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Volume I

Drug and Chemical Control

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Common Abbreviations

ARS	Alternative Remittance System
CBRN	Caribbean Basin Radar Network
CFATF	Caribbean Financial Action Task Force
DEA	Drug Enforcement Administration
DOJ	Department of Justice
DOS	Department of State
ESF	Economic Support Fund
EU	European Union
FATF	Financial Action Task Force
FinCEN	Financial Crimes Enforcement Network
FIU	Financial Intelligence Unit
GCC	Gulf Cooperation Council
IBC	International Business Company
IMF	International Monetary Fund
INCSR	International Narcotics Control Strategy Report
INL	Bureau for International Narcotics Control and Law Enforcement Affairs
IRS-CID	Internal Revenue Service, Criminal Investigation Division
JICC	Joint Information Coordination Center
MLAT	Mutual Legal Assistance Treaty
MOU	Memorandum of Understanding
NBRF	Northern Border Response Force
NNICC	National Narcotics Intelligence Consumers Committee
OAS	Organization of American States
OAS/CICAD	Inter-American Drug Abuse Control Commission
OFC	Offshore Financial Center
OPBAT	Operation Bahamas, Turks and Caicos
UN Convention	1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
UNODCCP	United Nations Office for Drug Control and Crime Prevention
USAID	Agency for International Development
USG	United States Government
ha	Hectare
HCl	Hydrochloride (cocaine)
Kg	Kilogram
Mt	Metric Ton

International Agreements

1988 UN Drug Convention	United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988
UN Single Drug Convention	United Nations Single Convention on Narcotic Drugs, 1961 as amended by the 1972 Protocol
UN Psychotropic Substances Convention	United Nations Convention on Psychotropic Substances, 1971
UN Convention Against Transnational Organized Crime	United Nations Convention Against Transnational Organized Crime and its supplementing protocols:
Trafficking in Persons Protocol	Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime
Migrant Smuggling Protocol	Protocol Against the Smuggling of Migrants by Land, Air and Sea, supplementing the United Nations Convention against Transnational Organized Crime
Firearms Protocol	Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime

INTRODUCTION

Legislative Basis for the INCSR

The Department of State's International Narcotics Control Strategy Report (INCSR) has been prepared in accordance with section 489 of the Foreign Assistance Act of 1961, as amended (the "FAA," 22 U.S.C. § 2291). The 2006 INCSR, published in March 2006, covers the year January 1 to December 31, 2005 and is published in two volumes, the second of which covers money laundering and financial crimes. It is the 23rd annual report prepared pursuant to the FAA. In addition to addressing the reporting requirements of section 489 of the FAA (as well as sections 481(d)(2) and 484(c) of the FAA and section 804 of the Narcotics Control Trade Act of 1974, as amended), the INCSR provides the factual basis for the designations contained in the President's report to Congress on the major drug-transit or major illicit drug producing countries initially set forth in section 591 of the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (P.L. 107-115) (the "FOAA"), and now made permanent pursuant to section 706 of the Foreign Relations Authorization Act, Fiscal Year 2003 (P.L. 107-228) (the "FRAA").

Section 706 of the FRAA requires that the President submit an annual report no later than September 15 identifying each country determined by the President to be a major drug-transit country or major illicit drug producing country. The President is also required in that report to identify any country on the majors list that has "failed demonstrably . . . to make substantial efforts" during the previous 12 months to adhere to international counternarcotics agreements and to take certain counternarcotics measures set forth in U.S. law. U.S. assistance under the FY 2004 FOAA may not be provided to any country designated as having "failed demonstrably" unless the President determines that the provision of such assistance is vital to the U.S. national interests or that the country, at any time after the President's initial report to Congress, has made "substantial efforts" to comply with the counternarcotics conditions in the legislation. This prohibition does not affect humanitarian, counternarcotics, and certain other types of assistance that are authorized to be provided notwithstanding any other provision of law.

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

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

In attempting to evaluate whether countries and certain entities are meeting the goals and objectives of the 1988 UN Drug Convention, the Department has used the best information it has available. The 2006 INCSR covers countries that range from major drug producing and drug-transit countries, where drug control is a critical element of national policy, to small countries or entities where drug issues or the capacity to deal with them are minimal. The reports vary in the extent of their coverage. For key drug-control countries, where considerable information is available, we have provided comprehensive reports. For some smaller countries or entities where only sketchy information is available, we have included whatever data the responsible post could provide.

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

Some countries and other entities are not yet parties to the 1988 UN Drug Convention; some do not have status in the United Nations and cannot become parties. For such countries or entities, we have nonetheless considered actions taken by those countries or entities in areas covered by the Convention as well as plans (if any) for becoming parties and for bringing their legislation into conformity with the Convention's requirements. Other countries have taken reservations, declarations, or understanding to the 1988 UN Drug Convention or other relevant treaties; such reservations, declarations, or understandings are generally not detailed in this report. For some of the smallest countries or entities that have not been designated by the President as major illicit drug producing or major drug-transit countries, the Department has insufficient information to make a judgment as to whether the goals and objectives of the Convention are being met. Unless otherwise noted in the relevant country chapters, the Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) considers all countries and other entities with which the United States has bilateral narcotics agreements to be meeting the goals and objectives of those agreements.

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

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

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

(A) major illicit drug producing and major drug-transit countries,

(B) major sources of precursor chemicals used in the production of illicit narcotics; or

(C) major money laundering countries.

These countries are identified below.

Major Illicit Drug Producing and Major Drug-Transit Countries

A major illicit drug producing country is one in which:

(A) 1,000 hectares or more of illicit opium poppy is cultivated or harvested during a year;

(B) 1,000 hectares or more of illicit coca is cultivated or harvested during a year; or

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

A major drug-transit country is one:

(A) that is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or

(B) through which are transported such drugs or substances. FAA § 481(e)(5).

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

Afghanistan, The Bahamas, Bolivia, Brazil, Burma, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, and Venezuela.

Major Precursor Chemical Source Countries

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

Argentina, Brazil, Canada, China, Germany, India, Mexico, the Netherlands, and the United States.

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

Major Money Laundering Countries

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

Afghanistan, Antigua and Barbuda, Australia, Austria, Bahamas, Belize, Bosnia and Herzegovina, Brazil, Burma, Cambodia, Canada, Cayman Islands, China, Colombia, Costa Rica, Cyprus, Dominican Republic, France, Germany, Greece, Guatemala, Guernsey, Haiti, Hong Kong, Hungary, India, Indonesia, Isle of Man, Israel, Italy, Japan, Jersey, Latvia, Lebanon, Liechtenstein, Luxembourg, Macau, Mexico, Netherlands, Nigeria, Pakistan, Panama, Paraguay, Philippines, Russia, Singapore, Spain, St. Kitts and Nevis, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, and Venezuela.

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

Presidential Determination

White House Press Release

Office of the Press Secretary

Washington, DC

September 15, 2005

Presidential Determination No. 2005-36

Pursuant to section 706(1) of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107 228)(FRAA), I hereby identify the following countries as major drug transit or major illicit drug producing countries: **Afghanistan, The Bahamas, Bolivia, Brazil, Burma, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, and Venezuela**.

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

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

I have also determined, in accordance with provisions of section 706(3)(A) of the FRAA, that support for programs to aid Venezuela's democratic institutions, establish selected community development projects, and strengthen Venezuela's political party system is vital to the national interests of the United States.

I have removed China and Vietnam from the list of major drug transit or major illicit drug producing countries because there is insufficient evidence to suggest that China is a major source zone or transit country for illicit narcotics that significantly affect the United States. There is insufficient evidence to refute claims by the Government of Vietnam that they have virtually eliminated opium poppy production. Additionally, although cooperation with United States law enforcement is limited, there are no indications of a significant Vietnam based drug threat to the United States.

Despite the Government of Afghanistan's counternarcotics efforts, we remain concerned about the disturbing magnitude of the drug trade and the prospect that opium poppy cultivation will likely increase in 2006. We are also concerned about government corruption, especially at the regional and local levels, impeding counternarcotics efforts. For these efforts to be effective, government corruption with respect to the opium economy must be seriously addressed by both local and central government authorities.

The Government of Canada has made real progress in curbing the diversion into the United States of pseudoephedrine, which fuels the production of methamphetamine. There are indications, however,

that Canadian based criminal groups are increasingly involved in the production of MDMA (ecstasy) destined for the United States. Large scale cross-border trafficking of Canadian grown marijuana remains a serious concern. The United States appreciates the excellent law enforcement cooperation with Canada in combating these shared threats.

While Haiti made efforts this year to improve its performance, we reiterate our concerns from last year about the Interim Government of Haiti's inability to effectively organize Haitian law enforcement resources to permit sustained counternarcotics efforts. Further, the national criminal justice system must be significantly strengthened in order to be effective and gain public confidence.

The Government of The Netherlands has achieved considerable success in countering the production and flow of MDMA (ecstasy) to the United States, and The Netherlands is commended for its enhanced efforts. In the coming year, the United States would like to build upon our law enforcement cooperation with the Dutch government through advancements in mutual legal assistance and direct engagement between our respective police agencies.

Drug trafficking, money laundering, and other organized criminal activity in Nigeria remain major sources of concern to the United States. Progress over the past year on anti money laundering controls is welcome, but much remains to be done to make such controls effective. Implementing anti corruption policies must advance more quickly, as corruption at all levels of government continues to hamper effective narcotics law enforcement. In addition, measures similar to those taken to improve drug law enforcement at Nigeria's main airport need to be expanded to, and replicated at, Nigeria's seaports, where drug trafficking is a growing concern. Finally, the National Drug Law Enforcement Agency (NDLEA) and other counternarcotics institutions should work towards developing the mindset and capacity to pursue investigations, and prosecutions of major drug traffickers based in the country.

We remain concerned with the continued involvement by the Democratic People's Republic of Korea (DPRK) in criminal activity, including drug production and drug trafficking. Given the close relationship between Japanese and Chinese criminal elements and DPRK drug traffickers in past smuggling incidents, there is a real possibility of continuing DPRK involvement in drug trafficking, even when a given incident appears only to involve ethnic Chinese or other organized Asian criminal groups.

You are hereby authorized and directed to submit this determination to the Congress and to publish it in the Federal Register.

GEORGE W. BUSH

Annual Presidential Determinations of Major Illicit Drug-Producing and Drug-Transit Countries

Statement by the Press Secretary

President Bush has authorized the Secretary of State to transmit to Congress the annual report listing major illicit drug-producing and drug-transit countries (known as the "Majors List"). The same report contains Presidential determinations of the countries that have "failed demonstrably" to make substantial efforts during the previous 12 months to adhere to international counternarcotics agreements and to take the counternarcotics measures specified in U.S. law.

In his report, the President identified as major drug-transit or major illicit drug-producing countries: **Afghanistan, The Bahamas, Bolivia, Brazil, Burma, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, and Venezuela.**

The President removed China and Vietnam from the list of major drug-transit or major illicit drug-producing countries.

The President also reported to Congress his determination that Burma and Venezuela have "failed demonstrably," during the previous 12 months, to adhere to their obligations under international counternarcotics agreements and take the measures set forth in U.S. law. However, the President also determined to maintain U.S. programs that aid Venezuela's democratic institutions, establish selected community development projects, and strengthen Venezuela's political party system.

The certification determinations required the President to consider each country's performance in areas such as reducing illicit cultivation, interdiction, law enforcement cooperation, extraditing drug traffickers, and taking legal steps and law enforcement measures to prevent and punish public corruption that facilitates drug trafficking or impedes prosecution of drug-related crimes. The President also considered efforts taken by these countries to stop production and export of, and reduce the domestic demand for, illegal drugs.

POLICY AND PROGRAM DEVELOPMENTS

Overview for 2005

Vigorous international drug control efforts kept the drug trade on the defensive in 2005. Our long-standing, international campaign to curb the flow of cocaine and heroin to the United States advanced significantly during the year. Coordinated international enforcement programs limited drug crop expansion, strengthened interdiction efforts, destroyed processing facilities, and weakened major trafficking organizations. Drug seizures set new records for cocaine interdiction in the Western Hemisphere. Better enforcement and judicial reforms led to the arrest of several long-sought drug kingpins, while tougher enforcement of chemical control and money laundering laws in key countries further hobbled the major trafficking organizations' ability to refine drugs and bank their profits.

The Drug Threat

Cocaine, heroin, marijuana, and synthetic amphetamine-type stimulants (ATS) are the drugs that most threaten the United States. Cutting off their supply has been and will continue to be our primary international counternarcotics goal. Although U.S. cocaine consumption has been declining recently, cocaine continues to be our greatest concern. An estimated 300 metric tons or more of cocaine hydrochloride (HCl) enter the country annually, feeding addiction, fueling crime, and damaging the economic and social health of the United States. As all cocaine originates in the Andean countries of Colombia, Peru, and Bolivia, we have channeled a significant portion of our international resources toward eliminating coca cultivation, disrupting cocaine production, and preventing the drug from reaching the United States.

Coca and Cocaine

Colombia—the source of roughly 90 percent of the cocaine destined for the U.S. and other world markets—leads the world in coca cultivation. Peru and Bolivia lag behind, a distant second and third respectively. The USG has directed a large share of its counternarcotics resources to attacking Colombian coca cultivation, while helping to thwart a resurgence of coca cultivation in Peru and Bolivia. In 2005, USG-supported Colombian police units reported eliminating over 170,000 hectares of coca. Aerial eradication removed 138,775 hectares of this amount, while manual eradication destroyed the other 31,285 hectares. If harvested and refined, the coca eradicated could have yielded over 150 metric tons of cocaine with a street value of over $15 billion.

Bolivia and Peru, which had drastically reduced their coca cultivation in the past five years, now face campaigns to roll back these achievements. The challenge comes from increasingly active cocalero (coca grower) associations that link coca cultivation to issues of cultural identity and national pride. These farmer's unions, often exploited by trafficking interests, glorify coca cultivation and consumption as ancient and sacred indigenous traditions that must be protected against international efforts to destroy them. They portray coca reduction programs as a means for a mainly white, urban governing minority to limit the economic advancement of a rural indigenous majority.

Cocalero influence has been greatest in Bolivia, where the Bolivian cocaleros' founder and leader, Evo Morales, won the country's presidency in the December 2005 Bolivian Election. Bolivia's coca cultivation grew by eight percent in 2005 to 25,500 hectares, thanks in part to cocalero activism and the government's desire to avoid violent confrontation. It was the fourth year in succession that the figure has risen. Between 2001 to 2005, coca cultivation in Bolivia has gradually expanded by 36 percent, from 19,500 to 26,500 hectares. Though this amount is half of Bolivia's peak cultivation figure of 52,000 hectares in 1989, the trend is disquieting, as it shows no signs of being reversible in the short run.

In Peru, though government programs surpassed their 2005 coca eradication goal, they still may not have kept pace with expanding coca cultivation. Cocaleros in those rural valleys, where in previous years the violent Sendero Luminoso guerrillas held sway, have become more violent and better organized. New terrorist groups claiming an affiliation with Sendero Luminoso have openly identified with coca growers and drug traffickers. They have organized increasingly violent ambushes of police and intimidation of alternative development teams in coca growing areas.

USG estimates of coca cultivation for 2005 were not available at time of publication. The Government of Peru's Office of Drug Control, however, has accepted as accurate the United Nation's June 2005 estimate of 50,000 hectares of coca under cultivation in Peru.

Interdiction:

Cocaine seizures in the Western hemisphere set new records in 2005. Colombian interdiction programs seized 228 metric tons of cocaine in the course of the year, a record for any country, including the United States. Of this amount, the Colombian National Police secured 94 metric tons, while the remaining 124 metric tons were seized by the Army, Navy, and Air Force. Colombian forces destroyed 104 HCl and 773 base labs.

Other important drug-affected countries in the Hemisphere also reported seizing impressive amounts of cocaine: Bolivia, 10.7 metric tons; Peru, 15.6 metric tons; Venezuela, 54.2 metric tons; Mexico, 21 metric tons. In all, these countries seized approximately 329 metric tons of cocaine, more than the estimated 300 metric tons that enter the United States every year. Its retail value on the streets of the U.S. would have been approximately $33 billion.

Opium and Heroin

Opium poppy is the source of heroin. Containing its cultivation presents its own set of challenges. Unlike coca, which currently grows in significant amounts in only three Andean countries, opium poppy is cultivated in nearly every region of the world. In contrast to coca, a perennial which takes at least a year to mature into usable leaf, opium poppy is an easily planted annual crop with as many as three harvests per year. The gum is harvestable in less than six months. It is therefore much harder to eliminate.

Most of the heroin used in the United States comes from poppies grown in Colombia and Mexico, though their opium gum production accounts for less than four percent of the world's total production. Mexico's geographical location allows Mexican growers and refiner to supply some 30 to 40 percent of the U.S. heroin market, mostly west of the Mississippi River. Colombia supplies most of the remainder of the states east of the Mississippi. Since eliminating poppy cultivation in Colombia and Mexico is crucial to reducing U.S.-bound heroin flows, we have had long-standing joint eradication programs in both countries.

Colombian law enforcement and alternative development programs eradicated 2,000 hectares of opium poppy in 2005. Of these, 1,624hectares were sprayed and 376 hectares uprooted through voluntary manual eradication programs. The 2005 cultivation and production data were not available at the time of publication.

In Mexico, in the first 11 months of 2005, the Government of Mexico (GOM) reported eradicating slightly over 20,000 hectares of opium poppy, approximately the same annual level of opium eradication that Mexican authorities have reported in previous years. The 2005 cultivation and production data were not available at time of publication.

Burma is the world's second largest producer of illicit opium after Afghanistan, accounting for most of Southeast Asian heroin. In 2005, Burma produced an estimated 380 metric tons of opium, less than

eight percent of the opium produced in Afghanistan. Burma's opium poppy is grown predominantly in the "Golden Triangle" border region of Shan State—in areas near the borders of China, Laos, and Thailand controlled by former insurgent groups (less than one percent of Burma's poppy crop is grown outside of Shan State).

The remaining 90-plus percent of the world's opium gum production occurs in Afghanistan. Afghanistan supplies all but a small amount of the heroin going to Europe and Russia. Because of the limited reach of Afghan law enforcement, endemic corruption, and a weak judicial system, the Afghan Government has been unable to enforce a total ban against opium cultivation. Low opium prices after a large harvest last year, threats of destruction and appeals from President Karzai to the provincial governors and the people of Afghanistan to forego the planting of opium in return for alternative development assistance appear to have resulted in major reductions in overall poppy cultivation in 2005, most notably in Nangarhar Province. The latest USG crop survey, released in November 2005, revealed that approximately 107,400 hectares of poppy were cultivated during the 2005 crop season, 48 percent less than in 2004. The crop had an estimated potential yield of 4,475 metric tons of opium, down only ten percent because favorable weather increased yields.

Synthetic Drugs

Amphetamine-Type Stimulants. Global demand for Amphetamine-Type Stimulants (ATS), such as methamphetamine, amphetamine, and MDMA ("ecstasy'), has steadily increased throughout both the industrialized and the developing world. ATS drugs have displaced cocaine as the stimulant of choice in many countries, especially in those of Central and Northern Europe, and Southeast Asia. The relative ease and low cost of manufacturing ATS drugs from readily available chemicals appeals as much to small drug entrepreneurs as to the large international syndicates. Since they do not rely on organic sources such as coca and opium poppy, synthetics allow individual trafficking organizations to control the whole process, from manufacture to sale on the street. Synthetics can be made anywhere and offer enormous profit margins.

Methamphetamine. Methamphetamine abuse remains the fastest-growing drug threat in the United States today. Transnational drug trafficking organizations, based in Mexico and California, control a large percentage of the U.S. methamphetamine trade. Mexico is the principal foreign supplier of methamphetamine and most frequently used transit country for ATS precursors (especially Pseudoephedrine-PSE) destined for the United States. USG drug enforcement authorities believe that PSE imported into Canada continues to be diverted to the United States for illegal drug manufacture. Since Canada enacted regulations in 2002 to control PSE and other precursor and essential chemicals, a drop in seizures suggests that flows are diminishing.

Methamphetamine has displaced heroin as the principal trafficked drug in Burma and Thailand. Almost every country chapter in this year's INCSR indicates a rise in methamphetamine or other ATS drug trafficking and consumption. Methamphetamine production in the U.S. shows no sign of slowing, as demonstrated by DEA's National Clandestine Drug Data reporting of the seizure of several thousand U.S. methamphetamine laboratories in 2004, with the largest numbers in Missouri (2,707), and Tennessee (1,259).

Ecstasy. There continues to be substantial global demand for MDMA (ecstasy), the amphetamine analogue 3, 4-methylenedioxymethamphetamine. Clandestine laboratories in the Netherlands, and to a lesser extent in Belgium, are the principal suppliers of MDMA to the international market, but there also seems to be a good deal of production in Canada. The Netherlands took notable steps against the ecstasy trade in 2005, as highlighted in November when Dutch authorities dismantled the largest MDMA laboratory ever discovered in that country. Labs in Poland are major suppliers of amphetamines to the European market, with the United Kingdom and the Nordic countries among the heaviest consumers of amphetamine. In the United States, however, over the past five years ecstasy

use has plummeted among the teenage population most at risk. According to the December 2005 Monitoring the Future report, annual prevalence rates among teenagers are between a half and a third of what they were in early 2001.

Cannabis (Marijuana)

Cannabis (marijuana) production and consumption is a problem in nearly every country, not least in the United States. Drug organizations in Mexico and Canada produce more than 5,000 metric tons of marijuana, which is then marketed to more than 20 million users in the United States. Colombia, Jamaica, and Paraguay also export marijuana to the United States. Of greatest concern to the USG is the high potency cannabis produced on a large scale in Canada. Plants are grown in laboratory conditions using specialized timers, ventilation, moveable lights on tracks, nutrients sprayed on exposed roots and special fertilizer that maximize THC levels. The result is a particularly powerful, dangerous, and addictive drug. The higher the THC content, the greater is the danger. Despite suggestions that marijuana use has no long-term consequences, the latest scientific information indicates that marijuana is associated with learning difficulties as well as memory disturbances and may contribute to schizophrenia.

Attacking Trafficking Organizations.

The drug trade depends upon reliable and efficient distribution systems to get its product to market. While most illicit distribution systems have short-term back-up channels to compensate for temporary law enforcement disruptions, a network under intense enforcement pressure cannot function for long. Working closely with our neighbors and allies, our strategy targets the leadership of the main trafficking groups, focusing on the operations along the network that bring drugs to the United States. Our goal is not simply to disrupt these organizations, but to remove the leadership, the facilitators who launder money and provide the chemicals needed for the production of illicit drugs, and their networks. By capturing the leaders of trafficking organizations, we demonstrate both to the criminals and to the governments fighting them that even the most powerful drug syndicates are vulnerable to concerted action by U.S. and host-government authorities.

Mexican drug syndicates oversee much of the drug trafficking in the United States. They have a strong presence in most of the primary U.S. distribution centers, directing the movement of cocaine, heroin, ATS drugs, and marijuana. Three years ago, in 2003, USG and Mexican officials developed a common targeting plan against major drug trafficking organizations in both countries. We also implemented secure mechanisms for data sharing. As a result, Mexican Federal enforcement and military authorities inflicted serious damage on several important trafficking organizations.

Mexican authorities struck at the leadership and key operating figures in major drug syndicates. These included: Juan Jose Alvarez Tostado, the financial mastermind of the Carrillo Fuentes Organization; Gulf Cartel principal operator Guadalupe Eugenio Rivera “El Gordo” Mata; Jose Gustavo “El Chapulin” Contreras Lopez, the leader of an Arellano Felix Organization (AFO) cell, based in the border region of Tijuana (Baja California), and engaged in kidnappings and murders related to drug trafficking. The top target was the Sinaloa cartel of Joaquin “El Chapo” Guzman Loera, one of Mexico’s best-known drug lords and a key figure in moving cocaine from Colombia to Mexico and on to the United States. In 2005, Mexican authorities arrested Guzman Loera’s son, Archivaldo, Guzman’s brother, Miguel Angel, and an important enforcer for “El Chapo’s” organization, Joaquin Angel Rios Felix. In November in Mexico City, Mexican federal agents arrested Ricardo (“The Doctor”) Garcia Urquiza, an important drug trafficker, money launderer, and associate of Vicente Carrillo Fuentes. Mexican authorities have described him as one of the most important drug traffickers arrested in Mexico in 2005.

In 2005, as in previous years, Sensitive Investigative Units (SIUs) within the Mexican Federal Investigative Agency served as effective mechanisms for sharing sensitive intelligence data in both directions without compromise. They played an important role in successful investigations against drug trafficking organizations on both sides of the border.

Institutional Reform

A pivotal element of USG international drug control policy has been to help governments strengthen their enforcement, judicial, and financial institutions to narrow the opportunities for infiltration by the drug trade. In drug source and transit countries, law enforcement agencies often arrest influential drug criminals only to see them released following a questionable or inexplicable decision by a single judge.

This still occurs, but not as often. Each year, there are fewer of these abuses, as governments work for basic reforms involving transparency, efficiency, and better pay for police and judges. Reform efforts advanced in 2005. For example, the Mexican government proposed ambitious justice sector reforms to re-organize federal law enforcement agencies, introduce oral testimony at criminal trials, and create a more professional public defender system. In Colombia, USG agencies have provided training, technical assistance, and equipment to enhance the system's capacity and capabilities and to make it more transparent to the public. Chile completed its multi-year, nationwide criminal justice reform project in June 2005, adopting a new adversarial judicial system relying on oral trials rather than document-based legal proceedings. There are similarly encouraging developments outlined in many of the country chapters of this report.

Extradition

Extradition to the United States is still the sanction international drug criminals fear most. The host of notorious foreign drug criminals serving long prison terms in the U.S. is a sober reminder to the most powerful international criminals of what can happen when they can no longer use bribes and intimidation to manipulate the local judicial process. Over the past decade, governments have been increasingly willing to risk domestic political repercussions and extradite drug kingpins to the United States.

Colombia and Mexico now extradite drug criminals to the United States on a regular basis. The number of extraditions from Colombia to the United States has increased significantly in recent years. In President Uribe's administration, extraditions have increased dramatically, with 304 Colombian nationals and 11 nonnationals extradited by the end of 2005.

In early 2005, Colombia extradited FARC leader Anayibe Rojas Valderama (aka "Comandante Sonia") and other criminal associates for drug trafficking and terrorism charges. Colombia also extradited Cali Cartel leader Miguel Rodriguez Orejuela in 2005. Other high-ranking drug trafficking targets arrested and/or extradited include Consolidated Priority Targets and members of the North Valley Cartel's Top 10 list, such as Gabriel Puerta Parra, Jose Rendon Ramirez, John Cano Carrera, and Dagaberto Florez

In 2005 for the fourth consecutive year, Mexican authorities extradited a record number of fugitives to the United States. As of mid December, Mexico had extradited 40 fugitives to the United States, up from 34 in 2004, 31 in 2003, and 25 in 2002. These included Mexican citizens and narcotics and money laundering defendants.

In a watershed decision in late 2005, the Mexican Supreme court removed a significant obstacle to the extradition of fugitives facing life imprisonment in the United States for major drug trafficking and violent crimes. Reversing a 2004 decision, the court ruled that life in prison without the possibility of

parole did not violate the Mexican Constitution's prohibition on cruel and unusual punishment. Criminals subject to the death penalty in the United States, however, cannot be extradited since the Mexican Constitution prohibits capital punishment.

In another departure from past practice, the Afghan Government for the first time permitted the extradition of one of its citizens for drug trafficking to a foreign country. Afghanistan will extradite Haji Baz Mohammad under the 1988 UN Drug Convention to the U.S. to stand trial on narcotics charges. Other countries that extradited criminals to the U.S. in 2005 for prosecution were the Dominican Republic, El Salvador, Ghana, and Paraguay.

Controlling Drug Processing Chemicals

Cocaine, heroin and synthetic drugs cannot be manufactured without certain critical chemicals, many of which are subject to international controls. Cocaine and heroin refining operations generally require widely available essential chemicals. Substitutes for unavailable chemicals can be used for most of the chemicals used in the manufacturing process, but there are some indispensable chemicals—potassium permanganate for cocaine and acetic anhydride for heroin—for which there are few readily obtainable substitutes. Synthetic drug manufacture requires even more specific precursor chemicals, such as ephedrine, pseudoephedrine, or phenylpropanolamine. These chemicals, used mainly for pharmaceutical purposes, have important but specific legitimate uses. They are commercially traded in smaller quantities to discrete users. Governments must have efficient legal and regulatory regimes to control such chemicals, without placing undue burdens on legitimate commerce. The United States, other major chemical trading countries, and the UN's International Narcotics Control Board worked in 2005 to improve controls on cocaine and heroin processing chemicals, and those used for manufacturing synthetic drugs.

Bilaterally, we continued to work closely with the Canadian government in 2005 to curtail the diversion of drug processing chemicals to criminal interests in the United States. Pseudoephedrine (PSE), a common cold remedy and the main component in the manufacturing of methamphetamine, is legally imported into Canada from China, India, and Germany. U.S. counternarcotics authorities assess that a portion of those imports is diverted to the United States for the production of illicit drugs. Other precursor chemicals available in Canada and used in the production of synthetic drugs are sassafras oil, piperonal, and gamma butyrolactone (GBL). These precursors are used in the manufacturing of ecstasy (medthylenedioxymethamphetamine or MDMA), methylenedioxy-amphetamine (MDA), and gamma hydroxybutyrate (GHB).

In November 2005, the Canadian Government implemented the first major amendments to augment the 2003 Precursor Control Regulations. These changes strengthen verification of import and export licensing procedures, require that companies requesting those licenses provide additional detail in their initial requests provide guidelines on the suspension and revocation of licenses for abusers, and add controls of six chemicals that can be used to produce GHB and/or methamphetamine.

Controlling Supply

The USG's goal is to reduce and ultimately cut off the flow of illegal drugs to the United States. Our strategy targets drug supply at critical points along a five-point grower-to-user chain that links the consumer in the United States to the grower in a source country. In the case of cocaine or heroin, the chain starts with the growers cultivating coca or opium poppies, for instance, in the Andes or Afghanistan. It ends with the cocaine or heroin user in a U.S. town or city. The intermediate links are the processing (drug refining), transit (transport), and wholesale distribution stages.

Our international programs target the first three links of the grower-to-user chain: cultivation, processing, and transit. The closer we can attack to the source, the better are our chances of halting the

flow of drugs altogether. Crop control is the most cost-effective means of cutting supply. Drugs cannot enter the system from crops that have been destroyed or left unharvested. It is the equivalent of removing a malignant growth before it can spread uncontrollably into the rest of the system. In theory, with no drug crops to harvest, there would be no cocaine or heroin for distribution, nor would there be any need for costly enforcement and interdiction operations.

In the real world, however, theory falters. Widespread (aerial and chemical) eradication is not legal in many countries. Even when eradication is feasible, destroying a lucrative crop, even an illegal one, carries enormous political, economic and social consequences for the producing country. In most cases, it means threatening the livelihood of the poorest sector of the population. Democratic governments that take away vital income without any viable quid pro quo seldom survive for long. Developing, implementing, and reaping the benefits of practical, long-term alternatives for the affected population can take decades. So we also must focus upon the succeeding links: the processing and distribution stages of laboratory destruction and interdiction of drug shipments.

Our programs can shift resources to those links where we can achieve both an immediate impact and long-term results. The right combination of effective law enforcement actions and alternative development programs can deliver truly remarkable results, as coca reductions in the Andean region demonstrate. We work closely with the governments of the coca-growing countries to find the best way to eliminate illegal coca within the context of each country's individual circumstances. Alternative development programs play a vital role in countries seeking to free their agricultural sector from reliance on the drug trade by offering farmers opportunities to abandon illegal activities and join the legitimate economy. In the Andean countries, such programs provide funds and technical assistance to strengthen public and private institutions, expand rural infrastructure; improve natural resources management, introduce alternative legal crops, and develop local and international markets for these products.

Illegal Drugs, Spraying, and the Environment

Questions inevitably arise over the environmental risks of regular use of herbicides on illegal drug crops. Colombia is currently the only country that allows regular aerial spraying of coca and opium poppy. The Colombian government has approved the herbicide that is being used to conduct aerial eradication in the growing areas. The only active ingredient in the herbicide used in the aerial eradication program is glyphosate, one of the most widely used agricultural herbicides in the world. It has been tested widely in the United States, Colombia, and elsewhere in the world. The U.S. Environmental Protection Agency (EPA) approved glyphosate for general use in 1974 and re-registered it in September 1993. EPA has approved its use on food croplands, forests, residential areas, and around aquatic areas. It is one of the top five pesticides, including herbicides, used in the United States.

Environmental Consequences of Illicit Coca Cultivation

The environmental impact of approved herbicides must be weighed against the devastating potential of all aspects of coca cultivation. Coca cultivation in the Andean region has led to the destruction of approximately six million acres of rainforest in the past twenty years. Working in remote areas beyond settled populations, coca growers routinely slash and burn virgin forestland to make way for their illegal crops. Tropical rains quickly erode the thin topsoil of the fields, increasing soil runoff, depleting soil nutrients, and, by destroying timber and other resources that would otherwise be available for more sustainable uses, decreasing biological diversity. The destructive cycle continues, as growers regularly abandon nonproductive parcels to prepare new plots. At the same time, traffickers destroy jungle forests to build clandestine landing strips and laboratories for processing raw coca and poppy into cocaine and heroin.

Illicit coca growers tend to be negligent and indiscriminate in their use of fertilizers and pesticides. Largely ignorant about the consequences of indiscriminate use of strong chemicals, they dump large quantities of highly toxic herbicides and fertilizers on their crops. These chemicals include paraquat and endosulfan, both of which qualify under the U.S. Environmental Protection Agency's highest classification for toxicity (Category I) and are legally restricted for sale within Colombia and the United States.

The most toxic chemicals are those used at each stage of cocaine production. USG studies conducted in the early 1990s in Bolivia and Peru indicated that one kilogram of cocaine base required the use of three liters of concentrated sulfuric acid, 10 kilograms of lime, 60 to 80 liters of kerosene, 200 grams of potassium permanganate, and one liter of concentrated ammonia. These toxic pesticides, fertilizers, and processing chemicals are then dumped into the nearest waterway or on the ground. They saturate the soil and contaminate waterways and poison water systems and dependent species in the process.

Interdiction in the Transit Zone

Despite the international community's best efforts to attack the drug supply within source countries, the United States and our allies must continue to provide an effective presence in the transit zone, specifically for cocaine moving north out of South America. This has required a well-coordinated effort between transit zone countries and USG agencies including DOD, DHS, and DOJ. Source country intelligence combined with post seizure intelligence has improved dramatically in the last several years to yield better actionable intelligence within the transit zone. The Joint Inter-Agency Task Force-South with billeted international partners from throughout the Caribbean Basin has focused on intelligence to detect and monitor maritime drug movements while maneuvering interdiction assets into position to effect a seizure. The USG's efforts to create and expand authorities based on bilateral agreements with Caribbean and Latin American countries have eased the burden on these countries' law enforcement assets to conduct at sea boardings and search for contraband. These bilateral agreements have also allowed the USG to gain jurisdiction over cases and remove the corrosive pressure from large Trafficking Organizations on some foreign governments. This team effort led to unprecedented success by removing over 150 metric tons of cocaine from the maritime transit zone in 2005 by USG assets. Continued success will depend on the allocation of tightly constrained resources to improve on the inroads and agreements reached in the last several years.

Fighting Corruption

Though corruption may seem a less obvious threat than the challenge of armed insurgents, the weakening of government institutions through bribery and intimidation ultimately poses just as great a danger to democratic governments. Terrorist groups or guerrilla armies overtly seek to topple and replace governments through violence. Drug syndicates, however, work behind the scenes, seeking to subvert governments in order to guarantee themselves a secure operating environment by co-opting key officials. Unchecked, the drug trade is capable of taking de facto control of a country by essentially buying off a majority of key government officials, including a president. With a president, defense chief, and interior minister secretly on its payroll, a criminal organization can operate with near impunity behind the façade of sovereign legitimate government. While this has yet to happen, there have been several close calls in the recent past. By keeping the focus on eliminating corruption, we can prevent the nightmare of a government entirely manipulated by drug lords from becoming a reality.

Fighting the drug trade is a dominant element in a broader struggle against corruption. Drug organizations possess and wield the ultimate instrument of corruption: money. The drug trade has access to almost unimaginable quantities of it. No commodity is so widely available, so cheap to produce, and as easily renewable as illegal drugs. They offer dazzling profit margins that allow

criminals to generate illicit revenues on a scale without historical precedent. For example, assuming an average U.S. retail street price of one hundred dollars a gram, a metric ton of pure cocaine is worth $100 million on the streets of the United States—twice as much if the drug is cut with additives. That same metric ton typically would have cost around $3,000,000 ($3,000 per kilogram) when it left Colombia. Few legitimate businesses can boast of a 30-fold return. At $100 per gram, the 329 metric tons of cocaine seized in Mexico and Latin America in 2005 could in theory be worth as much as $30 billion to the drug trade, more than the gross domestic product of many of the countries of Central America. If only a portion of these profits flows back to the drug syndicates, we are still speaking of hundreds of millions, if not billions, of dollars.

To put these sums into perspective, in FY 2005 the State Department's budget for international drug control operations was approximately $1.2 billion. That equates to roughly 12 metric tons of cocaine. The drug syndicates have lost that amount in a single shipment, with no serious consequences, except to the unfortunate subordinate responsible for the loss.

Next Steps

The international drug trade is a complex, dynamic organism that learns quickly from its mistakes. It is nothing if not adaptable. Every time we score a major success-and over the past decade and a half we have had many-the drug trade learns from it. Successful operations weed out the weaker elements, leaving the more agile and sophisticated criminals in place. In time, this selection process eventually leaves us with a very astute adversary.

The drug trade itself also evolves naturally, like any business in a competitive market place. We are now dealing with second or even third-generation transnational drug syndicates. They embrace modern management techniques, employ state-of-the-art communications, and hire the best technical and financial expertise.

The drug trade, however, has an inherent weakness: it is simultaneously a criminal organization and a business. It has to straddle two worlds. As a criminal organization, it operates in the shadows with virtual impunity. But to prosper as a business, it must emerge into the legitimate commercial world and lose its protective cover. Once in the legitimate world, it becomes vulnerable. It needs raw materials, processing chemicals, transportation networks, and, most important of all, a means of getting its profits into legitimate commercial and financial channels.

In the past twenty years, working with our international partners, we have successfully increased pressures on the drug trade and narrowed opportunities at every stage of their operations, from cultivation and production to transport and marketing. Without lessening pressure at all these points, we must now intensify our efforts to strike at the critical point-the financial end. Just as a business that cannot reinvest its profits soon fails, without a steady flow of funds, the drug trade cannot function effectively. Since governments individually control domestic access the global financial system, working together they have the potential to make it all but impossible for drug profits to enter the legitimate international financial system. Our goal is to transform that potential into a reality and reduce the drug trade from serious threat to a common nuisance.

Demand Reduction

Drug "demand reduction" aims to reduce worldwide use and abuse of illicit drugs worldwide. The need for demand reduction is reflected in escalating drug use that takes a devastating toll on health, welfare, security and economic stability of all countries. Recognizing this problem, the National Security Presidential Directive (NSPD#25) on International Drug Control Policy urges the Secretary

of State "to expand U.S. international demand reduction assistance and information sharing programs in key source and transit countries". As opposed to drug production and trafficking, the NSPD addresses rising global demand for drugs as the principal threat to the U.S. As outlined in the NSPD, drug trafficking organizations and their linkages to international terrorist groups also constitute a serious threat to U.S. national security by generating money that increasingly threatens global peace and stability. Demand reduction assistance has subsequently evolved as a key foreign policy tool to address the inter-connected threats of drugs, crime, and terrorism. More recently it is recognized as a key complimentary component in efforts to stop the spread of HIV/AIDS, particularly in countries with high intravenous drug users.

Foreign countries recognize the vast U.S. experience and efforts in reducing drug demand. In return for cooperation with supply reduction efforts, many drug producing and transit countries request U.S. assistance with demand reduction technology, since drug consumption also has debilitating effects on their society and children. Demand reduction assistance thereby helps secure foreign country support for U.S. driven supply reduction efforts, while at the same time reducing consumption in that country and reducing a major source of terrorist financing.

Our demand reduction strategy encompasses a wide range of initiatives to address the needs and national security threat posed by the illicit drug trade. These include efforts to prevent the onset of use, intervention at "critical decision points" in the lives of vulnerable populations to prevent both first use and further use, and effective treatment programs for the addicted. Other aspects encompass education and community coalition development efforts to increase public awareness of the deleterious consequences of drug use/abuse. This latter effort involves the development of coalitions of private/public social institutions, the faith community, and law enforcement entities to mobilize national and international opinion against the drug trade and to encourage governments to develop and implement strong counternarcotics policies and programs. The demand reduction program also provides for evaluations of the effectiveness of these efforts and for "best practice" research studies to use these findings to improve similar services provided in the U.S. and around the world.

In 2005, INL's assistance targeted the cocaine producing and transit countries in Latin America, addressed the amphetamine-type stimulant (ATS) epidemic in Southeast Asia, and addressed the heroin threat from Asia, Afghanistan and Colombia. It also focused on countries in Southeast Asia and Africa where intravenous drug use is fueling an HIV/AIDS epidemic. INL continued to fund bilateral training at various locations throughout the world on topics such as community/grassroots coalition building and networking, U.S. policies and programs, science-based drug prevention programming, and treatment within the criminal justice system. As a result of INL's training assistance, the first counternarcotics community coalition network outside the United States was established in Peru. INL funded a symposium on Drug Demand Reduction in Kabul, Afghanistan that was attended by over 500 of the country's senior religious leaders and resulted in a major Fatwa against drug production, trafficking and abuse in that country. INL's training targeting predominantly Muslim populations also resulted in the establishment of mosque-based outreach drug treatment centers in 25 provinces throughout Afghanistan, 12 centers in Indonesia religious schools and a total of 6 in Pakistan, Southern Philippines and Malaysia.

INL funding has provided new updated curricula to 24 Drug Abuse Resistance Education (D.A.R.E.) programs in Latin America and Asia. INL funding also supported drug treatment training in Vietnam to address the connection between intravenous drug use and HIV/AIDS, and to reduce overall drug consumption. INL funded comprehensive multi-year scientific studies on pilot projects and programs developed from INL-funded training to learn how these initiatives can help assist U.S.-and foreign-based demand reduction efforts. An outcome-based evaluation of INL-funded, school-based D.A.R.E. training in Colombia revealed that drug use was reduced from 54 percent to 10 percent in the eight target cities participating in the program. Other recent research on the long-term impact of INL-funded treatment training in Peru revealed that overall drug use was reduced from 90 percent to 34 percent in

the targeted population. A leading journal on drug addiction, Journal of Teaching in the Addictions, devoted its entire November 2005 edition to "best practices" in drug abuse treatment that resulted from INL assistance to Southeast Asia, Latin America, and Eastern Europe.

Methodology for Estimating Illegal Drug Production

How Much Do We Know? The INCSR contains a variety of illicit drug-related data. These numbers represent the United States Government's best effort to sketch the current dimensions of the international drug problem. Some numbers are more certain than others. Drug cultivation figures are relatively hard data derived by proven means, such as imagery with ground truth confirmation. Other numbers, such as crop production and drug yield estimates, become softer as more variables come into play. As we do every year, we publish these data with an important caveat: the yield figures are potential, not final numbers. Although they are useful for determining trends, even the best are ultimately approximations.

Each year, we revise our estimates in the light of field research. The clandestine, violent nature of the illegal drug trade makes such field research difficult. Geography is also an impediment, as the harsh terrain on which many drugs are cultivated is not always easily accessible. This is particularly relevant given the tremendous geographic areas that must be covered, and the difficulty of collecting reliable information over diverse and treacherous terrain.

What We Know With Reasonable Certainty. The number of hectares under cultivation during any given year is our most solid statistic. For nearly twenty years, the United States Government has estimated the extent of illicit cultivation in a dozen nations using proven statistical methods similar to those used to estimate the size of licit crops at home and abroad. We can therefore estimate the extent of cultivation with reasonable accuracy.

What We Know With Less Certainty. How much of a finished product a given area will produce is difficult to estimate. Small changes in factors such as soil fertility, weather, farming techniques, and disease can produce widely varying results from year to year and place to place. To add to our uncertainty, most illicit drug crop areas are not easily accessible to the United States Government, making scientific information difficult to obtain. Therefore, we are estimating the potential crop available for harvest. Not all of these estimates allow for losses, which could represent up to a third or more of a crop in some areas for some harvests. The value in estimating the size of the potential crop is to provide a consistent basis for a comparative analysis from year to year.

Harvest Estimates. We have gradually improved our yield estimates. Our confidence in coca leaf yield estimates, as well as in the finished product, has risen in the past few years, based upon the results of field studies conducted in Latin America. In all cases, however, multiplying average yields times available hectares indicates only the potential, not the actual final drug crop available for harvest. The size of the harvest depends upon the efficiency of farming practices and the wastage caused by poor practices or difficult weather conditions during and after harvest. Up to a third or more of a crop may be lost in some areas during harvests.

In addition, mature coca (two to six years old) is more productive than immature or aging coca. Variations such as these can dramatically affect potential yield and production. Additional information and analysis is allowing us to make adjustments for these factors. Similar deductions for local consumption of unprocessed coca leaf and opium may be possible as well through the accumulation of additional information and research.

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

Figures Change as Techniques and Data Quality Improve. Each year, research produces revisions to United States Government estimates of potential drug production. This is typical of annualized figures for most other areas of statistical tracking that must be revised year to year, whether it be the size of the U.S. wheat crop, population figures, or the unemployment rate. For the present, these illicit drug statistics represent the state of the art. As new information becomes available and as the art improves, so will the precision of the estimates.

Worldwide Illicit Drug Cultivation

1998–2005 (All Figures in Hectares)

	2005	2004	2003	2002	2001	2000	1999	1998
Opium								
Afghanistan	107,000	206,700	61,000	30,750	1,685	64,510	51,500	41,720
India								
Iran								
Pakistan		3,100		622	213	515	1,570	3,030
Total SW Asia	***107,000***	***209,800***	***61,000***	***31,372***	***1,898***	***65,025***	***53,070***	***44,750***
Burma	40,000	30,900	47,130	78,000	105,000	108,700	89,500	130,300
China								
Laos	5,600	10,000	18,900	23,200	22,000	23,150	21,800	26,100
Thailand				750	820	890	835	1,350
Vietnam				1,000	2,300	2,300	2,100	3,000
Total SE Asia	***45,600***	***40,900***	***66,030***	***102,950***	***130,120***	***135,040***	***114,235***	***160,750***
Colombia		2,100	4,400	4,900	6,500	7,500	7,500	6,100
Lebanon								
Guatemala		330						
Mexico		3,500	4,800	2,700	4,400	1,900	3,600	5,500
Total Other		***5,930***	***9,200***	***7,600***	***10,900***	***9,400***	***11,100***	***11,600***
Total Opium	***152,600***	***256,630***	***136,230***	***141,922***	***142,918***	***209,465***	***178,405***	***217,100***
Coca								
Bolivia	26,500	24,600	23,200	21,600	19,900	14,600	21,800	38,000
Colombia[1]		114,100	113,850	144,450	169,800	136,200	122,500	101,800
Peru	38,000	27,500	29,250	34,700	34,000	34,200	38,700	51,000
Ecuador								
Total Coca	***64,500***	***166,200***	***166,300***	***200,750***	***223,700***	***185,000***	***183,000***	***190,800***
Cannabis								
Mexico				3,900	3,900	3,900	3,700	4,600
Colombia		5,000	5,000	5,000	5,000	5,000	5,000	5,000
Jamaica								
Total Cannabis		***5,000***	***5,000***	***8,900***	***8,900***	***8,900***	***8,700***	***9,600***

[1] Colombian coca cultivation survey results for 2005 will not be available until the spring of 2006.

Worldwide Illicit Drug Cultivation

1990–1997 (All Figures in Hectares)

	1997	1996	1995	1994	1993	1992	1991	1990
Opium								
Afghanistan	39,150	37,950	38,740	29,180	21,080	19,470	17,190	12,370
India	2,050	3,100	4,750	5,500	4,400			
Iran								
Pakistan	4,100	3,400	6,950	7,270	6,280	8,170	8,205	8,220
Total SW Asia	***45,300***	***44,450***	***50,440***	***41,950***	***31,760***	***27,640***	***25,395***	***20,590***
Burma	155,150	163,100	154,070	154,070	146,600	153,700	160,000	150,100
China			1,275	1,965				
Laos	28,150	25,250	19,650	19,650	18,520	25,610	29,625	30,580
Thailand	1,650	2,170	1,750	2,110	2,110	2,050	3,000	3,435
Total SE Asia	6,150	3,150		***177,795***	***167,230***	***181,360***	***192,625***	***184,185***
Colombia	***191,100***	***193,670***	***176,745***				1,160	
Lebanon	6,600	6,300	6,540	20,000	20,000	20,000	3,400	3,200
Guatemala		90	150		440	na	1,145	845
Mexico			39	50	438	730	3,765	5,450
Vietnam	4,000	5,100	5,050	5,795	3,960	3,310		
Total Other	***10,600***	***11,490***	***11,779***	***25,845***	***24,838***	***24,040***	***9,470***	***9,495***
Total Opium	***247,000***	***249,610***	***238,964***	***245,590***	***223,828***	***233,040***	***227,490***	***214,200***
Coca								
Bolivia	45,800	48,100	48,600	48,100	47,200	45,500	47,900	50,300
Colombia	79,500	67,200	50,900	45,000	39,700	37,100	37,500	40,100
Peru	68,800	94,400	115,300	108,600	108,800	129,100	120,800	121,300
Ecuador							40	120
Total Coca	***194,100***	***209,700***	***214,800***	***201,700***	***195,700***	***211,700***	***206,240***	***211,820***
Cannabis								
Mexico	4,800	6,500	6,900	10,550	11,220	16,420	17,915	35,050
Colombia	5,000	5,000	5,000	4,986	5,000	2,000	2,000	1,500
Jamaica	317	527	305	308	744	389	950	1,220
Total Cannabis	***10,117***	***12,027***	***12,205***	***15,844***	***16,964***	***18,809***	***20,865***	***37,770***

Worldwide Potential Illicit Drug Production

1998–2005 (All Figures in Metric Tons)

	2005	2004	2003	2002	2001	2000	1999	1998
Opium Gum								
Afghanistan	4,475	4,950	2,865	1,278	74	3,656	2,861	2,340
India								
Iran								
Pakistan		70		5	5	11	37	66
Total SW Asia	***4,475***	***5,020***	***2,865***	***1,283***	***79***	***3,667***	***2,898***	***2,406***
Burma	380	292	484	630	865	1,085	1,090	1,750
China								
Laos	28	49	200	180	200	210	140	140
Thailand				9	6	6	6	16
Vietnam				10	15	15	11	20
Total SE Asia	***408***	***341***	***684***	***829***	***1,086***	***1,316***	***1,247***	***1,926***
Colombia		30	63	68			75	61
Lebanon								
Guatemala		12						
Mexico		73	101	58	71	21	43	60
Total Other		***115***	***164***	***126***	***71***	***21***	***118***	***121***
Total Opium	***4,883***	***5,476***	***3,713***	***2,238***	***1,236***	***5,004***	***4,263***	***4,453***
Coca Leaf								
Bolivia[1]	18,800	17,500	17,210	16,600	20,200	26,800	22,800	52,900
Colombia		108,000	115,500	147,918		583,000	521,400	437,600
Peru	56,300	48,800	52,300	59,600	52,600	54,400	69,200	95,600
Ecuador								
Total Coca	***75,100***	***174,300***	***185,010***	***224,118***	***72,800***	***664,200***	***613,400***	***586,100***
Cannabis								
Mexico		10,440	13,500	7,900	7,400	7,000	3,700	8,300
Colombia		4,000		4,000	4,000	4,000	4,000	4,000
Jamaica								
Belize								
Others		3,500	3,500	3,500	3,500	3,500	3,500	3,500
Total Cannabis		***17,940***	***17,000***	***15,400***	***14,900***	***14,500***	***11,200***	***15,800***

[1] Beginning in 2001, USG surveys of Bolivian coca take place cover the period June to June.

