drugs and other controlled substances. Polish National Police and the CBS continue their joint efforts to investigate small-scale corruption that impedes or discourages police investigations or prosecution. The number of cases investigated and successfully prosecuted relative to the number of reported incidents, however, remains low.

Agreements and Treaties. Through the National Program, Poland has fulfilled requirements to harmonize its laws with the European Union's Drug Policy. Poland has signed and ratified the UN Convention on Organized Crime and two of its three Protocols. Poland is a party to the 1988 UN Drug Convention. An extradition treaty and MLAT are in force between the U.S. and Poland.

In May 2004, Poland will become a full member of the Dublin Group, a consortium of 20 industrialized countries endeavoring to coordinate bilateral drug-related assistance policies. Poland, together with the European Commission, the Baltic States, Russia, Germany, and the Nordic states, comprise the Task Force on Organized Crime in the Baltic Sea Region.

Drug Flow/Transit. While end-product synthetic drugs are manufactured in Poland (the precursors are usually imported from other countries), heroin, hashish, and cocaine frequently transit Poland en route to Western Europe. There are also North-South routes transiting or leading to Poland. Polish police believe that most of the drugs transiting Poland are headed to Germany and the United Kingdom. Sea-based shipping routes are also utilized; some of the largest seizures in Poland have taken place at the Baltic port of Gdansk. Police, however, report that they lack a basis to estimate with any precision the amount of illegal drugs transiting through Poland.

Domestic Programs (Demand Reduction). Demand reduction objectives of the National Program include reducing the spread of drug use, limiting the spread of HIV infections connected with drug use, and improving the quality and effectiveness of treatment. On the supply side, the Program seeks to improve training and coordination between various Polish law enforcement authorities including the CBS and the border guards. Because of the high level of market activity in cheap precursors, the CBS has made the controlling and monitoring of precursors the Bureau's top priority.

In addition to the programs mentioned above, the Law on Counteracting Drug Addiction requires the Ministry of Education to provide a drug prevention curriculum for schools and to provide support for demand reduction projects based on a community approach. In response to this requirement, the government has developed a drug prevention curriculum for schools which consists of 23 separate programs for different age groups. This curriculum comprises part of the Program of Prevention of Problems in Children and Young People, which educates students on a range of social ills including drugs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG believes that training targeted to assist the Polish law enforcement community with more effective investigation and detection techniques continues to be the best way to serve U.S. interests. Continued seminars and train-the-trainer programs, conducted by DEA, will be part of the 2004 bilateral activities. Enhancing operational cooperation through joint investigations and travel assistance to Polish law enforcement officers will also continue.

Bilateral Cooperation. The DEA maintains close contact and holds numerous operational liaison meetings with Polish law enforcement officials, and cooperates with two full-time agents from the Federal Bureau of Investigation posted in Warsaw. In 2003, DEA led a training exercise for law enforcement officials, focusing on drug investigation methodology and financial crimes. DEA recently funded the trips of two Krakow-based national police to New York as part of an ongoing joint investigation.

The Road Ahead. Poland's approaching EU membership on May 1, 2004, continues to play a key role in sharpening the Government of Poland's (GOP) attention to narcotics policy. In addition to the fact that the EU is by far the largest donor to Poland's counternarcotics activities, this should continue to serve as a motivating force for even closer collaboration between Poland and its neighbors to the East and the West.

GOP priorities for 2004 include the creation of an "early warning system" on new synthetic drugs; improvement of data gathering; intensification of international cooperation; and transformation of the role of the Council for Counteracting Drug Addiction from an advisory body to a policy-making body. The U.S. fully supports these targets

Portugal

I. Summary

Portugal is a significant gateway into Europe for drug shipments from South America and North Africa. In 2002, the price of cocaine dropped below heroin for the first time. Ecstasy (MDMA) continues to gain popularity, particularly among the younger population. Heroin continues to take a human and economic toll although the number of addicts seeking treatment is dropping. Intravenous drug use within the prison population is an area of concern to health authorities. Portugal actively participates in international counternarcotics programs. U.S./Portuguese cooperation on drugs has included visits by U.S. officials and experts, training of law enforcement personnel, and assistance in establishing rehabilitation programs. Portugal decriminalized small-quantity drug abuse in 2001. The Government administers a wide range of programs aimed at preventing and treating drug use. Portugal is a party to the 1988 UN Drug Convention.

II. Status of Country

Drug smugglers use Portugal as a gateway to Europe, their task made somewhat easier by open borders between the Schengen Agreement countries and Portugal's extensive coastline. South America (particularly Colombia) is the primary source for cocaine arriving in Portugal. Some of these shipments transit Brazil and Venezuela, which has a large resident Portuguese population. Other primary source countries are Morocco (hashish) and Turkey (heroin). Cocaine and heroin enter Portugal by commercial aircraft, truck containers, and maritime vessels. Heroin transits through the Balkans, the Netherlands, and Spain en route to Portugal. The Netherlands is the primary source of ecstasy. A significant amount of drugs enters Portugal from Spain through the northern province of Vila Real. The U.S. has not been identified as a significant final destination for drugs transiting Portugal, although in late 2003 several persons carrying a large quantity of ecstasy were arrested in the Lisbon airport attempting to travel to the U.S.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Portugal decriminalized drug use for casual consumers and addicts in July 2001. This law makes the "consumption, acquisition, and possession of drugs for personal use" a simple administrative offense. The maximum quantity allowed any one person is not to exceed ten days' personal supply. First-time offenders are referred to the Commission for the Deterrence of Drug Addiction for adjudication. Repeat offenders are fined.

In March 2002, the Government passed a new law that created the Maritime Authority System and the National Maritime Authority. This authority, in coordination with other law enforcement agencies, combats drug trafficking in coastal waters and within Portugal's Exclusive Economic Zone. Portugal is seeking maritime security cooperation agreements with other countries, particularly Morocco, and was selected to host the headquarters of the European Maritime Security Agency (EMSA) in December 2003.

Law Enforcement Efforts. Portugal has four separate law enforcement agencies that deal with narcotics: the Judicial Police (PJ), the Public Security Police (PSP), the Republican National Guard (GNR), and Customs (DGAIEC). The PJ is a unit of the Justice Ministry with overall responsibility for coordination and criminal investigations. The PJ started 2318 investigations against drug traffickers in 2002 and 1,864 defendants were sentenced to jail. At the end of December 2002, more than 3,900 persons were serving jail sentences for drug trafficking, including 665 foreigners.

Portuguese law enforcement authorities report that the new generation of drug consumers is shying away from heroin and opting for cocaine and ecstasy. According to the Institute of Drugs and Drug Addiction, the price for one gram of cocaine in 2002 dropped to 38.57 euros, while one gram of heroin sold for 43.78 euros. In December 2003, Portuguese authorities seized 300 kilograms of cocaine in a raid in Aveiro, 450 kilograms in Maia, and 800 kilograms in a raid in the Azores. In September 2003, the PJ seized 18 metric tons of hashish in the Algarve region, the largest such seizure ever in Portugal. For the period January to October 2003, the PJ seized more than 125,000 ecstasy tablets.

Corruption. No cases of systematic or large-scale corruption were reported in 2003.

Agreements and Treaties. Portugal is a party to and supports the goals of the 1988 UN Drug Convention. End-users of all narcotics-related chemicals imported into Portugal must be identified by the Customs Bureau. A Customs Mutual Assistance Agreement (CMAA) has been in force between Portugal and the U.S. since 1996. Portugal and the U.S. are parties to a 1908 extradition treaty. This treaty does not cover financial crimes, drug trafficking, or organized crime. Certain drug trafficking offenses, however, are extraditable in accordance with the terms of the 1988 UN Drug Convention. Portugal has signed, but has not yet ratified, the UN Convention against Transnational Crime.

Cultivation/Production. Portugal is not a significant producer of narcotics. Although the PJ dismantled a laboratory producing synthetic drugs in the Algarve region in 2002, ecstasy is produced mainly in the Netherlands and other countries such as Germany, Belgium, and the Czech Republic.

Drug Flow/Transit. Portugal's long, rugged coastline and proximity to North Africa offer an advantage to traffickers who smuggle illicit drugs into Portugal. In some cases, traffickers are reported to use high-speed boats in their attempts to smuggle drugs into the country. No significant routes of drug trafficking from Portugal to the U.S. have been detected. The arrest in late 2003 at Lisbon airport of several persons seeking to carry Ecstasy to the U.S. appears to have been a one-time occurrence.

Domestic Programs/Demand Reduction. Following the 2002 national elections, the Government moved responsibility for coordination of Portugal's drug programs from the Secretary of State for the Presidency to the Ministry of Health. The Government established the Institute for Drugs and Drug Addiction (IDT) by merging the Portuguese Institute for Drugs and Drug Addiction (IPDT) with the Portuguese Service for the Treatment of Drug Addiction (SPTT). The combined institute serves as the statistical gathering and dissemination center for narcotics issues, and manages government treatment programs for narcotics addiction.

The Institute sponsors several programs aimed at drug prevention and treatment. The most important program is the Municipal Plan for Primary Prevention. Its objective is to create, with community input, locality-specific prevention programs in thirty-six municipal districts. The Institute sponsors a hotline and several public awareness campaigns. A study sponsored by the Institute revealed that 10 percent of Portuguese middle school students have experimented with hashish, and 8 percent have experimented with drugs other than hashish. Regional commissions are charged with reducing demand for drugs, collecting fines, and arranging for the treatment of drug abusers. A national needle exchange program has been credited with significantly reducing the spread of HIV/AIDS and hepatitis. Drug treatment within the Portuguese prison system continues to be an issue of concern as intravenous drug use is a leading cause of HIV infections among inmates. The Portuguese prison system has the highest rate of inmates with drug-related infectious diseases in the European Union. There is currently a debate on extending the needle exchange program to the prison system.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA-Madrid cooperates with the Portuguese Judicial Police on U.S.-nexus drug cases. The Portuguese Customs Bureau cooperates with the U.S. under the terms of the 1996 CMAA. In March 2003, Embassy Lisbon's Office of Defense Cooperation (ODC) arranged for a U.S.

Coast Guard mobile training team to conduct advanced boarding-officer training with the Portuguese Customs Bureau. Another advanced boarding officer class is planned for March 2004, followed by a counternarcotics instructor course.

The Road Ahead. Continuing cooperation between the U.S. and Portugal on narcotics law enforcement will aid in attacking drug trafficking networks. The future focus will be on strengthening law enforcement training and our policy dialogue.

Romania

I. Summary

Romania is not a major source of production or cultivation of narcotics. Romania lies along a well-established route used to move heroin and opium from Southwest Asia to Western Europe, and has recently begun to serve as a source of amphetamines. Romania is also used as a transit point for South American cocaine destined for Western Europe. In 2003, Romania made several major drug seizures. A national plan to address drug abuse announced in 2001 was implemented in 2003. Allegations of corruption continued to damage the image of the primary drug fighting law enforcement body. Corruption remains a serious problem, although Romania has begun taking some steps to address the issue. Romania is a party to the 1988 UN Drug Convention.

II. Status of Country

Romania lies along what is commonly referred to as the Northern Balkan Route, and thus it is a transit country for narcotics moving from Southwest Asia, through Turkey and Bulgaria and onward toward Western Europe. In addition, a large amount of precursor chemicals transits Romania from West European countries south toward Turkey. Romania increasingly is becoming a storage location for illicit drugs prior to shipment to other European countries. In 2003, law enforcement officials seized a number of laboratories producing synthetic drugs in Romania, made several important drug seizures and arrests, and dismantled an international drug trafficking and money laundering network. Law enforcement officials noted that a trend of increasing domestic narcotics abuse continued in 2003. While officials stated that heroin and marijuana were the primary drugs consumed in Romania, the use of synthetic drugs such as MDMA (Ecstasy) increased among segments of the country's youth.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Romania continues to build an integrated system of prevention and treatment services at the national and local level, with 47 Anti-Drug Prevention and Counseling Centers located throughout the country. Joint teams of police and social workers carry out educational and preventative programs against drug consumption.

Accomplishments. Romanian courts have sentenced several drug traffickers to long sentences under the tough provisions of the narcotics law enacted in 2000, and the Romanian police have established an undercover drug investigation unit to take full advantage of the authority for undercover operations that the drug law provides.

Law Enforcement Efforts. In 2002, Romanian authorities confiscated 43,674 kilograms of illegal drugs and convicted 432 individuals for drug-related crimes. In the first nine months of 2003, Romanian authorities dismantled 115 drug trafficking rings, investigated 988 persons for drug-related crimes, and seized over 337 kilograms of drugs and 1,893 kilograms of precursor chemicals. Also in 2003, Romanian authorities shut down one synthetic drug production laboratory and a major heroin trafficking network through the Negru-Voda border point. A Romanian-Serbian network trafficking marijuana, Ecstasy and cocaine was destroyed along with drug trafficking networks in Iasi and Botosani counties. Police officers of the General Directorate for Combating Organized Crime and Anti- Drug Operations (DGCCOA), in cooperation with the General Prosecutor's Office, dismantled an international drug trafficking and money-laundering network, which trafficked 2 tons of heroin from Turkey through Romania to the Netherlands, Germany and Italy.

Romania continues to modernize and reorganize its primary drug fighting service, the DGCCOA. The DCCOA was reorganized into two divisions, an organized crime division and a counternarcotics division. The counternarcotics side of the DGCCOA now has some 50 officers; it also has internal squads working undercover operations. The DGCCOA announced plans to double its forces by the end of 2004 and made progress toward establishing 15 Regional Centers for Countering Organized Crime and Narcotics.

Corruption. Corruption remains a serious problem within the Romanian government, including within the judiciary and law enforcement branches. The reorganization of the DGCCOA was triggered by a scandal in which the head of one of its drug squads was accused of using an informant to divert confiscated drugs. The Ministry of Administration and Interior, Ministry of Justice and Customs undertook a major reorganization at the beginning of the year 2003, resulting in several dismissals of high officials within the police. Additionally, the Anti-Corruption Prosecutor's Office (PNA) began operation September 1, 2002 and has made good progress on investigating corruption cases, investigating over 2200 cases by 1 October 2003. In 2003, Romania drafted a code of ethics for police officers and passed an Anticorruption Law, including measures, which if fully implemented, would promote transparency in the civil service.

