

EUROPE AND CENTRAL ASIA

Albania

I. Summary

Drug trafficking is a significant problem in Albania, which is a major transit country for heroin from Afghanistan and Turkey destined for markets throughout Europe. Organized crime groups use Albania as a transit point for drug and other types of smuggling due to the country's strategic location, weak 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, Greece and the Netherlands. Cocaine is smuggled from South America, via the United States, Italy, Spain, Greece or the Netherlands, and then passes through Albania for distribution throughout Western Europe. There was some domestic opium poppy cultivation in 2004. Marijuana is produced domestically for markets in Europe. There is evidence that high-quality Albanian hashish is exchanged in Turkey for heroin. Synthetic drugs, particularly Ecstasy, are a growing concern. Drug abuse is a growing problem in Albania itself, but remains on a smaller scale than in Western Europe. Statistics continue to be unreliable on drug trafficking or use, 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. In 2001, Albania became a party to the 1988 UN Drug Convention and the 1961 UN Single Convention on Narcotic Drugs, In 2003 it became a party to the 1971 UN Convention on Psychotropic Substances.

II. Status of 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. However, recent restructuring and large-scale firings at the Ministry of Public Order have reduced the ranks of internationally trained police officers, particularly in the counternarcotics sectors. 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 GOA has undertaken a number of measures to combat trafficking. Working with Italian law enforcement, the Albanian police and military brought a near halt to clandestine trafficking via speedboat across the Adriatic for a time during August 2002; however, there is evidence of renewed narcotics trafficking via this route, particularly from the ports of Shengjin and Durres. The Albanian Parliament recently passed an asset forfeiture law that allows the GOA to confiscate illegally obtained property of persons identified as members or connected to members of organized crime groups, including drug traffickers. In 2004, 312 cases of police corruption were reported by the Office of Internal Control to the Prosecutors' Office, with 251 police officers fired, demoted, fined, transferred and/or suspended. Only four of these cases involved narcotics trafficking and low-ranking officers were involved in all four cases.

Plagued by high 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. According to the government, there are an estimated 30,000 drug users. 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. It is clear that the country is experiencing 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 (crystal methamphetamine) are also available, but expensive, keeping use of these drugs at a low level. Heroin is imported from Macedonia, but is refined in Turkey or Afghanistan.

Marijuana is produced domestically and smuggled abroad. Cocaine is smuggled from South America to Albania, though the routes used to get it into Albania are 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, Greece, and the Netherlands as the main trafficking routes. In 2004, the Toxicology Clinic at Tirana's Military Hospital—the only facility in the country to deal with overdoses—has treated 1,740 cases, an increase of nearly 50 percent over last year. Of these cases, 92 percent involved heroin use and the drugs were injected in 66 percent of the cases. The only special treatment center for drug addicts is a center operated by the Emmanuel Community, an Italian NGO under the auspices of the Catholic Church. The Community operates a group home for young recovering addicts. There are 12 young men housed at the center at this time.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The GOA has adopted a National Strategy Against Drugs for 2004-2010, which was developed with the input of central and local government institutions, international organizations and NGOs. In September, the Albanian Parliament passed an antiMafia asset forfeiture law that allows the GOA to confiscate illegally obtained property of persons identified as members or connected to members of organized crime groups, including drug traffickers. The GOA has taken steps to increase the level of accountability to which its law enforcement officials are held. For example, the Director of the Port of Vlore was suspended when seven kilograms of heroin were seized in Italy that had passed undetected through the Port.

Law Enforcement Efforts. Albanian police continued to increase their counternarcotics operations, including large drug seizures in Fier and at the ports of Vlore and Durres, and made successful raids in cooperation with Italian authorities. Authorities report that through November 2004, police arrested 285 persons for drug trafficking, seven of them foreign citizens. An additional 59 persons are being sought for arrest on narcotics offenses and another 39 are under investigation. The police seized 138.9 kilograms of heroin, 4,152.8 kilograms of marijuana, 1.2 kilograms of cannabis seeds, and 2.3 kilograms of cocaine, and destroyed 695 opium poppy plants under cultivation near Fier. They conducted massive helicopter and door-to-door searches throughout the region to search for more. Police also destroyed 73,757 cannabis plants and confiscated 10 tablets of Ecstasy.

Although the quantities of narcotics seized have increased compared to previous years, they still represent a fraction of the drugs transiting Albania. According to the Italian Authorities, in the first three quarters of 2004, they seized 875 kilograms of heroin, 796 kilograms of marijuana, and one kilogram of cocaine that had transited or originated from Albania. Drug trafficking by Albanian citizens in Italy is an extensive problem, with 766 Albanians arrested for drug offences in Italy and 47 deported to Albania in the first three quarters of 2004 alone. The most common drugs involved in these cases were heroin, marijuana, cocaine, hashish, and Ecstasy. Greek authorities reported that in the first three quarters of 2004, they confiscated 96 kilograms of heroin, 754 kilograms of cannabis pressed in bars, 2069 kilograms of dried cannabis, 1.5 kilograms of hashish oil, approximately three kilograms of cocaine and 68 Ecstasy tablets that had originated in or transited through Albania at Albania's border crossings with Greece. 278 Albanian nationals were arrested and tried in Greece in the first three quarters of 2004 on drug-related charges, including cocaine, heroin and cannabis trafficking, as well as possession and/or trafficking of Ecstasy, amphetamines, methadone in tablets and liquid form, and tranquilizers.

Organized crime plays a significant role in drug trafficking, including the facilitation of sales, financial arrangements, and smuggling. The government, with significant help from the Italian authorities, brought clandestine speedboat traffic across the Adriatic Sea to a near halt in August 2002; however,

there is evidence that renewed narcotics trafficking is taking place via this route, particularly from the ports of Shengjin and Durres. Tirana and the central Albanian city of Fier are also known as hubs for drug traffickers.

Due to a recent round of firings at the Ministry of Public Order, the Albanian State Police have decreased the number of police officers assigned to the Anti-Narcotics Unit. The director of the Anti-Narcotics Unit was unable to provide the number of officers and agents assigned to the Unit at this time, but the number is believed to be approximately 100, significantly reduced from the 2003 figure of 146 police officers and agents.

Corruption. 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 (MOU) in December 2002 to foster greater cooperation to help reduce the influence of corruption at Albania's borders. The UNODC reports that this MOU has been effective and led to more effective cooperation between police and customs officials. In addition, the Office of Internal Control, which was created with the assistance of U.S. Department of Justice police trainers (ICITAP) and tasked with investigating police corruption, has been instrumental in bringing about the arrests of several corrupt officers. For the period January through November 2004, some 288 officers have been fired, 72 suspended until the end of their criminal case, and 42 have been demoted. As a matter of policy, the GOA does not encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions; however, there are allegations that some senior government officials are engaged in such activities.

Agreements and Treaties. An extradition treaty is in force between Albania and the U.S. Albania is a party to the UN Convention Against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in women and children. Albania is also a party to the 1988 UN Drug Convention the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances.

Cultivation and Production. With the exception of cannabis, Albania is not known as a major producer of illicit drugs. According to authorities of the Ministry of Public Order's Anti-Narcotics Unit, cannabis is currently the only drug grown and produced in Albania, and is typically sold in Greece, Italy, Turkey, Bulgaria, Montenegro, Kosovo, Slovenia, the United Kingdom, and Germany. Metric ton quantities of Albanian marijuana have been seized in Greece and Italy. In August 2004, alleged drug traffickers opened fire against an Italian Interforza helicopter, which was carrying Albanian and Italian police forces on a narcotics detection flight. The helicopter was flying over a large cannabis field adjacent to the southern Albanian village of Lazarat, near Gjirokaster. .

Drug Flow and Transit. Heroin is the main drug transiting Albania. Authorities report that heroin typically flows through the "Balkan Route." According to some reports, high quality Albanian hashish is shipped to Turkey in exchange for heroin. Ecstasy also finds its way to and through Albania, but in small quantities.

Domestic Programs/Demand Reduction. Drug abuse is a comparatively new problem in Albania. 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. According to the Tirana Military Hospital, 66 percent of the 1,740 overdose cases treated so far this year resulted from injected drug and heroin was the drug used in 92 percent of those cases.

The GOA's National Strategy for the Fight Against Drugs for 2001-2010 recognizes the limited resources of the GOA, but acknowledges the need to develop and implement treatment programs for

addicts. It also envisions treatment service models to be developed in Tirana and other cities in “high-risk” regions, including Shkoder, Vlore, and Berat.

IV. U.S. Policy Initiatives and Programs

Bilateral and Multilateral Cooperation. ICITAP and Prosecutor 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 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 February 2004, the U.S. 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-detection police dogs and their handlers, including constructing kennels for the dogs. 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, boarding officer training for the navy, and anticorruption programs. Albanian law enforcement has a good bilateral relationship with Italian Interforza and has cooperated with Italian law enforcement to carry out narcotics raids in Albania and conduct narcotics detection helicopter flights, among other activities.

The Road Ahead. U.S. and EU programs will continue to assist the GOA’s overall counternarcotics effort (narcotics, weapons, and humans) by providing integrated and coordinated border management and border control assistance. 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 its 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, limited transport traffic between the country and its neighboring states makes Armenia a secondary traffic route for drugs. Armenia Police Service's Department to Combat Illegal Drug Trafficking has accumulated a significant database on drug trafficking 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 police, is not large. The principal drugs of abuse are opium, cannabis and ephedrine. 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. The Interdepartmental Committee on Combating Drug Addiction and Drug Trafficking created in 1993 became an official Government of Armenia body in the past year. The Commission is headed by the Chief of Police.

III. Country Actions Against Drugs in 2004

Policy Initiatives. There were no new policy initiatives since the enactment on May 10, 2003 of the Law on Narcotics and Psychotropic Substances of the Republic of Armenia.

Accomplishments. Preventive measures to identify and eradicate both wild and illicitly cultivated cannabis and poppy continued in 2004. The draft law on Money Laundering, which has passed the first reading, should be enacted in the near future.

Law Enforcement Efforts. In the first 9 months of 2004, the Armenian Police uncovered 340 criminal drug trafficking cases and 156 cases of criminal drug abuse. In this period more than 12 kilograms of drugs were seized, more than twice as much as during the first 9 months of 2003.

Corruption. Corruption remains a problem in Armenia. Although the GOAM has taken some steps to develop an anticorruption program, political will and concrete steps toward implementation have not been adequate. The government 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 and no government officials have been found to engage in these activities.

Agreements and Treaties. In 1992 in Kiev, the Ministries of Internal Affairs of CIS (Soviet successor states) member-countries entered into an "Agreement against Illicit Traffic in Narcotic Drugs, Psychotropic Substances and Substances Frequently Used in Illicit Manufacturing of Drugs." On June 6, 1999 in Tbilisi, a "Memorandum of Understanding on Cooperation in the Area of Narcotics Control and Money Laundering" was signed between Armenia, Georgia, Iran and UNDCP. Armenia also has a number of bilateral agreements with CIS countries on law enforcement cooperation that include the

area of illicit traffic of narcotic drugs. Armenia is party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Lastly, Armenia is a party to the UN Convention Against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in women and children.

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. From September 10 to October 10, 2004, Armenian Police carried out “Hemp and Poppy 2004” an annual measure to find and eradicate cultivated and wild growing hemp and poppy.

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 due to the Nagorno-Karabakh conflict; however, according to the police, opiates and heroin are smuggled to Armenia from Turkey via Georgia. When all Armenia’s borders reopen, the police believe that drug transit could increase significantly.

Demand Reduction. The majority of Armenian addicts are believed to be using hashish, followed by heroin and then by ephedrine. 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 the UNDCP.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG continues to work with the Government of Armenia to increase the capacity of Armenian law enforcement. Joint activities include 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 between 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 and will continue to engage the government on operational trafficking issues.

Austria

I. Summary

Austria is primarily a transit country for drug trafficking along major trans-European routes. Foreign criminal groups from former East Bloc countries, 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. The total number of drug addicts is estimated at around 20,000, or 0.25 percent of total population. Production, cultivation and trafficking by Austrian nationals remain insignificant.

Cooperation with U.S. authorities was outstanding during 2004 and led to significant seizures, frequently involving multiple countries. The visit to Vienna of U.S. Attorney General Ashcroft in January 2004, Austrian Interior Minister Strasser's September 2004 visit to Washington, and a January 2004 visit to the ONDCP by Austria's National Drug Coordinator Pietsch and national legislators underscored the close bilateral cooperation between the countries. In 2004, Austria continued its efforts to intensify regional police cooperation within the Salzburg Forum, a meeting of regional interior ministers, as well as with Balkan countries. Furthermore, Austria maintained a leading role within the central Asian border security initiative. Austria has been a party to the 1971 and 1988 UN drug conventions since 1997.

II. Status of Country

Production of illicit drugs in Austria continues to be marginal. However, Austria remains a transit country for drugs which organized crime syndicates transport along the major European drug routes to Western Europe. There were 163 drug-related deaths in 2003, compared to such deaths in 2002. Preliminary figures for 2004 indicate little change compared to 2003. Experts point out that the percentage of drug deaths from mixed intoxication has been rising steadily in recent years. The 21,780 drug-related offenses in 2003 represent a 0.33 percent decrease over 2002. Of these offenses, 470 involved psychotropic substances, and 93 of them precursor materials. Experts estimate the number of conventional, illicit drug abusers at around 20,000-25,000 (0.25-0.30 percent of total population). The number of users of MDMA ("Ecstasy") decreased slightly in 2004, while usage of amphetamines was on the rise during the same period, as these substances became increasingly available in non-urban areas. Studies show that about one third of young adults (ages 19-29) had "some experience" with cannabis, and 2-4 percent of this age group had already used cocaine, amphetamines and Ecstasy. Studies also found that about 25 percent of teenagers (ages 13-18) had already had "some experience" with illegal substances. In 2004 one gram of cannabis sold for Euros 7 (\$9.30) and one Ecstasy tablet cost Euros 3.00 (\$4). Street heroin sold for Euros 70.00 (\$93) per gram, cocaine for Euros 100.00 (\$133) per gram, and amphetamines at an average of Euros 60.00 (\$80) per gram.

III. Country Actions Against Drugs in 2004

Policy Initiatives. Overall, the government continued its no tolerance policy regarding drug traffickers, while continuing a policy of "therapy before punishment" for non-dealing drug offenders. A new law passed in 2004 allows police to mount surveillance cameras in high-crime public spaces. Additionally, the law provides for the establishment of "protection zones" around schools, pre-schools and old-age homes. According to the law, police may ban any person suspected of drug dealing within a protection zone from that area for up to 30 days. In reaction to intense public discomfort over an increase in the number of asylum seekers engaged in criminal activity, including drug dealing, the government submitted a legislative proposal for more restrictive asylum policies which will take effect

in 2005. Throughout 2004, there was an ongoing debate about lowering the existing threshold for the allowable amount of cannabis a person can carry without being prosecuted, as well as about whether to expand police powers to allow police to test drivers suspected to be under the influence of drugs, and about the introduction of mandatory drug tests at schools.

Throughout 2004, Austria maintained its lead role within the Central Asian Border Security Initiative (CABSI) and the VICA (Vienna Initiative on Central Asia) project. At the same time, Austria intensified efforts to cooperate with countries in the Balkans, dispatching law enforcement representatives to Austrian embassies in the region, most recently to the Austrian embassy in Belgrade. Furthermore, Austria continued to address drug trafficking and related security issues through the Salzburg Forum—a recurring ministerial-level security policy meeting which includes representatives from Austria, the Czech Republic, Slovakia, Poland, Hungary, and Italy. Also in 2004, Austria, together with Italy, started a project within the United Nations Office on Drugs And Crime (UNODC) for reform of the justice system in Afghanistan. Additionally, Austria works together with the UNODC, the EU and Iran to establish more effective border control along the Afghanistan-Iranian border.

Law Enforcement Efforts and Accomplishments. No comprehensive seizure statistics are available for 2004. The total street value of illicit drugs (cannabis products, heroin, cocaine, LSD doses, and Ecstasy pills) seized in 2003 amounted to 8.2 million Euros (\$10.9 million). Quantities of cannabis herb and cannabis resin rose by 23 and 80 percent respectively over 2003, cocaine seizures rose by 58 percent, and Ecstasy seizures rose by 10 percent over the same period. Seizures of heroin and LSD dropped by 28 and 65 percent, respectively. Regarding psychotropic substances, authorities booked a total of 461 individuals for related criminal offenses, a slight decrease over 2002. Overall, authorities made 15,600 drug seizures of psychotropic substances, 22 percent less than in 2002. The number of criminal cases involving precursor materials rose by 30 percent, from 60 in 2002 to 93 in 2003. For 2004, officials expect higher seizure figures for heroin and cocaine, and a significant reduction of seizures of Ecstasy.

Corruption. The GOA's public-corruption laws recognize and punish the abuse of power by a public official. Austria has been a party to the OECD 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 the involvement of any high-level Austrian government officials in drug-related corruption.

Agreements and Treaties. An extradition treaty and mutual legal assistance treaty are in force between Austria and the U.S. In 2004, Austria enacted legislation to implement the EU council framework decision on the European arrest warrant and the surrender procedure between member states. 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 the United Nations Office for Drugs and Crime (UNODC). Austria has been a "major donor" to the UNODC with an annual pledge of approximately \$440,000. Austria ratified the UN Convention Against Transnational Organized Crime in 2004.

Cultivation. The U.S. Government is not aware of any significant cultivation or production of illicit drugs in Austria.

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 nationals of the countries of the former Yugoslavia, West African gangs, and Central and South American gangs), which are well established on major European drug routes, particularly along the Balkan drug route. The illicit drug trade increasingly relies on airports in central and east-Europe, including Austria. 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 2004. Heroin smuggling by air from Turkey via Vienna to the Netherlands increased. Trafficking of Ecstasy products (originating in the Netherlands) was slightly down in 2004 from the record in 2003. Illicit trade in amphetamines, carried out by criminal groups from Poland and Hungary, and trade in cocaine, 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 made the fight against drug trafficking a major policy goal. At the same time, it remains committed to measures designed to prevent social marginalization of drug addicts. Federal guidelines ensure minimum quality standards for drug treatment facilities. The use of heroin for maintenance during drug treatment is generally not allowed. Demand reduction policies emphasize primary prevention, drug treatment and counseling, as well as “harm reduction.” Ongoing challenges in demand reduction are the need for psychological care for drug abusers, and greater attention to older drug abusers and to immigrant drug abusers.

Primary intervention starts at the pre-school level and continues through secondary school, extending also to apprenticeship institutions and out-of-school youth programs. The government and local authorities routinely sponsor educational campaigns inside and outside schools. Overall, youths in danger of addiction have become prime targets of new treatment and care policies.

Austria has syringe exchange programs in place for HIV prevention. HIV prevalence rate among drug-related deaths slightly increased (to 8 percent) in 2004, while hepatitis prevalence rates declined (hepatitis C: from 71 percent to 51 percent; hepatitis B: from 47 percent to 34 percent). Policies toward greater diversification in substitution treatment (methadone, prolonged-action morphine and buprenorphine) continued. Throughout the year experts also discussed introduction of consumption rooms and heroin maintenance programs.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Austrian cooperation on U.S.-interest drug cases is excellent. In the past, Austrian interior ministry officials have exchanged lessons-learned with the FBI, DEA and Department of Homeland Security to improve enforcement techniques. Austria and the U.S. operate a joint “contact office” in Vienna that serves as a key facilitator for flexible and speedy anticrime cooperation. The U.S. Embassy regularly sponsors speaking tours of U.S. narcotics 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. 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 2004, the main drugs seized were hashish and opium. Since 2002, the United States has funded counternarcotics assistance to Azerbaijan through the Freedom Support Act. 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 by land from Iran or via 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. Approximately 14 percent of territory claimed by Azerbaijan is occupied by Armenia; reports that narcotics transit through this area are impossible to verify from Azerbaijan and denied vigorously by Armenia. Domestic consumption continues with approximately 16,800 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 2004

Policy Initiatives. In 2004, the Virtual Law Enforcement Center completed the training of law enforcement personnel from Moldova, Ukraine, Azerbaijan and Georgia. Computer equipment was donated to the government of Azerbaijan (GOAJ) in order to initiate the cooperative effort of information exchanges among the participating countries. In early 2005, training will begin in the other participating countries to integrate them into the system. The 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. During the first ten months of 2004, the U.S. provided \$715,000 to continue the implementation of the State Commission together with the UN's South Caucasus Anti-Drug Program (SCAD), a five-year regional initiative. The SCAD Program has established a resource center and information network that provides access to a central database of information pertaining to narcotics control.

Accomplishments. According to the Ministry of National Security, during the first ten months of 2004, GOAJ seized 6.2 kilograms of heroin, 28.6 kilograms of hashish, 13.7 kilograms of opium, and 12.5 kilograms of marijuana. From 2001-2004, 10,157 drug crimes were recorded and authorities detained 638 kilograms of drugs including 367 kilograms of marijuana, 134 kilograms of opium, 20 kilograms of heroin and 25.8 kilograms of hashish. More than 1.5 tons of narcotics were destroyed in that period.

Law Enforcement Efforts. The Ministry of National Security reported that during the first ten months of 2004, 222 people were prosecuted for trafficking drugs. The 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 remains a significant problem, but the GOAJ has taken steps to address it with new anticorruption legislation enacted in 2004, which will go into effect in January 2005. However, the GOAJ has done little to implement anticorruption legislation, vet specialized units, or adopt a charter for the anticorruption commission.

Agreements and Treaties. Azerbaijan is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 Single Convention as amended by the 1972 Protocol. Azerbaijan also is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in women and children.

Cultivation and Production. Cannabis and poppy are cultivated illegally, mostly in southern Azerbaijan.

Drug Flow/Transit. Narcotics traffickers rely on familiar transit routes. However, 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. 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. 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 has begun education initiatives directed at curbing domestic drug consumption, particularly among students.

IV. U.S. Policy Initiatives and Programs.

Bilateral Cooperation. In 2004 the Export Control and Related Border Security (EXBS) program continued to provide assistance to the Azerbaijan State Border Guards and Customs services. 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 2004, EXBS sponsored numerous courses for the Border Guard Maritime Brigade. These courses included "Advanced International Border Interdiction Training" which introduced the participants to real-time, hands-on inspections and Border Patrol tactics in the field. EXBS also hosted the "US-Azerbaijan Legal Technical Forum III" which provided assistance to the GOAJ in strengthening its legal framework for an export control system in Azerbaijan that is consistent with international standards. In addition, in 2004, EXBS Conducted a Counter-Narcotics Instructor Course and reorganized the Border Guards conscript and officer training programs.

U.S. and European experts participated in a three-day workshop on "Implementing the norms of international law on extradition and mutual legal assistance related to drug offences into national law and practice." During this workshop, U.S. and European legal experts provided training to and shared advice and practical experience with relevant Azeri legal professionals (police, prosecutors, judges and parliament) on the implementation of Azerbaijan's international legal obligations related to drug offences.

Key Azerbaijani law enforcement officials participated in a U.S.-based study tour which provided them with a first hand look at how the U.S. criminal justice system operates in practice, with a particular focus on issues related to reforms currently underway in Azerbaijan. The participants were

introduced to various investigative and forensic techniques and the concept of vetted units of police and prosecutors working as a team.

The Road Ahead. The U.S. and Azerbaijan will continue to 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, and the DEA plans to help Azerbaijan increase its counternarcotics capabilities.

Belarus

I. Summary

Belarus continues to grow in importance as a transit country for drugs. Local drug use, drug-related crime, and HIV/AIDS infection rates continue to increase. Belarus does not produce drugs for export, though it may be a source of precursor chemicals. With the help of other nations and organizations, Belarus is improving its efforts to combat drug abuse and trafficking, but corruption, and lack of organization, funding and equipment continue to hinder progress. Belarus is a recipient of the EU/UNDP program BUMAD (Belarus, Moldova, Ukraine Anti-Drug Programme), which seeks to reduce trafficking of drugs into the European Union. The program seeks to develop systems of prevention and monitoring, improve the legal framework, and provide training and equipment. It is the most significant counternarcotics program in Belarus at this time.

II. Status of Country

Drugs increasingly transit Belarus on their way to points east, west and north due to Belarus' porous borders and good railway and road system. Most heavy drugs, especially heroin, enter Belarus from Russia. This trade is facilitated by Belarus' customs union with Russia, and the resultant lack of border controls between Belarus and Russia. Before the customs union with Russia, more than 30 percent of all seizures occurred on that eastern border. Police claim Roma groups control much of the drug trade into Belarus, particularly heroin. The formation of the Eurasian Economic Community (Belarus, Russia, Kazakhstan, Kyrgyz Republic, and Tajikistan) has the potential to create a broader border-free area, which would facilitate all types of trafficking. Narcotics enter Belarus from all neighboring countries, except Latvia. Belarusian border guards lack the training, and in many cases the equipment, to conduct effective searches.

In the first nine months of 2004 authorities seized 1,750 kilograms of narcotics, slightly more than in all 2003 (1,688 kilograms). Official seizure figures do not reflect the reality of the problem, as it is assumed most drugs transit Belarus undetected. Neighboring countries reported an increase in drugs that came from or passed through Belarus.

Drugs enter Belarus from Russia, Ukraine (Semi-refined Opium); Baltic states, the Netherlands, Poland (Amphetamines); Afghanistan, Caucasian republics, Pakistan, Russia, Tajikistan, Turkmenistan, Ukraine (Heroin); Caucasian republics, Ukraine (Marijuana); Russia (Methadone); Ukraine (Poppy Straw).

Drugs transit Belarus to Poland, Russia (Amphetamines); Russia, Western Europe (Heroin); Lithuania, Russia (Marijuana, Poppy Straw); Poland, Russia (Precursors); Baltic states, Russia (Rohypnol).

Police report Nigerian drug rings frequently hire Belarusian citizens to smuggle drugs from Russia, South America, Africa, and the countries of the Golden Crescent/Golden Triangle into Western Europe.

There is no evidence of large-scale drug production in Belarus. However, Belarus has all the resources necessary for the production of synthetic narcotics and lack of controls, which lead to such production elsewhere. The chemical industry, completely government owned, is allowed to police itself. According to law enforcement officials in neighboring countries, Belarus is a source of precursor chemicals, but officials in Belarus deny this.

According to official data, there are approximately 10,500 registered drug addicts in Belarus, double the number since 2002. Belarusian experts estimate the real number at 100,000. The estimated number

of addicts is growing by 20-25 percent annually. The percentage of youth, women, and student addicts is growing. The level of addiction is worst in Gomel Oblast, where in some towns the level of addiction per population is four times the national average.

The many unregistered addicts fear consequences at work, school, and in society if their addiction becomes known. Drug use is heavily criminalized and highly stigmatized by government and in society. The exception is among youth. A recent study found youth have ready access to narcotics at dance clubs, university dormitories and educational facilities. A strong link between HIV/AIDS and drug use exists. In the worst hit city, Svetlogorsk, 74 percent of registered drug users are HIV/AIDS positive. The number of HIV/AIDS positive registered addicts is increasing by 40 percent annually. Sharing of syringes by intravenous drug users is the primary cause of transmission of HIV/AIDS in Belarus.

Belarus' narcotics problems have increased many-fold since the Soviet era, and continue to worsen. Since 1987, the number of drug-related crimes has increased by 17.3 percent; the number of people charged with narcotics-related offences grew by 18.3 percent; the number of people charged with the sale of illegal narcotics increased by 41 percent; charges against drug users increased to 102.5 percent; and the total weight of drugs seized increased roughly 100 percent.

Synthetic drugs are growing in popularity. In the last two years heroin use has dropped sharply, replaced by the slightly more expensive but much longer lasting methadone. In the first half of the year, authorities seized 464 grams of methadone, a 470 percent increase over the same period in 2003. Amphetamine use is growing rapidly, particularly among youth; police seized 20.5 kilograms of amphetamines in the first five months of the year, compared to less than one kilogram in all of 2000.

The average age of drug users is 25. Seventy-nine point one percent of drug users are men; 8.3 percent are under 18 years old and 22.5 percent are ages 18-24. Thirty-seven point eight percent of drug addicts first used drugs in prison, 50.9 percent in their local neighborhoods, and the rest at work, in the military, or at school.

Belarus continues to have problems with abuse of, the extract from poppy straw, which is very popular in Ukraine, Russia, and Belarus. Poppy straw was the drug seized in greatest quantity in 2004 (1,150 kilograms). There is, however, no evidence of large-scale production of poppies for export.

III. Country Actions Against Drugs in 2004

Law Enforcement Efforts. From January to October, 2,825 people were charged with drug crimes. Authorities seized 1,749 kilograms of drugs from January to November 2004, but experts, including government officials, agree that this quantity fails to reflect the real quantity of drugs transiting or used in Belarus.

Enforcement efforts suffer from lack of communication and coordination among agencies, as well as from lack of training and resources. For example, less than 50 percent of border checkpoints have adequate equipment. Even when the equipment is present, border guards often do not know how to use it. Main shortages involve x-ray devices, air detectors, mobile labs, computers and networks, and drug-detection dogs. Police officers have no training in undercover operations or controlled delivery stings. Despite these resource problems, the majority of government officials take seriously their efforts to combat drug smuggling. By all accounts officials involved in combating drug trafficking cooperate well with their colleagues in neighboring countries.

Drugs seized January-November 2004 (in kilograms): Poppy Straw (1150); Marijuana (260); Extraction Opium (210); Benzodiazepine (57.9); Amphetamine/Methamphetamine (27.6); Hashish (22.6); Acetylated Opium (liquid heroin) (14.5); Hallucinogens (2.7); Heroin (2.5); All Other Drugs (under one kilogram).

Corruption. Corruption is a problem among border and customs officials. Some reports implicate high-level members of the regime in narcotics trafficking. These factors make interdiction of narcotics difficult. In 2004 there was a crack down on corruption amongst border guards, though thus far the prosecuted cases have not included narcotics-related offences or any senior officials.

Agreements and Treaties. Belarus 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. Belarus is a party to the UN Convention against Transnational Organized Crime and its three protocols.

The international donor community has had repeated difficulties in getting assistance programs registered by the government. There have also been attempts by the Belarusian government to tax foreign aid, despite international agreements. These problems have slowed the implementation of international assistance programs.

Cultivation/Production. There is no confirmed drug cultivation or production in Belarus. Belarus law enforcement officials are not trained in tracking precursor chemicals or the detection of synthetic drug manufacturing facilities. There is no legislation in Belarus dealing with precursor chemicals. Control of precursors is not on the agenda of policy makers.

Drug Flow/Transit. The Government of Belarus is not operating any significant programs particularly aimed at combating trafficking. The BUMAD program is attempting to improve Belarus' border checkpoints and the training of law enforcement personnel. Resource shortages plague the government's efforts in this area.

President Lukashenko in 2003 threatened to open Belarus' western border to all forms of trafficking, narcotics, migrants and trafficked women, in retaliation against EU efforts to encourage democratization. However, he did not act on this threat. This year Lukashenko on several occasions decried the "great costs" Belarus incurs preventing smuggling into Europe, and ordered his government to seek reimbursement from the European Union.

Domestic Programs (Demand Reduction). A national drug abuse prevention strategy exists, called The State Program of Complex Measures Against Drug and Psychotropic Substances Abuse and Their Illicit Trafficking for 2001-2005. Government officials confess, however, that the program lacks details of implementation, timeframes, as well as sufficient financial support. The Ministry of Interior has primary responsibility for its implementation. Other institutions involved in reducing drug demand include the Ministry of Health, Ministry of Foreign Affairs, Ministry of Education, Committee on State Security (BKGB), and the State Customs Committee.

Belarus still lacks an effective system of counternarcotics education, though such programs occur at the local level with varying degrees of success. Police officers who work with juvenile crime run drug prevention programs in schools, but lack sufficient training, resources, and nation-wide coordination of curriculum. The BUMAD program aims to formulate a national curriculum and provide training.

Treatment of drug addicts is generally done in psychiatric hospitals, either as a result of court remand or self-enrollment, or in prisons. The emphasis of all programs is only detoxification and stabilization. NGOs run six rehabilitation centers, which attempt to provide long-term care, including psychological assistance and job training. Financial limitations constrain the breadth of these programs.

IV. U.S. Policy Initiatives and Programs

The USG has not provided narcotics/justice sector assistance to the GOB since a U.S. policy of selective engagement became effective in February 1997.

The Road Ahead. The USG will continue to encourage Belarus authorities to enforce their counternarcotics laws.

Belgium

I. Summary

Belgium remains an important transit point for a variety of illegal drugs, most significantly Ecstasy, cocaine, and heroin. 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 in Belgium appear to be on the rise. Belgium is also a transit point for a variety of chemical precursors used to make illegal drugs. Traffickers use Belgium's busy seaports and two international airports to move drugs to their primary markets in the United Kingdom, the Netherlands, and elsewhere in Western Europe—as well as to the United States to a much lesser extent. Belgium takes a proactive approach to interdicting drug shipments and cooperates with the 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 eight synthetic drug labs in 2004. 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 produces synthetic drugs and cannabis and remains a key transit point for illicit drugs bound for the UK, the Netherlands, and elsewhere in Western Europe, as well as the United States. 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. Belgian officials believe that sea freight is likely 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 UK, but there appears to be growing demand in Belgium as heroin becomes cheaper, purer, and more readily available. Heroin usage in Belgium 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. In October 2004, the Belgian Supreme Court revoked the article of the 2003 Drugs Act that had instructed authorities not to prosecute minor possession of cannabis for personal consumption. This revocation, however, is believed to be temporary and knowledgeable observers of the drug scene in Belgium predict that it will have no major bearing on either domestic demand or police seizures. Cannabis seizures have remained stable and even lower than usual in 2004, a trend that may be explained by the rise of indoor 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 2004

Policy Initiatives. Belgium's National Security Plan for 2004-2007 cites synthetic drugs and heroin as the top large-scale drug trafficking problems. Of particular concern to Belgium in the next three years

will be the importation of cocaine and the exportation of synthetic drugs. The National Security Plan calls for attention to be concentrated on shutting down clandestine laboratories for synthetic drugs, on breaking up criminal organizations active in the distribution of synthetic drugs and heroin, and on halting the rise of drug tourism in Belgium. 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. DEA and DoJ officials conducted a five-day training seminar in March for the Belgian Federal Prosecutor's Office, local prosecutors, investigating judges, and the Federal Police. The seminar addressed asset seizure and money laundering.

Accomplishments. Belgian authorities seized eight laboratories in 2004: three producing Ecstasy, three producing amphetamines, and two producing GBL. As in past years, all production sites were located along the northern border with the Netherlands. These seizures bring the number of laboratories seized in the past six years to 41. By comparison, only ten laboratories were seized in the six-year period from 1992 to 1998. During 2004, two high-capacity amphetamine labs were seized. One of these super laboratories, reported to be the largest ever seized in Europe, had produced 2.5 tons of amphetamine over the course of four months. Belgian authorities discovered over 12,000 liters of toxic chemical by-products of refining at this lab, which had been operational for two years. An investigation conducted jointly among the U.S., Belgium, and the Netherlands resulted in the arrest of several Israeli traffickers. The investigation is believed to have largely dismantled an important Israeli trafficking group, which had once dominated the export of Ecstasy from Belgium and the Netherlands. The DEA Brussels Office documented the seizure of more than 1,500 kilograms (7.5 million tablets) of Ecstasy in 2004. Major seizures included in this sum were 120 kilograms located inside a safe in Antwerp and 354 kilograms sent to Italy in a pizza oven. This figure does not take into account an 835 kilogram controlled delivery to Australia in November 2004.

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, they focus their efforts on combating synthetic drugs, heroin and cocaine. Belgian authorities continued to cooperate closely with DEA officials stationed in Brussels.

At Brussels' Zaventem airport in the Brussels region, non-uniform personnel trained by the Federal Police to help detect drug couriers became increasingly proficient during 2004. Over 114 kilograms of illicit drugs were seized at Zaventem in 2004; the majority of these seizures involved one to five kilogram amounts of cocaine. Belgian authorities 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, appears almost certainly to be inadequate. Although Belgium's busy seaports appear to be used to ship Ecstasy (as demonstrated by a major seizure in Australia that had been shipped from the port of Zeebrugge in 2003), Belgian inspectors have uncovered no such shipments at any Belgian port in 2003 or 2004. Port inspectors did, however, seize significant amounts (575 kilograms) of cocaine at the port of Antwerp in 2004.

Corruption. The Belgian government 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. 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, the 1961 UN Single Convention and its 1972 Protocol, as well as the 1971 UN Convention on Psychotropic Substances. In August 2004, Belgium ratified the UN Convention against Transnational Organized Crime, the trafficking in persons protocol and migrant smuggling protocol, and ratified the firearms protocol in

September 2004. 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. As part of a joint U.S.-EU venture, in 2003 the U.S. and Belgium signed bilateral instruments implementing the 2003 U.S.-EU Extradition Agreement.

Under a bilateral agreement with the United States as part of the U.S. Container Security Initiative, U.S. Customs officials in 2004 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 Counter Drug Initiative. The MOU provides the terms and conditions for U.S. Coast Guard law enforcement detachments to embark in 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.

During FY-2004, eight MLAT requests for narcotics case information sharing were submitted between Belgium and the United States.

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. 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 the Netherlands 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 three labs in 2004. Dutch traffickers are also linked to Belgium's production of Amphetamine-Type Stimulants (ATS). 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 to establish their own facilities in Belgium. Authorities 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), its two international airports, highway links to cities throughout Europe, and proximity to the Netherlands. Illicit drugs from Belgium flow to the United Kingdom, the Netherlands and elsewhere in Western Europe, as well as to the United States.

Israeli drug traffickers no longer figure so prominently in the export of Ecstasy from Belgium and the Netherlands (see above), but a new trend involves Chinese traffickers shipping precursor chemicals from China to Belgium and the Netherlands. Ultimately, the Ecstasy is sent in bulk from Belgium to Chinese or Vietnamese gangs in Canada. These Chinese groups are believed to have largely displaced traditional Ecstasy sources. Ecstasy production continues to be controlled by Dutch chemists on either side of the border between Belgium and the Netherlands.

The port of Antwerp continues to be the preferred destination for cocaine imported to Europe, with an estimated 20 tons entering the port each year. The flow of cocaine to Belgium is controlled by Colombian organizations with representatives residing in the region. Antwerp port employees are also documented as being involved in the receipt and off-load facilitation of cocaine upon arrival at the port. In January 2004 Belgian authorities seized 400 kilograms of cocaine. Subsequent investigation demonstrated that the same organization had managed the shipment of about six tons of cocaine during the prior twelve-month period. The predominant cocaine trafficking groups in Belgium are

Colombian, Dutch, Surinamese, Chilean, and Israeli. Though not as significant, Albanian and Moroccan traffickers have also been identified.

Belgium remains 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. Moroccan and Algerian groups control most of the cannabis importation overland from France. Indoor growth activity of marijuana is controlled by Belgian and Dutch groups.

Domestic Programs. 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 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.

The annual spending on heroin consumption in Belgium is about \$225-\$300 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 for Belgian authorities, especially given that one dose costs as little as 10 Euros (\$12.50). This worrying trend, together with the crime and social costs associated with heroin addiction, make thwarting the proliferation of this drug a top priority for Belgian public health and law enforcement officials alike.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States and Belgium frequently share counternarcotics information. Officials in the Federal Police, Federal Prosecutor's Office, and Ministry of Justice who work on counternarcotics in the GOB are fully engaged with their U.S. counterparts.

The Road Ahead. The U.S. looks forward to continued close cooperation with Belgium in combating illicit drug trafficking and drug-related crime, with a growing emphasis on systematic consultation and collaboration on operational efforts. The U.S. also welcomes Belgium's active participation in multilateral counternarcotics fora such as the Dublin Group of countries concerned with narcotics-trafficking.

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 law enforcement cooperation, gradual improvements in the oversight of the financial sector, increased seizure of drugs, and substantial legal reform, local authorities are politically divided and enforcement efforts are poorly coordinated. Narcotics trade remains an integral part of the influence wielded by foreign and domestic organized crime figures and ethnic extremists who operate with the tacit acceptance (and sometimes active collusion) of some corrupt public officials. Border controls have improved, but flaws in the regulatory structure and justice system, coupled with a lack of attention by Bosnia's political leadership, mean that few effective measures against narcotics trafficking and related crimes exist. BiH is in the process of developing a national counternarcotics strategy and is creating a state-level body to coordinate the fight against drugs. In 2004, police powers were given to the State Investigative and Protection Agency (SIPA) to conduct search and seizure counternarcotics operations. In 2005, the BiH government will launch a public information campaign to raise awareness about the dangers and effects of drugs. BiH is party to the 1988 UN Convention on Drugs and is attempting to forge ties with regional and international law enforcement agencies.