Worldwide Potential Illicit Drug Production

1990–1997 (All Figures in Metric Tons)

	1997	1996	1995	1994	1993	1992	1991	1990
Opium Gum								
Afghanistan	2,184	2,174	1,250	950	685	640	570	415
India	30	47	77	90				
Iran								
Pakistan	85	75	155	160	140	175	180	165
Total SW Asia	***2,299***	***2,296***	***1,482***	***1,200***	***825***	***815***	***750***	***580***
Burma	2,365	2,560	2,340	2,030	2,575	2,280	2,350	2,255
China			19	25				
Laos	210	200	180	85	180	230	265	275
Thailand	25	30	25	17	42	24	35	40
Vietnam	45	25						
Total SE Asia	***2,645***	***2,815***	***2,564***	***2,157***	***2,797***	***2,534***	***2,650***	***2,570***
Colombia	66	63	65					
Lebanon		1	1		4		34	32
Guatemala							11	13
Mexico	46	54	53	60	49	40	41	62
Total Other	***112***	***118***	***119***	***60***	***53***	***40***	***86***	***107***
Total Opium	***5,056***	***4,285***	***4,165***	***3,417***	***3,675***	***3,389***	***3,486***	***3,257***
Coca Leaf								
Bolivia	70,100	75,100	85,000	89,800	84,400	80,300	78,000	77,000
Colombia	347,000	302,900	229,300	35,800	31,700	29,600	30,000	32,100
Peru	130,200	174,700	183,600	165,300	155,500	223,900	222,700	196,900
Ecuador					100	100	40	170
Total Coca	***547,300***	***552,700***	***497,900***	***290,900***	***271,700***	***333,900***	***330,740***	***306,170***
Cannabis								
Mexico	8,600	11,700	12,400	5,540	6,280	7,795	7,775	19,715
Colombia	4,133	4,133	4,133	4,138	4,125	1,650	1,650	1,500
Jamaica	214	356	206	208	502	263	641	825
Belize							49	60
Others	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Total	***16,447***	***19,689***	***20,239***	***13,386***	***14,407***	***13,208***	***13,615***	***25,600***

Parties to the 1988 UN Convention

Country	Date Signed	Date Became a Party
1. Afghanistan	20 December 1988	14 February 1992
2. Albania	Accession	27 June 2001
3. Algeria	20 December 1988	9 May 1995
4. Andorra	Accession	23 July 1999
5. Angola	Accession	26 October 2005
6. Antigua and Barbuda	Accession	5 April 1993
7. Argentina	20 December 1988	28 June 1993
8. Armenia	Accession	13 September 1993
9. Australia	14 February 1989	16 November 1992
10. Austria	25 September 1989	11 July 1997
11. Azerbaijan	Accession	22 September 1993
12. Bahamas	20 December 1988	30 January 1989
13. Bahrain	28 September 1989	7 February 1990
14. Bangladesh	14 April 1989	11 October 1990
15. Barbados	Accession	15 October 1992
16. Belarus	27 February 1989	15 October 1990
17. Belgium	22 May 1989	25 October 1995
18. Belize	Accession	24 July 1996
19. Benin	Accession	23 May 1997
20. Bhutan	Accession	27 August 1990
21. Bolivia	20 December 1988	20 August 1990
22. Bosnia and Herzegovina	Succession	01 September 1993
23. Botswana	Accession	13 August 1996
24. Brazil	20 December 1988	17 July 1991
25. Brunei Darussalam	26 October 1989	12 November 1993
26. Bulgaria	19 May 1989	24 September 1992
27. Burkina Faso	Accession	02 June 1992
28. Burundi	Accession	18 February 1993
29. Cambodia	Accession	7 July 2005
30. Cameroon	27 February 1989	28 October 1991
31. Canada	20 December 1988	05 July 1990
32. Cape Verde	Accession	08 May 1995
33. Central African Republic	Accession	15 October 2001
34. Chad	Accession	09 June 1995

Country	Date Signed	Date Became a Party
35. Chile	20 December 1988	13 March 1990
36. China	20 December 1988	25 October 1989
37. Colombia	20 December 1988	10 June 1994
38. Comoros	Accession	1 March 2000
39. Congo, Democratic Republic of	20 December 1988	28 October 2005
40. Costa Rica	25 April 1989	8 February 1991
41. Cote d'Ivoire	20 December 1988	25 November 1991
42. Croatia	Succession	26 July 1993
43. Cuba	7 April 1989	12 June 1996
44. Cyprus	20 December 1988	25 May 1990
45. Czech Republic	Succession	30 December 1993
46. Denmark	20 December 1988	19 December 1991
47. Djibouti	Accession	22 February 2001
48. Dominica	Accession	30 June 1993
49. Dominican Republic	Accession	21 September 1993
50. Ecuador	21 June 1989	23 March 1990
51. Egypt	20 December 1988	15 March 1991
52. El Salvador	Accession	21 May 1993
53. Eritrea	Accession	30 January 2002
54. Estonia	Accession	12 July 2000
55. Ethiopia	Accession	11 October 1994
56. European Economic Community	8 June 1989	31 December 1990
57. Fiji	Accession	25 March 1993
58. Finland	8 February 1989	15 February 1994
59. France	13 February 1989	31 December 1990
60. Gambia	Accession	23 April 1996
61. Georgia	Accession	8 January 1998
62. Germany	19 January 1989	30 November 1993
63. Ghana	20 December 1988	10 April 1990
64. Greece	23 February 1989	28 January 1992
65. Grenada	Accession	10 December 1990
66. Guatemala	20 December 1988	28 February 1991
67. Guinea	Accession	27 December 1990
68. Guinea-Bissau	Accession	27 October 1995
69. Guyana	Accession	19 March 1993
70. Haiti	Accession	18 September 1995
71. Honduras	20 December 1988	11 December 1991

Country	Date Signed	Date Became a Party
72. Hungary	22 August 1989	15 November 1996
73. Iceland	Accession	2 September 1997
74. India	Accession	27 March 1990
75. Indonesia	27 March 1989	23 February 1999
76. Iran	20 December 1988	7 December 1992
77. Iraq	Accession	22 July 1998
78. Ireland	14 December 1989	3 September 1996
79. Israel	20 December 1988	20 May 2002
80. Italy	20 December 1988	31 December 1990
81. Jamaica	2 October 1989	29 December 1995
82. Japan	19 December 1989	12 June 1992
83. Jordan	20 December 1988	16 April 1990
84. Kazakhstan	Accession	29 April 1997
85. Kenya	Accession	19 October 1992
86. Korea	Accession	28 December 1998
87. Kuwait	2 October 1989	3 November 2000
88. Kyrgyz Republic	Accession	7 October 1994
89. Lao Peoples Democratic Republic	Accession	1 October 2004
90. Latvia	Accession	24 February 1994
91. Lebanon	Accession	11 March 1996
92. Lesotho	Accession	28 March 1995
93. Liberia	Accession	16 September 2005
94. Libyan Arab Jamahiriya	Accession	22 July 1996
95. Lithuania	Accession	8 June 1998
96. Luxembourg	26 September 1989	29 April 1992
97. Macedonia, Former Yugoslav Rep.	Accession	18 October 1993
98. Madagascar	Accession	12 March 1991
99. Malawi	Accession	12 October 1995
100. Malaysia	20 December 1988	11 May 1993
101. Maldives	5 December 1989	7 September 2000
102. Mali	Accession	31 October 1995
103. Malta	Accession	28 February 1996
104. Mauritania	20 December 1988	1 July 1993
105. Mauritius	20 December 1988	6 March 2001
106. Mexico	16 February 1989	11 April 1990

Country	Date Signed	Date Became a Party
107. Micronesia, Federal States of	Accession	6 July 2004
108. Moldova	Accession	15 February 1995
109. Monaco	24 February 1989	23 April 1991
110. Mongolia	Accession	25 June 2003
111. Morocco	28 December 1988	28 October 1992
112. Mozambique	Accession	8 June 1998
113. Myanmar (Burma)	Accession	11 June 1991
114. Nepal	Accession	24 July 1991
115. Netherlands	18 January 1989	8 September 1993
116. New Zealand	18 December 1989	16 December 1998
117. Nicaragua	20 December 1988	4 May 1990
118. Niger	Accession	10 November 1992
119. Nigeria	1 March 1989	1 November 1989
120. Norway	20 December 1988	14 November 1994
121. Oman	Accession	15 March 1991
122. Pakistan	20 December 1988	25 October 1991
123. Panama	20 December 1988	13 January 1994
124. Paraguay	20 December 1988	23 August 1990
125. Peru	20 December 1988	16 January 1992
126. Philippines	20 December 1988	7 June 1996
127. Poland	6 March 1989	26 May 1994
128. Portugal	13 December 1989	3 December 1991
129. Qatar	Accession	4 May 1990
130. Romania	Accession	21 January 1993
131. Russia	19 January 1989	17 December 1990
132. Rwanda	Accession	13 May 2002
133. St. Kitts and Nevis	Accession	19 April 1995
134. St. Lucia	Accession	21 August 1995
135. St. Vincent and the Grenadines	Accession	17 May 1994
136. Samoa	Accession	19 August 2005
137. San Marino	Accession	10 October 2000
138. Sao Tome and Principe	Accession	20 June 1996
139. Saudi Arabia	Accession	9 January 1992
140. Senegal	20 December 1988	27 November 1989
141. Seychelles	Accession	27 February 1992
142. Sierra Leone	9 June 1989	6 June 1994
143. Singapore	Accession	23 October 1997

Country	Date Signed	Date Became a Party
144. Slovakia	Succession	28 May 1993
145. Slovenia	Succession	6 July 1992
146. South Africa	Accession	14 December 1998
147. Spain	20 December 1988	13 August 1990
148. Sri Lanka	Accession	6 June 1991
149. Sudan	30 January 1989	19 November 1993
150. Suriname	20 December 1988	28 October 1992
151. Swaziland	Accession	3 October 95
152. Sweden	20 December 1988	22 July 1991
153. Switzerland	16 November 1989	14 September 2005
154. Syria	Accession	3 September 1991
155. Tajikistan	Accession	6 May 1996
156. Thailand	Accession	3 May 2002
157. Tanzania	20 December 1988	17 April 1996
158. Togo	3 August 1989	1 August 1990
159. Tonga	Accession	29 April 1996
160. Trinidad and Tobago	7 December 1989	17 February 1995
161. Tunisia	19 December 1989	20 September 1990
162. Turkey	20 December 1988	2 April 1996
163. Turkmenistan	Accession	21 February 1996
164. UAE	Accession	12 April 1990
165. Uganda	Accession	20 August 1990
166. Ukraine	16 March 1989	28 August 1991
167. United Kingdom	20 December 1988	28 June 1991
168. United States	20 December 1988	20 February 1990
169. Uruguay	19 December 1989	10 March 1995
170. Uzbekistan	Accession	24 August 1995
171. Venezuela	20 December 1988	16 July 1991
172. Vietnam	Accession	4 November 1997
173. Yemen	20 December 1988	25 March 1996
174. Yugoslavia	20 December 1988	3 January 1991
175. Zambia	9 February 1989	28 May 1993
176. Zimbabwe	Accession	30 July 1993
Signed but Pending Ratification		
1. Gabon	20 December 1989	
2. Holy See	20 December 1988	Not UN member

3. Zaire	20 December 1988	
Other		
1. Anguilla		Not UN member
2. Aruba		Not UN member
3. Bermuda		
4. BVI		Not UN member
5. Congo		
6. Djibouti		
7. DPR Korea		
8. Hong Kong		Not UN member
9. Liechtenstein		
10. Marshall Islands		
11. Namibia		
12. Papua New Guinea		
13. Taiwan		Not UN member
14. Turks & Caicos		Not UN member
15. Vanuatu		

USG ASSISTANCE

Department of State (INL) Budget ($000)

Andean Counterdrug Initiative (ACI)	FY 2005 Actual	FY 2006 Actual	FY 2007 Request
Bolivia Total	90,272	79,200	66,000
Bolivia: Alternative Development/Institution Building	41,664	36,630	31,000
Bolivia: Interdiction	48,608	42,570	35,000
Brazil Total	8,928	5,940	4,000
Colombia Total	462,767	464,781	465,000
Colombia: Alternative Development/Institution Building	124,694	129,920	125,000
Colombia: Interdiction	310,694	307,742	313,850
Colombia: Rule of Law	27,379	27,119	26,150
Ecuador Total	25,792	19,800	17,300
Ecuador: Alternative Development/Institution Building	14,880	11,425	8,400
Ecuador: Interdiction/Eradication	10,912	8,375	8,900
Guatemala Total	992	0	0
Nicaragua Total	992	0	0
Panama Total	5,952	4,455	4,000
Peru Total	115,370	106,920	98,500
Peru: Alternative Development/Institution Building	53,866	48,510	42,500
Peru: Interdiction/Eradication	61,504	58,410	56,000
Venezuela Total	2,976	2,229	1,000
Air Bridge Denial Program	11,111	13,860	0
Critical Flight Safety Program	0	29,970	65,700
Total Andean Counterdrug Initiative	**725,152**	**727,155**	**721,500**

Regional	FY 2005 Actual	FY 2006 Actual	FY 2007 Request
Africa			
Liberia	5,000	990	800
Nigeria	2,232	990	400
South Africa	1,756	594	500
Sudan	0	0	9,800
Africa Regional	1,512	594	500
Women's Justice Empowerment Initiative	1,200	0	9,500
Subtotal Africa	*11,700*	*3,168*	*21,500*

Department of State (INL) Budget
(Continued)
($000)

Regional (Continued)	FY 2005 Actual	FY 2006 Actual	FY 2007 Request
East Asia and the Pacific			
Indonesia	0	4,950	4,700
Laos	1,984	990	900
Philippines	3,968	1,980	1,900
Thailand	1,608	990	900
East Timor	0	1,485	0
East Asia and the Pacific Regional	0	0	0
Subtotal East Asia and the Pacific	*7,560*	*10,395*	*8,400*
Europe			
Malta	2,976	0	0
Subtotal Europe	*2,976*	*0*	*0*
Near East			
Iraq	0	0	254,600
Morocco	2,992	990	1,000
Subtotal Near East	*2,992*	*990*	*255,600*
South Asia			
Afghanistan	89,280	232,650	297,390
Afghanistan Supplemental	620,000	0	
Pakistan	32,150	37,620	25,500
Subtotal South Asia	***741,430***	***270,270***	***322,890***
Western Hemisphere			
Bahamas	992	495	500
Guatemala	2,820	2,475	2,200
Haiti	0	14,850	10,000
Jamaica	1,488	990	900
Mexico	39,680	39,600	39,000
Latin America Regional	3,224	2,475	0
Southern Cone	0	0	500
Caribbean and Central America (Transit Zone)	0	0	1,700
Subtotal Western Hemisphere	***48,204***	***60,885***	***54,800***

Department of State (INL) Budget
(Continued)
($000)

Global	FY 2005 Actual	FY 2006 Actual	FY 2007 Requested
Asia Regional	496	0	0
Interregional Aviation Support	66,620	62,865	65,500
Systems Support and Upgrades	694	0	0
International Organizations	5,000	3,960	5,400
United Nations Crime Center	496	0	0
Demand Reduction/Drug Awareness	9,920	9,900	1,900
Trafficking in Persons	4,960	4,950	7,000
INL Anticrime Programs	15,079	10,395	14,500
Civilian Police Program	2,678	1,980	2,000
ILEA Operations	12,734	15,840	17,000
PD&S	13,850	16,830	19,000
Subtotal Global	***132,527***	***126,720***	***132,300***
INCLE Total	**947,389**	**472,428**	**795,490**
Total INL Programs	***1,671,341***	***1,199,583***	***1,516,990***

International Training

International counternarcotics training is managed/funded by INL and carried out by the DEA, U.S. Customs and Border Service, and U.S. Coast Guard. Major objectives are:

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

INL training continues to focus on encouraging foreign law enforcement agency self-sufficiency through infrastructure development. The effectiveness of our counternarcotics efforts overseas should be viewed in terms of what has been done to bring about the establishment of effective host country enforcement institutions, thereby taking drugs out of circulation before they begin their journey toward the United States. U.S. law enforcement personnel stationed overseas are increasingly coming to see their prime responsibility as promoting the creation of host government systems that are compatible with and serve the same broad goals as ours.

The regional training provided at the ILEAs consists of both general law enforcement training as well as specialized training for mid-level managers in police and other law enforcement agencies.

INL-funded training will continue to support the major U.S. and international strategies for combating narcotics trafficking worldwide. Emphasis will be placed on contributing to the activities of international organizations, such as the UNODC and the OAS. Through the meetings of major donors, the Dublin Group, UNODC and other international fora, we will coordinate with other providers of training, and urge them to shoulder greater responsibility in providing training, which serves their particular strategic interests.

INL will maintain its role of coordinating the activities of U.S. law enforcement agencies in response to requests for assistance from U.S. Embassies. This will avoid duplication of effort and ensure that presentations represent the full range of USG policies and procedures.

International Law Enforcement Academies (ILEAs)

The mission of the regional ILEAs has been to support emerging democracies, help protect U.S. interests through international cooperation, and promote social, political and economic stability by combating crime. To achieve these goals, the ILEA program has provided high-quality training and technical assistance, supported institution building and enforcement capability, and fostered relationships of American law enforcement agencies with their counterparts in each region. ILEAs have also encouraged strong partnerships among regional countries, to address common problems associated with criminal activity.

The ILEA concept and philosophy is a united effort by all the participants-government agencies and ministries, trainers, managers, and students alike-to achieve the common foreign policy goal of international law enforcement. The goal is to train professionals that will craft the future for the rule of law, human dignity, personal safety and global security.

The ILEAs are a progressive concept in the area of international assistance programs. The regional ILEAs offer three different types of programs. The Core program, a series of specialized training courses and regional seminars tailored to region-specific needs and emerging global threats, typically includes 50 participants, normally from three or more countries. The Specialized courses, comprised of about 30 participants, are normally one or two weeks long and often run simultaneously with the Core program. Lastly, topics of the Regional Seminars include transnational crimes, financial crimes, and counterterrorism.

The ILEAs help develop an extensive network of alumni that exchange information with their U.S. counterparts and assist in transnational investigations. These graduates are also expected to become the leaders and decision-makers in their respective societies. The Department of State works with the Departments of Justice (DOJ), Homeland Security (DHS) and Treasury, and with foreign governments to implement the ILEA programs. To date, the combined ILEAs have trained over 17,000 officials from over 70 countries in Africa, Asia, Europe and Latin America. The ILEA budget averages approximately $16-18 million annually.

Africa. ILEA Gaborone (Botswana) opened in 2001. The main feature of the ILEA is a six-week intensive personal and professional development program, called the Law Enforcement Executive Development Program (LEEDP), for law enforcement mid-level managers. The LEEDP brings together approximately 45 participants from several nations for training on topics such as combating transnational criminal activity, supporting democracy by stressing the rule of law in international and domestic police operations, and by raising the professionalism of officers involved in the fight against crime. ILEA Gaborone also offers specialized courses for police and other criminal justice officials to enhance their capacity to work with U.S. and regional officials to combat international criminal activities. These courses concentrate on specific methods and techniques in a variety of subjects, such as counterterrorism, anticorruption, financial crimes, border security, drug enforcement, firearms and many others.

Instruction is provided to participants from Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Djibouti, Ethiopia, Kenya, Uganda in East Africa and Nigeria in West Africa. Planned country program expansion into sub-Saharan Africa was facilitated through a Training Needs Assessment/Program Expansion conference held in September 2005. As a result of this conference the sphere of influence for ILEA Gaborone was expanded to include the expansion countries Cameroon, Comoros, Congo, the Democratic Republic of Congo, Gabon and Madagascar.

United States and Botswana trainers provide instruction. ILEA Gaborone has offered specialized courses on money laundering/terrorist financing-related topics such as Criminal Investigation (presented by FBI) and International Banking & Money Laundering Program (presented by DHS/FLETC Federal Law Enforcement Training Center). ILEA Gaborone trains approximately 500 students annually.

Asia. ILEA Bangkok (Thailand) opened in March 1999. The ILEA focuses on enhancing the effectiveness of regional cooperation against the principal transnational crime threats in Southeast Asia-illicit drug-trafficking, financial crimes, and alien smuggling. The ILEA provides a Core course (the Supervisory Criminal Investigator Course or SCIC) of management and technical instruction for supervisory criminal investigators and other criminal justice managers. In addition, this ILEA presents one Senior Executive program and about 18 specialized courses-lasting one to two weeks-in a variety of criminal justice topics. The principal objectives of the ILEA are the development of effective law enforcement cooperation within the member countries of the Association of Southeast Asian Nations (ASEAN), plus China, and the strengthening of each country's criminal justice institutions to increase their abilities to cooperate in the suppression of transnational crime.

Instruction is provided to participants from Brunei, Cambodia, China, Hong Kong, Indonesia, Laos, Macau, Malaysia, Philippines, Singapore, Thailand and Vietnam. Subject matter experts from the United States, Thailand, Japan, Netherlands, Philippines and Hong Kong provide instruction. ILEA Bangkok has offered specialized courses on money laundering/terrorist financing-related topics such as Computer Crime Investigations (presented by FBI and DHS/Bureau of Customs and Border Protection (BCBP)) and Complex Financial Investigations (presented by IRS, DHS/BCBP, FBI and DEA). Total annual student participation is approximately 600.

Europe. ILEA Budapest (Hungary) opened in 1995. Its mission has been to support the region's emerging democracies by combating an increase in criminal activity that emerged against the backdrop of economic and political restructuring following the collapse of the Soviet Union. ILEA Budapest offers three different types of programs: an eight-week Core course, Regional Seminars and Specialized courses in a variety of criminal justice topics. Instruction is provided to participants from Albania, Armenia, Azerbaijan, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

Trainers from 17 federal agencies and local jurisdictions from the United States and also from Hungary, Canada, Germany, United Kingdom, Netherlands, Ireland, Italy, Russia, Interpol and the Council of Europe provide instruction. ILEA Budapest has offered specialized courses on money laundering/terrorist financing-related topics such as Investigating/Prosecuting Organized Crime and Transnational Money Laundering (both presented by DOJ/OPDAT). ILEA Budapest trains approximately 950 students annually.

Global. ILEA Roswell (New Mexico) opened in September 2001. This ILEA offers a curriculum comprised of courses similar to those provided at a typical Criminal Justice university/college. These three-week courses have been designed and are taught by academicians for foreign law enforcement officials. This Academy is unique in its format and composition with a strictly academic focus and a worldwide student body. The participants are mid-to-senior level law enforcement and criminal justice officials from Eastern Europe; Russia; the Newly Independent States (NIS); Association of Southeast Asian Nations (ASEAN) member countries; and the People's Republic of China (including the Special Autonomous Regions of Hong Kong and Macau); and member countries of the Southern African Development Community (SADC) plus other East and West African countries; the Caribbean, Central and South American countries. The students are drawn from pools of ILEA graduates from the Academies in Bangkok, Budapest, Gaborone and San Salvador. ILEA Roswell trains approximately 450 students annually.

Latin America. At the Organization of American States (OAS) General Assembly meeting in June 2005, Secretary Rice announced that the new ILEA for Latin America would be located in El Salvador. A Bilateral Agreement between El Salvador and the USG establishing the new ILEA was signed in September 2005 and was officially ratified by the Salvadoran National Assembly in November, 2005. The training program for the new ILEA in San Salvador will be similar to the ILEAs in Bangkok, Budapest and Gaborone and will offer a six-week Law Enforcement Management Development Program (LEMDP) for law enforcement and criminal justice officials as well as specialized courses for police, prosecutors, and judicial officials. In 2006, ILEA San Salvador will deliver one LEMDP session and about 10 Specialized courses that will concentrate on attacking international terrorism, illegal trafficking in drugs, alien smuggling, terrorist financing, financial crimes, culture of lawfulness and accountability in government. Components of the six-week LEMDP training session will focus on terrorist financing (presented by the FBI), international money laundering (presented by DHS/ICE/Immigration and Customs Enforcement) and financial evidence/money laundering application (presented by DHS/FLETC and IRS). The Specialized course schedule will include courses on financial crimes investigations (presented by DHS/ICE) and money laundering training (presented by IRS). During the initial phase of operation, participants from the

following countries are expected to attend: Argentina, Bahamas, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

Drug Enforcement Administration

The primary responsibility of the Drug Enforcement Administration (DEA) is to reduce the threat posed to our nation by illicit narcotics. The majority of illegal drugs impacting American society are produced outside of the United States and smuggled into our country. These illegal drugs are smuggled from their country of origin and often transit other nations before arriving in the United States. Thus, a strong international commitment to counternarcotics law enforcement is required to effectively blunt this menace. In cooperation with other U.S. agencies and foreign law enforcement counterparts, DEA strives to disrupt the illicit narcotics distribution chain, arrest and prosecute those involved in all aspects of the illegal drug trade, and seize their profits and assets.

DEA's contribution to our nation's international counternarcotics strategy is accomplished through the 80 offices located in 58 nations that DEA maintains worldwide. The DEA overseas missions:

- Conduct bilateral investigative activities;
- Coordinate intelligence gathering;
- Coordinate training programs for host country police agencies;
- Assist in the development of host country drug law enforcement institutions and engage in foreign liaison discussions with host country law enforcement.

The emphasis placed on each component is determined by conditions and circumstances within the host nation. In nations where the law enforcement infrastructure is advanced and well developed, the DEA office may tailor its activities to specific areas that best support host nation efforts. In countries lacking a robust law enforcement capability, DEA personnel may provide assistance in all four of the mission areas annotated above. The following sections highlight the assistance that DEA provided during 2005 to host nation counterparts in support of the four established mission components.

Bilateral Investigations

Historical Operations

Operation All Inclusive I-2005. Operation All Inclusive I-2005 targeted the Eastern Pacific and Western Caribbean transit zones of Central America and the Mexico and Central America land mass. DEA and the interagency community identified this transit zone due to the large volume of cocaine and suspect money moving within the region. By concentrating law enforcement efforts in the Central American corridor, bulk cocaine shipments, typically multi-ton in quantity, would be interdicted before they reached Mexico where the drugs are normally broken down into smaller quantities for transshipment north. From August 5 through October 8, 2005, Operation All Inclusive I-2005 attacked the drug trade's main arteries and support infrastructure in Central America with innovative, multi-faceted, and intelligence-driven operations. The Department of Defense, other U.S. government agencies, and host nation law enforcement and military supported both operational and intelligence aspects of the operation. Operational highlights include:

- Largest cocaine seizure in Belize – 2,376 kilograms;
- Largest currency seizure in Nicaragua – $1.2 million;
- First judicially authorized wire intercept in Honduras that also provided intelligence on trafficker reactions and adaptations;

- First successful suspect aircraft interdiction in Guatemala since September 2003 which resulted in a cocaine seizure of 430 kilograms and the arrests of the Guatemalan pilot and three Mexican ground crew members;
- Significant currency and cocaine seizure in Panama – 3.9 metric tons and over $5.7 million;
- Significant marijuana seizure in a Mexico road interdiction operation – 21 metric tons;
- Largest currency seizure in Mexico City – $7.8 million;
- 46.55 metric tons of cocaine seized in this operation.

Operation Bahamas and Turks and Caicos (OPBAT). The Bahamas participates actively as a partner in "Operation Bahamas and Turks and Caicos" (OPBAT), a multi-agency international drug interdiction cooperative effort established in 1982. OPBAT is the largest and oldest cooperative effort overseas by any government involved in drug enforcement. OPBAT brings together on the U.S. side: the DEA, the U.S. Army, U.S. Coast Guard, the Department of Homeland Security, and the Department of State and, on the Bahamian and Turks and Caicos side: counterparts from the Royal Bahamas and Turks and Caicos Police Forces. During 2005 (up to November), OPBAT seized 840 kilograms of cocaine and 9.033 metric tons of marijuana. The Drug Enforcement Unit (DEU) of the Royal Bahamas Police Force (RBPF) cooperated closely with the U.S. and foreign law enforcement agencies on drug investigations in 2005. During 2005, the DEU seized 1.01 metric tons of cocaine and 13 metric tons of marijuana. (Note: OPBAT seizures are included in DEU's total).

Operation Cali Exchange. Operation Cali Exchange targeted a drug distribution and money laundering organization that operated networks in the United States, Colombia, Brazil, the Dominican Republic, Panama, and the Bahamas. This organization utilized various methods such as bulk cash deliveries, wire transfers, and the Colombian Black Market Peso Exchange (BMPE) to launder drug proceeds in Miami, New York, and Chicago and return drug profits to the drug suppliers based in Colombia. The investigation has revealed that 28 different bank accounts in the United States and abroad were utilized to launder drug proceeds and that over $10.2 million was laundered through the U.S. banking system. Operation Cali Exchange resulted in 24 indictments, 18 arrests, the seizure of over $7 million, 2,107 kilograms of cocaine, and 518 pounds of marijuana. Operation Cali Exchange marks the third round of success in DEA's "Money Trail Initiative," an innovative financial crime strategy that attacks the financing of the illegal drug trade in order to dismantle major drug trafficking organizations. To date, DEA's "Money Trail Initiative" has resulted in the seizure of $43.6 million.

Operation Cohesion (formerly Operation Purple and Operation Topaz). On October 3 through October 5, 2005, the International Narcotics Control Board (INCB) held a meeting to discuss both Operation Purple and Operation Topaz, to determine their future direction. The combined steering committee determined that Operations Purple and Topaz had been effective in their time, but that these successes had diminished to the point where changes must be made in order to reinvigorate them. For example, there were no seizure statistics for either operation in FY 2005. In summary, the attendees agreed to make the following changes:

- Combine both operations into a single project named Project Cohesion.
- Maintain the system of running the project with the Central National Authorities (CNAs), the combined steering committee currently running Projects Purple and Topaz. It was agreed that the committee would continue to govern Project Cohesion.
- Continue the use of the Pre-Export Notification (PEN) system.

- The new INCB online system, for the electronic exchange of PENs, should be put into use as soon as possible to ensure that export notification is timely. Adopt a regional approach utilizing "time limited" operations to increase arrests and chemical seizures.
- Increase the efficiency of sharing intelligence and enforcement activities so that real time exchange of information could be obtained.
- Conduct chemical backtracking investigations into seizures and stopped shipments and investigate each case to the highest level.
- Regularly evaluate operational activities to target the best areas to maximize chemical seizures, while ensuring that the Cohesion Task Force remains flexible with periodic rotation of the regional operation coordinators.
- Include new task force members in accordance with identified trends and based on participating country commitment and capacity.
- Closely coordinate with the Project Prism task force and their operational activities.

The European Commission, Interpol, and the World Customs Organization (WCO) agreed to support this project and meet with the Task Force as appropriate. The United States, Colombia and Mexico agreed to begin a regional project to focus on chemical diversion interdiction. Operation Seis Fronteras will provide a current focus for these activities initially. In addition, it will be necessary for the DEA to meet with Mexican and Colombian officials in order to identify suspect exports of acetic anhydride (AA) and potassium permanganate (PP) to South America. Many of these exports transit Mexico.

Prior to this meeting, DEA Office of Dangerous Drugs and Chemicals reviewed U.S. exports of AA and PP and determined that they have increased dramatically in the past two years. It is imperative that DEA begin to review with U.S. companies their exports to Central and South America in an effort to remind them that they must "know their customer." If necessary, they should also know to whom their customers are shipping in order to prevent downstream diversion of these chemicals. The United States, China, Mexico, Colombia, Germany, and Turkey agreed to serve on the Task Force overseeing this project and to act as regional focal points for operations in their respective parts of the world. In addition, the INCB will serve as the international focal point for receiving and disseminating information.

Operation Cold Remedy/Aztec Flu, Seizure of 11.5 Million Pseudoephedrine Tablets in Mexico. On July 31, 2004, based on information provided by the DEA Guadalajara Resident Office, the Agencia Federal de Investigaciones (Mexican Federal Police) seized 11.5 million tablets of pseudoephedrine at the port of Manzanillo. The tablets were sent by a Hong Kong pharmaceutical manufacturer for delivery to a fictitious company in Mexico. If converted, the pseudoephedrine would have yielded approximately 1,000 pounds of methamphetamine or 96 million dosage units. On July 8, the Agencia Federal de Investigaciones seized another four million tablets of pseudoephedrine in Mexico City. These tablets were also sent by a Hong Kong pharmaceutical manufacturer for delivery to a fictitious company in Mexico. If converted, the pseudoephedrine would have yielded approximately 33.6 million dosage units of methamphetamine. The investigations were conducted in coordination with the Subprocuraduria de Investigaciones Especializada en Delincuencia Organizada (Mexican Prosecutor's Office). As of December 31, 2004, Operation Aztec Flu/Operation Cold Remedy has resulted in the seizure of more than 67 million pseudoephedrine tablets.

Operation Containment. Operation Containment is an intensive, multinational, law enforcement initiative that was congressionally mandated in 2002 and is led by DEA. It involves countries in

Central Asia, the Caucuses, the Middle East, Europe, and Russia. The following 19 countries are participating in Op Containment:

Afghanistan, Armenia, Azerbaijan, Bulgaria, Germany, Greece, India, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkey, Turkmenistan, Romania, Russia, Ukraine, Uzbekistan, United States, and the United Kingdom.

The following are the goals of Operation Containment.

- Implement a coordinated post-Taliban heroin counternarcotics strategy to reduce the production of opium through the prevention of poppy cultivation and destruction of known opium stockpiles and heroin laboratories.
- Diminish the availability of heroin and morphine base in countries surrounding Afghanistan and along the Balkan and Silk Road trafficking routes.
- Deny safe havens to criminal organizations involved in drug trafficking, drug related terrorist activities, and money laundering. To deprive these organizations of their financial basis for their activities.
- Engage in proactive enforcement and intelligence gathering operations utilizing a regional organizational attack strategy that targets the highest level heroin Drug Trafficking Organizations (DTOs) and their command and control structures operating in Afghanistan and the greater Southwest and Central Asian region.
- Continue implementing administrative, diplomatic, and investigative measures needed to reduce the flow of Afghan heroin into world markets and prevent Afghanistan from becoming a major heroin supplier to the United States.
- In order to accomplish these goals DEA has enhanced the staffing levels of the Kabul Country Office and works closely with various Afghan and USG agencies in a coordinated approach to enforcement efforts against the highest level DTOs.
- Further DEA office enhancements have already taken place with increased special agent positions at the Ankara, Turkey Country Office; Istanbul, Turkey Resident Office; London, England Country Office; and Moscow, Russia Country Office.
- In a response to a request by the Administration and the U.S. Ambassador to Afghanistan, DEA detailed its Assistant Administrator for Intelligence to serve as the Counter Narcotics Coordinator (CNC) in Afghanistan. The CNC has been in Kabul since mid-August 2004, and is responsible for overseeing all U.S. Government counternarcotics programs in Afghanistan.
- The Kabul Country Office's primary counterpart in Afghanistan is the Counter Narcotics Police-Afghanistan (CNP-A). DEA has assisted the Afghan Government in establishing the National Interdiction Unit (NIU), which are composed of CNP-A officers who have been selected to work narcotic enforcement operations with the Kabul Country Offuce and DEA's Foreign-deployed Advisory and Support Teams (FAST). DEA continues to advise, train, and mentor these NIU officers. To date, DEA has trained over 100 NIU officers and who are already operationally deployed and working with their DEA counterparts throughout Afghanistan.

On September 28 and 29, 2004, the DEA Ankara, Turkey Country Office and the Turkish National Police co-hosted delegates from the above 19 partner countries. This action oriented conference resulted in proactive initiatives designed to counter the threat from Afghanistan opiates within the region. Four initiatives were developed in order to accomplish the above-mentioned goals.

- Collective identification and targeting of the major DTOs.
- Promotion of international money laundering investigations against regional DTOs.
- Participants agreed to identify DTOs actively involved in the illicit distribution of acetic anhydride (AA) and other precursor chemicals.
- All participants agreed on increased sharing of investigative leads and intelligence since DTOs operate across national boundaries. Participants want to deny DTOs with safe havens of operation.

In FY 2004, Operation Containment resulted in the seizures of 14.9 metric tons of heroin, 7.7 metric tons of morphine base, 5.9 metric tons of opium gum, 77 metric tons of cannabis, approximately 3.6 tons of chemicals, 498 arrests, the seizure and destruction of 11 clandestine heroin labs, and led to the dismantlement or disruption of major distribution and transportation organizations involved in the Southwest Asian heroin drug trade.

In FY 2005, Operation Containment resulted in the seizure of 11.5 metric tons of heroin, 1.3 metric tons of morphine base, 43.9 metric tons of opium gum, 168.8 metric tons of cannabis, approximately 14.2 metric tons of chemicals, 577 arrests, the seizure and destruction of 248 clandestine heroin labs, and led to the dismantlement or disruption of major distribution and transportation organizations involved in the Southwest Asian heroin drug trade.

Some of the noteworthy seizures are listed below:

- In November and December 2004, the Kabul Country Office and CNP-A arrested three Afghan National drug traffickers in Kabul, Afghanistan. All three defendants were part of a Kabul Country Office initiated undercover operation, which resulted in the seizure of four kilograms of heroin. The defendants were indicted within the Southern District of New York for conspiracy to import 200 kilograms of heroin into the United States. All three traffickers are in Afghan custody undergoing trial in the newly established Central Narcotics Tribunal.
- On December 4, 2004, the Istanbul, Turkey Resident Office and the Turkish National Police (TNP) seized 566 kilograms of heroin concealed inside hollow pieces of marble in Mersin, Turkey. Four Turkish Nationals were arrested and approximately 100,000 Euro ($133,263 USD) was seized. The heroin originated in Afghanistan and was destined for markets in the Netherlands.
- On November 28, 2004, the Kabul Country Office and the NIU raided two mountainous compounds in Lowgar Province, Afghanistan and seized approximately 140 metric tons of marijuana. The marijuana was in the process of being converted into hashish.
- On November 9, 2004, the Istanbul Resident Office and TNP seized 110 kilograms of heroin in a stash location in Istanbul, Turkey. A total of eight Turkish Nationals and two foreign nationals were arrested. The heroin originated in Afghanistan and was destined for markets in Western Europe.
- On October 20, 2004, the Istanbul Resident Office and TNP seized 60 kilograms of heroin from a vehicle in Istanbul, Turkey. Five Turkish Nationals were arrested. The heroin originated in Afghanistan and was destined for markets in the Netherlands.
- On October 19, 2004, the Istanbul Resident Office and TNP seized 82 kilograms of heroin from the trunk of a vehicle in Istanbul, Turkey. Twelve Turkish Nationals

were arrested and nine illegal firearms seized. The heroin originated in Afghanistan and was destined for markets in Western Europe.

Operation High Step. Operation High Step is a Special Operations Division (SOD)-supported, multi-national, multi-jurisdictional, multi-agency investigation targeting the Carlos Alberto Bejarano-Ospina/Gonzalo Salazar-Oliveros DTO. Also known as Operation Isla de Sur by the Bogotá Country Office, which is coordinating this investigation with DEA New York, DEA JFK Airport Group, New York Strike Force, DEA New York Task Force, DEA Houston, DEA Chicago, DEA Miami, DEA Orlando, DEA Tampa, and the Colombian National Police (CNP) Direccion Antinarcotics Control Precursores Quimicas (ANTIN). In November 2005, police and federal agents arrested 78 people and seized hundreds of pounds of heroin in near-simultaneous raids across Colombia and the United States. The ring brought heroin from labs in Colombia to Boston, New York, Chicago and Orlando. Seventeen people were arrested in Massachusetts, where the ring was selling heroin in Everett and Lynn, authorities said. Nineteen people were arrested in Colombia, including the alleged leaders of the drug ring Alberto Bejarano-Ospina and Gonzalo Salazar-Oliveros. They have been charged with distribution of and conspiracy to distribute heroin and are now subject to extradition to the United States. During the year-long investigation, authorities also seized $1.4 million in cash and 20 weapons. To date, enforcement efforts during Operation High Step have resulted in 88 arrests and seizures totaling 86 kilograms of heroin, 45 kilograms of cocaine, and $1.5 million in U.S. currency. The success of this wire intercept investigation exemplifies the cooperation between law enforcement entities throughout the U.S. and the Government of Colombia.

Operation Mallorca. A 27-month, multi-jurisdictional Organized Crime Drug Enforcement Task Force (OCDETF) money laundering operation that targeted the alleged money laundering activities of four Colombia-based money brokers who funneled drug proceeds through the Colombian BMPE. The BMPE is a system where drug traffickers sell drug proceeds in U.S. dollars to brokers for pesos. Brokers then sell the drug proceeds to Colombian importers who purchase goods in the U.S. and elsewhere. By purchasing the U.S. dollars on the BMPE and not through Colombia's regulated exchange system, the importers avoid Colombian taxes and tariffs, gaining significant profit and a competitive advantage over those who import legally. Targets in the investigation were arrested in Barranquilla, Colombia, Puerto Rico, New York, Miami, and California.

To date, there are 13 Colombian drug traffickers in custody and indictments were returned in the Southern District of New York against four businesses. The investigation has documented 68 separate transfers of drug money totaling over $12 million in San Juan, Puerto Rico, New York, and Miami. Monies were laundered through approximately 300 wire transfers to 200 bank accounts, involving 170 separate account holders in 16 U.S. cities and 13 foreign countries. In addition, investigative efforts revealed 13 different trafficking groups in Colombia. Operation Mallorca resulted in the arrests of 36 individuals in two countries and the seizure of $7.2 million, as well as 947 kilograms of cocaine, 7 kilograms of heroin, and 21,650 pounds of marijuana.

Operation Mapale. From November 21 through December 5, 2005, DEA's Bogotá Country Office, the Colombian National Police, and the Colombian military executed Operation Mapale II, targeting laboratories controlled by the Autodefensas Unitidas de Colombia (AUC), the Fuerzas Amadas Revolucionarias de Colombia (FARC), and the North Valley Cartel in southwest Colombia. Results included the seizure of 800 kilograms of cocaine HCl, 70 kilograms of cocaine base, 13 kilograms of heroin, 9,560 gallons of liquid precursor chemicals, 1,540 kilograms of precursor chemicals, $40,454 in U.S. currency, the destruction of 22 cocaine laboratories and 103 hectares of coca plants, and 10 arrests. Combined results of Operation Mapale I and Operation Mapale II included the seizure of 1,297 kilograms of cocaine HCl, 12,941 kilograms of cocaine base, 13 kilograms of heroin, 54,629 gallons of liquid precursor chemicals, 38,002 kilograms of solid precursor chemicals, $55,839 in U.S. currency, the destruction of 81 cocaine laboratories, 103 hectares of coca plants, and 16 arrests.

Operation Marble Palace I. *Consolidated Priority Organization Target* (CPOT) Haji Bashir Noorzai Arrested. In April of 2005, Afghan Heroin Warlord Haji Bashir Noorzai was arrested by DEA in New York City, New York for distributing hundreds of kilograms of heroin from the time period of 1990 to 2004 from Afghanistan and Pakistan to the United States. Noorzai had previously been designated by President Bush as a Drug Kingpin pursuant to the Foreign Narcotics Kingpin Designation Act. Noorzai is known by DEA to have been to the largest heroin trafficker in Southwest Asia. In addition, there is a $50 million forfeiture allegation in the Southern District of New York federal indictment. Noorzai is pending trial in New York.

Operation Marble Palace II. In January of 2005, DEA Kabul Country Office agents and our Afghan NIU counterparts arrested Afghan Heroin Drug Kingpin Haji Baz Mohammad in Kandahar, Afghanistan. President Bush had previously designated Haji Baz Mohammad as a Drug Kingpin pursuant the Foreign Narcotics Kingpin Designation Act. Mohammad was indicted in the Southern District of New York for distributing hundreds of kilograms of heroin from the time period 1990 to 2005 from Afghanistan and Pakistan to the United States. In October of 2005 Mohammad was extradited from Afghanistan to the United States. This represented the first Afghan drug trafficker to be extradited from Afghanistan to the United States to face narcotics charges. Numerous co-defendants of Mohammad who were part of Mohammad's New York based cell have been prosecuted and sentenced to federal prison. In addition, there is a $25 million forfeiture allegation in the Southern District of New York federal indictment. Mohammad is pending trial in New York.

Operation Mountain Mist. A SOD-supported multi-jurisdictional, multi-national OCDETF investigation targeting the communications of AUC paramilitary leaders, CPOT Hernan Giraldo-Serna, Rodrigo Tovar-Pupo, and their supporting lieutenants who are among the most feared and dangerous criminals in Colombia. Their groups, which have been designated as Terrorist Organizations by the Department of State, utilize violent means to maintain total control and to protect their significant sources and supplies of cocaine. Cumulative operational results through September 30, 2005, include 92 arrests and the seizure of 20 cocaine HCL labs, 19,339 kilograms of cocaine, 28,999 gallons of precursor chemicals, 4,000 pounds of marijuana, and $2,730,583 in U.S. currency.

Operation Panama Express. Operation Panama Express is a joint operation designed to disrupt and dismantle major maritime drug smuggling organizations operating from the Pacific and Caribbean coasts of Colombia. The operation is conducted by DEA and several other federal, state, and local law enforcement authorities, including the Federal Bureau of Investigation, Immigration and Customs Enforcement, and the Joint Interagency Task Force (JIATF). Since the February 2000 implementation of Operation Panama Express, 356 metric tons of cocaine have been seized, 109,164 kilograms of cocaine has been scuttled, and 1,107 individuals have been arrested.

Operation United Eagles. In August 2003, the Mexico City Country Office initiated Operation United Eagles, a fugitive apprehension effort targeting CPOTs operating or living in Mexico. A fugitive apprehension team was created and currently consists of 50 members of the Mexican Agencia Federal de Investigaciones (AFI), who were trained by DEA, the U.S. Marshals, and the FBI. Initially, Operation United Eagles focused on locating and apprehending key leaders of the Arrellano Felix Organization (AFO). As of July 15, 2005, Operation United Eagles has resulted in the arrest of 19 members of the AFO, including 5 "Tier I" members: Efran Perez, Jorge Aureliano Felix, Gilberto Higuera Guerrero, Giberto Camacho Valle, and Marco Antonio Simental Garcia. Additionally, as of September 30, 2005, the fugitive apprehension team was instrumental in the arrests of two Tier 1 associates of CPOT Oscar Arriola, five Tier 1 and Tier 2 associates of CPOT Joaquin "Chapo" Guzman, and two Tier 2 associates of CPOT Vicente Carrillo-Fuentes.

Operation Uprising. Operation Uprising is a SOD-supported, multi-jurisdictional, multi-national investigation targeting members of the FARC including CPOTs Jorge Briceño Suarez (a.k.a. Mono Jojoy), Jose Benito Cabrera Cuevas (a.k.a. Fabian Ramirez), and Tomas Molina Caracas (a.k.a. Negro

Acacio), and the independent drug trafficking organizations supplied by the FARC. The success of Operation Uprising has been the result of the joint efforts of the Bogotá, Panama, Brasilia, Caracas, Asuncion, Curacao, The Hague Country Offices, Sao Paulo Resident Office, Foreign Operations Group of the Caribbean Division operating in Suriname, and the BCG. As of December 31, 2005, Operation Uprising has resulted in 100 arrests and the seizure of approximately 9,834.5 kilograms of cocaine, and 547.5 kilograms of cocaine base.

Operation Windjammer. On May 19, 2005, based on information provided by the Cartagena Resident Office, the Kingston Country Office initiated a Title III Priority Target Investigation focusing on Gareth Lewis, a multi-ton Jamaica based cocaine distributor. Through a myriad of technical investigative resources, the Kingston Country Office, in conjunction with the Cartagena Resident Office, Panama Country Office, and SOD determined that Lewis distributed multi-ton quantities of cocaine to the U.S. and Europe via Panama and Mexico. On December 9, 2005, it was determined that evidence supporting the indictment of Gareth Lewis, his father Jeffrey Lewis, and other co-conspirators could be sought based on Judicial wire intercepts collected by both the Kingston Country Office and Cartagena Resident Office. On January 3, 2006, a two-count indictment was rendered by the U.S. District Court for the District of Columbia alleging that Gareth Lewis, Jeffrey Lewis, and five co-conspirators were in violation of Title 21, United States Code, Sections 863 and 959, conspiring to transport cocaine into the U.S. In support of the Caribbean Division's Operation Tradewinds Initiative, Operation Windjammer, the Kingston Country Office-sponsored Judicial Wire Intercept Program played a significant role in obtaining vital evidence that was utilized to implicate the Lewis' and members of their drug trafficking organization. Moreover, the indictment rendered was the first indictment secured as a result of the successful utilization of the Kingston Country Office's Title III Initiative. As evidenced by this indictment, Operation Windjammer was tailored to assist DEA via host nation counterparts in pursuing priority target and/or significant narcotics traffickers impacting the United States via Jamaica. Windjammer intercepts from this investigation, coupled with seizures in Colombia in excess of 1,400 kilograms of cocaine, attest to the value of this judicial wire intercept program.

Project Prism. This project, which began in June 2002, is an initiative sponsored by the INCB under the United Nations. The initiative is aimed at assisting governments in developing countries and implementing operating procedures to more effectively control and monitor the trade in Amphetamine Type Stimulants (ATS) precursors, which are used mainly in the production of methamphetamine and ecstasy, in order to prevent their diversion. A task force oversees the initiation of individual operations and ensures the sharing of information, intelligence, and resulting findings. Two working groups were formed: one targeting chemicals and the other group targeting materials and equipment used in illicit ATS production as well as the use of the Internet in preventing diversion of these chemicals.

As a member of the project, DEA has highlighted the problem of diversion of pharmaceutical preparations, which is fueling the clandestine production of methamphetamine in the Western Hemisphere. Canada and Mexico are very supportive of U.S. concerns over diverted pharmaceutical preparations. The countries that do not view these preparations as a problem are those countries that follow the literal reading of the 1988 United Nations Convention, which exempts pharmaceutical preparations (pseudoephedrine cold tablets) from control, or those countries that domestically control these preparations to a much greater extent than the United States and therefore are not seeing their diversion. Because of Project Prism, DEA in coordination with Hong Kong, has identified at least 67 million tablets of pharmaceutical preparations that were diverted to Mexico to fictitious companies.

1st Quarter FY2005 (October 1, 2004-December 31, 2004)

Arrest of Financial CPOT Gabriel Puerta-Parra in Colombia. On October 8, 2004, the DEA Bogotá County Office reported the arrest of Financial CPOT Gabriel Puerta-Parra by the Colombian

National Police Sensitive Investigative Unit in La Vega, Colombia. Puerta-Parra, a former attorney for the Departamento Administrativo de Seguridad, the Colombian equivalent to the FBI, was indicted in the U.S District Courts for the District of Columbia and the Southern District of Florida and charged with violation of the Racketeer Influenced and Corrupt Organization Act, conspiracy, cocaine trafficking, and money laundering. According to intelligence information, Puerta-Parra was a key counselor and advisor to the North Valley Cartel since the 1980s and an attorney for former Medellín Cartel leader Pablo Escobar. Puerta-Parra utilized a large range of legitimate businesses including investment and real estate companies, agricultural enterprises, and currency exchanges to launder drug proceeds through the U.S., Mexico, Colombia, Ecuador, and Vanuatu. Extradition of Puerta-Parra to the U.S. is pending.

Arrest of AUC Lieutenant Alvaro Padilla-Redondo. On October 16, 2004, AUC Lieutenant Alvaro Padilla-Redondo was arrested in Colombia by the Colombian National Police Antinarcotics Unit, as part of a four-year multi-jurisdictional investigation known as Operation Mountain Mist. This operation was conducted by the DEA Cartagena Resident Office, the DEA Miami and New York Divisions, and the DEA Las Vegas District Office. In June 2004, Padilla-Redondo, a member of the CPOT Hernan Giraldo-Serna drug trafficking organization, was indicted for conspiracy to import cocaine into the United States in the U.S. District Court for the District of Columbia. According to intelligence information, Padilla-Redondo was responsible for the security of maritime cocaine loading operations on the North coast area of Colombia. Extradition of Padilla-Redondo to the U.S. is pending.

Seizure of More Than 180 Pounds of Heroin and Arrest of 11 in Turkey. On October 19, 2004, investigations conducted by the DEA Istanbul Resident Office and the Turkish National Police resulted in seizures of more than 180 pounds of heroin in Istanbul, Turkey. A total of 11 Turkish nationals from two drug trafficking organizations were arrested as a result of the operations. According to intelligence information, one of the organizations involved was supplied by an Afghanistan source which had been identified and targeted in September as part of the Operation Containment targeting initiative.

Seizure of 2.2 Tons of Opium in Afghanistan. On October 25, 2004, the DEA Kabul Country Office reported the seizure of 2.2 tons of opium in Nangarhar Province, Afghanistan. The opium was seized at a market and a nearby residential compound during a joint operation conducted by the Kabul Country Office, Afghan Special Narcotics Force, British Drug Liaison Office, and the CNP-A. Seventy-five individuals were detained for questioning and two were arrested. The operation was carried out with the support of the Combined Forces Command-Afghanistan Intelligence Fusion Center.

Arrest of Mexican CPOT Osiel Cardenas-Guillen's lieutenant. On October 29, 2004, the Mexican AFI arrested Rogelio Pizana-Gonzalez at a nightclub in Matamoros, Tamaulipas, Mexico. While the AFI was conducting enforcement operations, they unexpectedly encountered Pizana and several of his bodyguards inside a nightclub. A shootout ensued and, as a result, one AFI agent was killed, two Policia Federal Preventiva police officers were injured, and two of Pizana's bodyguards were killed. When Pizana attempted to flee the area in an armored-plated vehicle, a second shootout occurred. Pizana was subsequently taken into custody.

Leader of Afghanistan Heroin Trafficking Organization Arrested. On November 5, 2004, the four-month investigation of an Afghanistan-based heroin trafficking organization by the DEA Kabul Country Office and CNP-A resulted in the arrest of Misri Khan in Kabul, Afghanistan. Khan, the leader of the drug trafficking organization, and four associates were indicted for conspiracy to import 440 pounds of heroin into the United States in September 2004 in the U.S. District Court for the Southern District of New York. According to intelligence information, Khan's organization manufactured and exported large shipments of heroin from Afghanistan and Pakistan to the United

States, Asia, and Europe. Khan and his two co-defendants Bahram Khan and Noor Ullah are currently being prosecuted by the Afghan Vertical Prosecution Task Force (VPTF) at the Central Narcotics Tribunal in Kabul, Afghanistan.

Shipment of 1,900 Pounds of Opium Seized in Afghanistan. On November 17, 2004, the DEA Kabul Country Office reported the seizure of 1,900 pounds of opium by CNP-A in Kabul, Afghanistan. The opium was being transported in a tanker-trailer truck. According to intelligence information, the opium originated in Northern Afghanistan and was being shipped to Kandahar, Afghanistan. The Kabul Country Office is assisting CNP-A in developing investigative leads in an attempt to identify the organization responsible for shipping the opium.

Afghanistan Heroin Trafficker Arrested. On November 27, 2004, as the result of a four-month investigation conducted by the DEA Kabul Country Office, Haji Bahram Khan was arrested by the CNP-A. Bahram Khan, a member of the Misri Khan Afghanistan-based heroin trafficking organization, was indicted in September for conspiracy and heroin trafficking in the U.S. District Court for the Southern District of New York. Misri Khan was previously arrested in Afghanistan on November 4. According to the indictment, Bahram and Khan negotiated the shipment of 440 pounds of heroin from Afghanistan to the United States. Bahram and Khan are currently being prosecuted by the VPTF at the Central Narcotics Tribunal in Kabul, Afghanistan.

CPOT Zeev ROSENSTEIN Arrested. On November 8, 2004, the DEA Miami Division reported the arrest of CPOT Zeev Rosenstein by the Israeli National Police in Tel Aviv, Israel. The arrest is the result of a three-year investigation and September indictment of Rosenstein for trafficking MDMA in the U.S. District Court for the Southern District of Florida. According to intelligence information, Rosenstain is the leader of an Israeli criminal organization responsible for financing, coordinating and smuggling multi-million tablet shipments of MDMA from Belgium and Holland to the United States, Israel, and Europe. Investigative information has linked Rosenstain to a 2001 seizure in New York of 700,000 MDMA tablets and $187,000 in U.S. currency. In December of 2005, the Israeli Justice Minister signed the extradition order allowing Rosenstain to be extradited to Miami, Florida. Rosenstain has up to 90 days to explore any new appeals before formal extradition to the U.S. for prosecution.

Financial CPOT Lino Antonio Sierra-Vargas Arrested in Colombia. On December 1, 2004, Financial CPOT Lino Antonio Sierra-Vargas was arrested by the Colombian National Police in Colombia as the result of an 18-month OCDETF investigation conducted by the DEA Miami Division and the DEA Bogotá Country Office. Sierra-Vargas was indicted in June on charges of conspiracy and money laundering in the U.S. District Court for the Southern District of Florida. Since 1997, Sierra-Vargas was responsible for the distribution of 4.4 tons of cocaine and laundering more than $5 million in drug proceeds. Sierra-Vargas is awaiting extradition to the U.S.

Financial CPOT Gilberto Rodriguez-Orejuela Extradited to the U.S. On December 4, 2004, Financial CPOT Gilberto Rodriguez-Orejuela was extradited from Bogotá, Colombia to the United States to face charges of drug trafficking and money laundering. Rodriguez-Orejuela was indicted in December 2003 in the U.S. District Court for the Southern District of New York and in January 2004 in the U.S. District Court for the Southern District of Florida as the result of OCDETF investigations conducted by the DEA New York and Miami Divisions and the DEA Bogotá Country Office. Rodriguez-Orejuela and his brother Miguel founded and directed the notorious Cali Cartel that became the world's chief supplier of cocaine in the 1990s and earned an estimated $8 billion in annual profits.

Arrest of North Valle Cartel (NVC) Target Dagoberto Florez-Rios. Dagoberto Florez-Rios was a member of NVC and is the brother-in-law of NVC member Arcangel De Jesus Henao-Montoya, who was arrested in Panama on January 10, 2004, and extradited to the United States on January 14, 2004. Florez-Rios was second-in-command to Henao-Montoya and responsible for the distribution of metric ton quantities of cocaine to the United States On March 5, 2004, a Grand Jury in the U.S. District

Court for the Eastern District of New York, issued a superseding sealed indictment charging Florez-Rios on multiple counts of drug trafficking and money laundering. Florez-Rios was indicted for conspiracy to possess with intent to distribute cocaine (Title 21, USC 846, 841(a) (1), conspiracy to import a controlled substance into the U.S. (Title 21, USC 952 (a), 963, 960 (b) (1), conspiracy to distribute a controlled substance (Title 21, USC 959(c), and conspiracy to launder money (Title 18, USC 1956 (a) (1). On March 17, 2004, the Government of Colombia received a Provisional Arrest Warrant (PAW) for the purpose of arresting and extraditing Florez-Rios. On December 28, 2004, the Colombia National Police Sensitive Investigative Unit (CNP-SIU) executed a search and arrest warrant in Colombia that resulted in the arrest of Florez-Rios.

2nd & 3rd Quarter FY2005 (January 1, 2005-June 30, 2005)

Takedown of Operation Coastline I & II. In August 2003, the Bogotá Country Office and Colombian National Police (CNP) initiated an investigation targeting the activities of a group of heroin traffickers operating under the direction of James Dario Vives Repes. This investigation, named Operation COASTLINE, was based on information from a source of information via a telephone call during Operation FUENTE, the Bogotá Country Office's 800-number call-in program developed to counter heroin production and trafficking. Through the investigation, the Bogotá Country Office and the CNP learned that this group of traffickers employed a variety of means to transport heroin into the United States from the west coast of Colombia via Panama, such as the use of maritime cargo containers, go-fast boats, and mail courier services.

On October 26, 2004, the CNP conducted a successful takedown of Operation COASTLINE leading to the arrest of Vives Repes and 24 of his associates. Vives Repes was arrested under a PPAW from the Southern District of New York, for violation of Title 21, USC 952 & 841(A), importation and possession with intent to distribute heroin and cocaine. As a direct result of the success and disruption caused by Operation COASTLINE, the Bogotá Country Office implemented Operation Coastline II, which also targeted associates of the Vives Repes Organization. On January 25, 2005, the Bogotá Country Office and the CNP executed the arrest of four individuals in Cali and seven individuals in Colombia under Operation COASTLINE II. Since the commencement and investigations of Operations COASTLINE I & II there have been 62 arrests and seizure of 50 kilograms of heroin, 783 kilograms of cocaine, and 900 kilograms of Pegan, a cocaine/marijuana mixture.

Extradition of Agustin Vasquez Mendoza. On January 29, 2005, Agustin Vasquez Mendoza was extradited from Mexico to the United States to stand trial for his role in the murder of DEA Special Agent Richard Fass eleven years ago in Glendale, Arizona. Vasquez Mendoza was removed from Mexico City by DEA Agents and transported to Phoenix, Arizona, where he appeared before a Maricopa County judge to answer a July 5, 1994, Maricopa County Grand Jury indictment for First Degree Murder, Conspiracy/Armed Robbery, Attempted Murder, Attempted Armed Robbery, Kidnapping, and First Degree Burglary. On February 7, 2005, Vasquez-Mendoza was arraigned in the State Superior Court in Phoenix where he entered a plea of not guilty to all counts and will remain in custody pending trial. A trial date of February 16, 2006, has been set.

Murder/Attempted Murder of Potential Witnesses Against CPOT Fernando ZEVALLOS. On February 1, 2005, two potential witnesses in the ongoing Peruvian trial against CPOT and Office of Foreign Assets Control (OFAC) designated Kingpin Fernando Zevallos-Gonzales were attacked, one fatally and the other was severely wounded. Jose Maria Aguilar-Ruiz, aka Shushupe, a former drug trafficking associate of Zevallos-Gonzales, was killed while incarcerated at a Peruvian prison located in Pucallpa, Peru. Oscar Benites-Linares, also a former drug trafficking associate of Zevallos-Gonzales was stabbed by three fellow inmates while incarcerated in a Peruvian prison in Huaraz, Peru, but received superficial wounds. Aguilar-Ruiz and Benites-Linares had previously provided sworn

statements implicating Zevallos-Gonzales. Peruvian National Police are in the early stages of investigating the murder of Aguilar-Ruiz and the attempted murder of Benites-Linares.

Seizure of 1.2 Metric Tons of Cocaine in the Port of Callao, Peru. On February 9-10, 2005, DEA Lima and the Peruvian National Police (PNP) seized approximately 1.2 metric tons of cocaine HCl and subsequently arrested 12 Peruvian nationals at the Port of Callao. DEA Lima Country Office and the PNP had developed information that a suspected ISO-tank would be utilized to transport a large quantity of cocaine. Through assistance of the Narcotics Affairs Section (NAS), DEA Lima Country Office and the PNP conducted a search of the tank, which resulted in the discovery of the cocaine hidden in false compartments in the front and rear of the tank. During the search and seizure, retired U.S. Coast Guard Chief Petty Officer and NAS contractor Brian Tuttle was tragically killed following an explosion from inside the tanker. Subsequent to a search to ensure no explosive booby traps had been attached to the tanker, the opening of the false compartments continued until the cocaine had been retrieved.

Arrest of Archivaldo Ivan Guzman-Salazar, Son of CPOT Joaquin Guzman-Loera AKA Chapo. On February 14, 2005, Zapopan Municipal Police Officers (ZMP) (Zapopan is located in the metropolitan area of Guadalajara in the State of Jalisco) arrested Archivaldo Ivan Guzman-Salazar, Jorge Ozuna-Tovar, and Alfredo Gomez-Diaz – who was armed with a .45 caliber handgun –, as they were sitting in their vehicle waiting for another carload of associates. Prior to the arrest of Guzman-Salazar, ZMP had observed a man being thrown from a vehicle. ZMP pursued the vehicle and eventually detained five subjects later identified as associates of Guzman-Salazar.