Agreements and Treaties. Romania is a party to the 1988 UN Drug Convention. An extradition treaty is in force between Romania and the United States, and a mutual legal assistance treaty came into force in October 2001 .

Drug Flow/Transit. Illicit narcotics from Afghanistan enter Romania primarily over land through its southern border with Bulgaria. However, drugs are also brought into the country via the Black Sea port of Constanta, as well as via the country's international airports. Once in Romania, the drugs move either northwest through Hungary, or west through Serbia. Police estimated that 80 percent of the drugs that enter Romania continue on to Western Europe.

Domestic Programs (Demand Reduction). While consumption of narcotics in Romania has historically been low, this appears to be slowly changing; the Romanian government has become increasingly concerned about domestic drug consumption. Detoxification programs are offered through some hospitals, but treatment is very limited. These programs are hampered by a lack of resources and adequately trained staff. As of June 2003, 1,913 individuals were registered for treatment.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2003, the United States provided \$975,000 in assistance to Romania to further develop its cyber-crime and counternarcotics capabilities, reform of the criminal justice system, and combat official corruption. Romanian police officers participated in U.S. Bureau of Customs and Border Security Canine Enforcement Officer training and the U.S. Secret Service offered courses on financial crimes. Romania also benefited in 2003 from the over \$1.8 million in U.S. and other assistance to the Southeast Europe Cooperative Initiative (SECI) Center for Combating Trans-border Crime, which more broadly supports the twelve participating states in the Balkan region and focuses on trans-border crime.

The Road Ahead. Romania has put a serious emphasis on its counternarcotics efforts and cooperation with the USG. The USG believes that cooperation will continue, as the Romanian government has become increasingly concerned with domestic drug consumption.

Russia

I. Summary

In 2003, the Government of Russia (GOR) placed renewed emphasis on combating its drug trafficking problems by creating a new counternarcotics agency aimed at coordinating all drug investigations within the country. Heroin trafficking and abuse continues to be a major problem facing Russian law enforcement agencies and public health agencies. Since the events in Afghanistan in 2001, opium cultivation and heroin production in Afghanistan has risen dramatically. Given Russia's large and porous borders with Central Asia, Afghan opium/heroin transiting Russia to Europe has become a major problem for the GOR. This rise in heroin trafficking is reflected in the increase of drug related crimes and the number of HIV/AIDS cases. Illegal diversion of legally manufactured drugs into the Russian underground market and the trafficking of precursor chemicals are also widespread in Russia. Acetic anhydride, a precursor chemical used in the production of heroin, both transits Russia from Ukraine and originates in Russia and is subsequently transported to Turkey. The GOR has recognized the extent of the drug trafficking and health problems within the country and is taking steps to address both the law enforcement and public health issues. Russia is party to the 1988 UN Drug Convention, the 1961 Single Convention of Psychotropic Substances and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances.

II. Status of Country

Russia is a transit country for heroin and opium, most of which comes from Afghanistan, and the majority of which is destined for Europe. Given the porous nature of the Russian border with Central Asia and the limited technical and financial support for law enforcement, it is clear that Russia is ill-equipped to handle the inundation of Afghan heroin into the country. Russia is also a consumer of heroin due to the high availability and low prices. The average price of a gram of heroin in Russia is between \$30.00 and \$36.00, down from a reported average of \$39.00 in 2002. Despite the low cost of heroin, addicts still resort to criminal activity to support their addiction. Production of amphetamines and synthetics for domestic consumption is minor but on the rise. Designer "club" drugs are increasing in popularity with Russia's youth. Typically, MDMA Ecstasy is produced in the Netherlands and Poland. However, in 2003, there were several reports by both the Russian Ministry of Internal Affairs (MVD) and Federal Security Service (FSB) that MDMA labs now exist in Russia. Although the MDMA tablets produced in Russia are of low quality, the low prices (sometimes as low as \$5.00 U.S.) are attractive to Russian youth in comparison to the \$20.00 U.S. typically charged for MDMA tablets from the Netherlands.

Russia remains a significant producer/diverter of precursor chemicals for export for the production of Afghan and Turkish heroin. Acetic Anhydride (AA) is transshipped from Ukraine through Russia to Turkey or shipped directly from Russia to Turkey. In April 2003, approximately 3 tons of AA was seized by Russian law enforcement agencies. This seizure was a result of increased cooperation between Russian and Turkish law enforcement agencies. Cocaine trafficking is not widespread in Russia, as the prices remain very high. Although there have been numerous reports of cocaine being transported to the Russian port of St. Petersburg, no significant seizures of cocaine occurred in Russia in 2003.

Drug abuse within Russia is a matter of concern for national health officials. In the beginning of 2003, there were 340,000 registered drug addicts in Russia. This figure only reflects those addicts who are known to health officials. The number of drug users in Russia is estimated to be between 3 and 4 million people. The majority of drug users are under 30 and approximately 30 percent are heroin

addicts. According to the Ministry of Health, as of October 2003, there were 251,000 officially registered HIV/AIDS cases in Russia, but the actual number is estimated to be between 700,000 and 1.5 million. Currently 70-80 percent of all transmissions are through intravenous drug use.

Domestic distribution of drugs is handled by traditional Russian criminal organizations that have long conducted other criminal operations in various regions of Russia. Trafficking into the country is often handled by members of various ethnic groups who tend to specialize in certain categories of drugs in specific areas. Afghans, Tajiks and other Central Asians mainly import heroin across the southern border with Kazakhstan into European Russia and western Siberia.

III. Country Actions Against Drugs in 2003

Policy Initiatives. In July 2003, Russian President Vladimir Putin created a new drug agency called the Russian State Committee for the Control of Narcotic and Psychotropic Substances (GKPN). This 40,000 member agency is tasked with coordinating all drug investigations and enforcing narcotics laws within Russia. The head of the GKPN, Viktor Cherkesov, reports directly to President Putin, reflecting the importance of the new agency.

Russia has an enormous chemical production industry. Unfortunately this industry is almost completely devoid of effective management and regulation by either regulatory or law enforcement bodies. This lack of control results in huge illegal shipments of the precursor chemicals needed in the manufacturing of heroin. The new Russian State Narcotics Control Committee has devoted a significant portion of its resources to the control of the Russian precursor chemical industry and the diversion of legally manufactured pharmaceuticals to the illicit market. Among the chemicals used in the production of heroin hydrochloride, acetic anhydride (AA) and the solvents acetone, ethyl ether, methyl ethyl ketone, and hydrochloric acid are considered the most critical. Each has widespread legitimate commercial and industrial use, and each is regulated by the United Nations International Narcotics Control Board (INCB), as well as the Organization of American States, and the U.S. Drug Enforcement Agency (DEA) DEA will work closely with the U.S. State Department, and the new Russian State Narcotics Control Committee to develop the GKPN's ability to regulate and control the chemical industry.

Accomplishments. Russia now has a legislative and financial monitoring scheme that facilitates the tracking and seizure of all criminal proceeds. Since 1997, Russia has passed a number of laws criminalizing money laundering and terrorist financing, which also provide for the forfeiture of criminal proceeds. Russian legislation provides for techniques such as search, seizure and compelling the production of documents, as well as the identification, freezing, seizing and confiscation of funds/assets. Where sufficient evidence indicates that property was obtained as the result of a crime, investigators and prosecutors can apply to the court to have the property seized or frozen. Law enforcement agencies have the power to identify and trace property that is, or may become, subject to confiscation or is suspected of being the proceeds of crime or terrorist financing.

Law Enforcement Efforts. In November 2003, the GOR passed legislation reducing the sentence for possession of drugs for personal use from a maximum of 3 years in jail to a fine. Additionally, the GOR passed legislation increasing the maximum jail terms for drug dealers from 15 to 20 years.

Corruption. President Putin has stated that controlling corruption is a priority for his administration. However implementing this policy presents a constant challenge. Inadequate budgets, low salaries and lack of technical resources and support for law enforcement hamper performance, sap morale and encourage corruption. In 2003, there were several reports of corruption among low to mid level law enforcement officers. In October 2003, five GKPN agents were arrested on charges of extortion. The agents allegedly were taking bribes to not launch a criminal case against a drug trafficker. The agents were former Ministry of Internal Affairs (MVD) officers.

In October 2003, reports of corruption among newly assigned GKPN officers in Russia's Far East indicated that corrupt officers could earn up to 7,000 rubles (\$230.00) a month for protecting one drug sales point. On October 28, 2003, a former policeman of the Krasnoyarsk Oktyabrskiy district was sentenced to seven and a half years in prison for drug trafficking. There were no reported cases of high level narcotics related corruption.

Agreements and Treaties. Russia is party to the 1988 UN Drug Convention, the 1961 Single Convention on Psychotropic Substances and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Under the U.S./Russia Mutual Legal Assistance Treaty (MLAT), the requested country is obligated to provide assistance if there is dual criminality and the other pertinent requirements of the treaty are met. If there is no dual criminality, assistance is discretionary. At present, no extradition treaty exists between the U.S. and Russia. Russia, which does not extradite its own nationals, has said that it will extradite citizens of other countries with which it has concluded extradition treaties. To date, Russia has provided MLAT assistance in two narcotics related cases.

Cultivation/Production. There are no official statistics on the extent of opium cultivation in Russia, and the USG has no evidence to suggest that more than 1,000 hectares of opium—the threshold which would make Russia a Major Cultivator of Opium—are cultivated. In Russia, there are small, illicit opium poppy fields ranging in size from one to two hectares. This year, more poppies were discovered than in previous years. Typically the opium fields are small backyard plots or are located in the countryside concealed by other crops. In Siberia, in the Central Asian border region, and in the Omsk/Novosibirsk/Tomsk region along the border with Kazakhstan, opium poppies are widely cultivated. According to Russian authorities, in 2003 more cannabis and poppy plants were cultivated on larger plots of land, and wild harvests of these plants expanded throughout Russia. Wild cannabis is estimated to cover some 1.5 million hectares in the eastern part of the country. The MVD reported that throughout 2003, new zones for storing raw poppy and cannabis for drug production continued to be identified.

Drug Flow/Transit. Heroin from Southwest Asia flows through Central Asia, particularly Tajikistan and Kazakhstan, over the southern border into Russia, for domestic distribution and consumption and for transshipment to Europe and, to a much lesser extent, the United States. The Caspian Sea port city of Astrakhan and the Black Sea port of Novorossiysk are major transit points for Turkish and Afghan heroin into Russia. Vast amounts of daily sea traffic, consisting of passengers, autos on ferries and bulk goods in trucks are used to conceal heroin moving into Russia. Both routes mentioned above are also used in reverse to smuggle multi-ton quantities of the precursor chemical acetic anhydride to the clandestine laboratories that produce Afghan and Turkish refined heroin. The lack of border controls with China and Mongolia facilitates smuggling, including drug trafficking, through that region.

In the east, the Russians continue to import the precursor ephedrine from China for Russian domestic production of methamphetamine in kitchen labs in quantities for personal use. Cocaine traffickers also route Colombian cocaine for transshipment to Europe and elsewhere through Russian seaports and airports.

Demand Reduction. Russian authorities are attempting to implement a comprehensive counternarcotics strategy that would combine education, health and law enforcement. Russian law enforcement authorities also have come to support the idea that demand reduction should complement law enforcement efforts to reduce supply.

IV. U.S. Policy Initiatives and Programs

Policy Objectives. The principal U.S. goal in Russia is to help strengthen Russia's counter narcotics law enforcement capacity to meet the challenges of international drug trafficking into and across Russia. The U.S. also tries to increase the knowledge, and improve the techniques of Russian law

enforcement personnel with the goal of developing reliable Russian law enforcement partners for U.S. law enforcement.

Bilateral Accomplishments. In 2002, the U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs (INL) negotiated a Letter of Agreement (LOA) with the GOR allowing direct assistance to the GOR in the area of counternarcotics and law enforcement assistance. The U.S. also provided technical assistance in support of institutional change in the areas of criminal justice reform, mutual legal assistance, anti corruption and money laundering.

The Road Ahead. The GOR places high priority on counter narcotics efforts and has indicated a desire to deepen and strengthen its cooperation with the United States and other countries. The USG will continue to encourage and assist Russia to implement its comprehensive, long term national strategy against drugs with multidisciplinary sustainable law enforcement assistance projects that combine equipment, technical assistance and expert advisors. DEA is scheduled to provide State Department-funded counter narcotics training to over 200 trainees in 2004, primarily enforcement personnel in the newly created State Narcotics Control agency as well as Russian Customs.

Slovakia

I. Summary

Slovakia lies at the crossroads of two major drug transit routes, the traditional east-west routes from Ukraine and the Russian Federation and the historic “Balkan Route,” which runs from Southwest Asia to Turkey and on to Germany, France, and other Western European countries. The GOSR is a party to the 1988 UN Drug Convention.

II. Status of Country

Figures for both consumption and production of narcotics within Slovakia remained low. However, the GOSR remains concerned with the continuing use of Slovakia as a transshipment point for smuggling illicit drugs. The exact figures of seizures and arrests on the borders are not consistent, but the GOSR continues to concentrate on east-west smuggling from Ukraine and Russia. Enforcement officials say that Russian organized crime groups have continued to be active in heroin trafficking this year. Slovak authorities are also placing increased emphasis on the Balkan Route and the suspected Albanian criminal organizations that use this route. These routes may be less utilized after EU accession and enhanced border controls are enacted. Authorities do not believe that precursor chemicals are a problem in Slovakia.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The National Plan for the Fight against Drugs was revised in 2003 to include further research and responsible organizations in the fight against drugs.