II. Status of 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 1991-95 war, both as a reflection of the general breakdown of law and order and as a means for 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 Peace Accords. Traffickers have capitalized in particular on an ineffective justice system, 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 warehouse for drugs en route to Western Europe.

Information on domestic consumption is not systematically gathered, but anecdotal evidence and law enforcement information 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-entity 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 for customers Central European customers. 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 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 2004

Policy Initiatives. The BiH Government implemented a new Criminal (CC) and Criminal Procedure (CPC) Codes in 2003. 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 have reduced this undue influence. Law enforcement and judicial officials have better tools, in the new CPC, to investigate and prosecute serious crime or corruption cases. In particular, the criminal procedure code permits communications surveillance, use of informants, and undercover police work. Department of Justice ICITAP and Overseas Prosecutorial Development Assistance Training (OPDAT) training organized for law enforcement agencies are teaching police and prosecutors how to use these tools. Improved relations between BiH and 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.

Accomplishments. Under close observation 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-Republica Serbska) joint task force. The Government of BiH has established the State Court and State Prosecutors Office, that has jurisdiction over serious criminal offenses such as terrorism and trafficking and has created new state-level Ministries of Security and Justice as well as strengthened border and financial controls.

As of 2004, the SBS covers one hundred percent of Bosnia's borders. Forty-seven international border crossings are manned by SBS personnel and all four international airports are under SBS control. However, there are still a large number of illegal crossing points, chosen at locations where SBS does not exercise effective control. Five SBS Mobile Support Units 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, the less porous borders, which have been achieved, should help stem the flow of illicit goods through Bosnia. 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. 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 are available to other law enforcement institutions, particularly SIPA, for joint law enforcement operations. 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. 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, in 2004 the international community completed the vetting and appointment of all judges and prosecutors in the country.

Law Enforcement Efforts. Counternarcotics efforts have improved but remain inadequate given suspected trafficking levels. In the Federation, drug-related criminal reports to the prosecutor have increased by thirty percent, while the number of minor offense reports has decreased by fifty percent.

Based on data through December 2004 the number of drug-arrests in the RS has increased by 34 percent compared to 2003 levels. RS police operations have seized a total of approximately 166,182 kilograms of marijuana (a decrease of 20 percent over 2003 levels, 1692 grams of heroin a 10 percent increase over 2003 levels), and 1978 Ecstasy pills (a 20 percent increase over 2003 levels).

Through December 2004, fifteen arrests in the Brcko District were reported. Meanwhile, preliminary figures indicate that the SBS has filed 31 criminal reports and 33 minor offense charges, and seized approximately 176 kilograms of marijuana, 11 grams of heroin, and 8 Ecstasy pills through December 19, 2004.

Through December 2004 in the Federation, 280 criminal reports were filed for the unauthorized production, processing and trade of drugs (a 13 percent decrease in comparison with 2003), 980 criminal reports for possession of drugs (a 215 percent increase in comparison with 2003). The enormous increase of criminal reports for drug possession is linked to implementation of the Federation Criminal Code, which criminalized drug possession. Federation counternarcotics operations have resulted in the seizure of 34 kilograms of marijuana, 3.323 kilograms of heroin (a 50 percent increase over 2003 levels), and 1214 Ecstasy pills (a 50 percent increase over 2003 levels).

Corruption. Bosnia and Herzegovina does not have laws that specifically target 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. 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 the Kingdom of 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 declining, largely as a result of the ready import of cheaper and better quality cannabis from Albania through Montenegro. 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.

An NGO, 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 recovering addicts. 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 Kosevsko 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 2004, a total of thirty patients were successfully rehabilitated through UG-PROI programs. Currently, UG-PROI is focusing on development of a nation-wide database of drug abusers, as well as on the development of a study to standardize treatment.

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, de-politicizing the police, improving local governance, strengthening bank regulatory authorities, and introducing free-market economic initiatives. The USG 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. Since the European Union Police Mission (EUPM) took over from the International Police Task Force (IPTF) in 2004, 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 capacity 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 Government of Bulgaria has continued to make progress in improving its law enforcement capabilities and customs services, although major structural changes remain to be implemented. The Bulgarian government 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, investigators, 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 continued to move from primarily being a drug transit country to 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. The spillover effect of drugs as payment for transportation services is resulting in an increase in local user populations. Transporters, reimbursed in product instead of money, typically break down the purer drugs for street level consumption.

The Government of Bulgaria has emphasized its commitment to combat serious crime including drug trafficking. Despite some progress towards this goal, there were no major convictions for drug trafficking, or other serious related crimes, including organized criminal activity, corruption or money laundering during 2004. Among the problems hampering counternarcotics efforts are poor interagency cooperation, inadequate equipment to facilitate narcotics searches, widespread corruption, and an overall weak judicial system.

III. Country Actions Against Drugs in 2004

The Bulgarian government has issued an annual national drug prevention strategy every year since 2002, and in 2004 it continued its efforts to interdict the flow of narcotics through Bulgaria. Additional measures—started in 2002—continued through 2004, including the creation of a 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 (apx. \$134,000) out of an estimated BGN 10 million (apx. \$6.7 million) needed.

Accomplishments. The Bulgarian law-enforcement services have opened a new crime intelligence center with multi-agency input and access. This intelligence center will be pivotal in the collection, analysis, and dissemination of investigative information in a time sensitive and usable form.

Law Enforcement Efforts. From January to September 2004, Bulgarian Customs seized 1430.64 kilograms (kg) of drugs, including 784 kilograms of heroin, 113 kilograms of marijuana and 410 kilograms of amphetamines. This compares to roughly 1074 kilograms of drugs seized in 2003 and 462 kilograms in 2002. The rise in seizures suggests that Bulgarian interdiction efforts have improved and that more traffickers are being apprehended. Additionally, the seizure of precursor chemicals, including ephedrine and acetic anhydride, are priorities of Bulgarian Customs and law enforcement officials.

Corruption. In 2002, the Bulgarian 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. Bulgaria has signed but has not yet ratified the UN Corruption Convention.

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 is a party to the UN Convention Against Transnational Organized Crime and its three protocols. 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.

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. There has been a steady increase in the indigenous manufacture and distribution of amphetamine products (captagon), followed by ecstasy, cocaine, and opiates such as hydrocodone, triazolame, and morphine.

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 Republic of Macedonia. Precursor chemicals for the production of heroin pass from the Western Balkans through Bulgaria to Turkey. Methods of transport and conveyances are automobiles, trucks, buses/coaches, and mini-buses/vans, followed by postal proceeds, air cargo consignments, airplanes, territorial checkpoints, and pedestrians.

Domestic Programs (Demand Reduction). 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. For drug treatment, there are 35 outpatient units and approximately 12 inpatient facilities 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 and the EU and the Council of Europe’s Pompidou Group.

IV. U.S. Policy Initiatives and Strategies

Bilateral Cooperation. DEA operations are managed from Embassy Athens. The USG also supports various 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, and an FBI Legal Attache will soon arrive in Sofia.

The Road Ahead. The U.S. will continue to assist Bulgaria's counternarcotics and legal sector reform efforts.

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. Croatia is a party to the 1988 UN Drug Convention.

II. Status of Country

Croatia shares borders with Slovenia, Serbia, Hungary, and Bosnia and Herzegovina, and has a 1,000 km long coastline (4,000 km adding in its 1,001 islands), which presents an attractive target to contraband smugglers seeking to move narcotics into the vast European market. Croatian police have noted 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.”

III. Country Actions Against Drugs in 2004

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 apportions 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. The Interior Ministry maintains cooperative relationships with Interpol and an expanding number of neighboring states.

In the fall of 2004, the government formed a working group to review and draft changes to the criminal code, including revising some drug-related provisions. Parliamentary discussion of these changes is expected by summer 2005.

Accomplishments. In October 2004, the parliament revised the law governing the work of the special Office for Combating Organized Crime and Corruption (USKOK). In addition to strengthening the tools USKOK can use to combat organized crime, the new law gives USKOK jurisdiction to investigate narcotics-linked organized crime cases.

Croatia continues to cooperate well with neighboring and Western European states to improve the control and management of its porous borders. Cooperation on narcotics enforcement issues with neighboring states is generally described as excellent. In January 2004, working with Austrian, Slovenian, and Serbian police, Croatian police joined an operation targeting narcotics smuggling through Kosovo, resulting in the seizure of 7 kilograms of heroin from an Albanian national. However, officials complain that overlapping jurisdictions and significant legal loopholes in Bosnia and Herzegovina limit the utility of cooperation.

Law Enforcement Efforts. Croatian police improved and focused their counternarcotics efforts on targeted border-crossing points, leading to the largest total amount of heroin seized in Croatia to date. Police note, however, that the purity of heroin seized this year is significantly lower than in previous years. As a result of a new law passed in July to reduce drug and alcohol-related traffic incidents, 50 traffic police were trained in narcotics detection techniques and equipment use.

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 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 signed the UN Convention Against Corruption in December 2003. Croatia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention and its 1972 Protocol and the 1971 UN Convention On Psychotropic Substances. Croatia is also a party to the UN Convention Against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in women and children.

In the fall of 2004, the Chief State Prosecutor initiated discussions with his counterparts in neighboring countries toward signing bilateral agreements to facilitate cross-border criminal prosecutions. In December 2004, the Croatian State Prosecutor's Office joined 11 other regional Prosecutors in signing a memorandum of understanding on joint work to fight organized crime. Over the past several years, Croatia has entered into a number of bilateral agreements with neighboring states on law enforcement cooperation, including Slovenia, Bosnia and Herzegovina, Serbia and Montenegro and Hungary. It also intensified its cooperation with Austria, Germany, Italy and Slovenia on border control. In 2000 Croatia entered the Southeast Europe Cooperative Initiative (SECI) agreement to prevent and combat trans-border crime. Croatia has a representative at the SECI crime center in Bucharest.

Extradition between Croatia and the United States is governed by the 1902 extradition treaty between the U.S. and the Kingdom of Serbia, which applies to Croatia as a successor state. The Croatian constitution prohibits the extradition of Croatian citizens; however, the Government of Croatia permits its citizens to be extradited 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 illegal 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." authorities believe that up to 80 percent of the heroin from Asian sources travels across this route on its way to the European market. Although not considered a primary gateway, police seizure data indicate smugglers continue to attempt to use Croatia 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 illicit labs in The Netherlands and Belgium are the primary sources.

Demand Reduction. The Office for Combating Drug Abuse is the focal point for coordination of various agencies activities to reduce demand for narcotics. This Office develops the national counternarcotics strategy and coordinates implementation of the annual National Action Plan, which was approved in February 2004. The Office also serves as Croatia's focal point for international coordination and is working to harmonize counternarcotics policies with European Union norms. In July 2004, the parliament approved some changes to the criminal code allowing courts to mandate therapeutic treatment in some drug addition cases.

According to the Office, drug abuse rates were highest in Istria County (major city Pula) in 2003 (latest data available), followed by the capital of Zagreb and urban areas of Sibenik, Zadar and Rijeka. In 2003, 5,678 persons underwent drug addiction treatment, which is 2.3 percent less than in the previous year. The number of new opiate addicts has varied in the past several years ranging between 820 and 1,048 annually. The number of first time seekers of addiction treatment has been sliding since 2001; in 2003 it dropped to 1,840, an 11 percent drop from the previous year. Seventy percent of the overall number of addicts are addicted to heroin. Over 72 percent were infected with hepatitis C, and 0.7 percent were HIV positive. There were 71 drug-related deaths in 2003, which represents a 26 percent increase from the year before.

Demand reduction programs are coordinated by national Office for Combating Drug Abuse. The Ministry Of Education requires drug education in primary and secondary schools. Additional major drug abuse prevention and public awareness programs are run by the Ministry of Defense, the Ministry of Public Health, the Ministry of Justice, and the Ministry of Interior. Other ministries and government organizations also run outreach programs to reach specific constituencies such as pregnant women. 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. The Office projected 91.3 million Kuna (approx. \$16,000,000 at current exchange rates) will be spent in 2004 in aggregate for demand reduction efforts, although actual figures will not be available until mid-2005. The Government of Croatia also will sponsor the creation of expert advisory groups that will work with local governments to counter drug abuse.

IV. U.S. Policy Initiatives and Programs

Goals. The primary objectives of U.S. initiatives in Croatia are to offer assistance with the development of skills and tools among Croatian law enforcement agencies to improve their ability to combat organized crime and narcotics trafficking and to improve Croatian law enforcement agencies' abilities to work bilaterally and regionally to combat trafficking.

Accomplishments. 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 graduated from a completely revamped basic police school in July 2004. This class will be the first to proceed from graduation to probationary assignments with specially trained, senior police officers as coaches and mentors. A new police policies and procedures field manual was issued to all police officers in fall 2004. In addition, Croatian police have been regular participants in training programs at the U.S.-funded International Law Enforcement Academy in Budapest as well as follow-on training in Roswell, New Mexico. Under the Export Control and Border Security (EXBS) program, police and customs officers have been trained on risk analysis methodologies and new equipment has been donated to help improve at-the-border detection of smuggled contraband.

Road Ahead. In fall 2004, an experienced U.S. organized crime and narcotics criminal investigator was placed in the Criminal Police Directorate to work with police and prosecutors in developing crime task-force investigative skills. For 2005, U.S. expert training teams will join in-country U.S. trainers to help Croatian police develop witness protection and confidential source management skills, as well as provide follow-on assistance to improve police and prosecutor cooperation in complex narcotics and organized crime cases. Additional training and detection equipment donations planned for 2005 under the EXBS program will have ancillary benefits for Croatia's fight against narcotics trafficking, particularly in the areas of interagency cooperation and border management capabilities.

Cyprus

I. Summary

Although Cypriots do not produce or consume significant amounts of narcotics, increase in local drug use continues to be a concern. The Government of Cyprus traditionally has had a low tolerance toward any use of narcotics by Cypriots and continues to employ a public affairs campaign to remind Cypriots that narcotics use carries heavy costs, and users risk stiff criminal penalties. Cyprus' geographic location and its decision to opt for free ports at its two main seaports continue to make it an ideal transit country for legitimate trade in most goods, including chemicals, between the Middle East and Europe. To a limited extent, drug traffickers use Cyprus 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. Cannabis is the most commonly used drug, followed by heroin, cocaine, and MDMA (Ecstasy), which are available in major towns. Reports of heroin overdoses have increased in 2004: there have been ten confirmed overdose deaths this year. 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 that they are diverted for illegal use. Cyprus offers relatively highly developed business and tourism facilities, a modern telecommunications system, and the seventh-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 two years for drug users less than 25 years of age with no prior 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 for the confiscation of drug-related assets as well as the freezing of profits, and a special investigation of a suspect's financial records.

III. Country Actions Against Drugs in 2004

Policy Initiatives. In May 2004, Cyprus became a member of the European Union (EU). Prior to its accession into the EU, Cyprus implemented all the necessary requirements to comply with EU regulations. To meet EU regulations, Cyprus established the Anti-Drug Council, which is responsible for national drug strategies and programs. The council is chaired by the Health Minister and is composed of heads of key agencies with an active role in the fight against drugs. They are appointed

by the Council of Ministers for a period of three years. As the national coordinating mechanism on drug issues in the country, the Council's mandate includes the planning, coordination and evaluation of all actions and programs and interventions aimed at the primary, secondary and tertiary levels of drug prevention. The Council acts as a liaison between the Republic of Cyprus and other foreign organizations concerning drug related issues, as well as having the responsibility for promoting legislative or any other measures in an attempt to effectively counter the use and dissemination of drugs. Moreover, the Cyprus Anti-Drug Council is the responsible body for the strategic development and implementation of the National Drugs Strategy and the National Action Plan on Drugs aligned with the EU Drugs Strategy.

In connection with EU entry this year, Cypriot Authorities also established the Cyprus Police European Union and International Police Co-operation Directorate, which replaces a similar operational unit established in 2002. The Division is responsible for cooperating with foreign liaison officers appointed to Cyprus, including the U.S. Drug Enforcement Administration (DEA), Nicosia Country Office (NCO), as well as Cypriot liaison officers appointed abroad. The Cyprus Police European Union and International Police Co-operation Directorate assisted in the extradition of two individuals to the United States arrested on narcotics charges. In 2004, the Cyprus Police, Drug Law Enforcement Unit, (DLEU) appointed a new commander, with twenty years of service in the DLEU. The commander rose through the ranks of the DLEU and his experience will greatly assist the unit. The DLEU has increased its budget in 2004 for the training of DLEU members in Cyprus and abroad to combat drug trafficking. In 2004, Cyprus established two new centers for the detoxification and rehabilitation of drug addicts. A new law enacted in Cyprus provides judges with the discretion to send convicted drug addicts to jail or to one of these centers under certain conditions.

Cultivation/Production. Cannabis is the only illicit substance cultivated in Cyprus, and it is grown only in small quantities for local consumption. While cannabis is the most widely used drug, there has been a reported decrease in the cultivation of cannabis plants over the past year. The Cypriot authorities vigorously pursue illegal cultivation.

Drug Flow/Transit. Although no longer considered a significant transit point for drugs, there were several cases of narcotics smuggling in the past year. Cypriot law enforcement authorities continued to cooperate with the DEA office in Nicosia on several international investigations initiated during 2004. Tourism to Cyprus is sometimes accompanied by the import of narcotics, principally Ecstasy and cannabis. Cyprus police believe that to a large extent their efforts in combating drug trafficking have 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 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 statistics on arrests and seizures of narcotics, this theory has changed. Last year, arrests of Cypriots for possession of narcotics with intent to distribute were significantly higher than the number of arrests of non-Cypriots on similar charges. During the past year there has been an increase in the number of Turkish Cypriots arrested for the distribution of narcotics in Cyprus. There is no production of precursor chemicals in Cyprus, nor is there any indication of illicit diversion. Dual-use 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 cases subject to their jurisdiction permit them to, and readily supports the international community in efforts against the narcotics trade. 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 by any other country except Turkey. The U.S. Embassy in Nicosia, particularly the DEA, within the Embassy, nevertheless 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. Cyprus is a party to the UN Convention against Transnational Organized Crime and its three protocols, and is a signatory to the UN Convention Against Corruption. An extradition treaty between the United States and Cyprus entered into force in September 1999. A mutual legal assistance treaty (MLAT) between the United States and Cyprus entered into force on September 18, 2002. Cyprus also became a member of the EU in May 2004.

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

Policy Initiatives. 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 2005, the USG will continue to work with the Government of Cyprus to strengthen enforcement of existing counternarcotics laws and enhance Cypriot participation in regional counternarcotics efforts. DEA regularly provides information and insight to the GOC on ways to strengthen counternarcotics efforts. New laws to empower members of the Drug Law Enforcement Unit in their fight against drug traffickers are currently before Parliament.

Czech Republic

I. Summary

Illegal narcotics are imported to, manufactured in, and consumed in the Czech Republic. Marijuana, both imported and, to a much lesser extent, grown locally is used more than any other drug. Consumption of marijuana continues to grow, particularly among the young. The popularity of Ecstasy (MDMA) is also growing, especially among the young and “rave dance scene” participants, who consider it a “recreational” drug. According to an EU report for 2003, more than twice as many Czech students (44 percent) used marijuana or hashish than the European average (21 percent). Similarly, twice as many Czech students (12 percent) used some other illicit drug than the ESPAD average (6 percent). The government has taken note of these trends and has altered its drug strategy for the next 5 years to include more counternarcotics education for the young. On the positive side, the use of what the Czechs call problem drugs, such as heroin or the amphetamine Pervetine, decreased slightly. The level of cocaine use remains very low. Tobacco and alcohol consumption is very high. The Czech Republic is a producer of ephedrine, a precursor for Amphetamine-Type Stimulants (ATS) and a producer of lysergic acid, ergometrine and ergotamine, used for production of LSD.

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, the closure of most of the traditional customs posts along the nation’s borders as part of EU accession in 2004, 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 Czech National Focal Point for Drugs and Drug Addiction, which became fully operational in January 2003, is the main body responsible for collecting, analyzing and interpreting data on drug use. It issues an annual report on the drug situation in the Czech Republic and cooperates closely with the European Center for Monitoring Drugs and Drug Addiction (EMCDDA).

The Focal Point report for 2003 indicates that the number of problem drug users is approximately 30,000 (19,000 Pervitine and 11,000 heroin users). This represents a 15 percent drop from the estimate of 35,000 problem users for the previous year. Between 80 percent and 90 percent of this group are intravenous drug users. Focal point estimates that 60 percent of problem drug users are in regular contact with treatment centers, and drop-in centers. Health officials say there were only 4 new cases of HIV among problem drug users in 2003. They attribute the relatively low numbers of HIV and hepatitis infections to the fact that the majority of IV drug users are in contact with treatment centers and drop-in centers which offer needle exchange.

Authorities offer differing explanations for the decrease in heroin use. Some attribute it to effective substitution treatment with buprenorphin or methadone. Others, particularly among police officials, say the heroin market was unstable and lower amounts of heroin were available.

While the use of heroin declined significantly, consumption of softer drugs such as marijuana and Ecstasy increased in 2003. The annual report by the European School Survey Project on Alcohol and other Drugs (ESPAD) showed an increase in marijuana use from 34.8 percent in 1999 to 43.6 percent in 2003. Similarly, Ecstasy use grew from 3.4 percent in 1999 to 8.3 percent in 2003. The ESPAD report also highlighted increased trend in cigarette smoking and alcohol consumption among 16 years olds. The report also confirms the decrease in experimental use of heroin and Pervitine.

One third of children have their first experience with legal drugs (tobacco and alcohol) by the age of 11. Children try illegal drugs, primarily marijuana, at the age of 14-16. While the average age of heroin users went up in 2003, suggesting fewer new young addicts, the average age of those using drugs with lower health risks went down.

III. Country Actions Against Drugs in 2004

Policy Initiatives. There is an ongoing debate in the Czech government and society over whether there should be a more liberal line taken in regard to soft drugs, in order to focus on hard drugs. In March, 2004, the Christian Democrats announced their war on drugs, which, with its stricter policy on marijuana ran counter to the then prevailing liberal line of the government's drug policy. Due to the important position of the Christian Democrats in the governing coalition, the preparation of the government's drug policies for 2005-2009, as well as preparation for the recodification of the nation's penal code, were interrupted. The proposed changes to the Penal Code would have divided drugs into soft and hard classes. That division and consequent lower penalties for soft drugs were behind the debate that led to the dismissal of Josef Radimecky, the man who until early December, 2004 was the head of the body responsible for government drug policy. But on one of the last business days of 2004 the government approved the next five-year plan on drug strategy, to a large extent along the lines suggested earlier by Radimecky. The plan focuses on the fight against organized gangs that provide drugs, and taking steps to further lower the number of addicts.

Based on the results of an internal audit, the National Drug Headquarters—the main institution responsible for major drug cases—changed its organizational structure in June 2004. They now have only two departments: one focused on natural drugs, and one on synthetic drugs and precursors. This structure allows much better coordination of existing cases and enables them to establish task forces. In the past there were six departments focusing on particular drugs (heroin, Ecstasy, marijuana) or particular organized groups (Asians, ethnic Albanians, Africans, Russian speaking groups etc). The original structure showed problems in cases when a certain criminal group was involved in more than one activity and dealt with more than one kind of drug. The National Drug Headquarters also strengthened cooperation with The Financial Police Unit, which was established in July 2004 under the Ministry of the Interior.

The General Directorate of Customs underwent major changes in 2004 as part of the Czech Republic's entry into the EU. All of the traditional customs posts along the nation's borders with Poland, Germany, Austria, and Slovakia, other EU states, were closed. The only remaining international customs post is at Prague's International Airport. Eight mobile customs teams have also been set up and these teams now conduct random checks along highways, in warehouses, and at marketplaces.

The drug unit of the Czech Customs Service gained new responsibilities such as monitoring transport, and imports and exports of precursors from and to third countries. Beginning in January 2005, they will also be responsible for monitoring the growth of poppies and technical cannabis (containing less than 2 percent THC). This monitoring used to be done by the Czech Ministry of Agriculture.

Accomplishments. In the first half of 2004, the National Drug Headquarters, together with the Custom Service, seized 5.66 kilograms of heroin; 35,691 ecstasy pills; 1.5 kilograms of methamphetamine, 26 kilograms of marihuana, 729 cannabis plants, 5.17 kilograms of hashish, 0.5 kilograms of ephedrine and 3 kilograms of cocaine. They also found 105 laboratories for methamphetamine production.

There were several prominent arrests in the second half of the year. In November 2004, the National Drug Headquarters, in cooperation with the Customs Service, arrested a five-member gang, two Czechs and three foreigners, suspected of organizing the export of heroin from the Czech Republic.

The police seized 27 kilograms of heroin but suspect them of having smuggled roughly 220 kilograms of heroin to other European countries.

In cooperation with specialists from the U.S., Holland, Israel and Belgium, in September 2004, the Czech National Drug Headquarters arrested the head of a Czech-Israeli gang that organized the export of Ecstasy from Europe to Los Angeles. 300,000 tablets were seized in the U.S. Two Czechs were arrested in Austria while receiving payment for the sale.

According to the police statistics for the first half of 2004, 2149 people were investigated for drug related crimes. 2085 suspects were investigated for unauthorized production and possession of narcotics and psychotropic substances. 173 others were investigated for drug possession for personal use, and 67 were investigated for spreading addiction. According to statistics provided by the Ministry of Justice for 2004, the state prosecuted 2945 suspects and indicted 2589 others for drug related crimes. 363 were accused of drug possession for personal use and 299 were accused of spreading addiction. Courts have convicted 1376 people; among those there were 64 convictions for drug possession for personal use and 45 for spreading addiction.

Statistics for year 2004 showed that most of the convicted criminals (52 percent) received conditional sentences for drug related crimes and only one fourth of convicted criminals were sentenced to serve time. Only 12 percent of this latter group received sentences higher than 5 years. The majority (77 percent) of those given prison sentences received from 1 to 5 years.

Corruption. Possession of a small amount of drugs is considered an administrative offence and possession of more than a small amount a criminal offence. The vague definition of what is a “small amount” opened up the possibility for police corruption, allowing some venal officers to construe any 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 on whether to pursue drug cases.

In 2003 10 police officers committed drug related crimes. There were 9 cases of production and distribution of drugs, and 1 case of spreading addiction. Four of the 10 police 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 escape destruction and then arranged with two policemen to sell the heroin. In 2002 only 4 police officers committed drug related crimes (3 cases of production and distribution and 1 case of spreading addiction. All those cases were conditionally suspended.

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, though the extradition treaty is 80 years old, based on outdated mutual lists, and does not allow the extradition of Czech nationals to the U.S. The Czech Republic has taken the necessary legislative measures to join the European Arrest Warrant system. However, the EAW has not been used and there is sharp debate about whether the Czech constitution even allows the extradition of nationals to other EU Member States. A test case before the Constitutional Court may resolve the issue in 2005. The Czech Republic has signed, but not yet ratified, the UN Convention against Transnational Organized Crime.

Drug Flow/Transit. Marijuana cultivation used to be primarily for personal use only. However the police recently found many laboratories where the drug was cultivated hydroponically, which appears to be an indication that the marijuana is produced for local distribution. Police discovered three big laboratories in the first half of the year. The marijuana growers stated that they were encouraged to start these large marijuana operations by the signals of the government’s more liberal drug policy

against soft drugs. Marijuana is also imported from Holland and more recently from Morocco via Spain.

Czech police focused their activities on ethnic Albanian drug gangs that import heroin mainly from Afghanistan via Iran and Turkey. There were no reports of imports of white heroin from Thailand or Burma. Heroin sometimes transits the Czech Republic via the Balkan Route to Northern and Western Europe. But police believe shipments are now smaller and more frequent, unlike the big heroin cases of the past. Cocaine is mainly exported to the Czech Republic through Holland. It usually 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. Czech drug couriers mainly use the airport in Amsterdam where the cooperation with the local police is very complicated in terms of arrest. The local police more often than not confiscate the drug, but do not start prosecution. 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.

Pervitine, a synthetic amphetamine, is produced mainly by Czechs, primarily for local consumption. It is often produced in home laboratories where ephedrine, the main ingredient in Pervitine, is extracted from pills that are readily available. One Czech company, INC Roztoky u Prahy, had been producing tons of ephedrine annually. INC announced a production pause in May 2004, in connection with plans to sell the factory or the production technology. Neither of those two options have taken place, but all ephedrine stocks have been sold, mainly to the USA (Novus; cca 30 tons), South Africa (cca 3 tons), Argentina and Brazil or to local companies. It looks as though INC plans to restart its production in 2005. Pervitine is exported mainly to Germany and to a lesser extent to Austria. Czech technology for the production of Pervitine has also been sold to neighboring Slovakia.

Ecstasy, still the favorite drug of the dance scene, is imported mainly from Holland and Belgium. The import is organized among smaller, closed groups or individuals; however, the amounts of drug shipments are growing. Most Ecstasy in the Czech Republic is in pill form. There are no indications that Ecstasy is produced in the Czech Republic.

The Ministry of Agriculture monitors the growth and sale of poppies that are cultivated for poppy seeds sold to EU markets or used in traditional Czech cooking. Total production in 2003/2004 (July 2003-June 2004) was 19,544 tons (16,918 tons in 2002/2003). 80 percent-90 percent of production is exported. The Czech Customs Service will be responsible for monitoring growth as well as exports beginning January 2005.

Domestic Programs (Demand Reduction). School prevention programs continue to be the most common prevention programs. After-school activities are organized by NGOs. The number of contact centers that provide needle exchange is growing. In 2003 1.7 million needles were distributed.

In 2003, the state budget provided 317 million Czech Crowns, or \$13.7 million to national drug programs and an additional 48 million Crowns, or \$2.1 million directly to the regions. The Government Commission for Coordination of Drug Policy received \$4.45 million for projects at the local level, up from the 2002 amount of US\$3.75 million.

The Commission needs to coordinate with other institutions to make sure that the resources for prevention and treatment programs will be spent wisely. It has been criticized for supporting programs to test the purity of Ecstasy at dance-parties in the past. Since there are many preventive as well as treatment programs (and a lot of them are not very effective), the Committee came up with a proposal to evaluate programs.

The U.S. Department of State supports the prevention efforts of 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 schools.

Bilateral Cooperation. Czech police consider cooperation with the U.S., German, Austria, Israel, Switzerland and the UK as very good. Czech and German police continue to cooperate in Operation Crystal to combat Pervitine trafficking.

IV. U.S. Policy Initiatives and Programs

The U.S. covers Czech Republic drug issues through the DEA office in Berlin. DEA maintains an extremely active and cooperative relationship with Czech counterparts, particularly with the National Drug Headquarters. DEA cooperates with NDH on investigations. DEA also assists with organizational changes at NDH and has provided training. The State Department has given grants for counternarcotics education and has provided equipment and training for customs officers.

The Road Ahead. In the first half of the year the Government Commission for Coordination of Drug Policy did an analysis of Czech drug policy. Based on the results of their analysis, they proposed a new drug policy strategy for 2005-2009. They proposed a general document to which they would add two action plans for 2005-2006 and 2007-2008. The priority will be given to public health concerns, including a balance between drug supply, 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 and wants to increase the number of these centers. The government also wants to implement a certification scheme for NGOs providing these services. Legal drugs, tobacco and alcohol, became another priority of the government. They want to focus more on misuse of these drugs by children, based on the latest research results. This strategy hasn't been approved yet due to political differences over drug policy. 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. The bill is prepared but hasn't begun the legislative approval process.

Denmark

I. Summary

Denmark's strategic geographic location and status as one of Northern Europe's primary transportation points 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 and increased cocaine 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 that entities based or operating in Denmark play a significant role in the production of drugs or in the trading and transit of precursor chemicals.

III. Country Actions Against Drugs in 2004

Policy Initiatives. Legislation creating stiffer penalties for narcotics-related crime was enacted in March 2004 and raised the maximum jail sentence for serious drug-related crimes from ten to sixteen years. In 2003, 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 Banditos—both involved in illegal drugs. Undercover operations and informants may now be used when investigating crimes punishable by terms of over six years in prison.

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

Denmark continues to provide counternarcotics 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. In early 2004, three people were arrested following the seizure of 325 kilograms of hashish that had been smuggled into Denmark in a refrigerated truck. One of the persons arrested was a member of the Hell's Angels biker gang. In 2004, the Danish Police also demolished the hashish booths in a previously loosely regulated area of Copenhagen known for illicit drug trade and arrested 70 people in the process. Authorities succeeded in closing down the area in response to complaints from residents about the open sale of illegal substances.

Law Enforcement Efforts. During 2004, there was a large increase in cocaine seizures. Cocaine investigations are the current top priority of counternarcotics police efforts in Denmark. The Danish National Police Commissioner issued a statement that the increase in cocaine seizures can be

attributed to “police efforts to fight organized crime and with the systematic police investigations aimed at criminal groups and networks which are involved in drug crime.” The Police Commissioner vowed to continue “goal oriented and systematic efforts to fight organized crime in close cooperation with the European police unit at Europol and foreign police authorities.” Police also targeted members of the Hell’s Angels and Banditos biker gangs active in narcotics smuggling and distribution by increased enforcement of tax laws. Authorities brought 31 cases of tax evasion against members of the biker gangs resulting in fines up to a top fine of DKK 4,000,000 (\$727,272).

Heroin availability in Denmark has fluctuated based on the heroin production levels in Afghanistan. Heroin trafficking continues to be largely controlled by Serbian nationals. By November 1, 2004, the Danish authorities had seized 22.15 kilograms of amphetamine, 15.3 kilograms of methamphetamine, 16.8 kilograms of heroin, 84.2 kilograms of marijuana and 325 kilograms of hashish, 24.4 kilograms of cocaine, and 31,581 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, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. Denmark also is a party to the UN Convention against Transnational Organized Crime and its protocol against trafficking in women and children, and is a signatory to the UN Convention Against Corruption. The USG has a Customs mutual assistance agreement, 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. The Danish Police report that the continuous smuggling of cannabis to Denmark is typically carried out by car or truck from the Netherlands and Spain. Amphetamines are typically smuggled from the Netherlands via Germany to Denmark and there distributed by members of the Hell’s Angels and Banditos biker gangs. Continued international cooperation, including information sharing among EU members’ national police forces, has helped stem drug flow across the Danish-German border by allowing better detection (at origin) and tracking (to destination) of attempted narcotics smuggling efforts.

Domestic Programs. Denmark’s Ministry of Health estimates that in 2003 (Most recent data available) there were approximately 25,500 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, to 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 September 2004, the Department of Homeland Security (DHS) and the U.S. Coast Guard (USCG) conducted a joint training seminar for 34 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. DHS and USCG conducted similar training in 2003, which included presentations from the Drug Enforcement Administration (DEA). In 2003, DEA sponsored the Second International Drug Profiling Conference in Sweden, which was attended by twenty forensic chemists from the U.S., Europe, including Denmark, Asia and Australia.

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 to travel and commerce of all sorts. When visa-free travel is fully implemented, there will unavoidably be an 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 cooperation with Danish authorities and work to deepen joint efforts against drug trafficking.

Estonia

I. Summary

Despite continued, concentrated police effort, the abuse of, and trafficking in, illegal drugs continue to rise in Estonia. Frequent arrests of drug traffickers at Estonia's borders indicate not only the extent of drug transit through Estonia, but also the increasing efficiency of counternarcotics efforts of Estonian law enforcement agencies. A 2004 pan-European survey showed that teenagers in Estonia are more eager to use legal and illicit drugs than their European peers, which, in combination with the increasing number of Estonians dying of drug overdose, suggests an increase in domestic drug consumption.

II. Status of Country

The October 2004 closure of a drug lab in Parnu County and seizure of a record amount of Ecstasy pills and Ecstasy precursors at the site prove that Estonia is involved in the production of synthetic illicit drugs. According to the Head of the Central Criminal Police, more than 330,000 pills of Ecstasy and over ten kilos of MDMA were seized, making it the biggest amount of Ecstasy found in the Nordic and Baltic countries to date. In December 2004, officials of the drug squad of the Estonian Tax and Customs Board seized seven kilos of hashish at the Virtsu Port on Estonia's west coast. The drugs were seized as they were being loaded onto a small Finnish vessel.

Estonia has one of the highest HIV infection growth rates in Europe. As of December 2004, 4,408 cases of HIV have been registered, 709 in 2004. Although the virus has started to spread to the general population, intravenous drug-users still form the biggest share of the newly registered HIV cases. Therefore, state policies on HIV/AIDS and other drug-related infectious diseases are a key part of the national drug strategy.

III. Country Actions Against Drugs in 2004

Policy Initiatives. In 2004 a number of changes were introduced to the state legal framework regulating drug-related issues. The Amendments to the Penal Code providing for more strict penalties with respect to crimes associated with narcotics and psychotropic substances entered into force on January 1, 2004, expanding considerably the category of drug related offenses.

In 2004 the GOE approved the Draft Narcotic Drugs and Psychotropic Substances Act (NDPSA), and in September 2004 it passed its first reading in Parliament. The NDPSA will empower the Estonian Drug Monitoring Center to collect data on drugs and drug addiction and set up a drug treatment registry.

In April 2004, the GOE Parliament unanimously approved the National Strategy on the Prevention of Drug Dependency 2004-2012. The strategy includes six fields: prevention, treatment-rehabilitation, harm reduction, supply reduction, drugs in prison, and monitoring of the drug situation. The Government Coalition Agreement for the period of 2003-2007 provides for several activities related to the fight against illicit and licit drugs to be carried out by the parties in the ruling political coalition.

To improve procedures for the prescription of medical products containing buprenorphine, and to avoid illegal use of this same product, additional restrictive measures against the drug were adopted in 2004.

Law Enforcement Efforts. Combating the drug trade and reining in domestic consumption is a top priority not only for Estonian law enforcement agencies but also for several government ministries. In

2004 the Ministry of Justice announced the start of a three-year fight against the organized trade in narcotics. In addition, in 2004 twenty officials from the Estonian prison system were trained as counternarcotics instructors. The Prosecutor General and Director General of the Police Board have both stated that the fight against drugs will be among Estonia's top two law enforcement priorities in 2005. Local governments have also taken steps to combat the increasing domestic drug consumption. In 2003 the Tallinn City Government adopted its own Action Plan for the Prevention of Drugs and HIV-AIDS in Tallinn for the years 2003-2007. In December 2003 the City Government of Narva adopted a similar action plan to combat drug trade and fight HIV/AIDS.

Corruption. Narcotic-related corruption in Estonia occurs at lower levels of the enforcement system, and is prosecuted when discovered. There is no indication of higher level narcotics-related corruption.

Agreements and Treaties. Estonia is a party to the 1961 UN Single Convention as amended by its 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention, and the 1990 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime. The domestic drug legislation of Estonia implements international agreements on illicit drugs. A 1924 extradition treaty, supplemented in 1934, remains in force between the U.S. and Estonia, and a mutual legal assistance treaty entered into force in 1998. Estonia is a party to the UN Convention Against Transnational Organized Crime and its three protocols.

Cultivation and Production. There are increasing indications that at least some synthetic drugs are produced in Estonia, especially Ecstasy.

Drug Flow/Transit. The Estonian Border Guard and Police have noted that most Estonian-Finnish drug trafficking is done via small ports. Of the total narcotics trade in Estonia, transit accounts for approximately 70 percent and domestic use 30 percent.

Domestic Programs. Drug treatment is available. Authorities give particular attention to health counseling and HIV/AIDS prevention/detection.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2004, the Department of State approved funding for a workshop for the Baltic States on clandestine drug laboratories, to be held in Lithuania in 2005. Also, in 2004, Embassy Tallinn's Legal Attache Office funded the participation of two members of the Estonian Security Police and one representative of the Estonian Criminal Police in the FBI national re-training course in Norway. In 2004 the USG funded a series of counternarcotics children's books. The U.S. Embassy in Tallinn also co-sponsored a production of the American musical "Rent" to raise awareness of drug and HIV/AIDS issues in Estonia.

The Road Ahead. The United States anticipates continued close cooperation with Estonian authorities in the international battle against drugs.

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. Law enforcement authorities must act in accordance with Finland's constitution, which strongly emphasizes civil liberties and constrains the state from using electronic surveillance techniques such as wiretapping, etc., in all but the most serious investigations; Finland's political culture tends to favor demand reduction and rehabilitation efforts over strategies aimed at reducing supply. The police believe increased drug use in Finland 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 remain concerned about shipments of Ecstasy and other Amphetamine-type Stimulants (ATS) 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 major donor to the UNDCP and is active in counternarcotics efforts within the EU. 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 export 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 relating to narcotics offenses, and precursor chemical control. Domestic drug abuse rehabilitation and education programs are excellent. Legislation passed in 2001 allows the police to fine violators for possession of small amounts of narcotics. Statistics are not yet available for how many fines were levied in 2004. 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 has grown significantly in recent years, 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 cities. Social service authorities believe the introduction of GHB and other "date rape" drugs into Finland has led to an increase in the number of sexual assaults reported by young women. Finnish law enforcement authorities admit that their lack of resources, together with legal restrictions on electronic surveillance and undercover police work, make penetrating the Ecstasy trade difficult. Increasingly permissive social and cultural attitudes toward drug use and experimentation also contribute this 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 had a purity as low as 5 percent. Despite increased use, overdose-related deaths have declined for several years because the heroin content of drugs available in Finland is low.