Violent Heroin and Cocaine Trafficking Organization Dismantled. On February 21, 2005, based on information provided by the DEA New York Division Task Force, the Dutch National Police, with the assistance of the DEA Curacao Country Office, arrested Regional Priority Organization Target Luis Alberto Ibarra at the Curacao, Netherlands Antilles International Airport. Ibarra was sentenced on May 26, 2005, to 262 months incarceration. With the previous arrest of 17 associates, the arrest of Ibarra, a Venezuelan national, has effectively dismantled a violent heroin and cocaine trafficking organization. The Ibarra organization purchased heroin in Cucuta, Colombia, transported it to Caracas, Venezuela, then couriers would smuggle the heroin into the United States. The heroin was then distributed in Miami, Florida, Houston, Texas and Newark, New Jersey. According to intelligence information, since assuming the leadership of the organization in 2003, Ibarra has been responsible for the distribution of approximately 220 pounds of heroin to the United States per month. Intelligence information shows the organization transported several hundred pounds of cocaine from Venezuela to Amsterdam each month. It has been reported that this organization relied on corruption, torture, murder, and intimidation to further its objectives.

Seizure of One Metric Ton of Cocaine in Lima, Peru. On February 25, 2005, DEA Lima Country Office and PNP seized approximately one metric ton of cocaine HCl and arrested 25 individuals, consisting of Colombian, Mexican, and Peruvian nationals. DEA Lima Country Office and the PNP had initiated an investigation concerning Peruvian traffickers based in Colombia that were organizing shipments of cocaine HCl. Through development of investigative intelligence, the locations of the organization's drug stash houses were found. Pursuant to execution of search and arrest warrants, the PNP seized 200 kilograms and 800 kilograms of cocaine HCl in both houses respectively.

Financial CPOT Miguel Rodriquez-Orejuela Extradited to the United States. In March of 2005, Miguel Rodriguez-Orejuela was extradited from Colombia to the United States to face narcotics trafficking and money laundering charges. Additionally, on January 16, 2006, Miguel's son, William Rodriguez-Abadia, surrendered to DEA and Immigration and Customs Enforcement agents in Panama City, Panama. William Rodriguez-Abadia was indicted in a Miami Division Group 6 Priority Target investigation linked to CPOT Miguel Rodriguez-Orejuela. Miguel Rodriguez-Orejuela and his brother, Gilberto, are charged in an indictment returned by a federal grand jury in the Southern District of

Florida with conspiracy to import cocaine, conspiracy to possess with intent to distribute cocaine, and conspiracy to launder drug proceeds.

The Rodriguez-Orejuela brothers are also named in an indictment returned by a federal grand jury in the Southern District of New York, charging them with a separate money laundering conspiracy. In December 2004, Financial CPOT Gilberto Rodriguez-Orejuela was extradited from Bogotá, Colombia to the United States to face charges of drug trafficking and money laundering. Rodriguez-Orejuela was indicted in December 2003 in the U.S. District Court for the Southern District of New York and in January 2004 in the U.S. District Court for the Southern District of Florida as the result of OCDETF investigations conducted by the DEA New York and Miami Divisions and the DEA Bogotá Country Office. Rodriguez-Orejuela and his brother Miguel founded and directed the notorious Cali cartel that became the world's chief supplier of cocaine in the 1990s and earned an estimated $8 billion in annual profits.

Operation Alborada I. On March 8, 2005, the Bogotá Country Office and the Colombian National Police (CNP), SIJIN unit executed Operation Alborada I, which targeted a cocaine processing laboratory in the jungle outside of Medellin, Colombia. This operation was based on information received from a source of information during Operation Fuente, the Bogotá Country Office's 800-number call-in program developed to counter heroin production and trafficking. Operation Alborada I resulted in the seizure of approximately 400 kilograms of cocaine, 500 kilograms of potassium permanganate, 250 kilograms of sodium carbonate, 390 kilograms of ammonia, 4,500 kilograms of hexane, and no arrests (observation towers located at the laboratory suggest that everyone fled prior to CNP's arrival). Intelligence corroborated by the seizure suggests that this laboratory was producing 2,000 kilograms of cocaine each week. The Bogotá Country Office and CNP have not been able to link the seizure to any particular organization. Operation Alborada I is not part of an on-going investigation but a target of opportunity.

Malladi Investigation. The Malladi investigation, coordinated by DEA OED, targeted Malladi Inc. located in Edison, New Jersey, an importer of listed chemicals. Malladi imported over 87 tons of pseudoephedrine raw material into the United States in 2004 from India and was a large supplier of ephedrine and pseudoephedrine to manufacturers of "gray market" products. The investigation revealed Malladi provided inconsistent statements regarding the declared customers for the importation requests. As a result, in April 2005, OED Staff Coordinators served an Administrative Inspection Warrant at Malladi, Inc., located in Edison, New Jersey. The inspection revealed Malladi had intentionally imported and exported listed chemicals with the intent to evade the reporting requirements and violated numerous other civil and criminal violations. As a result of the findings, 5,200 kilograms of ephedrine and pseudoephedrine were seized from the location and an additional 46,000 kilograms of ephedrine was seized at the New Jersey and New York ports due to Malladi's failure to file the proper paperwork for the importations. Malladi, Inc. surrendered both their import and export registrations.

Arrest of Wenceslado Caicedo-Mosquera. On July 14, 2004, the Bogota Country Office, in conjunction with the Colombian Navy, Colombian National Police (CNP), Cali CNP DIJIN Sensitive Investigative Unit (SIU), Cuerpo Technico de Investigaciones (CTI), and other Embassy agencies initiated an investigation against the Wenceslado Caicedo-Mosquera (Priority Target) Drug Trafficking Organization. On March 21, 2005, the Bogotá Country Office received intelligence from the CNP DIJIN SIU that Caicedo-Mosquera was scheduled to travel to Guayaquil, Ecuador. The Bogotá Country Office, CNP DIJIN SIU, and the Guayaquil Resident Office coordinated their efforts and on March 24, 2005, Caicedo-Mosquera was surveilled by the Guayaquil Resident Office SIU in Manta, Ecuador. Upon identifying Caicedo-Mosquera, the Guayaquil Resident Office SIU detained him until identification could be confirmed. Based on surveillance photographs, Caicedo-Mosquera was positively identified. On March 25, 2005, the Ecuadorian Government expelled Caicedo-Mosquera to Colombia.

The CNP DIJIN SIU took custody of Caicedo-Mosquera and transported him via a CNP aircraft to the Colombian Prosecutor's Office in Cali, Colombia. Caicedo-Mosquera was arrested for human rights violations in Colombia and will face homicide charges as well. Based upon the arrest of Caicedo-Mosquera, the Bogotá Country Office and the CNP executed 25 arrest warrants and 26 search warrants at various residences and businesses in Colombia during the weekend of March 26, 2005, resulting in the arrest of 11 associates and seizure of 6 armored vehicles, 4 ATVs, various weapons, documents, and cellular telephones. The CNP are currently in the process of seizing various properties with an estimated value of $3,000,000 U.S. currency. The Bogotá Country Office is currently coordinating with the DEA Tampa District Office and the SOD 959 Group in an effort to indict Caicdeo-Mosquera and extradite him to the United States on conspiracy and smuggling charges.

Extradition of CPOT Elias Cobos Munoz. On April 15, 2005, CPOT Elias Cobos Munoz was extradited from Colombia to the Southern District of Florida to face cocaine conspiracy and money laundering conspiracy charges. On June 23, 2004, DEA announced the culmination of the Caribbean Initiative with the indictment and arrest of CPOT Elias Cobos Munoz, the reputed head of one of the largest Colombian north coast drug trafficking and drug transportation organizations based in Colombia and Jamaica, and 56 other high-level traffickers. CPOT Cobos Munoz has been responsible for importing more than three metric tons of cocaine per month from Colombia into the United States since 2000. The supply and transportation networks targeted by this effort were responsible for approximately 10 percent of the cocaine available in the United States. CPOT Cobos Munoz was extradited along with two co-defendants, Florentino Riviera-Farfan (aka "Tarzan"), and Jorge Ivan Lalinde-Lalinde (aka "El Mono").

Seizure of 1,095 Kilograms of Cocaine in Tacna, Peru. On April 15, 2005, DEA Lima Country Office-sponsored SIU seized approximately 1,095 kilograms of cocaine HCl and arrested 10 Peruvian nationals in Tacna. In addition, $1,100 in U.S. currency and an estimated $455 U.S. dollars in Peruvian currency were seized. This seizure was a result of developed electronic information indicating that an international drug trafficking organization was operating out of the Rio Apurimac valley. A clandestine cocaine lab (unknown location) is suspected to be operating somewhere within the valley; manufactured cocaine HCl is then transported to the southern Peruvian coastal region. The suspected transportation vehicle was placed under surveillance until its cargo had been off-loaded at the fish export company. The cocaine was found to be packed in frozen squid, similar to a November 2004 incident where the cocaine was similarly packed and off-loaded in a coastal port processing area. Review of documents and other developed information had identified containers of frozen squid from this company had been sent to locations in the United States and Europe. Leads were provided to the appropriate DEA offices in Los Angeles, Newark and Brussels.

Arrest/Surrender of CPOT Defendant Diego Fernando Murillo-Bejarano, AKA "Don Berna." On May 27, 2005, as a result of negotiations between the AUC and the Government of Colombia (GOC), CPOT Diego Fernando Murillo-Bejarano (aka "Don Berna," aka "Adolfo Paz") surrendered to Colombian CNP Director Jorge Daniel Castro-Castro in the AUC stronghold of Valencia, Cordoba Province of Colombia. Murillo-Bejarano was a major Colombian trafficker with extensive contacts among Mexico's organized crime and drug trafficking organizations. Murillo-Bejarano has been the subject of numerous DEA and OCDETF investigations, as well as SOD Operation Trident and Operation Panama Express. Murillo-Bejarano was originally associated with the Medellin Cartel under the leadership of Pablo Escobar, but has more recently been associated with the North Valley Cartel. Murillo-Bejarano is currently indicted in the Southern District of New York for Conspiracy to Import Cocaine and Money Laundering. Murillo-Bejarano is currently being held in Colombia on charges of ordering the murder of a Colombian Congressman, his sister, and driver.

First Major Trafficker Extradited to the U.S. by Paraguay. Following on last year's tremendous success in capturing Brazilian fugitive and accused arms/drug trafficker Ivan Carlos Mendes Mesquita, Paraguay extradited him to the United States in June 2005. The United States had initiated an

extradition request for Mendes Mesquita on charges of possession of cocaine and conspiracy to distribute; the Paraguayan Court of Appeals upheld the extradition in a timely manner and the Supreme Court rejected Mendes Mesquita's appeals. Mendes Mesquita is the first major trafficker extradited to the United States by Paraguay, representing an important step in the war against drug trafficking organizations with links to the FARC. Paraguay has been successful in either expelling or securing extradition orders for three additional drug traffickers. In December 2005, Paraguayan's Supreme Court approved the extradition of Jose Luis Gomez to the United States on charges of money laundering.

Seizure of 1.14 Tons of Cocaine and One Laboratory in Junin, Peru. On June 9, 2005, DEA Lima Country Office-sponsored PNP-OFINT (Operational Intelligence) unit located an operational cocaine conversion laboratory and seized approximately 1.14 tons of cocaine and seven tons of precursor chemicals. During May 2005, the Lima Country Office and PNP-OFINT initiated an investigation targeting a drug trafficking organization operating in Ayacucho, Peru. According to developed information, this organization consisted of Bolivians, Colombians, and Peruvians. According to the CS, the cocaine was to be transported to Bolivia for further shipment to the United States. It appears that the traffickers and clandestine laboratory personnel overheard the incoming helicopters and fled into the jungle. The seizure consisted of 113.5 kilograms of cocaine HCl, 706 kilograms of liquid cocaine, 330.45 of cocaine paste, along with a sundry of precursor chemicals totaling over 7 metric tons.

Arrest of 11 Individuals and Seizure of 65 Kilograms of Cocaine (Operation Triple Threat). On June 17, 2005, elements of the Brazilian Federal Police (DPF), Counter-Drug Unit, and Sensitive Investigative Unit (SIU), arrested 13 drug traffickers and served 18 search warrants associated with the Wahid Maziad Abou Karroum Priority Target Organization operating in Southern Brazil. Eleven members of the Arab drug trafficking organization were arrested in São Paulo, SP, Brazil and two in Ponta Porã, MS, Brazil. The takedown was pursuant to 15 arrest warrants and 18 search warrants issued by a Brazilian judge on June 13, 2005. The arrested defendants were transported to the DPF Headquarters where they were processed. In the course of affecting the search warrants the DPF seized approximately $90,000 in U.S. currency, 65 kilograms of cocaine, and a 40-foot sailboat.

4th Quarter FY2005 (July 1, 2005-September 30, 2005)

Extradition of CPOT Fernando Gutierrez-Cancino. On July 28, 2005, Financial CPOT Fernando Gutierrea-Cancino was extradited from Spain to the United States to face charges including the money laundering and violation of Title 50 USC 1701 through 1706-conspiracy to violate the International Emergency Economic Powers Act. Gutierrez-Cancino had been jailed in Spain since February 17, 2004. Gutierrez-Cancino was the chief money launder and business partner of the Rodriguez-Orejuela brothers. Gutierrez-Cancini was a co-investor with the Rodriguez-Orejuela brothers in several OFAC listed businesses that were used as a means to launder drug proceeds.

Seizure of 21 Metric Tons of Marijuana in Mexico. During a roadblock drug interdiction initiative on August 24, 2005, Mexican AFI seized a tractor-trailer in Navajoa, Sonora containing 21.05 metric tons of marijuana. The marijuana, consisting of 6,217 packages, was concealed in two "hopper" tanker trailers and was allegedly being transported to Tijuana. The driver, a Mexican national, was arrested and charged with crimes against health.

Pseudoephedrine Seizure in Mazatlan, Mexico. Pursuant to an ongoing road interdiction initiative under Operation All Inclusive, on September 2, 2005, Mexican AFI Agents seized 622,800 tablets of pseudoephedrine from a vehicle at a road checkpoint on Mexico International Highway 15 just south of Mazatlan, Mexico. The pseudoephedrine tablets had purportedly originated in Guadalajara and had a final destination of Culiacan, Sinaloa, Mexico. Both occupants of the vehicle were arrested.

Largest Ever Cocaine Seizure in Belize. On September 12, 2005, the Belize City Country Office, the Belize Police Department Anti-Drug Unit, and the Belize Defense Force responded to an alleged cocaine stash location on Western Tobacco Caye Range, Belize. Subsequent to a search of the island, law enforcement personnel discovered in excess of 3,000 kilograms of cocaine buried on the island. No arrests were made.

Largest Seizure Ever of Cocaine and Heroin in the Netherlands Antilles. In September 2005, after law enforcement made the largest seizure ever of 2,345 kilograms of cocaine and 28 kilograms of heroin, the court system (for the first time) approved the dismissal of a local prosecution in lieu of a U.S. extradition and prosecution of seven prominent targets involved in the regional organization. Currently all individuals have been extradited to the United States and are awaiting trial.

Seizure of $500 Million Pharmacy Chain Controlled by Financial CPOTs Miguel and Gilberto Rodriguez-Orejuela. On September 22, 2005, the DEA Bogotá Country Office reported the seizure in Colombia of 472 pharmacies and a pharmaceutical laboratory controlled by financial CPOTs Miguel and Gilberto Rodriguez-Orejuela. The real property and inventory have been valued at an estimated $500 million, the largest asset seizure in Colombia to date. The seizures were made by the Colombian National Police based on a two-year money laundering investigation conducted with the Bogotá Country Office, the DEA New York Division Strike Force, and the Office of Foreign Asset Control (OFAC). Seizures occurred simultaneously in 28 of 32 regions in Colombia and involved the coordination of 3,200 law enforcement officers countrywide. The investigation revealed that the first pharmacy was purchased by Gilberto Rodriguez-Orejuela in 1972. The brothers have utilized drug profits to develop the franchise and until the seizures, used the stores to launder drug proceeds. The Government of Colombia has replaced the company's top executes and future profits will be used to fund counternarcotics programs. Miguel and Gilberto Rodriguez-Orejuela are currently awaiting trial in Miami Florida as a result of drug-trafficking charges.

Seizure of 3.9 Metric Tons of Cocaine in Panama. On September 24, 2005, based on information received by the Panama Country Office, the Panama National Police discovered and seized a cache of cocaine was located in the area of Cocle Del Norte, located on the Caribbean side of Panama. A total of 3.9 metric tons of cocaine, two AK-47s, and eighty 55-gallon drums of gasoline were seized and nine defendants were arrested. The cocaine and gasoline were buried in the ground approximately two hundred meters from a beach area. The cocaine shipment was to be transported (at a rate of 2,000 kilograms per load) at a later date by go-fast vessels to larger fishing vessels for shipment onward to Mexico or Belize.

Seizure of 430 Kilograms of Cocaine in Guatemala. On September 28, 2005, a narcotics-laden Cessna 207 aircraft bearing false tail number N-571L was interdicted by Guatemalan narcotics agents and elements of the U.S. Army's JTF Bravo at a remote airstrip located in the northern Peten region of Guatemala and less than 25 miles from the Mexican border. U.S. Army aircraft came under small arms fire from several suspects on the ground attempting to unload the target aircraft. No injuries occurred and no return fire was reported from the military. Agents arrested four individuals including three Mexican nationals and one Guatemalan at the scene and seized approximately 430 kilograms of cocaine. This was the first successful suspect aircraft interdiction in Guatemala since September 2003.

1st Quarter FY2006 (October-December 2005)

Operation Furia. On October 8, 2005, the Bogotá Country Office, in conjunction with the Colombian Coast Guard and the Colombian Marines, received confidential source information regarding a drug caleta (underground storage facility) and go-fast launch site on the southwest coast of Colombia. According to informant information, this drug caleta and launch site was located along the Mira River approximately three hours south (by boat) of the city of Tumaco, Nariño, Colombia. On October 10, 2005, the above units executed Operation Furia, which resulted in the seizure of approximately nine

tons of cocaine HCL, four rifles with eight rifle magazines, five small fishing boats, one fiberglass go-fast boat, two 200-horsepower Yamaha motors, five 75-horsepower Yamaha motors and one communication radio, model ICON. Operation Furia resulted in no arrests. Intelligence, corroborated by military counterparts, confirms that this seizure is connected to the 29th Front of the FARC and the AUC. Operation Furia was not part of an on-going investigation, just a target of opportunity.

Extradition of North Valle Cartel Leader Jairo Aparicio-Lenis. On October 21, 2005, Jairo Aparicio-Lenis, a leader of the North Valley Cartel, one of Colombia's most powerful cocaine trafficking organizations, was extradited to the United States to face racketeering and drug charges. Aparicio-Lenis arrived in Florida and was transferred to Washington, D.C., where he has been charged by a federal grand jury along with eight other leaders of the North Valley Cartel. The April 29, 2004, indictment charges the cartel leaders with violations of the Racketeer Influenced and Corrupt Organizations Act (RICO) and with distributing cocaine knowing and intending that it would be unlawfully imported into the United States. The indictment alleges that the North Valley Cartel bribed and corrupted Colombian legislators. According to the indictment, Aparicio-Lenis was a member of the North Valley Cartel responsible for laundering the cartel's cocaine proceeds. The cartel operated in the Norte Valle del Cauca region of Colombia, the cities of Cali and Buenaventura, Colombia, as well as Mexico and the United States. If convicted, Aparicio-Lenis faces a maximum sentence of up to life imprisonment on the cocaine-importation charges and 20 years in prison for the RICO charge.

Seizure of One Metric Ton of Cocaine via Airport Interdiction. The Airport Interdiction Program at the Jorge Chavez International Airport (JCIA) in Lima, Peru has experienced a significant increase in the number of arrests and seizures. The Airport Interdiction unit has assisted many other countries besides the United States, including European, Far East, and South American nations, with critical investigative information, which has led to the arrest of numerous drug smugglers and couriers. Through the end of November 2005, this unit has affected the seizure of approximately 1000 kilograms of cocaine product. This quantity exceeds 900 kilograms seized in 2004.

Seizure of 2.2 Metric Tons of Cocaine in Chiclayo, Peru. On November 6, 2005, members of PNP DITID[BAP1] seized 2.2 metric tons of cocaine HCl and arrested 11 suspects consisting of Colombians, Peruvians, and Venezuelans. Investigative information developed by the PNP provided that a drug transportation group, headed by a Colombian, was organizing a multi-ton shipment of cocaine to Mexico. The cocaine discovered was to be stored in an underground location in a rural area approximate to Chiclayo.

Operation Gear Grinder. This operation, which culminated in December 2005, was a 21-month DEA, OCDETF investigation that targeted eight major steroid manufacturing companies, their owners, and their trafficking associates. A federal grand jury in San Diego indicted 23 individuals, including three U.S. citizens, and eight Mexican companies. It resulted in the arrest of the owner of three of the world's largest anabolic steroid manufacturers. DEA identified these eight companies, all located in Mexico, which produced 82 percent of all steroids submitted to DEA laboratories for analysis. These businesses conducted their sales primarily via the Internet and DEA estimated their total annual wholesale U.S. steroid sales at $56 million. These Mexico-based businesses took notice of the demand for anabolic steroids and created a marketing strategy tailored to the needs of the U.S. consumer, including high-quality products and internet websites.

Communications via the Internet and parcel distributions were the core of these companies' operations. The websites showcased the products and offered an e-mail address to exchange prices and tracking numbers and provided ordering and payment instructions. They used U.S.-based e-mail addresses and listed each manufacturer utilizing a business website to place their products in the hands of American consumers. Some manufacturers provided direct referrals to distributors through the "Contact Us" section of the websites. The steroids were smuggled into the United States and shipped to customers. Additionally, steroids from the eight companies were shipped to U.S. traffickers, who

re-sold the products to their customers. Financial transactions were primarily done via Western Union wire transfers, as well as bank transfers and credit card payments. These groups also supplied numerous pharmacies along the U.S./Mexico border, where U.S. customers could purchase steroids and smuggle them back across the border into the United States.

Seizure of 257 Kilograms of Cocaine in Paraguay. In December 2005, the National Anti-Drug Secretariat (SENAD) of Paraguay seized 257 kilograms of cocaine destined for Spain; apprehended 7 members of a drug trafficking organization and confiscated the equivalent of $34,000. The operation also directly facilitated further arrests of traffickers in Europe. This operation, conducted in close collaboration with DEA and Spanish police officials, represents the largest seizure ever made in Asuncion and reflects SENAD's ability to carry out a complicated operation in concert with foreign law enforcement authorities.

Conviction of CPOT Fernando Zevallos-Gonzales. On December 19, 2005, CPOT Fernando Zevallos-Gonzales was convicted on charges related to a 3.34-ton cocaine seizure in January 1995. Zevallos-Gonzales was sentenced to 20 years in prison and is currently in custody in Peru. On January 9, 1995, 3.34 tons of cocaine was seized by the Peruvian National Police (PNP) in Piura, Peru. PNP investigation identified Zevallos-Gonzales as the source of supply for the seized cocaine and, in 1997, an arrest warrant was issued for Zevallos-Gonzales for drug trafficking. Zevallos-Gonzales returned to Peru from the United States to face these charges. Zevallos-Gonzales was acquitted in March 2002; however, the acquittal was overturned in June 2003 by the Peruvian Supreme Court and a retrial was scheduled for September 2003. Due to a procedural technicality, the September 2003 retrial was suspended in January 2004 and a second retrial of this case began in June 2004. The Zevallos-Gonzales prosecution was marked by allegations of corruption, witness intimidation, and murder of significant witnesses. On November 19, 2005, with the trial in the closing argument stages, Zevallos-Gonzales was arrested on warrants issued in Lima for additional charges of Drug Trafficking, three counts of Murder, Attempted Murder, and three counts of Coercion of Witnesses. These charges were based on identification and arrest of individuals associated with "hit and kidnap" squads working for Zevallos-Gonzales. Search warrants were issued and served on Zevallos-Gonzales' residence and offices in Lima. The U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) designated Zevallos-Gonzales as a Tier 1 Foreign Drug Kingpin in June 2004. Currently, there are no indictments of Zevallos-Gonzales in the United States.

United States Coast Guard

Overview

The Coast Guard's multiyear campaign plan to combat the dynamic maritime drug trafficking threat, Campaign Steel Web, is continually evolving to reflect changes in drug trafficking trends.

Steel Web 2005 is fully aligned with the National Drug Control Strategy (NDCS), the National Interdiction Command and Control Plan (NICCP), national security and other directives complementing the contributions of our law enforcement (DOJ/DEA, DHS/ICE, CIS, CBP and local LEAs) and DoD partners in this effort.

Three pillars form the foundation of Steel Web 2005:

- First, denial of maritime drug smuggling routes by developing a dynamic interdiction presence in the transit and arrival zones through more actionable tactical intelligence and information, focusing our limited resources to maximize the removal of cocaine being smuggled via three major smuggling vectors: Eastern Caribbean, Western Caribbean and Eastern Pacific.
- Secondly, international engagement, primarily bilateral agreement sustainment and development, strengthening ties with source and transit zone nations to increase their capabilities in maritime law enforcement, reduce drug-related activities, and enhance legitimate commerce within their territorial limits, and in support of coordinated local, state and federal interagency efforts to combat drug smuggling through joint planning and execution.
- Finally, fast track and implement the latest research and development (R&D) and off-the-shelf technologies available, to speed better equipment to the Coast Guard men and women who detect, monitor and interdict suspect vessels, locate contraband during boardings and searches, and to provide them with improved/more capable assets for interdiction. These pillars form the foundation for operational planning, cooperative efforts and regional engagement activities.

The keys to success of Steel Web 2005 have been adherence to the concept of centralized operational planning and decentralized execution, which includes maintaining the flexibility to respond to tactical intelligence and information; pursuit of international engagement opportunities which occur at the tactical, theater and strategic levels; partnering with law enforcement officials of other nations, which helps develop indigenous interdiction forces and enhances the cumulative impact of interdiction efforts directed at drug traffickers in the region; and maintenance and training support through exportable training teams and the Caribbean Support Tender make for more effective counternarcotics partners.

Combined Operations

The Coast Guard conducted several maritime counternarcotics combined operations in 2005 in coordination and/or cooperation with military and law enforcement forces from: Colombia, Jamaica, the United Kingdom and its Overseas Territories, Netherlands and Netherlands Antilles, and France and its Overseas Territories. Recently a combined U.S. and Colombian surge operation featured a U.S. Coast Guard Communications Team deployed on Armada De Colombia Ship (ARC) INDEPENDENCIA, providing over-the-horizon communications with Joint Interagency Task Force South, coordinating the targeting of drug laden go-fast vessels.

International Agreements

By June 2005 the number of bilateral agreements in place between the U.S. and our Central, South American and Caribbean partner nations was 30, moving toward our goal of eliminating safe havens for drug smugglers.

International Cooperative Efforts

In FY 2005, the Coast Guard prosecuted 87 drug smuggling events, which resulted in the seizure of 66 vessels, the arrest of 364 suspected smugglers, and the seizure of 303,187 pounds of cocaine and 10,026 pounds of marijuana. Many of the 87 events involved some type of foreign support or cooperation, either through direct unit participation, exercise of bilateral agreements, granting permission to board, or logistics support.

International Training and Technical Assistance

In FY 2005, the USCG provided International Training and Technical Assistance in support of drug interdiction programs through a variety of support efforts. One delivery mechanism is the USCG Cutter GENTIAN operating as the Caribbean Support Tender (CST). The USCGC GENTIAN is a former Balsam class buoy tender built in 1942 and decommissioned in 1998. In September 1999 it was re-commissioned in Miami, Florida as a training vessel in response to an international commitment made by President Clinton at the May 1997 Caribbean/U.S. Summit in Bridgetown, Barbados. The CST is the United States' only maritime vessel solely dedicated to international engagement with the goal of strengthening cooperating nations' operational and maritime interdiction capabilities. The CST also provides OJT training for an international crew complement of 13 students from 7 countries. In 2005, 482 students from 17 countries received training in a variety of technical skills designed to build capabilities in military law enforcement including patrol, interdiction and boarding techniques. The CST supports an INL-funded program to refurbish go-fast boats seized as contraband. The go-fast refurbishment program resulted in the re-employment in FY 2005 of seven former trafficking boats as law enforcement vessels in five foreign maritime services from the region. At one-fourth the cost of a new go-fast purchase, this program offers a cost-effective means of enhancing host nation interdiction assets. In FY 05, the CST also assisted six countries to make repairs to thirteen small boat platforms. A dedicated three-person Technical Assistance Field Team also provides engineering skills, boat assessment and repair contracting services to the RSS nations' boats.

Students are also taught by the USCG's International Training Division's Mobile Training Teams who deliver one-to-two-weeklong courses to student groups in the host nation. Courses include Maritime Law Enforcement (MLE) Boarding and Advanced Boarding Officer, Joint MLE Boarding, Maritime Operations Planning and Management, MLE Instructor and Port Security/ Port Vulnerability and Small Boat Operations. Courses consist of formal classroom instruction and either on-board or on-locale hands-on skill training. In FY 2005, 647 students from 14 countries received instruction.

Individual students also receive instruction in USCG resident training programs. These students develop a broad range of skills from boat handling and boat and engine repair to senior officer leadership training. Approximately 250 students from 18 countries were enrolled in resident training in FY 2005.

U.S. Customs and Border Protection

The Department of Homeland Security, Customs & Border Protection (CBP) processes goods, merchandise, and people entering and exiting the United States. CBP officers intercept contraband, illicit goods, and unreported currency as it crosses our borders. Interdiction efforts are targeted in order to minimize impact on legitimate trade by utilizing techniques of selectivity to identify high-risk shipments for intensive examination. CBP now incorporates the border control functions of passport control and agriculture inspections to provide seamless border control processing termed, "One Face at the Border." CBP has jurisdiction between ports of entry under the authority of the Office Border Patrol. CBP responds to the nation's terrorism priorities through strategic programs designed to increase port security.

CBP is an integrated border control agency that operates at a high level of efficiency and integrity. On the average day, CBP examines 1.3 million arriving passengers, 410,000 arriving conveyances, seizes $500,000 in currency and 4 tons of narcotics, arrests 2600 fugitives or violators, while facilitating commercial trade and collecting $52 million in duty. The State Department Bureau for International Narcotics and Law Enforcement Affairs and CBP promote international cooperation through interagency agreements providing training and assistance programs on a global scale. These agreements enable CBP to deliver a variety of training, high-tech tools, and management strategies for combating transnational crime, thereby promoting international law enforcement.

International Training and Assistance

In 2005, CBP provided technical training and assistance in support of the International Law Enforcement Academy (ILEA) programs, currently operating in Bangkok, Budapest, Gaborone, and Latin America. The mission of the ILEA is to promote social, political, and economic stability by combating crime. To achieve this goal, ILEA provides high-quality training and technical assistance, supports institution building and enforcement capability and fosters improved relationships between American law enforcement agencies and their counterparts in the region.

ILEA encourages strong partnerships among regional countries to address common problems associated with criminal activity. CBP has supported ILEA programs by developing and conducting specialized training on topics which include "International Controlled Deliveries and Drug Investigations" (conducted jointly with the Drug Enforcement Administration); "Complex Financial Investigations" (conducted jointly with Immigration and Customs Enforcement); "Intellectual Property Rights Investigations" (conducted with the Federal Bureau of Investigation); and a "Customs Forensics Lab" course. In 2005, CBP provided assistance for twelve different ILEA programs.

In 2005, agents from the Border Patrol Tactical Unit (BORTAC), in coordination with the Department of State, conducted training and acted in an advisory capacity to law enforcement personnel in 2 Central American countries. Border Patrol Tactical Unit (BORTAC) is CBP's national special response team which has a mission to respond to terrorist threats of all types—anywhere in the world—in order to protect our nation's homeland. Since its inception in 1984, BORTAC has developed and maintained a motivated and well-trained tactical cadre able to meet a constantly evolving threat. The BORTAC Strategic Plan provides a blueprint for increases BORTAC's capabilities, through training and personnel development, to support missions addressing various threats to national security.

BORTAC agents have been deployed to Honduras, to support the Honduras International Narcotics and Law Enforcement Office and the Policia De Fronteras (PDF). The PDF has minimal equipment, inadequate facilities, poor communications, and limited transportation support. BORTAC representatives have been deployed at remote stations along the Nicaraguan, El Salvadoran, and

Guatemalan borders, providing training in basic patrol, interdiction and checkpoint operations, as well as operational planning and maritime operations.

In October and November 2005, BORTAC provided the Government of Ecuador with a Mobile Training Team (MTT). The MTT provided basic tactical pistol and officer safety training to the Ecuadorian National Police (ENP). BORTAC agents also coordinated, developed, and implemented training sessions consisting of basic firearms skills, basic tactical weapons skills, personal protection tactics, and ground defense. Those training sessions were conducted in four geographic locations within Ecuador and the MTT successfully trained 156 ENP personnel, including members from four Ecuadorian special unit and counternarcotics teams.

In 2005, CBP officials also deployed Textile Production Verification Teams (TPVTs) to Kenya, South Africa, Namibia and Madagascar. While in Namibia, training was given to 30 Namibian Customs officials on the requirements of the African Growth and Opportunity Act (AGOA). The TPVT returned to South Africa to follow up on the transshipment of Chinese textiles, claiming South Africa origin for merchandise in which AGOA claims were not made. One individual, who was counterfeiting the South African certificates of origin, was arrested. The TPVT team also conducted verifications for AGOA claims in Kenya and Madagascar.

Port Security Initiatives

In response to increased threats of terrorism, CBP supported programs that seek to identify high-risk shipments to the United States—before they reach our ports. One important program was the Container Security Initiative (CSI). The Container Security Initiative (CSI) addresses the threat to border security and global trade posed by the potential for terrorist use of a maritime shipping container. CSI consists of security protocols that, if fully implemented, ensure that all maritime shipping containers, that pose a potential risk for terrorism, are identified, inspected and secured at foreign ports before they are placed on vessels destined for the United States. CBP is now stationing multidisciplinary teams, consisting of representatives from both CBP and ICE that work together with their host government counterparts. Their mission is to jointly target and pre-screen containers as well as to develop additional investigative leads related to the terrorist threat to cargo destined for the United States.

Through CSI, CBP officers work with host customs administrations to establish security criteria for identifying high-risk containers, using nonintrusive technology to quickly inspect high-risk containers before they are shipped to U.S. ports. Additional steps are taken to enhance the physical integrity of inspected containers while they are enrooted to the U.S. A total of 42 foreign ports were "CSI operational" at the end of 2005, with plans to further increase that number in 2006.

Plan Colombia

In support of the Government of Colombia's plan to strengthen its counternarcotics and counterterrorism operations—Plan Colombia—CBP developed and implemented an initiative focusing on joint U.S.-Colombia narcotics interdiction efforts. As part of U.S. support to Plan Colombia, CBP provided Colombia with training and assistance on integrity, border interdiction, and industry partnership programs. Through this support, CBP has provided Colombia with basic tools, vehicles, high-tech equipment, training and technical assistance to the Colombian National Police, Colombian Customs, and other Colombian law enforcement agencies.

Customs Mutual Assistance Agreements

CBP provides a portion of U.S. support, provided to host nations under Customs Mutual Assistance Agreements (CMAAs). CMAAs provide for mutual assistance in the enforcement of customs-related

laws. Under CMAA protocols, CBP provides assistance to its foreign counterparts in the collection of evidence for criminal cases. U.S. courts have ruled that evidence—gathered via these executive agreements—is fully admissible in U.S. court cases.

Training in the United States

International Visitors Program (IVP). The IVP provides a venue for foreign officials to consult with their counterparts and appropriate high level managers in CBP Headquarters, as well as conduct on-site observational tours of selected U.S. ports and field operations. The focus includes narcotics enforcement, port security, counter terrorism and intelligence operations. In 2005, the IVP supported a total of 977 participants, 173 programs and 145 countries.

Canine Training. CBP's Canine Enforcement Training Center (CETC) continues to provide training courses, designed to assist foreign countries in the proper use of detector dogs. CETC provides each country a clear and logical framework for the initial training and employment of detector dog teams for the successful interdiction of smuggled narcotics, explosives, and currency. CETC provides support to countries in the initial development and evaluation of canine training programs, as well as the enhancement of existing canine interdiction and breeding programs. Training is provided to federal police and customs officers, trainers, and supervisors on all facets of canine training and utilization. Over the past 27 years, over 500 officers—representing over 50 countries—have been trained at the CETC in Front Royal, Virginia. Recently, canine training has been provided to Trinidad, Brazil, and Peru, with continuing support to canine programs being provided to Israel, Kazakhstan, and Trinidad.

Training in Host Countries

Overseas Enforcement Training. This training combines formal classroom training and field exercises for host nation border control personnel. The curriculum includes narcotics interdiction, identifying falsified/forged travel documents, effective targeting and search techniques, risk management and the identification of terrorist tools—all in a border context. In 2005, this training was provided to 1730 participants in 15 countries.

Short Term Advisory Training. This training allows on-site CBP experts to assist host government agencies with selected projects, such as building institutions and improving interdiction capabilities. These may focus on specific narcotics threats, port security initiatives and the counterproliferation of Weapons of Mass Destruction (WMD). CBP advisors are also deployed to help with host nation strategic planning, commercial processing, investigations, canine enforcement, automation and border/trade facilitation. In 2005, approximately 25 short term advisors were fielded to various countries in Latin America and the Caribbean.

Integrity/Anticorruption Training. This training is designed to promote professionalism and integrity within the workforce of those agencies that are particularly vulnerable to bribery and corruption. The focus is on integrity awareness and development of internal investigation capabilities and organizations. In 2005, this training was provided to 150 participants in five countries.

Looking Ahead

The Department of Homeland Security, which began operations in January 2003, consolidated several agencies with customs, immigration, and border enforcement experience. CBP, with its history of revenue collection and border protection, took its place in this consolidated grouping of agencies designated to combat terrorism. The long-standing mission of CBP in providing security to U.S. citizens—through targeted examination and interdiction—plays a major role in the new organizational concept. Port security functions continue to be on the forefront, focusing on enforcement activities, promoting domestic security, and fighting the threat of international terrorism.

In 2006, CBP's border security mission will be further strengthened, through initiatives that secure the supply chain of international cargo destined to the U.S. CBP's international missions will also focus on evaluating and prioritizing the needs of countries needing assistance in capacity building. CBP will place continued emphasis on evaluating the effectiveness of all its programs and CBP advisors will be deployed to assist countries in improving their border security operations and in meeting recognized international standards for security and reporting.

Click for U.S. Immigration and Customs Enforcement (ICE) section.

CHEMICAL CONTROLS

Summary

The unique challenges posed by the control of the precursor chemicals used in the manufacture of methamphetamine have become a major focus of chemical control efforts. Unlike cocaine and heroin, methamphetamine, amphetamine and other synthetic drugs require no plant material, they require relatively small amounts of chemicals, and they can be produced in crude labs located anywhere. The principal precursors required for methamphetamine and amphetamine are pseudoephedrine and ephedrine. Traffickers obtain them in bulk or extract them from pharmaceutical products, sold over-the-counter in many areas.

The pattern has been for small "mom and pop" labs to rely on pharmaceutical preparations bought locally and criminal "super" labs to rely on bulk chemicals. However, large traffickers are increasingly turning to pharmaceutical preparations traded internationally in large quantities. This is made possible because pharmaceutical preparations are excluded from the chemical control provisions of the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. We are working with the major countries producing the precursors and products containing them to develop mutually beneficial procedures to exchange production and sales data in order to identify diversion points and stop them. To be successful, these procedures must provide for confidentiality, since most of the information involves legitimate transactions and proprietary information.

The two voluntary operations to control better trade in the cocaine chemical potassium permanganate (Operation Purple) and the heroin chemical acetic anhydride (Operation Topaz) have been combined into one operation, Operation Cohesion, with the International Narcotics Control Board (INCB) serving as the focal point. This recognizes that the operations use essentially the same strategy in tracking their chemicals throughout the chain of a transaction. We believe Cohesion will continue as a valuable tool for monitoring trade and preventing diversion of these chemicals. Project Prism is the INCB program to better control synthetic drug precursors and equipment. The U.S. initiative on methamphetamine and amphetamine precursors outlined above will be coordinated within the scope of Project Prism.

Background

Chemicals are essential to the manufacture of narcotic drugs. They become an integral component in the case of synthetic drugs, and are required for the processing of coca and opium into heroin and cocaine. Only marijuana, of the major illicit drugs of abuse, is available as a natural, harvested product.

Chemicals used in drug manufacture are divided into two categories, precursor and essential chemicals, although the term "precursors" is often used to identify both. Precursor chemicals are used in the manufacture of synthetic drugs and become part of the final product. They are sold commercially in relatively small quantities. Essential chemicals are used in the refining of coca and opium into cocaine and heroin. Although some remain in the final product, the basic raw material is the coca or opium. Many essential chemicals required for illicit drug manufacture have extensive commercial applications, are widely traded, and are available from numerous source countries.

Chemical diversion control is a proactive and straightforward strategy to deny traffickers the chemicals they must have. It involves the regulation of licit commerce in the chemicals most necessary for drug manufacture to ensure that transactions are permitted to proceed only after legitimate end-uses for the chemicals involved have been established. This requires verifying that both the chemicals and the quantities ordered are appropriate for the needs of the buyer. Chemical control is a cost-

effective strategy to prevent the manufacture of illicit drugs through the regulation of licit chemical commerce.

Chemical control requires the examination of proposed commercial chemical transactions, the large majority of which are legitimate, in order to identify and stop transactions vulnerable to diversion to illicit drug manufacture. Chemical producers and traders must provide transaction details to their national authorities. In the case of export transactions, some of this information must be shared with importing governments so they can ascertain the legitimacy of the proposed end-uses of the chemicals. When transactions are denied, this information must be shared with third countries to prevent traffickers from turning to alternative chemical source countries. To avoid hindering legitimate commerce and obtain the cooperation of industry, the information exchange and the decision-making must be rapid.

Many governments consider chemical control to be a law enforcement issue. Some consider it a health issue to be handled by health ministries, with a primary interest in protecting public health. Others consider it a trade issue to be handled by trade ministries/agencies with a bias towards promoting, not regulating trade. If these ministries do not allow sufficient scope for regulatory as well as law enforcement measures in support of chemical control, they may unwittingly undermine this effective counternarcotics strategy.

The U.S. has found a combination of regulation and law enforcement to be the most effective approach to chemical control. The regulatory component controls commerce in chemicals subject to diversion, authorizing legitimate transactions and stopping those vulnerable to diversion. The law enforcement component provides the capability to detect diversion, identify and apprehend criminals diverting or seeking to divert chemicals, and to track back cases of successful diversion.

Information exchange to prevent chemical diversion must include all countries involved in chemical transactions, exporting, trading, transit, and importing. Backtracking operations on seized diverted chemicals require cooperation from the same countries. The information exchange must include feedback from countries receiving information, particularly importing countries, on actions they have taken in response to it.

The U.S. continues to seek implementation of effective multilateral mechanisms for this information exchange. One obstacle is a reluctance to share information on commercial transactions for fear it will reach competitors. This concern is unfounded. There is no evidence that the multilateral chemical information exchange now occurring is being abused by governments or firms to gain competitive advantage. Nevertheless, the concern is genuine and chemical transaction information exchange procedures must provide assurances of confidentiality.

Informal, voluntary arrangements in law enforcement channels targeting specific chemicals or classes of chemicals have proved effective in gaining participation in multilateral chemical control operations. By focusing on “choke point” chemicals, these operations allow authorities to concentrate resources on denying traffickers chemicals that are difficult to substitute in the drug production process. In 2005, two of the major operations, Purple and Topaz, targeting respectively the cocaine precursor potassium permanganate and the heroin precursor acetic anhydride, were combined into one operation, Operation Cohesion. The INCB continues as the focal point. Project Prism is an INCB initiative concentrating on stricter tracking of trade in the chemicals and equipment required for synthetic drug manufacture.

Participation in multilateral chemical control mechanisms requires the promulgation of national chemical control regimes, the regulatory structures to implement them, and the law enforcement structures to enforce them. The national regimes must include provisions for the multilateral information exchange, while respecting the legitimate commercial interests of the businesses involved.

International Framework for Chemical Control

Chemical control requires multilateral cooperation. Article 12 of the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988 UN Drug Convention) recognizes this and establishes the obligation and international standards for parties to the Convention to cooperate in controlling their chemical commerce to prevent diversion to illicit drug manufacture. The two tables of the Annex to the Convention list 23 chemicals as those most necessary for drug manufacture and, therefore, subject to control. The Convention contains provisions for adding and deleting chemicals from the tables. Signatories to the Convention accept the obligation to enact national laws and regulations to carry out its provisions.

The European Union has chemical control regulations binding on all Member States. The European Council approved new updated regulations on November 25, 2004. The new regulations attack new drugs, establish an early warning system to identify new drugs and precursors, and control additional precursors. The EU regulations meet the chemical control provisions of the 1988 UN Drug Convention. EU Member States implement the regulations through national laws and regulations.

The Inter-American Drug Abuse Control Commission of the Organization of American States (CICAD) has approved Model Regulations for the control of drug-related chemicals that set a high standard for government action. The Model Regulations cover all the chemicals included in the 1988 UN Drug Convention. Many Latin American countries have adopted chemical control laws and regulations based on the CICAD Model Regulations. A CICAD experts group on chemical control meets annually to coordinate efforts in the hemisphere.

The 1988 UN Drug Convention, regional regulations and model legislation, and national legislation and regulations provide frameworks for chemical control, particularly domestic control regimes. They do not provide the mechanisms for the multilateral cooperation required for their successful implementation internationally. The United States and other governments use ad hoc arrangements and the more formal annual meetings of the UN Commission on Narcotic Drugs (CND) to forge agreement on information exchange mechanisms and to highlight emerging chemical control concerns.

Ad hoc multilateral arrangements have the advantage of developing cooperation among the countries most concerned with a particular diversion situation, for example the diversion of precursors to synthetic drug manufacture. Participation in the arrangements is voluntary and is most effective when done in law enforcement channels, because this approach eases the concern of many countries in sharing proprietary commercial information in more formal channels.

The CND can be used to forge consensus on more formal procedures. However, many governments resist more formal arrangements, particularly if they provide for multilateral information exchange beyond that required by the 1988 UN Convention. Moreover, any resolution calling for such arrangements must be approved by the consensus of the 53-member body. The result is resolutions weakened with caveats and nonobligatory language.

The CND is effective in highlighting emerging drug control concerns, advising CND members of ad hoc arrangements that have been established and inviting their participation, and alerting members to the use by traffickers of substitute chemicals in place of those controlled under the 1988 UN Drug Convention, particularly in the manufacture of synthetic drugs. In 1996, the United States introduced a resolution which was adopted by the CND requesting the UN International Narcotics Control Board (INCB), with the UN Office of Drugs and Crime, to establish a limited international special surveillance list of chemicals not included in the Convention for which substantial evidence exists of their use in illicit drug manufacture. In 1998, the INCB, drawing on contributions of different governments, established the list to alert governments to the chemicals.

The June 1998 "United Nations General Assembly Special Session Devoted to Countering the World Drug Problem Together" (UNGASS) was an important vehicle for promoting chemical control. Two of the five action plans adopted by the Special Session—those dealing with amphetamine-type stimulants and their precursors and the control of precursors—were directly connected to chemical control. In 2003, the fifth anniversary of the UNGASS, CND members formally reviewed progress in achieving the ten-year goals and objectives established by the UNGASS. Progress is reviewed less formally at intervening CND meetings and a more formal review is planned for the tenth anniversary of the UNGASS.

The U.S. has a chemical control agreement with the European Union, signed on May 28, 1997. It is particularly valuable in that it involves a 25-Member State organization representing some of the world's largest chemical manufacturing and trading nations. As a result of this agreement and a natural confluence of interests, U.S./European cooperation in chemical control is strong.

How Traffickers Obtain Chemicals

Chemicals are traded in vast quantities from multiple sources, both domestically and internationally, offering many opportunities for their diversion to illicit drug manufacture. Transshipment or smuggling from third countries into drug producing countries is increasing as the drug producing countries tighten their chemical controls, particularly in the case of synthetic drug precursors. The exploitation of nonprescription drugs containing easily extractable pseudoephedrine is a major source of that key chemical used in illicit manufacture of methamphetamine.

The following are some of the more common diversion and other methods used to obtain chemicals:

- Traffickers extract chemicals, particularly pseudoephedrine, from pharmaceutical preparations. Under prevailing international interpretations of the 1988 UN Drug Convention, it does not control pharmaceutical preparations, allowing them to be traded internationally without regard to legitimate requirements unless exporting and importing countries impose such controls.
- Chemicals are diverted from domestic chemical production to illicit in-country drug manufacture.
- Chemicals are imported legally into drug-producing countries with official import permits and subsequently diverted.
- Chemicals are manufactured in or imported by one country, diverted from domestic commerce, and smuggled into neighboring drug-producing countries.
- Chemicals are mislabeled or re-packaged and sold as noncontrolled chemicals.
- Chemicals are shipped to countries or regions where no systems exist for their control.
- New drugs ("designer drugs") are developed that have physical and psychological effects similar to controlled drugs, but which can be manufactured with noncontrolled chemicals.
- Traffickers manufacture the controlled chemicals they require from unregulated raw materials, a costly and difficult process.

These tactics are masked by the use of front companies, false invoicing, multiple transshipments, use of free trade zones, and any other device that will conceal the true nature of the product, its ultimate recipient or its final end-use.

There is some recycling of the solvents used in illicit drug manufacture; recycling cannot be used for acids, alkaline materials or oxidizing agents. Since recycling requires some sophistication, and there is a loss of chemical with each recycling process, it is not a preferred method for unsophisticated heroin and cocaine laboratories. The precursor chemicals used in the manufacture of synthetic drugs such as methamphetamine and ecstasy cannot be recycled.

2005 Chemical Diversion Control Trends and Initiatives

The emergence of methamphetamine as a major drug of abuse and a significant domestic law enforcement problem in the United States was the most important factor impacting U.S. chemical control in 2005. Roughly thirty-five percent of the methamphetamine produced in the country comes from small toxic labs ("mom and pop labs") using chemicals procured locally, most commonly pseudoephedrine extracted from nonprescription pharmaceutical preparations. The traffickers involved are usually addicts themselves and they are producing the product for their use, that of their friends and limited sales.

Professional traffickers operating "super labs" (those capable of producing ten pounds of methamphetamine in a single production cycle) rely on international sources for their chemicals. Since, depending on the efficiency of the lab, the ratio of pseudoephedrine to methamphetamine is approximately 1-1.6 to 1, and labs are easy to establish, traffickers can move their operations to where the chemicals are available. This occurred when many super labs moved from the U.S. West Coast to Mexico as tighter precursor controls in Canada and better interdiction on the border cut precursor smuggling from the north. Mexico is now tightening its controls on methamphetamine precursors and the concern is that they will be sold to countries with fewer controls and smuggled into Mexico, or the U.S., for drug production.

The 1988 UN Drug Convention includes pseudoephedrine and ephedrine as Table 1 chemicals, which are subject to stricter controls than those in Table II, but less strict than those for narcotic and psychotropic substances under the 1961 and 1971 UN Drug Conventions. The controls, however, are only as good as the ability of the countries concerned to implement them with national laws and regulations, and through effective procedures for multilateral cooperation. Furthermore, the Convention excludes pharmaceutical preparations. Traffickers are exploiting the exclusion to obtain pharmaceutical preparations from which pseudoephedrine can be easily extracted.

Afghanistan continues as the world's largest opium producer. Conditions within the country make implementing effective chemical control difficult. In March 2005, the U.S., Germany and the European Commission proposed at the UN Commission on Narcotic Drugs adding a backtracking element to Operation Topaz, the multilateral acetic anhydride control initiative, to determine the sources of that chemical seized in Afghanistan. This would help authorities intercept shipments before they reached the country. However, it has been difficult to obtain chemical samples because there is not sufficient time to collect and label samples under the circumstances in which authorities make lab seizures.

The two voluntary multilateral initiatives to track shipments of acetic anhydride (Operation Topaz) and potassium permanganate (Operation Purple) have been combined into Operation Cohesion, recognizing that they involve many of the same countries, the major source countries and destination countries for the chemicals. However, traffickers continue to evade the reach of these initiatives by turning to nonparticipating countries to obtain these key cocaine and heroin chemicals. Many of these countries lack the legal, administrative, and law enforcement infrastructure to control the chemicals. Central Asian countries bordering Afghanistan are particularly worrisome in this regard.

The Road Ahead

A major focus will be on better control of the chemicals used to produce amphetamine and methamphetamine, primarily ephedrine and pseudoephedrine. A consensus needs to be developed to include pharmaceutical preparations, now being used as a source of the precursor pseudoephedrine, in these efforts.

The 1988 UN Drug Convention includes provisions for exchange of information on transactions involving controlled chemicals on a bilateral basis. Pharmaceutical preparations are excluded from the information exchange requirements. We need procedures for the multilateral exchange of information on bulk and pharmaceutical transactions in order to identify countries with excessive imports, or spikes in imports, that would indicate diversion. With this information, the countries involved can be approached and the excess imports stopped. Countries targeted by traffickers for this type of transshipment frequently lack the administrative structure to identify excess imports.

We have found a voluntary approach to information exchange in law enforcement channels works best in obtaining cooperation in chemical control beyond that required by the international drug conventions. This was the approach successfully used in establishing Operations Purple and Topaz. Information exchange in law enforcement channels offers assurances of confidentiality and provides that the information is directed to those who can most effectively act on it.

The Drug Enforcement Administration will be using this approach in a meeting it is hosting in late February 2006 in Hong Kong of the major pseudoephedrine and ephedrine producing countries, and the countries most affected by amphetamine and methamphetamine abuse. The purpose will be to review the problem and develop procedures for information exchange, including information on transactions involving pharmaceutical preparations.

The U.S. also intends to introduce a resolution in the March 2006 UN Commission on Narcotic Drugs requesting that countries provide to the International Narcotics Control Board annual estimates of their requirements for bulk ephedrine and pseudoephedrine and pharmaceutical products containing them. The Board would publish the results, as it does for estimated requirements for substances in the 1961 and 1971 UN Drug Conventions, to assist exporting countries in deciding the legitimacy of proposed exports of the products.

Chemical laws, regulations and cooperative multilateral chemical control operations require an administrative structure and trained personnel. The evolving methamphetamine situation makes this particularly important in Mexico where we are providing training and technical assistance to Mexican chemical control agencies on control mechanisms, information sharing, chemical shipments, enforcement, and prosecution. Mexico is also implementing a UN Office of Drugs and Crime (UNODC) National Data System to monitor importation and movement of precursor chemicals at a central site and 17 field sites. We also support UNODC chemical training programs in Central Asia, South Asia and Southeast Asia. To assist the INCB in its central role in multilateral chemical control operations, the U.S. has provided $1.1 million since FY 2002 to INCB Data Bank for Precursor Control. We plan to continue supporting programs of this type in the future.

The two-way nature of information exchange will continue to be emphasized. In too many instances, exporting countries are not receiving replies to pre-export notifications sent to importing countries. The purpose of the pre-export notification is to enable importing country authorities to verify the legitimacy of the transaction and reply to the exporting country, approving or denying the transaction. The system breaks down without replies, allowing shipments to proceed without verification and leading to a situation where exporting countries no longer bother with pre-export notifications. One option selectively employed by the U.S. and some other countries is to agree that the exporting country will not allow shipment of chemicals until the importing country issues either a “letter of no objection” to the proposed shipment or an import permit.

Major Chemical Source Countries

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

The list is reviewed annually. This year we looked carefully at countries that are major producers and/or traders of synthetic drug chemicals, and found that these countries are already included by virtue of their large chemical industries.

Many other countries manufacture and trade in precursor chemicals, but not on the same scale, or with the broad range of precursor chemicals, as the countries in this section.

Article 12 of the 1988 UN Drug Convention is the international standard for national chemical control regimes and for international cooperation in their implementation. The annex to the Convention lists the 23 chemicals most essential to illicit drug manufacture. The Convention includes provisions for the Parties to maintain records on transactions involving these chemicals, and to provide for their seizure if there is sufficient evidence that they are intended for illicit drug manufacture.

The Americas

Argentina

Due to its advanced chemical industry, Argentina continues to be a source of chemicals liable for diversion to cocaine and heroin manufacture. Neighboring Bolivia is the major destination for these chemicals. Domestic cocaine manufacture in Argentina using smuggled cocaine base and locally diverted precursors continues. Argentina is a party to the 1988 UN Drug Convention and has laws meeting the Convention's requirements for record keeping, import and export licensing, and the authority to suspend shipments. Presidential decrees have placed controls on precursor and essential chemicals, requiring that all manufacturers, importers or exporters, transporters, and distributors of these chemicals be registered with the Secretariat for the Prevention of Drug Addiction and Narcotics Trafficking (SEDRONAR).

In 2005, legislation was passed giving SEDRONAR registry system the force of law. This increased its ability to regulate the distribution of precursors and impose fines on those who transport and sell unregistered chemicals.

The DEA-funded Northern Border Investigations Task Force seized 54,690 kilograms of diverted solid precursors and 88,020 liters of liquid precursors from January 2005 to September 2005. This is up from the previous year and indicates chemical diversion remains a serious problem.

Argentina participates in Operation Cohesion and the regional Operation Seis Fronteras. Argentine authorities willingly share chemical control information with U.S. authorities.

Brazil

Brazil has South America's largest chemical industry and also imports significant quantities of chemicals to meet its industrial needs. Brazilian law controls 146 substances that can be used for drug production. All companies that handle, import, export, manufacture, or distribute any of them must be registered with the Brazilian Federal Police. The registered companies are required to send monthly reports to the police on their usage, sales and inventory of any of the 146 substances they handle. Any person or company that is involved in the purchase, transportation or use of the substances must have a certificate of approval of operation, real estate registry, or special license issued by the police. Companies that handle the 22 most sensitive substances with regard to drug production are also regulated by the Ministry of Health's National Sanitary Vigilance Agency.

Brazil is a party to the 1988 UN Convention and these legislative provisions meet the chemical control requirements. The country also participates and supports the multilateral chemical control initiatives, Operation Cohesion, Project Prism and Operation Seis Fronteras. US/Brazilian cooperation in chemical control is good, and includes information exchange. The Brazilian Federal Police have recently agreed to work with DEA, in the context of Operation Cohesion, to perform a study of domestic use and exports of acetic anhydride. DEA has a Diversion Investigator assigned to its Brasilia office.