Accomplishments. From 2002 to 2003, the Drug Unit at the National Police Headquarters investigated 225 distribution cases. The joint Police-Customs unit made the largest precursor seizure of an LSD-precursor, with an estimated street value of \$61 million.

Law Enforcement Efforts. The Ministry of Interior is undergoing a comprehensive organizational restructuring. The Criminal and Financial Police, where the drug unit is located, will merge with the security police section. Slovakian authorities hope that the police restructuring will facilitate communication throughout the police and shorten investigations. A specialized police agency targeted on organized crime is also part of the reorganization.

Corruption. Slovakia has made major strides in the fight against corruption. Officials serious about creating transparent rules and prosecuting abuses have been put in key positions, a new conflict of interest law is now discussed in Parliament, and a special prosecutor to fight corruption will soon be instituted. The head of the Government's anticorruption office is a noted human rights lawyer who extended the scope for “sting” operations and has introduced a “whistle blower” statute to protect employees who talk to investigators about corruption in their government offices.

Agreements or Treaties. Slovakia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention, and the 1971 UN Convention on Psychotropic Substances. The extradition treaty between Czechoslovakia and the United States has continued in force between the United States and Slovakia. Slovakia has ratified the UN Convention against Transnational Organized Crime and has signed the Protocol to Prevent, Suppress and Punish Trafficking in Persons and the Protocol against the Smuggling of Migrants.

Cultivation/Production. Small amounts of marijuana continue to be grown in all regions of the country, but for domestic consumption only. It does not appear that heroin is being produced within

Slovakia. While some use of MDMA (ecstasy) among Slovaks has been reported, there have been no reports of its production within the country. Over the past few years, Police recorded between 5 to 10 synthetic drug laboratories discovered annually. However, Czech producers mostly supply the Slovak market.

Drug Flow/Transit. The shared border with Hungary and Ukraine was the site of the greatest number of attempts to enter Slovakia with illegal substances. The greatest number of attempts to smuggle substances out of Slovakia was noted at the Czech and Austrian borders.

Domestic Programs. According to the Mini-Dublin group report from 2003, the GOSR is among the highest spenders on preventative activities in relation to GNP per capita in the world. The Ministry of Education annually revises a textbook on drug prevention, which is also available in national minority languages. Centers for Education and Psychological Prevention focus on community outreach concerning drug use and are already functioning in half of the districts in Slovakia. The Slovak healthcare service has a comprehensive network across the country and offers short-term and long-term treatment.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. As in prior years, Slovak enforcement officials participated in several Department of Justice courses, funded by the U.S. Department of State. These classes were designed to increase the resistance to corruptive influences at the working level, and to improve counternarcotics and anti-organized crime detection/investigative skills. The Export Control and Border Security program provided numerous training opportunities and equipment for Slovak customs officers. The two most effective training programs were the four weeks of joint training with Czech officers on the Czech-Slovak border and a training program on the Slovak-Ukrainian border.

The Road Ahead The United States will continue to encourage the GOSR to adequately budget for narcotics enforcement and to maintain its tough stance on drug interdiction..

Slovenia

I. Summary

Slovenia is neither a major drug producer nor a major transit country for illicit narcotics. The Government of Slovenia (GoS) is aware that Slovenia's geographic position makes it an attractive potential transit country for drug smugglers, and it continues to pursue active counternarcotics policies. Slovenia's impending EU membership in May 2004 and its goal of attaining full Schengen membership soon thereafter resulted in a continued intensive focus on border controls in 2003. As a successor state to the Socialist Federal Republic of Yugoslavia, Slovenia is a party to the 1988 UN Drug Convention.

II. Status of Country

Heroin from Afghanistan, which transits Turkey continues to be smuggled via the "Balkan Route" through Slovenia to Western Europe. Heroin traffickers in 2003 tended to be mostly Albanian nationals, although recent trends show Serbian nationals becoming more involved. Slovenia's main cargo port, Koper, located on the North Adriatic, is a potential transit point for South American cocaine and North African cannabis destined for Western Europe. Drug abuse is not yet a major problem in Slovenia, although authorities keep a wary eye on heroin abuse, due to the drug's availability.

III. Country Actions Against Drugs in 2003

Policy Initiatives/Accomplishments. The Slovenian Office for Narcotics worked with its Croatian counterpart to organize a regional counternarcotics conference in Dubrovnik in November 2003 which looked at Balkan trafficking routes, addiction rates, corruption, money laundering, and national programs and legislation.

Law Enforcement Efforts. Law enforcement agencies seized 2,536 MDMA tablets in the first nine months of 2003, compared with 7,051 tablets in 2002, and 1,773 ecstasy tablets in 2001. In 2003, 77.24 kilograms of heroin were seized, compared with 65.6 kilograms of heroin in 2002, and 88.9 kilograms of heroin in 2001. In addition, 144.37 kilograms of marijuana were seized in 2003, compared with 1,083.8 kilograms of marijuana in 2002, and 170.56 kilograms of marijuana in 2001

Corruption. Police and border control officials are adequately paid, and corruption among them is uncommon.

Agreements and Treaties. Slovenia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The 1902 extradition treaty between the United States and the Kingdom of Serbia remains in force between the United States and Slovenia. Slovenia signed the UN Convention against Transnational Organized Crime in December 2000 and in November 2001 signed the Protocol to Prevent, Suppress and Punish Trafficking in Persons, and the Protocol against the Smuggling of Migrants, and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms.

Drug Flow/Transit. A recent investigation involved Slovenian nationals trafficking large amounts of marijuana cultivated in Bosnia-Herzegovina through Slovenia to the Netherlands. This criminal organization was also transporting precursor chemicals utilized in the manufacture of MDMA to the Netherlands and then transporting MDMA back into Slovenia. This investigation demonstrated the increasing use of MDMA in Slovenia and the availability and trafficking of precursor chemicals along

the Balkan Route. Serbian and Croatian traffickers are utilizing Balkan countries to smuggle large amounts of South American cocaine to Europe using the vast unguarded Balkan coastlines as a port of entry.

Domestic Programs. Slovenians enjoy universal health care provided by the government. These programs include drug treatment.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Slovenian law enforcement authorities have been willing and capable partners in several ongoing U.S. investigations.

The Road Ahead. Based on the high quality of past cooperation, we expect to continue joint U.S.-Slovenian law enforcement investigations in 2004.

Spain

I. Summary

In 2003, Spain continued to be the leading transit point into Europe for cocaine and hashish, and made significant interdiction of synthetic drugs, such as ecstasy (MDMA), produced for domestic use. The Spanish National Police, Civil Guard, and Customs Services remain active in counternarcotics efforts and maintain excellent relations with U.S. law enforcement. Drug trafficking is one of Spain's most important law enforcement concerns. Spain is a party to the 1988 UN Drug Convention as well as new EU conventions on counter narcotics trafficking.

II. Status of Country

Spanish law enforcement agencies seized an estimated 50,000 kilograms (50 metric tons) of cocaine during 2003, surpassing the previous record set in 2002. Spain is the chief gateway for cocaine shipments from Latin America into Europe. Spain is also increasingly a transit point to the U.S. for ecstasy from the Netherlands. Spanish police continue to seize large amounts of Moroccan hashish, much of which is intended for other parts of Europe. The majority of heroin that arrives in Spain is transported from Turkey across Europe to Spain.

No coca is grown in Spain, and production of cannabis and opium is minimal. Illicit refining and manufacturing of drugs in Spain is also minimal. However, small-scale laboratories of synthetic drugs such as LSD are discovered and confiscated each year. Spain has a pharmaceutical industry that produces precursor chemicals. There is effective control of precursor shipments within Spain from the point of origin to destination, administered under the National Drug Plan (PNSD).

III. Country Actions Against Drugs in 2003

Policy Initiatives. Spanish policy on drugs is directed by the national drug strategy, which covers the years 2000 to 2008. The strategy, approved in 1999, expanded the scope of law enforcement activities, such as permitting sale of seized assets in advance of a conviction and allowing law enforcement to use informers. The strategy also outlined a system to re-integrate drug addicts back into society. The strategy targets money laundering and illicit commerce in chemical precursors, and calls for closer counternarcotics cooperation with other European and Latin American countries.

The National Central Drug Unit coordinates counternarcotics operations among various government agencies, including the Spanish Civil Guard (GC), the Spanish National Police (SNP), and the Customs Service. The agencies appear to cooperate well.

Law Enforcement Efforts. Cocaine—In 2003, Spanish authorities estimate they have seized 50,000 kilograms of cocaine, a 37 percent increase over last year's seizures. The majority of these seizures take place on the open seas. Spanish customs reports that they seized 27,000 kilograms of cocaine and 199,000 kilograms of hashish between January and October 2003. This amount represents an increase of 115 percent over last year's total during the same months.

There were many notable cocaine seizures in 2003. The Spanish National Police seized a number of Venezuelan shipping vessels including one in June carrying approximately 2,500 kilograms, and two off the coast of the Canary Islands in July, one carrying 3,300 kilograms and another carrying 1,500 kilograms. In October, Spanish authorities caught a ship named "South Sea" carrying 7,500 kilograms of cocaine. The SNP reported a seizure of a Honduran vessel with a Dominican captain and eight Greek nationals, also near the Canary Islands, transporting 3,500 kilograms of cocaine. The Spanish

Civil Guard interdicted a ship off the coast of Catalonia carrying 2.7 metric tons of hashish valued a 3.6 million euros. The ship was operated by three natives of Kosovo.

Ecstasy & LSD. Although the Spanish press reports a decline in the use of synthetic drug ecstasy, Spanish authorities continue to seize large supplies used domestically or destined for the United States. The National Plan on Drugs reported that Spanish authorities seized 1.4 million pills in 2002; however, this year, officials report they have seized 514,000 MDMA tablets. Some notable seizures were made by the Spanish Civil Guard at Madrid International Airport. In August, Officials found 13,400 tablets on a Spaniard arriving from Amsterdam. The Spanish National Police seized 235,000 MDMA tablets on the Island of Ibiza, located seventy-five miles east of Valencia. In August, the Spanish National Police discovered an ecstasy laboratory containing approximately 20,000 tablets and enough chemical material to produce 200,000 MDMA tablets. The SNP seized a shipment of ecstasy trafficked by a Romanian national operating in Europe. The trafficker planned to send 30,000 ecstasy tablets to the U.S. He was discovered with 20,000 tablets when he tried to board a bus traveling to Madrid. In October, the Spanish Civil Guard seized 30,000 dosage units of LSD from an Argentinean national at Madrid's International Airport.

Hashish. Hashish interdictions have also increased. For example, in June, the Spanish Coast guard seized a ship off the coast of Catalonia carrying 2.7 tons of hashish, valued at \$3.6 million. In July, the Spanish Civil Guard seized 25,759 kilograms of hashish from a truck and trailer at the Port of Algeciras in Cadiz, Spain. The hashish was hidden in a box of frozen squid and calamari. This was the Guard's second largest seizure since 1966.

Corruption. There is no evidence that government policy encourages or facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, or launders proceeds from illegal drug transfer. There is no evidence that senior government officials engage in, encourage, or facilitate the illicit production or distribution of drugs.

Agreements And Treaties. Spain is a party to the 1988 UN Drug Convention. Spain is a party to the UN Convention against Transnational Organized Crime and two of its protocols. A 1970 extradition treaty and its three supplements govern extradition between the U.S. and Spain. The U.S.-Spain Mutual Legal Assistance Treaty has been in force since 1993. The U.S. and Spain have also signed a Customs Mutual Assistance Agreement.

Cultivation/Production. Coca leaf is not cultivated in Spain, and cannabis is grown in insignificant quantities. Opium poppies are cultivated under strictly regulated conditions for research. Refining and manufacturing of cocaine and synthetic drugs is minimal, with some small-scale laboratories converting cocaine base to cocaine hydrochloride.

Drug Flow/Transit. Spain is the major gateway to Europe for cocaine coming from Columbia, Peru, and Ecuador. Maritime vessels and containerized cargo shipments account for the bulk of the cocaine shipped to Spain. In addition, Spain remains a major transit point to Europe for Moroccan hashish, as well as ecstasy and other synthetic drugs produced mainly in the Netherlands. Couriers carrying ecstasy from Spain have been arrested at Madrid's International Airport or upon entry into the U.S.

Domestic Programs. The national drug strategy identifies prevention as its principal priority. In that regard, PNSD continued its publicity efforts targeting Spanish youth. Spain's autonomous regional governments provide treatment programs for drug addicts, including methadone programs and needle exchanges. Prison rehabilitation programs also distribute methadone.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. goals and objectives for Spain are focused on maintaining and increasing the current excellent bilateral and multilateral cooperation in law enforcement and demand reduction.

The U.S. seeks to promote intensified contacts between officials of both countries involved in counternarcotics and related fields.

The Road Ahead. The DEA Madrid Country Office will continue to coordinate closely with its Spanish counternarcotics officials in the international fight against drug trafficking..

Sweden

I. Summary

Sweden is not a significant illicit drug producing, trafficking or transit country. Public support for Sweden's zero tolerance drug policy remains high. The government completed its second year of a three-year plan to combat narcotics. Amphetamine and cannabis remain the most popular illegal drugs in Sweden. A new synthetic drug, fentanyl (China White), appeared on the market in 2003; it resulted in the deaths of at least ten people. Sweden is a party to the 1988 UN Drug Convention.

II. Status of Country

Relative to other European countries, Sweden—both within government and society—is intolerant of drugs. Sweden also places a greater focus on prevention than some of its fellow EU members. Sweden has approximately 26,000 heavy drug addicts (i.e., with regular intravenous use and/or daily need for narcotics). There are approximately 350 narcotics-related deaths each year.

The Swedish Prime Minister, Goran Persson, has declared the fight against narcotics as one of the top priorities for his government. In February 2003, he strongly emphasized the necessity to combat organized crime, viewing organized crime as an important part of the drug industry. Persson also links the abuse of alcohol and tobacco to the fight against narcotics. The government's National Action Plan Against Narcotics was issued in January 2002 and carries on until 2005. The plan has received \$42 million in funding to combat narcotics, with a focus on restricting supply for young people. A critical element in Sweden's counternarcotics efforts is cooperation with the Baltic region where significant trafficking routes have been established.