Because of the difficulty of obtaining high-grade heroin, some users are turning to Subutex (buprenorphine), which they obtain primarily from France. Subutex is used in the treatment of heroin addiction in France; doctors there can prescribe up to a three week supply. Finnish couriers frequently travel to France to obtain Subutex, which they then resell in Finland at a high mark-up. Possession of Subutex is legal in Finland with a doctor's prescription, but there is also a vigorous black market fed by these illegal imports.

The incidence of new HIV cases related to IV drug use in Finland held steady in 2004. 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. Crime syndicates are already using Finland as a transit country into the Schengen region for trafficking-in-persons, and police are concerned that narcotics trafficking in both directions might be next. Police report that Estonians run most of the illicit drug smuggling trade for Finland, although the domestic street-level dealers are chiefly Finns. In the past, the Estonian rings primarily smuggled Dutch or Belgian made Ecstasy. Beginning in 2003, the syndicates also began smuggling greater quantities of Estonian-produced Ecstasy, although the quality and market value is lower. Most Ecstasy in Finland today is now believed to originate in Estonia. Estonian crime syndicates also organize the shipment of Moroccan cannabis from Spain to Finland. Russian syndicates in St. Petersburg have been the primary suppliers of heroin for the Finnish market, but Estonian traffickers are now active in this area as well.

III. Country Actions Against Drugs in 2004

Policy Initiatives. In 1998 the Finnish government released a comprehensive policy statement on illegal drugs, 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 young offenders 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 sends 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. A member of parliament in 2004 was involved in a tabloid scandal when she admitted having smoked hashish at a party as a sitting MP; there were no charges filed in the case.

Accomplishments. In late 2000, parliament passed legislation that would increase the law enforcement's community's ability to pursue criminals with investigative tools, such as undercover investigations and wiretaps. Although the legislation went into effect in 2001, a number of restrictions on using such techniques remain and the practical result is that they are not regularly employed. The Finnish government's strategy during 2004 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. In 2004 Finland played a major role in developing OSCE's drug control strategy.

Law Enforcement Efforts. Although final figures are not yet available, the police believe that arrests and seizures remained relatively stable in 2004. Beginning in the mid-1980s, law enforcement authorities focused police resources on major narcotics cases and significant traffickers, which, due to resource limitations, was 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 90's led to a situation in which the number of drug offenders exceeds the resources deployed to combat illegal

drugs. Following the release of the 1998 government policy statement on drugs, greater resources have been devoted to investigations at the street level by uniformed patrols as well as plainclothes police officers.

Corruption. As a matter of government policy, the Finnish government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal transactions. 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 it has implemented the Convention through domestic legislation. 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, amended by its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Finland is a party to the UN Convention Against Transnational Organized Crime. A 1976 bilateral extradition treaty is in force between the United States and Finland. Finland in 2004 signed the bilateral instrument of the EU-U.S. Extradition Treaty. The United States has also concluded a customs mutual assistance agreement with Finland. Finland is a signatory to the UN Convention Against Corruption.

Cultivation/Production. There were no seizure of indigenously cultivated opiates, no recorded diversion of precursor chemicals, and no detection of illicit methamphetamine, cocaine, or LSD laboratories in Finland in 2004. 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. Production is chiefly for personal use. The distribution of the 22 key precursor chemicals used for cocaine, amphetamine, and heroin production is tightly controlled.

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 using buprenorphine is a relatively new treatment for heroin addicts in Finland and not yet widespread.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States has pursued cooperation with Finland in a regional context, coordinating assistance between Finland and the other Nordic States with assistance to the Baltic States. Cooperation between Finnish law enforcement agencies and their U.S. counterparts on narcotics objectives is excellent.

The Road Ahead. The United States anticipates continued excellent cooperation with the government of Finland in all areas of countering narcotics trafficking. The principal limitation to such cooperation will likely be limitations created by the small resource base that Finnish law enforcement authorities have at their disposal.

France

I. Summary

France is a transshipment point for drugs moving into, from and within Europe. Given France's shared borders with trafficking conduits such as Spain, Italy, and Belgium, France is a natural distribution point for drugs moving toward North America from Europe and the Middle East. France's own maritime presence in the Caribbean its proximity to North Africa and its participation in the virtually Europe-wide Schengen open border system, contribute to its liability as a transit point for drugs, including drugs originating in South America. France's own large domestic market of predominantly cannabis users is, of course, attractive to traffickers as well. Specifically, in descending order, cannabis originating in Morocco, cocaine originating in South America, heroin originating in southwest Asia, and Ecstasy (MDMA) originating in the Netherlands and Belgium all find their way to France. Increasingly, traffickers are also using the Channel tunnel linking France to Great Britain as a conduit for drugs from mainland Europe to the UK and Ireland. With numbers of drug arrests and seizures increasing again in 2003 (latest figures), new Government of France (GOF) counternarcotics initiatives in 2004 included increasing cooperation with neighboring countries and Morocco and facilitating confiscation of traffickers' assets. France is a party to the 1988 UN Drug Convention.

II. Status of Country

In 2003, the number of drug offenses, seizures, and arrests increased over 2002 levels, according to official French figures, as did the volume of seizures of cannabis, heroin, cocaine, crack, and amphetamines. Seizures of Ecstasy remained almost equal with 2002 levels. Seizures of methamphetamines and LSD declined, as did fatal drug overdoses, continuing a trend that began in 1995 (with the exception of a small up-tick in 2000). The number of deaths due to drug overdose has decreased by more than 25 percent between 2000 and 2003, with an eight percent decrease from 2002 to 2003 alone.

Cannabis users account for more than 90 percent of all drug users in France, according to official French statistics. By contrast, users of the next most popular drugs, heroin and cocaine, account for only four percent and two percent of users respectively, and Ecstasy users total fewer than two percent of all users. In 2003, authorities seized more than 80 tons of cannabis products (mostly resin), more than 4 tons of cocaine, 545 kilograms of heroin, and more than 2 million Ecstasy pills. Police, customs officials, and the gendarmerie arrested more than 90,000 users and more than 17,000 persons for trafficking. Males far exceeded females as users: males made up 93 percent of those interrogated by the police for using cannabis, and more than eight out of 10 users of cocaine, heroin, and Ecstasy. French nationals accounted for 93 percent of those arrested for cannabis usage, and the average age of all users was just over 22 years; among traffickers, French nationals represented 86 percent of those arrested. Of cocaine traffickers arrested, only 56 percent were French, while 72 percent of heroin traffickers were French. Almost two-thirds of drug users, according to French figures, are between 18 and 25 years old.

III. Country Actions Against Drugs in 2004

France continued to work hard to meet its obligations under the 1988 UN Drug Convention:

Policy Initiatives. France's drug control agency, the Mission Interministerielle de la Lutte Contre la Drogue et la Toxicomanie (MILDT, or the Interministerial Mission for the Fight Against Drugs and Drug Addiction), is the focal point for French national drug control policy. Created in 1982, MILDT

coordinates the 19 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 European Union. In June, Interior Minister Dominique de Villepin announced plans to have police conduct searches more often in planes and trains originating from particular destinations, especially the Netherlands, Spain and Belgium. Villepin noted that he hoped to sign agreements with those countries to allow French investigators to work at their airports. He also sought to establish mixed patrols at the borders, intensify controls on roadways, and create a new Interministerial Antidrug Committee (CILAD), which will draw up a map of the main illegal drug centers in France.

Given the primary role that cannabis resin from Morocco plays in the French market (80 percent of the hashish seized in France each year comes from Morocco) in mid-September Villepin went to Rabat to meet with his counterpart to discuss ways to reinforce cooperation. The director general of the national police, the director of Public Liberties and Judicial Affairs, and the director of the Directorate of Territorial Security (DST, France's FBI equivalent) accompanied Villepin and met with their counterparts as well. The two countries agreed to exchange liaison officers specializing in counternarcotics. According to the agreement, France's Office Central pour la Repression du Traffic Illicit des Stupfians (OCTRIS, the Central Office for the Repression of Illicit Trafficking in Narcotics) will set up an operation in Tangiers, and, in an attempt to uncover supply networks, French police will question 167 French or Franco-Moroccans being held in Morocco for drug offenses. They hope ultimately to establish a Mediterranean counternarcotics group, also involving Spain.

In October, National Assembly member Jean-Luc Warsmann of the ruling Union for a Popular Majority proposed 44 measures to fight drug-trafficking networks. U.S. Drug Enforcement Agency (DEA) officials had briefed Warsmann on drug trafficking in the region in preparation for his proposal. In response to Warsmann's proposals, Villepin announced the creation of a "unit for the identification of property" which will allow justice and finance officials to pinpoint-even prior to arresting traffickers-all of the traffickers' property, both in France and abroad, thus facilitating seizures. Authorities will confiscate all assets that the owner cannot prove were acquired with 'valid money.' In late October, the directors-general of the French and Spanish national police met to follow up on a meeting earlier that month between their respective interior ministers. They signed agreements calling for Spain to send one Central Drugs Unit inspector to Martinique as a liaison officer for investigation of cocaine trafficking, and another to OCTRIS headquarters in Paris to enhance cooperation generally in drug-trafficking investigations.

Law Enforcement Efforts. French counternarcotics authorities are efficient and effective. In 2004, French authorities made several important seizures of narcotics. In addition, they dismantled several drug rings across France.

In March authorities confiscated several large hauls of cannabis resin. On March 12, customs authorities in Perpignan seized two tons; on March 19, police in southeastern France seized another ton; on March 27, customs authorities seized another ton in a minibus at a toll plaza near Arles; and at the end of the month, customs authorities in Perthus, in the eastern Pyrenees, seized 3.1 tons of the drug hidden in a truck in potato sacks. In late March, police in northern France arrested 24 people trafficking cannabis resin.

In June, police seized 5.6 million Euros' worth of cannabis resin (2.8 metric tons) on the A10 national motorway near Orleans, south of Paris, from a truck headed for the Netherlands. Later that month, French customs authorities seized 10 tons of cannabis resin off the French coast from a British-registered boat returning from Morocco. In mid-July, customs officials at Orly made the year's biggest airport seizure, confiscating 27 kilos of cocaine with a value of 1.2 million dollars from a passenger arriving from Suriname.

In late August, customs officials in Perthuis seized nine tons of cannabis resin on a truck from Spain destined for Germany. Valued at 17.5 million Euros, the haul was one of the most important seizures in France in recent years.

In September, the narcotics brigade seized 4.5 tons of Moroccan cannabis worth 25 million Euros in a warehouse in the Paris suburbs—a record for the Paris region in recent years, according to the police. In conjunction with the raid, authorities dismantled an international network they had been investigating since May and arrested eight people who were working in a structured international network shipping Moroccan drugs via Spain to France. In late September, French authorities worked with Dutch, Belgian and Luxembourg officers to conduct a major drugs sweep. Authorities confiscated more than 10 kilos of cocaine worth more than 400,000 Euros and arrested the three major figures in the network.

In October, customs officers in Perpignan (near the Spanish border) confiscated 2.1 metric tons of cannabis resin in a truck that came from Barcelona destined for the Netherlands, bringing to 25 tons the amount of cannabis resin that authorities there had seized in 2004. Later in the month, police in Lille (close to the Belgian border) carried out a major operation resulting in the arrest of 41 people. The ring purchased drugs in Morocco, stashed them in Belgium and the Netherlands, and sold them in northern France, according to French authorities.

By the end of October, French and Spanish authorities had seized 1.5 tons of cocaine that had washed up on beaches over the course of the year. The cocaine probably came from a traffickers' ship—thought to have originated in Colombia—that lost its cargo in a storm.

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 drugs proceeds.

Agreements and Treaties. France is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. The USG and the French government have bilateral narcotics-related agreements in place, 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 and its protocols against migrant smuggling and trafficking in women and children.

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 DEA to monitor and control those products. According to authorities, there are no significant Ecstasy laboratories in France, although there may be some small kitchen labs.

Drug Flow/Transit. France is a transshipment point for illicit drugs to other European countries. France is a transit point for Moroccan cannabis (hashish) and South American cocaine destined for European markets. 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 and southeast Asia (primarily Burma) to the United States through West Africa and France, with a back-haul of cocaine from South America to France through the United States and West Africa. Law enforcement officials believe these West African traffickers are stockpiling heroin and

cocaine in Africa before shipping it to final destinations. There is no evidence that significant amounts of heroin or cocaine enter the United States from France. Most of the South American cocaine entering France comes through Spain and Portugal. However, officials are seeing an increase in cocaine coming directly to France from the French Caribbean, giving impetus to the creation of the Martinique Task Force—a joint effort with Spain, Colombia, and the UK. Most of the Ecstasy in or transiting France is produced in the Netherlands or Belgium.

Domestic Programs. 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 the public debate concerning decriminalizing cannabis use continues, the French government is opposed to any change in the 1970 drug law, which criminalizes usage of a defined list of illicit substances, including cannabis.

Substitution treatments for addicts have saved 3,500 lives in less than ten years, according to French authorities; there are currently 85,000 persons taking Subutex in France now, and 25,000 on methadone. However, a health-insurance reform law adopted in July could have dramatic consequences for clinics, according to French press. Under the law, someone seeking medication treatment to combat drug addiction would have to sign a treatment contract with both a physician and his health insurance to have the state cover the drugs to treat their addiction (previously, one needed only to consult a doctor to receive a prescription). Some advocates warn that this requirement could discourage addicts in need of help, noting that adding more administrative measures to the process of getting help could increase the risk of the most susceptible turning to the streets to acquire the drugs. It is possible that these dire predictions are part of an effort to discourage any changes at all in France's generous social welfare arrangements, including national health care.

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. Since October 2001, the DEA's Paris Country Office (CO) and OCRTIS have been working together on an operation that has resulted in the seizure and/or dismantling of 17 operational, or soon-to-be-operational clandestine MDMA (Ecstasy) laboratories, and the arrests of more than 30 individuals worldwide. International Controlled Deliveries have resulted in nine lab seizures in the United States, two each in France, Germany, and Australia, and one each in New Zealand and Spain.

Road Ahead. The United States 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

I. Summary

Georgia has the potential to be a transit country for narcotics flowing from Afghanistan. The “Silk Road” or “Caucases Route” winds through Azerbaijan, Armenia and Georgia, presenting a stable drug trafficking route from Asia to Europe. This situation has been further compounded by the existence of uncontrolled territories, vestiges of long standing ethno-political conflicts that created transit routes for black market and illicit goods. Following the “Rose Revolution” in Georgia, the new Georgian administration has begun to take steps to make Georgia’s borders less permeable. There have been notable improvements along the Turkish border, the Black Sea coast, and the Russian border that have resulted in major increases in customs revenues. The Ministry of Internal Affairs, which has since merged with the Ministry of State Security to become the Ministry of Police and Public Safety (MPPS), has initiated a vigorous counternarcotics campaign. Unfortunately, statistics for law enforcement activities that resulted in seizures, arrests, and prosecutions for narcotics related crime in the country are scarce and much remains to be done to reduce the trafficking of all illicit goods into and through Georgia. Georgia is a party to the 1988 UN Drug Convention and receives assistance from the UN Office on Drugs and Crime (UNODC).

II. Status of Country

Given Georgia’s geographic location and its ambition to be a key link in overland trade between Europe and Asia, the potential for it to emerge as a major drug trafficking route is always present. The logical narcotics trafficking routes through Georgia are principally east/west routes. Asian cultivated narcotics destined for Europe enter Georgia from Azerbaijan via the Caspian and exit through the northern Abkhaz or southern Ajaran land and water borders. Similarly, west/east routes traffic illicit synthetic drugs from Europe destined for Georgia and other countries in the region. Thinly staffed ports of entry and confusing and restrictive search regulations make TIR (Transport Internationale Routierre—a system of customs-sealed trucks to facilitate trade across borders) trucks the main vehicles for narcotics trafficking in the region. TIR trucks move westward from Azerbaijan crossing into Georgia at the Gardabani regional border points (Red Bridge). Once in Georgia, the drugs move west to the Black Sea ports of Poti, Batumi (Ajara) and Sukhumi (Abkhazia). From there the shipments are mainly bound for Turkey (Istanbul), Romania (Constantia) and Ukraine (Odessa). Conversely, synthetic drugs are trafficked from Europe in small quantities, undetected via used-car trade routes where vehicles acquired in Western Europe are driven through Greece and Turkey destined for Georgia. In November of 2004 at the Turkish-Georgian border point of Sarpi, \$70,000 of Subutex and Tramal trafficked via this route and bound for Georgia was confiscated. Subutex is a pharmaceutical used in France, and other European countries to wean heroin addicts from their addictions, while Tramal is used to treat pain. Both are subject to abuse by individuals not under medical supervision—their effects are analogous to heroin. The function of detecting illegal smuggling at the Georgian borders was transferred a year ago from Customs to the newly established Operational Investigative Unit under the Ministry of Tax and Revenues. Narcotics seizure statistics are not adequate; they hint at, but do not prove, that borders are more secure. A sharp increase in revenues from better customs duty enforcement at borders suggests more clearly that improvements have also been registered on the narcotics interdiction front.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The Government of Georgia (GOG) is investing a great deal of time and resources into an on-going reorganization of the law enforcement sector, building capacity and addressing immediate needs of its people. Reorganizations are aimed at excising layers of bureaucracy that fostered nepotism and corruption. The Criminal Procedure Code that will move the country towards an Anglo-American Common Law system is presently being rewritten. The formerly independent Narcotics Bureau was folded into MPPS and since then efforts have been made to appoint corruption-free and competent leadership. Controlling illicit substances is on the GOG's radar screen, but just now the focus is more sharply on rule of law.

Law Enforcement Efforts. Registered drug seizures and arrests decreased from 2003 to 2004. According to the MPPS, its counternarcotics unit uncovered 1,763 drug-related cases, compared to 4,183 in the previous year. Of this year's cases 1,698 or 96.3 percent resulted in criminal proceedings. A noticeable decrease in the registered drug seizures could be caused by lack of coordination among agencies involved in the counternarcotics fight. A number of counternarcotics officials and policemen suspected of involvement in illicit trade activities were recently arrested in Georgia. This suggests that large volumes of contraband drugs are being unofficially seized and resold on the fast-expanding local black market. According to GOG statistics:

Corruption. Corruption has long been the most significant problem within Georgia's law enforcement agencies. The result has been a huge number of uninvestigated cases, criminals who remain at large, an increase in crime throughout the country and loss of trust among the society towards law enforcement employees. Since the Rose Revolution, the law enforcement community, under government prodding, has taken noteworthy positive steps to launch a fierce war against corruption. A considerable number of corrupt former government and law enforcement officials have been detained, their property confiscated and large fines levied. The GOG is working on civil service, tax and enforcement reforms aimed at deterring and prosecuting corruption in the future. Complex structural reforms have been implemented within the law enforcement sector to root out corruption, streamline bureaucratic processes and build a professional police force. But there is still a long way to go to truly create governmental and societal systems that effectively deter corruption.

Agreements and Treaties. Georgia is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substance, and the 1961 UN Single Convention as amended by its 1972 Protocol. Georgia has signed, but has not yet ratified the UN Convention Against Transnational Organized Crime.

Cultivation and Production. Estimates by the GOG on the extent of narcotics cultivation within the country are unreliable and do not include those areas of the country outside the central government's control (South Ossetia and Abkhazia). Apart from a small amount of low-grade cannabis grown mainly in the foothills of the Caucasus mountains, largely for domestic use, Georgia is not a significant producer of narcotics.

Drug Flow/Transit. The GOG has no reliable statistics on the volume of drugs transiting through Georgia. The MPPS has previously reported that 95 percent of illegal drugs entering Georgia are destined for onward shipment, but the basis for this estimate is unclear. Prices for drugs in Georgia are currently estimated at the wholesale level at \$150-\$200 for one gram of heroin. The current street price of opium is estimated at \$15 per gram, and the price for one pill of "Subutex" is \$100-\$120. The price for heroin over the past two years has remained relatively stable. The price for raw opium has steadily decreased.

Demand Reduction. Independent and official sources indicate that there were at least 275,000 drug users in Georgia during 2004. The increase in the number of drug addicts and drug consumption in comparison with last year's figure of 150,000 is mainly caused by the import and illegal sale of

Subutex. This drug is not registered in the Georgian health care system and is imported illegally mainly from Europe. The price for one tablet of Subutex is approximately \$100. The tablet is dissolved into an injectable solution for three or four people at \$25-\$30 cost per user. Since 2001, the Southern Caucasus Anti-Drug Program has been implementing projects that address three main areas: to strengthen interdiction capacities at sea ports; to strengthen interdiction capacities at land borders; and to develop compatible systems of intelligence gathering and analyses.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In 2004, the USG continued timely and direct assistance on criminal justice issues to the GOG as well as to the legal and law enforcement community in the areas of procuracy reform, corruption, money laundering, criminal procedure, forensics, police academy, human trafficking and creation of the patrol police.

The Road Ahead. The best way to assist Georgia's law enforcement reform efforts is to provide focused training and technical assistance from the U.S. and the international community on a few high-priority, achievable objectives. Any assistance to Georgian law enforcement, including counternarcotics, must include a provision for anticorruption reform, and must be closely monitored for progress.

Germany

I. Summary

Although not a major drug producing country, Germany continues to be a consumer and transit country for narcotics. The government actively combats drug-related crimes and focuses on prevention programs and assistance to drug addicts. In 2004, the German government established the National Inter-agency Drug and Addiction Council to coordinate implementation of its June 2003 “Action Plan on Drugs and Addiction.”

Cannabis is the most commonly consumed illicit drug in Germany. In 2003, consumption of amphetamine, crack, and cannabis increased, while the use of cocaine remained static and the use of heroin and Ecstasy decreased. Drug-related deaths decreased in 2003, as well as during the first half of 2004, and the number of first time users of illicit hard drugs decreased in 2003. Narcotics trafficking, and increasingly “multi-drug trafficking,” continued to be the main criminal activities of organized crime groups in Germany. The number of drug-related crimes has increased continuously in the last ten years, with a moderate rise of 2 percent in 2003. Germany is a party to the 1988 UN Drug Convention. The Federal Criminal Police (BKA) publishes an annual narcotics report on illicit drug related crimes in Germany, including data on seizures, drug flows, and consumption.

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 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. Organized crime continues to be heavily engaged in narcotics trafficking. Germany remains 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 2004

Policy Initiatives. In June 2003, the cabinet adopted the Health Ministry’s new “Action Plan on Drugs and Addiction,” superceding 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 EU and UN drug policy.

The Drug Commissioner at the Federal Health Ministry continues to coordinate national drug policy. The national plan focuses on specific prevention strategies for new risk groups, enhancing international cooperation, and addressing trends in the states of the former East Germany. 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 developments in 2004 are in line with Germany’s four key policy initiatives:

Survival Aid. In 2004, there were 25 “drug consumption rooms” in Germany. The 2003 International Narcotics Control Board (INCB) Annual report (published in March 2004) noted that “drug consumption rooms” are not in compliance with international drug control treaties “insofar as they serve as forums in which drugs acquired on the illicit market can be abused.” The Federal law requires

personnel at these sites to provide medical counseling and other professional help. Room managers are required to take measures to prevent the rooms from becoming a venue for criminal activity.

Interagency Council. In October 2004, the German government established the National Inter-agency Drug and Addiction Council to coordinate and to review the implementation of the government's 2003 "Action Plan on Drugs and Addiction." The council is comprised of the Drug Commissioner, high-level federal and state level officials, as well as scientists, NGOs, and representatives from counseling centers. The Council will establish a working group on prevention.

Focus On Cannabis. In June 2004, the Federal Health Ministry published a study on cannabis consumption, therapies, and assistance programs in Germany. In November 2004, the Drug Commissioner hosted a two-day conference on cannabis consumption, prevention, and therapy strategies.

Telephone Hotline. In 2004, the Health Ministry conducted a public relations campaign to increase awareness of the new telephone hotline. Established in 2003, this hotline offers professional counseling, aid, and information on drugs and drug problems. The hotline merges previous hotlines of several local drug-counseling institutions.

Law Enforcement Efforts. Counternarcotics law enforcement continues to be a high priority for the Federal Criminal Police (BKA) and the Federal Customs Police (ZKA). German law enforcement agencies scored numerous successes in seizing illicit narcotics and arresting suspected drug dealers. In Germany, in the first half of 2004, the seizures of heroin, opium, cocaine, and amphetamines increased compared to the first half of 2003, while the seizures of LSD and hashish dropped. In the first half of 2004, the Customs Office at Frankfurt Airport alone made seizures totaling 432 kilograms of illicit narcotics, with hard drugs seizures (cocaine, heroin, and opium) increasing by almost 40 percent compared to the first half of 2003.

In one of the biggest narcotics-trafficking investigation successes over the last several years in Germany, police in Munich in July 2004 arrested the head of a major ring for smuggling 600 kilograms of heroin from Turkey to Western Europe. The arrest was the result of international cooperation of law enforcement officials from Germany, the Netherlands, and Turkey.

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

Agreements and Treaties. A 1978 extradition treaty and a 1986 supplement treaty is in force between the U.S. and Germany. The U.S. and Germany signed a Mutual Legal Assistance Treaty in Criminal Matters (MLAT) on October 14, 2003, which the German Bundestag is expected to ratify in 2005. The MLAT has also been sent to the U.S. Senate for its advice and consent. In addition, the U.S.-EU Agreements on Mutual Legal Assistance and Extradition will further improve U.S.-German legal assistance and cooperation. The U.S.-Germany implementing instrument is currently under negotiation. That instrument, along with the implementing instruments of other EU member states, must be signed before the agreement can be ratified. There is a Customs Mutual Legal Assistance Agreement (CMAA) between the U.S. and Germany. In addition, Germany is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Germany has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

Cultivation and Production. Germany is not a significant producer of hashish or marijuana. The Federal Criminal Police reported that all fourteen synthetic drug labs seized in Germany in 2003 were small and were not equipped for large-scale production.

Drug Flow/Transit. Germany's central location in Europe and its well-developed infrastructure make it a major transit hub. Traffickers smuggle cocaine from South America, especially from Colombia, to and through Germany from the Netherlands to other European countries. Heroin from Afghanistan transits from Eastern Europe to Western Europe, especially to the Netherlands. Cannabis is trafficked to Germany mainly from the Netherlands. Frankfurt Airport is still a major transshipment point for Ecstasy and other drugs destined for the U.S. from Europe.

Domestic Programs/Demand Reduction. The Federal Ministry of Health continues to be the lead agency in developing, coordinating, and implementing Germany's drug policies and programs. Drug consumption is treated as a health and social issue. Policies stress prevention through education. The ministry is expanding Internet-based information and their prevention programs. Addiction therapy programs focus on drug-free treatment, psychological counseling, and substitution therapy. The Ministry of Health launched a heroin-based treatment pilot project to treat seriously ill, long-term opiate addicts in March 2002, which is still ongoing.

IV. U.S. Policy Initiatives and Programs

Initiatives and 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 BKA, the AKA, and the state criminal police (LKAs). German agencies routinely work very closely with their U.S. counterparts in joint investigations using the full range of investigative techniques, such as undercover operations. German-U.S. cooperation to stop diversion of chemical precursors for cocaine and heroin production also continues to be close (e.g., Operations "Purple" and "Topaz"). 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. BKA and DEA also participate in a tablet exchange program to compare samples of Ecstasy pills.

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 U.S.-German MLAT and the U.S.-EU Agreements on Mutual Legal Assistance and Extradition, once implemented, 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 drug use drops. 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 land 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 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 categorized as a controlled substance.)

III. Country Actions Against Drugs in 2004

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. Greece’s inter-party committee for handling the drug problem is composed of representatives of various political parties and is responsible for reviewing drug related statistics and issues, including proposed narcotics-related legislation and demand reduction programs.

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 Government of Greece (“GOG”) is very responsive in its aggressive pursuit in the processing of U.S. requests for legal assistance.

Several notable joint U.S./Hellenic Counter Narcotics investigations occurred in 2004 with significant arrests and seizures. In July 2004 after a three-year investigation, the DEA, in cooperation with Hellenic, British, Spanish, Belgian and French authorities, dismantled a major maritime smuggling organization. The effort culminated in the seizure of 5,400 kilograms of cocaine, the seizure of the M/V AFRICA I, the seizure of 4,000,000 Euros, and the arrest of 9 individuals. Additionally, the Hellenic Financial Crimes Unit is conducting an intense financial investigation into the related drug trafficking organization, which may lead to additional financial seizures and arrests.

In June 2004, DEA and the Hellenic Counter Narcotics Units targeted a group utilizing pleasure craft to transport multi-ton quantities of cocaine from the Caribbean to Western Europe. In August 2004, this joint investigation culminated with the seizure of 1.2 tons of cocaine, the seizure of a sailing yacht, and the arrest of seven individuals. Information that was developed post-arrest revealed that

approximately 500 kilograms of cocaine was to be exchanged for Ecstasy pills that would be transported back to the Caribbean.

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. Regarding the judiciary, at least a dozen judges are currently being investigated for allegedly taking bribes in exchange for favorable judgments for a variety of defendants, including accused drug traffickers. The Justice Ministry has ordered the investigation be accelerated so that indictments may be handed down by mid-2005. 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, the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs as amended by its 1972 Protocol. 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). The CMAA allows for the exchange of information, intelligence, and documents to assist in the prevention and investigation of customs offenses, including the identification and screening of containers that pose a terrorism risk. Greece has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and is a signatory to the UN Convention Against Corruption.

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 refined in 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 Republic of Macedonia. 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. Police and customs authorities report a decline in drug trafficking on the Greece-Turkey border, attributed to more stringent enforcement, including vehicle X-rays on the Turkish side of the border. Heroin from Afghanistan is trafficked using other routes through the Balkans into Western Europe. 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. A small portion of these drugs is smuggled into the United States.

Domestic Programs (Demand Reduction). Drug addiction continues to climb in Greece. The most commonly used substances are chemical solvents, and marijuana and heroin. There is a surge in the illegal use of tranquilizers and, to a lesser extent, Ecstasy pills, that reflects developments in the

growing European synthetic drug market. The GOG estimates that there are between 20,000 and 30,000 addicts in Greece, with the addict population growing.

OKANA, the state agency that coordinates all national treatment policy in Greece, is currently treating 2,900 addicts (up from 1,640 in 2003) in six methadone treatment centers. OKANA runs a buprenorphine substitution program with 15 centers, of which seven are operated in or with public hospitals. OKANA has plans to extend the program to other regions and to open it to more addicts, but its plans are threatened by strong local reactions against the establishment of such treatment centers. OKANA treated 1,967 addicts in “cold-turkey” therapeutic programs in 2004, up from 1,469 in 2003. (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

The geographical location of Hungary, its modern transportation system, and the war in the former Yugoslavia has contributed to making Hungary a primary transit country for heroin from Southwest Asia to Western Europe. Over the past fourteen years, however, Hungary has expanded into a consumption country as well. Drug abuse shot up in the nineties, and is still increasing. The illicit drugs of choice in Hungary are heroin, marijuana, amphetamines, and Ecstasy (MDMA), as well as the abuse of opium-poppy straw, barbiturates and prescription drugs containing benzodiazepine. In the last 2-3 years a significant development took place in the field of drug related legislation for harmonization with relevant EU legislation.

In 2004, the Ministry of Children, Youth, and Sports Affairs, which oversaw matters involving illegal narcotics, was dissolved and the newly created Ministry of Youth, Family, Social Affairs and Equal Opportunity was given primacy over drug issues. Fewer funds were allocated to drugs and less support was given to drug demand reduction, than in previous years. A data collection center was established in February 2004 to report valid, comparable and reliable data on drug abuse trends to the European Monitoring Center for Drugs and Drug Addiction. 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. Hungarian drug-pushers, networks are getting stronger, too, and involve an increasing number of immigrants and ethnic minorities. 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.

III. Country Actions Against Drugs in 2004

Policy Initiatives. A National Drug Data Collection Center was established in February 2004 in the National Epidemiological Center of the National Public Health Network. This center is required to compile an annual report of valid, comparable and reliable data for the European Monitoring Center for Drugs and Drug Addiction. The National Drug Prevention Institute (NDPI) was set up in 2000 to provide technical and financial support for drug action teams in cities with populations over 20,000. The NDPI encourages the creation of local fora composed of officials of local government institutions, law enforcement agencies, schools and non-governmental organizations. These fora create local drug strategies, customized for local needs. Out of 64 cities 56 have thus far established counternarcotics fora.

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 dealing at schools. Research findings indicate that the rate of those experimenting and using drugs is on a steady increase. One in five youth have tried marijuana, one third of these are under the age of fourteen. The drugs of choice are marijuana, Ecstasy, and to a lesser extent LSD.

Accomplishments. Preliminary data show that the seizures of Ecstasy and cocaine increased dramatically from 2003 to 2004. Modern electronic detection equipment provided by the European Union for certain high threat border posts installed in 2003 has improved border interdiction of all types of contraband.

Law Enforcement Efforts. In order to provide for an effective stance against drug-related crimes in 2004, close cooperation was introduced between the Hungarian Border Guards and the organs of the National Police Headquarters, as well as with the Ministry of Finance and the National Headquarters of the Customs and Finance Guard. Jointly planned and staged actions related to crime and border traffic were implemented with a view to preventing drug trafficking and other kinds of illegal trade. By the end of 2004, the Ministry of Interior had begun preparing a unified police drug strategy in harmony with the requirements of the EU drug strategy for the period between 2005 and 2012. The stated goals of this strategy are to guarantee the security of the society, combat the illegal production and smuggling of drugs and precursors, facilitate joint actions with the EU member countries, as well as combat production, trading and consumption of synthetic drugs.

According to year-end statistics, the number of criminal drug cases increased by more than 25 percent from 2003 to 2004, with more cases opened on almost every major drug. Seizure statistics were dramatically up in 2003 almost all across the board.

The cooperation between the Hungarian National Police (HNP) and DEA offices in Vienna slowed in 2004. There are currently no cooperative cases between the two groups and the exchange of information has become burdensome.

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 Single 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. The Hungarian National Assembly is expected to ratify the UN Convention against Transnational Organized Crime in Spring 2005.

Cultivation/Production. GOH authorities report that marijuana (mostly cultivated in Western Hungary) is locally produced; Ecstasy (MDMA), and LSD may also be manufactured locally, however, no production laboratories have been discovered. 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 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. Hungarian officials continue to report the seriousness of their domestic drug problem, particularly among youth. Drug prevention programs are taught to teachers as part of the normal training in prevention programs. Several drug prevention and health promotion programs are running in schools and many teachers have graduated from drug prevention projects. The largest one, the Life Skills program was developed in the early nineties with USIA assistance, trained somewhat more than 10,000 teachers by 2004. Community based prevention focuses on the teen/twenties age group and delivers more complete information about the dangers of substance abuse while

emphasizing productive lifestyles as a way of limiting exposure to drugs. There are about 230 healthcare institutions that care for drug patients. At the end of 2004 circa \$200,000 was granted by the Ministry of Health to establish 4 drug outpatient clinics in regions where such institutes were not yet available. By the end of 2003 about \$600,000 was transferred to the National Institute of Addictive Diseases for distribution to those institutions in 2004, which participate in the alternative treatment type of care.

An amendment to Hungarian counternarcotics 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 allows 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. There has been a push by the Constitutional Court in beginning in December 2004 to scale back the treatment programs and focus again on prison sentences, however, the State Secretary for Drug Affairs has reconfirmed her commitment to alternative treatment programs. In 2004, the GOH continued to run several needle exchange dispensers in Budapest to guarantee inexpensive, sterile needles for drug users.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG focuses its support for GOH counternarcotics 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. The UCSD (University of California, San Diego, US, performed training for 200 drug treatment professionals in Budapest at the end of 2003 in the Ministry of Health, in order to acquainted them with the American experiences in the field of diagnosis and treatment of drug addict offenders in the criminal justice system.

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 continues to work with the HNP in an effort to streamline the flow of actionable investigative information.

Iceland

I. Summary

Iceland is not a significant drug-producing or drug-transit country. Icelandic authorities focus mainly on stopping the importation of narcotics for domestic use 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

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 is limited to marijuana plants and perhaps a small number of small-time amphetamine laboratories. Domestically cultivated marijuana has become increasingly competitive with imported marijuana, and current estimates indicate it makes up anywhere from 10 to 50 percent of the total cannabis market. The most recent National Commissioner of Police figures shows that there were 45 seizures of domestically cultivated cannabis in 2004. 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, with the latter becoming increasingly common during the year as part of a trend of increased stimulant drug use that also involved heightened levels of cocaine in circulation. The recent National Commissioner of Police figures also show that 74 persons were arrested in 2004 for importing drugs and precursors. Preliminary results of the third European School Survey Project on Alcohol and Other Drugs, conducted in 2004, 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. Typically stimulants and cocaine are used by young people, so data from the European School Survey suggesting reduced drug use by Icelandic young people conflicts with sharply higher seizures of “recreational” Club Drugs like cocaine and stimulants.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The Public Health Institute, established in 2003, is responsible for alcohol and drug abuse prevention programs on behalf of the government. Programs are funded through an alcohol tax, with allocations overseen by the independent national Alcohol and Drug Abuse Prevention Council (ADAPC). The institute’s mission policy remains to be fully developed, but its primary activities are data collection on use of intoxicants and funding and advising local governments and non-governmental organizations working primarily in prevention. During the year it made grants worth \$680,000 to a total of 59 groups across the country. The institute is reviewing demand reduction programs in other countries in order to develop best practices for Iceland, and intends to employ focus groups to analyze the effectiveness of its future programs. The major emphasis in future will be on teaching teens and parents interactively about drugs instead of relying on fear as a deterrent against drug experimentation/use. The institute’s “Together” project continues to urge parents (through posters, print advertisements, and television spots) to develop better relationships with children, using the slogan: “The togetherness of the whole family is the best prevention.” The institute is part of the Nordic Council for Alcohol and Drug Research, which promotes and encourages a joint Nordic research effort on drug and alcohol abuse.

Reykjavik Customs continued with its national drug education program, developed in 2002 and formalized in an agreement with the state (Lutheran) church in 2003, 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. Parents are invited to the meetings in order to encourage a joint parent-child effort against drug abuse. Since 2003 customs officials have also used the meetings to distribute an educational multimedia CD dealing with drug awareness. While there is not a fully-developed master plan for Icelandic counternarcotics efforts, since 1997, Icelandic authorities have given particular attention to bolstering law enforcement resources relating to drug crime: the government has allocated additional budget resources for the project annually, Reykjavik (by far the country's largest city) has bolstered numbers of narcotics police officers, and the National Commissioner of Police has deployed specially trained narcotics officers to all major police districts. The National Commissioner has also given priority to new equipment purchases for narcotics policing and formalized the operational parameters of the police canine units. Since 2001, the Government has had a special fund for the investigation of major drug cases, and the Police College has added narcotics instruction to basic cadet training. The National Commissioner of Police supported this initiative with his own effort, launched in 2003, encouraging Icelandic police commissioners to step up their counternarcotics efforts. Authorities state that this push has contributed to an increase in seizures over the past two years (from 1170 in 2002 to 1640 in 2003 and 1887 in 2004, as of December 2, 2004).