Canada

Canada remains a producer and transit country for precursor chemicals and over-the-counter pharmaceuticals used to produce synthetic drugs, particularly methamphetamine. Health Canada, the RCMP and the Canadian Border Services Agency are the agencies responsible for chemical control. Health Canada is the competent authority for managing the export of precursor chemicals listed in the 1988 UN Convention.

The Canadian Government continues to strengthen controls on precursor chemicals and their products. In August 2005, methamphetamine was moved from Schedule III to Schedule I of the Controlled Drugs and Substances Act to increase maximum penalties for its possession, trafficking, importing, exporting, and production. In November 2005, the 2003 Precursor Control Regulations were amended by adding six chemicals to the list of controlled chemicals and strengthening regulatory authorities to control chemicals. These measures follow others in recent years that have helped to significantly reduce the amount of Canadian-source pseudoephedrine discovered in clandestine U.S. methamphetamine laboratories.

Canada is a party to the 1988 UN Convention and complies with its record keeping requirements. Cooperation between U.S. and Canadian law enforcement agencies is excellent. Information sharing is part of this cooperation. Canada participates in Project Prism, targeting synthetic drug chemicals, its principal precursor concern, and is a member of the North American working group. Although it supports Operation Cohesion and contributes on an ad hoc basis, Canada is not actively engaged in it.

Mexico

Mexico has major chemical manufacturing and trading industries that produce, import and export most of the chemicals necessary for illicit drug manufacture. The country is a party to the 1988 UN Convention and has laws and regulations meeting its chemical provisions.

The Mexican Federal Commission for the Protection Against Sanitary Risks (CONEPRIS) strengthened chemical controls in 2005. Commission officials performed "no-notice"

inspections at the premises of chemical importers and prepared pre-export notifications messages on exports. With U.S. Government support, the UN Office of Drugs and Crime worked with CONFEPRIS to establish a database for enhanced chemical control. CONFEPRIS also began installing new computer equipment, procured by the Embassy's Narcotics Affairs Section, at 17 ports of entry to record the importation of precursor chemicals capable of producing synthetic drugs, particularly methamphetamine.

A series of laws and regulations have been passed to restrict precursor imports and regulate their sales, with an emphasis on pseudoephedrine. These include:

- Prohibiting import shipments weighing more than three tons;
- Restricting importation of pseudoephedrine to drug companies only, all other licenses were cancelled;
- Requiring shipments of pseudoephedrine to be transported in GPS-equipped, police-escorted armored vehicles to prevent hijacking and unauthorized drop offs;
- Limiting sales of pills containing pseudoephedrine to licensed pharmacies; and
- Restricting customer purchases to no more than three boxes of pills with a prescription required for larger doses.

U.S. and Mexican authorities cooperate in law enforcement. A formal mechanism for cooperation is the U.S-Mexico Bilateral Chemical Control Working Group, and day-to-day contact is handled by the DEA Country Office, notably by a group of Diversion Investigators and agents posted to Mexico City. The result is a good bilateral working relationship, involving information exchange and operational cooperation. Mexico also participates in the multilateral chemical control initiatives Operation Cohesion and Project Prism.

The United States

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

The basic U.S. chemical control law is the Chemical Diversion and Trafficking Act of 1988. This law and three subsequent chemical control amendments were all designed as amendments to U.S. controlled substances laws, rather than stand-alone legislation. They are administered by the Drug Enforcement Administration (DEA). In addition to registration and record keeping requirements, the legislation requires traders to file import/export declarations at least 15 days prior to shipment of regulated chemicals. DEA uses the 15-day period to determine if the consignee has a legitimate need for the chemical. Diversion Investigators are assigned to DEA offices in 10 key countries and one at INTERPOL to assist in determining legitimate end-use. In other countries, DEA agents perform this task. The Diversion Investigators and agents work closely with host country officials in this process. If legitimate end-use cannot be determined, the legislation gives DEA the authority to stop shipments.

U.S. legislation also requires chemical traders to report to DEA suspicious transactions such as those involving extraordinary quantities, unusual methods of payment, etc. Close cooperation has developed between the U.S. chemical industry and DEA in the course of implementing the legislation.

Criminal penalties for chemical diversion are strict; they are tied to the quantities of drugs that could have been produced with the diverted chemicals. Persons and firms engaged in chemical diversion have been aggressively and routinely subjected to civil and criminal prosecution and revocation of DEA registration.

The U.S. has had a leadership role in the design, promotion and implementation of cooperative multilateral chemical control initiatives. It is actively working with other concerned countries to develop information sharing procedures to better control pseudoephedrine and ephedrine, the principal precursors for methamphetamine production. It is on the steering committee for Operation Cohesion and the task force coordinating Project Prism. It also has established close operational cooperation with counterparts in major chemical manufacturing and trading countries. This cooperation includes information exchange in support of chemical control programs and in the investigations of diversion attempts.

Asia

China

China has one of the world's largest chemical industries, producing large quantities of important precursors that can be used for illicit drug manufacture such as acetic anhydride (heroin), potassium permanganate (cocaine), PMK (ecstasy) and pesudoephedrine and ephedrine (methamphetamine). The country is a party to the 1988 UN Drug Convention and has regulations for record keeping and import/export controls on the 23 chemicals included in it. In November 2005, China passed its first administrative law on precursor chemicals aimed at preventing the illicit use of precursors. It regulates the manufacture, distribution, purchase, transport, and import and exports of precursor chemicals. The law represents the first action by the Chinese Government to control domestic sales of precursors, previous laws and regulations focused solely on imports and exports. Several provinces, including Yunnan (which shares a border with Burma), have more stringent controls than called for in the Convention.

The Chinese Public Security Bureau maintains a chemical control unit in Beijing to investigate chemical diversion and to verify the legitimacy of chemical handlers and transactions. In the provinces, provincial police only address controlled chemicals when they are discovered at a clandestine laboratory. China also requests "letters of no objection" from importing countries prior to authorizing exports of methamphetamine precursor chemicals.

Despite the adequate legislation, China's large chemical industry produces significant amounts of chemicals subject to diversion in countries around the world for the illicit production of cocaine, heroin, methamphetamine, and ecstasy. Although on paper China meets or exceeds the chemical control requirements of the 1988 UN Drug Convention, the size of it chemical industry is not matched by a law enforcement infrastructure adequate to effectively monitor its production and international trade.

U.S. and Chinese cooperation in chemical control is good, within the limits of Chinese capabilities. China is a participant in Operation Cohesion and Project Prism. Information is exchanged through these operations and in the course of normal counternarcotics cooperation. China is also a participant in Operation Icebreaker, an effort to combat diversion of precursor chemicals for the production of crystal methamphetamine. DEA has Diversion Investigator positions in its Beijing and Hong Kong offices. The Chinese signed a memorandum of understanding with the Netherlands on October 22, 2004, governing the sharing of

information on precursor shipments to prevent diversion, and the Dutch assigned a law enforcement liaison officer to Beijing in July 2005.

India

India's large chemical industry manufactures a wide range of chemicals, including the precursor chemicals acetic anhydride, ephedrine, and pseudoephedrine, which can be diverted for illicit drug manufacture.

India is a party to the 1988 UN Drug Convention, but it does not have controls on all the chemicals listed in the Convention. The GOI controls acetic anhydride, N-acetylanthranilic acid, anthranilic acid, ephedrine, pseudoephedrine, potassium permanganate, ergotamine, 3, 4-methylenedioxyphenyl-2-propanone, 1-phenyl-2propanone, piperonal, and methyl ethyl ketone, all chemicals listed in the convention. Indian law allows the government to place other chemicals under control. Violation of any order regulating controlled substance precursors is an offense under the Narcotics Drugs and Psychotropic Substances Act, the key law controlling trafficking and is punishable with imprisonment of up to ten years. Intentional diversion of any substance, whether controlled or not, to illicit drug manufacture is also punishable under the Act.

The Indian Government in partnership with the Indian Chemical Manufacturing Association imposes controls on acetic anhydride, a key heroin chemical. Chemical manufacturers visit customers to verify the legitimacy of their requirements, and shipments are secured with specially fabricated sealing systems to prevent diversion. Domestic and export sales of acetic anhydride require a letter of no objection from the government.

Indian authorities cooperate with U.S. authorities on letters of no objection and verification of end-users, especially with regard to ephedrine and pseudoephedrine. Information is shared between Indian and U.S. authorities and India is a participant in Operation Cohesion and Project Prism. DEA has a Diversion Investigator assigned to its New Delhi office.

Europe

Chemical diversion control within the European Union (EU) is regulated by EU regulations binding on all Member States. The regulations have been updated to establish an early warning system to identify new drugs and precursors, and control additional precursors. The EU regulations meet the chemical control provisions of the 1988 UN Drug Convention, including provisions for record keeping on transactions in controlled chemicals, a system of permits or declarations for exports and imports of regulated chemicals, and authority for governments to suspend chemical shipments. EU member states implement the regulations through national laws and regulations.

The EU regulations govern the regulatory aspects of chemical diversion control. Member States are responsible for the criminal aspects, investigating and prosecuting violators of the national laws and regulations implementing the EU regulations.

A Joint Unit on Precursors has been established, located at and supported by Europol in The Hague, the Netherlands. This has improved cooperation and the exchange of chemical control information between the Netherlands, Belgium, France, Germany, Austria, and the United Kingdom.

The U.S.-EU Chemical Control Agreement, signed May 28, 1997, is the formal basis for U.S. and EU Member State cooperation in chemical control. The agreement calls for annual meetings of a Joint Chemical Working Group to review implementation of the agreement and to coordinate positions in other areas. The annual meeting has been particularly useful in coordinating national or joint

initiatives such as resolutions at the annual UN Commission on Narcotic Drugs. The December 2005 meeting concentrated on coordinating actions to control better synthetic drug precursors.

Bilateral chemical control cooperation is also good between the U.S. and EU Member States, and many are participating in and actively supporting voluntary initiatives such as Operation Cohesion and Project Prism.

Germany and the Netherlands, with large chemical manufacturing or trading sectors and significant trade with drug-producing areas, are considered the major European chemical source countries. Other European countries have important chemical industries, but the level of chemical trade with drug-producing areas is not as large and broad-scale as these countries.

Germany

Germany's large chemical industry manufactures and sells most of the precursor and essential chemicals that may be used in illicit drug manufacture. It is one of the countries that produce large quantities of pseudoephedrine for licit pharmaceutical production. The country is a party to the 1988 UN Drug Convention and has chemical control laws and regulations, based on the EU regulations, meeting the Convention's requirements. The federal Precursor Control Act criminalizes the diversion of controlled chemicals for the illicit manufacture of drugs. In August 2005, three amendments to the chemical EU regulations to streamline control systems in the EU became effective, overriding many of the provisions of Germany's federal Precursor Control Act. The act is expected to be amended according to the provisions of the EU regulations.

Precursor control as a preventative measure is a major focus in combating drug crime in Germany. The country has an effective and well-respected chemical control program that monitors the chemical industry, as well as chemical imports and exports. Cooperation between chemical control officials and the chemical industry is a key element in Germany's chemical control strategy. The Federal Criminal Investigative Service and German Customs Police have a very active Joint Precursor Chemical Unit, based in Wiesbaden, devoted exclusively to chemical diversion investigations. They investigated a total of 66 cases involving precursors and prevented shipments totaling 700 tons in 2004 (up from 18 tons in 2003).

Germany is in the forefront of international cooperation in chemical control. It developed and promoted the concept that led to Operation Purple and was one of the leaders in the organization of Operation Topaz. It strongly supports the INCB's Project Prism that concentrates on stricter tracking of trade in chemicals and equipment required for synthetic drug manufacturer. In January 2005, the Federal Criminal Police hosted a multilateral meeting in Wiesbaden to develop strategies to prevent the diversion of the key heroin chemical acetic anhydride to Afghanistan.

German chemical control officials and DEA counterparts maintain a close working relationship. A senior DEA Diversion Investigator in DEA's Frankfurt Resident Office spends at least two days a week with the Joint Precursor Chemical Unit, working on chemical issues of concern to both countries. This arrangement allows for the real-time exchange of information. German and U.S. delegations regularly support joint positions on chemical control in multilateral meetings such as the Commission on Narcotic Drugs. Information exchange during special operations has also been excellent.

The Netherlands

The Netherlands has a large (legal) chemical sector making it an attractive location for criminals to attempt to obtain chemicals for illicit drug manufacture. There are large chemical storage facilities and Rotterdam is a major chemical shipping port.

The Netherlands is a party to the 1988 UN Drug Convention and has legislation meeting its chemical control requirements and those of the EU regulations. The 1995 Act to Prevent Abuse of Chemical Substances is the most important piece of implementing legislation. The legislation provides for prison sentences up to six years, fines up to 50,000 Euros, and/or asset seizures. The Fiscal Information and Investigative Service and the Economic Control Service oversee implementation of the law.

The Netherlands participates in multilateral chemical control initiatives such as Operation Cohesion. It took an active role in the design of Project Prism, hosting an important organizational meeting December 2002. The Netherlands and the U.S. (DEA) have co-chaired Project Prism's Chemicals Working Group since it inception in 2002.

There is significant production of ecstasy and some production of amphetamines and other synthetic drugs in the Netherlands, indicating chemical diversion. The government has been proactive in meeting this threat. Many of the important ecstasy precursors originate in China and the government has increased cooperation with the Chinese. The joint Dutch/Chinese participation in Project Prism resulted in their signing a memorandum of understanding on October 22, 2004, governing the sharing of information on precursor shipments to prevent diversion. In July 2005, the Dutch assigned a law enforcement liaison officer to Beijing. One of the officer's primary missions is to coordinate the sharing of intelligence on precursor chemical investigations.

The Dutch and the U.S. have traditionally worked closely on precursor controls and investigations. There are formal and informal arrangements for information exchange. In addition to working together in multilateral operational initiatives, the U.S. and Dutch delegations to international meetings such as the Commission on Narcotic Drugs frequently coordinate positions. In November 2005, the Dutch hosted the second Synthetic Drug Enforcement Conference in Maastricht. Cooperation in precursor control and investigations was an important agenda item.

Major Drug Manufacturing Countries

Drug manufacturing requires significant quantities of chemicals. No major illicit drug manufacturing country produces all the required chemicals, and traffickers must meet their chemical requirements from external sources. This section summarizes the sources of chemicals and country initiatives to control them.

Asia

Afghanistan

Afghanistan produces nearly 90 percent of the world's opium. An increasingly large portion of the opium crop is being processed into heroin and morphine base by drug labs in Afghanistan. With no domestic chemical industry, the chemicals required for heroin processing must come from abroad. The principal sources are believed to be Europe, the Central Asian states and

India, but traffickers skillfully hide the sources of their chemicals by re-packaging and false labeling. There are no legitimate requirements in Afghanistan for most of the chemicals used in heroin manufacture, and most are smuggled in through the Central Asian states, the Persian Gulf and Pakistan, after being diverted elsewhere.

Afghanistan is a party to the 1988 UN Drug Convention. However, it lacks the administrative and regulatory infrastructure to comply with the Convention's record keeping and other requirements.

The same factors that adversely impact the interdiction of narcotics, the investigation of major trafficking organizations and the enforcement of the poppy ban hinder efforts to interdict precursor chemicals and processing equipment. While the Afghan Government understands the issue, progress in chemical control is primarily dependent upon establishment of specialized police and regulatory agencies. There currently are no registries or legal requirements for tracking, storing or owning precursor chemicals, although the new counternarcotics law adopted December 2005 requires the Ministry of Counternarcotics to develop a modern regulatory system.

Burma

Declining poppy cultivation in Burma has been matched by a sharp increase in the production and export of synthetic drugs. Burma does not have a significant chemical industry and does not manufacture ephedrine and pseudoephedrine used in synthetic drug manufacture, or acetic anhydride used in the remaining heroin manufacture. Most of the chemicals required for illicit dug manufacture are imported and diverted or smuggled into Burma from China, Thailand and India.

Burma is a party to the 1988 UN Drug Convention, but it does not have laws and regulations to meet all its chemical control provisions. In 1998, Burma established a Precursor Chemical Control Committee responsible for monitoring, supervising and coordinating the sale, use, manufacture, and transportation of imported chemicals. In 2002, the Committee identified 25 substances as precursor chemicals, including two not in the 1988 UN Drug Convention (caffeine and thionyl chloride) and prohibited their import, sale or use in Burma.

Burma is one of six countries (Burma, Cambodia, China, Laos, Thailand, and Vietnam) that are parties to the UN Office of Drugs and Crime sub-regional action plan for controlling precursor chemicals and reducing illicit narcotics production and trafficking in the highlands of Southeast Asia. In January 2003, Burma also held the first trilateral conference with India and China on precursor chemicals. In 2004, the conference expanded to include Laos and Thailand. As a result, India and China have taken steps to divert precursor chemicals away from Burma's border areas and India has added ephedrine to the 100-mile wide exclusion zone for acetic anhydride along its border with Burma.

During the first eleven months of 2005, Burmese seizures of precursor chemicals remained essentially he same as 2004. Over this period, authorities seized 112 kilograms of ephedrine and 14,143 liters of other precursor chemicals.

Latin America

Bolivia

Because Bolivia does not have a large chemical industry, most of the chemicals required for illicit drug manufacture come from abroad, either smuggled from neighboring countries or

imported and diverted. A priority for Bolivian counternarcotics policy is the interception of smuggled chemicals, the destruction of the smuggling organizations, and the prevention of diversion. In 2005, 583,490 liters of liquid chemicals used in drug manufacture (acetone, diesel, ether, etc.) 312,296 metric tons of solid chemicals (sulfuric acid, bicarbonate of soda, etc.) were seized.

Bolivia's professional chemical interdiction program is led by the Special Group for Investigations of Chemical Substances (GISUQ), an elite group within the Bolivian counternarcotics police. The weak Bolivian Directorate of Controlled Substances (DGSC), a civilian agency, is responsible for registering and tracking industrial chemicals, including drug precursors. In 2005, a UN Office of Drugs and Crime-supported project provided a computerized registration database for both the DGSC and GISUQ. With Embassy and DEA assistance, GISUQ has obtained real-time access to the system.

Bolivian traffickers have sought to adapt to GISUQ interdiction programs by substituting inferior chemicals and recycling. GISUQ's strategy now focuses more aggressively on sulfuric acid and sodium bicarbonate, which are difficult to substitute in Bolivia.

Bolivia is a party to the 1988 UN Drug Convention, and has the legal framework for implementing its chemical control provisions. Bolivia participates in chemical control initiatives such as Operation PH-7 (national) and Operation Seis Fronteras (multilateral), and cooperates closely with U.S. officials. DEA has a Diversion Investigator assigned to its La Paz office.

Colombia

Some of the chemicals required for the illicit manufacture of cocaine and heroin in Colombia are domestically produced and diverted and the remainder must come from abroad. They are either imported into the country with valid import licenses and subsequently diverted or smuggled in from neighboring countries, Brazil, Ecuador and Venezuela. There have been reports of large quantities of chemicals reaching Colombia that originated in China and transited Mexico. Chemical traffickers and clandestine laboratories are also using noncontrolled chemicals to replace controlled chemicals that are difficult to obtain. Some chemicals are recycled.

A major problem in Colombian chemical control continues to be the system for issuing import permits. These are not reliable proof that the legitimate end-use for the chemicals has been verified prior to issuance. The Colombian National Police Chemical Special Investigative Unit (SIU) focuses on both regulatory inspections and criminal investigations. The goal of the SIU is to dismantle large-scale precursor trafficking organizations.

Colombia is a party to the 1988 UN Drug Convention and has chemical control laws meeting or exceeding its requirements. Colombia participates in Operation Cohesion and Operation Seis Fronteras. DEA has a Diversion Investigator assigned to its Bogotá office.

Peru

Peru produces some precursor chemicals used in cocaine production and others are imported and diverted or smuggled into the country. Cocaine base was once considered the traditional form of coca product produced and trafficked in Peru. However, in 2005, as evidenced by multi-ton seizures, cocaine HCL rapidly became the principal product of Peruvian drug trafficking. This requires additional chemicals, particularly potassium permanganate.

In 2005, the Peruvian National Police (PNP) Chemical Investigations Unit successfully executed operations against Peruvian companies suspected of diverting chemicals from legitimate use. The PNP also participated with neighboring countries and the U.S. in the regional chemical control program, Operation Seis Fronteras, during which the PNP seized a record amount of 122 metric tons of various precursors. Peru, Colombia and Brazil also have a border cooperation agreement that targets illegal border activity, including trafficking in drugs and precursor chemicals.

Peru is a party to the 1988 UN Drug Convention and has laws meeting its chemical control provisions. U.S. and Peruvian authorities cooperate closely in chemical control. In addition to Operation Seis Fronteras, Peru also participates in Operation Cohesion.

SOUTH AMERICA

Argentina

I. Summary

Argentina is a transit country for cocaine from Bolivia, Peru and Colombia primarily to European destinations. Argentina is also a transit route for Colombian heroin en route to the U.S. (primarily New York). Due to its advanced chemical production facilities, Argentina is a source for precursor chemicals. According to Argentine Government (GOA) statistics, there was considerably more cocaine seized in the first three quarters of 2005 than during the same period in 2004. While the GOA secretariat in charge of prevention issues (SEDRONAR) reported a drop in marijuana seizures in 2005, seizures of coca leaf and precursor chemicals increased. Argentine law enforcement authorities have expressed concern that the potential for political turmoil in neighboring Bolivia or a weakening in that nation's commitment to combating narcotics trafficking could greatly increase the amount of narcotics transiting Argentina.

II. Status of Country

Argentina is not a major drug producing country, but law enforcement agencies continue to seize clandestine cocaine laboratories. Because of its advanced chemical production facilities, it is one of South America's largest producers of precursor chemicals. There have been several large seizures of cocaine in Europe that transited Argentina via shipping containers and commercial air carriers. Marijuana remains the most commonly smuggled and consumed drug, with cocaine (HCl) and inhalants ranked second and third. Bolivia is the primary source of narcotics entering Argentina, and narcotics also enter via Paraguay and Brazil. GOA law enforcement continues to intercept relatively small amounts of Colombian heroin destined for the United States. Seizures of amphetamine-type stimulants and ecstasy, a synthetic stimulant with hallucinogenic properties, are increasing.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The government targets the trafficking, sale, and use of illegal narcotics. In 2005, the GOA passed legislation enforcing SEDRONAR's registry system of precursor chemicals. This legislation increased SEDRONAR's ability to regulate the distribution of precursor chemicals and imposed fines on those who transport or sell unregistered chemicals. Additionally, SEDRONAR completed the nation's first national drug prevention plan, emphasizing youth education and public awareness. The plan is now with President Kirchner, prior to seeking approval of Argentina's Congress.

Accomplishments. From January 2005 to September 2005, the USG—funded Northern Border Task Force (NBTF) seized in excess of 54,690 kilograms of solid illicit chemicals and 88,020 liters of liquid illicit chemicals, a significant increase over the same period in 2004. The NBTF and Group Condor seized 732 kilograms of cocaine, including base, in the first three quarters of 2005 as compared with 565 kilograms of cocaine during the same period of 2004.

According to statistics provided by Argentine federal and provincial police forces, in the first ten months of 2005, GOA law enforcement seized ten cocaine laboratories. Local news sources indicate that a much greater number of laboratories have been seized in 2005, but government statistics for 2005 are incomplete as of this writing. Nevertheless, it is clear that the increase in domestic cocaine production that started in 2003 has continued.

According to SEDRONAR, 3,580 kilograms of cocaine were seized nationally in the first three quarters of 2005, compared to 2,155 kilograms of cocaine during the same period in 2004.

SEDRONAR reported only 21,618 kilograms of marijuana seized nationally in the first three quarters of 2005, compared to 43,920 kilograms during the same period in 2004. SEDRONAR also reports that 38.6 metric tons of coca leaf were seized nationally during the first three quarters of 2005, up from the 29.8 metric tons seized during the same period in 2004.

Law Enforcement Efforts. The Ministry of the Interior, in coordination with SEDRONAR, directs federal narcotics policy. The primary federal forces involved are the Federal Police, the Gendarmeria, Aduanas (Customs), the National Air Police (PSA), and the Prefectura Naval (Coast Guard). Provincial police forces also play an integral part in counternarcotics operations. Argentina's security forces face continuing budget limitations which have hampered investment in training and equipment. The delay between arrest and final judicial dispensation and a lack of judicial transparency undermines confidence in the legal system. Also, weak coordination between law enforcement agencies lessens GOA effectiveness.

Corruption. The GOA is publicly committed to fighting corruption and prosecuting those implicated in corruption investigations. Two cases involving GOA law enforcement and security officials will serve as opportunities for the Argentine Administration to demonstrate its commitment against both corruption and narcotics trafficking. One case involves four members of the Federal Police's counternarcotics unit stationed in Salta accused of smuggling 116 kilograms of cocaine in August, 2005. Another case, involving 60 kilograms of cocaine sent to Spain as unaccompanied baggage on an Argentine air carrier, highlighted a breakdown in airport security and caused the GOA to remove airport security from military control. As these cases work their way through the court system they will serve as indicators of the Administration's commitment to eliminating institutional corruption in its law enforcement agencies.

Agreements and Treaties. Argentina is a party to the UN Convention Against Transnational Organized Crime and two of its protocols (trafficking in persons and alien smuggling), and has signed but not yet ratified the third protocol (firearms). The GOA has bilateral narcotics cooperation agreements with many neighboring countries. The United Kingdom, Germany, Australia, France and Italy provide limited training and equipment support. Argentina is a party to the 1988 UN Drug Convention.

Cultivation/Production. Illicit cultivation of marijuana remains negligible and no other narcotics are cultivated in Argentina. There were several clandestine cocaine laboratories seized in 2005, but the amount of cocaine produced annually in Argentina is still small. However, there is evidence that shows that more organizations are moving to Argentina due to the traffickers' capability to better control final-product purity, precursor chemicals, and the decreased risk in shipping. With narcotics traffickers looking to raise the quality of Bolivian cocaine, Argentina is becoming a more appealing market to provide greater return.

Drug Flow/Transit. The bulk of cocaine and marijuana enters Argentina via Bolivia utilizing the remote and often rugged land border between Bolivia and the provinces of Salta and Jujuy. Narcotics smugglers also move cocaine and marijuana across the river border between Paraguay and the provinces of Misiones and Corrientes. Heroin and some cocaine enter Argentina via commercial aircraft. GOA officials are becoming increasingly concerned about the use of small private aircraft to carry loads of narcotics into Argentina from Bolivia and Paraguay. The DEA Country Office believes the highest volume of narcotics transits Argentina via containers passing through Argentina's maritime port system. Narcotics also are shipped out of Argentina using commercial aircraft, and in some cases, by cruise ship passengers.

Demand Reduction Programs. SEDRONAR is charged with coordinating the GOA's demand reduction efforts. SEDRONAR recently completed work on Argentina's first national drug plan and hopes to see the plan passed into law in 2006. SEDRONAR recently completed a pilot drug education program targeting school children ages 10 to 14 in two provinces.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The cornerstone of the U.S. efforts in Argentina is the Northern Border Task Force (NBTF) in Salta and Jujuy Provinces. The NBTF fosters coordination between GOA law enforcement agencies and assist in disrupting the flow of narcotics entering the country from Bolivia. In addition to the NBTF, DEA and the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) provide equipment and training opportunities to increase the effectiveness of GOA law enforcement personnel.

The Road Ahead. Argentine law enforcement officials fear that the growing political instability in Bolivia will weaken counternarcotics operations in Bolivia and result in a major increase in trafficking of cocaine and coca leaf into Argentina. The GOA is taking concrete steps to combat both narcotics trafficking and drug use, and the U.S. will continue to assist and encourage the GOA in this process. Possible areas of further cooperation include expanding the task force program to include the creation of a Tri-Border Task Force in the province of Misiones and a Port of Buenos Aires Task Force to focus on maritime container traffic. The U.S. will also continue encouraging the GOA to work toward improving its radar system.

Bolivia

I. Summary

In 2005, Bolivia's coca cultivation increased eight percent overall—the fourth consecutive year of increase—while the Bolivian Government eradicated 6,000 hectares of coca and continued to increase seizures of drugs and precursor chemicals. Although the Bolivian Government under President Rodriguez (inaugurated in June 2005 for a six-month term) reaffirmed its commitment to long-standing counternarcotics policies, his administration maintained a holding action in the Chapare, while preparing to confront coca cultivation in the Yungas. where the present growth exceeds historic trends and what is allowed by Bolivian law. Alternative development (AD) programs, which significantly raised the income levels of farmers in the Chapare and enjoyed widespread acceptance, continued their shift to a more integrated approach, with an emphasis on sustainability and increased participation by municipalities in developing, implementing and monitoring programs. AD programs seek to complement coca reduction through increased competitiveness of licit enterprises, strengthened local democracy and state presence, and improved social services.

Recurring political challenges to democratic governance—over the last five years, Bolivia has had five presidents—have severely limited the ability of the Government of Bolivia (GOB) to curb continuing increases of coca cultivation in the Yungas. Successive governments have opted to resolve confrontations with coca growers ("cocaleros") through negotiation and concessions than with law enforcement and forced eradication. They have also failed to support drug abuse prevention programs and been slow to undertake social communication programs to explain the dangers that excess coca production, drug production and consumption pose to Bolivian society.

II. Status of Country

Bolivia has produced coca leaf for traditional uses for centuries, and Bolivian law permits up to 12,000 hectares of legal coca cultivation (mostly in the Yungas) to supply this licit market. After a year's delay, the GOB has launched a study to gauge the current licit demand, which many suspect has declined as Bolivian society has urbanized. Many older Bolivians continue to use coca.

From the mid-1990s, when the Chapare region was a principal supplier of cocaine to the world market, and Bolivia had the potential to produce 255 metric tons of pure cocaine, the country has reduced its potential cocaine production down to 70 metric tons. This reduction was accomplished by former President Banzer (1997-2001), who combined forced eradication with strong law enforcement interdiction and provision of alternative development conditioned on coca reduction. However, from 2000 to 2005, there has been an increase in coca cultivation from 19,600 to 26,500 hectares, due partially to the inability of the GOB to conduct forced eradication in the Yungas, to which many Chapare coca growers have migrated, and partially to concessions that emboldened growers to plant more coca. Overall coca cultivation increased 8 percent from 2004 to 2005, to 26,500 hectares.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Despite the recent social and political crises that have resulted in the departure of two presidents before the end of their terms, the GOB has persisted in its policy of forced eradication in the Chapare and of aggressive interdiction of illicit drugs and precursors. However, the short-term agreements between the GOB and cocaleros to resolve violent confrontations in 2004 undercut the GOB's commitment to its forced eradication policy and resulted in less eradication in 2005. Interdiction, however, improved, with a 23 percent increase in cocaine seizures over 2004. A new,

integrated alternative development approach in the Chapare provides for participation by municipalities in GOB decisions on development, implementation and monitoring of programs; this has helped reduce coca-related conflict and strengthen local commitment to licit development.

The principal challenges facing Bolivia today are the expansion of coca cultivation in the Yungas and the need to develop new laws and regulations to control precursor chemicals. Violent cocalero opposition and extreme terrain greatly complicate the prospects for successful forced eradication in the Yungas. Consequently, the GOB's strategy for the Yungas has been to negotiate voluntary coca cultivation reduction and tighten interdiction. Alternative development has grown in some areas within the Yungas. However, none of these initiatives have reduced coca cultivation there.

Accomplishments. In 2005, forced manual eradication fell to just over 6,000 hectares, partly due to the increasing dispersion and decreasing size of cultivation plots in the Chapare, and partly due to allowing 3,200 hectares of coca to remain un-eradicated pending completion of a study to determine the need for licit coca. Interdiction statistics increased significantly from 2004 to 2005, with seizures of cocaine/base exceeding 11 metric tons.

Law Enforcement Efforts. The USG continues to support GOB efforts to develop the capabilities of the Bolivian Special Counternarcotics Police (FELCN) and its specialized units through training, upgrading of existing physical infrastructure and construction of new bases at strategic locations. The quality of the investigative work by FELCN units has improved as a result, as did the number of seizures.

Corruption. There is no evidence that Bolivia's narcotics traffickers exercise a major corruptive influence at the GOB's higher levels. Recent governments have neither condoned, encouraged nor facilitated any aspect of narcotics trafficking. The Offices of Professional Responsibility (DNRP) within the Bolivian National Police (BNP) and FELCN investigate allegations of insubordination and other forms of misconduct. Efforts to create and enforce an effective anticorruption policy have languished for lack of political will. In 2005, there were no prosecutions of narcotics-related cases involving senior level officials, although there were several cases of corruption within the public sector. Judges have been accused by the counternarcotics police of freeing people implicated in narcotics trafficking, despite evidence against them. USG assistance through the U.S. Embassy Narcotics Affairs Section (NAS) program requires polygraph tests for all prosecutors and other key players in the counternarcotics projects. This has greatly improved the credibility of their work.

Agreements and Treaties. Bolivia is 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. Bolivia is a party to other multilateral law enforcement conventions: specifically, the UN Convention against Transnational Crime and the UN Convention against Corruption. Bolivia has signed, but has not yet ratified, the Inter-American Convention on Extradition, but has ratified the Inter-American Convention against Corruption.

Extradition. Bolivia and the U.S. signed a bilateral extradition treaty in 1995, which entered into force in 1996 and mandates the extradition of nationals for most serious offenses, including drug trafficking. No extraditions were sought by the U.S. from Bolivia in 2005.

Cultivation/Production. In 2005, the GOB continued the forced eradication of coca cultivation in the Chapare (including the national parks), as well as in minor areas of new cultivation in the Departments of Santa Cruz and in the Beni. In 2005, USG estimates suggest that overall coca cultivation increased by 8 percent from 2004 to 2005. Cultivation in the Yungas increased five percent. The Caranavi region, adjacent to the Yungas, and the area with the greatest potential for further increases in that region, saw 200 hectares of new cultivation since 2004 and an overall increase of 100 hectares. GOB interdiction results also suggest there was a significant rise in marijuana production, likely for internal consumption.

Drug Flow/Transit. The FELCN focuses on intercepting illicit drugs and chemicals, as well as on detecting and disrupting organizations that bring precursors into Bolivia or transfer cocaine through Bolivian territory. The FELCN's results for 2005 improved over those of 2004, with seizures of 11.5 metric tons of cocaine/base, 31.4 metric tons of cannabis, 540,774 liters of liquid precursors (acetone, diesel, ether, etc.) and 298,815 metric tons of solid precursor chemicals (sulfuric acid, bicarbonate of soda, etc.). It also destroyed 2,619 cocaine base labs and made 4,376 arrests in over 6,294 operations.

Significant quantities of cocaine from Peru and Colombia traverse Bolivia to enter Brazil, Paraguay and Argentina. An increasing proportion of the cocaine both transiting and produced within Bolivia is destined for Europe, Argentina, Brazil, Chile, Paraguay and Mexico (in the case of the last, likely for eventual sale in the United States). Bolivia's own consumption of cocaine products now approaches levels of use in the United States, when measured in terms of users as a percentage of population.

Alternative Development (AD). Funded under the Andean Counterdrug Initiative (ACI), USAID's AD assistance program strengthened the sustainability of the licit economy in the Chapare. Program efforts focused on increasing the competitiveness of rural enterprises, creating more effective, transparent, and responsive democratic institutions, and improving basic public services and social conditions. Average licit gross farm gate family income in the Cochabamba area continued to rise, reaching $2,667 in 2005 (compared with $2,390 in 2004). Estimated net licit family income in the Cochabamba area increased from $1,865 in 2004 to $1,958 in 2005, while in the Yungas, it increased from $1,584 to $1,711. In both areas average licit incomes are substantially above the national average.

Despite Bolivia's chronic political instability and social unrest, the licit economies in coca-growing regions expanded and consolidated in FY 2005, providing former coca growers with opportunities to live within the rule of law and make a decent living. In the Chapare, the value of private investment increased, reaching $86.5 million. Chapare and Yungas high-value licit crop exports—such as bananas, coffee, pineapple, coffee, cocoa, and palm heart—increased from $25.3 million in FY 2004 to $35 million in FY 2005. Over 800 kilometers of improved roads helped farmers reach markets while providing collateral social benefits to thousands of families.

Weak state presence in far-flung areas facilitates coca cultivation. To address this, AD programs helped improve citizen participation and oversight of municipal governments, increase access to justice, and strengthen citizen rights to land. AD institutional strengthening and small-scale infrastructure co-investments with municipalities in coca growing regions (schools, water systems, and road maintenance) improved local government performance, accountability, and transparency. AD also helped strengthen a democratic culture of justice and rights in the Chapare and Yungas. Integrated Justice Centers became operational in FY 2005 in both regions, and have processed almost 2,500 cases. AD support enabled the GOB's Agrarian Reform Institute to deliver about 3,000 property titles to Chapare residents in FY 2005. AD will help title 30 percent of all 30,000 Chapare properties by the end of FY 2006. These efforts allow citizens to exercise their constitutional right to own land and increase legal security in places where the state has been absent.

Domestic Programs (Demand Reduction). The GOB's Drug Strategy includes demand reduction and rehabilitation as one of its four pillars. According to the most recent data from CELIN, the Latin American Center for Scientific Study, consumption rates of cocaine, both HCl and base, among urban populations in Bolivia more than doubled between 2000 and 2005. Consumption rates of all drugs rose from 1.7 percent of the urban population in 1992 to 4.55 percent in 2005. Yet, in 2005, the GOB again undertook few significant efforts to combat documented increases in drug consumption other than to expand the DARE program (financed by the USG).

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG promotes the institutional reform and strengthening of the GOB elements that address our shared counternarcotics objectives. These objectives include removing Bolivia as a major producer of coca leaf for the production of cocaine; promoting licit economic development to provide viable options to cultivating coca; disrupting the production of cocaine within Bolivia; interdicting and destroying illicit drugs and precursor chemicals moving within and through the country; reducing and combating domestic abuse of cocaine and other illicit drugs; institutionalizing a professional law enforcement system; and better communicating the dangers of illicit drugs to the Bolivian population.

Bilateral Cooperation. The GOB and the U.S. Embassy meet routinely at all levels and across several functional entities to coordinate policy, implement programs/operations and to resolve issues. The State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL), through its NAS and Air Wing, supports and assists all interdiction and eradication forces. USAID represents the largest of all international donors in supporting GOB efforts at alternative development.

Road Ahead. The USG plans to continue to support existing eradication and integrated alternative development in the Chapare, push for initiation of eradication in the Yungas, strengthen efforts to interdict precursors and traffickers, continue training an effective corps of prosecutors and push for new anti-money laundering legislation.

Brazil

I. Summary

Improvements in intelligence gathering and investigative capabilities by the Brazilian Federal Police resulted in a higher number of drug seizures and arrests in 2005. Brazil's shootdown law, which authorizes the Brazilian Air Force to use lethal force in the interdiction of aircraft suspected of involvement in drug trafficking, was implemented in October 2004. While the Brazilian Air Force did not record any lethal force incidents during 2005, official Brazilian sources report that some aircraft were forced to land and the number of clandestine flights diminished from the previous year. Brazil's Council for the Monitoring of Financial Activities (COAF) added additional analysts and was active in assisting law enforcement task forces investigating money laundering.

Brazil is a major transit country for illicit drugs shipped to Europe and to a lesser extent, the United States. Brazil cooperates with its South American neighbors in an attempt to control the remote and expansive border areas where illicit drugs are transported. Brazil is a signatory to various counternarcotics agreements and treaties, including the 1988 UN Drug Convention, and the 1995 bilateral U.S.-Brazil counternarcotics agreement.

II. Status of Country

While not a significant drug-producing country, Brazil is a conduit for cocaine base and cocaine HCl moving to Europe, the Middle East and Brazilian urban centers, as well as a conduit for smaller amounts of heroin moving to the U.S. and Europe. Cocaine and marijuana are used among youth in the cities, particularly Sao Paulo and Rio de Janeiro. Organized drug gangs are involved in narcotics related arms trafficking.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Brazil has undertaken various bilateral and multilateral efforts to meet the objectives of the 1988 UN Drug Convention. The GOB has implemented laws permitting adequate law enforcement measures and achieved significant progress in the fight against illegal drugs.

The GOB has begun to institutionalize its National Strategy for Combating Money Laundering (ENCLA), holding its third annual high level planning session in December 2005. Also in 2005, the GOB drafted, but has not yet presented to Congress, a bill updating its money laundering legislation. If passed, this legislation would facilitate greater law enforcement access to financial and banking records during investigations, criminalize illicit enrichment, allow administrative freezing of assets, and facilitate prosecutions of money laundering and terrorist financing cases.

Brazil's first line of defense against drug smuggling is enforcement at its heavily transited border crossings. Drug traffickers exploit the expansive border in areas where Brazilian law enforcement has only a minimal presence. To more effectively combat trans-border trafficking organizations, Brazil is cooperating closely with its neighbors by establishing joint intelligence centers (JIC). The newest JIC is planned for the Brazilian/Bolivian border. In October 2005, representatives from the Drug Enforcement Administration (DEA) offices in La Paz and Brasilia, the U.S. Embassy's Narcotics Affairs Section (NAS) office, the Brazilian Federal Police, and the Bolivian National Police agreed to staff and operate the planned JIC in Brasilia jointly when it opens in 2006.

Brazil's Unified Public Safety System (SUSP), created in 2003, is now fully functional and showing results. SUSP, which is administered by the Brazilian National Public Safety Secretariat (SENASP), is

a national system to integrate diverse state, civil and military police forces. Collaboration between SENASP and the NAS was good in 2005. A number of courses including crisis management, training for counternarcotics SWAT teams, and training for dog handlers, were sponsored by the NAS and hosted by SENASP for state law enforcement officials throughout Brazil.

Accomplishments. In October, Brazil hosted the "Operation Seis Fronteras" (Six Borders) Phase VII regional meeting. Operation Seis Fronteras is a DEA-sponsored international chemical enforcement initiative, which targets the movement and diversion of chemicals used in the production of cocaine and heroin in South America.

Law Enforcement Efforts. In 2005, the Federal Police seized 15.8 metric tons of cocaine HCL (double the amount seized in 2004) and 126 kilograms of crack cocaine. Marijuana seizures totaled 146.6 metric tons in 2005. These numbers are incomplete, since only those of the Federal Police, and not those of local police forces, are reported on a national basis. Federal Police sources estimate they record 75 percent of Brazilian seizures and detentions.

Corruption. As a matter of government policy, Brazil does not condone, encourage, or facilitate production, shipment, or distribution of illicit drugs or laundering of drug money. The Federal Police have carried out a number of high profile investigations of public officials and state police involved in money laundering and/or narcotics trafficking. The fight against corruption remains a high priority for Brazilian law enforcement.

Agreements and Treaties. The United States and Brazil are parties to a bilateral mutual legal assistance treaty, which entered into force in 2001. Brazil became a party to the 1988 UN Drug Convention in 1991. Bilateral agreements based on the 1988 convention form the basis for counternarcotics cooperation between the U.S. and Brazil. Brazil also has a number of narcotics control agreements with its South American neighbors, several European countries, and South Africa. Brazil cooperates bilaterally with other countries and participates in the UN Drug Control Program (UNDCP) and the Organization of American States' Anti-drug Abuse Control Commission (OAS/CICAD). Brazil and the U.S. are parties to a bilateral extradition treaty signed in 1961.

Cultivation/Production. With the exception of some cannabis grown primarily for domestic consumption in the northeast, there is no significant evidence of cultivation or production of illicit drugs in Brazil. Drugs for domestic consumption or transshipment originate in Colombia, Paraguay, or Bolivia.

Drug Flow/Transit. Marijuana from Paraguay and cocaine from Bolivia are smuggled into Brazil across remote border areas and are destined primarily for domestic consumption. Higher quality cocaine from Colombia for export to Europe, the Middle East, and Africa enters by boat and is placed in ships departing from Brazil's northeastern ports. Traffickers have reduced the number of long flights over Brazilian territory due to Brazil's shootdown law. However, they still make the short flight over Brazil en route to Venezuela and Suriname.

Distribution. As a result of improved intelligence capabilities, the Brazilian Federal Police have enjoyed increased success against international trafficking organizations that transship illicit drugs to Europe, Africa, and the Middle East. The distribution of drugs in Brazilian cities is carried out by domestic networks that operate in major urban areas.

Sale, Transport and Financing. Cocaine from Bolivia and marijuana from Paraguay are smuggled into Brazil. Organized groups based in Sao Paulo and Rio de Janeiro arrange for the transport of the contraband through contacts in the border areas. The drugs are purchased from criminal organizations that operate outside Brazil's borders. Proceeds from the sale of narcotics are used to purchase weapons and to strengthen the groups' control over the slums (favelas) of Rio and Sao Paulo.

Asset Seizure. Many assets, particularly motor vehicles, are seized during narcotics raids and put into immediate use by the Federal Police under a March 1999 Executive Decree. Other assets are auctioned and proceeds distributed based on court decisions. Federal Police records show that 2 airplanes, 634 motor vehicles, 58 motorcycles, 13 boats, 146 firearms, and 1,116 cell phones were seized in 2005.

Law Enforcement Cooperation. During 2005, various USG agencies and sections, including the U.S. Embassy's NAS, Public Diplomacy and Economic Offices, the Department of Homeland Security, DEA, and the Federal Bureau of Investigation provided training throughout Brazil in a wide variety of law enforcement areas, including combating money laundering, airport interdiction, community policing, container security, counternarcotics SWAT operations and demand reduction programs.

The Brazilian Federal Police (DPF) maintains excellent relations with their counterparts in neighboring countries such as Bolivia, Colombia and Peru as well as U.S. law enforcement. They are willing to share information as well as participate in joint operations. The DPF have attended training programs in the United States, including money laundering and investigative and crime prevention seminars.

In addition, Coordinated Intelligence Centers soon will be functioning on the borders with Colombia, Bolivia, Paraguay, and Argentina with representatives from each respective country. Brazilian counternarcotics interdiction forces participate in "Operation Alliance" with Paraguayan counterparts to counter the marijuana entering the Paraguayan-Brazilian border area. Brazil has Federal Police Attachés in Argentina and Paraguay and looks to expand the number of Attaché positions to other countries in the future.

Extradition. According to the Brazilian Constitution, no Brazilian can be extradited. Naturalized Brazilians may be extradited for common crimes committed before naturalization, or where there is sufficient evidence of participation in the illicit traffic of narcotics and related drugs. Brazil cooperates with other countries in the extradition of nonBrazilian nationals accused of narcotics-related crimes. Three extraditions were carried out during 2005, one of which was narcotics related. In 2005, eight extradition or provisional arrest requests were submitted to Brazil; six of those requests related to narcotics defendants.

Demand Reduction. The National Anti-Drug Secretariat (SENAD) is charged with oversight of demand reduction and treatment programs. Some of the larger NAS supported programs include a nationwide 800-number for counseling, a nationwide DARE program (Brazil has the largest DARE program outside of the U.S.) and a national household survey of drug use among teens. SENAD also supports drug councils that are located in each of the state capitals. These councils coordinate treatment and demand reduction programs throughout their respective states.

Precursor Chemical Control. In August 2004, the Brazilian Justice Ministry issued a decree to prevent the manufacture of illegal drugs; this regulation made Brazil's law pertaining to chemical control arguably the most stringent in South America. The decree established the control of 146 chemical substances that can be utilized in the production of drugs. All companies that handle, import, export, manufacture, or distribute any of these substances must be registered with the Brazilian Federal Police. The GOB has fulfilled the 1988 UN Drug Convention goals relating to chemicals and is a party to international agreements on a method for maintaining records of transactions of an established list of precursor and essential chemicals. In conjunction with Operation Topaz, the Brazilian Federal Police have recently agreed to work with the DEA to perform a study on the use of chemicals within Brazil and the exportation of acetic anhydride from Brazil.

VI. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. counternarcotics policy in Brazil focuses on working with Brazilian authorities in identifying and dismantling international narcotics trafficking organizations, reducing

money laundering, increasing awareness of the dangers of drug abuse and drug trafficking and addressing related issues such as organized crime and arms trafficking. Assisting Brazil to develop a strong legal structure for narcotics and money laundering control and enhancing cooperation at the policy level are key goals. Bilateral agreements provide cooperation between U.S. agencies, the National Anti-drug Secretariat and the Ministry of Justice.

Bilateral Cooperation. In 2005 the U.S. and Brazil coordinated on the northern border interdiction operation COBRA (COlombia-BRAzil) and the joint intelligence center located in Tabatinga. The U.S. provided equipment and computers for the coordinated intelligence center in Foz de Iguazu and training courses in airport interdiction and container security.

The Road Ahead. To build upon their successes in 2005 against organized narcotics trafficking organizations, the Brazilian Federal Police must continue to increase their investigative and intelligence capabilities, expand cooperation with neighboring law enforcement through joint intelligence centers, and augment the number of agents assigned to the Operation COBRA northern border posts.

At the state level, SENASP needs to maintain the support given to states most affected by criminal gangs that control the drug trade. Cities such as Sao Paulo and Rio de Janeiro must deal with powerful narcotics trafficking gangs that operate out of the shantytowns (favelas) that are located throughout the city of Rio de Janeiro and on the periphery of Sao Paulo. Federal aid for training and equipment as well as increased cooperation with the federal police will greatly assist the state police in their efforts to combat narcotics trafficking.

Chile

I. Summary

Chile is a transit country for cocaine and heroin shipments destined for the U.S. and Europe. Chile also has an internal cocaine and marijuana consumption problem, with ecstasy increasing in popularity. Chile is a source of essential chemicals for use in coca processing in Peru and Bolivia. Chile is a party to the 1988 UN Drug Convention.

II. Status of Country

Chile is a transshipment point for cocaine and heroin from the Andean region. Cocaine HCl consumption has increased, although cocaine base abuse is more prevalent. Chilean authorities discovered some cocaine and amphetamine labs three years ago, but Chile is not a major source of refined cocaine. Marijuana, primarily supplied by Paraguay and by a small cultivation industry in Chile, is consumed domestically.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Chilean Congress passed a revision of Chile's 1995 drug laws in February 2005. The National Drug Control Commission (CONACE) develops and coordinates the National Drug Control Strategy; the current strategy covers the years 2003-2008. CONACE also coordinates all demand reduction programs.

Accomplishments. In March 2005, the Chilean NGO "Citizen Peace Foundation," in coordination with the U.S. Embassy, launched the country's first pilot program for drug courts in the port town of Valparaiso. The program will be expanded to Santiago in 2006. In June 2005, eight Chilean officials traveled to Florida to observe U.S. drug courts and to participate in the annual U.S. conference of drug courts. Participants returned to Chile as strong proponents of incorporating drug courts into the new judicial system as well as adding an alternative dispute resolution program.

The Drug Enforcement Administration (DEA) Country Office in Santiago and the Policia de Investigaciones de Chile (PICH) hosted the 22th International Drug Enforcement Conference (IDEC XXII) in April 2005. DEA Administrator Karen Tandy met with Chilean President Ricardo Lagos and then-Minister of Interior José Miguel Insulza. Over 200 delegates from 73 countries attended. For the first time, the IDEC conference focused on forming working groups to identify mutually agreed-upon regional narcotics targets and to specify steps to disrupt or dismantle drug trafficking organizations. The conference received positive media coverage from Chilean and international press.

DEA Santiago invited six Chilean law enforcement representatives to the U.S. in June 2005 to observe DEA-supported drug task forces operating along the southwest border. The institutions represented included the Carabineros (uniformed police), the PICH (investigative police), the National and Regional Public Ministry Offices, the Chilean Customs Service, and DIRECTEMAR (Coast Guard). The visit exposed Chilean officials to the workings of interagency task forces dedicated to combating narcotics trafficking, with a focus towards implementing a similar task force in Chile.

In August 2005, Calvina Fay, Director of the Drug Free America Foundation, provided keynote remarks at a seminar on the impact of drug legalization, co-organized by the Network of Chilean Drug Prevention NGOs (CHIPRED), PRIDE-Chile and the Drug Commission of the National Association of Chilean Municipalities. More than 200 drug prevention experts attended.

In September 2005, the Chilean court system allowed the release of the results of the Arrestee Drug Abuse Monitoring (ADAM) test sponsored by the U.S. Embassy. Developed by the Citizen Peace Foundation and the National Institute of Drug Abuse, the test revealed that 73 percent of arrestees for violent crimes were using drugs at the time of their arrest in Santiago. This test was the first scientific test in Chile showing a link between drug use and crime. Until its release, Chilean officials traditionally believed that drugs did not play a significant role in crime.

Chile completed its multi-year, nationwide criminal justice reform project in June 2005. Chile's 12 regions, plus the Santiago Metropolitan region (comprising 40 percent of the population), have adopted the new adversarial judicial system. The new system is based on oral trials rather than document-based legal proceedings. Initial feedback suggests a wider trust in the new system, and cases are reportedly being resolved faster than before. Ongoing challenges include training judges, prosecutors and law enforcement on evidence collection and analysis, presentation in court and court administration (case loads, budget, scheduling, etc.).

Law Enforcement Efforts. In 2005, Chilean authorities seized 2777 kilograms of cocaine hydrochloride, 2173 kilograms of cocaine, 5.4 kilograms of heroin, 5846 kilograms of marijuana, and 122,740 marijuana plants. Law enforcement agencies arrested 12,878 persons for drug-related offenses, an increase from 9400 in 2004. Chilean authorities are also addressing the domestic distribution sources of cocaine, marijuana, and ecstasy.

Corruption. Narcotics-related corruption among police officers and other government officials is not a major problem in Chile. The government actively discourages illicit production and distribution of narcotic and psychotropic drugs and the laundering of proceeds from illegal drug transactions. No current Chilean senior officials have been accused of engaging in such activities. The investigation of high-profile and on-going scandals related to Former President Augusto Pinochet's activities provide an example of the gravity and attention that Chile attaches to corrupt behavior by former and current government officials. Transparency International's Annual Corruption Perception Index consistently ranks Chile within the top 20 least corrupt countries in the world.

Agreements and Treaties. Efforts are underway to update the U.S.-Chile Extradition Treaty signed in 1900, under which no Chilean citizen has ever been extradited to the U.S. While the U.S. and Chile do not have a bilateral Mutual Legal Assistance Treaty (MLAT), both countries are party to the multilateral Inter-American Convention on Mutual Assistance in Criminal Matters. Chile is party to the Inter-American Convention Against Corruption.

Cultivation/Production. There is no known major cultivation or production of drugs in Chile. Very small amounts of marijuana are cultivated in Chile to meet domestic demand.

Drug Flow/Transit. Transshipment of drugs from Andean source countries to the U.S. and Europe increased in 2005. Though most of Bolivia's 95 metric tons of potential exportable quality cocaine is shipped to Brazil, a smaller but significant amount is smuggled to Chile. Chile's extensive and modern transportation system make it attractive to narcotics traffickers. Maritime and land route trafficking have increased; the most recent trend is to traffic drugs via Chile's road system and out of the country via maritime routes. The Santiago International Airport is also used to transit heroin to the U.S. and Europe. Most narcotics arrive by land routes from Peru and Bolivia, but some enter through Argentina. The efforts of Chilean authorities to intercept illicit narcotics are hampered by treaty provisions allowing cargo originating in Bolivia and Peru to transit Chile without inspection to the ports of Arica and Antofagasta.

No labs producing synthetic drugs have been found in Chile to date. Small amounts of ecstasy enter the country primarily via couriers traveling by air.

Demand Reduction. The Chilean government has expressed concern about domestic drug use. The most recent study, completed in 2002 and released by CONACE in July 2003, demonstrates that the

existing treatment infrastructure in Chile is insufficient. CONACE continues to work with NGOs, community organizations, and schools to develop demand reduction programs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. support to Chile in 2005 reinforced ongoing priorities in five areas: 1) training for prosecutors, police, judges, and public defenders in their roles in the new criminal justice system; 2) demand reduction; 3) enhanced police investigation capabilities; 4) police intelligence capability; and 5) money laundering.

Bilateral Cooperation. During 2005, the USG pursued numerous initiatives based on the above priorities. Examples include: 1) a seminar on Intellectual Property Rights targeted at judges; 2) a drug court pilot program in Valparaiso; 3) a UN-funded trip of eight officials to Florida for the annual drug court conference; 4) a DEA-sponsored visit to observe and evaluate counternarcotics task forces in action; 5) a Department of Justice-funded course on trafficking in persons for prosecutors, law enforcement and government officials; 6) publication of results of a public affairs grant to Fundacion Paz Ciudadana to implement ADAM (Arrestee Drug Abuse Monitoring), showing the link between crime and drugs; 7) Drug Free America participation in a Chilean seminar on the impact of drug legalization; and 8) DEA-funded course on tactical entries and 9) continued discussions towards updating the 1900 U.S./Chile extradition treaty.

The Road Ahead. In 2006, the USG will continue to support Chilean efforts to combat the narcotics-related problems. The U.S. plans to continue capacity-building assistance to the on-going criminal justice system reform. Efforts to enhance the counternarcotics capabilities of both the Carabineros and the Investigations Police pursuant to the U.S.-Chile bilateral letter of agreement will also continue.

Colombia

I. Summary

Colombia had a record year in 2005 for eradication, interdiction, and extradition. The country's public security forces prevented hundreds of tons of illicit drugs from reaching the world market through interdiction and eradication of coca and poppy crops. Colombia's police and military forces captured or shared in the capture of 223 metric tons of cocaine and cocaine base. The U.S.-supported Anti-Narcotics Police Directorate (DIRAN) sprayed 138,775 hectares of coca during the year and 1,624 hectares of poppy. The Government of Colombia (GOC) reports that manual eradication accounted for the destruction of an additional 31,285 hectares of coca and 497 hectares of poppy. According to preliminary reports these efforts may have led to an increase in the U.S. street price of cocaine and heroin and a reduction in purity for both.

Colombia's military forces are continuing the successful "Plan Patriota," a major campaign against the Revolutionary Armed Forces of Colombia (FARC), which uses the drug trade as its major financing source. Over 14,000 members of the paramilitary United Self Defense Forces (AUC) have demobilized, weakening its influence, although the AUC is still involved in the drug trade and continues to challenge the FARC for control of key coca and poppy cultivation areas. In addition, almost 3,000 members of the FARC, AUC, and the National Liberation Army (ELN) deserted in 2005, providing invaluable counternarcotics intelligence. Colombia is party to the 1988 UN Drug Convention.