The abuse of steroids in Sweden remains high the quantity of steroids seized in Sweden has increased steadily over the past four years. One obstacle to more effectively combating this problem remains effective legislation; the current penalty for illegal smuggling or manufacturing of steroids is lower than other illicit drugs. Young people, age 18 to 24, continued to abuse amphetamines, cannabis, and ecstasy (MDMA), despite growing public opposition to any liberalization of counternarcotics laws.

III. Country Actions Against Drugs in 2003

Initiatives and Accomplishments. During 2003, the drug abuse prevention program concentrated on information campaigns and seminars throughout the country designed to raise awareness, in addition to establishing networks with national and international NGOs. A government initiative to distribute needles to addicts in the southern parts of Sweden led to a decision by the Minister of Health to allow county councils to determine individually whether to proceed with needle distribution programs. The ministers responsible for combating narcotics in the Nordic and Baltic countries agreed in September to sign a joint declaration—the Lund Declaration—to further strengthen their work against drugs and organized crime in the region. The government decided to spend \$13 million at the municipal level on different drug preventive programs for young people, treatment for drug addicts and special assistance for children of addicts.

Law Enforcement Efforts. No major drug processing labs were detected during the year. Ten young Swedes, between 16-22 years old, were arrested in November for attempting to smuggle ecstasy to the U.S. The police think that a large international smuggling network trying to establish new routes through Europe to the U.S recruited these individuals. The investigation will continue into 2004. Swedish Customs focuses on smuggling as a manifestation of organized criminal activity.

The penalty for possession of Rohypnol was increased. After a significant increase in the illegal smuggling of Rohypnol in recent years, the Supreme Court made it easier to try traffickers for the more serious crime of gross smuggling by lowering the number of pills necessary to bring this charge from 20,000 to 9,000. Rohypnol is an anesthetic sometimes misused as a “date rape” drug.

Corruption. Cases of public corruption are relatively rare in Sweden. However, in November, an investigation by the National Corruption Prosecutor concluded that, even though corruption is not perceived to be a problem in Sweden, more resources are needed to investigate possible incidents of corruption. Although no cases arose in 2003 involving officials involved in counternarcotics efforts, two significant cases concerned the Migration Board and the Swedish alcohol retailing monopoly, where officials were found guilty of accepting bribes.

Agreements and Treaties. Swedish priorities in the international arena are focused on reinforcing control of illicit drug trafficking, streamlining counternarcotics organizations, targeting narcotics with foreign aid, and intensifying cooperation with international fora. Sweden is a party to the 1988 UN Drug Convention and is meeting the Convention's goals and objectives. Sweden is a party to the 1961 Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and to the 1971 Convention on Psychotropic Substances. Sweden has signed the 2000 UN Convention against Transnational Organized Crime and its protocols. Sweden has bilateral customs agreements with the United States, among other countries. There were no cases of extradition between Sweden and the U.S. concerning drug crimes during 2003.

Cultivation/Production. Illicit drugs are not cultivated or produced in significant quantities in Sweden. Small-scale cannabis cultivation of 800 plants was discovered in a police raid at a farm in northern Sweden in February.

Drug Flow/Transit. Drugs mainly enter the country concealed in commercial goods, by air, by ferry, and by truck over the new Oresund bridge linking Sweden to Denmark. Statistics show that 70 percent of all seizures are made in that region. Despite increased smuggling through the Baltic countries and Poland, 75 percent of illicit drugs are smuggled through other European Union (EU) countries. Most seized amphetamine originates from Poland, the Netherlands, and Belgium. Seized ecstasy comes mainly from the Netherlands, cannabis from Morocco and southern Europe. The route for heroin is more difficult to establish. Law enforcement officials did not encounter any drugs intended for the U.S. market. Authorities say that Sweden's role as a transit country has grown, as smugglers discover that goods crossing foreign borders from Sweden receive less scrutiny than goods from countries with higher crime rates.

Domestic Programs and Demand Reduction. The National Institute of Public Health, along with municipal governments, is responsible for providing compulsory drug education in schools. Also, several non-governmental organizations are devoted to drug abuse prevention and public information programs. According to Swedish penal law, individuals abusing drugs can be sentenced to drug treatment.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Swedish cooperation with United States Government law enforcement authorities continues to be excellent.

The Road Ahead. The U.S. will pursue enhanced cooperation with Sweden bilaterally and through the EU.

Switzerland

I. Summary

Switzerland plays a role as both a consumer market and transit route for illicit narcotics, but it is not a significant producer of most illicit drugs, with the exception of hemp/marijuana. Based on revised data, drug-related arrests were up during 2002 (latest data available) by 6.7 percent.

The Swiss public continues its strong support for the government's four-pillar counternarcotics policy of preventive education, treatment, harm reduction, and law enforcement. The politics of drug liberalization at the federal level has changed recently, putting the brakes on the cannabis legalization movement. A new drug bill aimed at decriminalizing cannabis use for Swiss adults, concentrating enforcement efforts against other drugs, and making permanent a pilot heroin maintenance program for drug addicts suffered a severe setback after it failed to win parliamentary approval during the 2003 fall session. The recent victory of the conservative populist Swiss People's Party (SVP) in the last October General Elections, and the ensuing hand-over of the Justice/Police Ministry to the CVP's Christoph Blocher are further signs that support for easing drug laws is dwindling.

The SVP's successful political campaign also promised action against bogus asylum seekers who represent a significant proportion of drug dealers and traffickers in Switzerland. The significant rise in narcotic seizures among the foreign population may lead to wider use of domestic travel restrictions for foreigners convicted of drug offenses. The Swiss government has delayed ratification of the 1988 UN Drug Convention while considering the implications of its pending revised narcotics legislation.

II. Status of Country

In a country of approximately seven million people, about half a million are thought to use cannabis at least occasionally. Roughly 30,000 people are addicted to heroin and/or cocaine, and more than 7.2 percent of the population uses a narcotic substance regularly in Switzerland. While the use of heroin has stabilized and even shown a slight decrease in recent years, the use of cannabis and synthetic drugs, especially MDMA (Ecstasy), continues to increase. Police are also concerned about the continuing trend by casual users to mix cannabis and other drugs.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Beginning January 1, 2002, jurisdiction for all cases involving organized crime, money laundering, and international drug trafficking shifted from the cantons to the federal prosecutor's office in Bern. A new judiciary police force was set up and investigative judges increased from one to five. According to the federal prosecutor's office, the number of judges will be increased to 25 by 2006. Further controls on narcotic and psychotropic substances took effect on January 1, 2002, after which it became illegal to advertise products that contain narcotic or other psychotropic substances without government certification. Violators who put human lives at risk could face fines up to \$161,000(SFr 200,000) or imprisonment.

Accomplishments. Swiss drug control authorities say that therapy and treatment programs have improved the physical and mental health of many drug addicts and reduced incidents of drug-related crime. The total number of cocaine and heroin addicts in Switzerland has stabilized at roughly 30,000 in recent years. Swiss officials credit needle exchange programs with reducing drug-related AIDS and hepatitis. Statistics show that 20 per cent of the patients on Switzerland's heroin prescription program are infected with HIV, and the federal public health figures show that the number of new HIV cases

among intravenous drug users successfully dropped from over 400 in 1991 to around 100 in 1997. Drug-related mortality increased by 6 percent from 167 in 2002 to 177 in 2003.

Law Enforcement Efforts. The most current seizure and arrest statistics available cover the 2002 period. Cannabis seizures increased from 11,424 kilograms in 2001 to 23,210 kilograms in 2002, and the number of narcotics apprehensions during 2002 increased from 46,116 to 49,201 (+6.7 percent compared to -1 percent in 2001), with wide disparities among cantons. Drug trafficking also increased by 15.4 percent during 2002, of which most notably marijuana supply, followed by cocaine and heroin. Drug smuggling also increased by 5.8 percent. The top three cantons with significant drug smuggling activity are: Zurich (991 arrests), Geneva (806), Bern (434) and Vaud (286).

During 2002, Swiss police seized 23,210 kilograms of cannabis (+103 percent over 2001), 186 kilograms of cocaine (+10.7 percent), 208 kilograms of heroin (-9 percent), 88,342 doses of synthetic drugs (+1.5 percent). Drug arrests also went up: 3,229 people during the first six months of the year, as opposed to 2,259 for the same period in 2001.

Foreigners and asylum seekers play a significant role in the Swiss drug scene, especially in distribution. During 2002, 77.8 percent of the 3,447 persons arrested for drug trafficking and 63 percent of the 39,603 drug consumers arrested by the police were foreigners, 10 percent of whom were considered to be drug tourists. One fourth of the people arrested originated from the Balkans, and Albanians in particular constitute the largest foreign criminal population in Switzerland. Police sources report that Kosovars, Albanians, and Macedonians are expanding their control from the Swiss heroin market into the cocaine market, which was traditionally in the hands of Africans, Dominicans, and South Americans. The cantons of Geneva and Vaud implemented new measures during 2002 aimed at disrupting drug distribution. Noticing that many resident aliens suspected (but not convicted) of drug dealing were traveling from canton to canton, several cantonal authorities began imposing administrative sanctions under cantonal foreign resident regulations. Geneva and Vaud in particular have started banning drug dealers resident in another canton. If picked up by police, these dealers (mainly refugees from Eastern Europe and sub-Sahara Africa) are fined and “deported” to their canton of residency. If picked up again, they are jailed. Deportation of foreign drug dealers to their home country is difficult because they often hide their true identity from the police. In July 2003, former Swiss Justice Minister Ruth Metzler met with Polish and Ukrainian government officials during a tour of central and eastern Europe to discuss police cooperation against organized crime and immigration issues.

A drug bill aimed at decriminalizing cannabis use and concentrating enforcement efforts against other drugs reached a standstill in parliament during the 2003 fall session, after the lower house rejected the bill in a first reading. The vote came after a particularly strong lobbying by parents and teachers groups against the bill. They were joined by a group of prosecutors, judges and police officers from ten cantons, who oppose the bill's proposed changes in hemp cultivation and sales. The bill, had already passed the upper house two years before, and will have to be reworked—if not abandoned—given the new conservative forces now in power in parliament. The bill is intended to regulate the significant “gray market” for hemp products, limit the number of retail outlets, and permit the sale of cannabis/marijuana only to adults residing in Switzerland which would be subject to a tax based on the level of THC. Prices for hemp farmers and distributors would have been regulated. Authorities would have limited the acreage under cannabis cultivation and worked to prevent drug exports. The bill would have made permanent the controlled distribution of heroin as a treatment to drug addicts.

Under the current legislation, heroin prescription programs are only permitted for a limited period of five years, ending in December 2004. The Swiss Federal Office for Public Health believes that its heroin prescription program has a direct impact on drug-related crime: around 70 per-cent of addicts earned money from illegal activities at the time they entered the program, compared with 10 percent after 18 months in the program.

The heroin prescription program has many detractors, mostly conservative and religious groups which argue that the overall goal of getting addicts off drugs has been forgotten and that the Swiss government should instead favor abstinence programs. The Secretary of the UN International Narcotics Control Board (INCB), Herbert Schaepe, recently questioned the cost-effectiveness of the heroin treatment program and said that his agency was not encouraging other countries to follow the Swiss example: "It is an approach that is feasible only in a very limited number of countries which can afford it. This program is extremely expensive and, in times of limited resources, it has to be decided whether these resources can be spent elsewhere in a better and more productive way." Supporters like ARUD, a Swiss umbrella organization committed to harm reduction policies, point out instead that the program only costs \$38 per day (SFr 47) to treat one patient, compared to a cost of SFr90 (\$72) per person in terms of health care and criminal damage.

Several drug arrests made especially noteworthy headlines during 2003:

The owner and main shareholder of the private bank Tempus in Zurich was arrested on December 11, 2003 and detained on drug money laundering charges. The Swiss Federal Prosecutor's Office said that the banker was suspected of involvement with drug cartels and improper financial practices. He was arrested after attempting to deposit SFr 2 million (\$2.5 million) in cash with another bank. The banker was chairman of the board of directors at Bank Vontobel until 1995, and had set up the Tempus private bank six years ago.

On November 27, 2003, the Bern police arrested at the Bern- Belp Airport a 33-year old Tanzanian who tried to smuggle one kilogram of cocaine into Switzerland. Originally flying from Sao Paulo through Amsterdam, the man had swallowed 98 small 10-gram bags, worth an estimated \$81,400.

In September 2003, the Geneva cantonal police closed a marijuana on-line delivery shop called Delta 9, seizing 20 kilograms of drugs and arresting eight people.

In September 2003, a major police crackdown on the production and sale of cannabis in the Italian-speaking Ticino canton has resulted in the closure of almost all the canton's hemp shops. Shops selling cannabis proliferated in Ticino after the first store opened in 1996. By the end of 2002 there were 75 outlets. In most cases, the shops tended to establish themselves in the border area between Chiasso and Lugano where customers from neighboring Italy guaranteed a lucrative trade.

The parliament of Ticino adopted in July 2002, a law forbidding the production of marijuana, and restricting the establishment of Amsterdam-like "coffee shops." But it was only in spring 2003 that the cantonal police took decisive action against cannabis trade. As a result, dozens of cannabis plantations were sealed off, plants and funds confiscated and dealers taken into custody. The Ticino cantonal prosecutor Antonio Perugini recently boasted that there are no indoor plantations in Ticino anymore. Around 250 people are being investigated. In total, \$43.5 million (SFr 60 million) worth of cannabis was confiscated or destroyed. Faced with increased consumption of marijuana in Ticino schools, the education director has now announced the start of a "zero tolerance" campaign. Meanwhile, the cannabis price in the region has doubled to \$11.6 (SFr 16) per gram.