Accomplishments. At seaports, authorities conducting package post and container searches confiscated 15 kilograms of cannabis arriving from Denmark in February, leading to four persons being charged; 1,000 Ecstasy tablets and 131 grams of cocaine were discovered hidden in candles in a shipment from the Netherlands in the same month, leading to charges against seven persons; and, in the largest case of the year, customs agents cooperated with the captain of an Icelandic shipping liner to confiscate 10.4 kilograms of amphetamines, 600 grams of cocaine, and 2,000 doses of LSD in a series of package mail shipments throughout the year. The case remains under investigation with nine persons already under arrest. Through November 2004, Keflavik International Airport (KEF) authorities made about 60 seizures compared to 45 for the same period in 2003. In the year's largest seizures, customs at KEF in May discovered one kilogram of cocaine and one kilogram of amphetamines hidden on a passenger's person. In February, KEF customs found 10 kilograms of cannabis expertly hidden inside Nepalese wooden artifacts shipped through DHL. In June, a woman traveling from Paris was discovered to be carrying 5,000 Ecstasy tablets hidden in a backpack. The following month she was convicted and sentenced to a five-year prison term. In February, a recreational diver discovered the corpse of a Lithuanian citizen in Neskaupstadur harbor (East Iceland). Apparently a drug "mule," concealed in his body were 223 grams of amphetamines packaged in condoms. In November, Reykjavik District Court sentenced three men to two and a half years in prison for contributing to the death of the man by withholding medical care and then disposing of the body. Authorities suspect that the case may be connected to the arrest, by KEF police in August, of another Lithuanian man carrying 70 packets of cocaine totaling 300 grams in his intestinal tract. No U.S.-bound passengers were discovered smuggling illegal drugs, but authorities note that transit flights to the U.S. are not searched for drugs during the required screening for explosives and weapons. Airport officials say that the biggest trend in drug smuggling during the year has been the increased incidence of drugs smuggled in bodily orifices or through orally ingested packets. While there has been an increase in foreign drug mules in recent years, Icelandic drug mules still account for about 80 percent of seizures. In the year to date as of December 2, 2004, local police forces had shut down 27 cannabis producers. During the year, police confiscated at least 7,500 Ecstasy pills, almost double the number seized in 2003, and seized over 15,600 amphetamine tablets, compared to fewer than 3,000 in 2003. Police attribute the increases to improved enforcement rather than increased usage.

Law Enforcement Efforts. In the sixth and seventh such incidents in recent years, Icelandic authorities expelled a total of 17 members of Scandinavian biker gangs arriving at KEF. Nordic and

local officials believe biker groups engaged in organized crime are attempting to import their criminal operations to Iceland, and the authorities 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 in 2003. Installed at Iceland's main prison, Litla Hraun, the machine was also periodically moved to various other locations to be used in unannounced chemical searches. Authorities at Litla Hraun have initiated a series of searches, using drug-sniffing dogs, designed to stop visitors from smuggling drugs into the prison and to discover hidden drugs in cells and other areas.

Customs and police have increased their efforts to monitor Iceland's only overseas passenger ferry service, which travels from Seydisfjordur (East Iceland) to Denmark via the Faroe Islands, following major seizures in 2003 and suspicion that the route might be a particular target for drug smuggling. Customs and police have cooperated in setting up snap inspections involving drug-sniffing dogs and X-ray equipment at ferry landings. But with only 23 minor seizures, for a combined total of 116 grams of assorted narcotics captured during the year, the impression is that the port has not in fact been a major transit point for illegal narcotics.

KEF Police acquired a new drug-sniffing dog in 2004, bringing their total number of canines to three. Customs and police deployed drug-sniffing dogs to popular outdoor festivals on a holiday weekend in early August to deal with drug distribution among attending youths. They made over one hundred seizures of small amounts of narcotics.

In September, a three-member training team from the U.S. Customs Office of International Affairs provided a week of instruction for 39 Icelandic officials. Participants represented all customs offices around Iceland as well as the Icelandic Coast Guard and civil aviation authorities. The course highlighted latest practices and technology for intercepting smuggled cargo and possible terrorist contraband as well as means to combat internal corruption.

Corruption. There was one incident of narcotics related corruption during 2004 in Iceland. The incident involved the deputy of the Reykjavik Narcotics Division channeling seized drug money into his personal bank account. The Chief Detective Inspector was convicted and received a nine-month jail sentence. The country does not, as a matter of government policy, encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior official of the government is known to engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, or to be involved in the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Iceland is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and 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. The U.S.-Denmark extradition conventions are applicable to Iceland.

Drug Flow/Transit. Authorities consider Iceland a destination country for narcotics smuggling rather than a transit point. There have been no major seizures of transit shipments during the year and only rare seizures of such shipments in previous years.

Domestic Programs (Demand Reduction). Heroin abuse is virtually unknown in Iceland. Cannabis is the prevalent drug among persons under 20, while older addicts are partial to injecting morphine. Ecstasy, cocaine (but not crack), and particularly amphetamines are popular on the capital region's weekend 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 National Center of Addiction Medicine. 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. DEA will continue to support Icelandic requests for U.S.-sponsored training.

The Road Ahead. The DEA office in Copenhagen and the Regional Security Office in Reykjavik have 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 until now has facilitated the exchange of intelligence and cooperation on controlled deliveries. The USG will continue efforts to strengthen exchange and training programs in the context of mission effort to strengthen law enforcement, homeland security, and counterterrorism ties with Iceland.

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. According to Government of Ireland (GOI) officials, overall drug use in Ireland continues to remain steady, with the exception of cocaine use, which doubled over the last two years. 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. In 2004, the GOI signed the European Arrests Warrant Act 2003, allowing Irish police to have suspects detained by foreign police and extradited to Ireland for trial, and the Criminal Justice Act, enabling Irish authorities to investigate international criminality in close cooperation with EU member states. Ireland is a party to the 1988 UN Drug Convention.

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, though in a single raid in May, officials found a quantity of precursors intended to manufacture around Euro 500 million worth of Ecstasy and amphetamines.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The GOI continued with drug abuse strategies it established in its National Drug Strategy for 2001-2008. Its goal is to “to significantly reduce the harm caused to individuals and society by the misuse of drugs through a concerted focus on supply reduction, prevention, treatment and research.” By 2003, substance abuse programs were a part of every school curriculum in the country and the GOI launched the National Awareness Campaign on Drugs. The campaign featured television and radio advertising, and lectures by police, supported by an information brochure and website, all designed to promote greater awareness and communication about the drug issue in Ireland. Regional Drug Task Forces (RDTF), set up to examine drug issues in local areas, were fully operational throughout the country. The GOI established a review procedure to measure how effectively each department in the government is internally implementing the National Drug Strategy. The GOI will release the results and recommendations of this review in April 2005.

Accomplishments. Seizures in 2003 totaled Euro 121 million, three times the goal set in the National Drug Strategy, 2001-2008. The Justice Minister attributed this both to the increase in usage and improvements in law enforcement. The Irish Police continued to cooperate closely with other national police forces. On December 12, after eight months of coordination among forces from the United Kingdom, Spain, the Netherlands, and Ireland, authorities cracked down on a major drug smuggling gang. This gang is suspected of supplying cocaine to most of the drug users in Dublin and Limerick. This investigation is still in progress.

Law Enforcement Efforts. Official statistics are not yet available for 2004 but the Irish Police confirmed that drug-related arrests remained constant over the previous three years. There are normally 7,000-8,000 arrests annually, including the approximately 450 arrests made by the National Drug Unit each year. The NDU's arrests tend to include most of the large seizures, but local police also have had success. In December 2004, for example, the local police in Cork seized Euro one

million of narcotics in a series of arrests the weekend before Christmas. Each year, 60-65 percent of arrests for drug-related offenses nationwide tend to be for simple possession; 20-25 percent possession with the intention to sell; and the remainder related to obstructing drug arrests or forging prescriptions. In 2003, there were in total 7,150 arrests, of which 25 percent were possession with the intent to sell and 67 percent simple possession. Cannabis was the drug most often seized, followed by heroin, Ecstasy and then cocaine. The value of seized drugs for 2003 was Euro 121 million.

Official statistics for 2004 are not yet available, but highlights of key raids, arrests and prosecutions include the January seizure of 500,000 Ecstasy tablets worth a street value of Euro 5 million. Also, in January, police seized 80 kilograms of Khat, worth Euro 200,000. In February, local police, supported by the National Drugs Unit, seized eight kilograms of cocaine estimated at Euro 800,000. In March, Irish police raided a cocaine-processing plant, recovering Euro 50,000 worth of contraband, and in another raid, police seized Euro 400,000 worth of cocaine. The same month, the Dublin Circuit Criminal Court jailed a South African resident for three years for smuggling Euro 30,000 worth of cannabis and an Irish citizen was sentenced for seven years for possession of Euro 150,000 worth of cocaine and ecstasy. An April seizure netted 88 kilograms of cannabis, estimated at a value of Euro 1.14 million. In May, officials found a quantity of precursors intended to manufacture around Euro 500 million worth of Ecstasy and amphetamines. Officials tracked chemicals shipments from southern China, to Rotterdam and then on to Ireland. In June, police seized over Euro 1 million in cocaine from drug gangs. On November 4, an American citizen was arrested at Dublin airport for smuggling 4 kilograms of cocaine from Lagos via Paris. Her case is pending criminal proceedings. On December 16, in three operations, Irish police seized up to Euro 16 million in cocaine. An arrest was made of a Nigerian national attempting to smuggle 14.5 kilograms into Dublin airport. Another unrelated arrest during a raid resulted in the seizure of up to 60 kilos. Under the Drugs Trafficking Act, the suspect can be held without charge for a maximum of seven days.

Corruption. Ireland 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. Senior officials of the government do not engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. The United States and Ireland signed a mutual legal assistance treaty (MLAT) in January 2001, which was ratified by the U.S. in 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. Ireland is a signatory to the UN Convention Against Corruption. In June, the Irish government signed the Criminal Justice Act of 2004 into law, enabling authorities across EU states to investigate international crimes. In January, the European Arrests Warrant Act of 2003 became law, allowing for foreign arrests and extradition.

Cultivation/Production. Only small amounts of cannabis are cultivated in Ireland. With the exception of the precursor chemicals seized in May, 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 7,100 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 65 methadone treatment locations. Most clients of treatment centers are Ireland's approximately 14,500 heroin addicts, 12,400 of which live in Dublin. In 2004, the GOI undertook an evaluation of drug treatment centers' ability to cope with the leveling off of heroin use and the increase of other drugs. The review's results are due in early 2005.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. In 2004, the United States continued 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 Government of Italy (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 stand. 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, as well as for cocaine originating from South America. Domestic and Italy-based foreign organized crime groups are heavily involved in international drug trafficking. GOI cooperation with U.S. law enforcement agencies continues to be exemplary. Italy is a party to the 1988 UN Drug Convention.

II. Status of Country

Italy is mainly a narcotics transit and consumption country. Law enforcement officials focus their efforts on 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. Although Italy produces some precursor chemicals, they are well controlled in accordance with international norms and not known to have been diverted to any significant extent.

III. Country Actions Against Drugs in 2004

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 as well as decrease tolerance for possession of a “moderate quantity” of drugs, making possession and personal use of drugs illegal. At minimum, drug users would be compelled to enter treatment or face administrative penalties such as suspension of driving licenses or passports. Above certain prescribed levels, violators would face criminal charges. The Senate Justice Committee began to discuss this legislation in mid November 2004.

At the multilateral level, Italy is the second largest 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 in 2003 championed the need to get tougher on synthetic drugs, enhance counternarcotics assistance in the Balkans, and strengthen the role of the family in drug abuse prevention.

Accomplishments. Comparing January to September data for 2003 and 2004, seizures have decreased in each drug category with the exception of MDMA (Ecstasy). Arrest and death by overdose statistics also decreased. There are a number of factors, from inclement weather in source countries to successful international counternarcotics operations to explain these decreases. In January 2004, the Italians and several other European and South American countries, along with U.S. authorities, delivered a devastating and disrupting blow to a joint Italian (Calabrian) organized crime and Colombian cocaine distribution organization following a 4-year investigation. Throughout the duration of the investigation there were in excess of 3 tons of cocaine seized and the arrests of over 100 individuals. This successful operation tremendously disrupted the criminal organization and its ability to continue its illicit activities.

The fight against drugs is a major priority of the national police, carabinieri, and financial police—which are the three services coordinated by the Central Directorate for Drug Control Prevention (DCSA). Working with the liaison offices of the U.S. and western European countries, DCSA has 18 drug liaison officers in 17 countries that focus on major traffickers and their organizations. Two additional drug liaison positions have been approved for Tehran, Iran and Tashkent, Uzbekistan. Investigations of international narcotics organizations often overlap with the investigations of Italy's traditional organized crime groups (e.g. the Sicilian Mafia, the Calabrian N'drangheta, the Naples-based Camorra and the Puglia-based Sacra Corona Unita). Additional priority trafficking groups are Albanian, Nigerian and other Balkan organized crime groups responsible for smuggling heroin into Italy, while Colombian, Dominican and other South American trafficking groups are involved in the importation of cocaine. Italian law enforcement officials employ the same narcotics investigation techniques used by other western countries: informants, extensive court-ordered wire-tapping of phones and email accounts, undercover operations and controlled deliveries under certain circumstances. Adequate financial resources, money laundering laws, and asset seizure/forfeiture laws help insure the effectiveness of these efforts.

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. Laws against corruption come under the Criminal Code, apply to all public officials, and pertain to the receipt of money or other advantages in exchange for an official act or for delaying or not performing an official act. Penalties range from 6 months to 5 years, depending on the charge.

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 is a signatory to the UN Convention Against Corruption. 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 narcotics 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. Albanian heroin traffickers work with Italian criminal organizations as transporters and suppliers of drugs. Heroin is smuggled into Italy via automobiles, ferryboats and commercial cargo.

Cocaine destined for Italy originates with Colombian and other South American criminal groups. Cocaine shipments consisting of multi-hundred kilograms enter Italy via several seaports concealed among commercial cargo. Large cocaine shipments are also off-loaded in Spain where they are eventually transported to Italy and other European countries by means of vehicles. Smaller amounts of cocaine consisting of grams to multi-kilograms enter Italy via express parcels or airline couriers traveling from South America. They are usually concealed in luggage. The couriers are primarily of Nigerian, Colombian and Dominican as well as other South American descent.

Ecstasy found in Italy primarily originates from the Netherlands and is usually smuggled into the country by means of couriers utilizing commercial airlines, trains or vehicles. Italy has been utilized as a transit point for couriers smuggling Ecstasy destined for the United States. A method used by trafficking groups in the past has been to provide thousands of Ecstasy tablets concealed in luggage to couriers in Amsterdam. The couriers then travel by train or airline to Italy. Once in Italy, the couriers are provided an originating airline ticket from Italy to the U.S. disguising the fact that the couriers recently traveled from a source country before entering the U.S. thereby minimizing scrutiny by law enforcement authorities.

Hashish is smuggled regularly into Italy on fishing and pleasure boats in multi-hundred kilogram quantities from Morocco and Lebanon. As with cocaine, larger hashish shipments are smuggled into Spain and eventually transported to Italy by vehicle.

Domestic Programs/Demand Reduction. The Italian Ministry of Health funds 557 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, 159,000 receive services at public agencies and approximately 15,000 are served by smaller private centers. Others either are not receiving treatment or arrange for treatment privately. The Berlusconi government continues to promote more responsible use of methadone at the public treatment facilities. For 2005, the Italian Government has budgeted 120 million Euro for counternarcotics programs run by the health, education, and labor ministries. Seventy-five percent (75 percent) of this amount is dedicated to the different regions and the remaining twenty-five percent (25 percent) is for national programs.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. and Italy continue to enjoy exemplary counternarcotics cooperation. The DEA Administrator visited Italy in April 2004 to discuss counternarcotics issues with both Italian law enforcement and ministry level officials. During 2003, the DEA re-initiated the Drug Sample Program with the GOI, which consists of the analysis of seized narcotics to determine purity, cutting agents and source countries. In 2004, the DEA received approximately 114 samples of heroin, cocaine and Ecstasy. DEA recently expanded this program to the countries of Slovenia, Croatia and Albania. The sample collection from these countries and others in the Balkan region is essential in determining production methods and trafficking trends that ultimately impact Italy. The DEA independently conducted drug awareness programs at international schools in Rome and Milan.

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' abilities to apply effective demand dampening policies. Italian authorities plan to assign two drug liaison officers in Tehran, Iran and Tashkent, Uzbekistan to address the heroin problem along the Balkan route that directly impacts Italy. The Italian authorities are considering an invitation by the Afghanistan Drug Czar to assign a drug liaison officer in Kabul, Afghanistan.

Kazakhstan

I. Summary

Kazakhstan continues to be a major route for Afghan heroin and opium in transit to Russia and Europe. An Associate Professor of the Academy of National Security estimates that approximately 100-150 tons of Afghanistan's narcotics will move through Kazakhstan this year. Approximately 30 percent of these drugs will be sold in Kazakhstan. More than 19 tons of narcotics were seized since the beginning of 2004, which is 14 percent more than the previous year. Local drug use and its health consequences continue to increase, but local crime connected to drug use seems to have dropped. Kazakhstan continues to take steps to control drug-related crimes within its own borders, but official corruption complicates efforts to improve controls over drug trafficking. Kazakhstan is a party to the 1998 UN Drug Convention.

II. Status of Country

Although vast fields of wild marijuana and ephedra, along with some small-scale opium growing, demonstrate that Kazakhstan could become a major producer of narcotics, evidence continues to suggest that local production is mostly limited to in-country use and small-scale smuggling into Russia. Drugs transiting Kazakhstan impact Russia and Europe, not the U.S., but proceeds from drug smuggling potentially could serve as revenue for terrorist groups. There were no discoveries of laboratories for the production of narcotics announced this year.

III. Country Actions Against Drugs in 2004

Policy Initiatives. Kazakhstan is in the fourth year of its five-year plan in the fight against drug trafficking, but President Nazarbayev announced this year that it will take twenty years before Kazakhstan can fully control its narcotics problem. On March 3, 2004, the President signed a decree that established the Committee on Combating and Controlling Narcotics (the Committee) within the Ministry of the Interior (MIA), a DEA-like office whose sole responsibility is fighting narcotics. The Committee coordinates efforts among law enforcement entities, analyzes developing trends in the trafficking and consumption of narcotics, initiates legal reform and drafts statutes pertaining to the narcotics problem in Kazakhstan, interacts with the mass media and the press to inform the public on counternarcotics efforts taken by the Committee and other governmental agencies, and engages with international counterparts through the national branch of Interpol. The Committee's staff is comprised of 630 officers. In cooperation with the Statistics Division of the Prosecutor's Office, the Committee has changed the format of the GOK's intelligence collection on statistics related to narcotics trafficking, cultivation, seizures, and demand reduction. The Committee's current database includes detailed information on major narcotics dealers, underage narcotics users, and the socio-economic background of addicts and those who are involved in criminal activities related to drugs. The GOK also announced that more than \$5 million was allocated this year from national and local budgets within the framework of the National Program for Combating Narcotics.

On June 28, 2004, the GOK signed "The Additional Protocol to the Memorandum of Understanding on Narcotics Control and Law Enforcement between the Government of the United States of America and the Government of the Republic of Kazakhstan." This agreement established a framework to support projects designated to improve the capacity of Kazakhstani law enforcement agencies to combat narcotics trafficking and organized crime. The agreement includes a provision for technical assistance aimed at improving the ability of the Ministry of the Interior's counternarcotics forces to interdict narcotics and other contraband transiting through Kazakhstan. It also calls for improving the

collection and reporting of crime statistics with an emphasis on those statistics and regions germane to the evaluation of GOK progress in the fight against narcotics trafficking.

Accomplishments. Kazakhstan continues to work toward the UN Convention's goals on combating illicit narcotics cultivation and production within its borders. The annual "Operation Poppy" campaign eradicated more than 977 square meters of illicit poppy and marijuana cultivation this year.

The Presidential decree of March 3, 2004 that established the Committee headed by Colonel Anatoliy Vyborov was a significant move forward this year in Kazakhstan's fight against narcotics trafficking. In his April interview with a local newspaper, Colonel Vyborov called for urgent legal reform to assist the Committee in its work. According to Vyborov, the country needs to toughen punishments for those involved in drug trafficking and the sale of narcotics to the underage population. The MIA is soliciting public opinion regarding an increased sentence for drug-related crimes through its website. While this legal reform is in its early stages, if done transparently and correctly, it could greatly assist the Committee in its work by serving as a deterrent to potential criminals. The Committee is also currently working on statutes to amend the Law of the Republic of Kazakhstan on "Narcotics, psychotropic substances, precursors, and countermeasures to illegal consumption."

In an effort to combat production and trafficking in narcotics, the Ministry of the Interior has also initiated "Operation Dope." This project has led to several raids resulting in the confiscation of narcotics, the most effective of which were conducted by the division of the Ministry of the Interior in Astana, Almaty, and Karaganda. The Karaganda division of the MIA seized 25 tons of narcotics.

Law Enforcement Efforts. The GOK continues to actively fight drug smuggling, but the results of these efforts only demonstrate a slight improvement over last year. The Committee's statistics for the first nine months of 2004 show only a moderate increase in seizures of opium and a slight increase in seizures of heroin and cannabis. The Committee supervised forces, which made the majority of narcotics seizures and has actively employed undercover tactics to eliminate major narcotics traffickers.

More than 19 tons of various narcotics, including 92 kilograms of heroin, were seized in the first nine months of 2004, which is approximately four tons more than the previous year (15 tons and 70 kilograms of heroin in 2003.)

Since the beginning of this year, more than 22 undercover operations were led by the Committee. Two major organized criminal groups and eight smuggling rings with criminal ties to other organized crime groups in the country were apprehended and charged with illicit narcotics activities. More than 21 kilograms of heroin was seized from one of these groups. In May 2004, more than 2.5 kilograms of heroin and 26.5 kilograms of opiates were seized in the northern region of Kazakhstan from a drug dealer who was trafficking narcotics from the Kyrgyz Republic to Kazakhstan. Another notable seizure took place in Almaty where a Kyrgyz citizen was apprehended while trying to sell 1.5 kilograms of heroin to an undercover Committee agent.

The annual project "Operation Poppy," which combines intelligence collection, interdiction of smugglers, eradication of cultivation, and demand reduction was conducted from June 7 until October 15, 2004. More than 1,700 officers from the Ministry of the Interior, 145 officers from Customs, and 55 officers from the Committee on National Security combined their efforts in this project. As a result, more than 103 individuals were arrested for the cultivation of opiates and 236 were arrested for marijuana cultivation. In addition to these arrests, authorities seized more than 12 tons of marijuana.

Another large-scale operation, entitled "Dope," is aimed at the control and seizure of psychotropic substances and precursors. A total of more than 15 tons of drugs were seized during the first stages of the operation this year. The Committee raided 703 drug stores, 111 storage facilities, 387 medical facilities and 120 industrial facilities that were discovered to be in possession of illicit/diverted narcotics. As a result, 243 people, including 11 medical workers, were convicted of violations related

to the illicit diversion of narcotics substances. In October 2004, the National Security Committee (NSC) also arrested a German citizen in Almaty who was in possession of over 30,000 psychotropic pills. According to the detainee, he acquired the pills in the German town of Aalen in May 2004 and brought them to Kazakhstan in the secret compartment of a vehicle that he shipped overland. According to the NSC, this particular seizure was one of the biggest in all of the CIS countries during 2004.

Overall, however, there has been a decrease in narcotics-related convictions in Kazakhstan. From January 2004 until September 2004, there were 7,897 criminal cases related to narcotics, which is 18.6 percent lower than the previous year (9,705) and comprises only 8 percent of the overall reported national crime apprehensions.

More than 94 percent (4,910 out of 5,185 registered cases) were related to the production, processing, and trafficking of narcotics, psychotropic drugs, and other controlled substances. 44.5 percent (2,123) of these criminal cases were related to the sale of or an attempt to sell narcotics.

In comparison to the previous year, the Committee has reported a drop (25.3 percent) in criminal cases related to illegal narcotics transiting the country, a 15.9 percent decrease in the underage population known to be involved in the narcotics business, and a 13.5 percent drop in cases involving non-Kazakhstani citizens from elsewhere in the former USSR. Overall, there were 63 criminal cases related to the abuse of psychotropic and controlled substances, which is 18.2 percent lower than in 2003 (77 cases). It is difficult to determine whether these statistics are suggestive of an overall decrease in the actual use and trafficking of narcotics in the country or a decrease in the effectiveness of Kazakhstan's law enforcement agencies in apprehending those involved in narcotics. Since this decline in convictions is coupled with at least a slight increase in narcotics seizures, however, it does appear that Kazakh law enforcement agencies are having more success in apprehending larger drug trafficking rings than was the case last year.

Corruption. While it is difficult to determine the extent to which corruption negatively affects the country's efforts to combat narcotics trafficking, widespread corruption in Kazakhstan indicates that it is almost certainly a critical factor in hampering the country's war on drugs. Nonetheless, there appears to be an increasing effort to apprehend at least lower-level officials involved in corruption. The Department on Combating Economic Crimes and Corruption of Almaty City investigated 68 criminal cases this year.

The number of corruption cases increased 4.5 times over 2003.

According to the Constitutional Council of Kazakhstan, in 2004 there were 356 criminal cases involving corruption, 222 officials were reprimanded for abusing their authority, and 210 officials were accused of taking bribes. According to the Head of the Committee on Combating Narcotics of the MIA, Anatoly Vyborov, these corruption charges included 26 criminal cases against individuals from the Ministry of the Interior for illegal actions involving their operations with narcotics. In all cases, the perpetrators were sentenced to jail terms and were immediately fired from their positions in the MIA. While these efforts demonstrate that the GOK is beginning to address corruption among law enforcement officials combating narcotics, given the money involved in drug trafficking, it is likely that corruption will continue to be an issue of grave concern.

Agreements and Treaties. The U.S. and Kazakhstan signed a Memorandum of Understanding on narcotics control and law enforcement in December 2002. Kazakhstan is party to the 1998 UN Drug Convention and has signed the Central Asian Counter-Narcotics Memorandum of Understanding with the UNODC. The Kazakhstan national counternarcotics law, passed in 1998, specifically gives the provisions of international counternarcotics agreements precedent over national law (Article 3.2). Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan signed an agreement in September 1999 on cooperation in combating transnational crime, including narcotics trafficking. The five Central Asian

countries, Azerbaijan, Georgia, Iran, Pakistan, and Turkey are members of the Economic Coordination Mechanism supported by the UNODC. Kazakhstan has signed but has not yet ratified the UN Convention Against Transnational Organized Crime.

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 the Chu Valley. It is estimated that approximately 97 percent of the marijuana sold in Central Asia originates in Kazakhstan. The production of opium and heroin remains minimal. In the first nine months of 2004, the Statistics Division of the Prosecutor General's Office identified 195 cases of the illicit cultivation of opium poppies, marijuana and ephedra and 31 cases of the cultivation of wild marijuana (916 square meters and 61 square meters of eradicated fields). According to Anatoly Vyborov, the situation in the Chu Valley is growing worse as there is increasing evidence that organized crime rings are involved in the region's marijuana cultivation and production. Evidence of the sophistication of marijuana cultivation includes the discovery of land mines near the entrances to green houses where marijuana is being cultivated. Believing that this problem has not been adequately addressed, the MIA this year fired for incompetence the head of its counternarcotics division in Zhambyl oblast, which includes the Chu Valley.

Drug Flow/Transit. Despite the efforts of law enforcement agencies, Kazakhstan continues to be an important transit country, especially for drugs coming out of Afghanistan. According to UNODC 30 percent of Afghanistan's opium crop will pass through Central Asia, and 70 percent of that (about 800-1000 metric tons) passing through Kazakhstan. The GOK's estimate of the opium transiting Kazakhstan is considerably lower. The main routes for the transit of Afghani narcotics through Kazakhstan continue to run through Tajikistan and the Kyrgyz Republic, or Turkmenistan and Uzbekistan.

Domestic Demand. Kazakhstan's increasing prosperity has also created a new market for Ecstasy and amphetamines shipped in from Russia. A much larger problem, however, is the growing use of heroin in Kazakhstan. Likely due to the large amount of heroin and opium transiting Kazakhstan, drug addiction is a quickly growing problem in the country. Since 1991, the number of drug addicts in Kazakhstan is estimated to have grown 22-fold. During the first nine months of 2004, it was estimated that there were approximately 47,000 drug addicts in Kazakhstan. Almost two thirds of these addicts are people younger than 30 years of age. The Procuracy's statistics show a slight drop in the number of registered addicts, almost a 2 percent decrease in comparison to previous year. Experts estimate that the true number of addicts is about five times the number of those registered.

State financing for drug rehabilitation centers has grown substantially over the last several years. This year the GOK allocated 68 million Tenge (130 Tenge equals \$1) to finance drug rehabilitation centers, and more than 86 million Tenge has already been allocated for next year. In addition, the GOK has sponsored several drug awareness programs since the beginning of this year. These included 37 counternarcotics programs initiated throughout schools as part of a pilot project on combating narcotics among the underage and teenage population as well as 812 publications in the press, 1010 films, and 163 radio talk shows devoted to combating narcotics abuse.

IV. U.S. Policy Initiatives and Programs

In March 2003, President Nazarbayev approved the State Department Narcotics Assistance Letter of Agreement, signed in December 2002, allowing the commencement of assistance to Kazakhstan. Despite its continued problems of drug trafficking and abuse, Kazakhstan has made considerable progress since that time, especially compared to the rest of the region. Given Kazakhstan's great potential as a partner in the fight against narcotics, terrorism and money laundering, our overall goal is to develop a long-term cooperative relationship between the police and investigative services of the United States and those of Kazakhstan.

Bilateral Cooperation. In 2004 the U.S. Government assisted Kazakhstan's counternarcotics effort in several ways:

In August 2004, the State Department sponsored two UK Customs agents who provided training on drug profiling as well as pedestrian, rail and vehicular searches to selected MIA and Border Guard units as well as to the academies of both the Ministry and the Border Guards.

State continued to assist the National Forensics Laboratory in Almaty. One gas chromatograph as well as numerous drug test kits and "Drug ID Bibles" were delivered to the Laboratory in March 2004.

State also continued to sponsor the Committee on Combating Drugs. As part of a larger project aimed at combating narcotics trafficking in Kazakhstan Approximately one-third of the funds provided by the U.S. were used to acquire equipment needed to search vehicles for contraband, especially illegal narcotics. The remainder of the money is being used to provide specialized training to the unit in a variety of areas including drug identification, the search of vehicles using the equipment provided under the project, and Kazakh legal statutes pertaining to illegal narcotics and the arrest and detention of criminal suspects. The legal training also includes the principles of asset forfeiture (principles of legal seizure, custody, cooperation with prosecutors and judges, and transfer to GOK authorities responsible for the sale of forfeited assets.)

Training and equipment was provided to the Statistics Committee of the Prosecutor's Office, which targets drug trafficking organizations operating in Kazakhstan. The project also covered the costs of modernizing the Statistics Division of the Prosecutor's Office. The first field offices to be modernized under the project were those contiguous to the Kazakh-Kyrgyz border between Kordai and Taraz, the field office in the town of Sarishagan near Lake Balkash, and the field offices contiguous to the Kazakh-Russian border in the towns of Aul and Zheshkent. In total, \$117,000 worth of technical equipment was given to the Prosecutor's Office of the GOK under this project, including computers, printers, monitors, and copy machines. In November 2004, computer equipment was distributed throughout Kazakhstan to 17 different branches within the Criminal Statistics Unit; and the State Department sponsored 25 training courses in 2004, during which a total of 687 GOK officials were trained.

The Road Ahead. Kazakhstan is making serious efforts to end its status as a narcotics transit country. The GOK is working to refine its laws related to narcotics, to develop its police services and to cooperate 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 is a transit route for heroin and other opiates from Afghanistan destined for Russian, Western European and American markets. Several of the main drug trafficking routes out of Afghanistan run directly through the Kyrgyz Republic. There is minimal internal production of illicit narcotics or precursor chemicals. During the calendar year 2004, 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 abuse problems. The GOKG recognizes that the drug trade is a serious threat to its own stability and is continuing efforts to focus on secondary and tertiary drug-related issues such as 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 system. The Ministry of Health reports that ninety percent of known HIV and AIDS cases are related to intravenous drug use.

Public confidence is continuing to be eroded as it relates to 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 such as counternarcotics programs, toleration 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 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 former State Commission for Drug Control and the newly established Kyrgyz Drug Control Agency (DCA) (a counternarcotics agency sponsored by the USG and managed by UNODC) have been fighting a losing battle against drug trafficking. Particularly in the city of Osh and its surrounding regions, the drug trafficking has become an ever-increasing source of income and employment. There is hope the establishment of the DCA will mark a new beginning in the Kyrgyz Republic's efforts to minimize drug trafficking and reestablish the public's confidence.

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 of the year. These isolated passes are some of the most heavily used routes for drug traffickers. Government outposts 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 crossroads for road and air traffic and a 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 do grow wild in many areas.

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. The Kyrgyz Republic has signed bilateral and multilateral agreements concerning narcotics control with all CIS countries as well as Pakistan, Germany, Austria, China, Iran, Bulgaria, and the Czech Republic. The Kyrgyz Republic is a party to the UN Convention against Transnational Organized Crime.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The GOKG has instituted various national programs and legislation to combat drug trafficking and drug abuse. 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.

Drug Flow/Transit. The GOKG and the State Commission for Drug Control (SCDC) had 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 Valley; 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.

Domestic street values of heroin have shown a steady increase over the past four years, returning to 1997 levels. In 2001 the price for a kilogram of heroin in the northern region was approximately \$6,000. In the southern regions it was closer to \$3,000. In August 2003, a kilogram of heroin could be purchased in Bishkek for approximately \$8,000, depending on purity of drugs. One year later, a kilogram of heroin with the same purity level is now selling for up to \$10,000. In Kyrgyz Republic's southern regions it has increased from a high-end of \$4,500 to nearly \$5,000 per kilogram over this same one-year period. However, the price of a street-dose (0.1 gm.) of heroin has remained fairly stable in the northern regions of the country and risen proportionately in the southern regions. By contrast, raw opium has shown a dramatic increase in cost over the last four years in both regions of the Kyrgyz Republic. In 2001 a kilogram of opium was selling in the range of \$400-\$500 in the northern region and \$300-\$400 in the southern. In 2004 that cost has risen to nearly \$1,500-\$1,900 in the northern region and \$1,000-\$1,500 in the southern. This might be caused by a shortage of opium, as more Afghan opium is being refined in Afghanistan and shipped as a refined opiate (heroin and morphine base), since this product is much less bulky than opium. The upward trend in heroin prices could reflect competition for available heroin with richer "customers" in Russia and Western Europe

While the street-price of marijuana has followed the same trend as opium, hashish has shown a slight reduction in price over this four-year period.

Law Enforcement Efforts. The GOKG's State Commission for Drug Control, which has existed since 1993 with only 16 staff members, was replaced in 2004 by the creation of the Kyrgyz Drug Control Agency (DCA) with a staff of 240. The DCA became operational in March 2004. The DCA estimates that, based on its own internal reporting and that of the other law enforcement agencies, there were 3,760 kilograms of illicit narcotics seized, compared to 3,355 kilograms during the same reporting period in 2003. Additionally, in 2004 the DCA was successful in initiating a controlled delivery of one kilo of heroin that originated in Tajikistan and traversed the Kyrgyz Republic, Russia, and Latvia and terminated in Germany with the identification and arrest of several drug traffickers. This was the first transnational operation for the DCA, which culminated in Western Europe. The

GOKG and the DCA have had difficulty gathering information and controlling resources in some of the remote regions, particularly in the Osh and southern districts.

Corruption. The DCA 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). The Osh region remains an unwieldy and volatile drug trafficking region that the DCA has declared a high priority target for its counternarcotics efforts and has identified as the location for the DCA southern-branch headquarters.

Domestic Demand. As of January 2004, the Kyrgyz Republic's National Narcology Center reported 6,350 registered drug addicts, which is an increase of 739 from its July 2003 figures. While there was still an increase in the number of registered addicts, the percent of increase declined in 2004. Best estimates are the actual number of drug abusers is likely to be 10-15 times this amount. The DCA has reported that the number of drug related crimes reported in 2004 is 2,764 versus 2,771 in 2003, a decrease of 0.2 percent. The number of investigated drug related crimes was 2761 versus 2722 in 2003 and increase of 1.4 percent.

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 for International Narcotics and Law Enforcement Affairs (INL), signed a Letter of Agreement (LOA) to construct a Model Customs Post in the village of Kyzyl-Art on the Tajik border. This \$250,000 project will seek to serve as a model, which can be replicated for efforts to counter the narcotics traffic on what has been identified as one of the Kyrgyz Republic busiest drug-trafficking routes. This post will be equipped with modern detection equipment and manned on a 24-hour basis. The U.S. also provided other GOKG law enforcement bodies with counternarcotics equipment—including vehicles, office, laboratory and communications equipment.

In June 2003, the GOKG and the United Nations Office on Drugs and Crime (UNODC) signed a Project Document on the establishment of the DCA. The only donor to this \$6.3 million project is the U.S. Government. The USG works together with GOKG and UNODC to reduce corruption and foster transparency in the GOKG's struggle against narcotics trafficking and its effects. During a lengthy hiring process for the DCA, the UNODC and USG have insisted in a strict vetting process to reduce the likelihood of criminals or corrupt officials being included in the organization. One hundred and seventy (170) positions have been filled and although only partially staffed and equipped, the DCA has conducted several successful counternarcotics operations resulting in drug seizures and arrests. Construction and renovation of the DCA's government donated headquarters building in Bishkek has been completed and is operational. The OSH headquarters building has been identified and renovation has begun with a completion date of mid-year 2005. Additional operational equipment has been procured and will be distributed early in 2005.

In November 2003, the GOKG and the International Organization for Migration (IOM) Bishkek Office signed a Memorandum of Understanding (MOU) to establish a new International Passport system in the Kyrgyz Republic. This project is of great importance for the Kyrgyz because their current passport fails to meet international security standards. The Passport Project was scheduled to be completed by June 2004. However, governmental bureaucracy has delayed the issuance of the passports to ordinary citizens. That event is now scheduled for early in 2005. The USG is the sole donor of this \$1.6 million project.

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

Latvia

I. Summary

Amphetamines, cannabis, and heroin are the drugs of choice in Latvia. Shifting patterns of recreational drug use, due in part to information campaigns about the dangers of intravenous drug use, have accelerated a shift away from heroin towards increased abuse of amphetamines, cocaine, and cannabis. Concentration levels of locally sold heroin, which dropped dramatically during the war in Afghanistan, have returned to pre-war levels. 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 from Lithuania, 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 Lithuania, the Netherlands, and Poland, often through the mail. Heroin is primarily trafficked via Russia from Central Asia. Drugs tend to be transshipped 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 chemicals in the first half of 2002 to 7.54 kilograms of solid chemicals and 1,560 ml of liquid chemicals in the first half of 2003. In 2004 the Latvian police seized 109.2 kilograms of safrole, an extract from sassafras plants used to produce Ecstasy tablets, as it was being smuggled by car across the border from Lithuania into Latvia.

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 their clients’ contact with them. 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 decreased following hostilities in Afghanistan, and police officials report that this was due to a disruption in the supply of heroin flowing from Central Asia through Russia to Latvia and points further west. This disruption caused the quantity and quality of heroin available in Latvia to deteriorate, with concentration levels in seized heroin dropping from 80 percent in 2001 to an average of 6 percent to 30 percent in 2002 through 2003. Seizures in 2004 showed that concentration levels had climbed back to 70 percent. Through the first nine months of 2004, Latvian police seized 494.38 grams of heroin, compared to 503.34 grams in the previous year. Latvia’s growing affluence, coupled with the diminished supply of heroin in 2002 and 2003, 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 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 2004, there were 2690 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 15 LVL for 0.1 gram (approx. \$29).

III. Country Actions Against Drugs in 2004

Policy Initiatives. The Latvian State Police and the Ministry of Interior have drafted a master plan that addresses national drug control and drug abuse, which was submitted to the Prime Minister's Cabinet for official government approval in 2004. Under this plan, the Prime Minister presides over a Narcotics Coordination Bureau that supervises Latvian law enforcement action against narcotics trafficking and use. 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 to combat drug distribution in May 2003, placing their domestic drug control unit under the supervision of the Organized Crime Bureau.

Law Enforcement Efforts. The total number of drug-related crimes increased from 727 in the first nine months of 2003 to 814 in the same period of 2004. The 2004 drug-related crime statistics include 796 crimes related to sales, purchasing, possession, and repeated illegal use of narcotics; ten crimes related to large-scale drug contraband. In the first nine months of 2004, police filed drug-related criminal charges against 575 individuals. In the first nine months of 2004, the amount of seized poppy straw, LSD, and Ecstasy increased compared to 2003 figures. Cocaine and hashish seizures dropped.

In 2003 police made two large seizures of hashish and one large seizure of cocaine that were far greater than normal. Thus, hashish seizures in 2004 dropped from 30144.3 grams to 139.62 grams through the first nine months of the year. Cocaine seizures fell from 1776.34 grams to 628.41 grams over the same time period. Seizures of poppy straw grew from 37.05 kilogram in 2003 to 103.13 kilogram in 2004. Police also seized 4385 Ecstasy tablets, a significant increase over the previous year's 1119.

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 involvement in retail drug dealing and led to the arrest of two former criminal police officers. In 2004, the Anti-Corruption Bureau doubled its criminal caseload and continued its campaign to improve professional responsibility across all levels of Latvian law enforcement. 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, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. 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 is a party to the UN Convention against Transnational Organized Crime.