II. Status of Country

Colombia is the source of over 90 percent of the cocaine entering the United States and a significant source of heroin. It is also a leading user of precursor chemicals and the focus of significant money laundering activity. Developed infrastructure—such as ports on both the Pacific and the Atlantic, multiple international airports, and a highway system—provides narcotics traffickers with many options. The presence of illegal armed groups who participate in the drug trade compounds the normal problems associated with narcotics trafficking. These groups include the FARC, the AUC, and the ELN. They control areas within Colombia with high concentrations of coca and opium poppy cultivation, and their involvement in narcotics continues to be a major source of violence and terrorism. Drug use in Colombia is increasing, even though there are very active demand reduction programs. The judicial system continues the transition to an oral accusatorial system. The system is now functioning in Bogota and three municipal areas, and is proving efficient and effective. Six new municipal areas will be added in 2006, including Medellin and Cali. Over 17,000 prosecutors, judges, and criminal investigators received intensive training in the new accusatory system in 2005, and the GOC plans to have the system installed nationwide by 2008.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Justice and Peace Law, passed in July of 2005, provides a legal mechanism for individuals in illegal armed groups to demobilize with certain legal protections and assurances. The new law has greatly accelerated the demobilization of AUC paramilitary groups enmeshed in narcotics trafficking; over 60 percent of the 14,000 paramilitary members who had demobilized since 2003 did so in the latter half of 2005. Paramilitary members who choose not to demobilize, as well as those who do not qualify for the demobilization program due to previous crimes, will continue to be investigated and prosecuted outside of the Justice and Peace Law framework. The GOC also began a program of Manual Eradication Groups (GMEs) in 2005 and increased the number of 30-member groups to 60 by

the end of the year. In January 2006, the GOC began a massive manual eradication operation in one of Colombia's largest national parks using these groups. The Colombian Congress has approved a "shock" reform package for the military justice system. This package will improve the long-term functioning of the military, which is critical to successful efforts against narcotics traffickers and narcotics terrorists.

Another important GOC policy initiative in 2005 was the establishment of the Coordination Center for Integrated Action (CCAI), an interagency organization to reestablish governance in previously ungoverned spaces of Colombia through synchronizing military operations with the operations of other ministries. The GOC also beefed up its riverine capability by launching a new gunboat in the interior to deter and attack traffickers; started operating its own go-fast Midnight Express boats on the North Coast against traffickers; established a government website to fight drug consumption and trafficking; contracted to buy more Blackhawks for mobility against narcotics terrorists; reorganized the National Narcotics Directorate (DNE); and expanded the Forest Ranger program (which pays families in rural communities a stipend to pull up any coca and maintain area coca-free primarily in important/fragile ecosystems) to 33,589 families who keep 1.25 million hectares free of coca and poppy and who have recovered 330,000 hectares of forest. Finally, notwithstanding the record levels of coca eradication, the GOC detected massive replanting and reconstitution efforts by traffickers in the Department of Nariño. It rapidly deployed forces to the region late in the year to increase eradication and assigned a Colombian military general officer as "regional drug czar" to coordinate efforts against cultivators, transporters and traffickers.

Law Enforcement Efforts. The CNP, led by DIRAN, interdicted over 94 metric tons of processed cocaine (HCl) and cocaine base and destroyed 107 HCl laboratories and 779 base labs. All security forces seized a record 223 metric tons of cocaine and cocaine base and destroyed 137 HCl laboratories. DIRAN also conducted numerous joint operations with the military against high-value narcotics terrorist targets. Asset seizures were up by more than 500 percent in 2005 and included the drugstore chain owned by the Rodriguez Orjuela brothers, valued at several hundred million dollars.

The CNP's Mobile Rural Police (Carabineros or EMCAR) captured 275 narcotics traffickers and 1,639 guerrillas. The squadrons also captured 3,127 common criminals. They seized 1,655 weapons, 8.5 metric tons of cocaine base, 46,600 gallons of liquid precursors and 142.5 metric tons of solid precursors. A total of 52 EMCAR squadrons have been trained and deployed, and their work along with the "Municipio" or hometown CNP units was largely responsible for the continued improvement in public security throughout rural Colombia.

DIRAN's Jungle Commandos (Junglas) are air mobile units that have received significant specialized USG training. The Junglas' primary mission is the destruction of HCl labs and interdiction missions. They were responsible for the destruction of over half of the HCl and base labs destroyed by the CNP and a significant quantity of the seizures.

The Colombian Army Counter Drug (CD) Brigade (BDE) seized over 3 metric tons of cocaine and destroyed 14 HCl labs and 209 base labs. The CD BDE destroyed over 168 tons of liquid precursors and 180 tons of solid precursors. They also dismantled 22 narcotics terrorist base camps and killed or captured 78 narcotics terrorists. Most importantly, they provided security to the aerial eradication efforts.

Corruption. Allegations of corruption within the Office of the Prosecutor General fell sharply in 2005. Widespread use of polygraph exams has been a constructive tool in the fight against corruption. Polygraphs were used extensively in a shakeup at the DAS (FBI-equivalent) at the end of 2005 that resulted in the removal of the top three DAS officers, along with other agents accused of collaborating with the AUC. A specialized Anti-Corruption Task Force Unit investigates and prosecutes public corruption. Corruption plays a major role in the continued diversion of precursor chemicals into the

black market. Colombia is party to the Inter-American Convention Against Corruption. Colombia has signed, but not ratified, the UN Convention against Corruption.

Culture of Lawfulness. The USG supports programs that promote respect for rule of law and civic responsibility in Colombia. The Culture of Lawfulness program has taught over 16,000 ninth-graders in 190 schools using over 320 teachers. The program is being integrated into Colombian National Police (CNP) basic training programs. Operating in ten cities, the program will train additional teacher trainers in 2006 to move the program closer to self-sufficiency.

Port Security. Various USG agencies work with DIRAN and private seaport operators to prevent narcotics trafficking in Colombia's ports. DIRAN provides police personnel, and the port authorities work to improve their own security and provide equipment and infrastructure support to the DIRAN units. The USG provides coordination, technical assistance, and training. In 2005, almost 5 metric tons of cocaine and 26 kilograms of heroin were seized and 36 persons arrested in the four principal Colombian ports. The USG works separately with DIRAN and Airport Police to prevent Colombia's international airports from being used as export points for drugs. In 2005, airport agents confiscated 862 kilograms of cocaine and 73 kilograms of heroin, resulting in 55 arrests.

Hundreds of Colombian companies participate in a USG Business Alliance for Secure Commerce (BASC) program. The program seeks to increase the effectiveness of law enforcement by deterring narcotics smuggling in commercial cargo shipments. All major port cities have an active BASC program.

Environmental Safeguards. The illicit crop eradication program follows strict environmental safeguards monitored permanently by several GOC agencies. The spray program adheres to all GOC laws and regulations, including the Colombian Environmental Management Plan. The USG also reviews the program on a yearly basis. The OAS published a study in 2005 positively assessing the chemicals and methodologies used in the aerial spray program.

Since the tracking of complaints began in 2001, the GOC has processed approximately 5,844 complaints of crop damage by spray planes, with some 3,069 complaints in 2005 alone. 28 complaints of accidental spraying of food crops or pastureland have been verified and compensation paid. To date, the program has paid approximately $159,000 in compensation for damaged crops.

The GOC investigates all claims of human health damage alleged to have been caused by aerial spraying. Since the spraying began, the Colombian National Institute of Health has not verified a single case of adverse health effects.

Extradition and Mutual Legal Assistance. During President Uribe's administration, extraditions have increased, with 304 Colombian nationals and 11 nonnationals extradited by the end of 2005.

In early 2005, Colombia extradited FARC leader Nayibe Rojas Valderama (aka "Comandante Sonia") and other criminal associates. Colombia also extradited Cali Cartel leader Miguel Rodriguez Orejuela in 2005, and continued to arrest and extradite other significant drug traffickers wanted for prosecution in the U.S.

There is no bilateral mutual legal assistance treaty in force between the United States and Colombia, but the two countries cooperate via mutual legal assistance provisions in multilateral agreements and conventions, such as the OAS Convention on Mutual Legal Assistance and United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the 1988 UN Drug Convention). During 2005, the United States submitted more than 100 mutual legal assistance requests and received over 50 responses. The GOC also cooperates with U.S. investigations and prosecutions. Several specialized Colombian law enforcement units work closely with U.S. law enforcement agencies to investigate drug trafficking organizations as part of our bilateral case initiatives.

Demobilization. Colombia is home to three formally designated Foreign Terrorist Organizations. The Justice and Peace Law passed in 2005 accelerated the pace of demobilization of one of these organizations. Reportedly, over 14,000 AUC members had demobilized by the end of 2005, but the actual number may be higher. Diego Murillo Bejarano, also known as "Don Berna," a prominent paramilitary commander who was part of the original demobilization negotiations with the Colombian government in late 2002, turned himself in during May 2005 to avoid arrest. Shortly afterwards, he ordered the demobilization of more than 2,000 of his troops. The USG has provided limited assistance for the collective demobilization process and is being asked to do more by the GOC. The ELN, with a little over 2,000 troops, has recently begun peace talks with the government.

Public Security. There are now police in all of Colombia's 1,098 municipalities, limiting the influence of illegal armed groups and denying their sources of income. This increased government presence has contributed to increased desertions by terrorist group members. Other security indicators also were very positive in 2005: homicides down by 13 percent, kidnappings down by 51 percent, overall terrorist attacks down by 21 percent, and the number of Internally Displaced Persons (IDPs) down by 15 percent.

Kingpin Group. The DIRAN permanent task force, which targets the leadership of the narcotics terrorist organizations, continues to work towards capturing more than 300 Kingpins. The special police teams gather intelligence and the DIRAN intelligence fusion center analyzes the intelligence and participates in operational planning. Since the group was formed, numerous special operations have been conducted, resulting in the capture of several leadership targets.

Operation Knockout. In June of 2005, a multi-agency operation seized 10.7 metric tons of cocaine, 30 kilograms of heroin, and over $142 million worth of properties and currency. This intelligence-driven operation, which attacked the source, transit, and target zones, was successful due to the leveraging of intelligence and operational resources from the USG and the GOC.

High-Value Targets. In 2005, three FARC commanders were killed, many other important leaders were either killed or captured, and other important narcotics traffickers were arrested and are now awaiting extradition to the United States.

Agreements and Treaties. Colombia is a party to the 1988 UN Drug Convention, and the GOC's national counternarcotics plan of 1998 meets the strategic plan requirements of that convention. The GOC is generally in line with the other requirements of the convention. In September 2000, Colombia and the United States signed an agreement formally establishing the Bilateral Narcotics Control Program. This effort provides the framework for specific counternarcotics project agreements with the various Colombian implementing agencies.

Colombia is party to the OAS Convention on Mutual Legal Assistance and the GOC and the U.S. concluded a Maritime Shipboarding Agreement, signed in 1997, a highly successful agreement that provides faster approval for shipboarding in international waters and has facilitated improved counternarcotics cooperation between the Colombian Navy and the U.S. Coast Guard. Colombia is also party to the UN Convention against Transnational Organized Crime, along with the protocol on trafficking in persons.

Cocaine. Based on USG estimates on coca yield and laboratory efficiency data, potential production of pure cocaine declined another 6.5 percent in 2004 to 430 metric tons (2005 cultivation estimates were not available as of publication date). This put estimated Colombian potential cocaine production at the lowest level in at least seven years, despite the fact that the Colombian coca crop size estimate remained statistically unchanged between 2003 and 2004. Based on average purities of bulk seizures in the United States, 430 metric tons of pure cocaine equates to approximately 515 metric tons of "export quality" cocaine. This is down 43 percent from 2001's high of 905 metric tons of production

potential of export quality cocaine. This success may be reflected in preliminary reports of a 19 percent increase in the price of cocaine on U.S. streets between February and September of 2005.

Heroin. According to USG estimates, Colombia had the potential to produce 3.8 metric tons of 100 percent pure heroin in 2004. Eradication reduced Colombian opium poppy cultivation from 6,540 hectares in 2001 to 2,100 hectares in 2004—a 68 percent decline. (2005 cultivation estimates were not available at press time). Preliminary reports of a 30 percent increase in the U.S. street price of heroin may be a result of this decline.

Synthetic Drugs. Both availability and consumption of ecstasy in Colombia are rising. Most ecstasy found in Colombia enters from Europe in powder form and is locally pressed into pills. There has been no evidence of ecstasy being smuggled from Colombia to the United States, and it is believed that almost all ecstasy entering Colombia is for local consumption. Colombian production of ecstasy is believed to be limited. The Colombian National Police raided one ecstasy lab and one amphetamine pill press facility in 2005.

Drug Flow/Transit. Cocaine and heroin are transported by road, river, and small civilian aircraft from the Colombian source zone to the Colombian transit zone north and west of the Andes mountains. Primary transportation nodes include the larger airports, clandestine airstrips, and seaports from which small go-fast vessels can transport cocaine. Cocaine is also smuggled using small aircraft from clandestine airstrips in eastern and southeastern Colombia to Brazil, Suriname, Venezuela, or Guyana. From these countries the cocaine is either consumed domestically, or transferred to maritime vessels for shipment to the United States or Europe.

Colombia's coastal regions are major transshipment points for bulk maritime shipments of cocaine. The majority of the drugs shipped from the coastal regions originate from production areas in the south-central portion of the country, as well as from less-prolific growing areas in the northern third of Colombia. Most shipments are organized by well-established trafficking organizations based in Cali, Medellin, Bogota, and elsewhere.

Go-fast boats regularly on/off-load drugs onto fishing vessels or other ships at sea. Go-fast boats also transport drugs to Central American and Caribbean transshipment countries, using refueling vessels to extend their range. Fishing vessels and commercial cargo ships continue to transport large quantities of drugs via both Atlantic and Pacific routes. Fishing vessels usually travel to Mexico or Guatemala, while cargo ships can go directly to the United States or Europe. The drugs are hidden in container cargo, bulk cargo, or hidden compartments.

Cocaine is also transported from Colombia to the United States and other countries via commercial air cargo or concealed aboard commercial aircraft. The use of "mules" (couriers) traveling as passengers on commercial airlines is frequent, though the quantities transported in this manner are relatively small.

Heroin is often concealed in the lining of clothing or luggage. There is also ingestion by airline passengers. The CNP/Airport Interdiction Group has experienced great success in identifying and arresting "swallowers" at the international airports in Bogota, Cali, and Medellin. There are also significant quantities of heroin being shipped from Colombia's Pacific Coast, particularly from Buenaventura. The trend of heroin shipments being combined with cocaine shipments on go-fast boats departing from the Atlantic coast continues, although such shipments have not been detected with the frequency that occurred in the past.

Colombian heroin transportation organizations use trafficking routes through Argentina, Ecuador, Guatemala, Mexico, Panama, and Venezuela to move heroin to the United States. In many cases, couriers depart from Colombia through the international airports in Bogota, Medellin, Cali, and to a lesser extent, Barranquilla, and then transit one or more countries before arriving in Mexico. From

Mexico, the heroin is typically transported across the border into the United States and transported by courier to its final destination.

Demand Reduction. The Colombian government is developing a national Demand Reduction Strategy. The Ministry of Social Protection completed a comprehensive survey of school age drug use that will serve as a baseline for the strategy. Many private entities and nongovernmental organizations (NGOs) work in the area of demand reduction, and the DIRAN has an active DARE program. The USG is currently coordinating with the National Directorate on Dangerous Drugs (DNE) to develop a registry of NGOs working in demand reduction. Once completed, the USG plans to sponsor a national demand reduction conference to synchronize efforts across the country and to assist in the formation of a demand reduction NGO network.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The aerial eradication program sprayed approximately 138,775 hectares of coca and 1,624 hectares of poppy in 2005, surpassing 2004's totals. Continued close intelligence coordination and more intensive utilization of Colombia's counternarcotics brigade has resulted in a lower number of incidents of hostile fire on spray aircraft. Fewer hostile fire impacts has in turn helped to sustain the operational tempo of aerial eradication by reducing time lost to repair damaged aircraft. One pilot was killed in 2005 during a spray operation, and the spray plane was also lost.

The Plan Colombia Helicopter Program (PCHP), consisting of UH-1N, UH-1H II, UH-60, and K-Max helicopters, supported the CD Brigade and, when available, provided support to human rights-certified Colombian military and public security forces. In 2005, PCHP aircraft flew 29,054 hours, carried 36,782 passengers, transported 1,788,400 pounds of cargo, and conducted 188 medical evacuations of military and civilian personnel. This year the program lost one UH-60 and one UH-1H II in crashes that were not the result of enemy fire. PCHP also participated in a number of high value target (HVT) missions. Nationalization of the PCHP continued, with more than 100 contract American pilots and mechanics replaced by Colombian Army (COLAR) personnel in 2005.

Immigration and Customs Enforcement (ICE) and Customs Border Patrol (CBP) continue to provide training and technical assistance to improve the ability of border control agencies in Colombia to combat money laundering, contraband smuggling, and commercial fraud. The emphasis has been on seaports and airports. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) provides technical assistance and training to numerous GOC entities to ensure that they can deal with the threat of explosive devices, and the Bureau of Prisons (BOP) has a small program that provided technical assistance and training to its GOC counterpart. In addition, the Colombian Coast Guard has benefited greatly from a number of U.S. Coast Guard (USCG) courses, including extensive Maritime Law Enforcement training. In August 2005, the U.S. Coast Guard conducted a Law Enforcement Curriculum Infusion Program in Cartagena.

The USCG and the Colombian Navy (COLNAV) in 2005 discussed how to further cooperation and field new initiatives to stop smugglers in the transit zone. USCG aircraft flew maritime patrol missions in support of COLNAV operations, and a USCG communications team deployed aboard a COLNAV frigate to facilitate operational communications with JIATF-S. The USG continues to support DIRAN's aviation unit (ARAVI), comprised of 19 fixed-wing and 61 rotary-wing aircraft. In addition to counternarcotics missions, ARAVI has, with Embassy approval, used USG-supported assets for humanitarian missions; targeted intelligence gathering; and antiterrorism, antikidnapping, high value target, and public order missions. As part of USG nationalization efforts, the USG continues to help ARAVI train more pilots and mechanics within Colombia and perform more maintenance and repairs in Colombia. USG funds financed a modern state-of-the-art maintenance hangar that allows ARAVI to perform depot-level maintenance on the 31 Huey IIs, reducing downtime due to shipment of aircraft back to the United States. In addition, two of seven American technical advisors have been replaced

with Colombians. With USG assistance, ARAVI began training for Night Vision Goggle (NVG) use in 2005.

The Air Bridge Denial (ABD) program completed 28 months of operations in 2005. ABD operations in 2005 contributed to the destruction of two aircraft, the capture of five aircraft in Colombia and three others in Central America, and the seizure of almost four metric tons of cocaine.

In addition to combating drug production and trafficking, the USG is assisting Colombians in the areas that have been most ravaged by the drug trade. For example, the USG helped improve the delivery of public services in 156 municipalities, including the delivery of potable water and sewage treatment. To date, the USG has provided nonemergency support for over two million Colombian internally displaced persons affected by narcotics-related terrorism and aided over 2,600 former child soldiers. Nine peaceful-coexistence centers have been created in small municipalities to provide administrative and legal assistance, educational opportunities, and a neutral space for community meetings, discussions, and events. In addition, the GOC's presence in rural areas was expanded by the creation of 40 Justice Houses, which offer access to justice and peaceful conflict resolution.

The USG is assisting the GOC in criminal justice system reform through the implementation of a new criminal procedure code, as the country moves from the written inquisitorial system to an oral accusatory system. The first year of implementation has demonstrated resolution of criminal cases in weeks or months rather than years. Over 60 percent of cases formally charged have resulted in convictions. Plea agreements have resolved large percentages of criminal cases. DOJ, USAID, and other USG agencies have provided training, technical assistance, and equipment. In 2005, the DOJ trained more than 11,300 police, prosecutors, forensic experts, and judges in the new accusatorial system and in specialized areas of money laundering, human rights, anticorruption, post-blast investigations, antikidnapping and judicial protection.

The Road Ahead. Challenges for 2006 include continuing transfer of greater responsibilities in counternarcotics funding and operations to the GOC, while maintaining operational results; countering the rapid replanting of coca in areas sprayed by the eradication program; dealing with increased illicit cultivation in Colombia's national parks; supporting the GOC's efforts to demobilize and reintegrate ex-combatants, while advancing reconciliation and victim reparations processes; increasing the number of police to deal with the power vacuum created by the demobilization of the AUC; gaining control of the vast Pacific coastal zones; maintaining an aging air fleet that is required to fly more hours every year; and maintaining the political will of the Colombian people to confront and defeat their internal enemies.

Ecuador

I. Summary

Sharing porous borders and a contiguous seacoast with Colombia and Peru, Ecuador is a major transit country for illicit drugs and chemicals. On Ecuador's northern border, the Revolutionary Armed Forces of Colombia (FARC), a narcotics terrorist organization based in Colombia, has extended its influence. The region has become a major transit point for cocaine, chemicals, and supplies for the FARC and other trafficking organizations based in Colombia. Most drugs leave Ecuador by sea and there has been a significant shift toward the use of Ecuadorian-flagged vessels for multi-ton shipments of cocaine to circumvent the USG success in stopping Colombian-flagged suspect vessels and prosecuting their crews. Cocaine seizures through November 2005 were substantially above previous years'. Uneven implementation of the new criminal procedures code, a faulty judicial system, and conflicting laws hamper prosecutions. The USG provides equipment, infrastructure, and training to help improve counternarcotics performance. Ecuador is a party to and has enacted legislation to implement the provisions of the 1988 UN Drug Convention.

II. Status of Country

Weak public institutions, widespread corruption and a poorly regulated financial system make Ecuador vulnerable to organized crime. Border controls of persons and goods are undependable. Scanty government presence in a large portion of the country contributes to lawlessness. The Ecuadorian National Police (ENP) and military forces are inadequately equipped and trained to deal with international criminal or insurgent pressures.

There is no evidence that significant illicit crops or drugs are produced in Ecuador. However, coca base, cocaine hydrochloride and heroin from Colombia and Peru are transshipped internationally through Ecuador's seaports and airports in volumes ranging from a few hundred grams to multi-ton loads. Maritime cocaine shipments aboard Ecuadorian-flagged vessels and through Ecuadorian waters increased in 2005. Although Ecuador has no bilateral maritime agreement with the U.S., law enforcement operators improved their ability to work cooperatively in late 2005 to facilitate the boarding and search of suspect vessels by U.S. law enforcement personnel. Detected shipments of drugs via international mail and messenger services continued at a high level. In 2005, the number of Ecuadorian-flagged drug "motherships" seized by the U.S. Coast Guard exceeded, for the first time ever, the seizures of similar Colombian-flagged vessels. The USG is helping the Government of Ecuador (GOE) to strengthen the rule of law and to improve civil security.

III. Country Actions Against Drugs in 2005

Ecuadorian laws implementing the 1988 UN Drug Convention include criminalization of the production, transport, and sale of controlled narcotic substances, the import, transport and/or use of precursor chemicals without an appropriate permit from the Ecuadorian National Drug Council (CONSEP), any attempt to conceal the profits from narcotics trafficking activities, the intimidation or corruption of judicial and public authorities in respect to drug crimes, and illicit association related to drug trafficking and profiteering.

Policy Initiatives. The reorganization and re-staffing of CONSEP, which began in 2003, continued through 2005. Work began to revise the basic drug law, Law 108, to harmonize it with the new money laundering law. CONSEP activity against trafficking controlled precursor chemicals continued at a

high level in 2005. Military and police forces generally cooperated at the local level, conducting some joint operations in 2005 to destroy illicit crops and seize precursor chemicals.

New ENP Counternarcotics Directorate (DNA) bases and stations were opened with USG assistance in 2005 in San Lorenzo, Esmeraldas Province and at San Jeronimo, Imbabura Province. Construction of other DNA installations began in El Oro Province at Machala port and at Y de Jobo. Other USG-financed DNA infrastructure projects are in construction or design phases in Esmeraldas, Carchi, and Sucumbios provinces. Further improvements were made in the ENP intelligence data and voice communications networks. Advanced technical inspection equipment, including digital x-rays and ion scanners, began service in Ecuadorian international airports in 2004. The ENP budget for 2006 includes $700,000 for DNA operational costs.

Law Enforcement. Total cocaine seizures in 2005 were over 44 metric tons. This compares with 5.8 metric tons in 2004 and 2.5 metric tons in 2003. In large measure, the increase is due to increased transit of cocaine from Colombia through Ecuador, mostly via maritime routes. Heroin seizures in 2005 totaled 230 kilograms. Cannabis seizures were 640 kilograms.

The new Code of Criminal Procedures promulgated in 2001 is still applied unevenly. An extensive revision of the new code, correcting numerous shortcomings in the original 2001 revised law, was still in progress at the end of 2005.

Corruption. Ecuadorian law criminalizes the illicit production or distribution of drugs or other controlled substances, as well as the laundering of drug money. The 1990 drug law (Law 108) provides for prosecution of any government official who deliberately impedes the prosecution of anyone charged under that law. However, there is no comprehensive anticorruption law. There were no known prosecutions for drug-related official corruption in 2005.

Law Enforcement Efforts. There are occasional delays in obtaining GOE permission to board and seize Ecuadorian vessels suspected of engaging in illicit activities at sea, due in large part to the lack of a maritime counternarcotics agreement. Ecuadorian law enforcement agencies improved procedures for cooperation with U.S. law enforcement agencies in the second half of 2005. Cooperation between the USG and the GOE in 2005 resulted in several successful drug interdiction operations and the dismantling of some international trafficking organizations.

Arrests and Prosecutions. A total of 2,438 Ecuadorians and 314 foreigners were arrested for drug trafficking from January through November 2005. Prosecutions are impeded by the dysfunctional judicial system and persistent confusion over proper implementation of the 2001 Code of Criminal Procedures.

Agreements and Treaties. The United States-Ecuador extradition treaty, which entered into force in 1873, and its supplement, which entered into force in 1941, is outdated. There has been informal dialogue about its possible revision, but no action has been taken. Ecuador has cooperated with the USG to deport or extradite nonEcuadorian nationals. The Ecuadorian constitution prohibits the extradition of Ecuadorian nationals.

Ecuador is a party to the 1988 UN Drug Convention and has a narcotics law that incorporates its provisions. The UN Office on Drugs and Crime (UNODC) has conducted counternarcotics law enforcement projects in Ecuador for several years. Ecuador is also a party to the OAS Inter-American Convention on Mutual Assistance in Criminal Matters.

The Government of Ecuador has signed bilateral counternarcotics agreements with Colombia, Cuba, Argentina and the United States, as well as the Summit of the Americas money laundering initiative and the OAS/CICAD document on an Anti-Drug Hemispheric Strategy.

Cultivation/Production. Ecuadorian security forces located and destroyed about 36,160 cultivated coca plants in small, scattered sites in 2005. While not commercially significant, the extent of

cultivation was about double that of 2004. Together with the discovery of a small, partially harvested opium poppy plantation, they suggest that growers are testing the feasibility of drug crop cultivation in Ecuador.

Precursor Chemical Control. Law enforcement officials generally believe that the illicit traffic of chemicals in Ecuador is greater than indicated by the relatively small volume of chemicals seized. The USG, other cooperating governments, and the United Nations continue to work with the

Ecuadorian Government to correct deficiencies in the chemical control regime. Ecuador meets 1988 UN Drug Convention objectives regarding chemicals, and has signed a cooperative agreement with the European Union.

Petroleum ether or "white gas," used in HCl processing, was declared a controlled substance by CONSEP in June 2003, but continues to be trafficked from Sucumbios Province (where it is produced as a byproduct of oil extraction) to neighboring Putumayo Department, Colombia. GOE security forces, primarily the Army, have closed down the principal diversion points but seized 116,480 liters of chemicals in 2005, as traffickers found other vulnerable points in more remote oil fields near the Colombian border.

In one major case in 2005, police and CONSEP seized 6,000 kilograms of methyl ethyl ketone; 1,620 kilograms of toluene; 355 kilograms. of isopropyl alcohol; and 362 kilograms. of ethyl acetate.

Demand Reduction. Prevention of domestic drug abuse is an important part of the Ecuadorian government's drug strategy and received greater emphasis in the revised strategy published in 2004. Coordination of abuse prevention programs is the responsibility of CONSEP, whose new management is seeking to reinvigorate a multi-agency national prevention campaign. National prevention activities currently are conducted primarily through the schools with some USG support. All public institutions, including the armed forces, are required to have abuse prevention programs. The DNA conducts an abuse prevention program.

Asset Seizure. By law, seized assets cannot be forfeited until the owner is convicted of a drug offense and a judge orders their forfeiture. Judges commonly are slow in issuing forfeiture orders. Problems arise in relation to the safeguarding of assets pending forfeiture. Real estate, vehicles and other personal property have historically been used by government agencies or officials and have depreciated during the interim. The responsible governmental agency, CONSEP, is trying to curb this practice by enforcing new inventory controls. In 2005, CONSEP sold two forfeited real properties, the first in several years, as well as forfeited items of personal property.

Regional Coordination. Ecuadorian Government officials met frequently with their Colombian counterparts concerning border issues. Ecuadorian police operational and intelligence communications systems now being developed provide for compatibility with other police agencies in the region to facilitate a rapid exchange of information.

Alternative Development. UDENOR, the Ecuadorian agency for northern border development established in 2000 to coordinate economic and social development programs in the country's northern border region, continued its implementation of the government's northern border development master plan. The $400 million plan, critically dependent on the support of foreign donors, aims at "preventive" rather than "alternative" development, since illicit crop cultivation is not currently significant in the area. The UDENOR master plan includes productive development, conservation of environmental resources, productive infrastructure, social infrastructure, and local economic development. Between 2000 and 2007, the USG, through USAID, has provided the bulk of funding, with agreements to finance some $78 million. The USAID-funded elements of the plan seek to increase citizen satisfaction with the performance of local democratic institutions, increase availability of basic infrastructure (potable water, sanitation, bridges, farm-to-market roads), and

increase licit income and employment for small and medium farmers in Ecuador's northern border provinces.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. counternarcotics assistance to Ecuador aims at improving the professional capabilities, equipment and integrity of police, military and judicial agencies to enable them to counter illicit drug activities more effectively. An initiative begun in 2001and continuing through 2005 seeks to improve the staffing, mobility and communications of military and police forces in the northern border region. Resources are being provided to the Ecuadorian Navy for expanded patrol and interdiction operations on Ecuador's northwestern coast.

Communications equipment, ground vehicles and the canine program continue to be areas supported through USG assistance and for which recent successful operations can be credited. Digital x-rays and ion scanners provided by the USG are being used for cargo and passenger inspections in many locations.

USG-funded programs administered by USAID and operated principally by the International Organization for Migration (IOM) and CARE contribute to the Ecuadorian Government's Northern Border plan. To increase citizen satisfaction and demonstrate the legitimacy of democratic institutions, a social and productive infrastructure program in 2005 built 47 water and sanitation systems and 11 bridges. CARE conducts a program to strengthen local government and citizen participation in 10 municipalities and parishes by providing training in participatory budgeting, ethics, accountability and financial management, sustainability of municipal services, and strategic planning at the municipal and parish levels.

A program component to promote licit income and jobs includes training and assistance in agricultural production and marketing, especially supporting farmers growing coffee, cacao and vegetables. Coffee and cacao are becoming the most successful crop clusters based on achievement of results, i.e., increasing family income and generating full time equivalent jobs.

The Road Ahead. The USG will continue to provide training and essential infrastructure and equipment to improve the effectiveness of military and police collaboration, seaport and coastal control, police intelligence and land route interdiction. Special emphasis will be given to the detection and prosecution of money laundering, expanded training of police, prosecutors and judges and the interdiction of illicit chemical precursors. USAID will continue to improve communications and coordination between implementing organizations to improve service delivery and increase public awareness about USG and GOE efforts. In addition, it will intensify USG support to civil society efforts in the oversight of judicial performance and independence.

Paraguay

I. Summary

Paraguay is a significant transit country for drugs. The National Anti-Drug Secretariat (SENAD) through its Major Violator Unit (MVU), disrupted cocaine trafficking networks, increasing cocaine seizures while assisting and coordinating with international law enforcement agencies. Paraguay extradited to the United States Ivan Carlos Mendes Mesquita, the leader of a major international drug trafficking organization, with connections to the Revolutionary Armed Forces of Colombia (FARC), on drug charges. In addition, three other major Brazilian drug traffickers were extradited to Brazil. Paraguay cooperates with its neighbors by patrolling remote border regions where illicit drugs are being transported. On a negative note, an allegedly corrupt official with strong ties to drug traffickers, Aristides Cabral, was named the Chief of Police of a department in northwest Paraguay that forms part of a corridor for illegal flights and ground transport for drugs. Paraguay is a party to the 1988 UN Drug Convention.

II. Status of Country

According to USG law enforcement sources, Paraguay remains a transit country for significant amounts of Colombian, Bolivian and Peruvian cocaine destined for Argentina, Brazil, Europe, Africa and the Middle East. Brazilian nationals, some of whom purchase cocaine from the FARC in exchange for currency and weapons, head most trafficking organizations in Paraguay. Paraguay is also a source country for high-quality marijuana which is not trafficked to the U.S. As part of a long-term effort to improve and strengthen SENAD's operational capabilities in the northeast region of Paraguay, in December 2005, construction began on a new office for SENAD in the city of Pedro Juan Caballero, in the Department of Amambay.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In May 2005, the GOP issued a decree approving modification of the organizational structure of the SENAD, which will enhance SENAD's ability to expand in a timely manner.

In June 2005, SENAD began appealing to the public for information related to drug traffickers operating in Paraguay through a public relations campaign. The campaign consisted of radio spots on local stations as well as large billboards with the photos of SENAD's "Most Wanted" drug traffickers. The program has generated helpful leads, putting traffickers on the defensive.

Accomplishments. The 2005 capture of Brazilian fugitive and accused arms and drug trafficker Ivan Carlos Mendes Mesquita, resulted in Paraguay's extraditing him to the United States in June 2005. The U.S. initiated an extradition request for Mendes Mesquita on charges of possession of cocaine and conspiracy to distribute; the Paraguayan Court of Appeals upheld the extradition in a timely manner, and the Supreme Court rejected Mendes Mesquita's appeals. During Mendes Mequita's detention, the GOP resisted significant pressure not to extradite, and took security precautions to ensure Mendes Mesquita was not released or otherwise freed. Mendes Mesquita is the first major trafficker extradited to the U.S. by Paraguay, representing an important step in the war against drug trafficking organizations with links to the FARC. Paraguay also expelled or extradited three additional drug traffickers. In December 2005, Paraguayan's Supreme Court approved the extradition of Jose Luis Gomez to the U.S. on charges of narcotics-related money laundering. Gomez was extradited to the U.S. on January 20, 2006.

In July 2005, SENAD, in cooperation with the Brazilian National Police, captured Brazilian national, Luis Alberto Da Cunha (aka "Barba"), who was on Brazil's Ten Most Wanted List. During the operation, SENAD seized weapons, cars, cellular telephones and false documents. Brazil is seeking extradition of Da Cunha, who was one its principal drug traffickers and was connected to Mendes Mesquita.

Paraguay also carried out joint counternarcotics operations with countries in the region, the U.S., and Europe in 2005. .In one case, Paraguayan, Chilean and Bolivian law enforcement officials conducted a series of joint operations, and used a controlled delivery to capture members of an international drug ring. Law enforcement officials in Chile apprehended 13 suspects and seized two (2) tons of marijuana, and SENAD arrested 11 drug traffickers in Paraguay—seizing a total of 708 kilograms (kg) of marijuana.

In December 2005, SENAD seized 257 kilograms of cocaine destined for Spain, apprehended seven members of a drug trafficking organization and confiscated the equivalent of $34,000. The operation also directly facilitated further arrests of traffickers in Europe. This operation with the Drug Enforcement Administration (DEA) and Spanish police officials resulted in the largest seizure ever made in Asuncion and reflects SENAD's ability to carry out a complicated operation in concert with foreign law enforcement authorities.

Throughout 2005, SENAD seized 489 kilograms of cocaine, 66,964 kilograms of marijuana, 43 weapons, 46 vehicles, and five planes. SENAD also destroyed 1,000 hectares of marijuana. All figures represent increases over 2004. According to SENAD, the total financial loss to narcotics traffickers in 2005 from these seizures was over $94.7 million.

Law Enforcement Efforts. Since opening its first forensic laboratory, Paraguay continues to strengthen SENAD's counternarcotics and investigative operational units. According to SENAD, 237 persons, including drug producers and distributors, have been arrested. The Attorney General's office designated three prosecutors (two more than in 2004) for narcotics cases and the Supreme Court reaffirmed the assignment of two magistrates as special narcotics judges.

SENAD's canine program, with a coordinator and 12 dog/handler teams, continued successful operations in 2005, enhancing the overall efforts of SENAD's drug interdiction program. The canines are used in the international airport in Asuncion, checkpoints throughout the country, and along the Paraguayan-Brazilian border.

Asset Forfeiture. In 2005, the GOP received approximately $37,000 in proceeds from the auction of a seized twin-engine aircraft. SENAD plans to allocate a portion of these proceeds to equip SENAD agents with new weapons and tactical equipment.

Corruption. There is no evidence that the government or any senior official facilitates the distribution or production of narcotics or other controlled substances. Nevertheless, Corruption within the Paraguayan National Police (PNP) and corruption and inefficiency within the judicial system negatively affects SENAD operations. There is evidence that high-ranking PNP officials have compromised counternarcotics operations and provide protection to narcotics traffickers.

In March, convicted Brazilian drug trafficker Fabricio Silveira Machado escaped from Asuncion's Tacumbu Prison, where he was serving a 25-years sentence. The day before his escape, a Paraguayan judge had signed an extradition order to send Machado to Brazil. Press reports indicate Machado bribed prison guards with payment of $3,200 for his release. Authorities located one of the prison guards and discovered Machado's bribe money in his possession.

In 2004, the GOP submitted to the Senate a list of police officials recommended for promotion, including that of Aristides Cabral. There are strong allegations of corruption and ties to drug trafficking organizations surrounding Cabral. In October 2005, the Senate narrowly voted to reject

Cabral's promotion notwithstanding the support of most Senators of the governing Colorado Party. Nevertheless, in November 2005, Cabral was named Police Chief of the Department of Presidente Hayes. This department, northwest of the capital, is part of a vast under-populated region in Paraguay forming part of a corridor used by traffickers to move drugs across Paraguay. Cabral's near-promotion and appointment set back the GOP's efforts against corruption.

Agreements and Treaties. Paraguay is 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. The GOP is also party to the UN Convention against Transnational Organized Crime, Inter-American Convention against Corruption and the Inter-American Convention against Terrorism. Paraguay also signed the OAS/CICAD Hemispheric Drug Strategy. In 2004, the OAS Inter-American Convention on Mutual Assistance in Criminal Matters entered into force for Paraguay. Paraguay has law enforcement agreements with Brazil, Argentina, Chile, Venezuela, and Colombia. An extradition treaty is in force between the U.S. and Paraguay. The 1987 bilateral letter of agreement under which the U.S. provides counternarcotics assistance to Paraguay was extended in 2005.

Cultivation/Production. Marijuana is the only illicit crop cultivated in Paraguay, and it is harvested throughout the year. Marijuana production has increased, spreading to nontraditional areas of the country. SENAD destroyed 1,000 hectares of marijuana plants in 2005 (enough to produce 3 metric tons of marijuana) out of an estimated 5,500 hectares under cultivation.

Drug Flow/Transit. According to estimates by U.S. law enforcement officials, a significant amount of cocaine transits Paraguay annually enroute to Brazil, Argentina, Europe, Africa and the Middle East. There is also evidence from seizures and law enforcement operations that the Brazil Air Bridge Denial Program is driving more traffickers to use Paraguay as a staging area for smaller shipments of cocaine via land into Brazil.

The marijuana produced in Paraguay is not trafficked to the U.S. SENAD estimates that nearly 85 percent is destined for the Brazilian market, 10-15 percent for other Southern Cone countries and 2-3 percent is consumed domestically.

Domestic Programs/Demand Reduction. The SENAD's Office of Demand Reduction does significant outreach work, primarily in schools. SENAD has the principal coordinating role under the "National Program Against Drug Abuse" and works with the Ministries of Health and Education and several NGOs. From September 2004 to September 2005 the drug awareness program reached a total of 44,710 students and formal training was provided to 1,068 school teachers in 219 public educational institutions.

According to a 2004 national study on drug consumption, carried out by SENAD in partnership with OAS/CICAD, marijuana continues to be the most commonly abused drug by adults (alcohol excepted). Abuse of cocaine remains minimal with only 0.7 percent of the population surveyed having tried it once in their lifetime. Among children 6-14 years old, glue is the most abused substance and its use is increasing. In 2005, a judicial decree was issued providing for greater control over the in-country sale of chemical substances such as glue and other derived products.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. USG priorities in Paraguay focus on the disruption of narcotics trafficking through building an effective investigative and interdiction force by providing training equipment and technical assistance; supporting a strong GOP institutional effort against money laundering; and encouraging a decrease in public corruption. The USG will continue to support professional development and institutionalization of SENAD to promote more effective counternarcotics and organized crime investigative and operational capability. The USG will encourage SENAD to

incorporate greater focus on shipping containers and greater prevention measures against precursor chemical diversion.

The U.S. Treasury Department's Office of Technical Assistance (OTA) provided basic economic crime investigation training to select members of SENAD, SEPRELAD, and the Ministries of Hacienda, Tributacin and Customs in 2005, in areas such as money laundering, trademark and copyright violations, piracy, tax evasion and corruption. The State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) provided logistical and financial support for their law enforcement operations.

DEA continued to work with SENAD, providing guidance on operations and investigations. INL provided commodities and training support to SENAD, including the purchases of detection canines, computer-related items, uniforms, laboratory and other equipment. In 2005, SENAD agents participated for the first time in joint U.S.-Paraguayan counternarcotics/counterterrorism training courses. Separately, the U.S. has refurbished two helicopters dedicated to drug operations. In March 2005, INL sponsored a training course conducted by Alcohol, Tobacco and Firearms (ATF) officials from the U.S. Embassy in Bogota, Colombia on firearms identification, and in May 2005, INL sponsored participation by two SENAD agents in a management training course held in Guatemala.

The Road Ahead. The USG will continue to support Paraguayan efforts to fight drug trafficking. When the new SENAD office in Pedro Juan Caballero is completed in July 2006, the GOP's enforcement capabilities will be greatly enhanced in the northeast region. The GOP is in the process of approving a 2006 budget that could incorporate up to 50 new drug agents. This augmented capability, along with SENAD's legislative and operational tools will enable the GOP to expand its efforts to track, arrest and prosecute major drug trafficking organizations and corrupt officials who protect them. Combating official corruption remains a considerable challenge for the GOP.

In 2006, INL will continue to support improvements to the technical and operational abilities of SENAD. The planned development of a centralized database for storing and sharing intelligence data will greatly enhance SENAD's ability to conduct investigations. SENAD's ability to conduct complex investigations has improved, as evidenced by the December 2005 joint operation with Spanish police to dismantle a drug trafficking organization. DEA will continue to work with SENAD to enhance its skills—providing guidance on operations and investigations.

Despite low ratings on corruption and other indices that prevented Paraguay from qualifying to participate fully in the Millennium Challenge Account (MCA) program, it was again invited to participate in the MCA's Threshold program. If Paraguay's most recent proposal is accepted, Paraguay could be eligible to receive significant USG funding to assist it in addressing the problems of corruption and impunity that hamper law enforcement efforts.

Peru

I. Summary

In 2005, the Government of Peru (GOP) surpassed its coca eradication goals and conducted operations on land and sea to disrupt the production and transshipment of cocaine. Despite these efforts, the price of coca leaf has risen steadily and the number of hectares under cultivation has grown, especially in areas not under the GOP's control. Coca farmers (cocaleros) have become more violent and better organized. Groups claiming to be affiliated with the Shining Path (Sendero Luminoso—SL) terrorist organization have also openly identified with coca growers and drug traffickers and engaged in violent ambushes of police and intimidation of alternative development teams in coca growing areas. Public understanding of the linkage between illicit coca cultivation and the negative impact of narcotics trafficking on Peru increased in 2005.

The GOP eradicated almost 9,000 hectares of coca in key producing zones of the Huallaga Valley and San Gaban in Puno Department, and over 3,000 hectares more in voluntary eradication linked to alternative development. Port programs directed at interdicting maritime drug shipments contributed to the seizure of over 11 metric tons of cocaine in 2005.

Peru is a party to the United Nations counternarcotics conventions, including the 1988 United Nations Convention Against Illicit Traffic in Narcotics Drugs and Psychotropic Substances (1988 UN Drug Convention).

II. Status of Country

The USG estimates there are 38,000 hectares of coca cultivation in Peru, including 4,000 hectares in new areas. This could potentially produce 62,500 metric tons of air-dried leaf (only 9,000 tons of leaf is consumed for traditional licit uses). Less than one percent of the 27 million population, approximately (45,000 families), are involved in growing, processing and trafficking coca.

Attacks on helicopters supporting eradication in April, kidnapping of, and threats to, alternative development workers in November, and two deadly ambushes of police in the Upper Huallaga and Apurimac/Ene (VRAE) in December, point to growing links between the Sendero Luminoso and cocaleros. Cocalero organizations are aggressively active but remain divided.

Trafficking organizations move coca products out of Peru via air, river, land and maritime routes to Mexico, Bolivia, Brazil, Colombia, Ecuador and Chile. Opium latex and morphine move overland north into Ecuador and/or Colombia. Maritime smuggling of larger cocaine shipments is one of the primary methods of transporting multi-ton loads of cocaine base and HCl.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Peruvian counternarcotics coordinating and policy agency, DEVIDA, strategy includes supply reduction (interdiction and eradication) alternative development, demand reduction and policy initiatives such as legislation and regulation of coca supply for traditional use. DEVIDA works closely with the U.S. and other bilateral and international organizations to implement the strategy.

In 2005, the GOP challenged the constitutionality of two regional ordinances that sought to liberalize coca production. The Constitutional Tribunal declared the ordinances unconstitutional, but also criticized the GOP's coca policies and their implementation. The decision ended pro-coca regional

ordinance efforts. The GOP is working on new legislation defining limited traditional coca and targeting drug-related cultivation, processing and trafficking.

Alternative Development. The USAID alternative development programs aim to make coca reduction sustainable through improving local governance, strengthening rule of law and increasing the economic competitiveness of coca-growing areas. Over 9,000 more families joined the voluntary eradication program in 2005. Approximately 3,000 hectares of coca were voluntarily eradicated in 2005, and over 11,000 hectares since it began in October 2002.

The program accelerated the implementation of infrastructure and productive activities in communities participating in voluntary eradication in 2005, resulting in the completion of 231 infrastructure projects and the delivery of technical assistance to 26,469 family farmers on over 31,000 hectares of licit crops. Assistance in increasing licit business activity in alternative development areas resulted in $4.4 M of additional sales in districts where voluntary eradication is taking place. In addition, USAID completed the $30 M rehabilitation of the Fernando Belaunde Terry highway, which is expected to improve legal productivity in the former cocalero stronghold of the Central Huallaga Valley.

The implementation of community agreements is challenged by organized, well-funded and often violent opposition from politically active cocalero groups as well as by insurgent groups. Strikes and threats of violence slowed program implementation in 2005, forcing the program implementer to close regional offices for nearly a third of the year.

Law Enforcement Efforts. Four hundred police specialized in counternarcotics graduated from the NAS-supported police academies in 2005. Their entry on duty allowed the Peruvian National Police (PNP) to sustain interdiction and eradicate illicit crops where farmers have violently resisted forced eradication. In 2005, the GOP investigated and dismantled major drug trafficking organizations and attacked drug-processing sites in the Monzon and Apurimac/Ene River Valleys (VRAE). In the Monzon, they destroyed over 621 metric tons of coca leaf and 522 cocaine base laboratories, and over 767 cocaine base laboratories and 1,200 metric tons of coca leaf in the VRAE. To disrupt drug trafficking in the Ayacucho region adjacent to the VRAE, the PNP deployed a mobile road interdiction group trained to detect precursor chemicals and drugs using x-ray technology to deter truckers from transporting cocaine production chemicals into the area.

Eradication of Illicit Coca Cultivation. In 2005, the GOP also planned and mounted interdiction and eradication campaigns in the Huallaga Valley and in San Gaban in Puno Department. Success in eradication campaigns despite violent resistance is due to full GOP commitment. The Ministry of Interior's coca eradication group (CORAH, its acronym in Spanish) eradicated almost 9,000 hectares of coca, plus an additional 3,200 hectares through voluntary eradication. They destroyed coca nurseries that would have planted 3,558 hectares more. The PNP eradicated 92 hectares of opium fields in 2005.

Maritime/Airport Interdiction Programs. An estimated 70 percent of all illicit drugs exported from Peru are hidden in legitimate maritime cargo. The USG and GOP increased investigative and intelligence resources targeting the transportation of cocaine to the coastal regions for maritime smuggling and will enhance the GOP's capability to identify and inspect suspect cargo shipments passing through Peruvian maritime ports and its international airports. The Peruvian drug police (DIRANDRO) and Peruvian Customs have established a joint interdiction group at the Port of Callao to review all export documents of containerized-freight and identify suspect cargo for further inspection. The GOP has made many arrests and multi-ton/multi-kilogram seizures totaling over 11 metric tons of cocaine HCl in 2005. Examples include 1.2 metric tons of cocaine HCl hidden in a chemicals tanker at the Port of Callao and cocaine found packed in frozen squid (follow up produced multiple seizures in the U.S. and Europe).

Corruption. As a matter of policy, the GOP does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of the proceeds from illegal drug transactions. No senior official of the GOP is known to 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. Peru 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. Peru is a party to the UN Convention Against Transnational Organized Crime and its three protocols. Peru is also a part to the Inter-American MLAT Convention and the Inter-American Corruption Convention.

The United States and Peru are parties to an extradition treaty that entered into force on August 25, 2003. The treaty mandates extradition of nationals, and Peru is cooperating with extradition requests. Peru extradited one fugitive, a nonnarcotics defendant, in 2005.

Cultivation/Production. Peru's coca cultivation has been spreading to new areas over the past few years, a response to high prices and perceived impunity after initial GOP concessions in the face of cocalero protests. The USG estimated there were 38,000 hectares of coca cultivation in 2005, including 4,000 in areas new to the 2005 survey. This is a rise of 23 percent in the traditional cultivation areas and 38 percent overall. Opium poppy cultivation is difficult to quantify. The GOP estimates that there might be as much as 1,500 hectares based on the amount of hectares eradicated and opium latex seized in 2004, but an aerial survey of suspected growing areas in northern Peru found little cultivation. The USG detected minor cultivation: 229 tiny fields averaging 0.1 hectares each. Additional efforts to quantify the opium poppy crop are underway.

Drug Flow/Transit. Mexican drug traffickers are appearing as key players in directing the shipment of multi-kilogram and multi-ton loads to Mexico and the Caribbean. Colombian drug trafficking organizations are present to a lesser degree. DIRANDRO successfully identified and disrupted major international cocaine trafficking organizations responsible for maritime and air shipment of tons of cocaine to U.S., South American and European markets.

Although most opium latex and morphine base is transported overland from Peru to Ecuador and Colombia, "mules" carrying opium latex have been intercepted at the Lima's international airport and latex has been found in packages sent through the Peruvian postal system to destinations in Europe. DIRANDRO seized 501 kilograms of opium latex in 2005, up from 383 kilograms in all of 2004.

Fernando Zevallos-Gonzales, a USG-designated drug kingpin, was taken into custody by the GOP on November 19, 2005. Zevallos was sentenced by a Peruvian court to 20 years in jail in December. Two of his key lieutenants were arrested separately on charges including drug trafficking and witness intimidation.

Domestic Programs/Demand Reduction. A policy of proactive public information campaigns to inform the public, opinion leaders and decision makers about the narcotics trafficking industry and its impact has shown positive results. Public opinion poll conducted in Lima and five cities in coca-growing regions show that the Peruvian public is greatly concerned about the extent of influence of narcotics traffickers over public institutions and authorities, recognizes the complicity of coca farmers in drug trafficking, and realizes that drug trafficking is not a problem only for foreigners.

The U.S. Embassy is funding the development of "community anti-drug coalitions" (CAC) in lower-class communities in Lima with technical assistance from the US-based NGO Community Anti-Drug Coalitions of America (CADCA). The CACs will involve people from all sectors of the community in long-term, community financed, and sustainable activities to reduce drug use and abuse.

IV. U.S. Policy Initiatives and Programs

Bilateral and Multi-Lateral Cooperation. Peru's law enforcement organizations have participated in joint operations and shared drug intelligence with neighboring countries. In Operation Amazonas, the PNP conducted a joint operation with the Ecuadorian National Police. Operation Northern Border began with a conference to address drug trafficking along Peru's borders with Brazil, Colombia, and Ecuador. Peru is actively participating in a counternarcotics officer exchange program with Bolivia, Brazil and Ecuador to enhance cross-border drug enforcement efforts.

Regional Aerial Interdiction Program. In September 2005, the GOP signed a Cooperating Nation Information Exchange System agreement (CNIES) that will enable the USG and other cooperating nations to share intelligence about trafficking of drugs by air. The Peruvian Air Force formed a counternarcotics squadron and accepted two aircraft, one specially equipped, donated to the Peruvian Air Force (Fuerza Aerea del Peru—FAP) by the USG. The aircraft will be dedicated to counternarcotics missions.

The Road Ahead. The GOP will continue eradication and interdiction operations during 2006 within a more dangerous security environment in the major coca-growing valleys, as well as in the transit zones. DEVIDA's eradication plan for 2006 will create coca-free zones in the Departments of San Martin and Ucayali that will consolidate alternative development program gains, encourage more voluntary eradication, and eradicate any replanted fields. This action should dissuade farmers of the notion that their crops are safe between eradication campaigns and encourage them to sign compacts for alternative development.

A long-term goal is to assure the PNP has the manpower to carry out counternarcotics law enforcement efforts east of the Andes. Three NAS-supported basic police training academies and new preparatory academies will increase police numbers and capacity.

Progress has been achieved in 2005 to strengthen the capabilities of the Ministry of Transportation and Communications, the Peruvian Coast Guard, the National Port Authority, Peruvian Customs and the Peruvian National Police to carry out operations against drug trafficking and related crimes at Peru's seaports and airports. In 2006, the Peruvian Customs Service will introduce x-ray technology at several ports to conduct more extensive examinations of cargo containers suspected of containing contraband.

Uruguay

I. Summary

Uruguay is not a major narcotics producing or transit country. Current areas of concern include increased trafficking of marijuana, heroin, and cocaine and increasing domestic consumption of highly addictive, cheap cocaine base from Bolivia. Although port security and customs services are being slowly upgraded, limited inspection of containers at maritime ports and the possible use of free trade zones for the movement of drugs, precursors, and other contraband remain vulnerabilities. Uruguay is a party to the 1988 UN Drug Convention.

II. Status of Country

Uruguay is not a major narcotics producing or transit country. Colombian, Argentine, and Brazilian traffickers increasingly smuggle heroin through the international airport, while European traffickers use the local mail to smuggle small quantities of cocaine. Cruise ship passengers and merchant marine sailors are also suspected of smuggling small quantities of narcotics. Some Uruguayans have integrated into Paraguayan drug gangs involved in trafficking marijuana and cocaine base, and Uruguayans are used as couriers.

Since 2004, Uruguayan counternarcotics police units have identified and targeted clandestine laboratories designed to process Bolivian coca and ship refined cocaine north. The number of confiscated vehicles concealing narcotics and contraband increased substantially in 2005.

The triborder area of Paraguay, Argentina and Brazil, which has long been a haven for narcotics traffickers, affects Uruguay, and the porous border with Brazil lends itself to infiltration. Limited inspection of airport and port cargo continues to be a problem, with Uruguay serving as a transit point for contraband and precursor chemicals, to Paraguay and elsewhere. Although precursor chemical controls exist, they are difficult to enforce.

Domestic drug consumption consists mainly of marijuana that arrives in small planes or overland from Paraguay. However, Bolivian cocaine base, smuggled through Argentina and Brazil, is available cheaply in the marginal neighborhoods of Montevideo.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The GOU continues to make counternarcotics policy a priority. President Tabaré Vázquez has maintained the former administration's counternarcotics policy and enhanced drug rehabilitation and treatment programs. Uruguay is an active member of the Southern Cone Working Group of the International Conference for Drug Control and other international organizations fighting narcotics, corruption and crime.

Accomplishments. In 2005, Uruguayan authorities seized more than 15kg of heroin at the Carrasco International Airport and dismantled numerous cocaine reprocessing laboratories in Montevideo. The Uruguayan legislature was also considering a new initiative that would allow the GOU to confiscate and immediately sell a drug trafficker's vehicle, providing additional resources for Uruguayan counternarcotics efforts. According to the current law, all impounded vehicles must be kept until the suspect is indicted.

Law Enforcement Efforts. The agencies responsible for narcotics-related law enforcement including, Customs, the Police, the Directorate General for the Repression of Illicit Drug Trafficking (DGRTID), the National Directorate for Intelligence and Information (DNII), the Prefectura Naval (Coast Guard),

the Military Intelligence Agency (DGID), and the National Drug Secretariat are increasingly competent and effective. Coordination remains difficult, however, since most report to different ministries.

In 2005, 945.6 kilograms of marijuana was seized, while the amount of cocaine seized more than doubled from 2004 to 76.3 kilograms. The total amount of LSD seized decreased from 100 doses in 2004 to only one dose in 2005. In 2005, 15.5 kilograms of heroin were confiscated. In 2005, the total number of drug-related arrests decreased significantly to 962 from 1,526 in 2004, while the number of prosecutions remained nearly unchanged with 298 convictions in 2005 and 296 in 2004. In 2005, only one person was imprisoned for drug trafficking, in contrast to 13 in 2004.