In August 2003, the Swiss Federal Supreme Court created a precedent by setting at SFr 10,000 francs (\$8,000) the threshold after which earnings deriving from the sale of drugs could be considered as a "severe breach" of the narcotic law leading to a minimum 12 months prison sentence. The court issued this statement when rejecting an appeal by a 23-year old trafficker who had been previously sentenced to a 12-months prison term on the ground he earned only SFr 12,000 by selling ecstasy (MDMA) and cannabis on a regular basis.

Across Switzerland five to ten per cent of police time is spent on fighting drugs.

Corruption. The USG is not aware of any court decision concerning narcotics-related corruption among Swiss judicial, administrative, or law enforcement officials.

Agreements And Treaties. Switzerland and the United States cooperate in law enforcement matters through bilateral extradition and mutual legal assistance treaties. There were two narcotics-related extraditions from Switzerland to the U.S. and one from the U.S. to Switzerland during 2003. Switzerland is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Although a signatory to the 1988 UN Drug Convention, Switzerland has not yet ratified the Convention.

In April 2003, the International Narcotics Control Board (INCB) criticized impending changes in Swiss narcotics legislation in its annual report, stating that the new proposed Swiss law would go much further than simply decriminalizing cannabis consumption. The report argued that it would be a mistake if cannabis were effectively placed in the same category as alcohol and tobacco, and that it would contravene the 1961 Single Convention. The INCB also expressed concerns about a tax on cannabis which would be introduced if decriminalization was adopted, and said it would pursue further discussions on this issue. The Swiss Federal Office For Public Health maintains that four independent legal assessments have found that the bill is consistent with the 1961 Convention.

Cultivation And Production. Switzerland is not a significant producer of illicit drugs, with the exception of illicit production of high THC-content cannabis/hemp. Police estimate the 2003 area planted to illicit hemp at 350 hectares, with a value of approximately \$674 million. Approximately 200 hemp shops operate throughout Switzerland, selling a variety of cannabis products, including tea, oil, foods, and beverages, cosmetics, textiles and so-called sachets. Ostensibly sold to freshen-up closets and drawers, the sachets contain a quality of marijuana suitable for smoking. Following a series of police raids on hemp shops, a federal court ruled in March 2000 that selling hemp products with a THC level above 0.3 percent was a violation of the narcotics law regardless of how the shop had labeled the hemp. Government subsidies are available to farmers growing industrial hemp. Police have also expressed concern over the increase in domestic production of ecstasy and other synthetic drugs.

Drug Flow/Transit. Switzerland is both a transit country for drugs destined for other European countries and a destination for narcotics deliveries. For example, several Dutch ecstasy trafficking groups send couriers from Zurich airport to the United States to avoid increased law enforcement scrutiny of flights between Amsterdam and the United States.

Domestic Programs. Switzerland focuses heavily on prevention and early intervention to prevent casual users from developing a drug addiction. Youth programs to discourage drug use cost \$6 million annually according to the Swiss Federal Office of Public Health.

Swiss authorities dispensed 201 kilograms of heroin to severe drug addicts for maintenance programs in 2002, compared to 185 kilograms in 2001. Three-fourths was in ampoules for injection, while the rest was distributed in tablet form. 1,230 addicts were enrolled in the heroin prescription program during 2002, a slight increase from 1,098 in 2001. Three-quarters of those enrolled were male. The number of specialized heroin treatment centers also increased from 20 during 2000 to 23 in 2002, but still cover only four percent of the total drug addict population. Medical treatment costs approximately \$14,000 per year per person, or \$38 per day. Average time in heroin treatment is 2.76 years. Of the 181 persons who terminated the heroin prescription program, between 35 and 45 percent went on to methadone-assisted withdrawal programs, and around 25 percent decided to undergo abstinence therapy. As of July 1, 2002, heroin treatments are financed through health insurance plans.

The 2003 annual report on Switzerland's heroin-assisted treatment can be downloaded from: <http://www.suchtundaids.bag.admin.ch/imperia/md/content/spectra/47.pdf> The latest annual statistics on Heroin prevention can also be downloaded from: <http://www.suchtundaids.bag.admin.ch/imperia/md/content/drogen/hegebe/22.pdf>.

IV. U.S. Policy Initiatives and Programs

The Road Ahead. The United States and Switzerland will continue to build on their strong bilateral cooperation in the fight against narcotics trafficking and money laundering. In particular, the United States urges Switzerland to use experiences gained in fighting terrorist money laundering to become more proactive in seizing and forfeiting funds from narcotics money laundering. The United States also will monitor Switzerland's proposed revisions of its narcotics law and continue to urge Swiss authorities to ratify the 1988 UN Drug Convention without reservations.

Tajikistan

I. Summary

Tajikistan produces few if any narcotic substances, but it remains a major transit country for heroin and opium from Afghanistan. The opium/heroin moves through Tajikistan and onward through Central Asia to Russian and other European markets. The illicit narcotics transiting Tajikistan rarely enter the United States. The volume of drugs following the Afghanistan-Central Asia-Russia-Europe route via multiple methods of transportation—primarily land-based—is significant and growing.

Abuse of heroin, opium, and cannabis in Tajikistan is a minor problem now, but it is growing in importance. Tajikistan's medical infrastructure is highly inadequate and cannot address the population's growing need for addiction treatment and rehabilitation. The Tajik Government remained committed to fighting narcotics but is less well equipped to handle the myriad social problems that stem from narcotics abuse. Tajikistan is a party to the 1988 UN Drug Convention.

II. Status of Country

Geography and economics continue to make Tajikistan an attractive transit route for illegal narcotics. The Pyanj river, which forms part of Tajikistan's border with opium-producing Afghanistan is thinly guarded, and difficult to patrol. It is easily crossed without inspection at a number of points. Tajikistan's economic opportunities are limited by a lack of domestic infrastructure and the fact that its major export routes transit neighboring Uzbekistan. Uzbekistan has often closed its borders to combat a perceived instability from Tajikistan. Additionally, the Tajik Government's efforts to strengthen rule of law and combat illegal narcotics flows are hindered by criminal networks that came to prominence during the 1992-97 civil war, and the Government's own lack of revenue to adequately support law enforcement efforts. With the average monthly income in the country around \$10, poor job prospects, and economic migration resulting in many single heads of households, the temptation to become involved in narcotics-related transactions remains high for many segments of society. In-country cultivation of narcotic crops is minimal, and neither the Tajik Government nor the USG is aware of any processing or precursor chemical production facilities. The small amount of precursor chemical imports is closely monitored by the Tajik Government and is essentially limited to five in-country industrial sites which use such chemicals.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Presidential Office's Drug Control Agency (DCA), created in 1999 with UNODC support, continued to implement a number of programs with the UNODC designed to strengthen Tajikistan's drug control capacity. However, the government itself is vulnerable to pressure from prominent traffickers, many of whom are in a position to threaten domestic stability if seriously challenged.

One encouraging development is the Tajik Government's emphasis on interagency cooperation. Through a two-pronged, multi-year UNODC project sponsored by the USG and Japan, the State Border Guards, the Russian Border Forces, Customs and the DCA are all working together to improve security on the Tajik-Afghan border. The equipment and training provided through the program are designed to foster better communication and cooperation among the elements of the Government, better utilizing an indigent country's limited resources.

Law Enforcement Efforts. During the first 10 months of 2003, Tajikistan officials reported seizing 8,408 kilograms of illegal narcotics, including 5,137 kilograms (a little over 5 metric tons) of heroin,

1,966 kilograms of opium, and 1,179 kilograms of cannabis group drugs. Heroin seizures increased considerably when compared with the previous year's results. Tajikistan currently ranks third in the world for heroin seizures. Opium seizures also showed a slight increase compared to 2002's ten-month total of 1,025 kilograms. This continues the trend of previous years, which demonstrated a shift from traffic in opium to processed heroin. Russian Border Forces (RBF) continued to be responsible for almost two-thirds of the total seizures in country. Both they and Tajik border forces continue to be Tajikistan's first and main line of defense against illegal narcotics trafficking.

Corruption. Public speculation regarding trafficking involvement by government officials is rampant, and is targeted equally at prominent figures from both sides of Tajikistan's civil war. While it is impossible to determine how pervasive drug and other forms of corruption are within government circles, salaries for even top officials are extremely low and at times clearly inadequate to support the lifestyles many officials maintain. Even when arrests are made, the resulting cases are not always brought to a satisfactory conclusion. As a matter of policy; however, Tajikistan does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances and has continued to seek international support in augmenting its efforts to combat narcotics trafficking.

Agreements and Treaties. Tajikistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1972 UN Convention on Psychotropic Substances. Tajikistan is a party to the UN Convention against Transnational Organized Crime. On January 27, 2003, the U.S. and Tajik Governments signed a Letter of Agreement on Narcotics Control and Law Enforcement. Following this, two amendments to this Agreement were signed on May 30 and September 10, 2003.

Cultivation/Production. Opium poppies and, to a much lesser extent, cannabis, are cultivated in small amounts, most in the northern Aini and Panjacent districts. Law enforcement efforts have limited opium cultivation, but it has also been limited because it has been far cheaper and safer to cultivate opium poppies in neighboring Afghanistan. With the beginning of "Poppy Operation" in May 2003, more than two fields of opium poppies and 5,000 hemp plants have been found and destroyed.

Drug Flow/Transit. The total volume of Afghani opium transiting Tajikistan on its way towards Europe and Russia is certainly high. One UN estimate put the amount of heroin from Afghanistan going through the country at roughly 40 to 50 metric tons a year. Hashish from Afghanistan also transits Tajikistan en route to Russian and European markets.

Domestic Programs (Demand Reduction). The DCA continued to expand and develop its initiatives aimed at increasing drug awareness, primarily among school children. In June 2003, the USG supported Drug Demand Reduction Program was launched, and on December 2, 2003, the Drug Information Center was established through the collaborative effort of the USG, the Ministry of Health, the Tajik State Medical University and the World Health Organization. However, the number of young addicts continues to grow. Over 60 percent of Tajikistan's drug addicts fall into the 18-30 age group.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG is committed to providing counternarcotics and law enforcement training to Tajikistan. Improved stability in the region allowed U.S. officials to significantly increase their presence in Tajikistan, thereby creating an opportunity for expansion of bilateral counternarcotics efforts. In May, the U.S. Customs Service provided Contraband Enforcement Training for officers of the State Border Protection Committee and the Tajik Customs Service. The USG also provided training for a number of Tajik law enforcement officials through the International Law Enforcement Academies in Budapest and Roswell.

The Road Ahead. The UNODC is likely to remain the principal agency supporting counternarcotics efforts in Tajikistan for at least the next few years. The United States will continue to provide law enforcement training and equipment as appropriate, encourage similar support from Western European countries, and promote regional cooperation as essential to improve counternarcotics performance for all countries in the region. The USG will also continue to emphasize the necessity of pooling information and resources for maximum effect. The USG remains committed to working with the Tajikistan Government to increase its law enforcement and counternarcotics capabilities.

Turkey

I. Summary

Turkey is a major transit route for Southwest Asian opiates to Europe, and a refining/distribution center for major narcotics traffickers and brokers. Turkish law enforcement organizations focus their efforts on stemming the traffic of drugs and intercepting precursor chemicals. Turkish enforcement agencies cooperate closely with European and U.S. agencies. While most of the heroin trafficked via Turkey is marketed in Western Europe, heroin and opium are also smuggled from Turkey to the U.S. There is no appreciable cultivation of illicit narcotics in Turkey other than marijuana, grown primarily for domestic consumption. The USG is unaware of any diversion from Turkey's licit opium poppy cultivation and pharmaceutical morphine production program. Turkey signed the UN Drug Convention in 1988.

II. Status of Country

Turkey is a major transshipment and morphine base processing center for heroin. Turkey is also a base of operations for international narcotics traffickers and their associates trafficking in opium, morphine base, heroin, precursor chemicals and other drugs. The majority of these opiates originate in Afghanistan, and are ultimately shipped to Western Europe. A smaller but still significant amount of heroin is trafficked to the U.S. via Turkey, and then by way of Europe. Turkish law enforcement forces are strongly committed to disrupting narcotics trafficking. The Turkish National Police remains Turkey's most sophisticated counternarcotics force, while the Jandarma and Customs continue to increase their efficacy. Turkish authorities continue to seize large amounts of heroin and precursor chemicals, such as acetic anhydride. It is estimated that multi-ton amounts of heroin are processed in or smuggled through Turkey each month.

Turkey is one of the two traditional licit opium-growing countries recognized by the USG and the International Narcotics Control Board. There is no appreciable illicit drug cultivation in Turkey other than marijuana grown primarily for domestic consumption. The Turkish Government maintains strict control over its licit poppy program.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The Government of Turkey (GOT) devotes significant financial and human resources to counternarcotics activities. Turkey continues to play a key role in Operation Containment (a regional program to reduce the western flow of Afghan heroin) as well as in other regional efforts.

In 2003 the Turkish National Police issued a regulation under which liaison officers were appointed in various provinces to establish drug abuse training and prevention units, in coordination with the Ministry of Education and the Ministry of Health.

Accomplishments. At the request of the UN, in 2003 the Turks trained 26 Afghan counternarcotics officers. Also in 2003, the DEA organized at Turkish facilities two training seminars for Turkish National Police (TNP), Customs and Jandarma, on using electronic surveillance to combat organized crime.

Law Enforcement Efforts. During 2003, Turkish law enforcement agencies seized 5220 kilograms of heroin, 308 kilograms of opium, 1009 kilograms of morphine base, 7777 kilograms of hashish and 5,847,715 pills, and made 12,420 drug-related arrests.

Corruption. In June 2003 a Parliamentary Commission on corruption issued a report examining the reasons for and possible solutions to, the problem of corruption. It recommended increased transparency in public administration, strengthened audits, hiring of more qualified personnel, adoption of international judicial standards, and increased public and business education.

In July, 2003, the Turkish Banking Regulatory and Supervisory Agency (BRSA) assumed control of Imar Bank (part of the Uzan Group), and subsequently uncovered evidence of a massive fraud. Separately, in late 2003, Parliament established three commissions to pursue investigations against six former government ministers. No connection to narcotics has been alleged in any of these investigations.