IV. U.S. Policy Initiatives and Programs

U.S. Policy and Bilateral Cooperation. The United States maintains programs in Latvia that focuses 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

director of Latvia's Narcotics Bureau credited a U.S. Embassy-funded HIV/AIDS program with helping to stem the number of IV drug users in Latvia.

The Road Ahead. 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

In 2004, Lithuania strengthened its counternarcotics efforts, rolling out a National Drug Addiction Prevention and Drug Control Strategy for 2004-2008. The use and sale of narcotics, however, continues to increase in Lithuania. Lithuania remains a transit route for heroin from Asia to Western Europe and produces synthetic narcotics for both domestic use and export. Law enforcement authorities estimate that the domestic drug trade is 500 million Litas (\$200 million) per annum and growing. The most popular drugs include synthetic narcotics, poppy straw extract, heroin, and cannabis. Industrially produced psychotropic drugs are also popular. Though public awareness campaigns have grown, the number of registered drug addicts and drug-related crimes increased in 2004. USG and GOL law enforcement cooperation is very good. Lithuania is a party to the 1988 UN Drug Convention.

II. Status of Country

Synthetic narcotics, poppy straw extract, heroin, and cannabis are the most popular drugs in Lithuania. Poppy straw and cannabis are popular because they are inexpensive, while synthetic narcotics are most popular on the black market. The price of a dose of heroin, 20 Litas (\$5.70), remained unchanged from 2003. Heroin is smuggled into Lithuania from Central Asia and the Balkans. Cocaine imports from South America travel through Western Europe into Lithuania. Poppy straw is especially popular in the countryside, and is smuggled to the Kaliningrad district of Russia. Industrially produced psychotropic drugs (e.g., GHB), artificial heroin, and new psychotropic substances are increasingly popular. Hashish is not popular. Law enforcement authorities estimate that the domestic drug trade is 500 million Litas (\$200 million) per annum and growing. Lithuanian organized crime groups have begun to penetrate the German narcotics market.

There were 4,689 registered drug addicts in January 2004, an increase of 284 individuals from 2002. In 2003, 356 persons approached health care institutions for the first time (653 in 2001). Nearly 75 percent of all drug addicts are younger than 35 years old, while more than 90 percent live in cities, and one-fifth are women. Over 90 percent of drug dependency cases are intravenous drug users. Lithuania had 943 registered cases of HIV in October 2004, an increase from 735 cases at the beginning of 2002. Eighty percent of those registered with HIV contracted the disease through intravenous drug use. In 2003, rates of Hepatitis B and C infection among intravenous drug users decreased by 26 percent and 35 percent, respectively. The number of 15-16 year-old students who have tried drugs at least once remained stable at approximately 15 percent (15.6 percent in 2003, 15 percent in 2002). Health education programs have been integrated into school curricula, resulting in an increased awareness about the dangers of drug use. Lithuania is a member of the international European School Survey Project on Alcohol and Other Drugs (ESPAD 95, ESPAD 99, ESPAD 03) and monitors the fluctuations of data on substance abuse among children aged 15-16. A 2003 survey showed that the consumption of cannabis, hashish, amphetamines, alcohol and tobacco is increasing, while the consumption of heroin and Ecstasy is decreasing among Lithuania's student population. According to an international survey published in 2004, 81 percent of children in foster care abuse alcohol, drugs, or glue.

III. Country Actions Against Drugs in 2004

Policy Initiatives. In order to improve preventive measures, combat addiction, and bring Lithuanian law in line with the European Union's 1999 counternarcotics strategy, the Government of Lithuania

(GOL) enacted the National Drug Addiction Prevention and Drug Control Strategy for 2004-2008 (“Strategy”). The Strategy, initiated in April 2004, increases cooperation between national authorities and drug control organizations, promotes local government initiatives to prevent and control drug use, and increases the role of society in dealing with drug problems. In 2004, the GOL provided 10.2 million Litas (\$4.08 million) to the Strategy. In 2004, more resources were allocated for initiatives that focused on prevention and rehabilitation than were allocated for fighting the trafficking and sale of narcotics. EU structural funds, however, augmented GOL expenditures in support of strengthened national borders. The GOL’s Narcotics Control Department, which implements the Strategy and coordinates the efforts of the national and local governments, began operation in January 2004. In December 2004, parliament created a Drug Addiction Prevention Commission. The GOL continued to implement its National HIV/AIDS Prevention and Control Program for 2003-2008. The program seeks to prevent the transmission of HIV/AIDS within high-risk groups (intravenous users, prostitutes, sailors, long-distance drivers, and prisoners). In the summer of 2004, the Parliament annulled a provision in the Criminal Code that established alternative punishments (15 to 90 days of incarceration) for those convicted of drug distribution. Those convicted now face prison terms of between five to eight years.

Accomplishments. Experts note that public awareness concerning the hazards of drug use is rapidly increasing. In 2004, the GOL allocated approximately 4 million Litas (\$1.6 millions) for public awareness programs, primarily conducted by the Ministry of Education and Science and NGOs. Police conducted separate awareness programs.

Law Enforcement Efforts. The number of drug-related crimes increased in 2004. By December 2004, Lithuanian law enforcement authorities registered 1,121 crimes (up from 886 in 2003). In 2004, the police shut down a laboratory producing high-quality amphetamines. The Customs Criminal Service initiated six narcotics related criminal cases in 2004 (13 in 2003, 14 in 2002, 8 in 2001, 0 in 2000). In December 2004, a Kaunas court sentenced three Lithuanian citizens to 10.5 years, 8 years, and 2 years of imprisonment, respectively, for producing amphetamines. In the largest seizure of 2004, police seized 18,000 doses of LSD, 71,000 Ecstasy tablets, 3 kilograms of marijuana, and 2 liters of precursors in November from a 19-year-old student who police believed to be a member of an organized trafficking group. On December 31, 2003, in the largest seizure of the year, Customs officials confiscated 300,000 Rohypnol pills (26 kilograms) at a Latvian border checkpoint.

Corruption. Corruption is a problem in Lithuania; however, the government enforces its laws against corruption, and as a result, narcotics-related corruption is not believed to be a major factor in trafficking. In December 2004, a parliamentary ombudsman, Kestutis Virbickas, resigned following findings that he had illegally intervened on behalf of a Lithuanian national standing trial for drug trafficking in Norway.

Cultivation/Production. An intravenous opium extract produced from locally grown poppies and the drug “Ephedrone,” made from medications containing ephedrine, remain popular in Lithuania. Police, in cooperation with Customs agents, destroyed 52,141 square meters of poppy plots (up from 31,426 in 2003 and 22,676 in 2002) and 196 square meters of cannabis plots between June and September 2004 (down from 687 in 2003 and 1,884 in 2002). Illicit laboratories produce amphetamines for local use and export.

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 arrive from Poland and the Netherlands.

Domestic Programs (Demand Reduction). Lithuania operates five national drug dependence centers. Ten regional Public Health Centers with local outlets work to prevent the use of drugs, especially in schools. In 2004, 20 rehabilitation centers (which together can service around 200 people annually) and 17 addict rehabilitation communities operated in Lithuania. Methadone treatment programs have operated in major cities since 1995, with 315 people receiving treatment in 2003 (133 in 2002). According to the Ministry of Justice's Prisons Department, in January 2004, 1,148 persons, or 14.4 percent of all prisoners, are registered drug users. In September 2004, 219 inmates were infected with HIV. After the HIV outbreak in the Alytus prison in 2002, the GOL allocated 2 million Litas (\$800,000) for equipment and activities designed to prevent the trafficking of drugs, train officials, and educate inmates at the Alytus facility. In May 2003, a reconstructed building capable of housing 300 HIV-infected prisoners opened in Alytus. In November 2003, a prevention and rehabilitation center for drug addicts and HIV-infected prisoners opened at the Pravieniskes correctional center.

Treaties and Agreements. Lithuania is a party to the 1988 UN Drug Convention, the 1971 UN Convention against Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Lithuania also is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in Women and Children. An extradition treaty and mutual legal assistance treaty are in force between the U.S. and Lithuania.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. USG and GOL law enforcement cooperation is very good. In 2004, the U.S. continued to support GOL efforts to strengthen its law enforcement bodies and improve border security. To strengthen regional cooperation in the fight against HIV/AIDS in the Baltic States and Russia, the U.S. funded "The Network of Excellence" project. In June 2004, a U.S. court in Florida acquitted 11 Lithuanian sailors apprehended in June 2003 of drug trafficking charges following the seizure of 3.5 tons of cocaine aboard the merchant vessel Yalta. In December 2003, Lithuania extradited an American citizen wanted for narcotics trafficking. In 2003, the Lithuanian State Security Department discovered a package suspected of containing counterfeit U.S. currency that was being sent to Minneapolis, Minnesota. The package also contained 100 tablets of Ecstasy. A joint investigation by the State Security Department and U.S. Secret Service resulted in arrests in both countries, including that of a major organized crime figure in the city of Kaunas. His trial is ongoing.

The Road Ahead. The USG looks forward to continuing its close cooperative relationship with Lithuania's law enforcement agencies. Although Lithuania has made some progress in improving regulations and procedures and developing an export control infrastructure, it still lacks the professional skills to detect narcotics and clandestine labs. In 2005, the USG will continue to promote increased GOL attention to the drug problem, and support activities aimed at preventing the production and trafficking of illicit narcotics. In 2005, the DEA will provide training to Lithuanian law enforcement agencies on the investigation and seizure of drug laboratories.

Macedonia

I. Summary

Macedonia, a country with a population of just over two million, is neither a major producer nor a major transit point for illicit drugs. However, the country lies along the so-called “Balkan route,” which is used frequently by traffickers to ship heroin from Afghanistan, and marijuana and hashish from Albania, to the Western European consumer market. Some progress was made in combating drug trafficking in Macedonia during 2004. Drug seizures, measured by quantity, increased by approximately 50 percent over the previous year, with a notable increase in seizures in the last half of the year. The increase is credited to more effective enforcement procedures, made possible in some instances by new legislation that gives the police and Customs officers greater latitude in employing investigative and prosecution techniques and methods.

Although the government demonstrated some increased political will to combat narcotics trafficking, counternarcotics operations often were hindered by ineffective inter-agency coordination and lack of central strategic planning. Macedonian local police, particularly ethnically mixed police teams, the border police, and mobile customs teams benefited from international assistance. They also demonstrated increased focus on counternarcotics operations, despite security and equipment challenges. Over the year, the Ministry of Interior (MOI) reported a 12 percent increase in drug-related criminal offenses. In 2004, the government adopted several key pieces of legislation to strengthen counternarcotics efforts. 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 Asian heroin (through Turkey) to Western Europe. This route also is used to deliver high-grade hashish and marijuana produced in Albania to Turkey, where it is exchanged for heroin that subsequently is transported to Western European markets. Small amounts of marijuana are grown in Macedonia, but the narcotics is produced mainly for personal use since the market for it is small and it cannot compete with higher quality, cheaper Albanian marijuana. Wild marijuana is a problem in eastern Macedonia, where it is easy to cultivate due to favorable climate conditions. Macedonia is not known to produce precursor chemicals. Police and Customs officials strictly control the entry of possible precursors at the borders. A Law on Control of Precursors went into effect in June 2004. Cocaine is not transported to or through Macedonia in significant quantities. Trafficking in synthetic drugs, in particular Ecstasy, increased in 2004.

III. Country Actions Against Drugs in 2004

Policy Initiatives. Macedonia undertook, in 2004, comprehensive legislative reforms of its criminal codes, following the prior adoption of an amendment to the Constitution to allow police to use specialized investigative methods, including wire tapping in drug cases. Changes to the Criminal Code increased penalties for drug trafficking, introduced the possibility of immunity from punishment for cooperating defendants/witnesses, and imposed criminal liability on legal entities involved in drug trafficking. New legislation also introduced better witness protection rules and more detailed provisions for confiscation/asset forfeiture in trafficking cases. A special draft Law on Electronic Surveillance, which will provide for detailed rules for wiretapping operations, is pending adoption by the Parliament. A special Law on Witness Protection had been drafted but not yet approved, and parallel activities were underway by year’s end to create within the MOI a Special Witness Protection Unit for cooperating witnesses/defendants. A new Law on the Public Prosecutor’s Office was adopted

in 2004, enhancing the role of prosecutors in criminal investigations while creating a Special Anti-Organized Crime Prosecutors Unit.

The Law on Money Laundering Prevention was amended in 2004 to strengthen the authority of the Money Laundering Prevention Directorate and to bring it into compliance with European Union guidelines. The new Financial Police Unit, which is part of the Ministry of Finance and has the authority to investigate serious financial crimes, including money laundering, was only partially operational in 2004 due to organizational and funding restrictions. The Parliament ratified the Second Protocol to the European Convention on Mutual Legal Assistance in Criminal Matters. The Second Protocol allows for cross-border monitoring of drug traffickers and joint investigative teams to pursue cases against them. The National Anti-Corruption Commission actively reviewed cases of corruption alleged against public officials. The Commission has brought such cases to the attention of law enforcement officials and prosecutors, but there have been few successful prosecutions to date.

The Law on Control of Precursors, which brought Macedonian law into compliance with UN Office on Drugs and Crime (UNODC) and European Union standards, was passed in mid-2004. An inter-ministerial working group, including medical and pharmaceutical experts as well as professionals from the Agriculture Ministry, MOI, and other agencies, is completing the draft text for a special Law on Narcotics that should further enhance counternarcotics efforts.

The Customs Administration continued to strengthen its intelligence units and mobile teams. As a result, the Administration was able to report a significant increase in the number of drug seizures by customs officers in 2004. The Ministry of Interior and the Customs Administration strengthened their cooperation and coordination in 2004.

Accomplishments. Macedonian police worked on an inter-agency basis with colleagues from neighboring countries on a number of drug cases in 2004. Through increased interagency cooperation and intelligence sharing with the Ministry of Interior, the Customs Administration in 2004 was able to seize the largest quantity of drugs in the history of its existence. In December, Macedonian authorities reported three major drug seizures: on the Macedonian-Serbian border, the Macedonian-Albanian border, and in Skopje. The seizures amounted to 142.5 kilograms of high-quality heroin (origin unknown) destined for Serbia; 500 kilograms of hashish from Albania; and 102 kilograms of paracetamol and codeine, also from Albania.

Law Enforcement Efforts. Counternarcotics police benefited from U.S., EU and UNODC training and support. In 2004, 2,860 uniformed police officers participated in specialized OSCE-sponsored training, included a counternarcotics component. The UNODC is supporting a project to promote regional criminal intelligence gathering and sharing. The high turnover rate in political-appointee leadership positions in the MOI deprived the counternarcotics effort of consistent leadership focus.

Drug seizures in 2004 increased by more than 50 percent over the previous year's total. During the year, MOI and Customs Administration agents seized over 550 kilograms of marijuana; 417 cannabis sativa plants; 242 kilograms of heroin; 530 kilograms of hashish; 839 milliliters of hashish essence; 131 grams of cocaine; 6 kilograms of opium; 1,216 methadone pills, 128 Ecstasy pills; 39 LSD doses; and 14 tons of different precursors.

During the same time period, the MOI participated in several coordinated regional activities. As a result of these efforts, eight international narcotics trafficking routes were uncovered, four of which were used for heroin trafficking, two for hashish, one for hashish oil, and one for marijuana trafficking. Nine drug traffickers (nationals of the Republic of Albania, and of Serbia and Montenegro) were extradited to Macedonia for trafficking-related prosecutions in 2004. Five drug traffickers were extradited from Macedonia to Italy, Switzerland, Norway, and Serbia and Montenegro for prosecution on drug charges. The MOI worked with Interpol to identify and forward data on 20 Macedonian nationals arrested abroad for narcotics trafficking.

Counternarcotics police continued to find it difficult to penetrate predominantly ethnic-Albanian drug trafficking organizations. Despite the increased number of ethnic-Albanian police officers in high-ranking MOI positions, few potential ethnic-Albanian informants were willing to work with counternarcotics police. Law enforcement officials expect to obtain a higher level of cooperation from informants in 2005, provided new criminal legislation is passed and implemented that would provide protection for cooperating witnesses.

Due to the introduction of the use of special investigative methods and rules on the admissibility of evidence at trials, police and Customs officials are able to arrest traffickers while they are preparing to commit a crime, which was not permitted by law before the amendments were passed. Law enforcement officials may seize vehicles involved in trafficking, but have been reluctant to force forfeiture of vehicles or other assets. With the adoption of improved asset forfeiture legislation in 2004, Macedonian authorities expect an increase in court decisions ordering asset forfeiture in narcotics cases in 2005.

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

However, corruption is prevalent in Macedonia and is widely seen as a necessary part of doing business in the country. Low salaries and high unemployment help to foster graft among law enforcement officials. However, corruption among police and Customs officials appeared to decline in 2004, compared to previous years. The judiciary remains weak and frequently is accused of corruption. The Parliament approved the dismissal—recommended by the Republic Judicial Council—of eight judges on corruption/unethical conduct allegations in 2004. However, only one judge was convicted on corruption charges during the year, although criminal proceedings had begun in another case. Anticorruption legislation in effect since 2003 was amended this year, but it was too early to determine whether it contributed to any decrease in official corruption. A special Law on Prevention of Conflict of Interest is in the drafting stage.

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 United States 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. Macedonia has signed the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in women and children.

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 and processing of legally cultivated poppy plants cultivated poppy on 380 hectares, producing approximately 22 kilograms of poppy straw per hectare in 2004. The overall 2003-2004 poppy crop yield was approximately the same as the previous year. Authorized poppy production is reported to the Ministry of Health, which shares that information regularly with the Vienna-based International Narcotics Control Board. Limited quantities of marijuana are cultivated illegally for personal use in southeastern Macedonia, and wild poppy plants were located and destroyed 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 approximately 90 percent of large-scale traffickers arrested in Macedonia are ethnic Albanians; however, the number of arrested Serbian nationals also increased in 2004. Drug gangs used heavy trucks, vans, buses and cars to transport the bulk of the drug shipments. Local officials reported a notable trend in the

smuggling to Turkey of high-quality hashish and marijuana produced in Albania, where it is exchanged for heroin refined in Turkey. Occasionally, hashish and marijuana produced in Albania was trafficked to Greece via Macedonia. Police reported that the quality of heroin produced in Turkey and transiting Macedonia improved, while the price had dropped. Macedonian officials reported that drug smugglers generally appeared to prefer trading Albanian marijuana for Turkish heroin via northern Greece or by sea, rather than using Macedonia as a transfer point. The most recent heroin seizure, of 122 kilograms, was the largest such seizure ever by Macedonian authorities. In December 2004, police in Germany reported the arrest of four Macedonian citizens suspected of having smuggled 450 kilograms of heroin from Macedonia to Germany.

Police officials also reported that narcotics traffickers appeared to be using the northern Balkan route—from Turkey to Bulgaria, Serbia or Romania, and then on to Western Europe—more often than they did the southern route through Macedonia. The small quantity of cocaine that entered Macedonia from Bulgaria and Greece generally arrived in packages of one to six kilograms. It usually was transported via airmail or courier through one of Macedonia's two airports. The average price of a kilo of cocaine in Macedonia was approximately \$40,000.

The quantity of synthetic narcotics trafficked in Macedonia in 2004 remained limited, although police reported a slight increase in the overall quantity sold here. Officials are aware of Macedonia's increasing vulnerability to synthetic drugs trafficking, since the cost of such drugs is low. Most synthetic drugs aimed at the Macedonian market originated in Bulgaria or Serbia and arrived in small amounts by vehicle. They were sold to Macedonian users for approximately \$10 per pill.

Domestic Programs (Demand Reduction). Official Macedonian statistics regarding drug abuse and addiction generally are unreliable. Observers believe the number of drug abusers in Macedonia to be relatively high; of particular concern is the fact that many new drug addicts are below the age of 15. According to police and health care officials, most registered drug abusers use marijuana (53 percent), and there is a growing level of heroin abuse (41 percent). Six percent of addicts abuse other drugs. Authorities also reported an increase in the abuse of Ecstasy and medical drugs by both long-term drug users and newcomers. Cocaine abuse remained modest, due to its high cost and relative unavailability on the domestic market. Police data available for the first nine months of 2004 showed 6,216 registered drug addicts, indicating an additional 182 addicts compared to 2003. Unofficial statistics from NGOs and the health sector suggest that the actual number of drug addicts in the country could be as high as 30,000.

Macedonia's health care and social welfare systems are still woefully unprepared to deal efficiently with the effects of drug abuse and dependence. The situation worsened in 2004 when the Center for Social Welfare removed a number of drug addicts from the welfare rolls in 2004 due to budget shortfalls. The GOM admitted that its social welfare agents, due to a lack of expertise, training, and technical equipment, were unable to adequately assist with the social reintegration of recovering drug addicts following completion of their medical treatment.

Periodic public awareness campaigns in 2004 were similar in theme to those in 2003. Educators and NGOs continued their programs to increase public awareness of the harmful consequences of drug abuse. The Ministry of Science and Education launched an illegal drug use information campaign at the primary and secondary school level. The campaign used existing academic curricula, textbooks, handbooks, and specially organized events to highlight the counternarcotics theme. The Ministry's Agency of Youth and Sport provided financing to 40 NGOs for public awareness-raising activities concerning drug abuse. Educators continued to play an important role in the work of the National Commission on Prevention of Drug Abuse in implementing its Action Plan for Combating Drug Abuse. In 2005, the GOM expects its National Youth Strategy to involve 80 NGOs in counternarcotics campaigns.

Societal attitudes in 2004 remained firm in advocating complete abstinence as the most effective way to avoid drug dependency. The Office for Social Inclusion Activities for Drug Addicts and Their Families, which was opened in 2003 by the Ministry of Labor and Social Policy, showed some results. The Ministry of Labor and Social Policy is in the process of opening Out-Patient Care and Rehabilitation Centers for Drug Addicts in five Macedonian towns whose populations are facing severe drug addiction problems. These Centers will provide comprehensive services and counseling for drug addicts and their families. A few local NGOs have made limited efforts to establish prevention programs, such as the SOS telephone line financed by the EU, for which information is available to the public through the printed and electronic media.

Macedonia has one state-run outpatient medical clinic for drug addicts, founded in 1985, which dispenses methadone to approximately 500 registered heroin addicts daily. The clinic has a pressing need to expand its capacity, technical equipment and personnel. The illegal diversion of methadone from treatment centers to the streets dramatically increased in 2004. The media reported numerous cases in which patients receiving methadone from a the clinic sold the medication to non-patients in front of that facility. According to available information, the government took no action to eliminate or ameliorate the problem.

Evidence indicates that official statistics did not accurately capture all drug overdose cases. Some health care officials estimated that there were as many as 200 non-lethal overdoses in 2004. There were two registered fatal overdoses among drug addicts in 2004. According to unofficial sources, however, as many as 20 deaths resulted from fatal overdoses in 2004. Drug treatment programs did receive increased attention from the GOM in 2004 with the opening of the five Out-Patient Day Care and Rehabilitation Centers mentioned above. However, given budgetary constraints, difficulties can be expected regarding the normal maintenance and operations of those Centers.

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 United State. Macedonian police and customs officers benefited in 2004 from a two-month specialized law enforcement course—which also covered counternarcotics issues—at the U.S.-funded ILEA regional training facility in Budapest. MOI police, financial police, customs officers, prosecutors, and judges received State Department-financed training in specialized anti-organized crime operations and techniques. U.S. Customs officials continued to provide technical advice and assistance to Macedonian Customs and the MOI's Border Police.

The Road Ahead. Because of Macedonia's porous borders and the growing influence of regional, mostly ethnic Albanian narcotics trafficking groups, Macedonia is likely to face increased transit rates of illegal drugs, especially synthetic drugs. The United States government, through its law enforcement and rule of law training programs, will continue to encourage police to monitor and arrest well-known narcotics traffickers, and to enhance the ability of prosecutors and judges to effectively prosecute and punish them. The United States will continue to push for criminal justice sector reform and the adoption of specialized counternarcotics and witness protection legislation that is indispensable for 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. Surveys indicate that illicit drug use is confined to a small segment of the population. The Maltese Government dedicated much time and effort over the past several years updating Malta's laws and criminal codes in preparation for accession to the European Union that occurred on May 1, 2004. As a result, Malta's criminal code stands in harmony with the goals and objectives of the 1988 United Nations Drug Convention, which Malta ratified in 1999. The Malta Police Drug Unit and the National Drug Intelligence Unit (NDIU) continue to improve their capabilities. Success is perhaps best illustrated by the upward trend in seizures of Heroin and Cocaine over the last several years. This trend is the result of improved coordination and communications among all agencies involved in controlling drugs.

II. Status of Country

Malta, an island nation of 400,000 between Sicily and North Africa, 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. Because Malta's population is small and Malta is an island, unwanted trends are easy to detect and deter. The drug problem is generally limited to the sale and use of consumer quantities of illegal drugs. There has been a recent increase in the proliferation of recreational drugs such as Ecstasy and also an increased use and trafficking of illicit drugs by persons under eighteen. Cultivation activity is limited to the growing of less than a few hundred cannabis plants per year. Malta is not a precursor or essential chemical source country. Malta does not produce or possess significant amounts of precursor or essential chemicals nor does it have chemical manufacturing or trading industries that conduct considerable trade with drug producing regions.

III. Country Actions Against Drugs in 2004

Policy Initiatives. Maltese Police and Customs personnel have had significant success through the profiling and targeting of suspected drug couriers transiting the airport. The Police and the Armed Forces work together to monitor, intercept and interrupt sea borne smuggling of illegal drugs. Maltese Customs officials have worked to become more adept at detecting and preventing the movement of drugs through the Malta Freeport, a daunting task, given the volume of containers moving through the Freeport. Port authorities have shown the ability to respond quickly when notified by foreign law enforcement of intelligence related to transshipment attempts.

Accomplishments. In June of 2004, the Government of Malta and the United States signed a Letter of Agreement concerning 'Cooperation to Suppress Illicit Traffic in Narcotic Drugs and Psychotropic Substances by Sea'. This Maritime Counter-Narcotics Cooperation Agreement should assist the interdiction of the flow of drugs through Mediterranean shipping lanes. Currently, there is no extradition treaty between the United States and Malta. However negotiations on both a Mutual Legal Assistance Treaty (MLAT) and a bilateral extradition treaty are ongoing, with a target for completion in the first half of 2005. The USG has successfully used an extradition agreement between the United Kingdom (Malta's former colonial power) and the United States, applicable to Malta, to effect extraditions to the U.S. The most recent example involved the October 2004 extradition of a U.S. national charged with cocaine distribution in the Northern District of Iowa. There was no significant

seizure of property related to drug crimes in 2004. However, current Maltese law provides the necessary provisions for asset forfeiture of those accused of drug related crimes.

Law Enforcement Efforts. Maltese law enforcement seized modest amounts of heroin, cannabis, Ecstasy and cocaine during 2004, amounting cumulatively to under 5 kilogram of dangerous drugs.

Corruption. The USG is not aware of any wide spread 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. 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 is 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. The final outcome in this case is pending appeals filed on behalf of the defendants right to a fair trial.

Treaties and Agreements. 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.

Drug Flow Transit. Currently, there is no data that indicates that Malta is a major trafficking location. The Malta Freeport is a continuing source of concern due to the volume of containers that passes through its vast container terminal. The USG has provided equipment and training as part of non-proliferation and border security initiatives that also have enhanced Malta's ability to monitor illicit trafficking through the Freeport. This should improve detection and act as a deterrent to narcotics traffickers seeking to use container shipping activity at the Freeport as a platform for drug movements through the country. Malta serves as a transfer point for travelers between North Africa and Europe. Heroin smuggled into Malta is primarily carried in by visitors from North African countries (Libya, in particular). Malta's most typical drug problems involve the importation and distribution of small quantities of illegal drugs for individual use. Malta has the world's fifth largest ship registry, which makes it a likely player in future ship interdiction scenarios.

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. U.S. Customs provided several training courses in Malta during 2004. The U.S. Customs Export Control Advisor based at Embassy Valletta continues to work closely with port officials in an effort to improve their ability to monitor and detect illegal shipments. 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 Regional Security Officer (RSO) works closely with the DEA Country Attach and the FBI Legal Attach based in Rome to foster cooperative efforts to strengthen law enforcement. 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 number of arrests and seizures for drug related offenses has steadily increased, indicating that Maltese authorities want to battle the drug problem within their own country and benefit from close USG cooperation. .

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

The Moldovan Ministry of Interior (MOI) remains responsible for counternarcotics law enforcement activity. The number of law enforcement personnel within the Drug Enforcement Unit decreased from 115 to 103 officers nationwide, with 15 officers at headquarters in Chisinau supporting 88 officers in the regions. Statistics in 2004 regarding the quantity of illicit opium and poppy straw seized show a noticeable decrease compared with 2003, while marijuana seizures show a significant increase. The number of criminal proceedings this year also indicates a noticeable increase in 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 usage increases by approximately 35 percent each year. Moldova is not a significant producer of narcotics or precursor chemicals. During 2004, the United States provided no training specifically related to narcotics investigations, but supported travel abroad by Moldovan prosecutors, judges and legislators, and more general administration of justice training with unquestionable “spin-offs” for better narcotics enforcement. The training focused on 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 conducive to the cultivation of marijuana and opium poppy. Annual domestic production of marijuana is estimated at several thousand kilograms. By November of 2004, authorities had seized and destroyed 8,588 kilograms of hemp plants and 8,950 kilograms of poppy plants during 2004. 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, codeine, ephedrine and other psychotropic substances this year. Domestic drug traffickers remain closely connected to organized crime in neighboring countries. These groups are not only involved in narcotics, but also in trafficking in persons.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The introduction of a new criminal code in 2003 reduced the maximum penalty for narcotics trafficking to 12 years in prison. Related legislation permits Moldovan authorities to charge those who, while not directly involved, aid and/or abet narcotics traffickers. The Drug Enforcement Unit is comprised of 103 officers nationwide, all of whom are dedicated exclusively to counternarcotics efforts. Moldova also continues to pursue, with U.S. support, anticorruption, antitrafficking and border control initiatives that supplement counternarcotics efforts.

Accomplishments. Despite the lack of rudimentary equipment such as vehicles, Moldovan authorities do their best to fight against narcotics traffickers at all levels. Seizures and lab destructions remain high priorities for the counternarcotics units. During the first 11 months of 2004, 1,947 cases (98 percent of those reported) were sent to the PG, with 1,554 (70 percent) going to trial.

Law Enforcement Efforts. Moldovan authorities initiated over 1,947 drug related cases in the first 11 months of 2004, compared to 2,142 cases for the entire year of 2003. This year, 460 kilograms of poppy straw and 13.5 liters of opium were seized, down from 547 kilograms of poppy straw and 4.324

kilograms and 15.7 liters of opium in 2003. Historically, many transit countries have become user countries over time, which is a concern for Moldova. Moldova will need to invest significant resources in education, border enhancement, and further law enforcement initiatives if it hopes to stem the growth in its user population.

Corruption. Corruption remains a major factor in Moldova. Corruption in the Customs Department and in the police creates opportunities for drug trafficking, while the Center for Combating Economic Crime and Corruption is at best ineffective, and at worst is used to harass political opponents of the administration. For example, recently, the Mayor of Chisinau was detained and many of his city council members arrested. Passage on December 16, 2004 of the new National Anti-Corruption Strategy and Plan may signal a new will on the part of the government to deal with corruption.

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 amended by its 1972 Protocol. Moldova is also a party to the Strasbourg Convention of 1990 and the UN Convention for the Suppression of the Financing of Terrorism, and cooperates in accordance with these agreements where resources and abilities permit. Moldova has signed but has not yet ratified the UN Convention on Transnational Organized Crime.

Drug Flow/Transit. Seizures this year continue to indicate that Moldova remains primarily a trans-shipment 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 from Turkey through Romania and Moldova into the CIS.

Domestic Programs. As of November 2004, the number of officially registered addicts was 8,260, a slight decrease from 2003 (8,527) for the same reporting period. Treatment remains an option for only the wealthiest of offenders. Financial hardships and dilapidated facilities restrict rehabilitation and treatment efforts by the Moldovan government. In past year, NGO's provided needed but minimal counternarcotics information and education campaigns.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. On-going USG training and equipment initiatives are designed to improve the abilities of police to investigate and infiltrate organized crime and narcotics syndicates. Other training programs related to counternarcotics include customs and border improvement programs, aimed at strengthening Moldovan border controls and reducing the flow of illegal goods through Moldova.

The Road Ahead. The U.S. and Moldova will continue to 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 (MDMA)), and a substantial consumer of most illicit drugs. U.S. law enforcement information indicates the Netherlands is still the largest source-country for Ecstasy in the U.S., although some U.S. analysts are watching the increasing trafficking from Canada with concern. The current Dutch center-right coalition has made measurable progress in implementing a five-year strategy (2002-2006) against production, trade and consumption of synthetic drugs. According to the public prosecutor's office, the number of Ecstasy tablets seized in the U.S., which could be linked to the Netherlands dropped to one million in 2003 from 2.5 million in 2002 (most recent year for statistics). The National Criminal Investigation Department ("Nationale Recherche"-NR), which was set up to enhance the efficiency and effectiveness of criminal investigations and international joint efforts against narcotics trafficking, officially began operations in January 2004. Operational cooperation between U.S. and Dutch law enforcement agencies is excellent, despite some difference in approach and tactics. This was reflected by the several trips to the Netherlands by the DEA Administrator in 2004. Furthermore, in October 2004, the Netherlands became the first European country to sign an MOU with DEA's El Paso Intelligence Center (EPIC) to participate in law enforcement information sharing. 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, one of the world's busiest container ports 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 Ecstasy and marijuana is significant; there is also production of amphetamines and other synthetic drugs. The Netherlands also has a large (legal) chemical sector, making it an opportune location for criminals to obtain or produce precursor chemicals used to manufacture illicit drugs.

III. Country Actions Against Drugs in 2004

Policy Initiatives. In January 2004, the National Crime Squad officially started functioning. 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.

Cannabis. On July 1, the Dutch Parliament approved the April 2004 "Cannabis Letter" from the Ministers of Health, Justice and Interior, which included an "Action Plan to Discourage Cannabis Use." According to the letter, Dutch coffee-shop policy has not led to a significantly higher cannabis use since Dutch use is "average" compared to that of other EU countries. The Ministers argued that the distinction between hard and soft drugs had worked: hard drugs were seldom found in coffee shops. Still, they were concerned about the health risks of cannabis use and the sharp rise in the THC content. The Action Plan included the following initiatives:

- An experiment with the introduction of special coffee-shop passes for Dutch residents in order to ban foreigner “drug tourists”. Justice Minister Donner said the ban was in line with the stricter EU drug regulations. Donner wants to start a trial project with the special passes in Maastricht (close to the German and Belgian borders). If successful, the experiment, which will limit the purchase of soft drugs in Dutch coffee shops to Dutch nationals, will be expanded;
- An investigation into possible risks of cannabis with a high THC content. (In 2003, the THC content of Dutch-grown cannabis (“Nederwiet”) was 18 percent and Dutch hashish 35.8 percent.) If research should prove use of high-level THC cannabis involved serious health risks, cannabis with high THC levels could be placed on List 1 of the Opium Act, making it an illegal hard drug;
- Stricter licensing criteria with respect to the distance between coffee shops and schools; and
- Intensified controls on cannabis cultivation.

The 2003 National Drug Monitor, published in March 2004, showed the number of recent (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). Life-time prevalence (ever-use) 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. According to the Trimbos Addiction Institute, cannabis use among young people ages 12-18 dropped in 2003: recent (last-month) use for boys dropped to 10 percent, which was almost one-third less than in 1966. Last-month cannabis use by girls stabilized at 7 percent.

According to a December 10, 2004 letter by Health Minister Hoogervorst to the Second Chamber, legal sales of medicinal cannabis by pharmacies have largely failed. Only some 1,000 to 1,500 patients are buying the government-controlled cannabis, which is one-tenth of the number of expected customers. The disappointing sales, which will cost the Ministry almost 400,000 Euros in 2004, are attributed to reluctance among doctors to prescribe and the higher prices of the “state wiet.” Since March 2003, doctors are allowed to prescribe medicinal cannabis for their patients.

Cocaine Couriers. Justice Minister Donner touted the Schiphol airport 100 percent control measure, initiated in December 2003 to stop drug trafficking into the Netherlands from the Netherlands Antilles, Aruba, Suriname, and later Venezuela, as a success, citing declining cocaine seizures at Schiphol as an indicator. According to the program’s sixth progress report published December 16, 2004, 3,313 cocaine couriers (an average of about 100 couriers per day) were arrested in the first eleven months of 2004, all of whom had been blacklisted. Seven-hundred and thirty-nine kilos of cocaine were seized from the bodies of the couriers, in addition to 3,451 kilos hidden in other materials. An additional 1,675 kilos of cocaine were seized at Schiphol and 565 couriers arrested during regular controls (coming from countries other than those targeted in the 100 percent control program). Over the 11-month period, a total of 1,545 kilos of cocaine were found at Schiphol in freight, of which 713 kilos were discovered through the 100 percent control program. On average, two couriers are found per flight now (initially, there were an estimated 80-100 couriers per flight). Donner noted the primary goals of his policy, seizing drugs and blacklisting couriers, have proved much more effective than simply arresting large numbers of “small” couriers. He planned to continue the policy for the time being, including the “temporary” measure of turning back “bolita swallowers” carrying less than three kilos (“catch and release”). Although cocaine seizures in Rotterdam port have been rising this year, the report stated it was too early to draw a link with the 100 percent Schiphol control program, noting seizures at the port fluctuate from year to year, just as in other European ports.

In December 2004, the KLPD began sharing the names of “blacklisted” Schiphol couriers with U.S. DEA’s El Paso Intelligence Center (EPIC).

Heroin Experiment. In June 2004, the Cabinet approved expansion of the experiment under which heroin is medically prescribed to a group of seriously ill and chronic addicts for whom all other forms of treatment have failed. The number of persons receiving such “medical treatment” will be increased from 300 currently to 1,000 in 15 major cities (up from six currently). For each participant a treatment contract is drawn up stating improvements required within a year. Government funding to the project of 5 million Euros per year will be raised by one million in 2005.

Ecstasy. In June 2004, Justice Minister Donner officially launched an information campaign to keep potential Ecstasy traffickers from smuggling to other countries. The Justice Ministry has opened a website with information about foreign prison sentences and prison conditions.

Accomplishments. A major accomplishment was the drafting of the EU 2005-2008 Drugs Strategy during the Dutch EU presidency in the second half of 2004. In October 2004, the Dutch Government signed a joint cooperative agreement with the Government of China concerning precursor chemical investigations. The agreement pledges both countries to cooperate on precursor chemical investigations. The GONL also approved the stationing of a police drug liaison officer in China to facilitate law enforcement cooperation. In addition to working directly with the Chinese, the Netherlands is an active participant in the International Narcotics Control Board’s (INCB) PRISM project’s taskforce. Minister Donner said on March 31, 2004 the first assessment report of the five-year (2002-2006) Ecstasy action plan proved very successful.

Law Enforcement Efforts. Overall 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, policy is coordinated in tripartite consultations among 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, Ecstasy), and “soft” drugs (cannabis products). Trafficking in “hard drugs” is prosecuted vigorously and dealers are subject to a prison sentence of 12 years. When this takes place on an organized scale, another one-third of the sentence may be added (up to 16 years). However, actual sentences are considerably lower. Sales of small amounts of cannabis products (under five grams) are “tolerated” (i.e., not prosecuted, even though technically illegal) in “coffee shops” operating under regulated conditions (no minors on premises, no hard drug sales, no advertising, and not creating a “public nuisance”).

Dutch police teams and National Prosecutors give high priority to combating drug trafficking. 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.

In September 2004, the Dutch joined the Joint Intelligence Working Group (JWIG) in Washington D.C. This group, representing six countries, meets to share drug intelligence and assist in coordinating international drug trafficking investigations. In October 2004, the KLPD signed a Memorandum of Understanding (MOU) with the DEA and EPIC in order to enhance police-to-police intelligence sharing on narcotics-related investigations.