Corruption. Transparency International rates Uruguay as the least corrupt country in Latin America, and there are no indications that senior GOU officials have engaged in drug production, trafficking, or money laundering. The Transparency Law of 1998 criminalizes various abuses of power by government officials and requires high-ranking officials to comply with financial disclosure regulations. Public officials who do not act on knowledge of a drug-related crime may be charged with a "crime of omission" under the Citizen Security Law. There is no information to suggest that senior Uruguayan government officials engage in, encourage, or facilitate the illicit production or distribution of narcotics.

Agreements and Treaties. Uruguay is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs and the 1972 Protocol amending the Single Convention. It is also a member of the OAS Inter-American Drug Abuse Control Commission (CICAD). The United States and Uruguay have signed an Extradition Treaty (1973), which entered into force in 1984, a Mutual Legal Assistance Treaty (1991), which entered into force in 1994, and annual Letters of Agreement under which the U.S. funds counternarcotics and law enforcement programs. Uruguay has signed drug-related bilateral agreements with Brazil, Paraguay, Bolivia, Chile, Mexico, Panama, Peru, Venezuela and Romania. Uruguay is a member of the regional financial action taskforce, Grupo de Acción Financiera de Sudamerica (GAFISUD).

Cultivation/Production. There is no known large-scale cultivation or production of drugs in Uruguay. However, several small marijuana plots were discovered in 2004 and 2005, as well as small reprocessing laboratories.

Drug Flow/Transit. Uruguay is a minor drug-transit country. Limited law enforcement presence along the Brazilian border and increased pressure on traffickers in Colombia, Bolivia and Peru is shifting some smuggling routes south—by private vehicle, bus, and small airplanes.

Demand Reduction. The GOU remains committed to education and prevention. In 2005, the Ministry of Public Health launched a new publicity campaign aimed at adolescents and young adults to stop the abuse of both illegal and legal substances. The Ministry has created a series of informative posters about drug use and prevention, started sports programs to provide a positive social alternative to drug use, and placed local police at concerts and sporting events. In 2005, to improve its tracking of illicit drug consumption, the GOU funded studies on the social costs of drug abuse, drug abuse in prisons, and the links between drug abuse and emergency room visits. It also continued monitoring drug offenses in the prison population.

In 2005, the National Drug Secretariat funded a program, augmented with USG funding, to establish a drug rehabilitation clinic specifically for cocaine base addicts in a northern Montevideo suburb. The program, known locally as the "Portal Amarillo," is scheduled to open in February 2006 and will be staffed by recent graduates of Uruguay's largest nursing school.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. support complements GOU counternarcotics efforts. In 2005, funding provided by the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) was used for demand reduction programs, narcotics interdiction and police training, police and counternarcotics canine training, anti-money laundering training, and upgrades to immigration controls at the Carrasco International Airport.

The Road Ahead. The 2005 INL Letter of Agreement (LOA) was one of the first bilateral initiatives accepted by the Vázquez administration after assuming power in March 2005. The LOA illustrates Uruguay's commitment to fighting the illegal use and trafficking of narcotics. Although Uruguay's narcotics strategy is focused heavily on demand reduction and rehabilitation, GOU authorities are generally receptive to USG counternarcotics priorities and support the global fight against narcotics trafficking. In the coming year, the USG will continue working with the GOU to interdict U.S.-bound narcotics smuggling and support Uruguayan efforts to fight the increased use of "pasta base" among the country's poor. The U.S. will also support GOU efforts to strengthen immigration controls and improve law enforcement coordination.

Venezuela

I. Summary

Venezuela is a key transit point for drugs leaving Colombia. Two key factors have contributed to an increase in trafficking during 2005: rampant corruption at the highest levels of law enforcement and a weak judicial system. As a result, organized crime flourishes, with seizures and arrests of underlings more an annoyance than a threat. Government of Venezuela (GOV) senior political leaders have withdrawn regular bilateral law enforcement cooperation with the U.S. Drug Enforcement Administration (DEA) Country Office in Caracas and have terminated Venezuelan participation in several counternarcotics programs. Given the Venezuelan government's refusal to cooperate and its obstructionist behavior throughout much of 2005, the U.S. Government, under U.S. domestic law, determined that Venezuela had failed demonstrably to meet its counternarcotics obligations and that the Government of Venezuela (GOV) could no longer be certified as an ally in the war on drugs.

In spite of the political tensions, DEA continued working with its law enforcement contacts, developing information and leads that have contributed to record seizures by Venezuelan law enforcement. After decertification, political sniping faded and government officials expressed renewed willingness to cooperate. GOV officials have linked cooperation to the signing of a new bilateral counternarcotics working arrangement. Venezuela is a party to the 1988 UN Drug Convention.

II. Status of Country

A remote and poorly secured 2,200-kilometer border is all that separates Venezuela from Colombia—the world's primary source of cocaine and South America's top producer of heroin. Colombian cartels and other smugglers routinely exploit a variety of routes and methods to move hundreds of tons of illegal drugs into Venezuela every year. These routes include the Pan-American Highway, the Orinoco River, the Guajira Peninsula, and hundreds of clandestine airstrips.

Realizing that it is more profitable to purchase cocaine and heroin from Colombia and sell it to customers in other countries, organized crime in Venezuela has begun to set up operations in foreign countries to receive and distribute drugs in addition to providing transportation services. As a result, Venezuelan traffickers have been arrested in Holland, Spain, Ghana, Dominican Republic and several other countries.

On the outbound side, cocaine is smuggled from Venezuela to the U.S. and Europe in multi-hundred kilogram to multi-ton lots via maritime cargo containers, fishing vessels, and go-fast boats. Amounts of cocaine and heroin routinely smuggled through Venezuela's commercial airports increases in 2005. Multi-kilo shipments of cocaine and heroin are mailed through express delivery services to the United States. Colombian guerrilla organizations, such as the Revolutionary Armed Forces of Colombia (FARC), National Liberation Army (ELN), and United Self-Defense Forces of Colombia (AUC), move through parts of Venezuela without significant interference by the Venezuelan security forces. These groups in turn are responsible for much of the drug trade through Venezuela.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Two important laws were promulgated in October 2005: the "Law against Organized Crime" and the "Law against the Trafficking and Consumption of Narcotics and Psychotropic Substances." The long-awaited Organized Crime Bill was weakened considerably in the days just prior to its passage. On the positive side, money laundering was made a predicate offense and police powers were enhanced to allow controlled deliveries of narcotics. Unfortunately, an

independent Financial Intelligence Unit was not established and the criminalization of "conspiracy to traffic in drugs" was not developed sufficiently. The latter is important if Venezuela is to apprehend the criminal organizations and senior government officials involved in trafficking, rather than just catching and prosecuting the lower-level movers of drugs.

The "Law against the Trafficking and Consumption of Narcotics and Psychotropic Substances" went into effect October 26, 2005. In addition to regulating the consumption, cultivation and production of illicit drugs, the law establishes a National Registrar to better monitor precursor chemicals.

With the passage of these two laws, Venezuelan law is now in line with the 1988 UN Drug Convention. It is not certain, however, whether Venezuela's political and judicial institutions are up to the task of vigorous and impartial implementation.

Extradition. The Venezuelan constitution precludes the extradition of its citizens. nonVenezuelans can be extradited, but Venezuelan judges historically attach conditions that preclude the actual extradition. Venezuelan authorities have been able to work around the extradition process by occasionally deporting nonVenezuelan criminals to a third country—usually Colombia—from where they can more easily be extradited. Furthermore, extradition is hampered by the corruption that permeates the system and often allows criminals to "escape" or be released for lack of evidence. The escape from a maximum security prison by known Colombian trafficker "Boyaco", while awaiting extradition to Colombia, is emblematic of this problem. The United States and Venezuela are parties to an extradition treaty that entered into force in 1923.

Law Enforcement Efforts. In general Venezuelan police and prosecutors do not have adequate training or tools to complete or supervise an investigation. The public has no faith in prosecutors due to ineffective criminal prosecutions, politicization and corruption. Prosecutors sometimes shrink from taking new cases, wary that cases are politically motivated or otherwise corrupt. At the judicial level, prisoners miss their hearings if unable or unwilling to pay guards to escort them. Missed hearings typically delay cases by months. Incompetence is common among judges in the criminal courts. Judges may delay or request removal from cases with political interest. The closed nature of the legal system encourages judicial corruption given the lack of effective oversight.

Cooperation in 2005 diminished as a result of political tensions and corruption within Venezuelan law enforcement at the highest levels. In January 2005, the government refused to renew its participation in the Cooperating Nations Information Exchange System (CNIES), which is designed to track suspect aircraft. In March, the Venezuelan National Guard withdrew from the USG-sponsored vetted unit and senior government officials made baseless accusations against DEA. Counternarcotics cooperation subsequently declined on all fronts. In July, President Hugo Chavez accused the DEA of spying and planning a coup and announced that DEA personnel in Venezuela would be asked to leave. As a result of these acts, President Bush decertified Venezuela in September for having failed demonstrably to make substantial efforts in the war on drugs. Despite noncooperation in several other areas, Venezuelan authorities have continued to comply fully with the provisions of the maritime counternarcotics agreement, rapidly approving requests to board Venezuelan-flagged vessels suspected of engaging in drug smuggling, and allowing the USG to take law enforcement action when appropriate.

Subsequent to decertification, President Chavez signed the long-delayed "Law against Organized Crime" and the "Law against the Trafficking and Consumption of Narcotics and Psychotropic Substances" important steps to bring Venezuela's penal code in line with the 1988 UN Convention on Drugs. The Commander of the National Guard Counternarcotics Unit, the source of much of the anti-DEA rhetoric, was relieved in late September and subsequently placed under investigation. The Venezuelan government has linked renewed formal cooperation to the signing of a bilateral counternarcotics agreement.

Precursor Chemical Control. The GOV participated in Operation Seis Fronteras VI in 2005 and, with assistance from DEA, audited several companies for possible diversion of precursor chemicals.

Demand Reduction. This year President Chavez and other senior political leaders acknowledged that domestic consumption of narcotics was a serious problem. The government's role is typically limited to oversight of the dozens of NGO demand reduction and rehabilitation programs that have been approved by CONACUID. The number and strength of these programs is a direct result of the statutory requirement that all private companies, employing more than 200 workers, must donate one percent of their profit to promote demand reduction. Companies may donate to their choice of the dozens of CONACUID-approved programs in existence.

Corruption. Public corruption continued to plague Venezuela in 2005.

Two aspects of this problem were particularly damaging to the GOV's counternarcotics efforts. First, the commanders of the National Guard and the Anti-Drug Unit of the Federal Investigative Police (CICPC) units, responsible for counternarcotics operations, were themselves linked to drug trafficking. Both are now under investigation by Venezuelan authorities. Second is the complicity of mid-level military officers that were involved in the smuggling of drugs through Maiquetia International Airport and possibly other ports of embarkation. Notwithstanding an impressive record of heroin and cocaine seizures, GOV security personnel at Maiqueta reportedly take bribes in exchange for facilitating drug shipments. Seizures are most likely to occur when pay-offs have not been made. Also, there is evidence that even when seizures do occur, the drugs are not always turned over intact for disposal—often, hundreds of kilograms of cocaine are never reported as having been diverted by authorities back to drug traffickers. There have been cases of known traffickers or members of Foreign Terrorist Organizations (FTOs), such as Rodrigo Granda from the FARC, who trafficked drugs or conducted operations against neighboring Colombia from safehavens inside Venezuela with complicity by GOV authorities who turned a blind eye, or facilitated false documents.

In 2004, National Guard officers were implicated in drug smuggling. In 2005, information developed by DEA exposed a major trafficking organization within the CICPC. In another case, 14 CICPC officers were detained while transporting drugs. One of them was the son of the Anti-Drug unit's commander, who is also suspected of involvement in drug trafficking.

Agreements and Treaties. Venezuela is 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. Venezuela ratified the Mutual Legal Assistance Treaty with the U.S. in 2003, but the treaty has not entered into force. Venezuela is party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. The GOV has also signed a number of important bilateral agreements with the U.S., including a ship-boarding agreement from 1991 (updated with a new protocol in 1997), a Memorandum of Understanding concerning cooperation in narcotics, and a customs mutual assistance agreement. Venezuela's 1999 "Bolivarian" constitution expressly prohibits the extradition of Venezuelan citizens. Previously, Venezuela only had a statutory bar to the extradition of nationals. Given the current political environment, this is unlikely to change in the foreseeable future.

Cultivation/Production. In November 2005, the GOV carried out an 8-day eradication operation in the Serrania de Perija mountain range on Venezuela's northwestern border with Colombia. The Minister of the Interior reported that 132 hectares of illicit coca, marijuana and poppy cultivations were manually eradicated. Based on historic cultivation patterns and current illicit cultivation on the Colombian side of the Perija, total Venezuelan coca and poppy cultivation does not exceed a few hundred hectares.

During this eradication operation, 18 small cocaine base processing labs were identified and destroyed. While production in Venezuela has not historically been significant, there is increasing evidence that at least some production is shifting from Colombia to Venezuela.

Drug Flow/Transit. The GOV reports having seized 54 metric tons of cocaine during the first eight months of 2005. This number includes seizures made by third countries in international waters that are subsequently returned to Venezuela, as the country of origin. However, DEA Caracas, which does not tally seizures made by third countries, estimates total cocaine seizures at approximately 30 metric tons, still well ahead of 2004 seizures at a similar point in time. In 2005, 240 kilograms of heroin were seized during the first eight months.

Demand Reduction. The country's largest advertising agencies create, without charge, drug education and prevention messages. The time and space to transmit these messages has been donated by Venezuela's most important media firms. Some 160 messages and $90,000,000 of airtime have been provided free of charge by the private sector since 1996.

In 2005, a new Communications Law mandated that the broadcast media pay taxes on donated airtime. This effectively dried up the pool of donated airtime for eight months, until the law was revised in October to exempt donations made to promote demand reduction.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Political differences between the U.S. and Venezuela hampered official bilateral cooperation. Notwithstanding, working level cooperation continued, with most of the tonnage seized by Venezuelan authorities the direct result of information developed, jointly with or unilaterally, by U.S. law enforcement. Working level cooperation continued, but at a lower level than in previous years.

The U.S. program in Venezuela is grouped into five projects: interdiction, administration of justice, chemical control, money laundering control, and public awareness.

Components of the interdiction project include seaport, airport, and border security with a particular emphasis on shutting down the Tachira-Puerto Cabello cocaine transit corridor. A state-of-the-art cargo inspection facility has been under construction at Puerto Cabello and should be fully operational in early 2006. Two permanent U.S. Customs and Border Protection inspectors were assigned as advisors to the interdiction project in 2004.

The interdiction project also focuses on reducing the flow of heroin and cocaine through Maiquetia International Airport to the U.S. and Europe. In addition to providing nonintrusive detection equipment, training centers have been set up at Maiquetia and Maracaibo International airports in order to train airport security in their use.

The Road Ahead. In 2006, the USG is committed to renewing cooperation with its Venezuelan counterparts at all levels in the war on drugs. In addition to restarting stalled projects—e.g., development of a drug intelligence fusion and analysis center, initiation of riverine interdiction operations on the Orinoco River, and construction of a centralized storage and incineration facility—added emphasis will be placed on disrupting the transit of drugs entering Venezuela and raising public awareness regarding the dangers of organized crime and narcotics trafficking.

To demonstrate success in adhering to its international counternarcotics agreements, Venezuela needs to make substantial efforts to improve in attacking corruption and enhancing transparency and international cooperation.

CANADA, MEXICO AND CENTRAL AMERICA

Belize

I. Summary

The Government of Belize (GOB) recognizes that the transit of cocaine and other illicit drugs is a serious problem. Its police units and the Belize National Coast Guard (BNCG) are tasked with narcotics operations and investigations. The GOB works closely with the U.S. on international crime issues and has been helpful over the last two years in the extradition of U.S. fugitives wanted for prosecution in the U.S.

II. Status of Country

Geographically, Belize is a significant transshipment point for illicit drugs between Colombia and Mexico. Contiguous borders with Guatemala and Mexico, large tracts of unpopulated jungles and forested areas, a lengthy unprotected coastline, hundreds of small islands and numerous navigable inland waterways, combined with the country's undeveloped infrastructure, add to its vulnerability to drug trafficking. A small amount of marijuana is cultivated in Belize, primarily for local consumption. There is no evidence of trafficking in precursor chemicals in Belize.

Law enforcement units—the Belize Police Department (BPD), the Belize Defence Force (BDF) and the International Airport Security Division—engage in counternarcotics efforts. For example, the Anti-Drug Unit (ADU) is a branch of the BPD responsible for counternarcotics operations and investigations. However, personnel shortages preclude forming a dedicated team to handle Money Laundering investigations. The Belize National Forensic Science Services (NFSS) laboratory is under the Ministry of Home Affairs; it is receiving technical assistance from the U.S.

III. Country Actions Against Drugs in 2005

Policy Initiatives/Accomplishments. Belize inaugurated the BNCG on November 28, 2005. The new coast guard has 58 members; the majority were previously members of the BDF Maritime Wing and BPD. The BNCG will play a vital role in the interdiction of illicit drugs at sea, and it will be a major collaborator with the BPD.

Law Enforcement Efforts. Authorities seized 2,386 kilograms of cocaine in 2005, 354 kilograms of processed cannabis, and minor quantities of other drugs. There was a significant seizure of 2,376 kilograms of cocaine in September 2005. The DEA and Regional Security Office assisted the BPD in this operation. From January through October 2005, there were 1,414 arrests and 765 drug related convictions or sentences.

The GOB's most serious internal drug problem is rooted in drug-associated criminality. Obtaining convictions remains difficult, as the Office of the Public Prosecutor remains under-trained and under-funded. The GOB has refurbished its fingerprinting program with the Panamanian government and the FBI. This is thought to be the key factor in obtaining convictions.

Corruption. The GOB does not facilitate the production, processing, or shipment of narcotic and psychotropic drugs or other controlled substances, and does not discourage the investigation or prosecution of such acts. The GOB takes legal and law enforcement measures to prevent and punish public corruption. There are no laws in Belize that specifically cover narcotics-related public corruption. While there is no direct evidence of narcotics-related corruption within the government, other kinds of corruption are suspected in several areas of the government. For example, laws against bribery are rarely enforced and solicitations are reported.

Agreements and Treaties. Belize is a party to the 1988 UN Drug Convention. The U.S.-Belize extradition treaty entered into force in 2001, and the U.S.-Belize Mutual Legal Assistance Treaty (MLAT) in 2003. The GOB has completed enactment of implementing legislation to fulfill its obligations under the MLAT. Belize has not signed the UN Convention Against Corruption but is a party to the UN Conventional Against Transnational Organized Crime and its Trafficking in Persons protocol.

Cultivation/Production. The GOB conducted several successful marijuana eradication operations in 2005. By October 2005, 119,736 marijuana plants had been eradicated. There is no evidence that Belizean marijuana cultivation has any significant effect on the U.S. The BDF and BPD continue to conduct manual marijuana eradication missions on a regular basis using their own aerial reconnaissance program.

Asset Seizure. GOB law permits the seizure of assets connected to drug trafficking. In 2005 Belize seized six boats and currency worth US$120,000. One quarter of the proceeds of sales of seized assets are returned to the police, but little is dedicated to counternarcotics.

International Law Enforcement Cooperation. Belize has joined other Central American countries participating in the Cooperating Nations Information Exchange System (CNIES). The CNIES assists in locating, identifying, tracking and intercepting civil aircraft in Belize's airspace in order to facilitate the interruption of illicit drug trafficking routes and the arrest of illicit drug traffickers, which has resulted in several significant seizures in coordinated interdiction operations, particularly with Guatemala.

Drug Flow/Transit. Maritime routes along Belize's lengthy coastline, remote border crossings, and navigable inland waterways are the suspected means for trafficking narcotics through Belize to Mexico, Guatemala, and the U.S. The major narcotics threat in Belize is cocaine transshipment through its territorial waters for onward shipment to the U.S. The primary means for smuggling drugs are go-fast boats transiting the reef system. Armed cargo guards protect shipments of cocaine. Often the drugs are off-loaded on the ocean side near the barrier reef to smaller vessels. The vessels freely transit inside Belize waters due to numerous hiding spots and the lack of adequate host nation resources and interdiction capabilities, including intelligence information. Colombian and Mexican drug traffickers have established partnerships leading to increased Mexican drug trafficking in Belize. These Mexicans have been masterminding clandestine aircraft and sea vessel drug operations within Belize.

Domestic Program/Demand Reduction. GOB demand reduction efforts are coordinated by the National Drug Abuse Control Council (NDACC), which provides drug abuse education, information, counseling, rehabilitation and outreach. NDACC also operates a public commercial campaign, complete with radio advertisements and billboards, designed to discourage youths from using drugs.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives and Bilateral Cooperation. The U.S. strategy in Belize is to assist the GOB in developing a sustainable infrastructure to combat its drug problems effectively. In 2005, the U.S. sponsored the travel of personnel from the FBI's Criminal Justice Information Service Division (CJIS) to Belize to conduct advanced certification in fingerprinting training. The U.S. also funded a Machine Readable Passport System (MRP) for the Belize Immigration and Nationality office, inaugurated in February 2005. The USG is supporting the Belizean Forensic Laboratory through training, equipment and technical assistance in the analysis of firearms exhibits and crime scene techniques. Improved capabilities will increase the justice system's successful investigations and prosecution of crimes. The U.S. assisted the Belize National Drug Abuse Control Council (NDACC) with programs for at-risk

school youth. The Belize National Coast Guard received two refurbished go-fast boats for counternarcotics operations.

The Road Ahead. Traffickers will continue to exploit Belize as a transshipment for cocaine. Support should focus on supporting police counternarcotics units, Belize National Coast Guard, units involved with crime scene investigations and chain of custody, the Department of Public Prosecutions, and the Financial Investigation Unit. Projects should include providing training and equipment to all law enforcement branches, and providing equipment to the BNFSS to better handle a wide range of analysis from and crime scene processing to drug and DNA. Improvements in communication, collection of crime scene evidence and forensic examination, and increased training within the Prosecutions Office are currently being pursued in an effort to strengthen the criminal justice system in Belize.

Canada

I. Summary

In 2005, the Government of Canada (GoC) promulgated counternarcotics legislation and expanded law enforcement cooperation and programs. Canada's Health Ministry, Health Canada, released the first edition of the National Framework for Action to Reduce the Harms Associated with Alcohol and Other Drugs and Substances in Canada in November 2005.

The growth of organized crime groups is of continuing concern to Canadian law enforcement. The Criminal Intelligence Service Canada reports that foreign organized crime significantly influences all aspects of the illicit drug industry. In March 2005, four RCMP officials were killed while assisting local police in a car repossession case during which law enforcement discovered a marijuana grow operation in rural Alberta.

Canada is party to the 1988 UN Drug Convention. In 2005, Canada was elected as a member of the UN Commission on Narcotic Drugs.

II. Status of Country

Canada is primarily a drug-consuming country, but remains a significant producer of high quality marijuana and transit point for precursor chemicals and over-the-counter pharmaceuticals used to produce synthetic drugs (notably MDMA/ecstasy and methamphetamine). Canada is a source country for marijuana and MDMA, and a transit or diversion point for precursor chemicals and pharmaceuticals used to produce illicit synthetic drugs.

Canada's Renewed Drug Strategy (2003) provides a federal policy response to the harmful use of substances.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The GoC issued the 2005 National Framework for Action to Reduce the Harms Associated with the Use of Alcohol and Other Drugs and Substances in Canada. The Framework is meant to generate dialogue by articulating a vision, setting strategic priorities, defining and clarifying roles, providing a coordinating mechanism and providing funding.

New legislation strengthened the GoC's ability to seize assets from those convicted of financially benefiting from illegal activities and enhanced cross-border intelligence sharing. In November 2005, the Parliament passed a Proceeds of Crime Bill that targets the illicit proceeds of organized crime, including serious drug offenses, and authorizes the courts to order the forfeiture of property of those convicted of either membership in a criminal organization or certain drug-related offenses.

In August, the GoC increased the maximum penalties for possession, trafficking, importation, exportation and production (ten years to life in prison) of methamphetamine. In November, the GoC implemented the Precursor Control Amendments which: strengthen verification of import and export licensing procedures, require that companies requesting those licenses provide additional detail in their initial requests, provide guidelines on the suspension and revocation of licenses for abusers and add controls of six chemicals that can be used to produce GHB and/or methamphetamine. It also authorizes pre-registration inspections of applicants for licensure, and permits Health Canada to consider adverse law enforcement information in licensure and renewal decisions.

The National Drug Manufacturers Association of Canada (NDMAC), a nonprofit industry association of health care product and over-the-counter medicine manufacturers, implemented MethWatch in early 2005. This voluntary program trains retailers to monitor and identify irregular sales of various methamphetamine precursors. It was developed in conjunction with the Royal Canadian Mounted Police (RCMP) and Health Canada and modeled after a public-private partnership program in Kansas.

Law Enforcement Efforts. During 2005, the RCMP conducted 430 marijuana investigations, raided 570 marijuana operations, seized nearly 250,000 marijuana plants and arrested 283 suspects. The RCMP conducted 87 clandestine laboratory investigations and 36 lab raids; over a third of the raids involved MDMA production and resulted in the seizure of 64,000 dosage units of illicit or harmful substances.

One example of many Canadian efforts against MDMA trafficking was Operation "Sweet Tooth" was a two year investigation on international MDMA and marijuana trafficking rings with drug smuggling and money laundering operations. It ranged from the Far East to North America and resulted in 291 arrests in the U.S. and Canada, and the seizure of 931,300 MDMA tablets, 1,777 pounds of marijuana, and $7.75 million in U.S. assets. DEA, the RCMP and the Canada Border Services Agency (CBSA) dismantled two major drug transportation rings. These criminal organizations were responsible for distributing 1.5 million MDMA tablets per month.

In September, Canadian authorities uncovered in rural New Brunswick one of the largest outdoor marijuana cultivations found to date. Over 20,000 plants were destroyed. Five traffickers with Asian organized crime connections were arrested. Working with the DEA and Spanish authorities, the RCMP assisted in the seizure of a yacht containing one ton of cocaine off the coast of Spain. Four of Canada's largest drug kingpins were arrested in connection with earlier seizures in the Atlantic Ocean of 1.5 metric tons of cocaine from various yachts.

Corruption. Canada holds its officials and law enforcement personnel to a high standard of conduct and has strong anticorruption controls in place. Civil servants found to be engaged in malfeasance of any kind are removed from office and are subject to prosecution. Investigations into accusations of wrongdoing and corruption by civil servants are thorough and credible. No senior government officials are known to engage in, 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. As a matter of government policy, Canada neither encourages nor facilitates illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Canada 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. Canada is also a party to the Inter-American Convention on Mutual Legal Assistance in Criminal Matters; the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials; and the Inter-American Convention Against Corruption. Canada actively cooperates with international partners. The GoC has signed 30 bilateral mutual legal assistance treaties and 87 extradition treaties.

Judicial assistance and extradition matters between the U.S. and Canada are made through a Mutual Legal Assistance Treaty (MLAT) and an extradition treaty and protocols. The USG and GoC exchange forfeited assets through a bilateral asset sharing agreement.

Cultivation/Production. Marijuana cultivation is a thriving industry in Canada. It has also been a relatively minimum-risk activity due to low sentences meted out by Canadian courts. A September 2005 seizure of 20,000 marijuana plants in rural New Brunswick indicates that marijuana operations are moving into nontraditional areas. Though outdoor cultivation continues, the use of large and more sophisticated indoor grow operations is increasing because it allows year-round production. The

RCMP reports the involvement of ethnic Chinese and Vietnamese organized crime organizations in technologically-advanced organic grow methods that produce marijuana with elevated THC levels.

The demand for, and production of, synthetic drugs also appears to be on the rise in Canada, particularly methamphetamine and MDMA. Clandestine laboratories—traditionally located in rural areas but expanding into urban, residential neighborhoods—are becoming larger and more sophisticated. Reports of Gamma-hydroxybutyrate (GHB) use are increasing.

Drug Flow/Transit. Marijuana is smuggled primarily from British Columbia, Ontario and Quebec into the U.S. by all modes of conveyance. Significant seizures of MDMA from clandestine laboratories indicate they are larger and more sophisticated organized crime operations. Prior to 2004, MDMA arrived mainly in tablet or powder form from Europe. Shipments of MDMA powder and tablets were intercepted at Canadian ports of entry, notably Montreal, Toronto and Vancouver. The CBSA reported that (as of September 30) it had seized 54,194 doses of MDMA at the border.

Methamphetamine trafficking and availability rose during 2005. Most of the domestic supply is produced in clandestine laboratories which have, over time, spread eastward across the country. Approximately 95 percent of the methamphetamine sold originates from multi-kilogram operations. Most methamphetamine labs seized in Ontario, however, were small labs operated by individuals in rural areas. In Quebec, methamphetamine traffickers manufacture and market most of the product in tablet form.

The RCMP's strategic intelligence assessment "Drug Situation in Canada—2004," (issued in September 2005) noted that Canada was a source to Japan for MDMA, methamphetamine and marijuana.

The Caribbean islands of St. Lucia, St. Maartin, Trinidad, Haiti, Jamaica and Antigua are the most common transit points for cocaine en route to Canada, followed by the U.S. Cocaine seizures at the British Columbia land border decreased in number, but increased substantially in size in 2005. Outlaw motorcycle groups, Italian and Caribbean crime groups in addition to Canadian-based independent organized groups are the principal smugglers of large cocaine shipments into Canada. Colombian brokers serve as intermediaries between Canadian organizations and Colombian producers. The CBSA reported that (as of September 30, 2005) it had seized 1.66 metric tons of cocaine at the border.

Opium and heroin seizures in Canada have risen steadily. The RCMP strategic assessment indicates that opium and heroin, originating in Afghanistan, Pakistan, Iran and India, are usually routed through a European country or the U.S., often by Southeast Asian and Southwest Asian traffickers. The CBSA reported that (as of September 30) it had seized 159.4 kilograms of opium and heroin.

Domestic Programs. While delivery of demand reduction, education, treatment and rehabilitation is primarily the responsibility of the provincial and territorial governments, Health Canada provides funding for these services. Canada has embarked on a number of harm reduction programs at the federal and local levels. A government-sponsored heroin injection site has been operating in Vancouver since 2003. In February 2005 the North American Opiate Medication Initiative (NAOMI) began recruiting addicts for a study to determine if addicts can live better lives if the drug is readily available. Several cities have also approved programs to distribute drug paraphernalia, including crack pipes, to chronic users.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. and Canada cooperate closely at the federal, state/provincial, and local levels. The annual U.S./Canada Cross-Border Crime Forum engages policy-makers and senior operational directors in a joint effort to guide the relationship strategically, to develop a common agenda, and to enhance operational coordination. The Forum's technical working groups continue to

identify priorities and areas for increased cooperation, such as intelligence sharing. For instance, U.S. and Canadian agencies collaborated on a joint cross-border drug threat assessment. These assessments also address one of the initiatives developed as part of the Security and Prosperity Partnership (SPP) action plan. Project North Star is an ongoing mechanism for law enforcement operational coordination at the state and local level. The successful joint Integrated Border Enforcement Teams (IBETs) have become a primary tool in ensuring that criminals cannot exploit the international border to evade justice. Currently, there are 15 IBET regions supported by 25 IBET teams, in which U.S. and Canadian law enforcement routinely work in tandem on border security matters.

The recently concluded shiprider agreement provides a new tool for law enforcement cooperation by providing trans-border law enforcement authority to Canadian law enforcement operating along and across the border. During the trial operation in September 2005, the U.S. Coast Guard (USCG) and RCMP officers worked together on maritime law enforcement issues in the Great Lakes.

A second related initiative is geographic maritime inhibitors, which require officers from both countries to transit each other's waters while staying in the channel. The Great Lakes has many areas where both countries need this framework. In July 2005, the GoC requested, and the USG granted, blanket diplomatic clearance for Canadian law enforcement officers to carry their weapons while transiting in and out U.S. waters on the Great Lakes aboard Canadian government vessels. The USG is seeking reciprocal treatment for U.S. federal maritime law enforcement officers.

Canada has recently expanded cooperative efforts with the United States against illicit trafficking in the transit zone from South America to North America by deploying Maritime Patrol Assets in support of Joint Interagency Task Force South.

Road Ahead. The RCMP will host the 2006 International Drug Enforcement Conference (IDEC) in May in Montreal. This annual, DEA-sponsored conference brings together high-ranking law enforcement officials from over 70 countries to share drug-related information and to develop a coordinated approach to combat criminal threats. The conference will identify emerging global trends and legislative needs in developing countries, and develop strategies to better equip those countries to target international drug organizations.

In 2006, the United States and Canada will continue to pursue joint operations against drug trafficking organizations.

The USG will look to Canada for cooperation in monitoring and tracking precursor chemical activity and interception of suspicious shipments; and in addressing the rise in MDMA production in Canada. The GoC should continue to look for ways to improve its regulatory and enforcement capacity—as well as to encourage industry compliance—to prevent diversion of precursor chemicals for criminal use. Canada should also continue its efforts to identify, disrupt and prosecute money laundering operations.

In the area of interdiction, the USG seeks reciprocal treatment with respect to transit of USG vessels and personnel in and out of Canadian waters on the Great Lakes. The U.S. further encourages Canada to take steps to improve its ability to expedite investigations and prosecutions. Strengthening judicial deterrents in Canada would also be useful.

The U.S. supports Canada's efforts to increase the availability of science-based treatment programs to reduce drug use, as opposed to measures which facilitate drug abuse in the hopes of reducing some of its harmful consequences.

Costa Rica

I. Summary

Costa Rica is one of the countries straddling the critical drug transit corridor between South American suppliers and the U.S. market and has become a major transshipment point for narcotics to the United States, as well as Europe. The Government of Costa Rica (GOCR) demonstrated professionalism and reliability as a hemispheric partner in combating the ever-changing and growing drug trafficking trade, seizing a record 6,749 kilograms of cocaine and 49.38 kilograms of heroin in 2005. Costa Ricans face the threat of increasing domestic drug consumption, particularly crack cocaine, along with the violence associated with drug use and trafficking. The GOCR continued to implement its 2002 law that criminalized money laundering and to support the 1998 bilateral Maritime Counterdrug Cooperation Agreement to improve its maritime security. The Counternarcotics Institute, created in 2003, enhanced its efforts in criminal intelligence, demand reduction, asset seizure, and precursor chemical licensing. Costa Rica is a party to the 1988 UN Drug Convention.

II. Status of Country

Several of the primary maritime drug smuggling routes from Colombia to the U.S. cross Costa Rica's territorial waters, an area ten times larger than its land mass. On both the Pacific and Caribbean sides, large amounts of drugs pass through its waters in small go-fast boats and larger vessels disguised as fishing boats or arrive by air to transit north by land.

Costa Rica stringently licenses the importation and distribution of controlled precursor chemicals. The GOCR cooperates with the USG in combating narcotics trafficking, but budgetary limitations constrain the capabilities of its law enforcement agencies.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The 1999 bilateral Maritime Counterdrug Cooperation Agreement and the 2000 Coast Guard Professionalization Law are the foundation for continuing professional development of the Costa Rican Coast Guard and improving maritime security. The Costa Rican Coast Guard Academy graduated 28 officers in 2005, bringing the total to 150 officials since it was established in 2002. Costa Rica is the depository country for the multilateral "Agreement Concerning Cooperation in Suppressing Illicit Maritime and Aeronautical Trafficking in Narcotics Drugs and Psychotropic Substances in the Caribbean Area" signed in 2003 in San Jose. The Costa Rican Counternarcotics Institute coordinates an annual counternarcotics country strategy. However, budget and resource limitations impede the full implementation of this plan.

Accomplishments. Close relations between U.S. law enforcement agencies and GOCR counterparts led to regular information-sharing and joint operations. As a result, Costa Rican authorities seized a record amount of illicit narcotics in 2005 and complied fully with its obligations under the 1988 UN Drug Convention. To promote regional counternarcotics cooperation, a major goal of Central American countries, the GOCR Mobile Enforcement Team (MET—an interagency team consisting of canine units, drug control police, customs police and specialized vehicles) coordinated eight cross-border operations with authorities in Nicaragua and Panama in 2005.

Law Enforcement Efforts. The primary counternarcotics agencies in Costa Rica are the Supreme Court's Judicial Investigative Police (OIJ—which includes a small, but highly-professional counternarcotics section) and the Ministry of Public Security's Drug Control Police (PCD). The OIJ investigates cases involving international narcotics trafficking. The PCD has responsibility for all drug

smuggling and drug interdiction at ports of entry. Other authorities include the Costa Rican Coast Guard, the Air Surveillance Section, and the 10,000-member police force.

In 2005, the GOCR seized a record 6,749 kilograms of cocaine (increasing seizures of crack by 30 percent), 881 kilograms of processed marijuana and 49.38 kilograms of heroin. It nearly doubled the eradication of marijuana to over one million plants. Costa Rica also confiscated almost $800,000 in currency, 51 vehicles and 41 firearms. Drug-related arrests increased dramatically to 6,251 from 1,024 in 2004.

Corruption. Costa Rica signed the Inter-American Convention Against Corruption in 1996 and ratified it in 1997. Unprecedented corruption scandals during the two previous administrations involving apparent kickbacks to officials at the highest levels were exposed in 2004 and tested Costa Rica's legal system throughout 2005. Although the cases have not yet gone to trial, this challenge to the GOCR has strengthened its commitment to combating public corruption.

The GOCR aggressively investigates allegations of official corruption or abuse. During 2005, the GOCR arrested six public security officers and four OIJ investigators on suspicion of involvement with narcotics traffickers. In addition, a judge and a prosecutor were fired along with 23 other judicial branch employees for nondrug related offenses. U.S. law enforcement agencies have no credible evidence of senior GOCR officials engaging in, encouraging, or facilitating the production and distribution of illicit drugs or the laundering of proceeds from illegal criminal transactions.

Agreements and Treaties. The 1998 Maritime Counterdrug Cooperation Agreement continues to serve as the model maritime agreement for Central America and the Caribbean. The United States-Costa Rican extradition treaty, in force since 1991, has been actively used. Costa Rica ratified the Inter-American Convention Against Corruption and signed the UN Convention Against Corruption. Costa Rica ratified a bilateral stolen vehicles treaty in 2002. Costa Rica is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by its 1972 Protocol, and the 1971 Convention on Psychotropic Substances.

Costa Rica and the United States are also parties to bilateral drug information and intelligence sharing agreements dating from 1975 and 1976. Costa Rica is a member of the Caribbean Financial Action Task Force and the Egmont Group. It is a member of the Inter-American Drug Abuse Control Commission of the Organization of American States (OAS/CICAD). Costa Rica is party to the UN Convention against Transnational Organized Crime, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, the Protocol against the Smuggling of Migrants, and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms.

Cultivation/Production. Marijuana cultivation is extensive, but confined to remote areas. It is not exported to U.S. markets due to its low quality. Costa Rican authorities' eradication operations, which are independent of USG assistance, destroyed over a million marijuana plants in 2005. Costa Rica does not produce other illicit drug crops or synthetic drugs.

Drug Flow/Transit. Traffickers resort to frequent, smaller (50-500 kilograms) shipments of cocaine through Costa Rica in truck and passenger car compartments. Seizures of such shipments increased in southern Costa Rica. The trend toward increased trafficking of narcotics by maritime routes has also continued with 11 incidents and a total of 3,620 kilograms of cocaine seized at sea in 2005. Traffickers used Costa Rican-flagged fishing boats to smuggle drugs and to provide fuel for other go-fast boats.

Domestic Programs (Demand Reduction). Costa Ricans are increasingly concerned over growing domestic drug abuse, especially of crack cocaine. In 2005, the Prevention Unit of the Costa Rican Counternarcotics Institute, which coordinates drug prevention efforts and educational programs throughout the country, continued demand reduction campaigns with posters in schools, universities, and pharmacies. In addition, the Institute and the Ministry of Education distributed demand reduction materials to all school children. The MET team often visits local schools in the wake of a deployment.

The team's canines and specialized vehicles have proven effective emissaries for demand-reduction messages.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. Costa Rica contributes to the U.S. goal of disrupting the hemispheric illicit drug trade and targeting the threat of international criminal organizations. Specific Costa Rican initiatives include: continuing to implement the bilateral Maritime Counterdrug Cooperation Agreement; enhancing the ability of the Air Section of the Public Security Ministry to respond to illicit drug activities by providing equipment and technical training; improving law enforcement capacity by providing training and equipment to the OIJ Narcotics Section, the PCD, the Intelligence Unit of the Costa Rica Counter Narcotics Institute, the National Police Academy, and the Customs Control Police; and increasing public awareness by providing assistance to Costa Rican demand-reduction programs.

Bilateral Cooperation. Under the terms of the bilateral Maritime Agreement, the U.S. has invested $2.3 million to enhance mutual maritime security through the development of a professional Costa Rican Coast Guard. In addition, in 2005 the U.S. provided training, computer equipment, software and other equipment to the Ministry of Public Security, the Judicial Branch, the Costa Rican Counternarcotics Institute's Financial Intelligence Unit, and the inter-agency MET unit. Total U.S. investment in Costa Rican law enforcement agencies was $414,000 for 2005. USG assistance programs have contributed to the seizure of over 6.7 metric tons of cocaine in 2005.

The Road Ahead. The U.S. will continue to provide technical expertise, training, and funding to professionalize Costa Rica's Coast Guard and enhance its capabilities to conduct maritime law enforcement operations in support of the bilateral Maritime Counterdrug Cooperation Agreement. The U.S. will also build upon the on-going successful maritime operations by devoting more attention and resources to land interdiction strategies, including expanded coverage of airports, seaports and border checkpoints. The U.S. will continue to cooperate closely with the GOCR in its efforts to professionalize its public security forces and implement and expand controls against money laundering.

El Salvador

I. Summary

El Salvador is a transit country for narcotics, mainly cocaine and heroin. In 2005, the National Police (PNC) seized 33 kilograms of cocaine and 24 kilograms of heroin. Salvadoran law enforcement agencies cooperated with U.S. authorities on cases that led to the U.S. conviction of 711 drug traffickers. Although El Salvador is not a major financial center, assets forfeited and seized as the result of drug-related crimes amounted to US$521,151.

II. Status of Country

Located in the isthmus between the United States and the major drug producing nations, El Salvador is a transit point for trafficking. Cocaine and heroin are the most commonly trafficked drugs. Precursor chemical production, trading, and transit are not significant problems.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In 2005, the Government of El Salvador (GOES), in cooperation with other Central American countries, implemented Operation Controlled (Operacion Controlado) to interdict narcotics trafficking through Central America. The operation established joint patrols by the counternarcotics police of each country along the unmonitored areas in Central American border regions.

Accomplishments. Several significant developments during the year demonstrated the GOES commitment to achieving compliance with the objectives of the 1988 UN Drug Convention. The Embassy-supported Containerized Freight Tracking System (CFTS) at the Amatillo border crossing with Honduras has been in operation for a year and a half. The facility permits the GOES to inspect commercial and passenger vehicles arriving from Honduras. In 2005, police at the CFTS seized 5kg of marijuana, 8kg of cocaine, and 15kg of heroin, and arrested 16 individuals for trafficking offenses.

USG aircraft deployed to the Forward Operation Location (FOL) at the Salvadoran Air Force base in Comalapa track aircraft and sea vessels moving north towards the United States. FOL aircraft report their findings to U.S. law enforcement agencies, which then notify regional governments. In 2005, cooperation between the FOL, the Embassy, the Salvadoran Air Force, and the police resulted in the seizure of 46mt of cocaine, by U.S. law enforcement agencies and other regional governments.

In July 2004, the GOES implemented Plan Super Heavy Hand in response to rising youth gang violence. Although the plan addresses all gang related activity, it also aims to disrupt narcotics trafficking and distribution controlled by gangs. During the year, the police arrested 973 gang members and convicted 778 gang members for drug trafficking and distribution offenses.

Law Enforcement Efforts. Salvadoran law enforcement efforts are hindered by constitutional prohibitions against investigative tools such as wiretapping. Investigations were further hampered by a lack of cooperation between the Attorney General and the police. Although the Attorney General did not impede investigations, his failure to seek arrest and search warrants in a timely manner severely restricted police operations against narcotics trafficking.

Law enforcement efforts in 2005 were primarily focused on priority targets of mutual interest to both the United States and the GOES. Salvadoran police investigators and prosecutors traveled to the United States on numerous occasions to share intelligence and coordinate operations. Joint cooperation led to the conviction of William Eliu Martinez, a former Salvadoran federal legislator extradited to the United States on drug charges. Apart from joint operations, the PNC seized 480

kilograms of marijuana, 33 kilograms of cocaine, and 25 kilograms of heroin. PNC officers arrested 2696 individuals for drug related offenses, 711 of which resulted in convictions.

Corruption. As a matter of policy, the GOES does not encourage or facilitate illicit production or distribution of narcotics or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Under Salvadoran law, using one's official position in relation to the commission of a drug offense is an aggravating circumstance that can result in an increased sentence of up to one-third of the statutory maximum. This includes accepting or receiving money or other benefits in exchange for an act or omission in relation to one's official duties. The PNC's Internal Affairs Unit and the Attorney General's Office investigate and prosecute GOES officials for corruption and abuse of authority.

In 2005, the INL-supported and U.S.-based National Strategic Information Center, in cooperation with the Salvadoran Ministry of Education, continued implementing the Culture of Lawfulness program in Salvadoran schools. The program focuses upon the advantages, to the individual and society, of a culture of lawfulness. Special emphasis is placed on the social costs of corruption and bribery. In 2005, 15 teachers were trained in the mechanics of presenting the program.

El Salvador is a party to the Inter-American Convention Against Corruption. Consistent with the country's obligations under that Convention, the law criminalizes soliciting, receiving, offering, promising, and giving bribes, as well as the illicit use and concealment of property derived from such activity. El Salvador is also a party to the UN Convention Against Corruption.

Agreements and Treaties. El Salvador is a party to the 1971 UN Convention on Psychotropic Substances; the 1961 UN Single Convention as amended by the 1972 Protocol; the Central American convention for the Prevention of Money Laundering Related to Drug-Trafficking and Similar Crimes; the UN Convention against Transnational Organized Crime and its three protocols. The current extradition treaty between the United States and El Salvador does not mandate the extradition of Salvadoran nationals. Negotiation of a new treaty has stalled in light of a Salvadoran constitutional ban on life imprisonment, which may prove an obstacle to extradition in some cases. Narcotics offenses are covered as extraditable crimes by virtue of the 1988 UN Drug Convention.

Cultivation/Production. Small quantities of poor quality marijuana are produced in the mountainous regions along the border with Guatemala and Honduras for domestic consumption. The small quantity and poor quality of the crop does not justify the expenditure of a systematic campaign against it. There is no evidence of poppy cultivation.

Drug Flow/Transit. Cocaine and heroin from Colombia typically transits El Salvador via the Pan-American Highway and maritime routes off the country's Pacific coast. Most drugs transiting terrestrially are carried by commercial bus passengers in their luggage. Both heroin and cocaine also transit by go-fast boats and commercial vessels off the Salvadoran coast.

Domestic Programs (Demand Reduction). The GOES manages its demand reduction program through several government agencies. The Ministry of Education presents lifestyle and drug prevention courses in the public schools, as well as providing after school activities. The PNC operates a D.A.R.E. program modeled on the U.S. program. The Ministries of Governance and Transportation have units that advocate drug-free lifestyles. The Public Security Council (Consejo Nacional de Seguridad Publica) is actively involved in demobilization and substance abuse prevention within Salvador's gang communities.

The Embassy-supported Salvadoran NGO FundaSalva works with the GOES to provide substance abuse awareness, counseling, rehabilitation, and reinsertion services (job training) to the public. In 2005, FundaSalva provided demand reduction services to over 60 individuals. The Embassy also sponsors the U.S.-based "Second Step" program. Second Step is taught in first grade and assists teachers to identify antisocial behavior that later leads to substance abuse and violence. Other less

comprehensive demand reduction programs exist, and they are usually faith-based and run by recovering addicts or religious leaders.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. assistance primarily focuses upon developing El Salvador's law enforcement agencies, increasing the GOES ability to combat money laundering and public corruption, and ensuring a transparent criminal justice system. From August 5 to October 8, 2005, USG agencies and Central American police forces conducted Operation All Inclusive to gather intelligence on and take enforcement actions against regional narcotics trafficking operations. The successful operation netted 43mt of cocaine, 88 kilograms of heroin, 27mt of marijuana, and 372 arrests.

Bilateral Cooperation. The United States provided funding for operational support of Grupo Cuscatlan and the high-profile crimes unit (GEAN) within the Anti-Narcotics Police. The United States also funded training and travel related to airport security, money laundering, maritime boarding operations, and antigang measures. DEA and INL officers work closely with the PNC counternarcotics unit, the PNC financial crimes unit, the Financial Investigations Unit of the federal prosecutor's office, and the federal banking regulators on issues relating to drug trafficking and money laundering.

Road Ahead. The United States will continue to provide operational support to Salvadoran law enforcement institutions, anti-money laundering training, and essential investigative tools. Together with the U.S. Department of Treasury, the U.S. Embassy in El Salvador plans to provide a secure communication link and database to be shared by the police, the Attorney General's office, and the banking regulators to facilitate money laundering and narcotics investigations.

Guatemala

I. Summary

Guatemala is a major drug-transit country for cocaine and heroin enroute to the United States and Europe. In spite of substantial counternarcotics efforts by the Government of Guatemala (GOG) in 2005, large shipments of cocaine continue to move through Guatemala by air, road, and sea. A limited amount of opium poppy has been detected and eradicated. The government is committed to attacking corruption. Insufficient resources, weak GOG middle management, and widespread corruption hamper the GOG's ability to deal with narcotics trafficking and organized crime.

II. Status of Country

Guatemala is a preferred transit point in Central America for onward shipment of cocaine to the United States. Most cocaine destined for the United States transits the Mexico/Central America corridor. Guatemalan law enforcement agencies interdicted 4.2 metric tons of cocaine in 2005, about the same as the previous year's 4.5 metric tons. Although USG assistance enabled the refurbishment of two of Guatemala's A-37 interceptor aircraft, Guatemala has limited capability to project force into the extreme northern area of the country where traffickers operate clandestine airstrips. Narcotics traffickers pay for transportation services with drugs, which enter into local markets leading to increased domestic consumption and crime.

In 2005, 48 hectares of opium plants were eradicated in Guatemala. Marijuana is also grown, but only for local consumption. During 2005, the Ministry of Health was able to inspect all drug manufacturers and distributors for compliance to rules related to pseudoephedrine.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The GOG uses a multi agency-working group to focus their counternarcotics efforts. This mechanism allowed Guatemala to make progress on thirteen 2005 benchmarks for counternarcotics certification. In December, the Berger government obtained congressional reauthorization for three years of the law permitting joint U.S./Guatemalan military and law enforcement operations to take place in Guatemala. Five such operations (known as "Mayan Jaguar") were held in 2005 under the Central Skies operational framework (an operation involving Central American countries and DOD's Joint Interagency Task Force South), including two operations to implement the bilateral maritime agreement. Likewise, the GOG agreed to two Mayan Jaguar operations designed to support DEA's region-wide Operation All Inclusive.

Accomplishments. In 2005, the GOG, in a joint operation with DEA, cooperated in the investigation and arrest of three corrupt Guatemalan police officials, among them the chief and deputy of Guatemala's drug police (SAIA—the Anti-Narcotics Analysis and Information Services). Guatemala also pursued numerous public corruption cases against former public officials, army officers and police. The money-laundering law is also being used as an anticorruption tool.

During 2005, the GOG agreed to seven transfers of third country alien prisoners through Guatemalan territory under the terms of the maritime agreement. A total of 67 drug traffickers arrested by the USCG in international waters were thus transferred to the U.S. for prosecution, allowing USCG assets to remain on station to pursue drug interdiction/homeland security missions. SAIA seized 4.2 tons of cocaine in 2005. The GOG also eradicated 48 hectares of opium poppy.

Law Enforcement Efforts. There is close cooperation between the USG and the Guatemalan Air Force (GAF), particularly during Mayan Jaguar exercises. When it can, the GAF provides air assets for interdiction missions and airlift for police and prosecutors conducting drug interdiction and eradication operations. Aging aircraft and lack of money for fuel continue to be constraints.

The Public Ministry's narcotics prosecutors receive USG training and assistance, and continue to try cases and achieve convictions, but success in prosecuting major organized crime figures, including narcotics traffickers, has been limited. The GOG wants to change this record and has been working closely with NAS and DEA to obtain passage of legislation that will authorize wiretapping, controlled deliveries and undercover operations, and strengthen conspiracy laws.

Corruption. Corruption remains a large obstacle for GOG counternarcotics programs. There are frequent allegations against police, prosecutors, and judges. Close cooperation with Guatemalan authorities enabled DEA to successfully investigate and arrest in the United States three corrupt Guatemalan police officials; the chief and the deputy chief of the SAIA, and the SAIA official in charge of operations at the Santo Tomas seaport. The SAIA is now under the direct supervision of the PNC Inspector General, who is working to purge all corrupt officers. Numerous management changes are being made and SAIA's investigators and all officers will be scrutinized through a detailed background and financial questionnaire, a background investigation, polygraph exam, and urinalysis testing.

The Director General of the police has established a "zero tolerance" policy on corruption. During 2005, there were 1428 cases opened against police officers, including 27 command-level and 133 mid-level officers. One hundred more officers were fired from the criminal investigation division. In 2005, the 11 police arrested in 2003 for attempting to steal 10 kilograms of cocaine from the drug warehouse were convicted and all received prison sentences. However, the convictions were reversed on appeal.

The attorney general opened 147 corruption cases during 2005. Additionally, an extradition request is pending in Mexico against the former president, the former vice president is awaiting trial, and the former finance minister was convicted and sentenced to three years in prison, commutable by fine.

Agreements and Treaties. Guatemala is a party to the 1961 UN Single Convention and its 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; the 1988 UN Drug Convention; the Central American Commission for the Eradication of Production, Traffic, Consumption and Illicit Use of Psychotropic Drugs and Substances; and the Central American Treaty on Joint Legal Assistance for Penal Issues. Guatemala is a party to the UN Convention Against Transnational Organized Crime and its three protocols.

The extradition treaty between the GOG and the USG dates from 1903. A supplementary extradition treaty adding narcotics offenses to the list of extraditable offenses was adopted in 1940. When a Guatemalan citizen is involved, an extradition request will usually involve a significant expenditure of effort and time due to the required legal procedures. U.S. citizen fugitives are usually expelled to U.S. custody on the basis of violations of Guatemalan immigration laws, a much shorter process. During 2005, the GOG consolidated all U.S. requests for extradition in drug and organized crime cases in specialized courts located in Guatemala City. The new procedures are expected to expedite processing of extradition requests.

Cultivation/ Production. Opium poppy cultivation is a re-emerging problem. During the spring 2005 poppy cultivation season, Guatemala manually eradicated 48 hectares of poppy. The GOG allowed a U.S.-funded Regional Aerial Reconnaissance and Eradication (RARE) deployment in November. This overflight reconnaissance mission observed poppy cultivation in numerous small fields, totaling about 11 to 12 hectares, and it is believed that additional poppy exists. Target packages developed from this mission will be incorporated into the next major GOG manual poppy eradication operation. Guatemala

has significant marijuana cultivation, all of which is consumed locally. The GOG eradicated 66 hectares of poppy in 2005.

Drug Flow/Transit. This year, the trend for drug delivery to Guatemala shifted to increased use of go-fast boats and commercial fishing vessels. Commercial containers continue as major land and sea avenues for smuggling larger quantities of drugs through Guatemala's ports of entry. Other than one major seizure (997 kilograms in Puerto Santo Tomas), there have been few successful interdictions of this nature. Guatemala's Port Security Program (PSP) is trying to improve counternarcotics interdiction at the seaports. The PSP is self-financed by a fee levied on shipping companies and provides monetary and technical assistance to the SAIA agents who operate in the ports. The USG provides technical assistance, logistical support, and training. Seizures have been low due to continuing corruption in the seaports.

Cocaine loads are broken down into smaller loads in Guatemala, then transit Mexico enroute to the U.S. DEA information suggests that Guatemalan opium gum is shipped into Mexico, then processed in Mexico for distribution.

Domestic Programs/Demand Reduction. Guatemala's demand reduction agency, SECCATID, continued to implement the National Program of Preventive Education and trained 2,037 teachers using the "train the trainer" concept with the participation of the Ministries of Health and Education. SECCATID also provided drug prevention seminars to youth groups, public and private companies, security forces and medical associations. Public awareness efforts also included distribution of drug prevention pamphlets, brochures and educational materials around the country.

In coordination with NAS, the Organization of American States/CICAD and the Guatemala Statistics Institute, a general household study on drug usage is being conducted to determine the degree of drug accessibility, use and abuse in the local population. The results of the survey will allow Guatemala to focus prevention efforts where the risk is highest. Guatemala also implemented a 16-week drug prevention pilot program called Second Step in six preschools in the capital. Recent research indicates that the combination of social, emotional and academic skills must be reinforced with pre-school children to ensure they remain in school and avoid violent behavior and substance abuse.

IV. U.S. Policy Initiatives and Programs

U.S. strategy in Guatemala focuses on strengthening GOG law enforcement and judicial sector through training, technical assistance, and the provision of equipment and infrastructure, especially for the units directly involved in combating narcotics trafficking and other international organized criminal activity that directly affects the U.S. Special emphasis is placed on management skills, leadership, human rights, investigative techniques, and case management issues. The U.S. strategy also is aimed at reducing the level of corruption in Guatemala by implementing training, education, and public awareness programs.

Bilateral Cooperation. Working with the office of the Vice President to support Guatemala's demand reduction agency, SECCATID, the USG provides technical assistance in education, training and public awareness programs. The USG also works with the Public Ministry and the Attorney General to support three task forces dealing with narcotics, corruption and money laundering investigations. The USG provides support for the specialized drug police, the SAIA, through an agreement with the Ministry of Government. An important part of this program is the Regional Counternarcotics Training Center. The school primarily teaches the basic entry course for new SAIA agents, narcotics investigations and canine narcotics detection. They also offer regional courses in polygraph, false documents, intelligence analysis, and canine explosive detection, among others. This year students participated from Argentina, Colombia, Ecuador, Mexico, Panama, Paraguay, Peru, Santo Domingo, Trinidad and all of Central America except Costa Rica.