Agreements and Treaties. Turkey has been a member of FATF since 1991. Turkey ratified the UN Convention on the Suppression of Terrorist Financing in April 2002. In 2003 Turkey ratified the UN Convention against Transnational Organized Crime. Turkey is a party to the 1988 UN Drug Convention. Turkey signed, but has not yet ratified, the UN Convention on Transnational Organized Crime.

Cultivation/Production. Illicit drug cultivation, primarily marijuana, is minor and has no impact on the United States. Licit opium poppy cultivation is strictly controlled by the Turkish Grain Board, with no apparent diversion.

Drug Flow/Transit. Turkey remains a major route, and a storage, production and staging area, for the flow of heroin to Europe. Turkish-based traffickers and brokers operate in conjunction with narcotic smugglers, laboratory operators, and money launderers in and outside Turkey. They finance and control the smuggling of opiates to and from Turkey.

Afghanistan is the source of most of the opiates reaching Turkey. Morphine and heroin base are smuggled overland from Pakistan via Iran. Multi-ton quantities of opiates and hashish have been smuggled by sea from Pakistan to points along the Mediterranean, Aegean, and/or Marmara seas. Opiates and hashish also are smuggled to Turkey overland from Afghanistan via Turkmenistan, Azerbaijan, and Georgia. Traffickers in Turkey illegally acquire the heroin precursor chemical acetic anhydride from sources in Western Europe, the Balkans and Russia. For fiscal year 2003, 5.8 metric tons of acetic anhydride was seized in or along routes headed for Turkey.

Turkish-based traffickers control and operate heroin laboratories at various locations. Some of them reportedly have interests in heroin laboratories operating near the Iranian-Turkish border in Iran. Turkish-based traffickers control much of the heroin marketed to Western Europe.

Demand Reduction. While drug abuse remains low in Turkey compared to other countries, the number of addicts reportedly is increasing. Although the Turkish Government appears to be increasingly aware of the need to combat drug abuse, the agencies responsible for drug awareness and treatment remain under-funded. Five Alcohol and Substance Abuse Treatment Clinics (AMATEM) have been established, which serve as regional drug treatment centers. Due to lack of funds, only one of the centers focuses on drug prevention as well as treatment.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives and Programs. U.S. policy remains to strengthen Turkey's ability to combat narcotics trafficking, money laundering and financial crimes. Through fiscal year 1999, the U.S. Government extended \$500,000 annually in assistance. While that program has now terminated, during 2003-04 the U.S. Government anticipates spending approximately \$100,000 in previously-allocated funds on counternarcotics programs.

Bilateral Cooperation. U.S. counternarcotics agencies report excellent cooperation with Turkish officials. Turkish counternarcotics forces have developed technically, becoming increasingly

professional, in part based of the training and equipment they received from the U.S. and other international law enforcement agencies.

The Road Ahead. With the election of a new government in November 2002, many of the key government officials responsible for counternarcotics and money-laundering were replaced; however, this does not appear to have degraded the quality of cooperation. The U.S. Mission in Turkey intends to continue to engage the recent appointees, and work with the government to strengthen the fight against narcotics trafficking.

Turkmenistan

I. Summary

Largely due to its border with Afghanistan, Turkmenistan remains a major transshipment route and passage for traffickers seeking to smuggle opiates to Turkish, Russian and European markets. Turkmenistan, however, is not a major producer or source country itself for illegal drugs or precursor chemicals. Turkmenistan shares a rugged and remote 1,180 kilometer border with Afghanistan as well as an 800-kilometer boundary with Iran. Counter-narcotics efforts in Turkmenistan are carried out by several agencies, including the Ministry for National Security (MNB), Ministry of Internal Affairs (MVD), state customs service, border guards service and prosecutor general's office. The government of Turkmenistan (GOTX) continues to publicly commit itself to counternarcotics efforts; however, its law enforcement agencies are hampered by a widespread lack of resources, training and equipment. Turkmen officials have acknowledged publicly that smuggling organizations are increasing their efforts to traffic narcotics across Turkmenistan and large-scale seizures are more common. Domestic drug abuse is steadily increasing, although concrete statistics are difficult to obtain. Turkmenistan remains vulnerable to financial fraud and money laundering schemes due to its dual exchange rate and the presence of foreign operated hotels and casinos. There are troubling reports of involvement in narcotics trafficking by senior GOTX officials. Turkmenistan is a party to the 1988 UN Drug Convention.

II. Status of Country

Turkmenistan remains a key transit country for the smuggling of narcotics and precursor chemicals. The flow of Afghan opiates destined for markets in Turkey, Russia and Europe frequently enter Turkmenistan from Afghanistan, Iran, Pakistan, Tajikistan and Uzbekistan. The bulk of Turkmen law enforcement resources and manpower are directed toward stopping the flow of drugs from Afghanistan. Turkmen law enforcement at the Turkmen-Uzbek border is primarily focused on interdiction of smuggled commercial goods. Visits by USG officers to crossing points on the Iranian border confirm that commercial truck traffic from Iran continues to be heavy. Caspian Sea ferryboat traffic from Turkmenistan to Azerbaijan and Russia continues to be a viable smuggling route; however, specific seizure statistics have been unavailable. Turkmenistan Airlines operates international flights connecting Ashgabat with Abu Dhabi, Bangkok, Birmingham, Frankfurt, Istanbul, London, Moscow, New Delhi, Almaty, Tashkent and Tehran.

III. Country Actions Against Drugs in 2003

Policy Initiatives. During the past year, the President of Turkmenistan (GOTX) has increased public pressure on law enforcement officials to slow narcotics traffic through Turkmenistan. Counter narcotics efforts are heavily focused along the mountainous Afghan border, but increased efforts have also been made along the Iranian border.

Law Enforcement Efforts. The GOTX continues to give priority to counternarcotics law enforcement. Despite poor equipment and insufficient transportation, Turkmen border forces are moderately effective in detecting and interdicting illegal crossings by armed smugglers. According to GOTX officials, there are now female border guards along the Turkmen border checkpoints to search suspected female traffickers; nearly half of all traffickers being arrested at border crossings are female. Official statistics on narcotic seizures made in Turkmenistan are not published; however, official efforts are netting larger seizures. Turkmen law enforcement continues to engage in operations to prevent the smuggling of the precursor chemical acetic anhydride (AA) through its borders. These

efforts are primarily focused around the large rail and truck border crossing point at Serhetabad (formerly Kushka) on the Afghan border. Turkmen officials operating at this border point have made very large seizures of heroin precursor, AA, headed for Afghanistan from as far away as India. In the past year, Turkmen authorities have also arrested a number of internal body smugglers, mostly Turkmen or Tajik citizens, at legal crossing points on the Uzbek border. Seizures up to 400 kilograms of narcotics have occurred along the Iranian and Afghan borders. Those convicted of possession of even small amounts of illegal drugs are routinely sentenced to eight to ten years in prison; however, those sentences are usually mitigated by the annual presidential amnesty, which is available to all but the most hardened criminals.

Corruption. Low salaries of Turkmen law enforcement officials, combined with their broad general powers, foster an environment in which corruption readily occurs. A palpable general distrust of the police by the Turkmen public, fueled by reports of police officers soliciting bribes under the guise of routine traffic stops, suggests a level of corruption in Turkmen law enforcement. There are some reports that senior officials of the GOTX are directly linked to the drug trade. Payments to facilitate passage of smuggled goods to lower officials at border crossing points do frequently occur. Such arrangements could easily facilitate drug trafficking.

Agreements and Treaties. Turkmenistan is a party to the 1998 UN drug convention, the 1961 UN single convention and its 1972 protocol, and the 1971 UN convention on psychotropic substances.

Cultivation and Production. Small-scale opium cultivation is thought to occur in remote mountain and desert areas of Turkmenistan. Each spring, the GOTX conducts limited aerial inspections of outlying areas in search of illegal poppy cultivation. Upon discovery, opium crops are eradicated by Turkmen law enforcement. Some sources within GOTX law enforcement agencies also report that the Indian cannabis plant is being cultivated for domestic consumption in the country's remote areas on small patches of ground in hidden places.

Drug Flow/Transit. Turkmenistan remains a primary transit corridor for smuggling organizations seeking to transport opium and heroin to markets in Turkey, Russia and the rest of Europe, and for the shipment of precursor chemicals back to Afghanistan. According to GOTX officials, the quantity of drugs intercepted this year along the Afghan border has increased due to their interdiction efforts and the significant increase in poppy production in Afghanistan. Opiate seizures have increased by sixty percent. Smugglers are moving opiates via legal entry points in hidden compartments in vehicles and in containerized cargo. Turkmen border forces continue to engage in gun battles with traffickers in remote areas along the Iranian and Afghan frontiers, with the majority of drug seizures on the Afghan border continuing to involve confrontations with armed smugglers.

Turkmenistan's nearly 1,800-kilometer Uzbek frontier remains thinly staffed by border guard forces when compared to its boundaries with Afghanistan and Iran. In addition, Turkmenistan's border with Uzbekistan has numerous legal crossing points that are ill equipped in comparison to those on its Afghan and Iranian frontiers. The Uzbek frontier has thus increasingly become an attractive alternative for smugglers seeking to circumvent more stringent controls on Turkmenistan's southern borders.

Turkmenistan's two major border control agencies, state customs and the border guards, are significantly handicapped in carrying out their drug enforcement duties by a systematic lack of adequate resources, facilities and equipment. Most Turkmen border crossing points have only rudimentary inspection facilities for screening vehicle traffic and lack reliable communications systems, computers, unloading and x-ray equipment, as well as dogs trained in narcotics detection. Turkmenistan will continue to serve as a major transit route for illegal drugs and precursors until meaningful legal and political reforms are initiated and border control agencies are adequately funded.

Domestic Programs. There is a steady increase in the domestic user population, in particular in the capital of Asghabat and the second largest city of Mary. The quality of the heroin consumed locally

continues to be very poor; however, police sources report higher quality heroin is now more readily available for local consumption as well. Ninety-eight percent of the heroin users in Turkmenistan smoke, rather than inject heroin intravenously. Cheap disposable syringes are easily obtainable and are regularly shared among intravenous users. Heroin abuse continues to escalate and abusers have little fear of being caught or prosecuted. The Turkmen Ministry of Health estimates that approximately fifteen percent of the population use illegal drugs, though unofficial estimates put the user population at twenty percent. In some villages up to sixty percent of adult males between the ages of 18 and 65 are regular heroin users. Currently, the Ministry of Health operates six drug treatment clinics; one in the capital Ashgabat and one in each of the five districts. Narcotics users receive treatment at these clinics without revealing their identity. The GOTX has permitted the implementation of a UN International Drug Control Program(UNDCP)/UNAIDS project for the prevention of drug abuse, aids and sexually transmitted disease among youth in Turkmenistan. The project calls for a drug abuse assessment of five to six Turkmen cities over a one or two month period. Regional media outlets have increasingly covered drug-related stories, highlighting the dangers of drug addiction and emphasizing the state's treatment facilities.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG seeks to assist Turkmenistan in modernizing its law enforcement institutions and legislation to more effectively counter the illegal drug trade. The USG trains Turkmen border inspection and passenger document inspection/control officials in how better to do their jobs. The USG also offers a program to upgrade Turkmenistan's forensic laboratory capabilities so that it can support police in the field, and prepare and present crime scene evidence in court.

The Road Ahead. In the coming year, the USG will continue to cooperate with Turkmenistan in its fight against the illegal drug trade. The USG will also encourage the GOTX to institute long-term demand reduction efforts and will foster supply reduction through interdiction training, law enforcement institution building, the promotion of regional cooperation, and an exchange of drug-related intelligence.

Ukraine

I. Summary

Trafficking and use of narcotics continued to increase in Ukraine in 2003. The Government of Ukraine (GOU) continued to take effective steps to limit illegal cultivation of poppy and hemp. The transit of narcotics through Ukraine is a serious and growing problem. Combating narcotics trafficking and use, and its effects, continues to be a national priority, though a lack of economic resources seriously hinders Ukrainian efforts. Coordination between law enforcement agencies responsible for counternarcotics work has improved, but still remains a problem due to regulatory and jurisdictional constraints. No senior government officials are known to engage in, encourage or facilitate any of the above illegal activities. Ukraine is a party to the 1988 UN Drug Convention, and it follows the provisions of the Convention in its counternarcotics legislation.

II. Status of Country

Ukraine is not a major drug producing country; however, Ukraine is located astride several important drug trafficking routes into Europe, and thus is an important transit country. Ukraine is a significant transit corridor for narcotics originating in East, Central and Southwest Asia (Afghanistan), as well as for drugs transiting from the Caucasus, Central and Eastern Europe (the Balkans), and even from Latin America and Africa. Numerous available ports on the Black and Azov seas, river transportation routes, porous borders, and inadequately financed and under- equipped border and customs control forces make Ukraine susceptible to drug trafficking. Domestic use of narcotics also continues to rise, and the number of drug addicts is increasing.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Over the past seven years the Ukrainian parliament adopted several drug control laws. The laws are well- drafted and constitute a solid legal basis for combating narcotics effectively. These laws are in line with the 1988 UN Drug Convention. Under this legislation, counternarcotics enforcement responsibility is given to the Ministry of Interior (MVS), the State Security Service (SBU), the State Customs Service, and the Border Guards. The Drug Enforcement Department (DED), an independent department within the MVS, reports directly to the Minister of Interior and is staffed by 1,725 personnel. Despite shortages of resources, the DED has achieved positive results in combating drug trafficking. In 2003 the Government of Ukraine approved a detailed policy paper entitled “The Program of the State Policy in Combating Illegal Circulation of Narcotics, Psychotropic Substances and Precursors for 2003-2010.” The Program acknowledged the growing scale of drug abuse, the lack of adequate education and public awareness efforts, community prevention efforts, treatment and rehabilitation.