All active narcotics case-related requests for assistance from foreign jurisdictions are sent to the DIN (International Network Service). The DIN has assigned two liaison officers to assist only DEA. Since the new reorganization, the DIN has allowed DEA and other liaison officers to contact one of the five regional offices directly with requests. This policy has allowed for better coordination during ongoing enforcement actions, such as controlled deliveries. Due to Dutch law enforcement policy, prosecutors

still control all aspects of an investigation. Dutch police officers need prosecutor concurrence to share police-to-police information. This policy often hampers quick sharing of information, which can be used proactively in an ongoing investigation. Many controlled delivery requests sent to the DIN by DEA are turned down due to lack of manpower. In November and December 2004, however, the Dutch approved four controlled delivery requests (including one involving 70 kilos of cocaine which resulted in the arrest of six suspects). The vast majority of these controlled deliveries are small amounts of cocaine (less than five kilograms) contained in parcels being sent from South America or the Caribbean. Since the initiation of the 100 percent controls on inbound flights from the Caribbean, there has been a serious reduction in the amount of outbound couriers arrested at Schiphol. This reduction is due in part to the amount of law enforcement capacity required to conduct the 100 percent inbound checks. The amount of flights targeted for outbound checks has decreased.

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 or systemic. An investigation in 2004 by the special Schiphol CargoHarc drug team, comprised of military police, fiscal investigation/control service (FIOD-ECD) and Customs, led to the arrest of fourteen baggage handlers and four shop assistants accused of smuggling drugs through uncontrolled airport channels. To address concerns about the influence of drug trafficking on police, Customs and other officials, the Justice Ministry is funding a study on the extent of corruption in the Netherlands that will be completed by mid-2005.

The national prosecutor's office confirmed in November 2004 that a criminal organization involved in large-scale cocaine smuggling and money laundering had invested part of its drug profits in Air Holland, a Dutch charter airline flying mostly to the Netherlands Antilles. In the interim, this airline has gone bankrupt (in April 2004).

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. The Netherlands is a member of the UN Commission on Narcotics Drugs and the major donors group of the UNODC. The Netherlands is a leading member of the Dublin Group of countries coordinating drug-related assistance. The Netherlands ratified the UN Convention on Transnational Organized Crime on May 26, 2004, and has signed but not ratified the protocols on trafficking in persons and migrant smuggling as well.

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. A November 2003 national police report of the Dutch drug market estimated the Netherlands has between 17,000-22,000 cannabis plantations producing about 68,000-99,000 kilos of "Nederwiet." Although the Dutch government has given top priority to the investigation and prosecution of large-scale commercial cultivation of Nederwiet, legally tolerated coffee shops appear to create the demand for such cultivation. According to the Government's "Cannabis Letter," about half of the anonymous crime reports received annually relate to drug trafficking, particularly cannabis cultivation, indicating serious public concern.

The Netherlands remains one of the largest producers of synthetic drugs, although the INCB has noted a shift to Eastern Europe. According to a report by the South Netherlands Core Team/Unit Synthetic Drugs (KTZ/USD) and the five Dutch Ecstasy teams (all of them now part of the National Crime Squad), some 214 suspects were arrested in 2003. Together the teams seized 11,453 liters of chemical precursors. They also completed 33 investigations. The number of Ecstasy tablets with an alleged

Dutch connection confiscated by U.S. authorities decreased significantly to approximately one million tablets in 2003. The seizures of drugs around the world that could be related to the Netherlands involved almost 13 million MDMA tablets and more than 871 kilos of MDMA powder and paste. MDMA (powder and paste) seizures in the Netherlands in 2003 dropped to 435 kilos, and the number of Ecstasy tablets seized dropped 20 percent to more than 5.4 million. The number of dismantled production sites for synthetic drugs dropped to 37 from 43 in 2002. Of the 37, some 11 were found in residential areas. The KTZ/USD reported increased amphetamine seizures in 2003 from 2002.

Drug Flow/Transit. The Netherlands remains an important point of entry for drugs to Europe, especially cocaine. According to the National Crime Squad, an estimated 40,000-50,000 kilos of cocaine are smuggled annually into the Netherlands, about 20,000 kilos via Schiphol and the remainder via seaports and overland by road from Spain (Dutch cocaine use is estimated at 4,000-8,000 kilos annually). The Dutch government has stepped up border controls to combat the flow of drugs, including 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 have also been intensified.

Demand Reduction. The Netherlands has a wide variety of demand 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, less than one-quarter of one percent of the population); the number has stabilized over the past few years; the average age has risen to 40; and the number of overdose deaths related to opiates has stabilized at between 30 and 50 per year.

According to the 2003 National Drug Monitor, the out-patient treatment centers registered some 26,605 drug users seeking treatment for their addiction in 2000, compared to 26,333. The number of cannabis and opiate addicts seeking treatment has stabilized at 3,443 and 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. Although the most recent data about drug use are unavailable to confirm the impression, drug experts have noted a significant drop in Ecstasy use, while cocaine use appears to be going up.

Demand Reduction/Prevention. Drug prevention programs are organized through a network of local, regional and national institutions. Schools are targeted for special demand reduction attention in an effort 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 March 2004, the Health Ministry and the Trimbos Institute launched a major cannabis information campaign warning young people in the 12-18 age group about the health risks. The 24-hour national Drug Info Line of the Trimbos Institute has become very popular.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. and Dutch law enforcement maintained excellent operational cooperation, with principal attention given to countering the Netherlands' role as a key source country for MDMA/Ecstasy entering the U.S. The U.S. Embassy in The Hague has made the fight against the Ecstasy threat one of its highest priorities. Although the Dutch and U.S. agree on the goal, we differ over which law enforcement methodology is most effective in achieving it. The Dutch continue to resist criminal undercover "sting"-type operations in their investigations of drug traffickers. Manpower constraints also prevent them from pursuing international and organized crime aspects of

each Ecstasy investigation. The third bilateral law enforcement talks, which were held in The Hague in March 2004, resulted in additional points included in the “Agreed Steps” list of actions to enhance law enforcement cooperation in fighting drug trafficking. Since 1999, the Dutch Organization for Health Research and Development (ZonMw) has been working with the U.S. National Institute on Drug Abuse (NIDA) on joint addiction research projects.

The Road Ahead. U.S.-Dutch bilateral law enforcement cooperation will intensify, building on the successful visits of the DEA Administrator to the Netherlands in 2004. The Dutch government’s Ecstasy Action Plan should continue to produce results against Ecstasy trafficking. The Dutch synthetic drug unit, which now is part of the National Crime Squad, will continue to make concrete progress. The bilateral “Agreed Steps” agreement will certainly boost cooperation on international investigations, including Ecstasy and money laundering cases. The recent decision by the Dutch Government to begin sharing information with U.S. law enforcement on drug couriers detected at Schiphol Airport is a positive development that should promote enhanced bilateral cooperation in preventing drug transshipment through the Caribbean. The U.S. anticipates increased cooperation with the Netherlands and China on precursor chemicals, especially now that a Dutch drug liaison officer is stationed in China (early 2005).

Norway

I. Summary

As in previous years, illicit drug production in Norway remained insignificant. Norway continued to tightly control domestic sales, exports and imports of precursor chemicals. The number of drug seizures declined, but seizure volumes rose as the police maintained a recent shift of attention from individual abusers to traffickers. Police also increased efforts to track and intercept drugs in transit. Cannabis accounted for the bulk of 2004 seizures (41 percent), followed by amphetamines (19 percent) and benzodiazepines (18 percent); other drugs were 22 percent. 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. It remains, however, a popular market and transit point for drugs produced in Central/Eastern Europe and elsewhere.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The Norwegian Police Directorate (POD) continued to implement its 2003-2008 Counter-Narcotics Action Plan, a common framework for all Norwegian police districts. The Action Plan focuses on reducing domestic drug abuse and identifying and curbing illicit drug distribution. The ultimate aim, according to the police, is to ensure that Norway does not become an attractive country for production, import, and sale of narcotics. The Customs and Excise Directorate (CED) also continued its counternarcotics efforts aimed at curbing drug imports and seizing illicit drug money and chemicals used in narcotics production. The CED has now been equipped with mobile X-ray scanners that can detect drugs, illegal arms and alcohol in vehicles passing major border crossings. Norway contributed NOK 15.5 million (\$2.5 million) to the United Nations Office on Drugs and Crime (UNODC). Norway is a member of Interpol, the Dublin Group, and the Pompidou Group.

Accomplishments. According to the Ministry of Health and Social Affairs, Norway remains in full compliance with the 1988 UN Drug Convention. Norway's counternarcotics plans/initiatives are progressing as scheduled, law enforcement efforts remain steady, and cooperation with the UN's Drug Control Program continues. In 2004, Norway also cooperated with the EU's European Monitoring Center for Drugs and Drug Addiction (EMCDDA) on issues relating to narcotics problems and counternarcotics measures and policies.

Law Enforcement Efforts. According to statistics compiled by the Norwegian police crime unit (KRIPOS), the number of drug seizures in 2004 declined to an estimated 23,500 cases from 25,210 in 2003. Volumes of seized drugs, however, again rose as the police continued to shift their focus from individual abusers to traffickers. The volume of heroin seized rose significantly in 2004, from 51 kilograms in 2003 to an estimated 215 kilograms in 2004. The number of persons charged with narcotics offenses also dropped, from 37,204 in 2003 to an estimated 35,000 in 2004, as a result of the heightened focus on bulk suppliers. In November, the Oslo police seized a record 860 kilograms of hashish and arrested 18 in two raids. The raids, part of a coordinated effort against one of Norway's biggest smuggling rings, resulted from cooperation between the Oslo police, regional authorities, the Customs and Excise Directorate, and Interpol. One of the seizures occurred at a border crossing with

Sweden, where the police stopped a long-distance truck from the Netherlands and used their new mobile screening unit to discover the drugs, which were hidden in cartons of soap. Responding in part to police calls for additional resources, Parliament budgeted an additional NOK 500 million (\$80 million) for police activities in 2005.

Corruption. Norway 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. Senior officials of the government do not engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Norway is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Norway also is a party to the UN Convention Against Transnational Organized Crime and its three protocols, and is a signatory to the UN Convention Against Corruption. Norway has an extradition treaty and customs agreement with the U.S.

Drug Flow/Transit. The inflow of illicit drugs—particularly cannabis, heroin, benzodiazepines, Ecstasy, and amphetamines—remains significant. Norway expects the flow of heroin into the country will increase, particularly with the increase of opium cultivation in Afghanistan. In one 2004 raid, Oslo police confiscated 150 pounds of heroin, double the previous largest seizure. Most illicit drugs are brought into Norway by vehicle from other European countries. For example, in August the police seized a record 22 kilograms of amphetamines from three Chinese nationals crossing the Swedish border. As in the past, some drugs have been seized in commercial vessels arriving from the European continent and Central/South America. According to police authorities, gangs from the Balkans, particularly Albania, and Lithuania are among the most active narcotics-traffickers in Norway. The police expect that in the coming years more narcotics will also enter the country from Russia. While there is concern that narcotics dealers may establish mobile laboratories to convert chemicals into drugs, the police did not uncover significant drug production in 2004.

Domestic Programs. The Ministry of Health and Social Affairs implemented its joint Narcotics and Alcohol Abuse Treatment and Prevention Reform. Effective January 1, 2004, the State, represented by regional health enterprises, has assumed responsibility for treatment and prevention programs from local county councils. The principal aim of the centralization is to provide better and more uniform health and counseling services for drug and alcohol abusers nationwide. The Narcotics Action Committee, established by the Ministries of Health and Social Affairs in 2003, continued to advise the government on narcotics policy for the 2003-2005 period. The committee is empowered to evaluate preventive strategies and to propose drug rehabilitation and treatment measures. The government estimates that Norway has approximately 14,000 heroin addicts. The number of overdose deaths peaked at 338, before dropping to 210 in 2002 and 172 in 2003. Initial estimates for 2004 indicate that the number will again rise, partly as a result of lower drug prices and the return of purer Afghan drugs to the market. Oslo authorities attributed 11 deaths during an 18-day period in May to a potent batch of heroin.

IV. U.S. Policy Initiatives and Programs

U.S. Drug Enforcement Administration officials consult with Norwegian counterparts when required.

The Road Ahead. The U.S. and Norway will continue to cooperate on narcotics control issues.

Poland

I. Summary

Poland has traditionally been a transit country for drug trafficking. However, improving economic conditions and increased ease of travel to Western Europe have increased its 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 continue to become 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 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 has traditionally been a transit country for drug trafficking. However, improving economic conditions and increased ease of travel to Western Europe have increased its 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 continue to become 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 EU accession has accelerated the process of GOP diligence on narcotics policy. Poland is a party to the 1988 UN Drug Convention.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The National Program for Counteracting Drug Addiction, which covers the period 2002-2005, brought Poland into compliance with the 2000-2004 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. In 2004, the National Program budget was increased to \$3.6 million. In addition, individual ministries and local governments continue to finance Program activities out of existing counternarcotics budgets.

Accomplishments. During 2004, Polish police shut down 17 major amphetamine-producing laboratories. Most of these were in the Warsaw region, with two in Lodz and one in the Mazury Lake District. To fight international crime, the use of informants, telephone taps, and controlled purchases are now all permitted by Polish law, and a witness protection program is in place. In December 2004, witness protection and courtroom security training were conducted for Polish judges, prosecutors, investigators and senior police officials by the U.S. Marshals Service, with the aim of improving understanding of the most effective use of such programs, and cooperation among the various agencies. This training was part of a series of highly successful courses presented at the National Police Training Center under a Law Enforcement Assistance Letter of Agreement (LOA) signed in November 2002.

Law Enforcement Efforts. DEA agents visit Poland nearly every month and have enjoyed close collaboration with Polish officials on drug-related investigations. The National Bureau for Drug Addiction is well-known for its openness and cooperation in discussing drug-related issues.

Corruption. A comprehensive inter-ministerial anticorruption plan is in existence that 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, there is no evidence 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, which 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. The U.S. Government has worked closely with the Polish National Police to improve police training on ethics and corruption, and has presented several training courses on the subject under the Law Enforcement LOA mentioned above.

Agreements and Treaties. Through the National Program, Poland has fulfilled requirements to harmonize its laws with the European Union's Drug Policy. Poland is a party to the UN Convention on Organized Crime and its protocols against migrant smuggling and trafficking in persons, and is a signatory to the UN Convention Against Corruption. Poland is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by the 1972 Protocol. An extradition treaty and MLAT are in force between the U.S. and Poland.

In May 2004, Poland became 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 implemented 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 targeting training 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. DEA-conducted seminars and train-the-trainer programs will continue and will be part of the 2005 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.

The Road Ahead. Poland's accession to EU membership on May 1, 2004 played a key role in sharpening the Government of Poland's (GOP) attention to narcotics policy. The EU is by far the largest donor to Poland's counternarcotics activities, which serves as a motivating force for even closer collaboration between Poland and its neighbors to the East and the West. GOP priorities for 2005 include better educational campaigns addressed to specific target groups (including media campaigns, and a 'peer campaign' for children and students) and a new pilot program for the assessment of the quality of medical, rehabilitation, and health damage reduction treatments provided by various institutions. Authorities will also focus on the creation of strategy for counteracting drug addiction at the local (township) level. 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. Hashish remains the most prevalent drug used in Portugal, with Ecstasy (MDMA) and heroin also taking a heavy human and economic toll. Overall drug seizures in Portugal for the period 2000-2004 were up over 500 percent when compared to the period 1995-1999, although apprehensions were down by approximately 27 percent when compared to the same period.

Portugal actively participates in international counternarcotics programs. U.S./Portugal cooperation on narcotics control has included visits by U.S. officials and experts, training of law enforcement personnel, and assistance in establishing rehabilitation programs. Portugal is 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 was the primary source of cocaine in 2004. Some shipments transit Brazil and Venezuela, which have large resident Portuguese populations. Other primary source countries in 2004 were Morocco (hashish) and Afghanistan and Pakistan (heroin). Cocaine and heroin enter Portugal by car, commercial aircraft, truck containers, and maritime vessels. Heroin transits through the Netherlands and Spain en-route to Portugal. The Netherlands and Spain are the primary source of Ecstasy in Portugal. Drug abuse within the Portuguese prison system continues to be a major concern for authorities.

III. Country Actions Against Drugs in 2004

Policy Initiatives. Portugal decriminalized drug use for casual consumers and addicts in July 2001. The law makes the "consumption, acquisition, and possession of drugs for personal use" a simple administrative offense. In March 2002, Portugal 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. Public debate surrounding the national action plan for 2000-2004 revealed some success stories, particularly regarding increased drug seizures, but press coverage focused on the fact that other key targets in the plan were not met, such as reducing the number of users.

Accomplishments. The Institute of Judicial Police and Criminal Science reported that between 2000-2004, more than EURO 30 million in drug-related assets were seized. This figure includes vehicles, property, and currency. From 2000-2004, Portuguese authorities seized 500 percent more drugs than in the previous five years. Hashish accounted for the majority of seizures, followed by cocaine and heroin. Just over 600,000 Ecstasy pills were seized over the same period. Apprehensions for hash and Ecstasy increased in the last five years, although total apprehensions declined by almost 27 percent when compared to 1995-1999.

Law Enforcement Efforts. Portugal has seven separate law enforcement agencies that deal with narcotics: the Judicial Police (PJ), the Public Security Police (PSP), the Republican National Guard (GNR), Customs (DGAIEC), the Immigration Service (SEF), the Directorate General of Prison

Services (DGSP), and the Maritime Police (PM). The PJ is a unit of the Ministry of Justice with overall responsibility for coordination and criminal investigations. Authorities apprehended more than 4,500 individuals for drug related offenses in 2003 and seized more than 63 thousand grams of heroin, 3 million grams of cocaine, and 31 million grams of hash.

In November 2004 the PJ seized more than 3,200 kilograms of hash on a boat originating from North Africa that was planning to land in Portugal. Other drug arrests were made at the Lisbon airport when police seized 63 kilograms of hash and over 4 thousand kilograms of cocaine. Authorities seized more than 66 thousand Ecstasy pills in the first semester of 2004 alone.

Corruption. No cases of systematic or large-scale corruption were reported in 2004. Government policy actively discourages the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal transactions. No senior officials are known to be involved in, or encourage, such activities.

Agreements and Treaties. Portugal is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Portugal also is a party to the 1971 UN Convention on Psychotropic Substances and the 1961 UN Single Convention as amended by the 1972 Protocol. 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 also is a party to the UN Convention against Transnational Crime and its protocols against migrant smuggling and trafficking in persons, and is a signatory to the UN Convention Against Corruption.

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. In October 2004, Venezuelan and Portuguese authorities detained several Portuguese citizens in Caracas and Lisbon in a highly publicized arrest of drug traffickers that netted 386 kilograms of cocaine. The U.S. has not been identified as a significant destination for drugs transiting Portugal.

Domestic Programs. Responsibility for coordinating Portugal's drug programs was moved to the Ministry of Health in 2002. The Government also 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). IDT is charged with gathering statistics, disseminating information on narcotics issues, and managing government treatment programs for narcotics addiction. IDT sponsors several programs aimed at drug prevention and treatment. The most important is the Municipal Plan for Primary Prevention. Its objective is to create, with community input, locality-specific prevention programs in thirty-six municipal districts. IDT runs a hotline and manages several public awareness campaigns. Regional commissions are charged with reducing demand for drugs, collecting fines, and arranging for the treatment of drug abusers. A national needle exchange program was credited with significantly reducing the spread of HIV/AIDS and hepatitis, although HIV infections resulting from injections are still a major concern in the Portuguese prison system.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA-Madrid cooperates with the Portuguese Judicial Police on drug cases involving the U.S. and Portugal. The Portuguese Customs Bureau cooperates with the U.S. under the terms of the 1996 CMAA. In March 2004, 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 as well as a counternarcotics instructor course in April.

The Road Ahead. Continuing cooperation between the U.S. and Portugal on narcotics law enforcement will aid in attacking drug trafficking networks. Portugal's eventual ratification of the bilateral implementation protocol to the U.S.-EU MLAT and Extradition Treaty will enable better cooperation and information sharing. Additionally, Portugal's plan to join the Container Security Initiative should provide a fringe benefit in improved seizures of narcotics in maritime cargo containers.

Romania

I. Summary

Romania is not a major source of production or cultivation of narcotics. However, Romania serves as a transit country for narcotics and lies along the well-established Northern Balkan route used to move heroin and opium from Southwest Asia to Central and Western Europe. It is a developing route for the transit of synthetic drugs from Western and Northern Europe to the East. Romania recently has begun to serve as a source of amphetamines and is used as a transit point for South American cocaine destined for Western Europe. In 2004, Romania made several major drug seizures. Romania worked to implement its 2003-2004 National Anti-Drug Strategy and developed a National Anti-Drug Strategy for 2004-2007. Allegations of corruption continued to damage the image of the primary drug fighting law enforcement body. 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, mainly heroin and opium, moving from Southwest Asia, through Turkey and Bulgaria and onward toward Central and Western Europe. Romania also lies along a developing route for the transit of synthetic drugs from Western and Northern Europe to the East. A large amount of precursor chemicals transits Romania from West European countries toward Turkey. Romania increasingly is becoming a storage location for illicit drugs prior to shipment to other European countries. In 2004, law enforcement officials made several important drug seizures and arrests and dismantled an international drug trafficking network. Heroin and marijuana are the primary drugs consumed in Romania; however, the use of synthetic drugs such as MDMA (Ecstasy) increased among segments of the country's youth. Officials also predict an increase in domestic heroin consumption.

III. Country Actions Against Drugs in 2004

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 throughout the country. The General Directorate for Countering Organized Crime and Anti-Drug (DGCCOA) operates at both the central and territorial level, with 15 local centers and 42 county offices for combating narcotics and organized crime. Joint teams of police and social workers carry out educational and preventative programs against drug consumption. Romania plays an active role in the Bucharest-based Southeast European Cooperative Initiative (SECI) Center's Anti-Drug Task Force.

Accomplishments. Romania worked to implement its 2003-2004 National Anti-Drug Strategy and developed a National Anti-Drug Strategy for 2004-2007. Romanian courts have sentenced several drug traffickers to long sentences under the narcotics law enacted in 2000. The Romanian Parliament modified the narcotics law in November 2004, reducing the penalties for cultivation, production, manufacturing, buying, or possessing narcotics for personal consumption from up to five years in custody to either six months to two years in prison, or a fine. Tougher sentencing provisions were retained for cases involving high-risk narcotics. Under the modified law, a person arrested for personal consumption of narcotics may be released without sanction if they enter a treatment program. The modified narcotics law coincides with recent narcotics cases involving family members of several prominent individuals, raising some concern that the new law could provide a loophole for politically connected offenders. 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. Legislation enacted in 2004 strengthened legal provisions against the use of precursor chemicals for illicit drug production.

Law Enforcement Efforts. In the first eleven months of 2004, Romanian authorities seized 426 kilograms of illegal drugs, including 64.9 kilograms of heroin, 7,734 amphetamine pills and 12,503 LSD doses. Over 15,000 kilograms and 2,000 liters of precursor chemicals also were seized. Police investigated 2,189 individuals for drug-related crimes and 524 individuals were convicted. Also in 2004, 213 drug trafficking rings were dismantled, including a Turkish-Romanian heroin trafficking network and a Bucharest-based heroin trafficking network. An international drug precursor chemical trafficking ring and a Spanish-Romanian cocaine and Ecstasy trafficking network also were dismantled.

Romania continues to modernize and reorganize the DGCCOA, Romania's primary drug fighting service. In 2003, the DGCCOA was reorganized into two divisions—an organized crime division and a counternarcotics division. The DGCCOA now has 165 officers, with 26 specializing in counternarcotics; it also has internal squads working undercover operations. In 2004, Romania nearly doubled the number of counternarcotics officers at both the county and regional levels, operating with 419 officers throughout the country. Intelligence analysis and physical-chemical analysis capabilities also were expanded at the regional level.

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 National Anti-Corruption Prosecutor's Office (PNA) began operation September 1, 2002 and has made some progress on investigating low and mid-level corruption cases. In April of 2004, Romania enacted a code of ethics for police officers, providing strict rules for the professional conduct of law enforcement. It specifically addresses corruption, use of force, torture, and illegal behavior. Unlawful or abusive acts may trigger criminal or disciplinary sanctions. In conjunction with the code of ethics, the government created a permanent commission within the Ministry of the Administration and Interior to monitor compliance with the code.

Agreements and Treaties. Romania is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol. An extradition treaty is in force between Romania and the United States. A mutual legal assistance treaty came into force in October 2001. Romania is party to the UN Convention Against Transnational Organized crime and its three protocols, as well as to the UN Convention Against Corruption.

Cultivation/Production. Not applicable. This section is not applicable to Romania, because illicit drugs are neither grown nor manufactured in Romania, as far as the Department is aware

Drug Flow/Transit. Illicit narcotics from Afghanistan and Central Asia enter Romania both from the north and east, and through its southern border with Bulgaria. Land transportation methods include both cargo and passenger vehicles. However, drugs, primarily heroin, are also brought into the country via the Black Sea port of Constanta on commercial maritime ships and across the border with Moldova, as well as via the country's international airports. Once in Romania, the drugs move either northwest through Hungary, or west through Serbia. Police estimate that 80 percent of the drugs entering Romania continue on to Western Europe. Romania also is becoming an increasingly important route for the transit of synthetic drugs from Western and Northern Europe to the East.

Domestic Programs. 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. In the first eleven months of 2004, approximately 2,000 individuals were registered for treatment.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2004, the United States provided \$950,000 in assistance to further develop Romania's cybercrime and counternarcotics capabilities, to reform the criminal justice system, and to combat emerging crimes and counter official corruption. In addition, Romanian Police officers participated in U.S. Secret Service cybercrime training and received specialized software and computers. They have also participated in DEA and Customs Enforcement undercover operations training, focusing on drug related investigations. Romanian police officers participated in the U.S. Bureau of Customs and Border Security Canine Enforcement Officer training, as well. Romania also benefited in 2004 from approximately \$1.2 million in U.S. assistance to the Bucharest-based Southeast European 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, including the narcotics trade. The U.S. is a permanent observer country at the SECI Center and maintains a DEA Liaison Officer who assists in coordinating narcotics information sharing, maintains liaison with participating law enforcement agencies, and coordinates with the DGCCOA on case-related issues. A Resident Legal Advisor from the U.S. Department of Justice also is assigned to the SECI Center, providing guidance on drug trafficking investigations.

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. The United States will continue supporting Romania's efforts to strengthen its judicial and law enforcement institutions.

Russia

I. Summary

In 2004, the Government of Russia (GOR) intensified its counternarcotics efforts. President Vladimir Putin and other leaders frequently highlight the drug trade as a threat to Russia's national security in their public remarks. The State Committee for the Control of Narcotic and Psychotropic Substances (GKPN), which had been created in 2003, was reorganized and renamed the Federal Drug Control Service (FSKN). On multiple occasions, FSKN Director General Viktor Cherkesov has emphasized the need for international cooperation in order to confront drug traffickers, who operate without regard for borders. The FSKN has recently announced plans to station liaison officers in other countries. In 2004, Russia signed bi-lateral agreements on counternarcotics cooperation with China, Kyrgyz Republic, and Nicaragua. Heroin trafficking and abuse continue to be major problems facing Russian law enforcement and public health agencies. Opium cultivation and heroin production in Afghanistan have risen dramatically. With 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 crime and the number of HIV/AIDS and Hepatitis C cases, both related to increased intravenous drug use.

Russian forces have been guarding the border between Tajikistan and Afghanistan since 1992. Initially placed there to prevent incursions by Islamic extremists, narcotics interdiction has become one of their primary functions. In October, however, President Putin and Tajik President Emomali Rahmonov signed an agreement that provides for a phased withdrawal of Russian forces by 2006. Licit pharmaceuticals and precursor chemicals are frequently diverted to the illicit market in Russia. Perhaps the greatest concern in this area has been the diversion of Acetic Anhydride (AA), a precursor chemical essential for the production of heroin. AA produced in Russia is used in the manufacture of heroin in Turkey and Afghanistan. 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. Health education programs in schools are beginning to incorporate messages about the harmful effects of drug use and the links between injecting drugs and the transmission of HIV/AIDS. 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 both a transshipment point and a market for heroin and opium. Opiates transiting Russia originate almost exclusively in Afghanistan and are typically destined for Europe. The Russian border with Kazakhstan is roughly twice the length of the U.S.-Mexican border and is poorly monitored. Considering the resource constraints facing local law enforcement agencies, Russian authorities are unlikely to prevent a significant portion of the heroin entering their country.

The average price for a gram of heroin in 2004 remained steady in the thirty-dollar range. Per gram prices as low as ten dollars and as high as fifty dollars have been reported.

Synthetic drugs produced in Russia typically take the form of amphetamine-type stimulants (ATS) and heroin analogues like methadone. Ecstasy labs have also begun to appear in Russia, which are typically located in the Northwest of the country close to St. Petersburg and the Baltic States. In the early summer of 2004 a group of chemistry students at Moscow State University was arrested for selling MDMA they had produced in one of the school's labs.

Although the MDMA tablets produced in Russia are of poor quality, the low prices (as little as \$5) are attractive to Russian youth, compared to the \$20 typically charged per pill for MDMA tablets manufactured in the Netherlands.

In addition to AA, used in refining heroin, other precursors such as ergotamine (LSD), red phosphorous (methamphetamine), and acetone (several substances) are also produced in Russia. As of yet, there have been no reports of large-scale diversion of these other chemicals for illicit uses.

Cocaine trafficking is not widespread in Russia. Cocaine prices in Russia remain very high, though the drug is easily obtained by those who can afford it. Cocaine is frequently brought into Russia through the port of St. Petersburg. Sailors aboard fruit carriers and other vessels operating between Russian and Latin America provide a convenient pool of potential couriers. Cocaine also enters Russia smuggled in containerized cargo. Couriers traveling on commercial flights also smuggle cocaine into Russia, often operating through third countries, including the United States. The third largest cocaine seizure in Russian history is reported to have taken place in May 2004 in St. Petersburg when members of the Federal Customs Service and the FSKN seized a total of 29 kilograms. The cocaine had been brought to St. Petersburg by sailors aboard two freighters operating between Ecuador and Russia. Part of this cocaine was intended for distribution in Russia; the rest was destined for Germany where authorities recently made several arrests in a related case.

At a press conference in June 2004, FSKN Director Viktor Cherkosov cited Ministry of Health figures that placed the number of officially registered addicts in Russia at 390,000—up 14.7 percent from 340,000 as reported in 2003. Director Cherkosov further stated that FSKN estimates that four to five million Russians use illegal drugs on a regular basis.

According to the Ministry of Health, as of November 2004, there were 300,000 officially registered HIV/AIDS cases in Russia. This is a 10 percent increase from last year. The United Nations AIDS program and the GOR's Federal AIDS Surveillance Unit estimate the number of actual cases was at roughly one million at the end of 2003. Intravenous drug users made up about seventy percent of new HIV cases registered in 2001-2002. Eighty percent of those intravenous drug users who tested positive for HIV/AIDS also tested positive for Hepatitis C.

At the wholesale level, the heroin trade in Russia is dominated by Central Asians. Tajiks, Uzbeks, and others with ethnic and family ties to Central Asia transport Afghan heroin across the southern border with Kazakhstan and into European Russia and western Siberia. Retail distribution of heroin and other drugs is carried out by a variety of criminal groups. Again, these organizations are typically organized along ethnic lines with Central Asian, Caucasian, Russian/Slavic, and Roma groups all active in drug trafficking.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The FSKN was originally established in 2003 as the State Committee for the Control of Traffic in Narcotic and Psychotropic Substances (GKPN). Russian President Vladimir Putin issued an edict in July 2004 calling for the restructuring of the agency, which is now known as the Federal Drug Control Service (FSKN). Since FSKN's creation, Director Cherkosov has stressed the importance of attacking money laundering and other financial aspects of the drug trade. The FSKN has also continued its efforts to implement effective monitoring of the chemical industry. Prior to the creation of FSKN, precursor chemicals and pharmaceuticals were governed by a patchwork of regulations enforced by different agencies. For example, the Ministry of Health was responsible for pharmaceuticals, while the Ministry of Economic Development regulated import and export of chemicals. Pending legislation will make FSKN the sole regulator for controlled substances. Production, transportation, distribution, and import/export of controlled substances will all require

licensing from FSKN. The GOR has signed bilateral agreements on counternarcotics cooperation with the governments of China, Kyrgyz Republic, and Nicaragua.

Accomplishments. Russia now has a legislative and financial monitoring scheme that facilitates the tracking, seizure, and forfeiture of all criminal proceeds. Russian legislation provides for a variety of investigative techniques, such as search, seizure and the compulsion of document production. On February 1, 2002, Russia's financial intelligence unit, the Financial Monitoring Committee (FMC), became operational. (The FMC has since been renamed the Federal Service for Financial Monitoring or FSFM.) The FSFM has responsibility for coordinating all of Russia's anti-money laundering and counterterrorist financing efforts. Legislation passed in 2001 requires that financial institutions report suspicious transactions to the FSFM. According to sources in the FSKN, approximately 120 drug money-laundering cases had been initiated as of November 2004.

In 2004, Russia also passed new witness protection legislation. Russian law previously provided some protection for testifying witnesses, but the provisions were weak and ineffective. Police statistics indicate that six witnesses in criminal cases were murdered in Russia in 2003 and each year approximately one fifth of all witnesses are pressured to change their testimony. The new legislation, entitled "On Protection of Victims, Witnesses and Other Participants in Criminal Proceedings" expands protection to all parties involved in a criminal trial. Prosecutors or investigators may recommend that a judge implement witness protection measures if they learn of a threat to the life or property of a participant in a trial. Steps taken to protect a program participant could include personal and property protection, change of appearance, change of identity, relocation, and transfer to a new job.

Law Enforcement Efforts. Despite some initial growing pains, FSKN's investigative efforts are gaining momentum. For the first nine months of 2004, FSKN reports having seized more than 107 tons of controlled substances, including over a ton of heroin, and 162 tons of chemical precursors.

Corruption. Since its inception, controlling corruption has been a stated priority for the Putin administration. Implementing this policy, however, has been a constant challenge. Inadequate budgets, low salaries, and lack of technical resources hamper performance, sap morale, and encourage corruption throughout the ranks of law enforcement. This has led some observers to question the commitment and vigor of the Putin administration in fighting corruption within its government.

In 2004, there were several reports of corruption among low to mid-level law enforcement officers. Speaking in November, FSKN Director Cherkesov stated that roughly 100 law enforcement officers had come under suspicion of having ties to drug trafficking. In November, a joint FSKN/MVD investigation resulted in the arrest of an MVD Lieutenant Colonel, who stands accused of leading a gang of seven former police officers caught dealing heroin in Naro-Fomisk and Odintsovo (Moscow Region). 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. Russia also is a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in women and children. Russia is also a signatory to the UN Convention Against Corruption.

Under the U.S.-Russia Mutual Legal Assistance Treaty (MLAT), which entered into force on January 31, 2002, 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. As a result of the treaty's requirement for designating a central authority and point of contact, a separate office responsible for implementing international assistance requests has been formed within the Russian General Procuracy. Under the MLAT, Russia has provided assistance to the U.S. 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 are cultivated. In Russia, there are small, illicit opium poppy fields of about one to two hectares. 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.

Cannabis grows wild throughout Russia and is also cultivated in quantities ranging from a few plants to plots of several hectares. As part of the annual “Operation Poppy” eradication effort, Russian authorities identified and eradicated a total of 1,066 individual incidents of illicit cannabis and poppy cultivation.

Drug Flow/Transit. Opiates (and hashish to a lesser degree) from Afghanistan are trafficked across the Central Asian borders into Russia. Contraband is typically carried in vehicles along the region’s highway system. The Russian cities of Yekaterinburg, Samara, Omsk, and Novorossisk have emerged as hubs of trafficking activity. Passenger trains are also frequently utilized by couriers. Air couriers on flights from Central Asia are widely known to carry drugs internally on what are known by Russian police as “drug flights.”

Cocaine destined both for Russia and redirection to Europe enters the country through the port of St. Petersburg. Synthetic drugs manufactured in Russia and Europe flow in both directions across Russia’s western borders. Again, much of this smuggling activity appears to be concentrated in the Northwest region around St. Petersburg. In 2004, there were multiple seizures of large quantities of ephedrine tablets that had originated in Turkey. These seizures were not associated with any evidence of large-scale methamphetamine production. Ephedrine tablets are often sold in Russia in their original form as a low-cost stimulant.

Russian forces have been stationed in Tajikistan since the dissolution of the Soviet Union and took responsibility for sealing the border with Afghanistan when civil war broke out in 1992. At that time, Russia’s stated goal was to prevent incursions by Islamic extremists. The stationing of Russian Border Guards in Tajikistan was formalized in a 10-year agreement signed in 1993. Since that time, narcotics interdiction has become one of Russian Border Guards’ primary functions. In 2003, Russian forces on the Tajik-Afghan border seized 4,501 kilogram of heroin and opium. This is more than half the total seized in all of Tajikistan in 2003 (7,924 kilogram). In the first nine months of 2004, the total quantity of heroin and opium seized by Russian Border Guards operating in Tajikistan stood at approximately 3,100 kilogram.

In May 2003, an agreement governing the presence of Russian forces on the Tajik-Afghan border was set to expire, and rumors of their imminent withdrawal began to circulate. After a summer of mixed signals from both sides President Putin and Tajik president Emomali Rahmonov signed a final accord in October 2004. The accord provides for a phased withdrawal of Russian forces to be completed by 2005. The Russians will leave behind facilities and equipment that will be taken over by the Tajik border guard service.

Demand Reduction. Russian authorities are attempting to implement a comprehensive counternarcotics strategy that would combine education, health and law enforcement. FSKN is tasked with demand reduction among its other responsibilities and has recently begun a large-scale public awareness campaign. Russian law enforcement authorities also believe that demand reduction should complement law enforcement efforts to reduce supply. With support from USAID’s “Healthy Russia 2020” project, demand reduction messages are being incorporated into a Ministry of Education sanctioned health education curriculum for high school students.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The principal U.S. goals in Russia are to help strengthen Russia's counternarcotics law enforcement capacity to meet the challenges of international drug trafficking into and across Russia and to strengthen and develop Russian law enforcement personnel, making them effective partners with U.S. law enforcement.

Bilateral Cooperation. 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. In 2004, DEA's International Training teams provided State Department-funded instruction to its Russian counterparts in basic drug enforcement, airport interdiction, and vehicle interdiction. Progress continued on the Southern Border Project, a joint INL/DEA effort that will lead to the establishment of three mobile drug interdiction task forces based in Orenburg, Chelyabinsk, and Omsk along the Russian-Kazakh border. Also, the U.S. and Russia worked together to provide canine training to counternarcotics law enforcement officials from four Central Asian countries. The U.S. also provided technical assistance in support of institutional change in the areas of criminal justice reform, mutual legal assistance, anticorruption and money laundering.

The Road Ahead. The GOR places high priority on counternarcotics 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. In 2005, DEA is scheduled to provide State Department-funded counternarcotics training to over 100 trainees, drawn from the FSKN, the MVD, and the Federal Customs Service.

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. Slovakia is a party to the 1988 UN Drug Convention.

II. Status of Country

Levels of both consumption and production of narcotics in Slovakia remain relatively low; however, the domestic market for narcotics is growing and becoming more fully-developed. Demand for stimulants, mainly Pervitin and Ecstasy, is rapidly growing, and their use, along with that of marijuana, is quickly spreading into smaller Slovak towns.

The Government of Slovakia (GOS) remains concerned that Slovakia is a transshipment point for smuggled drugs and concentrates its interdiction efforts on east-west smuggling from Ukraine and Russia. Russian organized crime groups traffic Afghan heroin and cooperate with the established Albanian criminal groups using the Balkan route. The Albanian community is at the forefront of the heroin trade in the region, and they mainly use the southern Balkan route through Bulgaria and Croatia. EU accession and more open borders have created conditions for drug-related organized crime groups to take root in Slovakia, and most of them are based on ethnic principles. Street sales have not taken root in Slovakia, and the Roma (Gypsy) community dominates domestic drug distribution by selling drugs from their homes. Albanian groups supply the Roma sellers.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The national plan for the fight against drugs was revised for 2004-2008 and its revised version represents a comprehensive strategy to reduce drug use. The GOS also established a ministerial council for drug dependencies and drug control, which is mainly focused on education and prevention. Law enforcement ministries participate and implement their parts of the plan independently.

Law Enforcement Efforts. In the first half of 2004, there were 597 drug-related criminal cases in Slovakia. The number of cases involving synthetic narcotics increased 42.67 percent compared with the first half of 2003, and the share of synthetic drugs in overall drug-related crimes was 28.6 percent, up from 19.2 percent in 2003. Methamphetamines (precursor to Pervitin) accounted for much of the increase. The National Anti-Drug Unit (NADU) investigated 18 cases in Bratislava and 23 cases in other regions, representing a 29 percent decrease from 2003.