The Law Enforcement Development Unit (NAS-LED) supports the development of a model precinct in Villa Nueva (a suburb of Guatemala City). In 2005, the model precinct arrested 300 gang members, many of whom were involved in street level drug distribution. As a result, many crime indices declined in Villa Nueva during 2005, including homicides, auto theft, and robberies of homes and businesses. This work also includes community policing.

The Road Ahead. Future efforts will focus on investigations, interdiction, corruption, money laundering, task force development, and restructuring the SAIA so that it can be an effective drug enforcement partner. A successful interdiction and maritime strategy will necessarily involve close cooperation with units of the Guatemalan military that have a clean human rights record, within the limits of existing U.S. law and policy. The USG will also continue to assist the GOG in improving the successful Regional Counternarcotics Training Center.

Honduras

I. Summary

Honduras is a transit country for shipments of cocaine going from the source zone to the U.S. Traffickers transport drugs over land, by sea, and through Honduran airspace. The Government of Honduras (GOH) faces significant obstacles in terms of funding, a weak judicial system with heavy caseloads, lack of coordination, and inadequate leadership. The newly elected president has vowed to attack corruption, and new measures have been implemented to polygraph special investigative units within the Honduran Public Ministry. Honduras is a party to the 1988 UN Drug Convention.

II. Status of Country

Honduras is a transit country for drug trafficking, and recent reports indicate increased trafficking. The transshipment of drugs through the country via air, land, and sea routes is actively monitored by USG and Honduran counternarcotics police and military units.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Presidential elections took place in Honduras in November 2005 and the new government has vowed to take stronger measures against crime and the fight against drugs. The new president has also promised stronger international cooperation and increased numbers of the national police.

Accomplishments. Counternarcotics forces seized 269 kilograms of cocaine; 2.5 kilograms of heroine, approximately 1.3 metric tons of marijuana, and arrested 800 people during 2005. A total amount of USD$4,319,031 in assets were seized.

The Frontier Police Special Investigative Unit has been working closely with the Public Ministry Organized Crime Unit in drug investigations which have led to arrests with substantial seizures primarily along the north coast. They are also investigating money laundering with logistical assistance from the USG. The USG-supported counternarcotics Special Vetted Unit is responsible for the gathering of sensitive narcotics intelligence. Working with the Frontier Police and the Public Ministry it has been instrumental in the disbanding of major international organized drug rings and the arrest of high profile drug dealers.

Law Enforcement Efforts. The number of arrests related to drug activities continues to rise as a result of interdiction operations by the Frontier Police and other forces. A criminal database to organize information is under development and has already given positive results. Prosecution is less successful. Funding constraints hamper Public Ministry counternarcotics agencies charged with the investigations and prosecution of drug cases. Police must also meet the challenge of criminal behavior that often includes drug dealing associated with youth gangs.

Corruption. As a matter of policy, the GOH does not facilitate the production, processing, or shipment of narcotic and psychotropic drugs or other controlled substances. The GOH takes legal and law enforcement measures to prevent and punish public corruption. Honduras is a party to the OAS Inter-American Convention Against Corruption and the UN Convention Against Corruption.

The USG is strongly supporting anticorruption concerns within the Ministry of Public Security and the Public Ministry by providing funding and logistical support to the newly-formed Internal Affairs Office within the National Police.

Agreement and Treaties. Honduras has counternarcotics agreements with the United States, Belize, Colombia, Jamaica, Mexico, Venezuela, and Spain. Honduras 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. Honduras recently certified its major public maritime ports in compliance with International Ship and Port Facility Security codes and is an active member of the Inter-American Drug Abuse Control Commission (CICAD). Honduras is a party to the UN Convention Against Corruption and the UN Convention Against Transnational Organized Crime. A U.S.-Honduras maritime counternarcotics agreement entered into force in 2001 and a bilateral extradition treaty is in force between the U.S. and Honduras. Honduras is one of ten nations to sign a bilateral Caribbean Maritime Counterdrug Agreement with the U.S., but has not yet ratified it.

Border container security efforts have been beefed up and a Declaration of Principle was signed between the U.S. and Honduras on December 15, 2005 as part of the Container Security Initiative (CSI) for the inspection of sea-going cargo destined to the U.S. and other countries. Countries such as the U.S., Belize, Colombia, Jamaica, Mexico, Venezuela, and Spain have all signed counternarcotics agreements with the country of Honduras.

Cultivation/Production. Small number of marijuana plants has been discovered around the Copan area, but they are not considered a major drug cultivation by either USG agencies or the GOH counternarcotics forces.

Drug Flow/Transit. It is widely believed that the flow of drugs through Honduras has increased. Remote areas, such as the Department of Gracias A Dios, are heavily affected. The USG, in conjunction with GOH maritime interdiction efforts, has been successful in apprehensions and arrests of persons and ships involved in drug trafficking. Several ships have been detained and de-commissioned as a result, with considerable amounts of illegal drugs captured along the northern coast of Honduras.

Gang members are being utilized by organized crime rings to guard drug shipments in exchange for drugs and weapons. Several major loads of weapons for drugs shipments have been intercepted in combined operations conducted by the GOH Ministry of Public Security and the Public Ministry Organized Crime Unit. It has been established that these transactions were being conducted between Honduran gun runners and Colombian drug dealers.

The Declaration of Principal Agreement (DOP) initiated the Container Security Initiative (CSI) shared by the U.S. Customs & Border Protection with participating countries. This will be a major deterrent to target drug smuggling, weapons trafficking, and terrorism utilizing ocean-going, containerized cargo.

Domestic Programs/Demand Reduction. Public perception attributes drug usage, especially among the youth, to lack of economic development, poverty, and unemployment. A growing concern is the increased drug trafficking and use by gang members, which target young school children. The Honduran Government is conscious that drug trafficking and usage pose security threats as well as social problems. Programs to deal with these problems include the cooperation of numerous church and NGO groups dealing with proactive drug awareness and rehabilitation programs. Job skills, family counseling, Demand Reduction, and pro-active projects are also included in these efforts to assist in counternarcotics activities. The USG sponsors an umbrella NGO project—known as the Institute for the Prevention of Alcoholism and Drug Abuse (IHADFA) and Ministries of Public Health (CIHSA)—which provides assistance to approximately seventy such groups that deal directly with public assistance in all of these efforts.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. Honduras has pledged to increase its counternarcotics initiatives. These initiatives include the expansion of maritime interdiction, especially along the north coast where most of the drug trafficking occurs. The new GOH administration ran on an anticorruption platform, and has made combating drug activities one of its major priorities. The government plans to strengthen international cooperation to confront these illegal activities.

Bilateral Cooperation. The USG continues to support and work closely with Honduran Law Enforcement counternarcotics entities in investigations and operations against drug trafficking. Additional training, such as Basic and Advanced Criminal Investigative, Money Laundering, Drug Handling & Identification, and Questionable Documents courses have been added to existing assistance programs for both the Ministry of Public Security and Public Ministry offices.

In 2005, the U.S. Customs & Border Protection Special Tactics Unit (BORTAC) provided equipment and tactical training to the Internal Affairs investigators charged with the arrest and detention of corrupt officers. Cases investigated and turned over for Administrative and Legal actions against officers charged with alleged misconduct and illegal activities continue to grow. Entire Special Operations Units with the National Police and the Public Ministry, which deal directly with U.S. Embassy agencies, have been submitted to polygraph testing and fully vetted to increase security and confidentiality in the handling of sensitive information. Several GOH officials have been charged in corrupt practices and are awaiting prosecution.

The Road Ahead. Drug interdiction operations will be strengthened along the north coast, along with more concentrated enforcement in other areas of the country. Stronger law enforcement and judicial efforts are expected to result in continued GOH cooperation against drug trafficking. A strong stand must be taken on corruption.

Mexico

I. Summary

During 2005, Mexican authorities arrested numerous drug traffickers in an attempt to dismantle major drug cartels operating in Mexico. According to the Government of Mexico (GOM), law enforcement authorities seized over 30 metric tons of cocaine, 330 kilograms of heroin, 887 kilograms of methamphetamine, 1,760 metric tons of marijuana, and 280 kilograms of opium gum. The Office of the Attorney General (PGR) and the Secretariat of National Defense (SEDENA) acted against personnel who engaged in corrupt practices and eradicated poppy and marijuana crops. According to the GOM, 30,885 hectares of cannabis and 20,803 hectares of opium poppy—a 30 percent increase over 2004—were eradicated in 2005. Several entities of the PGR, including the Federal Investigative Agency (AFI), the National Center for Analysis, Planning, and Intelligence Against Organized Crime (CENAPI), and the Forensics Laboratory, established professional cadres of investigators, analysts, and technicians.

President Fox and other cabinet officials pressed forward with reforms aimed at establishing more professional police institutions and promoting greater accountability and transparency. Extraditions reached an all-time high, with the Government of Mexico (GOM) extraditing 41 fugitives to the United States in 2005, compared with 34 during the previous year. In November, the Mexican Supreme Court ruled that imposition of sentences of life imprisonment did not violate the Mexican constitution, thus eliminating another obstacle to extradition.

Mexico is a party to the 1988 UN Drug Convention.

II. Status of Country

Mexico continued to be the principal transit country for cocaine entering the United States, with 70 to 90 percent of the cocaine destined for the U.S. passing through the Mexican mainland or the country's periphery. Mexico also served as the main foreign source of marijuana consumed in the U.S. as well as a major supplier of heroin. Most cocaine smuggled into Mexico from Colombia for distribution in the United States arrived via Eastern Pacific and Western Caribbean maritime routes in ocean vessels or go-fast boats. The eastern coast of the Yucatan was used less frequently than the Eastern Pacific route, although some increase in activity occurred. Traffickers also used air cargo, couriers, and mail parcels through Mexico and Central America, particularly for Colombian heroin. Air traffic from South America remained high, particularly to the tri-border region of Mexico, Belize, and Guatemala.

Geographic proximity contributed to Mexico's status as a principal supplier of heroin, accounting for about 30 percent of the U.S. market, despite Mexico's relatively small percentage of worldwide production. Mexican marijuana cultivators provided the largest foreign source of marijuana for the U.S. market. Cannabis and opium poppy growers employed small, widely dispersed plots in remote, hard-to-access areas, particularly in the Sierra Madre Mountains. This tactic allowed cultivators to hinder detection and eradication of crops. During 2005, favorable climate and terrain permitted two-to-three opium poppy harvests and two cannabis harvests in the major cultivation areas.

Mexico continues to be the largest foreign source of methamphetamine distributed in the United States. While there are no reliable estimates, the annual increase in methamphetamine seizures along the U.S. southwest border since 2001 suggest that Mexican trafficking organizations have significantly increased methamphetamine production in Mexico for distribution into the United States. Trafficking organizations established clandestine methamphetamine laboratories in western and northwestern Mexico. Methamphetamine is smuggled along the entire southwest border. Mexican traffickers

continued to dominate operations in the United States, controlling most of the primary distribution centers. U.S. and Mexican authorities worked closely to dismantle these operations on both sides of the border. Violence erupted in various border cities, particularly Nuevo Laredo, as rival cartels fought for control of smuggling routes. In response, Mexican authorities initiated Operation "Secure Mexico" and deployed federal police units to Nuevo Laredo to counter such violence, while U.S. law enforcement entities shared information with Mexican counterparts on drug groups operating near the border. In addition, the GOM and the U.S. conducted Operation Border Unity, a bi-lateral, multi-agency effort to address violence on both sides of the border in the Laredo/Nuevo Laredo area.

The GOM has made progress in the regulation of precursor chemicals. In 2005, the Federal Commission Against Sanitary Risks reduced the importation of precursor chemicals by 40 percent by limiting pseudoephedrine imports to pharmaceutical manufacturers. It also revoked the import licenses of chemical distributors, placed pseudoephedrine combination products behind the counter in pharmacies, and limited retail transactions.

III. Country Actions Against Drugs in 2005

Policy Initiatives. President Fox named Daniel Cabeza de Vaca as Attorney General in late April. He also named Center for National Security Research (CISEN) Director Eduardo Medina Mora as Secretary of Public Security after Secretary Ramon Martin Huerta died in a helicopter crash in September.

During 2005, AFI agents and investigators played a central role in the investigation and arrest of drug traffickers, violent kidnappers, and corrupt officials. AFI has developed into the centerpiece of GOM efforts to promote more professional, honest, and effective law enforcement institutions. AFI leaders established a career path for all investigators, characterized by job stability, upward mobility, periodic salary increases, clear guidance on requirements for advancement, and promotions based on merit and seniority. Additionally, AFI personnel deployed in November 2005 sophisticated vehicle and cargo inspection system mobile units to conduct inspections of vehicles for drugs, explosives, and other contraband in strategic locations throughout Mexico. An AFI chemical response team also received a specially equipped clandestine laboratory vehicle and training to conduct raids of clandestine laboratories that produce methamphetamine and other controlled substances. Officials at the Federal Commission Against Sanitary Risks of the Secretariat of Health also received computer equipment and software to help track imports of precursor chemicals and controlled substances in the legal market.

Accomplishments. In 2005, there were 28 separate major actions in which the GOM made arrests of key traffickers and prosecuted corrupt officials associated with major trafficking groups. These major actions also led to several major interdiction successes by GOM law enforcement and military units resulting in the seizure of over 18.5 metric tons of cocaine, 14.5 metric tons of marijuana and the recovery of over $18 million in illicit proceeds.

Law Enforcement Efforts. According to the GOM, in 2005 Mexican authorities seized over 30 metric tons of cocaine HCl, over 1,760 metric tons of marijuana, 330 kilograms of heroin, 280 kilograms of opium gum, and 887 kilograms of methamphetamine. They also seized 1,643 vehicles, 60 maritime vessels, and eight aircraft. Authorities arrested 14,762 persons on drug-related charges during the first eleven months of 2005, including 14,633 Mexicans and 129 foreigners, according to statistics from CENAPI. Cumulatively, Mexican officials arrested over 50,000 drug traffickers during the first five years of the Fox Administration, including 2005.

Despite these efforts, drug interdiction remains a challenge: drug trafficking organizations rapidly replace arrested members, some of which continue to operate from prison; quickly adjust market share between rival narcotics organizations; and recruit the services of corrupt officials.

Corruption. Efforts against corruption remained one of the top priorities of the GOM during 2005. President Fox and other senior officials have demanded that all agencies, departments, and government institutions, including Mexican military services, adhere to strict enforcement of anticorruption measures to detect and punish corrupt personnel. Aggressive investigations, provision of better pay and benefits for employees, enactment of civil service coverage for selected agencies and institutions, as well as better selection criteria for potential candidates for employment within the government, have all promoted efforts to deter corruption.

Fox Administration officials recognize the importance of changing public attitudes regarding transparency and the rule of law. Secretariat of Public Education (SEP) officials have worked with the National Strategy Information Center (NSIC) to expand "Culture of Lawfulness" curriculum in Mexican schools designed to teach about the adverse effects of corruption and promote greater respect for the rule of law. During 2005, over 106,000 students attended "Culture of Lawfulness" courses at middle schools in ten states, while another 10,000 pupils attended a new course for high-school students in Baja California. Various federal, state, and local governments have initiated "rule of law" training for police personnel.

From January through October 2005, SFP officials conducted more than 4,512 investigations into possible misconduct by federal officers and government employees. These investigations resulted in the issuance of 68 warnings, 1,296 reprimands, suspensions of 918 employees, dismissals of 284 federal employees, dismissals of another 1,058 employees with re-employment sanctions or restrictions for service within the government sector, and 905 economic sanctions resulting in over 3 billion pesos (about $300 million) in fines and recoveries. Most sanctions resulted from violation of laws or abuse of authority by public servants.

Agreements and Treaties. Mexico is a party to the 1961 United Nations Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 United Nations Convention on Psychotropic Substances. Mexico also subscribes to regional counternarcotics commitments, including the 1996 Anti-Drug Strategy in the Hemisphere and 1990 Declaration of Ixtapa, which committed signatories to take strong actions against drug trafficking, including controlling money laundering and preventing diversion of precursor chemicals. In April 2003, Mexico ratified the Protocol against the Illicit Manufacturing of and Trafficking in Firearms that supplements the United Nations Convention Against Transnational Organized Crime (The Palermo Convention).

Mexico is a party to the Inter-American Convention Against Corruption and, in July 2004, ratified the United Nations Convention Against Corruption. This Convention, which entered into force on December 14, 2005, obligates parties to criminalize corrupt acts such as bribery, extend mutual legal assistance to help prosecute suspected offenders, aid in the identification and recovery of assets resulting from corruption, and aid in the detection and prevention of financial crimes.

The current U.S.-Mexico Extradition Treaty entered into force in 1980. A Protocol to the Extradition Treaty that would permit the temporary surrender for trial of fugitives serving a sentence in one country but who are wanted on criminal charges in the other, entered into force in 2001, but still lacks implementing legislation in Mexico. Legislation is pending before the Mexican Congress, as part of broader reforms to Mexico's domestic extradition law. Also, the United States and Mexico are parties to a bilateral Mutual Legal Assistance Treaty (MLAT), which entered into force in 1991 and is used regularly.

Extradition and Mutual Legal Assistance. Mexican authorities extradited a record 41 fugitives to the United States in 2005—up from 34 in 2004. The fugitives included Mexican citizens and defendants accused of narcotics trafficking, money laundering, and other serious crimes.

In November 2005, the Mexican Supreme Court ruled that sentences of life in prison without the possibility of parole do not violate the Mexican Constitution's prohibition on cruel and unusual

punishments. This decision is a major breakthrough in the U.S.-Mexico extradition relationship and will facilitate the extradition of fugitives facing life imprisonment in the United States for major drug trafficking and violent crimes. In many major narcotics cases, defendants must face pending criminal charges in Mexico before they can undergo extradition. The U.S. and Mexican governments held a seminar in March 2005 to provide training and guidance to facilitate extraditions from the United States to Mexico.

In addition to extraditions, Mexican law enforcement agencies have continued to coordinate closely with the U.S. Marshals Service (USMS) and FBI in the deportation or expulsion of numerous fugitives to the United States. In 2005, Mexican police and immigration authorities deported or expelled over 190 fugitives, who were wanted to stand trial or serve sentences in the United States.

Cultivation and Production. PGR and military personnel conducted ambitious eradication missions. SEDENA deployed up to 35,000 troops at any one time to destroy drug crops manually, while the PGR flew helicopters to spray paraquat, a widely used herbicide, on crops. The army accounted for about 80 percent of the eradication totals, while the PGR Air Services Section accounted for the remaining 20 percent, often in the most difficult-to-reach areas. As of November 2005, preliminary GOM data indicated that overall eradication of marijuana remained at the 2004 level, amounting to 30,882 hectares, while destruction of opium poppy crops increased to 20,464 hectares, a 28-percent increase over the previous year.

Drug Flow and Transit. Between 70 and 90 percent of cocaine entering the United States from South America passed through mainland Mexico or its waters. Mexico remained a major transit and production zone for marijuana, heroin, and methamphetamine destined for the United States. These illegal drugs are smuggled along the entire southwest border. Drug traffickers have established numerous clandestine laboratories in northwestern Mexico for production of methamphetamine. Mexican traffickers continued to dominate drug distribution in the United States, controlling most of the primary distribution centers.

Domestic Programs. The National Council Against Addictions (CONADIC) of the Secretariat of Health reported that 1.68 percent of the population between 12 and 65 years of age (some 911,000 persons) admitted to using illegal drugs during the past year, and some 550,000 admitted to such drug use during the previous thirty days, according to the most recent national household survey in 2002. The incidence of use has continued at about the same rate it did between the national surveys of 1993 and 1998. Among the cities included in the study, the highest rates occurred in two cities on the border with the United States, Tijuana and Ciudad Juarez, and the country's two major cities, Mexico City (Federal District) and Guadalajara (Jalisco). During the United States—Mexico Binational Demand Reduction Conference held in Mexico City from November 30 to December 1, participants focused on ways to help community-based organizations in poor areas marshal resources and efforts to confront the burgeoning use of methamphetamine.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. and GOM cooperated on major institution-building initiatives that will promote the well-being of the citizens of both countries for decades. In 2005, U.S. Embassy Narcotics Affairs Section (NAS) officials helped renovate the building that will house SIEDO prosecutors by arranging for procurement and installation of work stations and necessary air-conditioning units for the roof, as well as cabling of computer centers. NAS also procured computers and arranged for renovation of the offices of the Financial Intelligence Unit (FIU) of the Secretariat of Finance and Public Credit (SHCP) to assist with investigations of money laundering activities. NAS arranged for extensive cabling of the new building for the Operations Unit at AFI Headquarters to enhance PGR air interdiction and eradication capabilities. From November 2004 to December 2005, the USG also delivered eight Schweizer helicopters equipped with Forward Looking Infrared Radar

(FLIR) to perform police and border surveillance missions. Additionally, NAS arranged for refurbishment of eight UH-1H helicopters, which serve as the transportation "work horse" of the PGR Air Services Section.

The Attorneys General of both countries met in March 2005 in Mexico City and in September in Houston to discuss bilateral cooperation and border violence. The Senior Law Enforcement Plenary (SLEP) of the Law Enforcement Working Group met twice during 2005 to evaluate and guide bilateral actions at the operational level. The SLEP is comprised of several working groups, including those dealing with major drug trafficking organizations, money laundering, demand reduction, arms trafficking, extradition, interdiction, training, precursor chemicals, migrant smuggling, and trafficking in persons.

Embassy Information Analysis Center (IAC) officials coordinated closely with the Mexican Navy to assist in the location and seizure of over 20.5 metric tons of cocaine from maritime vessels. The largest seizure involved 6.8 metric tons from a go-fast boat on December 2.

Close bilateral cooperation resulted in the implementation of vital border security projects during 2005, which not only helped protect the United States and Mexico against potential terrorist attacks, but permitted the detection and seizure of illegal migrants, drugs, and other contraband and facilitated the cross-border movement of legitimate visitors, goods, and services. In 2005, NAS officials arranged for the procurement and installation of five Portal VACIS at ports of entry at Colombia (Nuevo Leon), Nuevo Laredo (Tamaulipas), Piedras Negras (Coahuila), Nogales (Sonora), and Mexicali (Baja California). U.S. officials also arranged for the installation of a Railroad VACIS at Mexicali and a Pallet VACIS at Mexico City's International Airport. Mexico City airport inspectors used training, technical assistance, and donated nonintrusive inspection equipment (NIIE) to detect and seize over $20 million in drug proceeds during 2005.

In 2005, three SENTRI (Secure Electronic Network for Traveler's Rapid Inspection) lanes opened at San Ysidro (CA), Calexico (CA), and El Paso (TX). These expedited border-crossing lanes for pre-cleared, low-risk commuters will allow U.S. officials to concentrate more resources on high-risk travelers coming into the United States. Three more NAS-funded lanes—at Nogales (AZ), Laredo (TX), and Brownsville (TX)—are scheduled to open in mid-2006.

Institutional Development. In 2005, the Embassy's Law Enforcement Professionalization and Training Program arranged training courses for over 2,800 law enforcement personnel and prosecutors at federal, state, and local levels. The Embassy initiated a five-week Criminal Investigations School (EIP) for all new AFI candidates, as well as current investigators. Since its inception, over 800 AFI personnel attended and graduated from the EIP. In 2005, the PGR Police Training Academy took over full responsibility for the EIP. Embassy personnel continued to support PGR efforts through donation of equipment and other developmental innovations. Training in 2005 also included 75 courses for 340 information technology engineers from nine different PGR entities.

The Road Ahead. Opportunities remain during the last year of the Fox Administration to enhance the close cooperation that both governments enjoy and to institutionalize close personal relationships. The U.S. and Mexico must strive to solidify this unprecedented level of cooperation during the remaining year of the Fox Administration. Prosecutors and police investigators need better equipment, training, and investigative tools. Both governments must continue to share intelligence and promote teamwork to deter drug-related violence along our mutual border, prevent diversion of precursor chemicals, dismantle clandestine laboratories producing methamphetamine, fight money laundering, and ensure successful prosecutions. Both prosecutorial and judicial reform is needed to match advances in the quality and ability of law enforcement.

Nicaragua

I. Summary

Nicaragua is a significant transshipment point for South American cocaine and heroin destined for the U.S. and, to a lesser degree, for Europe. International criminal organizations move illicit drugs through Nicaragua by land, sea, and air with major trafficking routes on both coasts and along the Pan American Highway. The Government of Nicaragua (GON) is making a determined effort to fight both domestic drug abuse and the international narcotics trade. The Nicaraguan National Police (NNP) and the Nicaraguan Armed Forces (primarily the Navy) demonstrated their commitment to disrupting the flow of drugs with continued significant interdiction results. However, limited resources and an ineffectual, corrupt and politicized judicial system hamper these efforts. USG assistance provided to the NNP, the Nicaraguan Armed Forces, the legal system, and the banking system has been instrumental in the GON's progress in countering well-financed and well-armed drug traffickers.

The 2001 bilateral maritime counternarcotics agreement with the U.S. enabled several GON/USG joint maritime counternarcotics operations in 2005, including seizures netting thousands of kilograms of cocaine. In previous years, a number of high-seas prisoner transfers took place under the accord, but the U.S. Coast Guard (USCG) did not request any transfers in 2005. The U.S. continued to assist the NNP's counternarcotics efforts during 2005, and, in close cooperation with the U.S. DEA office in Managua, the NNP made significant cocaine and heroin seizures.

The Nicaraguan National Assembly still has not passed new legislation on money laundering that would establish an operational, technically-capable Financial Analysis Unit to help the banking sector identify and track suspicious deposits. The current Financial Analysis Commission (CAF) is ineffective due to a lack of budget, trained personnel, equipment and strategic goals. The CAF is headed by the Prosecutor General, who receives reports of suspicious financial transactions from banks and decides whether to refer them to the NNP for investigation. The current Prosecutor General uses a narrow interpretation of the money laundering law and has not prosecuted corruption or narcotics offenders for money laundering. Two separate proposed bills that would create a Financial Analysis Unit have been submitted to the National Assembly and have been pending for two years. Nicaragua is a party to the 1988 UN Drug Convention.

II. Status of Country

Drug traffickers move illegal narcotics through Nicaragua by land, sea, and air. The Atlantic coast is a primary transit route for drugs being smuggled principally to the U.S., but also to European markets. Nicaragua's Atlantic coast is a remote area that many Nicaraguans consider almost a separate country, physically and culturally isolated from the rest of Nicaragua; this region has been granted a degree of political autonomy by the national government. Unemployment on the Atlantic coast is high, with legitimate job opportunities limited to fishing, mining, forestry and small-scale tourism. The depressed regional economy makes the illicit drug trade extremely attractive to local residents, and Nicaraguan law enforcement points to the surprising number of new homes and hardware stores appearing in the region as evidence that more people are being lured into the drug business. Nicaragua seizes large amounts of narcotics on the Atlantic, from the Honduran to the Costa Rican border. Another key area for Nicaraguan law enforcement is the Penas Blancas land crossing on the Costa Rican border that has more than 200 trucks transiting daily. The NNP inspects about 10 percent of the total number of trucks crossing into Nicaragua and routinely seizes significant amounts of drugs.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The GON continues efforts to revamp the country's legal system. It has proposed legislation to make money laundering a stand-alone crime, but this legislation continues to be stalled in the National Assembly. Such a law would settle the legal ambiguity of whether individuals engaged in financial transactions with proceeds resulting from illegal activities are engaged in money laundering. The current law (Law No. 285) is not effective against money laundering crimes committed by organized criminal organizations.

Accomplishments. In 2005, the GON carried out major seizures of transshipped South American cocaine and heroin headed for U.S. markets. During the year, the Nicaraguan military, the NNP, and U.S. law enforcement vessels effected several joint maritime operations, including DEA-assisted operations on the Pacific and Atlantic Coasts. The NNP has conducted operations against local drug distribution centers and large shipments transiting the country, gathering intelligence on their locations and making arrests. The GON continued to eradicate marijuana crops.

Law Enforcement Efforts. The DEA and U.S. Military Group (USMILGP) provided training, planning and logistical support for numerous counternarcotics operations. The NNP and Nicaraguan Navy are committed partners and have participated in many regional efforts. In August 2005, Nicaragua seized $1.2 million from a southbound vehicle at the Penas Blancas checkpoint during one such regional operation. The driver had smuggled at least twelve similar bulk currency loads over a three-month period. Besides numerous seizures of drugs, money and weapons, the regional operation also shut down a popular smuggling route, forcing traffickers to postpone or cancel shipments, change or modify their method of conveyance, vary their smuggling routes or jettison drug loads. The operation also served to enhance operational ties and unify Central American law enforcement—it was the first time that the Nicaraguan Navy, Nicaraguan Police and Honduran authorities worked together.

In April, the Nicaraguan Navy, NNP and DEA agents seized 2,143 kilograms of cocaine in Tasbapauni that were cached for a boat to pick up. In September, the NNP seized 1,793 kilograms of cocaine on a go-fast boat that had stopped to refuel on Little Corn Island en route to Honduras. In November, the Navy (jointly with the NNP and intelligence from DEA) seized 871 kilograms of cocaine on board a Honduran fishing vessel. In August, the Nicaraguan police found 27 kilograms of heroin concealed in a hidden compartment in a tractor-trailer and $1.2 million in cash at Penas Blancas.

DEA reports that Nicaraguan authorities seized a total of 54.3 kilograms heroin and 6,947 kilograms of cocaine in FY 2005, compared to 53.8 kilograms of heroin and 3,703 kilograms of cocaine in FY 2004. Most was seized either on the Atlantic coast or at the border with Costa Rica. In FY 2005, DEA reported that Nicaragua arrested 69 international traffickers. The Nicaraguans also seized six go-fast boats, some of which had already jettisoned or delivered their cargo. The GON's counternarcotics efforts have also uncovered related arms trafficking. According to law enforcement sources, most weapons cases in Nicaragua have a link to terrorist organizations like the United Self-Defense Forces of Colombia (AUC).

Despite these positive interdiction results, both the NNP and the Navy efforts are acutely limited by scarce resources. The police counternarcotics unit has only 116 officers, including administrative support, to cover all of Nicaragua. The 850-man Nicaraguan Navy, with assistance from the USMILGP and INL, is in the process of developing a long range patrol capability that will enable it to maintain a presence at sea for days at a time.

Corruption. The NNP rotates officers to prevent conflicts of interest from developing at the local level and also issues numbered badges so that the public can easily identify abusive police officials. The police Narcotics Unit answers only to the two top-ranking officials in the NNP, a measure that maintains the integrity of confidential information. However, low salaries and poor law enforcement

infrastructure make it difficult to eliminate corruption. A new NNP officer earns under $200 a month. Judges' official salaries average about $500 a month. Corrupt judges often let detained drug suspects go free after a short detention, a practice that puts them quickly back on the streets and undercuts police morale. In a recent high-profile case, judges released over $600,000 of funds belonging to a suspected narcotics trafficker. There are serious allegations that a number of judges involved in the case may have received pay-offs. One of those judges was also connected to another scandal involving the acquittal of two Mexican citizens and an order to return to them over $300,000 in undeclared currency seized by Nicaraguan Customs. The Nicaraguan Attorney General has been publicly critical of the inactivity and ineffectiveness of the CAF, controlled by the Prosecutor General (his judicial counterpart). He claimed that of the CAF's 354 suspicious activity reports received in the first part of 2005, not a single money laundering investigation had been initiated by the Prosecutor General. The Nicaraguan Navy has not been tainted by corruption. Nevertheless, naval personnel are rotated and personal effects are searched to deter corruption. Additionally, the Nicaraguan Army requested and received approval from the National Assembly to strengthen military justice regulations, which now impose strict penalties for corruption and treason.

The USG plans, as part of the new Resident Legal Advisor program, to provide support for the GON under a new multi-agency anticorruption initiative for the police anticorruption unit, the Attorney General's office, and the Superintendent of Banks.

Agreements and Treaties. Nicaragua 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. A U.S.-Nicaragua extradition treaty has been in effect since 1907. Nicaragua is a member of the Caribbean Financial Action Task Force (CFATF). The United States and Nicaragua signed a bilateral counternarcotics maritime agreement in November 2001. Nicaragua is a party to the UN Convention against Transnational Organized Crime and its protocol on trafficking in persons and is a member of the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS). Nicaragua is a party to the Inter-American Convention Against Corruption and in 2001 signed the consensus agreement on establishing a mechanism to evaluate compliance with the Convention. Nicaragua also ratified the Inter-American Mutual Legal Assistance Convention in 2002, an agreement that facilitates sharing of legal information between countries. Nicaragua was one of the first countries to sign the Caribbean regional maritime counternarcotics agreement when it opened for signature in April 2003, but has not yet taken the necessary internal steps to bring it into force.

Cultivation/Production. With the exception of marijuana, illegal drugs are not cultivated in Nicaragua. The marijuana grown in Nicaragua is consumed locally.

Drug Flow/Transit. The isolation of the country's Atlantic coast, its vulnerable banking system, endemic poverty, widespread availability of firearms and societal effects of the civil war of the 1980s combine to make Nicaragua a rich target for drug traffickers. The increase in narcotics transshipment during recent years has generated a rise in local drug abuse, particularly on the Atlantic coast. This region's many islands and inlets provide way stations for drug smugglers moving between Colombia and points farther north. Many Atlantic residents support the traffickers by refueling their vessels, storing drugs, and serving as lookouts. In some communities, drug smuggling has become the principal economic activity, creating concern that an incipient "narcotics culture" is emerging.

Domestic Programs (Demand Reduction). Drug consumption in Nicaragua is a growing problem, particularly on the Atlantic coast. The Ministries of Education and Health, the NNP, and the Nicaraguan Fund for Children and Family (FONIF) have all undertaken limited demand reduction campaigns. In February 2001, the USG established the D.A.R.E. Program in Nicaragua. Since its inception, approximately 150 NNP officers have received training as D.A.R.E. instructors. In 2004, the USG sponsored the retraining of these instructors in the newest D.A.R.E. pedagogical techniques.

Between 2001 and 2003, over 14,125 Nicaraguan schoolchildren were awarded certificates of participation in the D.A.R.E. program. During 2004, nearly 6,000 additional students received D.A.R.E. training. The NNP has translated D.A.R.E. materials into the Miskito language and will be distributing them to indigenous populations on the Atlantic coast. Both the NNP and USG are exploring other demand-reduction efforts that focus on at-risk populations.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Nicaragua and the United States are strong allies in counternarcotics activities. The police have done much to professionalize their force in the last ten years. The NNP established formal relations with the DEA in 1997 that has fostered growing and effective cooperation. During 2005, the U.S. continued to provide significant counternarcotics and law enforcement assistance to the NNP through the DEA, State/INL, U.S. Coast Guard, and the U.S. Department of Justice. The Nicaraguan Navy is an effective and reliable partner in the counternarcotics field. INL is refurbishing three large naval boats and numerous smaller patrol boats for maritime interdiction on both the Atlantic and Pacific coasts. The USMILGP is funding spare parts and outboard motor replacement for the Nicaraguan Navy patrol boats. The USMILGP is also refurbishing a captured fishing vessel to act as a Nicaraguan naval "Mother Ship" to support long-term maritime interdiction operations. Nicaragua is cooperating with U.S. efforts to disrupt international terrorist financing. The USG shares information with the Superintendent of Banks as well as the Ministry of Finance and the Foreign Ministry on suspect persons or organizations whose assets should be frozen. The GON has been cooperative in sharing this information with local banks. Nicaragua is a party to the 2002 International Convention on the Suppression of the Financing of Terrorism.

The Road Ahead. Nicaragua's leaders and its people recognize the threat that illegal drugs pose to Nicaraguan society and the country's sovereignty. The Nicaraguan military and the NNP are committed to the counternarcotics effort. However, Nicaragua does not possess the resources to wage this war alone and will require continued and increased assistance—especially in confronting the massive resources of organized drug and criminal organizations. Traditionally, the NNP and the Navy have not always worked together effectively on counternarcotics efforts. However, USG-fostered joint operations have promoted inter-agency cooperation, and the U.S. will continue to encourage even greater cooperation between the NNP and the Navy. If Nicaragua is to become a full and successful partner with the U.S. in fighting international crime (especially the illegal drug trade and terrorism), it will need more resources as well as urgent internal reforms—especially in the professionalization of the judiciary and the passage and application of stronger statutes to combat corruption and money laundering.

Panama

I. Summary

As the only Pacific/Atlantic maritime and North/South America land connector, and a principal hemispheric air, financial, and communications hub, Panama is a major nexus for international crime and an important transshipment point for drugs destined for the United States and Europe. U.S. bilateral counternarcotics and law enforcement cooperation with the Torrijos Administration continues to improve. With USG assistance, the Government of Panama's (GOP) law enforcement agencies are being restructured to enhance their ability to fulfill their missions. Assistance provided by the United States remains crucial to ensuring effective Panamanian law enforcement. Panama is a party to the 1988 UN Drug Convention.

II. Status of Country

Panama's central geographic position and role as a regional transportation, communication and financial hub makes it a natural hemispheric locus for international crime and transshipment point for drugs, precursor chemicals and trafficking proceeds. The security situation in the Darien region bordering Colombia has become more stable, but drug and arms smuggling between Panama and Colombia continues. Last year, Panama expanded its efforts to increase control of its border with Costa Rica. The huge volume of commercial traffic flowing through the canal, along the Pan-American Highway and by way of Panama's international airports provides the means for smuggling tons of drugs and other contraband. Panama's numerous uncontrolled airfields and vast unguarded coastlines on both the Atlantic and Pacific Oceans are used for noncommercial smuggling routes. The availability and acceptability of illicit drugs, combined with money from smuggling, have increased domestic drug abuse, particularly among young people. The use of bribery and coercion in the drug trade contribute to pervasive public corruption and undermines the GOP's criminal justice system. Panama is not a significant producer of drugs or precursor chemicals. However, cannabis is cultivated for only for national consumption, primarily on the Pearl Islands in the Gulf of Panama.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Since taking office in 2004, the Torrijos Administration has adopted a broad policy of enhanced inter-agency coordination related to narcotics interdiction and law enforcement activities. This "integrated security" policy has led the government to look at ways of restructuring the security forces to enhance their effectiveness in countering narcotics trafficking and other transnational crime.

Accomplishments. Initiated in 2001, Panama's model chemical control legislation was approved in April 2005 (details in "Precursor Chemicals" section). Panama actively participated in the Central American International Drug Enforcement Conference (IDEC) sponsored by the U.S. DEA to coordinate counternarcotics operations among different states. It participated in the DEA-organized "Operation Contralado" between August and October 2005. In the most significant operation of the year, Panama's National Police (PNP) seized four tons of cocaine in September 2005 along the Atlantic coast.

Law Enforcement Efforts. Bilateral policy and operational coordination in law enforcement continues to be good on all narcotics-related issues. DEA-monitored statistics through mid-November 2005 indicate seizures of 10,284.5 kilograms of cocaine, 37.6 kilograms of heroin, 9,547.9 kilograms of cannabis, $10,316,148 in currency seizures, and 259 arrests for international drug-related offenses. Heroin seizures in 2005 declined slightly since last year. However, seizures of cocaine, cannabis and

currency have risen considerably, and international drug-related arrests have increased slightly since last year. As in recent years, many narcotics operations are intelligence-driven movements and are usually cooperative ventures between the GOP and the USG.

The Public Ministry's Drug Prosecutor's Office (DPO) is the principal coordinator of Panama's Public Forces' counternarcotics investigative resources. DPO's extensive cooperation with USG agencies continues to be excellent. The PNP's Directorate of Information and Intelligence (DIIP) and its Anti-Drug Sub-Directorate (DAD) are effective drug investigative units.

Funded by the Embassy's Narcotics Affairs Section (NAS) and supported by the DEA country office, the Public Ministry's Judicial Police (PTJ) sensitive investigative unit has conducts investigations of major drug and money laundering organizations. It continues to expand, carrying out improved operations at a higher frequency. The USG provides support to the PNP Mobile Inspection Unit and Paso Canoas Interdiction Enhancements, the International Airport Drug Task Force, and the Canine Unit. These units continue to effect major arrests and seizures.

The professional and capable National Maritime Service (SMN) maintains good bilateral relationships, and cooperatively responds to USG requests for boarding and interdictions, assisting the U.S. Coast Guard (USCG) with verifying ship registry data, and transferring prisoners and evidence to Panama for air transport to the U.S. The lack of resources, particularly fuel, is threatening this invaluable cooperation and the SMN's operational successes. USG assistance is critical to maintaining the SMN operational status at this high and effective level. The SMN and National Air Service (SAN) have positive relations and annually partner to eradicate cannabis fields in the Pearl Islands.

Despite limited air assets, the SAN provides excellent support for counternarcotics operations, when resources are available. This was evident in the SAN's participation in Operation Sombra III (that identified clandestine airstrips) and the October seizure of 1,880 kilograms of cocaine near Porvenir, Colon. Modeled on USCG procedures, SAN aircraft use warning and disabling shots to immobilize suspect go-fast smuggling boats until the arrival of maritime forces. The SAN responds cooperatively to U.S. law enforcement requests to photograph suspect aircraft in flight or on the ground. The SAN also provides critical logistical support to transfer detainees and drug evidence to U.S. jurisdiction.

The SAN-SMN relationship continues to grow in a positive direction, and the GOP is exploring the possibility of merging the two into a Coast Guard. The PNP is also developing a specialized border patrol force. Panama's Public Forces are slated to receive modest budgetary increases in 2006.

Corruption. President Torrijos won the 2004 election on a platform that promised to purge corruption from the government. Since September 2004 (when the new administration took office) the GOP has audited government accounts and launched investigations into major public corruption cases. Panama's national anticorruption commission coordinates the government's anticorruption activities and, with USG assistance, developed a strategic plan in 2005. Through the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL), the USG is also funding the development of a "Culture of Lawfulness" program with the Ministry of Education, the National Police, and PTJ. In 2005, the head of the PTJ counternarcotics unit was arrested and charged with corruption.

Agreements and Treaties. Panama is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotics Drugs, as amended by the 1982 Protocol, and the 1971 UN Convention on Psychotropic Substances. The USG and Panama also have a mutual legal assistance treaty and an extradition treaty in force. The USG and GOP have a Customs Mutual Assistance Agreement and a stolen vehicles treaty. In 2002, the USG and GOP concluded a comprehensive maritime interdiction agreement. Panama has bilateral agreements on drug trafficking with the United Kingdom, Colombia, Mexico, Cuba, and Peru. Panama is a party to the UN Convention Against Transnational Organized Crime and its protocols against trafficking in women, migrant smuggling and illegal manufacturing

and trafficking in firearms, and to the UN Convention Against Corruption. Panama is a member of the Organization of American States and is a party to the Inter-American Convention on Mutual Assistance in Criminal Matters and the Inter-American Convention Against Corruption.

Cultivation and Production. Joint DEA-SAN aerial reconnaissance shows some small-scale coca cultivation, but there have been no confirmed reports of cocaine laboratories in Panama since 1993. The GOP has not been able to implement drug crop eradication in the Darien due to resource constraints, triple-canopy jungle, and the presence of heavily armed Colombian insurgents in the region. There is limited cannabis cultivation, principally for domestic consumption, in the Pearl Islands. The GOP effectively eradicates these crops.

Precursor Chemicals. Panama does not produce or consume precursor chemicals used in processing illegal drugs. There is clear evidence that a significant volume of precursor chemicals transits the Colon Free Zone destined for other countries, including to Mexico where they are processed into illicit drugs for the U.S. market. The USG provided technical advice and assistance in Panama's effort to strengthen its chemical control legal regime. This was signed into law in April 2005. With the new precursor chemical control legislation in place, the USG will shift the focus of its assistance to capacity building for implementing the new laws.

Drug Flow/Transit. Panama is frequently used as a transit country for cocaine, heroin, synthetic drugs and precursor chemicals. Criminal organizations use fishing vessels, cargo ships, small aircraft, go-fast boats, commercial containers and human mules to move this contraband through Panamanian waters, airspace and territory to the U.S. Cocaine and heroin may be offloaded from boats onto trucks traveling the Pan-American Highway, placed in sea-freight containers for cargo vessels, moved by private airplanes utilizing hundreds of unmonitored airstrips, or carried by couriers on commercial air flights. European law enforcement agencies have detected an increase in cocaine trafficking via direct flights from Panama City to Madrid.

Domestic Programs (Demand Reduction). The USG-supported Panamanian Commission for the Study and Prevention of Drug-Related Crimes (CONAPRED) has a five-year (2002-2007) counternarcotics strategy that identifies 29 demand reduction, drug education and drug treatment projects at a cost of $6.5 million. In 2005, CONAPRED funded seven demand reduction projects at $924,000 as well as law enforcement projects with the Drug Prosecutors' Office, SMN and training for the Joint Informational Coordination Center (JICC) budgeted at $49,890. The USG funded Ministry of Education and CONAPRED teacher training and information programs to promote drug abuse awareness in public schools as part a 2003 law that created a national drug prevention education program. The USG also supported the Ministry of Education's National Drug Information Center (CENAID) and the PNP Juvenile Police D.A.R.E. Program in Panama City public schools.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. 2005 assistance (equipment, training, coordination and intelligence) was critical to improving the professionalism and efficiency of Panamanian law enforcement and enhancing the GOP's counternarcotics efforts. These U.S.-supported programs are improving Panama's ability to disrupt illegal drug trafficking and other transnational crimes, strengthening its judicial system, encouraging stronger regulation of precursor chemicals, fighting public corruption, improving Panama's international border security and ensuring strict enforcement of existing Panamanian laws.

The NAS continues to modernize and professionalize the Panamanian National Police. Key components include implementing a community police project, expanding and upgrading crime analysis technology, and promoting managerial change to allow greater autonomy and accountability to develop best practices among local police commanders. In addition, the U.S. Coast Guard provides

training in maritime law enforcement boarding procedures for the SMN at its Maritime Law Enforcement Academy in Charleston, S.C.

As a result of USG support (equipment, training, technical assistance, equipping and refurbishing boats) the SMN accounted for approximately 18 percent of Panama's total cocaine seizures in 2005.

The USG has supported Panamanian Customs with advanced training, operational tools, and a dog detector program that has become a linchpin of the Tocumen International Airport Drug Interdiction Law Enforcement Team. During 2005, the canine program was dramatically expanded, allowing it to operate outside the confines of the airport.

In 2005 the USG, through the NAS and the Department of Homeland Security's Immigration and Customs Enforcement Agency, assisted the GOP in upgrading the Public Ministry's Anti-Corruption prosecutor's office. NAS supplied training, computers, office equipment, and other necessary equipment.

Bilateral Cooperation. The USG and GOP continued close and cooperative strategic and operational collaboration on joint counternarcotics efforts. In recognition of Panama's key importance to fighting drug trafficking and its continued law enforcement improvement, DEA Administrator Karen Tandy visited Panama in June and FBI Director Robert Mueller visited in October. The maritime interdiction agreement is proving its worth by enhancing cooperation. Panama continues playing a vital role in facilitating the transfer of prisoners and evidence to the United States.

The Road Ahead. The GOP has demonstrated its continuing commitment to building strong law enforcement institutions and disrupting the flow of illegal drugs northward. The USG will encourage Panama to provide sufficient resources for its law enforcement to control the land borders, the coast, and the territorial waters and airspace—making Panama inhospitable to international criminal activity. The U.S. is promoting the development of a risk assessment group within Panamanian Customs, which should begin operation in 2006.

The USG will continue to work with the GOP to help strengthen Panama's ability to deter trafficking in drugs by providing training and equipment. The United States will also continue to work with the GOP to help strengthen Panama's law enforcement and public forces institutional capacity and will provide assistance to Panama to support criminal justice reform, as well as anticrime and anticorruption efforts.

THE CARIBBEAN

The Bahamas

I. Summary

The Bahamas is a major transit country for cocaine and marijuana bound for the U.S. from South America and the Caribbean. The Government of the Commonwealth of The Bahamas (GCOB) cooperates closely with the USG to stop the flow of illegal drugs through its territory, to target Bahamian drug trafficking organizations, and to reduce the domestic demand for drugs within the Bahamian population. The Bahamas is a party to the 1988 UN Drug Convention.

II. Status of Country

The Bahamas, a country of 700 islands and cays distributed over an area the size of California maritime and aerial routes between Colombia and the U.S., is an attractive location for drug transshipments of cocaine, marijuana and other illegal drugs. The Bahamas is not considered a significant drug producer nor a producer or transit point for drug precursor chemicals. The Bahamas participates actively as a partner in "Operation Bahamas and Turks and Caicos" (OPBAT)-a multi-agency international drug interdiction cooperative effort established in 1982. As of November 2005, OPBAT seized 840 kilograms of cocaine and 9.0 metric tons of marijuana.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The GCOB's comprehensive National Anti-Drug Plan, published in 2004, calls for the establishment of a National Drug Secretariat with responsibility for its implementation. The GCOB announced its intention in late 2005 to headquarter the Secretariat in the Ministry of National Security. In 2005, there was no legislative movement to implement the recommendations of an OAS/CICAD assessment of The Bahamas precursor chemical control legislation.

Accomplishments. The Drug Enforcement Unit (DEU) of the Royal Bahamas Police Force (RBPF) cooperated closely with the U.S. and foreign law enforcement agencies on drug investigations in 2005. Marijuana seizures doubled in 2005, while cocaine seizures decreased as a result of previous years' break up of the largest drug trafficking organization in The Bahamas. The extradition of Samuel "Ninety" Knowles remains pending.

Law Enforcement Efforts. The RBPF participated actively in OPBAT. Alerted by U.S. Department of Homeland Security surveillance aircraft, and on some occasions by the Cuban Border Guard, U.S. Army and Coast Guard helicopters intercept maritime drug smugglers and seize airdrops of drugs into Bahamian territory. Law enforcement officers have noted that Haitian traffickers are concealing their drugs in hidden compartments in sailing vessels, commingling of drug trafficking networks with illegal migrant smuggling organizations.

During 2005, the DEU seized 1.01 metric tons of cocaine and 13 metric tons of marijuana. (Note: OPBAT seizures are included in DEU's total). The DEU arrested 1,382 persons on drug-related offenses and seized drug-related assets, including five boats and five vehicles. Cocaine seizures decreased compared to 2004 levels. This decrease is the result of the continued vigilance and precise targeting actions by law enforcement agencies and the 2005 hurricane season.

To enhance the results of drug interdiction missions, the USG in collaboration with the GCOB established the Bahamas Rapid Response Team. The Bahamas Rapid Response Team gathers selected members of the Royal Bahamas Defense Force (RBDF), as well as the Customs Department, and Immigration to assist the Police Force to conduct contraband searches on short notice. In 2005, the

Rapid Response Team conducted more than ten operations. While these operations did not result in drug seizures or arrests, they point to the increased capabilities of the Rapid Response Team. During 2005, the RBDF assigned two marines to the Caribbean Support Tender (the U.S. Coast Guard cutter "Gentian") and three ship-riders each month to Coast Guard Cutters. The ship-riders extend the capability of the U.S. Coast Guard into the territorial seas of The Bahamas.

Corruption. As a matter of government policy, The Bahamas does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, nor the laundering of proceeds from illegal drug transactions. No senior official in the GCOB was convicted of drug-related offenses in 2005. The RBPF anticorruption unit reported that during 2005 there were eight allegations of corruption brought against officers, three pending prosecutions and five ongoing investigations. The RBPF uses an internal committee to investigate allegations of corruption involving police officers instead of an independent entity.

Agreements and Treaties. The Bahamas is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, and is party to the 1971 Convention on Psychotropic Substances, 1988 UN Drug Convention, and the 1990 U.S.-Bahamas-Turks and Caicos Island Memorandum of Understanding concerning Cooperation in the Fight Against Illicit Trafficking of Narcotic Drugs. The GCOB is also a party to the Inter-American Convention Against Corruption.

The U.S. and the Bahamas cooperate in law enforcement matters under an extradition treaty and a mutual legal assistance treaty (MLAT). The MLAT facilitates the bilateral exchange of information and evidence for use in criminal proceedings. There are currently 31 U.S. extraditions pending in the Bahamas. GCOB prosecutors pursue USG extradition requests vigorously and, at times, at considerable expense. However, in the Bahamian justice system, defendants can appeal a magistrate's decision, first domestically, and ultimately, to the Privy Council in London. This process often adds years to an extradition procedure.

Drug Flow/Transit. Most of the cocaine flow originates in Colombia and arrives in The Bahamas via go-fast boats or small aircraft from Jamaica and Haiti. During 2005, law enforcement officials identified 41 suspicious go-fast type boats on Bahamian waters. In addition, there were 16 drug smuggling aircraft detected over Bahamian territory. Small amounts of drugs were found on individuals transiting through the international airports in Nassau and Grand Bahamas Island and the transatlantic cruise ship ports.

In 2005 Bahamian law enforcement officials identified shipments of drugs in Haitian sloops, fishing boats, small aircraft and pleasure vessels. Sport fishing vessels and pleasure crafts transport the cocaine from The Bahamas to Florida, blending into the legitimate vessel traffic that moves daily between these locations. Larger go-fast and sport fishing vessels regularly transport between 1000 to 3000 pounds of marijuana shipments from Jamaica to The Bahamas. These shipments are moved to Florida in the same manner as cocaine. Significant amounts of illegal drugs have been found in transiting cargo containers stationed at the Port Container facility in Freeport. DEA/OPBAT estimates that there are a dozen major Bahamian drug trafficking organizations.

Domestic Programs. The quasi-governmental National Drug Council coordinates the demand reduction programs of the various governmental entities such as Sandilands Rehabilitation Center, and of NGO's such as the Drug Action Service and the Bahamas Association for Social Health. Schools and youth organizations are the primary target of prevention/education program. A National Drug Council survey of drug use by students in The Bahamas was published in 2005, providing a baseline against which to measure the results of demand reduction programs. The study indicates that 14.4 percent of school-aged Bahamians have used marijuana at least once in their lifetime, while 8.3 percent smoked marijuana during the past year. The survey measured the use of the powdered form of cocaine and crack cocaine separately. 1.1 percent of school aged children have used each of these

forms of cocaine at least once, while 0.4 percent admit to having used powdered cocaine during the past year and 0.3 percent have used crack cocaine in the past year.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The goals of USG assistance to The Bahamas are to dismantle drug trafficking organizations, stem the flow of illegal drugs through The Bahamas to the United States, and strengthen Bahamian law enforcement and judicial institutions to make them more effective and self-sufficient in combating drug trafficking and money laundering.

Bilateral Cooperation. During 2005, INL in coordination with the U.S. Embassy's Narcotics Affairs Section (NAS), funded training, equipment, travel and technical assistance for a number of law enforcement and drug demand reduction officials. In 2005, the U.S. and the CGOB began negotiations to include the Freeport Container Port as part of the Department of Homeland Security's Container Security Agreement (CSI). NAS procured computer and other equipment to improve Bahamian law enforcement capacity to target trafficking organizations through better intelligence collection and more efficient interdiction operations. NAS funds continued to be used to cover urgent operational expenses, such as utilities, repairs and maintenance for three OPBAT bases in George Town, Great Exuma, Matthew Town, Great Inagua, and at the Atlantic Undersea Test and Evaluation Center (AUTEC), Andros Island. NAS also provided funding to The National Drug Council and the Drug Action Service to extend their demand reduction education campaign to the Family Islands.

Road Ahead. The Bahamas' location, and the expanse of its territorial area, guarantees that it will continue to be a preferred route for drug transshipment and other criminal activity. New trafficking organizations will seek to fill the void left by the recent dismantling of long-standing major trafficking organizations. The Bahamian Government is expected to continue its strong commitment to joint counternarcotics efforts. The U.S. anticipates that the GCOB will continue to work closely with the U.S. to extradite drug traffickers to the U.S. We expect The Bahamas will become a party to the Container Security Initiative in 2006. The U.S. looks forward to the establishment of the National Drug Secretariat and the introduction to Parliament of precursor chemical control legislation. NAS will continue to support RBPF efforts to convert seized boats for use in interdiction operations. NAS plans to assist the Bahamians in identifying innovative technologies to obtain important intelligence to thwart the flow of drugs.

Cuba

I. Summary

Cuban territorial waters and airspace are an attractive transshipment corridor for narcotics trafficking in the Caribbean. The Government of Cuba (GOC) intercepts and destroys drug contraband, but Cuba's geographical position and the GOC's refusal to implement an effective use-of-force policy encourage drug traffickers to risk transiting through the island's territorial water and airspace. The primary factor exposing Cuba to the dangers of narcotics trafficking is residual shipments of drugs that wash ashore. Other factors include: extensive foreign tourism, foreign investment, and increased commerce with Venezuela.

The GOC has a coordinated national strategy for maritime and aerial interdiction. However, the effectiveness of Cuba's drug prevention and interdiction stems primarily from its tyrannical and coercive policing methods, which facilitate the regime's ability to infiltrate drug production and trafficking networks, and to thwart them, whenever the regime decides it wants to crack down. The regime consistently seeks to engage the U.S., including in law enforcement areas, for reasons that are largely political, in order to garner a false sense of legitimacy and to project an aura of normalization with the United States. Cuba is a party to the 1988 UN Drug Convention.

The GOC pursues an aggressive internal enforcement, investigation and prevention program against its incipient drug market. Under the direction of the National Anti-Drug Commission, the GOC continues to pay special attention to international drug trafficking trends. The Cubans dedicate resources, adopt methods and techniques to improve detection, and work to obtain better results in the area of prevention. The GOC continued Operation Hatchet III, a multi-agency counternarcotics interdiction operation, and Operation Popular Shield, a multi-agency counternarcotics investigation combined with a nationwide drug awareness campaign. Enforcement activities during 2005 were limited. Although there was a slight increase in the total number of aerial and maritime sightings in Cuban territory in 2005 compared to 2004, drug seizures declined to the lowest level in 10 years.