The Program is to be implemented in two stages: stage one 2003-2005, and stage two 2006-2010. Stage one objectives include: improvement of legislation; improved monitoring of drug abuse and drug trafficking; improving interagency cooperation; creating a modern interagency data bank; improving the prevention of drug abuse; increasing law enforcement capacity; scientific research; and setting up an interagency lab to research new drugs and discover new trends in drug trafficking. Stage two will include integration into the European information space and exchange of information on drug trafficking; strengthening drug abuse prevention centers; introducing new treatment practices; increasing public awareness and education, especially in schools; further strengthening law enforcement capacity and fully achieving international standards.

These priorities are further split into 63 specific tasks and responsible agencies were named. The Program also provides estimates of future funding to support its implementation. The total estimate is over 300 million Ukrainian hryvnias (\$55 million), including about UAH 50 million (\$9 million) to be allocated in 2003, and in 2004 nearly UAH 59 million (\$10.5 million).

Accomplishments. The Ministry of Health and the Ministries of Education and Culture continue to collaborate with the Ministry of Internal Affairs to intensify counternarcotics educational programs. A pilot program directed at demand reduction operates in Donetsk Oblast, which includes dispensing methadone to addicts. The Ministry of Health proclaimed 2003 as the “Year of Healthy Lifestyles and Recreational Physical Activity,” and has increased the number of counselors and social workers in schools. The Ministry has also instructed educational authorities to increase the responsibility of school administrators for drug abuse in schools, to improve school health programs and drug prevention/awareness programs for children.

Law Enforcement Efforts. According to official statistics for 2003 (January through September), approximately 45,100 narcotics offenses were investigated, including 14,100 instances of sale of narcotics; 2,568 drug dealer rings were broken up, including 22 organized criminal groups; 190 illegal drug labs were destroyed; and 16.3 tons of illegal drugs were seized. Unemployed persons under the age of 30 committed most crimes connected with drugs.

The major law enforcement achievements in 2003 included the following: In January 2003 a ring operating a clandestine PCP lab in Sevastopol was broken up. Three-hundred grams of PCP were seized. In March 2003 MVS investigators, Border Guards, Customs officers and SBU officers together with their Russian counterparts carried out a joint operation during which they uncovered 42 drug dealer rings and seized over 50 kilograms of heroin, opium and marijuana. Another joint operation was directed at discovering and intercepting shipments of Afghan heroin trafficked by auto and truck transport. Twenty-four drug couriers were arrested and 15 kilograms of drugs seized. In August and September several international amphetamine smuggling routes were uncovered, and 1 kilogram of amphetamines was seized. Cooperation between law enforcement agencies involved in counternarcotics efforts (mainly MVS, SBU, Customs, and Border Guards) is improving, though it is still severely hampered by fragmented investigative jurisdiction.

Corruption. Ukrainian politicians and private citizens, as well as international experts point out that corruption remains a major problem. Corruption in Ukraine is rarely linked with narcotics, although it decreases the effectiveness of efforts to combat organized crime, a major factor in the narcotics business. There were no prosecutions in 2003 on any charges of corruption of public officials relating to drugs. There were several cases of prison guards smuggling drugs into prisons. To combat corruption, the Ukrainian government has adopted an extensive set of laws and decrees. At the beginning of 2001, the government approved a national plan of action to combat corruption, but progress in implementation has been slow.

Agreements and Treaties. Ukraine is a party to the 1988 UN Drug Convention and has also signed specific counternarcotics project agreements with the UN Office of Drugs and Crime (UNODC). Ukraine is a party to the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The U.S.-Ukraine Mutual Legal Assistance Treaty came into force in February 2001. Ukraine signed the UN Convention against Transnational Organized Crime in December 2000 and signed the Protocol to Prevent, Suppress and Punish Trafficking in Persons and the Protocol against the Smuggling of Migrants in November 2001. The U.S. and Ukraine signed a Memorandum of Understanding on Law Enforcement Assistance in December 2002.

Cultivation/Production. Opium poppy is grown in western, southwestern, and northern Ukraine, while hemp cultivation is concentrated in the eastern and southern parts of the country. Small quantities of poppy and hemp are grown legally by licensed farms, which are closely controlled and

guarded. The Cabinet of Ministers approved such cultivation in late 1997. Despite the prohibition on the cultivation of drug plants (poppy straw and hemp), over 5000 cases of illegal cultivation by private households were discovered.

Drug Flow/Transit. Ukraine continues to experience an increase in drug trafficking from Afghanistan. Drugs pass through several countries before transiting Ukraine: Russia, the Caucasus, Turkey, Romania, Moldova, and Poland are among these transit countries. Criminal groups use Ukraine's seaports and rivers as part of the "Balkan Route" for smuggling narcotic drugs. Shipments are usually destined for Western Europe, and arrive by road, rail, or sea, which is perceived as less risky than air or mail shipment. While opium and marijuana are mostly produced locally, synthetic drugs are usually imported from Romania, Hungary, Poland, Germany, and other European countries. Drug traffic from Asia is increasingly controlled by well-organized international criminal groups of Afghan, Pakistan, and Tajikistan origin using CIS citizens as drug couriers. Other smuggling routes include cocaine from Latin America and hashish from Northern and Western Africa. These routes transit Ukraine into Europe.

Domestic Programs (Demand Reduction). The number of officially registered drug addicts in Ukraine now exceeds 199,000, including over 4,000 teenagers, with over 18,000 new registrations in 2003. Sixty-eight percent of registered drug users are under 30 years of age; nearly 25 percent are women, and over 78 percent are unemployed. Estimates of unregistered drug abusers vary widely, up to one million reported by local NGOs in press reports. About 15,000 criminal offenses are committed annually by drug addicts. Drug addiction results in more than 1,000 deaths every year, according to Ukrainian health authorities. Marijuana and hashish continue to gain popularity with young people. Nevertheless, opium straw extract remains the main drug of choice for Ukraine addicts. Young people are using synthetic drugs more frequently, such as ephedrine, ecstasy (MDMA), LSD, amphetamines and methamphetamines. Hard drugs such as cocaine and heroin are still too expensive for most Ukrainian drug users, but law enforcement officials report a rise in heroin use due to the continued decrease in price, from \$80-\$120 to \$40-\$80 per gram in 2003 (and a decrease from \$40-\$70 to \$20-\$40 per gram wholesale). Despite major efforts against drug trafficking, the narcotics flow intercepted on Ukraine's borders is estimated at not more than 30 percent of the total traffic. Ukrainian efforts to combat narcotics continue to be hampered by a lack of resources (e.g., financing, personnel and equipment).

Ukrainian officials are working to reduce drug demand through preventive actions at schools, as most Ukrainian drug abusers are under the age of 30. Drug information centers have been opened in the cities and regions with the highest levels of drug abuse. NGOs operating with assistance from international institutions are conducting a number of rehabilitation programs throughout the country.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. objectives are to assist Ukrainian authorities to develop effective counternarcotics programs in interdiction (particularly of drugs transiting the country), investigation, and demand reduction, as well as to assist Ukraine in countering money laundering. Offices from the DEA, the Department of Treasury, and the Department of Justice have conducted a number of training courses and conferences in such areas as drug interdiction, forensic science, money laundering, and management training funded by drug assistance administered by the Department of State. The United States has provided technical assistance in the drafting of the new Ukrainian money laundering legislation, and has provided resident advisors to the Financial Monitoring Unit.

The Road Ahead. Trafficking of narcotic drugs from Asia and the cocaine regions of Latin America to European destinations through Ukraine is increasing as drug traffickers look for new ways to circumvent Western European customs and border controls. Demand reduction and treatment of drug abusers remain challenges requiring close attention. Law enforcement agencies need continued

assistance in modern techniques to fight drug trafficking and in effective interagency and international cooperation. Ukrainian law enforcement agencies collaborate effectively with law enforcement counterparts from the United States and other countries.

United Kingdom

I. Summary

The United Kingdom (UK) is a consumer country of illicit drugs. Like other developed nations, the UK faces a serious domestic drug problem. The UK is in the sixth year of a ten-year drug strategy to address both the supply and demand aspects of illegal drug use. The UK strictly enforces national precursor chemical legislation in compliance with EU regulations. Crime syndicates from around the world tap into the underground narcotics market and use the UK as a major shipping route. Legislation introduced in October 2001 to improve the UK's asset forfeiture capabilities took effect in January 2003. The UK is party to the 1988 UN Drug Convention.

II. Status of Country

Cannabis remains the most-used illicit drug in the UK; however, heroin and other major drugs remain a serious concern and govern the British government's active domestic and international drug policies. Figures for 2002/03 show that Class A drug use among young people has been broadly stable since 1996 with recent falls in some individual drugs, such as ecstasy, which has fallen for the first time. In 2002/03 around 5.4 percent of young people had used ecstasy in the past 12 months—a reduction of 21 percent from the previous year. Around three million 16-59 year-olds reported using cannabis at least once in the past year.

Overall, the latest surveys on drug use showed that in 2002/03 about 12 percent of those aged 16-59 reported having used an illicit drug in the past year, figures similar to those in the 2001/02 survey. Cocaine use seemed to have leveled off in the latest figures, and was the only drug for which use increased among 16-24 year-olds. However, official estimates of cocaine and crack users are well over 700,000 and, with as many as 116,000 opiate users in the UK, heroin and powder and crack cocaine remain major concerns.

Virtually all parts of the UK, including many rural areas, confront the problem of drug addiction to at least some degree. The National Criminal Intelligence Service (NCIS) reports that Britain faces its worst-ever threat from national and international organized crime. Drugs are linked to about 80 percent of all organized crime in London, and about 60 percent of UK crime overall.

III. Country Actions Against Drugs in 2003

Policy Initiatives/Accomplishments. UK counternarcotics policies have a strong social component, reflecting the view that drug problems do not occur in isolation, but are often linked to other social problems. In 2003, the British government continued its ten-year strategy program, first launched in 1998, that emphasizes that all sectors of society should work together to combat drugs. Trends in responding to drug abuse with government programs reflect wider UK government reforms in the welfare state, education, employment, health, immigration, criminal justice, and economic sectors.

UK counternarcotics strategy focuses on Class A (i.e., hard) drugs and has four emphases: to help young drug abusers resist drug misuse to permit them to reach their full potential in society; to protect communities from drug-related, antisocial and criminal behavior; to enable people with drug problems to recover and live healthy, crime-free lives; and to limit access to narcotics on the streets. Key performance targets were set in each of these four areas and updated in the November 2002 drug strategy. The most controversial aspect of the updated strategy was the decision to downgrade cannabis to a Class C drug. The final legislation implementing this downgrade was enacted in July 2003, taking effect on January 29, 2004. Class C categorization will reduce the maximum sentence for

possession of cannabis from five to two years in prison. Notwithstanding this amendment, the UK government has emphasized that it continues to regard cannabis as a harmful substance and has no intention of either decriminalizing or legalizing its production, supply, or possession. There currently are no plans to change the penalties for Class C offenses.

Expenditures under the updated overall drug strategy will increase 21 percent between 2002 and 2005, from \$1.8 billion (£1.026 billion) in 2002 to \$2.18 billion (£1.24 billion) in 2003, followed by annual increases to \$2.64 billion (£1.5 billion) by April 2005. Drug treatment expenditures are targeted to increase 31 percent over the same period, and expenditures on programs for young people will rise 59 percent. The largest increase will come in spending on community programs (234 percent).

In December 2002, the government announced a program to specifically target crack cocaine use, the National Crack Action Plan, which has focused on breaking up supply networks, improving crack-related education programs, and expanding treatment opportunities. Under the Action Plan, existing crack treatment facilities have been evaluated for effectiveness and eleven new sites have opened in 2003.

Based on statistics that showed an increase in drug-related deaths, the government launched a specific Action Plan to Reduce Drug-Related Deaths on November 13, 2001. The plan calls for a three to five-year program of campaigns, surveillance, and research to reduce drug-related deaths by 20 percent by 2004. In May 2003, the government launched a \$5.3 million (£3 million) multimedia campaign called "FRANK", which offers help and advice to anyone who may be affected by drugs. "Positive Futures", a sports-based program started in March 2000 to specifically target socially vulnerable young people is now in its third phase with 104 projects established in regions throughout the country. A program to develop new drug-prevention services for young people at risk of drug misuse is an integral component of the 26 Health Action Zones (a broader health-policy initiative). The UK is rapidly expanding treatment services and believes it is on track to meet the target of doubling the number of people in treatment by 2008; current figures show a 41 percent increase of people in drug treatment programs since 1998. An additional U.S. \$377 million (£214 million) has been allocated over three years (2002-05) for both community and prison treatment programs.

Treatment will be based on education, harm reduction, and prescriptive and rehabilitative services that are tailored to individual needs and supported by the health and social care agencies. The UK is on track to meet its target of having drug education policies in all schools by March 2004. As of the end of 2003, 96 percent of all secondary schools and 80 percent of all primary schools had drug education policies in place. By March 2006, the government will complete a quality assessment of all programs and materials, introducing improvements as needed.

Legislation was passed in 2000 under the Criminal Justice and Court Services Act, which gives police the power to test criminal suspects for Class A drug use when an offense may be linked to hard-drug misuse. Courts are required to weigh a positive test result when deciding bail, and testing is extended to offenders serving community sentences and those on parole. On January 21, 2003, the Home Secretary announced a package of measures to target the 30 areas most affected by drug-related crime with an initial budget of \$81.3 million (\$46.2 million for 2003/04). Under this Criminal Justice Interventions Program (CJIP), those areas receive additional support to tackle drug-related crime. The program will be expanded to an additional 36 areas as of April 1, 2004 with a 2004/05 budget of \$266 million (£151.2 million) and an overall total of \$787 million (£447 million) over three years.