Accomplishments. The Ministry of Interior (MOI) underwent comprehensive organizational restructuring in 2004. The criminal and financial police, in which the NADU is located, merged with the MOI's security police. Slovak authorities hope the restructuring will facilitate better communication and shorten investigations. A specialized police agency targeting organized crime is also part of the reorganization. In this re-organization, the NADU lost some of its authority and is responsible only for the Bratislava region as a part of the Office for Fighting Organized Crime (OFOC). Other regional counternarcotics units have been incorporated into the OFOC, but they do not communicate with the NADU. Contrary to the 2000 GOS' resolution that called for an increase in the NADU's staff from 150 to 250 personnel, the MOI downsized the unit to 35 people when the MOI made it responsible only for the Bratislava region.

Corruption. Slovakia has made major legislative 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 passed in 2004, and a special prosecutor and court to fight corruption were set up. The head of the GOS' anticorruption office is a noted human rights lawyer who encourages the use of "sting" operations and introduced a "whistle blower" statute to protect government employees who talk to investigators about corruption in their offices. Successful execution of the newly-implemented measures remains a challenge.

Agreements or Treaties. Slovakia 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 extradition treaty between Czechoslovakia and the United States continues in force between the United States and Slovakia as a successor state. Slovakia is a party to the UN Convention against Transnational Organized Crime and its three protocols, and is a signatory to the UN Convention Against Corruption.

Cultivation/Production. The NADU reports that marijuana cultivation has increased in all regions of the country, and several groups are growing high-quality marijuana in laboratory conditions. However, the majority of marijuana used in Slovakia is still imported from Morocco, Lebanon, India, Pakistan and Afghanistan. It does not appear that heroin is being produced in Slovakia. Use of Ecstasy in Slovakia has increased, although there have been few reports of its production within the country. On the other hand, Pervitin is produced for mainly domestic consumption, and Czech "experts" are hired and consulted on production methods. In recent years police have discovered between 20-30 synthetic drug laboratories primarily dedicated to the production of Pervitin annually.

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

Domestic Programs. According to the 2003 Mini-Dublin group report, the GOS is among the highest spenders on preventative activities in relation to per capita GNP. Centers for education and psychological prevention focus on community outreach concerning drug use and function in half of the municipal districts of 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 law enforcement officials participated in several U.S. DOJ courses, funded by the Department of State. The classes were designed to promote the resistance to corruptive influences at the working level and to improve counternarcotics and organized crime detection/investigative skills. The USG's 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 similar program on the Slovak-Ukrainian border.

The Road Ahead. The USG will continue to encourage the GOS 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 EU membership in May 2004, and its goal of attaining full Schengen membership as soon as possible resulted in a continued intensive focus on border controls in 2003 and 2004. 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 2004 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 availability of the drug.

III. Country Actions Against Drugs in 2004

Policy Initiatives/Accomplishments. In June 2004, a two-year regional project sponsored by the European Union concluded. It was aimed at strengthening cooperation of law enforcement structures and other agencies such as Customs of EU candidate countries the areas of tracking, risk assessment and shipment controls among others. The project was extensive and extremely welcomed and highly valued by Slovene Police and Customs officials.

Law Enforcement Efforts. Law enforcement agencies seized 198 MDMA tablets in the first 11 months of 2004 compared with 2,536 MDMA-Ecstasy tablets in the first 9 months of 2003, 7,051 tablets in 2002, and 1,773 Ecstasy tablets in 2001. In 2004, 148.6 kilograms of heroin were seized compared with 77.24 kilograms in 2003, 65.6 kilograms of heroin in 2002, and 88.9 kilograms of heroin in 2001. In addition 16.6 kilograms of marijuana and 4893 cannabis plants were seized in 2004 compared with, 144.37 kilograms of marijuana seized in 2003, 1,083.8 kilograms of marijuana in 2002, and 170.56 kilograms of marijuana in 2001. In the first 11 months of 2004, 104.8 kilograms of cocaine were seized by Slovene authorities.

Corruption. Neither the government nor senior officials encourage or facilitate the production or distribution of illicit drugs. 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 as a successor state. Slovenia is a party to the UN Convention against Transnational Organized Crime and its three protocols.

Drug Flow/Transit. According to the Slovene Criminal Code, in the first 11 months of 2004, the Slovene authorities registered 1,183 criminal acts involving the production of and trade in narcotic drugs and psychotropic substances and the facilitation of illegal drug use. There were several

substantial seizures of drugs in the first 11 months of 2004. The majority occurred at the Obrezje border crossing with Croatia. This is the primary border crossing international traffic coming from the southern Balkans to and through Slovenia. Those seizures were primarily of cocaine, heroin and cannabis. A total of 20 kilograms of heroin were seized in Ljubljana in late 2004.

Domestic Programs. Slovenians enjoy national 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, the USG expects to continue joint U.S.-Slovenian law enforcement investigation cooperation into 2005.

Spain

I. Summary

In 2004, Spain continued its efforts to enforce the 1988 UN Drug Convention as well as EU conventions on counternarcotics trafficking. Spanish National Police, the Guardia Civil and Customs Services interdicted record amounts of cocaine, hashish, and heroin and performed numerous enforcement operations throughout Spain to arrest distributors of synthetic drugs, such as LSD and Ecstasy. However, officials have acknowledged that Spain continued to be a significant transit point and top consumer of cocaine and hashish in Europe. This issue prompted the newly elected Socialist government to restructure its drug policy coordination body, the National Drug Plan (PND), by assigning responsibility of its harm reduction unit to the Ministry of Health and its supply reduction unit to two new offices that are under the administrative control of the Secretary of State for Security within the Ministry of Interior. The GOS ranks drug trafficking as one of its most important law enforcement concerns, and has continued to maintain excellent relations with U.S. law enforcement. Cooperation between GOS and USG officials on Spain's domestic narcotics efforts and joint enforcement efforts in Latin America is a top policy objective of the new Spanish government.

II. Status of Country

Spain remains a principal gateway for shipments of cocaine transported from Latin American countries, such as Columbia and Venezuela, or transshipped from West Africa through Morocco. Spanish police continue to seize large amounts of Moroccan hashish along Spain's southern coast, some of which is trafficked by illegal immigrants. The majority of heroin that arrives in Spain is transported via the Balkan route from Turkey. 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. This year, Spanish drug enforcement did not uncover any laboratories used to produce synthetic drugs. 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 by the Secretary of State for Security and the Spanish Customs Service since July 2004. Spain is a transit point to the U.S. for Ecstasy and other synthetic drugs produced mainly in the Netherlands.

III. Country Actions Against Drugs in 2004

Policy Initiatives. Spanish strategy on drugs is directed by the PND, 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 reintegrate individuals who have overcome drug addictions into Spanish society. The strategy also targets money laundering and illicit commerce in chemical precursors, and calls for closer counternarcotics cooperation with other European and Latin American countries. Following a review of the demand side of the PND in July 2004, the Government agreed to restructure the PND by placing its harm reduction unit under the authority of the Ministry of Health. The Ministry of Health was particularly concerned about drug use among school children following a nationwide survey it conducted on drug use among 25,500 Spanish children aged 14 to 18. In September 2004, officials revealed that the survey showed that within the last year, 36.1 percent of Spanish school children said they had used cannabis (double the percentage reported in 1995); 6.8 percent had taken cocaine; and less than one percent had tried heroin. In November, a European Union annual report on narcotics revealed that Spain was the top consumer of cocaine and cannabis in Europe. On drug supply, the Government placed its policymaking unit in the PSD under the

competency of a two new offices under the Secretary of State for Security: the Cabinet for Analysis and Prospective and the Cabinet for Concerted Action on Drug Trafficking, Money Laundering, and Related Crimes in Department of Security of the Ministry of Interior to coordinate its policy agenda with counternarcotics enforcement agencies. Officials have stated that it would consider additional revisions to the PND before it is comprehensively reviewed in 2008.

The Secretary of State for Security coordinates counternarcotics operations among various government agencies, including the Spanish National Guard, the Spanish National Police, and the Customs Service. Their cooperation appears to function well. There is no evidence of corruption of senior officials or their involvement in the drug trade.

In 2003, Spain and Portugal signed a Treaty of Cooperation to prevent drug consumption and to control the illegal trafficking of controlled substances. The Treaty establishes a joint “Hispano-Portuguese Commission” to exchange information, to coordinate intelligence gathering and professional training efforts.

Law Enforcement Efforts. Spanish officials at the Ministry of Interior reported that drug enforcement agencies seized 23,000 kilogram of cocaine, 223 kilogram of heroin, 531,000 kilogram of hashish, and 622,000 units of MDMA between January and August 2004. Exact interdiction statistics based on comprehensive data collected by the Civil Guard and Spanish Customs Agency will not be available, however, until March 2005.

The following are some notable cocaine seizures in 2004. On February 12, 2004, the Guardia Civil and the Spanish Customs Service discovered 5,735 kilogram of cocaine aboard the fishing vessel “Lugo” in Galicia. Seven Colombian nationals were arrested in this incident. On April 24, Spanish authorities interdicted a British-flagged sailing ship, the “Diaosa Maat” that contained 2,700 kilogram of cocaine. On March 27, the Spanish National Police interdicted a ship in the Port of Valencia carrying 3,280 kilogram of cocaine. On December 1, police officials discovered 3,100 kilogram aboard the “White Sands” shipping vessels in Galicia. They arrested 24 individuals including 11 Colombian nationals.

Although Spanish drug policy officials reported a decline in the number of interdictions of synthetic drugs generally, Spanish authorities seized large supplies of Ecstasy. On July 22, Spanish national police seized nine kilograms of MDMA powder (approximately 180,000 pills) in the luggage of a Spanish passenger at Madrid’s international airport. On September 1, the police arrested a Spanish passenger en route to the United States who was carrying 39,100 MDMA tablets at the Barcelona international airport. On August 18, police interdicted 41,000 MDMA pills carried by a Spanish passenger traveling to Puerto Rico. On December 1, Spanish police arrested a major international Ecstasy dealer, Hank Romi, in Malaga by using information provided by the Madrid DEA Country Office.

On July 7, the Guardia Civil discovered laboratories in three apartments in Madrid containing chemical materials used to produce cocaine. Eleven Colombian nationals were arrested in connection with the incident. Authorities also arrested a Romanian passenger in possession of 6.3 kilogram of heroin. The Spanish National Police interdicted 70 kilogram of heroin in Toledo on July 21.

Hashish trafficking appears to be particularly acute in the region of Catalonia and in the Costa del Sol (Sun Coast) in the province of Malaga. Drug enforcement officials have estimated that they captured 40,000 kilogram of hashish in drug raids in Barcelona, Tarragon, and Levante in 2004. Authorities in Malaga reported that they captured 21,813 kilograms and arrested 490 persons for drug-related crimes in 2004. Officials have acknowledged that hashish traffickers, primarily from North Africa, now use the coast of Catalonia more frequently than Spain’s southern coast as an entry point for their trade because there are fewer counternarcotics patrols along Catalonia’s coast and along its border with France, where drugs can be more efficiently transported to other parts of Europe by road.

Some notable hashish interdictions include the capture of 3,030 kilogram of hashish in the Deletebre in Catalonia on March 21. Police arrested seven individuals in this incident. On September 7, Spanish counternarcotics agents captured 1,100 kilogram of hashish in Guadalquivir in Sevilla. Police arrested eight Spanish citizens in the incident. On December 3, counternarcotics agents captured 4,100 kilogram of hashish and arrested 27 nationals of France, Romania, Albania, Morocco, and Algeria in a nationwide drug investigation. Officials determined that those arrested were members of a narcotics Mafia based in Marseilles.

Agreements and Treaties. Spain is a party to the 1988 UN Drug Convention, and all of the convention's articles are applied in Spain. Spain is also a party to the 1990 Strasbourg Convention. Spain signed the UN Convention against International Organized Crime and its protocols in 2000. 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. On December 17, Spain and the United States signed an additional MLAT on judicial assistance that will facilitate further mutual cooperation on drug trafficking cases.

Spain is a party to European Conventions on Mutual Assistance in Criminal Matters, Extradition, the Transfer of Proceedings in Criminal Matters and the International Validity of Criminal Judgments. Spain has mutual legal assistance treaties or bilateral counternarcotics agreements with most countries in Latin America, as well as with Morocco, Israel and Turkey. Spain approved March 14, 2003, the European Union-wide common arrest and detention order, which facilitates the transfer of prisoners and suspects among EU states. This law took effect on January 1, 2004.

Spain is a member of the UNDCP major donors group and the Dublin group of countries coordinating narcotics assistance efforts. Spain also chairs the regional Dublin group for South America and North Africa. Spain also funds programs through the Organization of American States' Inter-American Drug Abuse Control Commission. Spain pledged USD 100 million to support Plan Colombia in 2003 and has pledged to continue to support the program in the coming years. Spanish aid is targeted towards institutional strengthening of police and judicial forces, alternative development, and demand reduction. Spain sponsors numerous training courses for police and judicial authorities in Latin America and Morocco to exchange information and best practices in the area of law enforcement on drug trafficking, money laundering and related crimes.

Cultivation/Production. Coca leaf is not cultivated in Spain, and cannabis is grown in insignificant quantities. For example, on August 27, police officials arrested the owner of a farm in Oviedo where they located 28 mature marijuana plants, 250 grams of dried marijuana plants, and a small amount of hashish. Opium poppy is 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. According to Spanish drug enforcement officials, most of the cocaine trafficked to Spain originates in Colombia, Peru, and Ecuador. Traffickers exploit Spain's close historic and linguistic ties with Latin America and its long southern coastline to transport drugs for consumption in Spain or distribution in other parts of Europe. Maritime vessel and containerized cargo shipments account for the bulk of the cocaine shipped to Spain. Spain remains a major transit point to Europe for hashish from Morocco; Spain's North African enclaves of Ceuta and Mellila are principle points of departure. Police officials acknowledge that traffickers are beginning to abandon traditional drug trade routes between the Strait of Gibraltar and the coasts of Huelva, Cadiz, Malaga, and Almeria, and are delivering hashish and other narcotics, to points along the coasts of Alicante, Valencia, Castellon de la Plana and Barcelona, regions not covered by Spain's electronic patrol system currently used along the Gibraltar Strait, the Integrated System for the Surveillance of the Strait of Gibraltar (SIVE). Spain's international airports in Madrid and Barcelona are transit points for passengers who intend to traffic

Ecstasy and other synthetic drugs, mainly produced in the Netherlands, to the United States. These couriers, however, are frequently captured before they leave Spain or when they arrive in the U.S.

Domestic Programs. The national drug strategy identifies prevention as its principal priority. In that regard, PND continued its publicity efforts targeting Spanish youth. Spain's autonomous communities provide treatment programs for drug addicts, including methadone programs and needle exchanges. Prison rehabilitation programs also distribute methadone. The Government has also provided approximately USD 5.4 million (4.1 million Euros) to assist private, non-governmental organizations that carry out drug prevention and rehabilitation programs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. 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. We seek to promote intensified contacts between officials of both countries involved in counternarcotics and related fields. Latin America remains an important area for counternarcotics cooperation. Spanish officials are working closely with the U.S. Narcotics Affairs Section at the American Embassies in Bogotá, Colombia.

The Road Ahead. The U.S. will continue to coordinate closely with Spanish counternarcotics officials through the Madrid Country Office. Spain will continue to be a key player in the international fight against drug trafficking.

Sweden

I. Summary

Sweden is not a significant illicit drugs producing, trafficking or transit country. The fight against illegal drugs figures among the government's top priorities and enjoys strong public support. In 2004 the number of seizures of illegal drugs decreased by 15 percent, while overall quantities seized increased by 6 percent. Amphetamine and cannabis remain the most popular illegal drugs. The government completed year three of its National Action Plan on Narcotic Drugs. Sweden actively participates in numerous international counternarcotics fora. Sweden is a party to the 1988 UN Drug Convention.

II. Status of Country

Swedish government and society are highly intolerant of illegal drugs. Sweden has approximately 27,000 seriously addicted drug addicts (i.e., regular intravenous use and/or daily need for narcotics). There are approximately 350 narcotics-related deaths each year. Government reports issued in June indicate that the overall numbers of young people who use drugs and of heavy drug users are declining. The December 2004 publication of results from the European Schools Project on Alcohol and Other Drugs (ESPAD) showed that 7 percent of Swedish sixteen-year-olds have tried cannabis and 3 percent have tried any other form of narcotic drug, as compared with European Union averages of 21 percent and 6 percent respectively. Sweden places strong focus on drug prevention and education.

Prime Minister Gran Persson has declared the fight against narcotics as one of his government's top priorities. To this end, Sweden has allotted approximately \$42 million to a National Action Plan on Narcotic Drugs, which began in January 2002 and runs through the end of 2005. Restriction of supply for youth figures prominently in the plan. Continued cooperation with countries in the Baltic region—where significant trafficking routes exist—constitutes an ongoing and important element in Sweden's counternarcotics efforts.

In 2004 Swedish Customs reported its first seizures of liquid steroids originating from China. In an attempt to reduce black market trade of the medicine methadone and of the related drug "Subutex," authorities limited the circumstances under which physicians may prescribe them.

Trends observed in 2004 include increased cocaine use among young drug users, and an increase in seizures of drugs within prisons. The National Prison and Probation Administration increased efforts to combat drugs in prisons. The use of Rohypnol (a powerful central nervous system depressant) dropped significantly during the year. Swedish Customs attributed the decline to a reduction in smuggling via Lithuania, the primary conduit for Rohypnol's entry into Sweden. Problems that arose in 2003 with the synthetic drug Fentanyl did not reoccur.

III. Country Actions Against Drugs in 2004

Accomplishments. The government's "Mobilization Against Drugs" taskforce continued to implement the National Action Plan on Narcotic Drugs established in January 2002. Its work during 2004 involved information campaigns and seminars throughout the country designed to raise awareness, in addition to the establishment and/or maintenance of networks with national and international NGOs.

The government initiated a two-year, \$100 million project to strengthen rehabilitation of drug addicts. It earmarked an additional \$30 million for preventive actions (chiefly information campaigns) for youth. The NGO CAN (Association for Information on Alcohol and Narcotics) launched an information website in a cooperative effort with other NGO's and government authorities.

Sweden continued to participate in several international fora including: the UN Commission on Narcotic Drugs (CND); the UN Drug Control Program (UNDCP); the Dublin Group; the Pompidou Group of the Council of Europe; the Comprehensive Action against Synthetic Drugs in Europe (CASE) project; the Nordic Police and Customs Initiative (PTN); and the European PHARE project on synthetic drugs and their precursors. Sweden is one of the major contributors to the UNDCP. Its 2004 contribution totaled approximately \$7.3 million.

In 2004 the government spent an extra \$1 million at the municipal level on drug preventive programs for young people, treatment for drug addicts, and special assistance for children of addicts.

Fighting drugs remains a high priority area for Sweden's official development assistance. The Swedish International Development Authority (SIDA) allocated about \$8 million in 2004 for multilateral and bilateral UN normative instrument projects against drugs and tobacco. SIDA also developed and secured government adoption of a new strategy aimed at deepening Swedish engagement within the UNDCP.

Law Enforcement Efforts. No major drug processing labs were detected during the year. Police reported 32,900 narcotics-related crimes for the January-September 2004 period. This represents a seven percent increase over the corresponding period of 2003. Approximately 30 percent of these arrests led to convictions under the Narcotics Act. The majority of the crimes involved consumption.

Corruption. There were no known cases of public corruption in connection with narcotics in Sweden during the year. Swedish law covers all forms of public corruption and stipulates maximum penalties of six years imprisonment for gross misconduct or taking bribes. The Narcotics Act contains severe penalties for the use and/or production of illegal narcotic substances.

Agreements and Treaties. Sweden has bilateral customs agreements with the United States, the United Kingdom, Germany, Spain, Norway, Hungary, Latvia, Slovakia, the Czech Republic, Iceland, Russia, Lithuania, France, Finland, Estonia, Poland, Denmark and the Netherlands. Through the EU, Sweden also has agreements with other nations concerning mutual assistance in customs issues and counternarcotics efforts. An extradition treaty and protocol are in force between the U.S. and Sweden.

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, as amended by the 1972 Protocol, and to the 1971 Convention on Psychotropic Substances. Sweden is a party to the UN Convention against Transnational Organized Crime and its protocol against trafficking in persons, and is a signatory to the UN Convention Against Corruption.

In 2004 Sweden joined the Container Security Initiative (CSI), a U.S. Government-sponsored program designed to safeguard global maritime trade. Through identification and examination of high-risk and/or suspect containers, CSI enhances security for the global trading system, deterring terrorism and hindering illicit traffic of all kinds. Two U.S. Customs Officials are currently based in Gothenburg in support of this program.

Cultivation/Production. Government reports noted that small cultivations of cannabis were detected and seized in Gotland, Halland, Lulea and Pitea. The seeds reportedly came from Copenhagen and/or were purchased via the Internet from other places. Some legal cultivation of hemp/cannabis for use in fibers occurs in Sweden, as allowed for under EU regulations on the cultivation of flax and hemp for fiber.

Drug Flow/Transit. Drugs mainly enter the country concealed in commercial goods, by air, by ferry, and by truck over the Oresund Bridge linking Sweden to Denmark. Statistics show that 70 percent of all seizures are made in the southern region. Despite increased smuggling through the Baltic countries and Poland, 75 percent of illicit drugs are smuggled through other EU countries. Most of the seized amphetamine originates from Poland, the Netherlands, and Baltic countries. Seized Ecstasy comes mainly from the Netherlands; cannabis from Morocco and southern Europe; and khat from Eastern Africa via Amsterdam and London. Cocaine often comes through Spain and the Baltic region. The route for heroin is more difficult to establish.

In 2004 law enforcement officials did not encounter any drugs intended for the U.S. market.

Domestic Programs and Demand Reduction. The National Institute of Public Health, and municipal governments, are responsible for providing compulsory drug education in schools. Several NGO's are devoted to drug abuse prevention and public information programs.

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 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, total drug-related arrests were down during 2003 by 4.7 percent. Across Switzerland five to ten per cent of police time is spent fighting drugs.

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 was rejected by parliament in June 2004.

One month later, a Swiss NGO known as "For the Protection of Youth Against Drug Criminality" initiated a new ballot initiative demanding the decriminalization of cannabis including the possession, consumption, and purchase for personal use. Supporters include well-known legislators from a wide political spectrum, physicians, scientists, prevention professionals, business leaders, as well as law enforcement and hemp industry representatives. The group collected 70,000 signatures over four months and is expected to collect the required total of 100,000 to bring the matter before the voters before the end of 2005.

In parallel, a zero tolerance federal ordinance against driving while on drugs (cannabis, heroin, cocaine, ecstasy) went into effect on January 1, 2005.

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. An international survey recently revealed that Swiss teenagers smoke more cannabis than their peers in more than 30 other European countries, with one in three Swiss 15-year-olds smoking pot at least once within the past year. There are an estimated total of 250,000 people who regularly smoke cannabis—nearly twice as many as a decade ago. Drug consumer arrests nevertheless dropped by 5.4 percent in 2003 and most concerned cannabis smokers.

III. Country Actions Against Drugs in 2004

Policy Initiatives. Jurisdiction for all cases involving organized crime, money laundering, and international drug trafficking is with the federal prosecutor's office in Bern. Beginning January 1, 2002, it became illegal to advertise products that contain narcotics or other psychotropic substances without government certification. Violators who put human lives at risk 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. 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 federal public health figures show that the number of new HIV cases among intravenous drug users steadily declined from over 400 in 1991 to around 100 in 1997. Drug-related mortality increased dramatically by 16 percent from 167 in 2002 to 194 in 2003 (in contrast to a 6 percent rise the year before).

There are about 30,000 consumers of hard drugs in Switzerland; 2,500 addicts have been treated in medically supervised heroin programs, and 18,000 addicts are being treated using methadone as a substitute therapy.

Law Enforcement Efforts. The most current seizure and arrest statistics available cover the 2003 period. Cannabis seizures decreased from 23,210 kilogram in 2002 to 13,032 kilogram in 2003, and the number of narcotics apprehensions during 2003 decreased from 49,201 to 46,886 (-4.7 percent) percent, with wide disparities among cantons. Drug trafficking also increased by 5.9 percent during 2003 (down from +15.4 percent a year before), mostly involving cocaine, marijuana and heroin. The sharpest rise in drug trafficking arrests involved abuse of amphetamines, hashish and marijuana. Drug smuggling also increased by 4.4 percent, with dramatic redistribution among the cantons. The top cantons with historically significant drug smuggling activity are: Zurich (103, down from 991 arrests a year ago), Valais (44), St. Gallen (35), Basel City (26) Geneva (zero, down from 806), Bern (9, down from 434) and Vaud (9, down from 286).

During 2003, Swiss police seized just 13,032 kilogram of cannabis, in sharp contrast with the 23,210 kilogram seized in 2002 (-43 percent), 188 kilogram of cocaine (+1 percent), 300 kilogram of heroin (+44 percent), 20,599 doses of synthetic drugs (down from 88,342 doses the year before). Zurich police expressed concerns that the city had become the "hemp Mecca" of Switzerland, with an average of 30 shops selling hemp in several different districts of the city. Most of these shops sell hemp as a sideline to other ordinary goods. Zurich police believe that a single person has been behind this activity for the last 15 years. Swiss hemp is produced in the Zurich area, Aargau, Thurgau and St-Gallen, and large quantities are exported to neighboring countries.

Foreigners and asylum seekers play a significant role in the Swiss drug scene, especially in distribution. During 2003, 71.4 percent of the 3,649 drug traffickers, 78 percent of the 259 drug smugglers and 35 percent of the 37,464 drug consumers were foreigners. One fifth of those arrested originated from the Balkans (Albania, Former Yugoslavia, Bosnia) Africa (Sierra Leone, Guinea), Europe (France, Germany, Italy and Portugal). According to the Swiss Federal Police, there are three types of criminal organizations in the country: the West African networks involved in the cocaine traffic; Albanian gangs dealing in heroin and prostitution; and the money laundering networks consisting of persons from the former Soviet republics. Noticing that many resident aliens suspected (but not convicted) of drug dealing travel from canton to canton, several cantonal authorities increasingly ban drug dealers resident in another canton, or from certain areas such as the railway stations and schools. If picked up by police, these dealers (mainly refugees from Eastern Europe and sub-Saharan 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.

Drug Policy. Heroin prescription programs were only permitted for a limited period of five years, ending in December 2004. But on June 15, the Parliament extended the period until 2009. 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, who 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 does not encourage 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. Following the release of the "Zurich Drugs and Addiction Policy Report" made public in August 2004, Zurich authorities admitted that they had been so busy tackling the heroin addiction problem that other areas of addiction had been missed. After concentrating on the heroin problem for the past ten years, the city said it wanted to be more active in other areas such as encouraging the reintegration of all drug addicts. While heroin consumption is on the decline, the use of cocaine and Ecstasy is on the increase. A pilot project for the distribution of cocaine under prescription is underway but it is not being supported for the time being by the Federal Health Office in Bern.

Several drug arrests made especially noteworthy headlines: In late December 2003, Lausanne police arrested a German woman accompanied by her 2-year old child after they discovered 500 grams of Dutch heroin hidden in her shoes. Five other persons, including the smuggling ring leader, were later arrested. In a year, Lausanne police dismantled no less than 11 cocaine networks operating in the city. On February 28, 2004, Swiss customs arrested a Swiss-Guinean drug trafficker at the Geneva airport while he was about to depart to his home country. The police found 250,000 Swiss francs in cash and came to the conclusion that it was drug money. The suspect later acknowledged he was being used as a "mule" to repatriate other traffickers' funds. Another 430,000 francs had already been repatriated between August 2003 and January 2004. The police later arrested a drug trafficker from Sierra Leone with 13,000 Francs in his possession, and 400 grams of cocaine. According to the police, most drug smugglers are well integrated in the society and benefit from possession of a legal Swiss residency permit, which enables them to travel freely in Switzerland. Most of the proceeds of the sale of drugs are being laundered through the purchase of real estate in Africa, or second-hand cars for export to Africa. In March 2004, Lausanne police arrested 13 drug traffickers, all asylum seekers of Kurdish-Iraqi origin. Police originally found out about the heroin and cocaine network when citizens discovered drug doses hidden in Lausanne public parks. Investigators later found out that the traffickers were commuting by train between Lausanne and Geneva to sell the drugs. Police seized a total of 1.3 kilos of heroin and 500 grams of drug chemicals.

On March 9, 2004, a Tessin court sentenced Scott Blakey, a 40-year old Australian drug trafficker known as the "Hemp Guru," to 4 years in prison and a 10-year ban on entering Switzerland. The convict is believed to have played a significant role in a hemp shop in Tessin, selling no less than 5 tons of hemp in the Swiss and international market.

In May 2004, the Geneva investigative judge Paul Perraudin issued a legal assistance request to Saudi Arabia in connection with the alleged smuggling of cocaine by the Saudi Prince Naef al-Chalaan, founder of the now defunct Kanz Bank in Geneva. Naef al-Chalaan, now hiding in Saudi Arabia, is accused by French and U.S. authorities of smuggling several tons of cocaine from Columbia to Europe. In spring 2004, Neuchatel police dismantled 11 indoor hemp plantations (equivalent to 30,000 plants) located in the northern Val-de-Travers region close to the French border. Six people have so far been arrested. The media expressed concerns that the local police did nothing to prevent these activities, despite persistent rumors among the local population.

July 2004 was a busy month for narcotics arrests in Switzerland. Swiss customs in Tessin arrested a Dutchman at the Chiasso railway station after finding 8.6 kilos of cocaine hidden in a suitcase. The suspect was planning to cross the border to Italy. In the same month, an international network bringing

cocaine from South America to Switzerland was broken up in a joint operation by Swiss and German police agents. The investigation that lasted about six months showed that at the head of the network were a German national and his wife from Cameroon, a Nigerian residing in Switzerland, and another German national—a businessman in Ludwisburg (Germany). A total of 12 individuals were arrested and 7 kilogram of cocaine were confiscated worth \$600,245.00.

Also in July 2004, Tessin police arrested a 34-year-old Yugoslav near the Italian border after finding 10.5 kilos of heroin hidden in his car. Two other Yugoslav men and a Czech woman were arrested soon after. Police found in their apartments 40 grams of cocaine, several weapons including a Kalashnikov, a bulletproof jacket, and several cell phones. The arrests were the result of a joint investigation with the Bern counternarcotics police unit.

In July, Zurich police arrested several suspects including an 11-year old child and seized 5 kilos of heroin. Among those involved were three Turks, two Slovaks and one Iraqi. In a parallel police operation, Zurich police arrested five Dominicans and two Swiss and seized 650 grams of cocaine, Euro 9000.00, and Sfr 3,200.

Again in July, Swiss police reported several operations during which a total of twelve people were arrested and 45 kilogram of heroin seized. The arrests took place in the context of a long investigative procedure by the Federal Attorney General against a group from the Balkan Peninsula.

Still in July, Swiss customs arrested several drug smugglers from Nigeria after they found out that they had swallowed up to 1.2 kilo of cocaine using condoms.

Between July and September 2004, Zurich airport police and customs authorities seized over 68 kilos of narcotics (36 kilos of cocaine and 32 kilos of the narcotic plant “qat”). The narcotics were smuggled into the country in small quantities, carried in the traffickers’ stomachs or luggage, or hidden in their shoe soles, and in shampoo bottles. Those arrested included 20 men and 7 women from 12 different nations, ranging from between 18 and 57 years old.

In summer 2004, the Neuchatel Cantonal police managed to break an important cocaine ring in La Chaux-de-Fonds. The operation, planned for September, was carried out earlier due to the numerous complaints from parents and school officials concerned about the presence of drug dealers and drug abusers in the school areas. Thirty-four individuals from Western Africa were arrested. Sixteen of them did not have identity documents. Several others were identified as refused asylum seekers.

In August 2004, Norway deported a 44-year old drug trafficker to Switzerland following a Swiss international warrant. The man was the head of a drug smuggling network including 19 people in the Bern area. Swiss police believe that the group smuggled in several kilos of cocaine and heroin during the first half of 2002.

On August 5, 2004, the Lausanne police arrested a 32-year old drug trafficker from Guinea. The man is accused of smuggling and selling 5 kilos of cocaine over the last 4 years in the Lausanne area. Part of the money was used to purchase and export various vehicles and goods to Africa. The man was using two apartments rented by African students to store the drugs. In addition, 56 customers “well integrated in the Swiss society” were also arrested.

Following a six-month investigation, ending in October 2004, the Geneva police successfully broke an international cocaine trafficking ring. Fifteen nationals from Guinea are under arrest. About 25 kilogram of cocaine were confiscated during the investigation. The individuals arrested played a major role in supplying street dealers in Geneva. The drugs were produced in Latin America, shipped through Africa and delivered to European capitals, including Paris, Brussels, and Madrid.

On November 23, 2004, a criminal court in Fribourg sentenced a drug smuggler from Bern to a six-year prison sentence for smuggling 20 kilos of heroin from Kosovo to Switzerland. The man, born in Kosovo in 1969, was arrested in June 2002 at the southern Chiasso border post with Italy. Swiss

customs also found in his car \$19,348 in cash. This arrest was part of a wider counternarcotics operation named “Albatros 2” which succeeded in seizing 9 kilos of drug chemicals and arrested a total of 40 people.

During 2003, Swiss border guards reported that the amount of drugs seized at the border was “significant,” with cocaine seizures increasing from 118 to 138 kilogram, and heroin seizures decreasing from 135 to 96 kilogram. Swiss customs also reported that the number of illegal immigrants increased compared to the previous year, and that violence against border police was still a problem. The number of persons handed over to cantonal police also increased from 32,290 in 2002 to 34,063 in 2003.

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. 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. Ratification has been delayed until recently because of the provisions of the failed government bill aimed at decriminalizing marijuana use; because of the failure of this bill the Convention is expected to be ratified in the near future. The EU Schengen agreement being debated in Parliament explicitly requires members to comply with the 1988 UN Drug Convention requirements. Switzerland has signed, but has not yet ratified, the UN Convention Against Transnational Organized Crime, and is a signatory to the UN Convention Against Corruption.

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 with 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.

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 230 kilogram of heroin to severe drug addicts for maintenance programs in 2003, compared to 201 kilogram in 2002. Three-fourths was in ampoules for injection, while the rest was distributed in tablet form. During 2003, 1,262 addicts were enrolled in the heroin prescription program, a slight increase from 1,230 in 2002. Three-quarters of those enrolled were male. The number of slots available in heroin treatment centers also increased by eight to a total of 1364 units. The average level of usage for these centers is now 92 percent (2002: 90 percent). Medical treatment costs approximately \$19,323 per year per person, or \$53 per day. Twenty-five percent of the costs were paid for by the cantons, while 75 percent was paid by the individual’s health insurance. Average time in heroin treatment is 2.86 years. Of the 175 persons who terminated the heroin prescription program, 37.2 percent opted for the methadone-assisted programs, or an abstinence therapy.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. On March 15, 2004 Switzerland and the U.S. joined forces to curb the rise in illegal sales of prescription drugs over the Internet. The two countries called for international action in a resolution presented at the annual session of the UN Commission on Narcotic Drugs in Vienna. The joint resolution states that every country should introduce and enforce laws against the sale of narcotics and psychotropic drugs over the Internet. Swiss Medic, the Swiss Agency for Therapeutic Products, estimates that 4,000 to 8,000 packages containing medicines with narcotic drugs or psychotropic substances come across the border into Switzerland. The latest annual report by the UN's International Narcotics Control Board (INCB) highlighted that Switzerland had seen a large increase in seizures of narcotic drugs bought over the Internet, many of these originating from Pakistan. Pakistani authorities are said to be working with their Swiss counterparts to resolve the problem.

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 will urge 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 narcotics, but it is a major transit country for heroin and opium from Afghanistan. The opium/heroin moves through Tajikistan, onward through Central Asia, and then to Russian and other European markets. 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 relatively small but growing problem. Tajikistan's medical infrastructure is inadequate to address the population's growing need for addiction treatment and rehabilitation. The Tajik Government remained committed to fighting narcotics but is less equipped to handle the myriad social problems that stem from narcotics abuse. However, Tajikistan continued to implement a counternarcotics strategy and coordinated with the UN Office on Drugs and Crime (UNODC), as well as a growing number of bilateral donors. It has also participated in the UN Six Plus Two counternarcotics initiative, which targets against drugs leaving Afghanistan. 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 Nizhniy Pyandzh River crossing, 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, adversely affecting Tajikistan's economic prospects further. 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 narcotics 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 that use such chemicals.

III. Country Actions Against Drugs in 2004

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 that are designed to strengthen Tajikistan's drug control capacity. The DCA aims to centralize the Tajik Government's counternarcotics efforts and support drug treatment and rehabilitation efforts. During 2004, it conducted a number of operations, including several major seizures within Dushanbe itself. The Tajik Government continued to emphasize the importance of counternarcotics law enforcement in its public declarations, regularly declaring the drug trade to be a threat equal to that of international terrorism. The Tajik Government's resources for counternarcotics efforts remain limited, however, and the Government itself is vulnerable to pressure from prominent traffickers, many of whom are in a position to threaten domestic stability if seriously challenged. Although the 350 DCA officers are paid

ten times, on average, a Tajik salary, their specialized training makes them attractive to other organizations, which are in a better financial position than the government and can pay a higher salary. The head of the DCA has repeatedly noted the difficulty in retaining trained personnel.

One encouraging development is the Tajik Government's emphasis on interagency cooperation. Through a two-pronged multi-year UNODC project sponsored by the United States, 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 and better utilizing the indigent country's limited resources.

Accomplishments. The DCA became fully operational in April 2000 and has largely overcome many of its initial difficulties stemming from intra-governmental rivalries. It has recruited and trained a capable, well-regarded staff, and has worked to raise its profile in the country through public outreach efforts. The DCA also has extended its links with international organizations and foreign states while expanding its cooperation with other Tajik security agencies. In this vein, the DCA opened its offices in Moscow, St. Petersburg, Yekaterinburg, and Almaty and plans to open an office in Afghan Badakhshan by the end of 2005. The DCA Office in Kabul has been operating effectively since December 2003. On May 28, an international conference, "Strategy of Coordination of Control Over Drugs and Crime-Prevention in Central Asia," was held in Dushanbe under the aegis of the DCA. In September and November, a two-stage drug-prevention operation, "Channel-2004," was carried out by special services of member nations of the Collective Security Treaty Organization and resulted in detaining 30 drug traffickers and seizing more than 620 kilograms in the territory of the Republic.

Law Enforcement Efforts. During the first ten months of 2004, Tajikistan officials reported seizing 6,776 kilograms of illegal narcotics, including 4,459 kilograms of heroin, 1,706 kilograms of opium, and 567 kilograms of the cannabis group of drugs, and 44 kilograms of synthetic drugs. Heroin seizures decreased slightly when compared with the same time period from the previous year (5.1 metric tons). Tajikistan currently ranks third in the world for heroin seizures. Opium seizures also showed a slight decrease compared to 2003's ten-month total of 1,966 kilograms. This continues the trend of previous years, which demonstrated a shift from trafficking in opium to trafficking in processed heroin. Despite the fact that Tajikistan's drug enforcement structures have gained significant experience in countering drug trafficking, Tajikistan does not possess adequate police powers and resources to fight the problem. The Russian Border Forces (RBF), which have personnel stationed along the Tajik-Afghan border, continued to be responsible for almost two-thirds of the total seizures in country. Both the RBF and Tajik border forces continue to operate as Tajikistan's first and main line of defense against illegal narcotics trafficking. The withdrawal of Russian border troops by the end of 2005 may cause certain difficulties and might negatively impact Tajik drug interdiction efforts. Given low pay and high incentives for corruption, Tajik forces are at times unequal to the task.

Corruption. There is a good deal of public speculation regarding trafficking involvement by government officials. Speculation is targeted equally at prominent figures from both sides of Tajikistan's 1992-97 civil war. While it is impossible to determine how pervasive drug and other forms of corruption are within government circles, there appears to be a disparity when comparing the low salaries paid to government officials against the extravagant lifestyles many top officials appear to 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. There is no direct, verifiable evidence of senior Tajik officials engaging in illicit production or distribution of such drugs or substances. Nevertheless, the lavish lifestyles of some officials do give credence to corruption allegations.

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 has signed the Central Asian Counter-Narcotics Protocol with the UNODC and neighboring Central Asian countries. Tajikistan is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Cultivation/Production. Opium poppies and, to a much lesser extent, cannabis, are cultivated in very limited amounts, most in the northern Aini and Panjakent districts. Law enforcement efforts limited opium cultivation, but cultivation has also been limited because it has been far cheaper and safer to cultivate opium poppies in neighboring Afghanistan. In 2004, there were 228 registered cases of cultivation of plants containing narcotics substances, including 38 cases of opium poppy cultivation. In the course of continuous “Poppy Operation”, more than 4.9 hectares or about 291,137 plants have been eradicated, including 825 poppy plants.

Drug Flow/Transit. The Tajik government estimates that 85 percent of the narcotics produced in Afghanistan is smuggled across the border into Tajikistan’s Shurobod, Moskovskiy, and Pyanzh districts, according to Tajikistan’s statistics. While the Government may be seriously overestimating the percentage of Afghanistan’s drug production that transits Tajikistan (most observers believe the largest single share of Afghan drugs passes through Iran—especially in view of the sharp increase in use of the western/Turkmenistan route—the total volume of drugs transiting Tajikistan is certainly high and growing. One UN estimate put the amount of heroin from Afghanistan going through the country at roughly 80 to 96 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. The Tajik Government also publicly acknowledged and encouraged the involvement of domestic and international non-governmental organizations (NGOs) in this effort. This year, a youth center in Khorog was added to the Tajik Government’s programs to fight drug use among the youth and other at-risk groups. The Tajiks spent \$11,000 through the “Decrease of Demand For Drugs in Tajikistan And Uzbekistan” Program for the creation of a Rehabilitation Center for drug users in Badakhshan, and another \$5,000 for the construction of sport complex in Khorog; however, the number of young addicts continues to grow. Over 60 percent of Tajikistan’s drug addicts are in the 18-30 age group. The DCA also significantly expanded its public advocacy efforts in mass media outlets.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Improved security in the region allowed U.S. officials to significantly increase their presence in Tajikistan, thereby creating an opportunity for expansion of bilateral counternarcotics efforts. The USG provided training for a number of Tajik law enforcement officials through the International Law Enforcement Academy in Budapest and Roswell. Eleven officers of the Tajik drug enforcement units participated in the Counternarcotics Training for Central Asian Law Enforcement Officers at Rostov Service Dog Training School in Russia. In addition to these efforts, officials from the U.S. Embassy in Dushanbe and the DEA Tashkent Office regularly met with Tajik counterparts to discuss narcotics control efforts.

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 USG will continue to provide law enforcement training and equipment for protecting the state border and countering drug trafficking. In light of the pullout of Russian border guards from the Tajik-Afghan frontier during 2005, assistance to Tajik interdiction efforts will be particularly important. The USG remains committed to working with the Tajik Government to increase its law enforcement and counternarcotics capabilities. The USG plans to

coordinate closely with European countries, including Russia, to maximize available resources for similar projects.

Turkey

I. Summary

Turkey is a major transit route for Southwest Asian opiates to Europe, and serves as a base for major narcotics traffickers and brokers. Turkish law enforcement organizations focus their efforts on stemming the traffic of drugs and intercepting precursor chemicals. Turkish law enforcement forces cooperate closely with European and U.S. agencies. While most of the heroin trafficked via Turkey is marketed in Western Europe, an increasing amount of heroin and opium also is 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. There is no diversion from Turkey's licit opium poppy cultivation and pharmaceutical morphine production program. Turkey is a party to the 1988 UN Drug Convention.

II. Status of Country

Turkey is a major transshipment and heroin refining center. Turkey is also a base of operations for international narcotics traffickers and associates trafficking in opium, morphine base, heroin, precursor chemicals and other drugs. The majority of these opiates originate in Afghanistan, and are ultimately trafficked to Western Europe. A smaller but still not insignificant amount of heroin is trafficked to the U.S. via Turkey. Turkish law enforcement forces are strongly committed to disrupting narcotics trafficking. The Turkish National Police (TNP) 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. Opium for pharmaceutical is cultivated and refined in Turkey under strict domestic controls, and in accordance with all international treaty obligations. There is no appreciable illicit drug cultivation in Turkey other than marijuana grown primarily for domestic consumption.

Turkish law enforcement authorities continue to seize large quantities of synthetic drugs that have been manufactured in Northern and Eastern European countries. The majority of the synthetic drug seizures have occurred as the drugs were being shipped through Turkey to other countries in the Middle East.

III. Country Actions Against Drugs in 2004

Policy Initiatives. The 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 flow of Afghan heroin to Western Europe) as well as in other regional efforts.

The Turkish International Academy against Drugs and Organized Crime (TADOC), established under the Turkish National Police (TP), continues to be the key agency leading the fight against drug abuse in Turkey. In 2004, TNP increased the number of drug training and prevention units it previously established in various provinces, to cover most parts of Turkey. These units conducted intensive training programs for parents, teachers and students in these provinces, making a major contribution to the GOT's drug prevention efforts.

Accomplishments. TADOC organized 79 training programs for local and regional law enforcement officers in 2004, mostly on narcotics smuggling and money laundering. The USG provided three of these training programs. A total of 257 foreign officers were trained at TADOC this year, including officers from the Balkans, Central Asia and Afghanistan. Syrian officials received counternarcotics training for the first time at TADOC this year. The UN conducted a drug abuse survey in 6 major cities in Turkey in 2004, which showed that there was no major increase in drug abuse in Turkey in the last couple of years. TADOC's academy director attributed this to the TNP's intensive training and prevention efforts throughout Turkey.

Law Enforcement Efforts. Through 22 December 2004, Turkish law enforcement agencies seized 8.9 tons of heroin, 4.7 tons of morphine base, 10.8 million dosage units of synthetic drugs, 8.9 tons of hashish and 206 kilograms of cocaine. In addition, the GOT law enforcement authorities have made more than 15,187 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 government 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. The Parliamentary Commission on Corruption conducted detailed investigations into one former prime minister and five former ministers. Results of these investigations were sent to the Supreme Court. The court cases for these officials have not yet been finalized. Another important step the GOT took against corruption in 2004 was preparing the Draft Law on Combating Corruption, which is currently on the General Assembly's agenda. The law defines the crimes that fall under corruption, as well as the prosecution procedures for these crimes. The law also calls for periodic training of public sector personnel on work ethics and corruption. Another law the GOT submitted to the Parliament this year, which is still awaiting the Commission's approval, is the law making December 9 Anti-Corruption Day in Turkey.

Agreements and Treaties. Turkey is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by the 1972 Protocol. Turkey also is a party to the UN Convention Against Transnational Organized Crime and its three protocols. The U.S. and Turkey cooperate in law enforcement matters under a 1981 treaty on extradition and mutual assistance in legal matters.

Cultivation/Production. Illicit drug cultivation, primarily marijuana, is minor and has no impact on the United States. The Turkish Grain Board strictly controls licit opium poppy cultivation quite successfully, with no apparent diversion into the illicit market.

Drug Flow/Transit. Turkey remains a major route, and storage, production and staging area, for the flow of heroin to Europe. Turkish-based traffickers and brokers operate in conjunction with narcotics 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 2004, 1.5 metric tons of acetic anhydride was seized in, or destined 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.

In 2004, Turkish authorities reported an increase in synthetic drug seizures throughout Turkey. Although Turkish law enforcement has not seen a large increase in synthetic drug manufacturing in

Turkey, Turkish National Police did report one synthetic drug laboratory seizure in Usak, Turkey in December 2004. For fiscal year 2004, a total of 7.7 million dosage units of synthetic drugs, predominantly amphetamine and Ecstasy, were seized in Turkey.

Demand Reduction. While drug abuse remains low in Turkey compared to other countries, the number of addicts reportedly is increasing. Although the Turkish Government is increasingly aware of the need to combat drug abuse, the agencies responsible for drug awareness and treatment remain under-funded. As of 2004, six Alcohol and Substance Abuse Treatment and Education 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. The most recent clinic was opened in Ankara in 2004 and will serve as the countrywide coordinating center for drug and alcohol treatment and education. The Health Ministry has not conducted a drug abuse survey since 1995 due to lack of resources. In 2004, the United Nations coordinated a survey in 6 major cities on drug abuse in Turkey. The survey did not demonstrate any major increase in the number of drug users compared to previous data provided by local NGOs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives and Programs. Through fiscal year 1999, the U.S. Government extended \$500,000 annually in assistance. While that program has now terminated, during 2004-05 the U.S. Government anticipates spending approximately \$100,000 in previously-obligated 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 on the training and equipment they received from the U.S. and other international law enforcement agencies.

Road Ahead. U.S. policy remains to strengthen Turkey's ability to combat narcotics trafficking, money laundering and financial crimes.

Turkmenistan

I. Summary

Turkmenistan remains a major transshipment route and passage for traffickers seeking to smuggle contraband to Turkish, Russian and European markets from neighboring drug-producing countries. Turkmenistan is not a major producer or source country for illegal drugs or precursor chemicals. Turkmenistan shares a rugged and remote 744-kilometer border with Afghanistan, as well as a 992-kilometer boundary with Iran. Counternarcotics efforts are carried out by the Ministry of National Security (MNB), Ministry of Internal Affairs (MVD), State Customs Service (SC), Border Guards Service (SBS), and Prosecutor General's Office. The State Counter Narcotics Coordination Commission is an inter-departmental body responsible for coordination of the activities of concerned government departments. According to government of Turkmenistan (GOTX) statistics, law enforcement officers seized a total of about 563 kilograms of illegal narcotics in the first six months of 2004. The 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 transit narcotics across Turkmenistan and large-scale seizures are increasingly common. Mounting evidence, together with increased contacts with government officials and non-governmental organizations, strongly suggests that 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, although no cases have been officially reported. 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, 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 efforts at the Turkmen-Uzbek border are primarily focused on interdiction of smuggled commercial goods, thus opening up the possibility of increased drug smuggling by this route. U.S. Embassy officers, visiting Iranian crossing points in 2004, confirm that commercial truck traffic to and from Iran continues to be heavy. Caspian Sea ferryboat traffic from Turkmenistan to Azerbaijan and Russia continues to be an attractive smuggling route. Turkmenistan Airlines operates international flights connecting Ashgabat with Abu Dhabi, Bangkok, Beijing, Birmingham, Dubai, Frankfurt, Istanbul, London, Moscow, New Delhi, Almaty, Kiev, Tashkent and Tehran.

III. Country Actions Against Drugs in 2004

Policy Initiatives. Turkmenistan has a multi-year national plan for counternarcotics activities. The plan began in 2001, and is in effect through 2005. It includes measures to address trafficking, legal reform of counternarcotics laws, treatment and rehabilitation of addicts and expanding international cooperation. During the past year, the president of Turkmenistan acknowledged that drug use and smuggling were a problem in Turkmenistan, and increased pressure on sometimes less-than-efficient law enforcement officials to improve counternarcotics efforts. The president also signed a new law on narcotic drugs, psychotropic substances, precursors and measures to fight their trafficking which made it easier to prosecute drug users and smugglers. The GOTX incorporated recommendations from the

UNODC and created rules to curtail usage and trafficking. The new law includes provisions for prevention and treatment programs.

Law Enforcement Efforts. The GOTX continues to give priority to counternarcotics law enforcement and in 2004 Customs and the Border Guards received equipment from the USG and international organizations. The EXBS program (to improve the capacity to detect smuggled WMD) installed an x-ray machine at the Serhetabad (formerly Gushka) border crossing and delivered spare parts and maintenance to the Point Jackson cutter based at the Turkmenbashi port. Night vision goggles, water trucks and binoculars were also provided to the SBS by EXBS—a U.S. program to improve border surveillance capacity for WMD. State department narcotics assistance supplied the newly created State Forensic Service (SFS), with drug and precursor identification kits and laboratory equipment to support drug interdiction efforts. The SC also purchased eight x-ray machines and installed them at border crossings. Turkmen border forces are moderately effective in detecting and interdicting narcotics and reported a total of 563 kilograms of illegal narcotics seized in the first six months of 2004. 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.

Corruption. Low salaries of Turkmen law enforcement officials, combined with their broad general powers, foster an environment in which corruption occurs. A palpable general distrust of the police by the Turkmen public, fueled by anecdotal evidence of police officers soliciting bribes under the guise of routine traffic stops, suggests a problematic level of corruption in Turkmen law enforcement. Reports linger that senior officials of the GOTX are directly linked to the drug trade, though these reports have not been confirmed. Payments to lower-level officials at border crossing points to facilitate passage of smuggled goods frequently occur. Such arrangements easily could facilitate drug trafficking.

Agreements and Treaties. Turkmenistan is a party to the 1998 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol.

Cultivation and Production. Turkmenistan is not a significant producer of illegal drugs, although small-scale opium cultivation is thought to occur in remote mountain and desert areas. 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 cannabis plants are being cultivated for domestic consumption in the country's remote areas.

Drug Flow/Transit. Turkmenistan remains a primary transit corridor for smuggling organizations seeking to transport opium and heroin to markets in Turkey, Russia and Europe, as well as for the shipment of precursor chemicals to Afghanistan. According to GOTX officials, the quantity of drugs intercepted this year along the Afghan border has increased due in part to their efforts, as well as the significant increase in poppy production in Afghanistan. Officially released 2004 data shows some impressive seizures but lack of prior comparable data makes it impossible to determine if these statistics represent a true improvement. GOTX authorities report that a number of Iranian armed smugglers who attempted to cross the border were shot by Turkmenistan law enforcement. They laud this as a success in counternarcotics trafficking. Officials have also pointed to problems with narcotics identification and have gratefully accepted technical training and equipment to allow them to improve their efforts.

Turkmenistan's nearly 1800-kilometer Uzbek frontier presents a formidable challenge to border security forces. In 2004 officials moved to upgrade many ill-equipped border crossing points. GOTX officials have expressed concern to U.S. embassy officers that the Uzbek frontier has 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, the SC and the SBS, are significantly handicapped by a systematic lack of adequate resources, facilities and equipment in carrying out their drug enforcement duties. Most Turkmen border crossing points have rudimentary inspection facilities for screening vehicle traffic and lack reliable communications systems. The GOTX has supplied some computers, x-ray equipment, and dogs trained in narcotics detection; however, these efforts were initiated only in 2004 and significant investment in infrastructure, equipment and training is still required by the GOTX. Until meaningful legal and political reforms are initiated in Turkmenistan, it is likely to continue to serve as a major transit route for illegal drugs and precursors.

Domestic Programs/Demand Reduction. Currently, the Ministry of Health operates six drug treatment clinics. Narcotics users receive treatment at these clinics without having to reveal their identity. Regional media outlets have increasingly covered drug-related stories, U.S. and international narcotics treatment? Programs, have highlighted the dangers of drug addiction, and have informing the public about the availability of the state's treatment facilities.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG seeks to assist Turkmenistan in updating its law enforcement institutions and body of law to counter more effectively the illegal drug trade. In 2004 the GOTX made significant progress in cooperating with the USG. The GOTX facilitated training of customs, border, scientific and legal personnel throughout 2004. The GOTX's decision to cooperate in regional training and permit border visits to inspect crossing points has opened new opportunities to expand bilateral cooperation.

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 also will 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 2004. Ukraine has adequate counternarcotics legislation. The Government of Ukraine (GOU) continued to take 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 financial 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. 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

Although Ukraine is not a major drug producing country, it 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) and transiting through Russia, the Caucasus and Turkey further into the Western Europe. Some drug traffic routes through Ukraine originate in Latin America and Africa. Ukraine's domestic market is increasingly influenced by drugs trafficked from both Asia and Central and Eastern Europe (Poland, Romania, Baltic Republics). 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, especially on the north-east border with other former Soviet republics. Domestic use of narcotics continues to rise, and the number of drug addicts is increasing. Domestic drug abuse is marked by a growing trend of use of amphetamine-type stimulants (ATS).

III. Country Actions Against Drugs in 2004

Policy Initiatives. While Ukraine has domestic counternarcotics legislation sufficiently flexible to permit adequate counternarcotics enforcement, as part of its long-term counternarcotics strategy (See below) improvements in drug legislation are under consideration. In 2004 the Government of Ukraine continued to implement a comprehensive 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 to be implemented between 2003-2005, and stage two to be implemented between 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) in 2003, and nearly UAH 59 million (\$10.5 million) in 2004.

In Ukraine, counternarcotics enforcement responsibility is shared between the Ministry of Internal Affairs (MIA) with its domestic law enforcement function and the Security Service of Ukraine (SSU), which deals with trans-border aspects of drug traffic. The State Border Guard Service (SBGS) and State Customs Service (SCS) carry out certain drug enforcement functions in their respective field of operation, mainly drug interdiction customs borders.

In 2004 the Government of Ukraine proposed amending the existing counternarcotics legislation to further improve the regulation of licensed licit production and sale of narcotics, psychotropic substances and dual use precursors. The new legislation is currently pending in the Ukrainian Parliament.

Accomplishments. In 2004 Ukraine took initial steps to implement a wide-scale BUMAD (Belarus, Ukraine, Moldova Anti-Drug) Program sponsored by the European Union and designed to decrease drug traffic in these three bordering countries. As part of the BUMAD Program, Ukraine is strengthening its potential to collect, process and disseminate information on drug trafficking on both national and regional levels.

Law Enforcement Efforts. According to official statistics for 2004 (January through November), Ukraine authorities investigated approximately 62,886 narcotics cases, including: 17,119 instances of the sale of narcotics; 178 cases of money laundering; 2,610 drug dealer rings; 224 illegal drug labs. In addition, Ukraine law enforcement seized 24.06 tons of illegal drugs, and 2,884,500 square meters of illegal cannabis and poppy planting were destroyed.

In 2004, the MIA improved the institutional structure of its specialized Drug Enforcement Department (DED). It now consists of two large divisions and a number of operational bureaus. The total number of DED officers has increased by 7 percent over the past year for a total figure of 2,684 persons. In June 2004 the Ministry approved its agency program, which envisages enhancing the professional skills and equipment of its counternarcotics units. The MIA conducted four major nation-wide counternarcotics operations in 2004. In January 2004, the SSU seized approximately 1.7 tons of poppy straw, one of the largest seizures in the past decade. The seized poppy straw could have been used to prepare more than 140,000 doses of concentrated opium, which would have had a “black market” value of approximately \$380,000. In the first half of 2004, 24,481 drug cases were referred to Ukrainian courts or were pending from previous years, of which 16,913 cases were tried resulting in 13,897 convictions.

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 directly with narcotics, although it decreases the overall effectiveness of law enforcement efforts to combat organized crime, a major factor in the narcotics business. In 2004, there were no charges of corruption of public officials relating to drugs. 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 extremely 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 on Drugs and Crime (UNODC). Ukraine also 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 also is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in women and children, and is a signatory to the UN Convention Against Corruption. 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), many 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 and come into Ukraine mostly from Russia, the Caucasus and Turkey. Shipments are usually destined for Western Europe and arrive by road, rail, or sea, posing a lower risk than shipment by air or mail. Lately, experts noted an increase in heroin traffic from Turkey into Ukraine by sea and further by land across Ukraine's western border into Western Europe. Experts believe that enforcement along traditional Balkan drug traffic routes has improved, and that criminals are looking for additional trafficking channels. The low street price of heroin in countries such as Bulgaria, Macedonia and Serbia apparently supports this assumption. Drug traffic from Asia is increasingly controlled by well-organized international Afghan, Pakistani, and Tajikistani criminal groups, which use citizens of the former Soviet republics as drug couriers. At the same time, the high street price of heroin (\$70 per one gram) in Ukraine in 2004 testified to comparatively effective heroin interdiction efforts of Ukrainian law enforcement agencies. The largest segment of drug flow involves poppy straw and hemp/marijuana, which are the most popular types of drugs in Ukraine. They are usually produced and consumed locally and partially trafficked to Russia. The same types of drugs are also trafficked from Russia into Ukraine. These drugs are cheap and therefore are easily accessible.

The traffic of synthetic drugs and psychotropic substances from Poland and hard medical drugs from Romania and Moldova is growing. Criminal groups of mixed origin (Ukrainians, Polish, Belarusians and Russians), which formed in the 1990s and traditionally stayed away from drug traffic business, are now increasingly taking up this lucrative niche. The price of these drugs is lower than that of heroin and cocaine and therefore is attractive to young drug addicts. Other smuggling routes involve cocaine from Latin America and hashish from Northern and Western Africa. These routes transit Ukraine into Europe. However, the quantity of these drugs is comparatively small.

Another notable aspect of Ukrainian involvement in international drug trafficking is the number of Ukrainian nationals involved in the movement of cocaine from Latin America. While this expensive cocaine does not reach Ukraine, international law enforcement has been wary of Ukrainian sailors and ship captains who recruit themselves to Colombian drug trafficking organizations to transport bulk amounts of cocaine by ship. Some of the largest cocaine seizures off the coast of the United States were from ships manned by Ukrainian sailors.

Domestic Programs (Demand Reduction). Estimates of the number of drug abusers vary widely, up to one million reported by local NGOs in press reports. Drug addicts commit approximately 15,000 criminal offenses annually. Drug addiction is a cause of more than 1,000 deaths every year, according to Ukrainian health authorities. Marijuana and hashish are growing in popularity with young people; but 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 Czech-produced methamphetamines. Hard drugs such as cocaine and heroin are still too expensive for most Ukrainian drug users.

Despite major efforts to combat 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 in developing 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. Officers from the Drug Enforcement Administration, the Department of Treasury, and the Department of Justice have conducted a number of training courses and conferences funded by the Department of State in the areas of drug interdiction, forensic science, money laundering and management training.

The Road Ahead. Trafficking of narcotics from Asia and cocaine from Latin America to European destinations through Ukraine is on the upswing as drug traffickers look for new ways to circumvent West European customs and border controls. Demand reduction and treatment of drug abusers remain challenges requiring close attention. Law enforcement agencies need continued assistance in adopting modern techniques to fight drug trafficking, as well as to enhance interagency and international cooperation.

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 seventh year of a ten-year drug strategy launched in 1998 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 and is being effectively implemented. The UK is party to the 1988 UN Drug Convention.

II. Status of Country

Cannabis remains the most-used illicit drug in the UK; according to Home Office figures for 2002/03 (most recent available), around three million 16-59 year-olds reported using cannabis at least once in the past year. However, heroin and other major drugs remain a serious concern and govern the British government's active domestic and international drug policies.

Overall, the latest official surveys on drug use showed that in 2002/03 about 12 percent of those age 16-59 reported having used an illicit drug in the past year. Class A (i.e. hard) drug use among young people has been broadly stable since 1996 with recent drops in the incidence of use of some individual drugs, such as Ecstasy. 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. 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. Furthermore, drug use among the very young continues to be a problem. An independent study of drug use in 2003 among 11-15 year olds showed that use of any illicit drug was significantly higher in this age group than in the overall average, 21 percent. The study, published in 2004 by the National Centre for Social Research and the National Foundation for Education Research, indicated that, as with other age groups, cannabis was the most frequently used drug. It also reported an increase in the incidence of use of 'magic mushrooms' from 1 to 2 percent between 2002 and 2003, and an increase from 6 to 8 percent in the group reporting use of gas, glue, aerosols, or solvents.

Unofficial figures released in January 2005 from a survey of drug use in Britain by the Independent Drug Monitoring Unit (IDMU), a local NGO, indicate a sharp decline in prices for most major illegal drugs on the UK street market. Over the past ten years, prices of cocaine, heroin, cannabis, and ecstasy have all fallen between 32-70 percent; crack is the only exception, with prices fluctuating around an average of \$47.50 (£25).

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 a significant 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 crime overall.

III. Country Actions Against Drugs in 2004

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 2004, 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 drugs and has four emphases: to help young drug abusers resist drug misuse; 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 proposal 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 reduced the maximum sentence for possession of cannabis from five to two years in prison. There is now a presumption against arrest for adults for possession, though not for young people. Maximum penalties for supplying and dealing remain at 14 years. 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 are currently no plans to change the penalties for Class C offenses.

Arrests for possession of cannabis have fallen 30 percent in 2004, as police are encouraged to focus resources on Class A enforcement. Despite an aggressive government education campaign aimed at cannabis users, some police authorities report a lack of understanding on the part of offenders that the drug remains illegal and that they can be detained or prosecuted for possession or dealing.

Expenditures under the updated overall drug strategy are increasing 21 percent between 2002 and 2005, from \$1.95 billion (£1.026 billion) in 2002 to \$2.47 billion (£1.3 billion) in 2004, and up to \$2.85 billion (£1.5 billion) in 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).

Although fewer in number than other cocaine seizures, the number of crack seizures has increased steadily over the last ten years. Figures for crack offenders have also risen steadily. This trend prompted the UK government in 2002 to introduce a new strategy to target the crack problem, both by attacking suppliers and through developing treatment programs tailored for crack users. Under the National Crack Action Plan, existing crack treatment facilities have been evaluated for effectiveness and new sites have been opened. The government reports it has successfully used the “Antisocial Behavior Act of 2003” to close 150 crack houses in the first nine months of 2004.

Based on statistics showing an increase in drug-related deaths, the government launched a specific action plan to tackle this problem in November 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. Latest statistics indicate that drug-related deaths between 2001 and 2002 dropped 4 percent, to the lowest levels since 1998.

In May 2003, the government launched a \$5.7 million (£3 million) multimedia campaign called “FRANK”, which offers help and advice to anyone who may be affected by drugs. The latest information cites over 650,000 calls to the FRANK help line. The UK now has drug education programs in all schools, supported by a certificate program for teachers, and is reviewing the education packages for effectiveness. The education programs are linked to the FRANK help line services. “Positive Futures,” a sports-based program started in 2000 to specifically target socially vulnerable young people, has served 50,000 young people since its inception 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 54 percent increase of people in drug treatment programs since 1998. An additional \$407 million (£214 million) has been allocated over three years (2002-05) for both community and prison treatment programs. National Health Service statistics show a 50 percent increase in trained drug treatment professionals and a drop in waiting times for treatment from 6-12 weeks to 2-4 weeks since 2002.

Legislation was passed in 2000 under the Criminal Justice and Court Services Act giving 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 bail may be denied or restricted if an offender refuses a test or refuses treatment after a positive test. Testing also is extended to offenders serving community sentences and those on parole. Under the Criminal Justice Interventions Program created in January 2003, now called the Drug Interventions Program, the UK government targeted this testing regime to the 30 areas most affected by drug-related crime; 36 additional areas were added in April 2004, with a 2004/05 budget of \$287.3 million (£151.2 million). In 2004, an average of 5,000 offenders per month were tested for Class A drugs under the program, and 1,500 people per month were sent to treatment. An additional 30 areas will be targeted from April 2005. The overall total budget for three years will reach \$849.3 million (£447 million). The goal for 2008 is to have 1,000 people per week entering treatment.

The Drug Interventions Program is designed to mesh with the existing program of Drug Treatment and Testing Orders (DTTO). DTTO is a community-based sentencing program that authorizes 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 2000, after the pilot program demonstrated that the combination of treatment and random testing significantly reduced illegal drug use and criminal activity of offenders subject to the Order, it was rolled out nationally in England and Wales. 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 January 2003 and September 2004 15,090 DTTOs were issued in England and Wales.

In January 1999, the Home Secretary announced an initiative to reduce smuggling of drugs into prisons, and the government launched a prison service drug rehabilitation program. Counseling, assessment, referral, advice, and treatment (CARAT) services are now available in every prison in England and Wales. The program is linked to another initiative 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 government runs 77 different types of drug rehabilitation program in prisons, including a high-intensity short duration program and plans to expand the number of programs available to 117 by March 2006.

Under the UK's devolved government system, Scotland and Northern Ireland have separately articulated policies and independent judicial systems. However, they have published and implemented similar counternarcotics strategies linked to the goals and policies outlined by the central UK government.

The UK attended the International Conference on Reconstruction for Afghanistan in January of 2002 and pledged to give \$330 million (£200 million) to Afghanistan over four years. Through the Department for International Development (DFID), \$107 million (£65 million) has been given to Afghanistan for humanitarian and reconstruction purposes. (To be updated.)

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

from poppy cultivation. The UK government announced in December 2004 that it would increase its spending on this initiative from \$133 million to \$190 million (£70 million to £100 million) over the next three years. The UK cooperates very closely with the U.S. and other international donors on these efforts.

In Iran, the UK helps fund a UN counternarcotics program, as well as offering bilateral assistance for drug interdiction efforts. The UN project covers training and equipment primarily to strengthen counternarcotics work on Iran's borders with Afghanistan and Pakistan. British assistance includes direct training and equipment to enhance Iran's exit border with Turkey, filling gaps in the UNODC's Iran project.

Law Enforcement Efforts. The UK gives a high priority to counternarcotics enforcement and 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. The "Proceeds of Crime Act," which took effect in January 2003, has significantly improved the government's ability to track down and recover criminal assets. Official figures indicate that \$159.6 million (£84 million) has been seized under the act to date.

The number of drug seizures rose in 2001 and 2002 by 5 percent in both years (most recent detailed statistics)—131,190 in 2001 and 137,340 in 2002. Cannabis seizures represented 75 percent of all seizures. The number of seizures involving amphetamines, cannabis, and crack rose in 2002 by 2 percent, 9 percent, and 15 percent respectively. Seizures of cocaine, ecstasy, heroin, and LSD fell by 5 percent, 21 percent, 16 percent, and 65 percent respectively. Preliminary figures state that between April 2002 and December 2003, HM Customs seized 26,079 kilograms of cocaine and 11,044 kilograms of heroin and "disrupted" 330 organized crime groups. In the first nine months of 2004, they reported seizing 18,456 kilograms of the two drugs combined "targeted at the United Kingdom" and disrupting 121 organized crime groups.

The number of known drug offenders fell to 102,600 in 2001, before rising to 113,050 in 2002. The majority of these were cannabis offenses. Heroin offenders were the largest group of known Class A drug offenders, accounting for 12 percent of all known offenders in 2001 and 10 percent in 2002. About 90 percent of all persons dealt with in the courts for drug offenses were male. From 1998 to 2002, offenders under the age of 21 have consistently represented about 40 percent of all offenders.

A progress report issued jointly in December 2004 by the Prime Minister's office and the Home Office noted that the UK government plans to launch a special three-month enforcement campaign in January 2005 to focus on crack houses and drug-related gun crime. In the report the UK government pledged to seek new legislation in 2005 to give police and the courts tougher powers to tackle drug dealers and drug-related crime. It also plans to bring together elements of the National Crime Squad, the National Criminal Intelligence Service, and the drug enforcement arm of HM Customs to form the Serious Organized Crime Agency with the goal of further improving enforcement efforts.

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 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 UK extradition statute, which entered into force in January 2004, 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 United States and United Kingdom also have a judicial narcotics agreement and an MLAT relating to the Cayman Islands, which extends to Anguilla, the British Virgin Islands, Montserrat, and the Turks and Caicos Islands. 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 imported from continental Europe, but some are manufactured in the UK in limited amounts. Authorities destroy crops and clandestine facilities as detected. U.S. authorities have been concerned about a growing incidence of production 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 were some instances of trafficking of GBL to the United States in 2003. DEA has had two very significant investigations in which UK nationals were operating websites offering GBL for sale to the U.S. via post. In early 2004, the UK police executed a search warrant on one of these targets, but had to leave a large drum of GBL behind at the suspect’s house, as GBL is not a controlled substance in the UK. Police did seize some individual parcels that were ready to be shipped to the U.S., as they were mislabeled. DEA has asked that urged the UK to control GBL and the UK is active in EU-wide discussions on control of this substance.

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 eventually imported into the UK, although Turkish criminals in the Netherlands and Belgium also channel heroin to the UK. Pakistani traffickers also play a significant part; most of the heroin they import, normally in small amounts by air couriers traveling direct 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 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 enters 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 Colombia. 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 by couriers, normally women, who attempt to conceal internally (i.e., through swallowing in protective bags) up to 0.5 kilogram at a time. A synthetic drug supply originates out of Western and Central Europe: amphetamines, ecstasy, and LSD have been traced to sources in the Netherlands and Poland; some originates 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 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 trade routes facilitate the transit of these narcotics to Russia and Europe. There is a growing market for a variety of narcotics and consequently a growing problem with drug addiction and the spread of HIV/AIDS. The Government of Uzbekistan 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 about 1,200 kilograms of illegal narcotics in the first nine months of 2004. Uzbekistan is a party to the 1988 UN Drug Convention, and the government considers the fight against drugs to be a high priority.

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 for destinations in Russia and Europe. Drug seizures in 2004 were up 50 percent from 2003. Precursor chemicals have in the past traveled the same routes in reverse on their way to laboratories in Afghanistan and Pakistan. Effective government eradication programs have eliminated nearly all the illicit production of opium poppies in Uzbekistan.

III. Country Actions Against Drugs in 2004

Policy Initiatives. A decree signed in 2002 to implement a multi-year comprehensive plan to address all aspects of the narcotics problem in Uzbekistan remains in effect through 2005. The plan includes measures to address trafficking, demand reduction, coordination of efforts among law enforcement entities, legal reform of the criminal code, treatment and rehabilitation of addicts, and deepening international cooperation for counternarcotics efforts. The plan also lists specific goals to be accomplished, gives timelines for actions, assigns responsibility to agencies, indicates funding sources, and requires detailed documentation to show progress or completion. The plan assigns tasks to all relevant ministries, the National Security Service, Border Guards, State Customs Committee, National Drug Control Center, Prosecutor's office, oblast and city mayors' offices, mahallas (neighborhoods), Uzbekistan Airways, and others.

For several years, many of these organizations have successfully worked together on the annual project "Operation Black Poppy," which combines intelligence collection, interdiction of smugglers, eradication of cultivation, and demand reduction. The demand reduction efforts 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. Uzbekistan has also launched a comprehensive media campaign to combat drug usage and the spread of HIV/AIDS.

In June 2004, the GOU signed a U.S.-proposed amendment to the August 14, 2001 "Agreement on Narcotics Control and Law Enforcement Assistance Between the Government of the United States of America and the Government of the Republic of Uzbekistan." These agreements provide for U.S. assistance to Uzbekistan, and are amended in the years following their first negotiation to increase assistance levels to on going programs or to agree to begin new assistance programs. This agreement established the framework to support projects designated to enhance the capability of Uzbek law enforcement agencies in efforts against narcotics trafficking and organized crime. The amendment

includes provision of technical assistance in investigating and prosecuting narcotics trafficking cases. Implementation of various counternarcotics programs, including a DEA-sponsored investigative unit, judicial and legal reform, and enhancement of border security, continues under two other amendments signed in 2003.

The GOU is interested in the establishment of a Regional Law Enforcement and Counter-Narcotics 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. Uzbekistan also supports the establishment of a regional intelligence body that would promote information exchange among the Central Asian states, Russia and other countries regarding narcotics trafficking and interdiction.

The Uzbek criminal justice system suffers from a lack of modernization/reform, mainly judicial and procedural reform, and standards remain below international norms. The Uzbek criminal justice system is largely inherited from the Soviet Union—the executive branch and Prosecutor General’s Office 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.

Accomplishments. Uzbekistan continues to work toward the goals of the 1988 UN Drug Convention on combating illicit cultivation and production within its borders. The annual “Black Poppy” eradication campaign has virtually eliminated illicit poppy cultivation. In the first nine months of 2004 the operation eradicated 1.7 hectares of illicit drugs.

Efforts to achieve other convention goals are hampered by the lack of effective laws, programs, money, appropriate international agreement, and coordination among law enforcement agencies. The UN Office on Drugs and Crime (UNODC) is continuing its efforts to implement important projects, focusing on improvements in law enforcement, precursor chemical control, and border security.

Law Enforcement Efforts. Preliminary statistics from the National Center for Drug Control show that in the first nine months of 2004, Uzbek law enforcement seized a total of 1,200 kilograms of illicit drugs. Confiscated heroin accounts for approximately 42 percent of that total; opium was 33 percent of the 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 (which now includes the Border Guards) 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 during their normal course of duties). 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.

None of the law enforcement agencies concentrates exclusively on counternarcotics crimes, but there are about 1,500 law enforcement officials in the various agencies charged with counternarcotics activities. The MVD, although it has 800 officers dedicated to counternarcotics, is also the national police force with a full range of law enforcement responsibilities. In addition, the SIU, which became operational in 2003, continues to operate with success. The NSS is the successor to the KGB and includes intelligence and counterespionage in its portfolio and has about 200 officers (including Border Guards) dedicated to counternarcotics efforts. The Customs Committee has about 80 officers working on counternarcotics matters. In 2004, training and equipment were provided to Customs, MVD, NSS, and the Prosecutor’s Office under the bilateral agreements (Letters of Agreement) between the United States and Uzbekistan to provide narcotics-related assistance.

According to National Center reports, most smuggling incidents involve one to two individuals, likely backed by a larger, organized group. Resource constraints, however, have limited the GOU's ability to investigate these cases. In general, information that has been gathered suggests smuggling rings are 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 relatively freely. There is also reporting which indicates smuggling activities continue to grow along the Turkmen-Uzbek border.

Lack of money for equipment and training remains the greatest difficulty faced by all Uzbek agencies. Therefore, they rely heavily on international assistance from the UNODC, the U.S., the UK, and other countries to supplement their own thinly funded programs. The European Community and OSCE are beginning to focus more heavily on Uzbekistan and Central Asia. Basic necessities, such as uniforms, footwear, and reliable all-terrain vehicles to replace aging Soviet-era equipment, remain in short supply.

Corruption. The GOU 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. In 2004 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 those convicted. 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.

Agreements and Treaties. Uzbekistan is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. Uzbekistan is also a party to the UN Convention Against Transnational Organized Crime. Uzbekistan signed the Central Asian Counter-Narcotics Memorandum of Understanding with the UNODC. Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan signed an agreement in September 1999 on cooperation in combating transnational crime, including narcotics trafficking. The five Central Asian countries, as well as Azerbaijan, Georgia, Iran, Pakistan, and Turkey, are members of the Economic Coordination Mechanism supported by the UNODC.

Cultivation/Production. "Operation Black Poppy" has all but eliminated illicit opium poppy cultivation in Uzbekistan. National Center estimates indicate only a miniscule 1.7 hectares of land was used for illegal narcotics cultivation in 2003.

Drug Flow/Transit. Several major transnational trade routes facilitate the transportation of opiates and cannabis from Afghanistan through Uzbekistan 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 as well as on trains coming from Tajikistan.

The National Center and UNODC report that trafficking also continues along traditional smuggling routes and by conventional methods, mainly from Afghanistan into Surkhandarya oblast and from Afghanistan via Tajikistan and Kyrgyz Republic into Uzbekistan. The primary regions in Uzbekistan for the transit of drugs are Tashkent, Termez, Fergana Valley, Samarkand and Syrdarya.

Domestic Programs. According to the National Drug Control Center, there are approximately 19,440 drug addicts in Uzbekistan; however that number is likely closer to between 25,000 and 30,000, according to NGOs working on drug treatment in Uzbekistan.

According to the National Center, 1,932 new addicts were registered in the first half of the year. There are no official estimates for unregistered addicts. However, the number of registered addicts is believed to reflect only 10-15 percent of the actual drug addicts in Uzbekistan. During the last few years, there was an alarming growth in the number of persons who are HIV positive, 3,867 people tested positive in the first 6 months of this year, a 52 percent increase over 2003. This number only

includes people who are brave enough to come forward for testing. Fifty-nine percent of persons infected with HIV/AIDS are drug addicts. Hospitals with drug dependency recovery programs are inadequate to meet the increasing need. The Ministry of Health and National Drug Control Center recognize the need to focus increased attention on the problem but the ministry does not have sufficient funds to move forward. Drug awareness programs are administered through NGOs, schools and the mahalla (neighborhood) support system.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The goals of the 1998 and 2001 counternarcotics Letters of Agreement 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 the trade in illicit narcotic substances. The Drug Enforcement Administration (DEA) and the Bureau of International Narcotics and Law Enforcement Affairs at the Department of State continued to sponsor a Sensitive Investigation Unit (SIU) in the Ministry of Internal Affairs. The SIU became operational in May 2003 and has been working successfully ever since. It has conducted several undercover and international operations and dramatic increases in seizures during the first 9 months of 2004 are in part due to the work of the unit. The SIU, fully funded by the USG, continues to receive training and equipment from DEA and will be expanded with additional officers in 2005. DEA has also worked with Uzbekistan to establish a regional drug information sharing pilot project, which began with USG funding in October 2004. A U.S.-funded Resident Legal Advisor also works in Uzbekistan to address legal and judicial reform. The Ministry of Foreign Affairs signed an amendment to the 2001 agreement to implement further counternarcotics projects in Uzbekistan in 2004. In 2004, the U.S. Department of Defense appropriated funds for Uzbekistan toward counternarcotics efforts. Under this funding, training and equipment, including two patrol boats delivered to the Border Guard Maritime unit on the Afghan border. Further DOD counternarcotics training is planned for 2005.

Bilateral Cooperation. In addition to the various training and equipment program described above, in 2004 the U.S. Government sponsored U.S. Customs training for Uzbek Border Guard and Customs officials in November 2004. Border Guards units in the Fergana Valley and Uzbek Customs officials received training in narcotics detection methods, and on how to use drug test kits. The U.S. also donated equipment during this training.

The Road Ahead. U.S. in-country advisors will continue to work with all appropriate Uzbek agencies to improve narcotics detection and drug interdiction.