The CJIP is designed to mesh with the existing program of Drug Treatment and Testing Orders (DTTO). DTTO is a community-based sentence, authorizing local courts to require offenders to undergo treatment and submit to mandatory and random drug testing. The Order began as a pilot program in September 1998 in three areas of England. In October 1, 2000, after the pilot program demonstrated that the combination of treatment and random testing (to monitor progress) significantly reduced illegal drug use and criminal activity of offenders subject to the Order, it was rolled out

nationally in England and Wales. By March 2001, over 1,200 orders had been made, with an additional 4,851 orders made between April 2001 and March 2002, and 6,140 made in April 2002-March 2003. The Home Office has set a target of doubling that figure in 2004/05. All police forces in England and Wales now have arrest referral schemes aimed at identifying drug abusers at the point of arrest and referring them into treatment or other programs. Between October 2000 and September 2001 (latest figures), arrest referral workers screened 48,810 arrestees in England and Wales. Over half (51 percent) had never previously received drug treatment.

In January 1999, the Home Secretary announced a new initiative to reduce smuggling of drugs into prisons, and the government launched a prison service drug treatment program.

Counseling, assessment, referral, advice, and care/treatment services (CARATs) are now available in every prison in England and Wales and the annual caseload is likely to exceed the target of 20,000 full assessments for 2002. The program is linked to another pilot scheme called “Prospects”, which was launched in February 2003 to offer support to those leaving prison by providing stable living situations and assistance with life skills.

The UK attended the International Conference on Reconstruction to Afghanistan in January of 2002 and pledged to give \$352 million (£200 million) to Afghanistan over four years. Through the Department for International Development (DFID), \$114 million (£65 million) has already been given to Afghanistan for humanitarian and reconstruction purposes.

The UK has taken responsibility for coordinating international assistance to help the Transitional Afghan Government’s counternarcotics efforts. Starting with the 2003 crop, the aim is to reduce by 2008 opium production by 70 percent and completely eliminate it by 2013. A combination of measures will be employed that includes improving security and law enforcement capacity and implementing reconstruction programs to encourage farmers away from poppy cultivation.

In Iran, the UK helps fund a UN counternarcotics program, as well as offers bilateral assistance for drug interdiction efforts. The UN project covers training and equipment primarily to strengthen counternarcotics work at Iran’s borders with Afghanistan and Pakistan. British assistance includes direct training (by HM Customs and Excise) and equipment to strengthen Iran’s exit border with Turkey, which fills gaps that the UNODC’s project in Iran does not meet.

Law Enforcement Efforts. UK forfeiture law applies to proceeds of all indictable offenses and a small number of other specified offences. The United States enjoys good law enforcement cooperation from the UK. The UK honors U.S. asset seizure requests and was one of the first countries to enforce U.S. civil forfeiture judgments. In response to a request from Prime Minister Blair to assess the Government’s efforts at confiscating criminal proceeds, in June 2000, the Cabinet Office of Performance and Innovation Unit (PIU) published a detailed report entitled “Recovering the Proceeds of Crime”. The report essentially criticized the effectiveness of the UK’s efforts both in pursuing and collecting on confiscation orders and found that existing powers to accomplish that task were under-used. The PIU among other things, proposed the creation of a national confiscation agency dedicated to recovering criminal assets, the adoption of civil forfeiture laws, and the promotion of greater international cooperation. The Proceeds of Crime Act, which took effect on January 1, 2003, incorporated many of the recommendations in the PIU report. The UK government has also published its first Asset Recovery Strategy and created a special confiscation unit.

Corruption. Narcotics-related corruption of public officials at all levels is not considered a problem in the UK. When identified, corrupt officials are vigorously prosecuted.

Agreements and Treaties. The U.S. and the UK have a long-standing extradition treaty, a mutual legal assistance treaty (MLAT), and a narcotics agreement, which the UK has extended to some of its dependencies. A new bilateral extradition treaty has been negotiated and signed by both countries and awaits final ratification. A new extradition statute was passed in 2003 and entered force in January

2004. A finding pursuant to this statute facilitates U.S. requests for extradition even prior to U.S. ratification of the new treaty, although this status is conditional and subject to revocation by Parliament. The U.S. and the UK also have a judicial narcotics agreement and an MLAT relating to the Cayman Islands, and which extends to Anguilla, the British Virgin Islands, Montserrat, and the Turks and Caicos Islands. The U.S. and the UK are also party to a 1928 agreement for the direct exchange of information regarding the traffic in narcotic drugs and a 1981 agreement to facilitate the interdiction by the United States of UK vessels suspected of trafficking in drugs. The UK is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The U.S.-UK Customs Mutual Assistance Agreement (CMAA) dates from 1989. In December 2000, the UK signed, but has not yet ratified, the UN Convention against Transnational Organized Crime, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, and the Protocol Against the Smuggling of Migrants.

Cultivation/Production. Cannabis is cultivated in limited quantities for personal use, and occasionally sold commercially. Most illicit amphetamines and MDMA (ecstasy) are trafficked from continental Europe, but some are manufactured in the UK in limited amounts. Authorities destroy crops and clandestine facilities as detected. U.S. authorities are concerned about a growing incidence of production in the UK of a “date rape” precursor drug, GBL.

While the UK government made GHB, the “date rape” drug illegal in July 2003, GBL remains uncontrolled and there have been instances in 2003 of trafficking of GBL to the United States.

Drug Flow/Transit. Steady supplies of heroin and cocaine enter the UK. Some 90 percent of heroin in the UK (amounting to around 30 tons a year) normally comes from Southwest Asia, chiefly Afghanistan. UK-based Turkish criminal groups handle a significant amount of the heroin that reaches the UK, although Turkish criminals in the Netherlands and Belgium also channel heroin into the UK. Pakistani traffickers also play a significant part: a large amount of the heroin they import, normally in small amounts by air couriers traveling directly from Pakistan, is destined for British cities where there are large South Asian populations. Caribbean criminals (primarily West Indians or British nationals of West Indian descent) are increasingly involved in the supply and distribution of heroin as well as cocaine. Most heroin probably enters the UK through ports in the southeast, although some enter through major UK airports with links to Turkey, Northern Cyprus, and Pakistan.

Hashish comes to the UK primarily from Morocco. Cocaine imports are estimated at 25-40 tons a year and emanate chiefly from Latin America and the Caribbean. Supplies of both cocaine and crack cocaine reach the UK market in a variety of ways. Around 75 percent of cocaine is thought to be carried across the Channel from consignments shipped from Colombia to mainland Europe and then brought to the UK concealed in trucks or private cars, or by human couriers or “mules”. Traffickers based in the UK are the organizers of this smuggling.

The Caribbean, chiefly Jamaica, is a major transshipment point to the UK from Colombia. Cocaine comes in both by airfreight and, increasingly, by couriers, normally women, who attempt to conceal internally (i.e., through swallowing in protective bags) up to 0.5 kilogram at a time. The synthetic drug supply originates out of Western and Central Europe. Amphetamines, Ecstasy, and LSD have been traced to sources in the Netherlands and Poland, with some originating in the UK.

Domestic Programs (Demand Reduction). The UK Government’s demand-reduction efforts focus on school and other community-based programs to educate young people and to prevent them from ever starting on drugs. Guidelines were enacted in November 1998 to help teachers and youth workers warn young people about the dangers of drugs. The Drug Prevention Advisory Service (DPAS) was established in 1999 to provide school and community teams to give specialist prevention advice to all locally based drug action teams.

IV. U.S. Policy Initiatives and Programs

The Road Ahead. The U.S. looks to the UK as a partner in addressing international drug crime issues. The United States looks forward to continued close cooperation with the UK on all counternarcotics fronts.

Uzbekistan

I. Summary

Uzbekistan is primarily a transit country for opiates originating in Afghanistan. Well-established trafficking/smuggling routes facilitate the transit of these narcotics to Russia and Europe. There is a growing domestic market in Uzbekistan for a variety of narcotic substances and consequently a growing problem with drug addiction. The Government of Uzbekistan (GOU) remains committed to eliminating the narcotics trade, but still relies heavily on multilateral and bilateral financial and technical resources. Law enforcement officers seized a total of 448 kilograms of illegal narcotics in the first six months of 2003. Uzbekistan is a party to the 1988 UN Drug Convention.

II. Status of Country

While there is no significant drug production in Uzbekistan, several transshipment routes for opium, heroin and hashish originate in Afghanistan and cross Uzbekistan to Russia and Europe. Precursor chemicals have in the past traveled the same routes in reverse direction on their way to drug refining laboratories in Afghanistan and Pakistan. Effective government eradication programs have eliminated nearly all illicit production of opium poppies in Uzbekistan.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Uzbekistan has a multi-year comprehensive plan to address all aspects of the narcotics problem. The plan began in 2002, and is in effect through 2005. It includes measures to address trafficking, demand reduction, coordination of efforts from law enforcement entities, legal reform of the criminal code, treatment and rehabilitation of addicts, and deepening international cooperation for counternarcotics efforts. The plan lists several specific goals to be accomplished and assigns responsibility to agencies, indicates funding sources, and requires detailed documentation to show progress or completion.

The GOU is interested in the establishment of a regional law enforcement and counternarcotics center in Tashkent, modeled on the Southeast European Cooperative Initiative located in Bucharest. This proposal has been discussed and approved at the highest levels of the Uzbek government.

Accomplishments. The annual “Black Poppy” eradication campaign has virtually eliminated illicit domestic poppy cultivation. In the first six months of 2003 the operation eliminated a residual 1.7 hectares of illicit drugs.

Law Enforcement Efforts. Preliminary statistics from the National Center for Drug Control show that in the first six months of 2003, Uzbek law enforcement seized a total of 448 kilograms of illicit drugs. Confiscated heroin accounts for approximately one-quarter of that total.

Three agencies with separate jurisdictions have counternarcotics responsibilities: the Ministry of Internal Affairs (MVD), the National Security Service (NSS), and the State Customs Committee. The MVD concentrates on domestic crime, the NSS handles international organized crime (in addition to its intelligence role), and Customs works at the border (interdiction/seizures at the border are also carried out by the Border Guards, although it is not their primary role). Despite this apparently clear delineation of responsibilities, a lack of operational coordination diminishes the effectiveness of counternarcotics efforts. The National Center for Drug Control was designed to minimize mistrust, rivalry and duplication of effort among the agencies. The Center continues to have difficulty accomplishing this goal.

Law enforcement suffers from a lack of reform, mainly judicial and procedural reform, and standards remain below international norms.

Corruption. Corruption charges were brought against several individuals from the Ministry of Internal Affairs and the Prosecutor's Office. Criminal cases resulted in prison sentences for most individuals. In other cases, those involved were fired from their jobs. The Prosecutor's Office continues to be the lead investigative agency for all criminal matters, including corruption. The Uzbek criminal justice system is not far removed from the system inherited from the Soviet Union—the executive branch and Prosecutor General are powerful entities and the judiciary is not independent. Corruption is rampant and it is not unusual for law enforcement officers to plant narcotics on suspects.

Agreements and Treaties. Uzbekistan is a party to the 1988 UN Drug Convention. Uzbekistan and the United States signed a letter of agreement for provision of USG counternarcotics assistance in April 1998 and again in August 2001. Proposed amendments to the 2001 agreement are currently being reviewed. Uzbekistan has bilateral agreements to cooperate in the fight against narcotics and in other areas of law enforcement with Russia, Ukraine, Georgia, Kazakhstan, Kyrgyzstan, Turkmenistan, the Czech Republic, Germany, Turkey, China and Pakistan. Uzbekistan has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime.

Cultivation/Production. The government's eradication efforts, named “Operation Black Poppy,” has all but eliminated illicit opium poppy cultivation in Uzbekistan.

Drug Flow/Transit. Several major transnational trade routes facilitate the transportation of opiates and cannabis from Afghanistan to Russia and Europe. The border crossing point at Termez is increasingly a point for trafficking. Narcotics are being discovered in trucks returning to Uzbekistan from delivering humanitarian aid into Afghanistan. Trafficking also continues along traditional smuggling routes and by conventional methods, mainly from Afghanistan into Surkhandarya oblast and from Afghanistan via Tajikistan and Kyrgyzstan into Uzbekistan. The primary regions in Uzbekistan for the transit of drugs are Tashkent, Termez, Fergana Valley, Samarkand and Syrdarya. Most smuggling incidents involve one to two individuals. Smuggling rings are thus relatively small, family-run operations, with no single group controlling any region or the whole country. Smuggling rings tend to be located on the border between Uzbekistan and Tajikistan, where family members can cross the border more easily.

Domestic Programs. According to the Ministry of Health (MOH), there are approximately 19,000 drug addicts in Uzbekistan. In the first half of 2003, 1,767 new addicts were registered. The number of registered addicts is believed to reflect only 10-15 percent of the actual drug addicts. Hospitals with drug dependency recovery programs are inadequate to meet the increasing need. The MOH and National Drug Control Center recognize the need to focus increased attention on the problem, but do not have sufficient funds to move forward. Drug awareness programs are administered through NGOs, schools and the mahalla (neighborhood) support systems. The demand reduction efforts also have focused on a coordinated community policing effort, in which police officers work with local government and education officials to visit schools and other large institutions to discourage illicit drug use.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The goals of the 1998 and 2001 counternarcotics agreements between the United States and the Republic of Uzbekistan focus on the prevention of illicit drug activities in and through the territory of Uzbekistan and the need to increase the effectiveness of the fight against narcotic substances. The Drug Enforcement Administration (DEA) has established a Sensitive Investigation Unit (SIU) in the Ministry of Internal Affairs. The SIU became operational on May 1, 2003 and has

been working successfully since. It has conducted several undercover and international operations. A Resident U.S. Legal Advisor in Uzbekistan is focused on legal and judicial reform.

Bilateral Cooperation. In 2003 the U.S. Government assisted Uzbekistan's anti drug effort in several ways:

- The FBI conducted several seminars on violent crimes, kidnapping, and law enforcement safety.
- DEA organized seminars dealing with training analysts, regional cooperation on counternarcotics issues, and precursor chemicals.

The Road Ahead. The USG will work with all appropriate Uzbek agencies to improve narcotics detection and drug interdiction.