II. Status of Country

Cuba is not a major drug-producing country and its level of internal consumption is believed to be minimal, although Cuban officials indicate that low quality marijuana is cultivated for a growing tourist market. According to the Cuban Government, the Border Guard interdicts ninety percent of the drugs that Cuban law enforcement authorities seize. The lead investigative law enforcement agency on drugs in Cuba is the Ministry of Interior's National Anti-Drug Directorate (DNA). The DNA is comprised of a variety of law enforcement, intelligence, youth affairs and education organizations. The governing body for prevention, rehabilitation, and policy issues is the National Drug Commission, formed in 1989 after the GOC contrived a scandal involving the conviction and execution of an Army major general, a Ministry of Interior colonel, and several other officials for purported involvement in narcotics trafficking. This interagency coordinating body is headed by the Minister of Justice, and includes the Ministries of Interior, Foreign Relations, Public Health, Higher Education, Education and Culture. Also represented on the commission are the Attorney General's Office, Customs and Border Guard Services and the National Sports Institute.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Government of Cuba continued the enforcement of Decree 232 "On the Confiscation for Deeds Related with Drugs, Acts of Corruption and Other Illicit Behavior" which

entered into effect in January 2003. This became the GOC's "legal framework" for a nation-wide security crack down, cast as a "battle against international drug trafficking and the incipient internal market." The decree authorizes arrests and confiscation of property of drug producers, traffickers or users, and those guilty of "corruption, pimping, pornography, corruption of minors, human trafficking and other similar crimes." The Ministry of Interior continues to investigate suspected narcotics traffickers, and works with the rest of the drug commission to carry out a nation-wide public awareness campaign. In an effort to demonstrate international collaboration, the GOC hosted the Third Regional Conference on Drug Control in the Caribbean. Over 30 delegates from 20 Caribbean, European and Latin American countries attended.

Law Enforcement Efforts. Cuba is completing its fifth year of Operation Hatchet, which has as its goal the disruption of maritime and air trafficking routes, recovering washed-up narcotics, and denying drug smugglers shelter within the territory and waters of Cuba. In addition to using Cuba's fleet of Cuban Border Guard regular patrols, Operation Hatchet uses a combination of shore-based patrols, visual and radar observation posts, and encourages its civilian fishing auxiliary force and civilians ashore to report all suspected contacts and contraband. Operation Hatchet includes vessel, aircraft and radar surveillance from the Ministry of the Revolutionary Armed Forces (Navy and Air Force), coastal patrol vessel and radar surveillance from the Ministry of Interior Border Guard, and participants from the DNA, National Police, and the National Park Rangers.

Cuba maintains a strict non-use-of-force policy when dealing with suspected narcotics trafficking vessels transiting its territorial seas and low flying planes violating its air space. Cuban law enforcement authorities reported to U.S. authorities sightings of 31 suspect targets (7 aircraft and 24 go-fasts) in 2005 transiting their airspace or territorial waters, a slight increase over the 28 total sightings (14 aircraft and 14 go-fast) in 2004. The Cuban Border Guard has reported suspect drug laden go-fast vessels transiting within their territorial waters to U.S. Coast Guard authorities. They have also provided, albeit with occasional impediments, investigative criminal information on drug trafficking cases. As a result of information passed by the Cuban Border Guard in March, the U.S. Coast Guard seized one go-fast vessel that was reported departing Cuban territorial waters after discarding over half a ton of marijuana.

Cuban Customs and DNA maintain an active counternarcotics inspection program at the island's maritime ports and airports. In 2004, Cuba INTERPOL re-established its office in Havana and commenced operations with five Cuban officials. In 2005, the GOC established an integrated container examining facility in the port of Havana to house a large x-ray system it purchased from China. If the x-ray reveals that cargo being processed requires further investigation, the container is unloaded for detailed physical examination. Neither the extent nor the effectiveness of these programs can be verified. It is unclear whether the x-ray machines are exclusively devoted to counternarcotics activity; the regime maintains an active program to maintain a blockade on informational material.

Drug Seizures/Arrests. Drug seizures declined during 2005 to their lowest level in ten years. The GOC reported the seizure of 2,477 kilograms of illicit narcotics, which included 2,194 kilograms of marijuana, 282 kilograms of cocaine, 2,579 plants of marijuana and 19,197 marijuana seeds. Operation Popular Shield has resulted in the seizure of 29 kilograms of narcotics: 24 kilograms of marijuana; 4 kilograms of cocaine; and 1 kilogram of hash or other psychedelic drugs. The majority of GOC confiscations came from the recovery of washed-up narcotics by Cuban Border Guard troops and coastal watch stations along the Cuban coastline. Since Operation Popular Shield began in January 2003, the GOC has reported the detention of over 3,000 people, of whom 65 percent were sentenced to six or more years of imprisonment for trafficking drugs in the internal market.

The GOC reported seven separate airport cases with a total seizure of 6 kilograms of cocaine and 1 kilogram of marijuana. All seven of the cases were at Jose Marti International Airport in Havana. The GOC reported 2 cases of postal shipments of drugs in 2005. The GOC also reported a total of 283

foreign tourists detected with narcotics for personal consumption at Cuban international airports in 2005. In almost all cases, the GOC reported the narcotics were confiscated and destroyed, and the tourists were allowed to continue their visit.

Corruption. The U.S. government does not have direct evidence of narcotics-related corruption among senior GOC officials, although regular anecdotal reports of corruption throughout all levels of Cuban society and government continue to circulate. Some anecdotal reports extend to the Cuban Border Guard. No mention of GOC complicity in narcotics trafficking or narcotics-related corruption was made in the media in 2005; however, the media in Cuba is completely controlled by the state, which permits only laudatory press coverage on itself. Cuba has not signed the Inter-American Convention Against Corruption.

Agreements and Treaties. Cuba 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. The GOC maintains bilateral narcotics agreements with 33 countries and less formal agreements with 16 others. Counternarcotics coordination between the U.S. and Cuba occurs only on a case-by-case basis. The Cuban government has not signed the Agreement Concerning Co-operation in Suppressing Illicit Maritime and Air Trafficking in Narcotic Drugs and Psychotropic Substances in the Caribbean Area (Caribbean Regional Maritime Agreement) despite its participation in the agreement negotiations. Cuba has signed, but not ratified, the UN Convention against Transnational Organized Crime.

Cultivation/Production. There is no evidence that Cuba is a significant drug-producing country. Cuban narcotics officials say that small quantities of marijuana are grown around Havana and Eastern Cuba for domestic use.

Drug Flow/Transit. As a likely result of increased U.S. law enforcement presence in the Windward Passage, narcotics trafficking through Cuban territory decreased measurably in 2005. Narcotics trafficking from Jamaica to the Bahamas, Haiti and to the U.S. normally occurs through Cuban territorial seas and airspace, with a majority of the narcotics being trafficked via maritime routes around the eastern and western tips and via air routes over the eastern side of the island. Small quantities of narcotics were trafficked via Cuba's international airports, in which drug couriers or "mules" carried narcotics to and from Europe. In the seven reported cases, the destination countries were England and Italy.

Chemical Control. Based on available information, Cuba is not a source of precursor chemicals, nor have there been any incidents involving precursor chemicals reported in 2005.

Domestic Programs. The National Commission on Drugs (CND), created in 1989, has taken the lead on drug prevention programs. With the support of law enforcement authorities from Canada, France and the United Kingdom, Cuba has participated in highly structured competent counternarcotics training. The majority of municipalities on the island have counternarcotics organizations. Prevention programs focus on education and outreach to groups most at risk of being introduced to illegal drug use. There is a counternarcotics action plan that encompasses the Ministries of Health, Justice, Education and Interior, among others, in coordination with the United Nations. The aim of the action plan is to implement a long-term prevention strategy that is included as part of the educational curriculum at all grade levels. The GOC reports that there are 195 mental health community centers in Cuba consisting of family doctors, psychiatrists, psychologists, occupational therapists, and 150 social, educational and cultural programs dedicated to teaching drug prevention and offering rehabilitation programs.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Narcotics cooperation occurs only on a case-by-case basis, primarily through the U.S. Coast Guard Drug Interdiction Specialist (DIS) assigned to the U.S. Interests Section in Havana. The Cuban DNA and Border Guard have provided the DIS increased exposure to Cuban counternarcotics efforts, including a visit to the Port of Havana to observe customs container inspection program, and a visit to the Cuban national canine training center in Havana. DIS was also taken for a site visit in December and given an operational synopsis of Cuba's largest drug seizure of the year, a go-fast vessel with 1.3 tons of marijuana. GOC also allowed DIS to witness the chain of custody and process detailing the incineration of all contraband seized for the year 2005. In addition, the Cuban DNA provided investigative information on narcotics trafficking cases and the Border Guard provided information on suspect vessels and aircraft to the U.S. Coast Guard on 44 narcotics-related events. Given the nature of the Cuban regime, cooperation with the U.S. by the Cuban authorities is predicated on political motivations that serve the regime's political interests.

The Road Ahead. Exchanges of information between the U.S. and Cuba help prevent drugs from entering the U.S. The Cuban government, perhaps out of genuine concern for stopping narcotics trafficking but undoubtedly because of a calculated desire to cultivate the perception that it is acting in an internationally responsible manner, understands that the best strategy to fight drugs involves multinational cooperation, even with the United States. For the GOC, managing narcotics corruption may serve the regime's broader objective, of using the coercive nature of its counternarcotics efforts to obtain financial gain for the regime. The GOC also recognizes that success requires a strong and enforceable penal code that covers drug-related offenses, and adequate resources dedicated to fighting drug trafficking and all other drug related crimes. Cuba could do significantly more. Cuba's geographic position and the regime's refusal to implement an effective use-of-force policy consistent with its detection and intelligence capabilities continue to encourage narcotics smugglers to use Cuban territorial waters and airspace to transport their shipments from South America and the Caribbean. Cuba has not demonstrated any interest in signing the Caribbean Regional Agreement, hampering its ability to take more effective action against narcotics trafficking through its territory. The Cuban government has consistently sought to engage with U.S. counterparts for reasons that are largely political, including its desire to project a false sense of legitimacy and normalization with the United States. To that end, Cuban officials profess their interest in developing with the U.S. government bilateral agreements to combat drug trafficking, terrorism and the trafficking of migrants; however, such agreements are not possible until the Cuban regime abandons its totalitarian character and its role as a state sponsor of terrorism.

Dominican Republic

I. Summary

The Dominican Republic (DR) is a major drug transit country from South America, with cocaine transiting to Europe, and both cocaine and heroin to the United States. During 2005, the DR increased seizures of large quantities of heroin, cocaine and MDMA; increased extraditions; advanced in domestic law enforcement capacity, institution building and interagency networking; and made progress in criminal proceedings in major bank fraud cases. Although the GODR strengthened its efforts to combat corruption in 2005, corruption and weak governmental institutions remained an impediment to controlling the flow of illegal narcotics. The Dominican Republic is a party to the 1988 UN Drug Convention.

II. Status of Country

There is no significant cultivation, refining, or manufacturing of illicit drugs in the Dominican Republic. Dominican criminal organizations are involved in international drug trafficking operations, with the country's primary role being a transshipment hub. Interdicted MDMA (ecstasy) was most often being transported from Europe to the United States. Fishing and "go-fast" crews involved in drug trafficking in the Caribbean include Dominican nationals.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Intelligence-sharing plays an important part in interdiction efforts. The DEA Center for Drug Information (CDI), housed in the DR National Drug Control Directorate (DNCD), served as a clearinghouse for intelligence within the Caribbean. The DNCD, the law enforcement arm responsible for counternarcotics measures, and the National Drug Council (CND), the GODR's policy and planning unit, have adopted a computerized system that tracks seizures of drug-related assets. The GODR continues to struggle to implement anti-money laundering legislation passed in 2002. In support of this effort, the GODR created a Financial Analysis Unit under the CND which became operational during 2005.

Law Enforcement Efforts. In 2005, the DNCD increased its seizure rate and netted record single seizures of both heroin (39 kilograms) and MDMA (259,627 units) with the cooperation and assistance of the DEA. The October record seizure of heroin was based on intelligence concerning the Colombian owners' search for buyers. The November record seizure of MDMA was discovered in three abandoned bags from Amsterdam at the Gregorio Luperon International Airport in Puerto Plata. The DNCD netted several other multi-hundred kilogram seizures including 128 kilograms of cocaine hidden in a container of denim jeans bound for New York and 442 kilograms of cocaine from a Colombian trafficking organization operating in the Dominican Republic. Through December, overall seizures totaled 2,230 kilograms of cocaine, 121.5 kilograms of heroin, 280,627 units of MDMA, and 551.9 kilograms of marijuana.

The DNCD made 3,330 drug-related arrests in 2005; of these, 3,206 were Dominican nationals and 124 were foreigners. Maritime seizures remain a challenge for the DR, especially drugs hidden in commercial vessels for shipment to the U.S. and/or Europe and drugs arriving by "go-fast" boats from South America. The DNCD and their DEA counterparts concentrated increasingly on investigations leading to the takedown of large criminal organizations.

In 2005, the GODR expanded its counternarcotics and explosive detection canine units with U.S., Dutch and international assistance, increasing coverage to all international airports and major sea

ports. The DNCD continued to upgrade its equipment, train technicians, and develop new software in furtherance of a multi-year, USG-supported effort to share data among Dominican law enforcement agencies and to make information available on demand to field officers. The Dominican Navy and the DNCD participated in two combined operations with the U.S. Coast Guard (USCG), CBP and DEA in January-February (Op MANGU) and September (Op IGUANA) 2005 to combat the regional threat of narcotics trafficking in the approaches to Puerto Rico. Operation MANGU succeeded in interdicting 2,000 kilograms of cocaine. Both operations were conducted pursuant to existing bilateral agreements.

Cultivation/Production. There is no known cultivation of coca or opium poppy in the DR. Cannabis is grown on a small scale for local consumption. There is no definitive evidence of in-country manufacture of MDMA.

Drug Flow/Transit. In 2005, the DNCD focused interdiction operations on the drug-transit routes in Dominican territorial waters along the northern border and on its land border crossings with Haiti, while attempting to prevent air drops and maritime delivery of illicit narcotics to remote areas. The majority of air tracks in 2005 originated in Venezuela. During the year, drugs were easily accessible for local consumption in most metropolitan areas.

Extradition. The U.S.-Dominican Extradition Treaty dates from 1909. Extradition of nationals is not mandated under the treaty, and for many years Dominican legislation barred the extradition of nationals. In 1998, President Fernandez signed legislation permitting such extraditions and subsequent administrations have been responsive to U.S. requests. During 2005, judicial review was added to the procedure for extradition, making extraditions more objective and transparent. The U.S. Marshals continued to receive excellent cooperation from the DNCD's Fugitive Surveillance/Apprehension Unit and other relevant Dominican authorities in arresting fugitives and returning them to the United States to face justice. The GODR extradited 33 Dominicans and arrested and deported 22 U.S. and third-country national fugitives back to the U.S. for prosecution purposes. Of these 55 cases, 42 were narcotics-related.

Mutual Legal Assistance. The GODR cooperates with USG agencies, including the DEA, FBI, U.S. Customs and Border Protection (CBP), ICE, Department of Defense and U.S. Marshals Service, on counternarcotics and fugitive matters.

The DNCD housed and manned the DEA-sponsored CDI at its facilities in Santo Domingo. Caribbean countries found the CDI's intelligence analysis services useful and are now both frequent contributors and beneficiaries of new information. In 2005, the Dominican Navy focused efforts on shore patrol operations. Examination of captured smuggling vessels indicated a strong link between illegal migration and drug smuggling. On a typical voyage, several passengers carry backpacks containing one or two kilograms of cocaine.

Corruption. The GODR does not, as a matter of government policy, encourage or facilitate illicit production or distribution of narcotics, psychotropic drugs, and other controlled substances, nor does it contribute to drug-related money laundering. Dominican institutions remain vulnerable to influence by narcotics traffickers. The GODR has not convicted any senior government official for engaging in, encouraging, or facilitating the illicit production or distribution of illicit drugs or controlled substances, or for the laundering of proceeds from illegal drug transactions.

The Attorney General pursued several anticorruption investigations and implemented competitive civil service recruitment of prosecutors (as opposed to political appointees). A financial disclosure law for senior appointed, civil service and elected officials has been implemented in the Dominican Republic, but lack of auditing controls and applicable sanctions have weakened the effectiveness of this measure. The GODR is a party to the Inter-American Convention Against Corruption.

Precursor Chemical Control. The Secretariat of Health is responsible for the control of chemicals entering and departing the Dominican Republic. The CND has prohibited the re-exportation of certain chemicals.

Demand Reduction. The DNCD conducted over 135 youth events in various cities and neighborhoods reaching over 120,000 young people with the message that competitive and recreational activities are better choices than drug abuse.

Agreements and Treaties. The DR is a party to the 1988 UN Drug Convention. In 1984, the USG and the GODR entered into an agreement on international narcotics control cooperation. In May 2003 the Dominican Republic entered into three comprehensive bilateral agreements on Cooperation in Maritime Migration Law Enforcement, Maritime Counter-Drug Operations, and Search and Rescue, granting permanent over-flight provisions in all three agreements for the respective operations. The three agreements secured permanent over-flight provisions. In addition, the Maritime Counter-Drug Agreement broadened the scope of operations. The GODR signed, but has not yet ratified, the Caribbean Regional Maritime Agreement.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. During 2005, the USG provided equipment and training to expand the counternarcotics canine units, support the DNCD's vetted special investigation unit, assess border security, and enhance DNCD computer training, database expansion and systems maintenance support. The USG assisted the Dominican Navy with its equipment maintenance and training programs and participated in joint counternarcotics and illegal migration operations as noted above. In addition, the Dominican Navy benefited from numerous USCG courses in Maritime Law Enforcement (MLE) and is working towards a self sustaining law enforcement program. The USG also provided training and equipment to enhance the capabilities of specialized airport and port security forces. The Dominican Navy and Air Force have a direct communications agreement with the USCG regional operations center in San Juan, Puerto Rico. Dominican Navy vessels have participated in a few maritime drug seizures and joint exercises.

The USAID criminal justice and transparency program emphasizes training for judicial personnel in new criminal procedures and the investigation and prosecution of complex crimes. The result has been faster case processing, decreased pre-trial detention, availability of public defenders and prosecutors 24 hours per day, and positive change in the justice sector's attitudes toward presumption of innocence of the accused.

In 2005, USAID assisted the Public Prosecutor's office in developing and implementing policies and procedures for evidence preservation and asset seizure and maintenance, given recent policy changes transferring these authorities from judges to prosecutors. A law enforcement development program targeting the National Police, including training in the code of criminal procedure, reforming the basic and in-service training, planning capacity-building and internal affairs office restructuring and reform has been implemented by the Embassy Narcotics Affairs Section (NAS).

The Dominican chapter of the Business Alliance for Secure Commerce (BASC), a voluntary alliance of manufacturers, transport companies, and related private sector entities, expanded its training program and was cited by CBP officials as one of the most effective BASC chapters worldwide. In 2005, the BASC DR chapter expanded to 20 the number of companies who met the strict criteria for certification. The DNCD counternarcotics canine program expanded to 31 canine units, and the airport security explosives detection canine unit, started in 2004, expanded to 15 canine units, with U.S., Dutch and international assistance. A 2004-2005 security upgrade project to bring the terminal into compliance with International Ship and Port Security (ISPS) standards and to ensure consistent use of

a USG X-ray machine has improved departure processing and established controls to detect and prevent smuggling of drugs and other contraband to Puerto Rico.

The Road Ahead. The immediate goal remains helping to institutionalize judicial reform and good governance. The GODR and USG are working to build coherent counternarcotics programs that can resist the pressures of corruption and can address new challenges presented by innovative narcotics trafficking organizations. The USG and the GODR will continue strengthening drug control cooperation through sharing of information and developing closer working relations among principal agencies. The USG will continue providing training and equipment for the DNCD, focusing its attention on the information technology and intelligence exchange necessary to disrupt narcotics smuggling at Dominican land and sea borders and at airports. Support for the training, equipping and re-certification of the counternarcotics and explosives detection canine units will continue. The USG will provide further training to prosecutors, investigators, and national police, increasing their professionalism and ensuring that they are prepared to continue to implement the new Criminal Procedure Code.

Dutch Caribbean

I. Summary

Aruba, the Netherlands Antilles, and the Netherlands form the Kingdom of the Netherlands. The two Caribbean parts of the Kingdom have autonomy over their internal affairs, with the right to exercise independent decision making in a number of counternarcotics areas. The Government of the Netherlands (GON) is responsible for the defense and foreign affairs of the entire Kingdom and assists the Government of Aruba (GOA) and the Government of the Netherlands Antilles (GONA) in their efforts to combat narcotics trafficking. The Kingdom of the Netherlands is a party to the 1988 UN Drug Convention, and all three parts are subject to the Convention. Both Aruba and the Netherlands Antilles are active members of the Financial Action Task Force (FATF) and Caribbean Financial Action Task Force (CFATF).

II. Status

Netherlands Antilles. The islands of the Netherlands Antilles (NA), which include Curacao and Bonaire off the coast of Venezuela and Saba, Saint Eustatius, and Sint Maarten east of the U.S. Virgin Islands, serve as transshipment points for cocaine and heroin coming from South America; chiefly Colombia, Venezuela, and to a much lesser extent, Suriname. These shipments typically are transported to U.S. territory in the Caribbean by "go-fast" boats, although use of fishing boats, freighters, and cruise ships is becoming more common. Direct transport to Europe, and at times to the U.S., is by "mules" (drug couriers) using commercial flights. Drugs entering the United States from the Netherlands Antilles are not in sufficient an amount to have a significant effect on the United States.

Traffickers reduced loads on go-fast boats in 2005, because of potential exposure to law enforcement. This shift was attributed to successful investigations along with investments by the Antilles in border security such as the new ground based radar system capable of identifying inbound vessels. With lower Antilles investments and hardening of their borders, drug traffic increased to Sint Maarten. These shipments were generally en route to Puerto Rico or the U.S. Virgin Islands. In addition to go-fast boat activity and smuggling via commercial airlines, large quantities of narcotics continued to be moved in containers. Officials at Sint Maarten initiated joint investigations with U.S. law enforcement and adopted new law enforcement strategies. Sailing vessels and larger vessels moved multi-hundred kilogram shipments of cocaine under the guise of recreational maritime traffic.

The crackdown at Curacao's Hato International Airport on "mules,"—travelers who either ingest or conceal on their bodies illegal drugs—which began in 2002 continued during 2005. Historically, most of the courier traffic (current estimate is 95 percent) has been destined for Europe. During October 2005, the Antillean authorities reported a significant reduction in courier traffic, from between eighty and one hundred couriers a day to approximately ten couriers per month according to local court statistics as of October 2005. These results were directly attributed to aggressive law enforcement tactics employed by Antillean authorities, in conjunction with their Dutch partners, that led to significant seizures and the dismantling of responsible organizations coupled with innovative legislative tactics like passport removal which ultimately amounted to the removal of more than 850 passports from would-be couriers. As Hato airport maintained tightened control during the year, traffickers turned their attention to other regional airports, challenging law enforcement control at those locations as well. Sint Maarten, to a lesser extent, continued to detect increasing numbers of "mules." Consistent with the continued smuggling ventures, arrests were frequent in 2005.

The crime and homelessness stemming from drug abuse remained important concerns for the GONA. During 2005, reporting continued to indicate reductions in drug related homicides to below levels prior to a 2002 spike. This was attributed to successful regional enforcement operations and legislative action. The GONA continued its policy of requiring visas of Colombians and several other countries. Peru, the Dominican Republic, Cuba, and other European markets topped the noteworthy list. The GONA's "Zero Tolerance" teams whose primary mission is to identify illegal immigrants to the islands and deport them remained active during 2005.

During 2005, the joint Antillean/Dutch Hit and Run Money Laundering Team (HARM) conducted successful investigations. In September, the HARM team announced the arrest of an individual responsible for laundering drug proceeds which amounted to millions of U.S. dollars from the United States back to Venezuela via the Netherlands Antilles. The investigation was the culmination of a multi-jurisdictional money laundering investigation of a drug-trafficking organization operating between the United States and South America highlights the abilities of the HARM to operate in the region with its partners.

The specialized Dutch police units (RSTs) that support law enforcement in the NA included local officers in the development of investigative strategies to ensure exchange of expertise and information. During the year, the RST improved their place in the regional scheme of enforcement as a viable international partner for law enforcement matters. In January 2005, the RST participated in a joint international operation which netted the seizure of 385 kilograms of cocaine and 21 arrests as a result of a multi-jurisdictional investigation in a conglomerate of seven countries. In March 2005, RST seized 21 kilograms of MDMA, the largest seizure of ecstasy in the Caribbean region to date, during a controlled delivery operation between The Netherlands, Sint Maarten, and the United States. The RST also seized an operating LSD laboratory, the first of its type, in Sint Maarten. These successes highlight the RST's ability to perform and its viability as a regional partner in sensitive and highly technical investigations.

The Coast Guard of the Netherlands Antilles and Aruba (CGNAA) scored a number of impressive successes in 2005. The CGNAA was responsible for several seizures of cocaine, heroin, and marijuana. In July, the CGNAA, for the first time, detained a vessel in international waters and escorted it back to territorial waters where a search resulted in the seizure of approximately 800 kilograms of cocaine. In August, the CGNAA supported a controlled delivery in international waters where approximately 300 kilograms of cocaine were seized. The CGNAA's three cutters, outfitted with rigid-hull inflatable boats (RHIBs) and new 'super' RHIBs designed especially for counternarcotics work in the Caribbean, demonstrated their utility against "go-fast" boats and other targets.

The CGNAA has developed an effective counternarcotics intelligence service and is considered by the U.S. Coast Guard and DEA to be an invaluable international law enforcement partner. Authorities in both the NA and Aruba are intent on ensuring that there is a proper balance between the CGNAA's international obligation to stop narcotics trafficking through the islands, and its local responsibility to stop narcotics distribution on the islands. Under the continued leadership of the Attorney General, the GONA continued to strengthen its cooperation with U.S. law enforcement authorities throughout 2005.

The Dutch Navy also operates in the Netherlands Antilles under the auspices of Component Task Group 4.4 (CTG 4.4) which operates in international waters under the oversight of the Joint Inter Agency Task Force (JIATF) South. The U.S. Coast Guard deploys Law Enforcement Detachments (LEDETS) on all Dutch naval vessels conducting counternarcotics patrols in the Caribbean. Over the past two years, particularly during 2005, the CTG 4.4 has become a close and essential ally of the DEA and other U.S. agencies. The most impressive seizure during 2005 was a three-week surveillance

operation on a shipping vessel which ultimately netted 2040 kilograms of cocaine. The operation was conducted as a joint effort between three countries including the United States.

Aruba. Aruba is a transshipment point for heroin, and to a lesser extent cocaine, moving north, mainly from Colombia, to the U.S. and secondarily to Europe. Drugs move north via cruise ships and the multiple daily flights to the U.S. and Europe. U.S. agencies reported more than 100 kilograms of heroin seized in the U.S. that had originated in Aruba. Drugs entering the U.S. from Aruba were not in sufficient an amount to have a significant effect on the U.S. As a result of the successes in Curacao during 2005, traffickers looked for other transit points in the region which included Aruba.

While Aruba enjoys a low crime rate, reporting during 2005 indicates that some prominent drug traffickers are established on the island. Additionally, Arubans worry about the easy availability of inexpensive drugs. The most visible evidence of a drug abuse problem may be the homeless addicts, called "chollars" who number about 300 and whose photographs routinely appear in publications to increase public awareness to drug abuse and to stem an increase in crime. Drug abuse in Aruba remains a cause for concern.

Private foundations on the island work on drug education and prevention and the Aruban government's top counternarcotics official actively reaches out to U.S. sources for materials to use in his office's prevention programs. The police also work in demand reduction programs for the schools and visit them regularly. The government has established an interagency commission to develop plans and programs to discourage youth from trafficking between the Netherlands and the U.S. In 2005, Aruban law enforcement officials investigated and prosecuted mid-level drug traffickers. During the year, there were several instances where Aruban authorities cooperated with U.S. authorities to realize U.S. prosecutions of American citizens arrested in Aruba while attempting to return to the United States with drugs in multi-kilogram quantities.

The GOA continued to permit both U.S. military and Department of Homeland Security (DHS) aircraft to use the Forward Operating Location (FOL) at Reina Beatrix International Airport to conduct aerial counternarcotics detection and monitoring missions. Further development of the FOL facilities on Aruba is underway. The GOA hosts the DHS Bureau of Customs and Border Protection pre-inspection and pre-clearance personnel at Reina Beatrix airport. These officers occupy facilities financed and built by the GOA. DHS seizures of cocaine, heroin, and ecstasy were frequent in 2005.

III. Actions Against Drugs in 2005

Agreements and Treaties. The Netherlands extended the 1988 UN Drug Convention to the Netherlands Antilles and Aruba in March 1999, with the reservation that its obligations under certain provisions would only be applicable in so far as they were in accordance with NA and Aruban criminal legislation and policy on criminal matters. The NA and Aruba subsequently enacted revised, uniform legislation to resolve a lack of uniformity between the asset forfeiture laws of the NA and Aruba. The obligations of the Netherlands as a party to the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, apply to the NA and Aruba. The obligations of the Netherlands under the 1971 UN Convention on Psychotropic Substances have applied to the NA since March 10, 1999. The Netherlands's Mutual Legal Assistance Treaty (MLAT) with the United States applies to the NA and Aruba. Both Aruba and the NA routinely honor requests made under the MLAT and cooperate extensively with the United States on law enforcement matters at less formal levels. In 2003 the NA and Aruba each signed a Tax Information Exchange Agreements with the U.S. Following passage of enabling legislation in Aruba, its TIEA went into effect in 2004; enabling legislation remains pending in the Netherlands Antilles. Aruba has limited legislation dating from May 1996 regulating the import and export of certain precursor and essential chemicals, consistent with the 1988 UN Drug Convention. In the Antilles, and cooperates in efforts to identify and destroy chemicals.

Cultivation/Production. There is no cultivation and production of illicit drugs.

Seizures. Available drug seizure statistics for calendar year 2005 as of 12/12/2005 are as follows: Aruba seized 2752.265 kilograms of cocaine (this includes a single maritime seizure event involving 2040 kilograms from the MV Sea Atlantic during October 2005); 68.645 kilograms of heroin; 526.605 kilograms of marijuana; and 38 tablets of MDMA (ecstasy). Arrests: 123. The NA seized 2595.803 kilograms of cocaine; 51.610 kilograms of heroin; 682.438 kilograms of marijuana; and 270 tablets of MDMA (ecstasy). Arrests: 509.

Corruption. During 2005, the NA identified links from prominent traffickers in the region to law enforcement officials, which prompted additional investigations. The NA has been quick to address these issues through criminal investigations, internal investigations, new hiring practices, and continued monitoring of law enforcement officials that hold sensitive positions. The judiciary system has close ties with the Dutch legal system including extensive seconding of Dutch prosecutors and judges to fill positions for which there are no qualified candidates among the small Antillean and Aruban populations.

Domestic Programs (Demand Reduction). Both the NA and Aruba have demand reduction programs. The Korps Politie of Curacao completed final training during February 2004 of its well-trained Demand Reduction staff to do presentations at local schools. Sint Maarten has followed suit with plans to complete a formal program during the coming months.

IV. U.S. Policy Initiatives and Programs

The United States encourages Aruban and NA law enforcement officials to participate in USG-funded regional training courses provided by U.S. agencies at the GOA and GONA's expense. Chiefly through the DEA and DHS/Immigration and Customs Enforcement, the United States is able to provide assistance to enhance technical capabilities as well as some targeted training. During 2005, the DEA directly sponsored law enforcement initiatives worth more than $500,000 in the NA and Aruba. The U.S. continues to search for ways in which locally assigned U.S. law enforcement personnel can share their expertise with host country counterparts.

Appreciation of the importance of intelligence to effective law enforcement has grown in the Dutch Caribbean. The USG is expanding intelligence sharing with GOA and GONA officials as they realize the mutual benefits that result from such sharing. Because U.S.-provided intelligence must meet the strict requirements of local law, sharing of intelligence and law enforcement information requires ongoing, extensive liaison work to bridge the difference between U.S. and Dutch-based law.

Eastern Caribbean

I. Summary

The seven Eastern Caribbean countries-Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines form the eastern edge of the Caribbean transit zone for drugs, mostly cocaine and marijuana products, going from South America to U.S., Europe and other markets. Illicit narcotics transit the Eastern Caribbean mostly by sea, in small go-fast vessels, larger fishing vessels, yachts and freight carriers. South American traffickers deliver drug loads either on the beach or offload their illicit cargo to smaller local vessels at sea. Marijuana shipments from St. Vincent often come ashore via swimmer delivery. Smugglers also attempt to transport cocaine and marijuana by commercial air. An OAS study on maritime trafficking in the Western Hemisphere indicated that cocaine trafficked to Europe is transported primarily in commercial containerized cargo. There is little narcotics airdrop activity in the region.

Drug trafficking and related crimes-such as money laundering, drug use, arms trafficking, official corruption, violent crime, and intimidation have the potential to threaten the stability of the small, democratic countries of the Eastern Caribbean and, to varying degrees, have damaged civil society in some of these countries. Regional and international drug trafficking organizations (DTO's) and various organized crime groups have infiltrated many of the Eastern

Caribbean nations, corrupting officials and contracting the services of local criminal organizations, some of whom are now sufficiently trusted by major DTO's to be given narcotics on consignment. There are reports that Colombian nationals are residing in some Eastern Caribbean countries and organizing drug trafficking operations. Some of the Eastern Caribbean DTO's also have established contacts amongst themselves to facilitate drug distribution in the region. Local traffickers often pay for services with drugs and/or weapons to limit costs and to increase demand and markets. According to U.S. law enforcement officials, the infrastructure built by DTO's operating in the region and other vulnerabilities that exist in the region make it ripe for exploitation by terrorist organizations.

The seven Eastern Caribbean states are parties to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1988 UN Drug Convention, and the 1971 UN Convention on Psychotropic Substances.

In 2005, the seven Eastern Caribbean countries continued to support the treaty-based Regional Security System (RSS). Barbados pays 40 percent of the RSS's budget. The U.S. provided partial assistance to the RSS for its twice-yearly basic training course for marijuana eradication exercises for police special services units. The RSS continued to operate a maritime training facility in Antigua for member-nation forces.

II. Status of Countries and Actions Against Drugs

Antigua and Barbuda. The islands of Antigua and Barbuda are transit sites for cocaine moving from South America to the U.S. and global markets. Some law enforcement officials believe that improved airport enforcement in Jamaica has prompted traffickers to seek other outbound locations in the Caribbean for transit by commercial air carrier.

Narcotics entering Antigua and Barbuda are transferred mostly from go-fast boats, fishing vessels, or yachts to other go-fasts, powerboats or local fishing vessels. Secluded beaches and uncontrolled marinas provide excellent areas to conduct drug transfer operations. Marijuana cultivation in Antigua and Barbuda is not significant. Marijuana imported for domestic consumption primarily comes from St. Vincent. According to GOAB agencies, approximately 60 percent of the cocaine that transits

Antigua and Barbuda is destined for the UK, 25 percent to the U.S, and 10 percent to the island of St. Martin/Sint Maarten.

Antigua and Barbuda 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. The Government of Antigua and Barbuda (GOAB) is a party to the Inter-American Convention against Corruption, the Inter-American Convention on Extradition, the Inter-American Convention on Mutual Assistance in Criminal Matters, the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (Inter-American Firearms Convention), and the Inter-American Convention on Extradition. The GOAB has signed the UN Convention against Transnational Organized Crime, but has not signed any of its three protocols. Through November 2005, GOAB forces seized 12.12 kilograms of cocaine and 2.7 metric tons of marijuana, arrested 119 persons on drug-related charges and eradicated 500 marijuana plants. Antigua and Barbuda have both conviction-based and civil forfeiture legislation; it is the only Caribbean country with the latter.

The police operate a D.A.R.E. program, and lecture church groups and other civic organizations on the dangers of drugs. Local organizations such as the Optimist Club and Project Hope conduct their own school programs or assist groups that work with drug addicts.

Barbados. Barbados is a transit country for cocaine and marijuana products entering by sea and by air. Smaller vessels or go-fast boats transport marijuana from St. Vincent and the Grenadines and cocaine from South America. There have been several instances in which passengers on flights originating in Jamaica were found with marijuana on arrival in Barbados.

Barbados 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. Barbados has signed, but not ratified, the Inter-American Convention against Corruption, and is a party to the Inter-American Firearms Convention. Barbados has not signed the Inter-American Convention on Mutual Assistance in Criminal Matters or the Inter-American Convention on Extradition. The Mutual Assistance in Criminal Matters Act allows Barbados to provide mutual legal assistance to countries with which it has a bilateral mutual legal assistance treaty, Commonwealth countries, and states-parties to the 1988 UN Drug Convention. Barbados has signed but has not yet ratified the UN Convention against Transnational Organized Crime and its three protocols. Barbados has an asset-sharing agreement with Canada.

In 2005, GOB agencies reported seizing 57 kilograms of cocaine, 750 milliliters of liquid cocaine, 3,400 kilograms of marijuana, and for the first time confiscated 2,445 ecstasy tablets through November 30, 2005. The GOB brought drug charges against 2551 persons during that same period and eliminated 841 cannabis plants. There has been a general increase in drugs transiting Barbados since 2004. The Barbados Police Force estimates 59 percent of the cocaine that transits Barbados is destined for the UK, 20 percent to Canada, and 20 percent to the U.S. The majority of cannabis that enters Barbados is consumed locally. Currently, there is no legislation that imposes record keeping on precursor chemicals.

Barbados is executing a national plan concerning supply and demand reduction for the period 2002-2006. The GOB's National Council on Substance Abuse (NCSA) and various concerned NGOs, such as the National Committee for the Prevention of Alcoholism and Drug Dependency, are very active and effective. NCSA works closely with NGOs in prevention and education efforts and skills-training centers. NCSA sponsored a "Drugs Decisions" program in 45 primary schools and continued its sponsorship of prison drug and rehabilitation counseling. Barbados's excellent D.A.R.E. and PRIDE programs remained active in the school system.

Commonwealth of Dominica. The Commonwealth of Dominica serves as a transshipment and temporary storage area for drugs, principally cocaine products, headed to the U.S. and to Europe, mostly via the French Departments of Martinique and Guadeloupe. Go-fast boats bring shipments from St. Vincent and the Grenadines and elsewhere. In addition, marijuana is cultivated in Dominica. The Dominica police regularly conduct round-based marijuana eradication missions in rugged, mountainous areas.

From January through November 2005, Dominican law enforcement agencies reported seizing 23 grams of cocaine, and 411 kilograms of marijuana. They eradicated 230,485 marijuana plants (trees and seedlings), a 38 percent increase from 2004.

Dominica police arrested 160 persons on drug-related charges and prosecuted three major drug traffickers. According to the GCOD Police, most of the drugs that transit through Dominica are intended for foreign markets and not the U.S.

The Ministry of Health oversees drug demand reduction efforts. The Ministry and its National Drug Abuse Prevention Unit have been successful in establishing a series of community-based drug use prevention programs. Starting at age three and proceeding through age 15, school children receive drug use prevention education. The D.A.R.E. Program, a cooperative effort of the police force and the Ministry of Education, complements this effort in schools. The GCOD initiated a National Drug Prevention Program with a national master plan starting in 2005 through 2009. There are no public sector drug rehabilitation facilities in Dominica; the psychiatric hospital provides limited detoxification services.

Dominica 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. Dominica is a party to the Inter-American Convention on Mutual Assistance in Criminal Matters, the Inter-American Firearms Convention and the Inter-American Convention against Corruption. Dominica has not signed the UN Convention against Transnational Organized Crime.

Grenada. South American cocaine traffickers pass through or stop in Grenada's coastal waters and its often un-policed islands and beaches to transship cocaine en route to U.S. and other markets, including by drug couriers on commercial aircraft and via yachts. The traffickers often transfer cocaine to Grenadian vessels to execute deliveries ashore, as the Grenadian police have had some success in disrupting over-the-beach deliveries.

The police drug squad continues to collaborate closely with DEA officials in the targeting and investigation of a local cocaine trafficking organization associated with South American and other Caribbean traffickers. Relatively small amounts of marijuana are grown in Grenada. Marijuana is imported from St. Vincent for domestic use. The GOG estimates that 70 percent of the cocaine that transits Grenada is destined for European markets, 20 percent is headed to the U.S., and 10 percent is consumed locally.

Grenada 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. Grenada also is a party to the Inter-American Convention against Corruption, Inter-American Firearms Convention and the Inter-American Convention on Mutual Assistance in Criminal Matters. Grenada is a party to the UN Convention on Transnational Organized Crime and its three protocols.

An extradition treaty and a Mutual Legal Assistance Treaty (MLAT) are in force between the U.S. and Grenada.

The Drug Control Secretariat of the National Council on Drug Control is active and effective. Grenada, with OAS assistance, is working on a new national master plan for drug control to cover the period 2004-2009. The Council effectively keeps drug prevention themes before the public. Drug use

prevention education is incorporated into all levels of the educational curriculum. Living Drug Free, a one-hour television program aired on the public access channel, sensitizes the public about the dangers of drugs. Guest speakers include police, doctors, and lawyers to cover the range of issues. Through November 2005, Grenadian authorities reported seizing approximately 16.17 kilograms of cocaine; 513 cocaine balls; 5,090 marijuana plants; and 76.07 kilograms of marijuana. During that period, they arrested 285 persons on drug-related charges and two major drug traffickers. Approximately two acres of cannabis was eradicated. Grenadian law enforcement authorities seized nearly ECD 417,312 (U.S.$153,648) in connection with drug-related cases.

St. Kitts and Nevis. St. Kitts and Nevis is a transshipment site for cocaine from South America to the U.S. Drugs are transferred out of St. Kitts and Nevis primarily via small sailboats, fishing boats and go-fast boats bound for Puerto Rico and the U.S. Virgin Islands.

Trafficking organizations operating in St. Kitts are linked directly to South American traffickers, some of whom reportedly are residing in St. Kitts, and to other organized crime groups. Marijuana is grown locally.

The Government of St. Kitts and Nevis (GOSKN) 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. St. Kitts and Nevis is a party to the Inter-American Convention against Corruption and the Inter-American Firearms Convention, but has not signed the Inter-American Convention on Extradition or the Inter-American Convention on Mutual Assistance in Criminal Matters. St. Kitts and Nevis is a party to the UN Convention against Transnational Organized Crime and its three protocols.

The police drug unit on St. Kitts has been largely ineffective. Insufficient political will and the lack of complete independence for police to operate are contributing factors. The GOSKN Defense Force augments police counternarcotics efforts, particularly in marijuana eradication operations. GOSKN officials reported seizing 5368 kilograms of cocaine, and approximately 61 kilograms of marijuana from January through November 2005. They arrested 37 people on drug charges and eradicated approximately 6,243 marijuana plants.

St. Lucia. St. Lucia is a well-used transshipment site for cocaine from South America to the U.S. and Europe. Cocaine arrives in St. Lucia in go-fast boats, primarily from Venezuela, and is delivered over the beach or offloaded to smaller local vessels for delivery along the island's south or southwest coasts. Marijuana is imported from St. Vincent and the Grenadines and grown locally. Foreign and local narcotics traffickers are active in St. Lucia and have been known to stockpile cocaine and marijuana for onward shipment.

The Government of St Lucia (GOSL) police reported seizing 99 kilograms of cocaine and 875 kilograms of marijuana from January through November 2005. They arrested 361 persons on drug charges and eradicated approximately 71,393 marijuana plants. The USG and the GOSL cooperate extensively on law enforcement matters. St. Lucia law permits asset forfeiture after conviction. The law directs the forfeited proceeds to be applied to treatment, rehabilitation, education and preventive measures related to drug abuse. In 2005, the GOSL adopted wiretap legislation and is working on civil forfeiture. It has also taken steps to strengthen its border controls and plans to automate its immigration control systems. St. Lucia does not have an operational National Joint Coordination Center.

St. Lucia is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1988 UN Drug Convention, and the 1971 UN Convention on Psychotropic Substances. The GOSL signed a maritime agreement with the USG in 1995 and an over-flight amendment to the maritime agreement in 1996. An MLAT and an extradition treaty are in force between St. Lucia and the United States. St. Lucia is a party to the Inter-American Firearms Convention, the Inter-American Convention against

Corruption, and the Inter-American Convention on Extradition. St. Lucia has signed but has not yet ratified the UN Convention against Transnational Organized Crime.

St. Lucia has instituted a centralized authority, the Substance Abuse Council Secretariat, to coordinate the government's national counternarcotics and substance abuse strategy. Various community groups, particularly the police public relations office, continue to be active in drug use prevention efforts, with a particular focus on youth. St. Lucia offers drug treatment and rehabilitation at an in-patient facility known as Turning Point, run by the Ministry of Health. The St. Lucian police report that the D.A.R.E. Program has been extremely successful.

St. Vincent and the Grenadines. St. Vincent and the Grenadines is the largest producer of marijuana in the Eastern Caribbean and the source for much of the marijuana used in the region. Extensive tracts are under intensive marijuana cultivation in the inaccessible northern half of St. Vincent. The illegal drug trade has infiltrated the economy of St. Vincent and the Grenadines and made some segments of the population dependent on marijuana production, trafficking and money laundering. However, cultivation does not reach the level to be designated as a major drug-producer, nor does it significantly affect the U.S. Compressed marijuana is sent from St. Vincent and the Grenadines to neighboring islands via private vessels. St. Vincent and the Grenadines has also become a storage and transshipment point for narcotics, mostly cocaine, transferred from Trinidad and Tobago and South America on go-fast and inter-island cargo boats. Boats off-loading cocaine and weapons in St. Vincent and the Grenadines will return to their point of origin carrying back marijuana.

From January through November 2005, Government of St. Vincent and the Grenadines (GOSVG) officials reported seizing 57 kilograms of cocaine and approximately 1,260,207 grams of marijuana. They arrested 272 persons on drug-related charges and prosecuted two major drug traffickers. Approximately 15,366 marijuana plants were eradicated. The police, customs and coast guard try to control the rugged terrain and adjacent sea of St. Vincent and the chain of islands making up the Grenadines.

St. Vincent and the Grenadines is 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. The GOSVG is a party to the Inter-American Convention against Corruption, and has signed but not ratified the Inter-American Convention against Firearms. The GOSVG has signed but not yet ratified the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling. The GOSVG signed a maritime agreement with the USG in 1995, but it has not yet signed an over-flight amendment to the maritime agreement. An extradition treaty and an MLAT are currently in force between the U.S. and the GOSVG. USG law enforcement officials received good cooperation from the GOSVG in 2005. In the past, St. Vincent police have been cooperative in executing search warrants pursuant to U.S. MLATs.

An advisory council on drug abuse and prevention, mandated by statute, has been largely inactive for several years. A draft national counternarcotics plan remains pending. The government mental hospital provides drug detoxification services. The family life curriculum in the schools includes drug prevention education and selected schools continue to receive the excellent police-run D.A.R.E. Program. The OAS is assisting the GOSVG develop a drug demand reduction program for St. Vincent's prison.

French Caribbean

I. Summary

French Guiana, Martinique, Guadeloupe, the French side of St. Martin, and St. Barthelemy are all overseas departments of France and therefore subject to French law, including all international conventions signed by France. With the resources of France behind them, the French Caribbean Departments and French Guiana are meeting the goals and objectives of the 1988 UN Drug Convention. The French Judiciary Police, Gendarmerie, and Customs Service play a major role in narcotics law enforcement in France's overseas departments, just as they do in the rest of France. Cocaine moves through the French Caribbean and from French Guiana to Europe, and to a lesser extent, to the United States.

II. Status

The United States considers the broad geographical area of the eastern and southern Caribbean, of which the French Caribbean is a part, as an area of concern. A small amount of cannabis is cultivated in French Guiana. However, officials are seeing an increase in cocaine coming directly to France from the French Caribbean, and have therefore created the Martinique Task Force in response.

III. Actions Against Drugs in 2005

On January 17, 2005, French authorities at Orly arrested two Dutch nationals arriving in Paris from Cayenne, French Guiana, en route to Amsterdam, the Netherlands. They were found in possession of 4,424 grams of cocaine concealed in their luggage. On March 8, 2005, nearly 9 kilograms of cocaine were seized by Charles de Gaulle airport customs from pieces of dry-clay pottery specially designed for that purpose. The drugs, the value of which has been estimated at 719,680 euros, were found in two parcels, each containing two pieces of pottery, which were sent by postal freight from French Guiana to an individual in the Netherlands. On September 28, 2005, French authorities at Orly arrested a French national arriving in Paris from Cayenne, French Guiana, enroute to Amsterdam, the Netherlands. He was found in possession of a total of 1,083 grams of cocaine packaged in pellets that he had ingested.

On October 21, 2005, eight people suspected of trafficking of cocaine originating in Martinique were arrested and 23 kilograms of cocaine was seized at Saint-Ouen (Paris region). During the arrests, which came after several weeks of surveillance, the drug squad seized 23 kilograms of cocaine and 264,000 euros. On November 4, 2005, French authorities at Orly arrested a French national arriving in Paris from Cayenne, French Guiana, who had swallowed 600 grams of cocaine packaged in 48 pellets. On November 21, 2005, French authorities at Orly arrested two French nationals arriving in Paris from Saint Martin, French West Indies. One was found in possession of a total of 4,797 grams of cocaine in three rum bottles in her luggage. On July 15, 2005, 1.5 tons of cocaine were seized from a sailing ship flying the Canadian flag by a French naval sloop. The drugs were seized around 600 nautical miles to the northeast of Porto Rico, on the authority of the prefect of the Martinique region. The seizure and subsequent arrest of three people aboard the ship were conducted "in coordination with the Canadian and American services who suspected that the ship was involved in drug trafficking," according to a statement issued by the prefecture.

Agreements and Treaties. In addition to the agreements and treaties discussed in the report on France, USG and Government of France (GOF) counternarcotics cooperation in the Caribbean is enhanced by a multilateral Caribbean customs mutual assistance agreement that provides for

information sharing to enforce customs laws, including those relating to drug trafficking. The assignment of a French Navy liaison officer to the U.S. Joint Interagency Task Force-South (JIATF-S) at Key West, Florida has also enhanced law enforcement cooperation in the Caribbean. The USG and the GOF explored a possible counternarcotics maritime agreement for the Caribbean for several years and one was drafted in November 2001 on Cooperation in Suppressing Illicit Maritime and Aeronautical Trafficking in Drugs and Psychotropic Substances in the Caribbean Area.

In Martinique, the French inter-ministerial Drug Control Training Center (CIFAD) offers training in French, Spanish and English to officials in the Caribbean and Central and South America, covering such subjects as money laundering, precursor chemicals, mutual legal assistance, international legal cooperation, coast guard training, customs valuation and drug control in airports. CIFAD coordinates its training activities with the UNDCP, the Organization of American States/CICAD, and individual donor nations. U.S. Customs officers periodically teach at CIFAD.

France supports European Union initiatives to increase counternarcotics assistance to the Caribbean. The EU and its member states, the United States, and other individual and multinational donors are coordinating their assistance programs closely in the region through regular bilateral and multilateral discussions. The GOF participates actively in the Caribbean Financial Action Task Force (CFATF) as a cooperating and support nation (COSUN).

Guyana

I. Summary

Guyana is a transshipment point for cocaine destined for North America, Europe, and the Caribbean. Interdictions and seizures of drugs in Guyana decreased from 2004 to 2005. Poor economic, social, and political conditions make Guyana a prime target for narcotics traffickers to exploit as a transit point. The Government of Guyana (GoG) launched its National Drug Strategy Master Plan (NDSMP) for 2005-2009 in June 2005. However, the GoG has yet to implement any of the NDSMP's substantive initiatives. Guyana is a party to the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the 1988 UN Drug Convention) but still needs to pass and implement additional legislation to meet its obligations under the convention.

II. Status of Country

The United Nations Office on Drugs and Crime last estimated the quantity of cocaine transiting Guyana in 2000-2001 at 20-25 metric tons annually. Using those figures, the U.S. Embassy in Guyana estimates that narcotics traffickers earn US$150 million annually, and possibly much more, by trafficking cocaine through Guyana. This amount is equivalent to twenty percent or more of Guyana's reported gross domestic product. Accurately determining the trend in drug transit is difficult given the wide yearly swings in seizures. There have not been any large domestic seizures since a 1998 joint Guyanese/U.S. operation seized 3,154 kilograms of cocaine from a ship docked in Georgetown. Publicly reported seizures for 2005 totaled approximately 43kgs.

Drug traffickers appear to be gaining a significant foothold in Guyana's timber industry. In 2005, The Guyana Forestry Commission granted a State Forest Exploratory Permit for a large tract of land in Guyana's interior to Aurelius Inc., a company controlled by known drug trafficker Shaheed 'Roger' Khan. Such concessions in the remote interior may allow drug traffickers to establish autonomous outposts beyond the reach of Guyanese law enforcement.

Government counternarcotics efforts are undermined by the lack of adequate resources for law enforcement, poor coordination among law enforcement agencies, and a weak judicial system. The Guyanese media regularly report murders, kidnappings, and other violent crimes commonly believed to be linked with narcotics trafficking. Guyana produces cannabis but not coca leaf or cocaine. Guyana is not known to produce, trade, or transit precursor chemicals on a large scale.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Guyana launched its ambitious 2005-2009 NDSMP in June. The NDSMP's programs are divided into Supply Reduction and Demand Reduction. The Supply Reduction agenda calls for improving the justice system's ability to handle drug cases, making the Joint Intelligence Coordination Center (JICC) operational, closer cooperation between and better technology for law enforcement agencies, and tighter control of border posts and airstrips. The Demand Reduction agenda includes developing rehabilitation capabilities as well as media and education programs. The government estimates that implementing the 2005-2009 NDSMP will cost approximately US$3.3 million. The FIU, established in 2003 with material support from the U.S., is handicapped by the lack of effective legislation to deal with money laundering, such as the lack of an amendment to allow for seizing assets.

Accomplishments. The launch of the 2005-2009 NDSMP after a five-year gap was significant. However, the government has not completed any of the short-term milestones mentioned in the plan.

Guyana made no other significant progress in achieving or maintaining compliance with the goals and objectives of the 1988 UN Drug Convention. In 2005, Guyanese law enforcement agencies did not make a single publicly reported cocaine seizure in excess of 10 kilograms. Nor have Guyanese authorities brought to justice a single important member of a drug trafficking organization.

Law Enforcement Efforts. The GoG's counternarcotics efforts suffer from a lack of adequate law enforcement resources, poor inter-agency coordination, and endemic corruption. Several agencies share responsibility for counternarcotics activities: the Customs Anti-Narcotics Unit (CANU) is tasked with conducting enforcement activities mainly at ports of entry; the Guyana Police Force (GPF) Narcotics Branch is the principal element in the police responsible for enforcement of drug laws domestically; the Guyana Defense Force Coast Guard (GDFCG) has the lead for maritime counternarcotics operations. There is little productive interaction or intelligence sharing among these organizations. For example, according to the 2005-2009 NDSMP, the JICC is supposed "to bring together various counternarcotics agencies in a single work environment, encourage the sharing of information and intelligence", but "has not met for some time."

In 2005, the GPF Narcotics Branch and CANU arrested drug couriers at Guyana's international airport en route to the Caribbean, North America, and Europe. However, the arrests were limited to individuals with small amounts of marijuana, crack cocaine or powder cocaine, usually on charges of possession for the purpose of trafficking. For example, a 16 year-old-girl was arrested in February with 1.3 kilograms of cocaine in her suitcase. In October, a player on the Guyanese national soccer team died when one of the cocaine-filled bags he had swallowed burst in his stomach after he had smuggled the drugs to Barbados. Authorities have not successfully acted against major traffickers and their organizations. According to publicly reported arrests, authorities recovered only 43 kilograms of cocaine in 2005. This represents a significant decrease from 2004 and 2003, when authorities recovered 269 kilograms and 277 kilograms of cocaine, respectively. Government and DEA officials believe that counternarcotics agencies interdict only a small percentage of the cocaine that transits Guyana. The U.S. donated a fast interceptor boat to the GDFCG in May 2005. The GDFCG conducts patrols with the interceptor boat, but has not yet interdicted any narcotics shipments. The discovery in March at a remote airstrip of an abandoned Cessna aircraft, which had probably been used to smuggle drugs into Guyana, underscored the GoG's inability to monitor such locations.

Corruption. The GOG does not facilitate the production, processing, or shipment of narcotic and psychotropic drugs or other controlled substances, and does not discourage the investigation or prosecution of such acts. The GOG takes legal and law enforcement measure to prevent and punish public corruption. Guyana is party to the Inter-American Convention Against Corruption (IACAC) but has yet to fully implement its provisions, such as seizure of property obtained through corruption. News media routinely report on instances of corruption reaching to high levels of government that go uninvestigated and unpunished. The former Minister of Home Affairs, who had been implicated with an extra-judicial killing squad and who had improperly issued firearm licenses to known criminals, resigned in 2005. The new Minister of Home Affairs has shown greater commitment to fighting drug trafficking and corruption. The Police Commissioner is making strong efforts to reduce corruption within the GPF. Guyana is not a party to the UN Convention Against Corruption.

Agreements and Treaties. Guyana is 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. Guyana also is a party to the UN Convention Against Transnational Organized Crime and its protocol on trafficking in persons. The 1931 Extradition Treaty between the United States and the United Kingdom is applicable to the U.S. and Guyana. Guyana signed a bilateral agreement with the U.S. on maritime counternarcotics cooperation in 2001, but has not yet taken the necessary internal steps to bring the agreement into force. Guyana has bilateral agreements to cooperate on drug trafficking issues with its neighbors and with the United Kingdom. Guyana is also a

member of the Organization of American States' Inter-American Drug Abuse Control Commission (OAS/CICAD).

Cultivation and Production. Cannabis cultivation occurs in Guyana on a limited scale, primarily in the intermediate savannahs. Police regularly discover and eradicate cannabis cultivation sites when conducting area sweeps. The 2005-2009 NDSMP reported that authorities destroyed a total of 68.5 hectares and over 63,000 kilograms of cannabis plants during the 1999-2003 period.

Drug Flow/Transit. Cocaine flows through Guyana's remote, uncontrolled borders and coastline. Light aircraft land at numerous isolated airstrips or make airdrops into rivers where operatives on the ground retrieve the drugs. Smugglers use small boats and freighters to enter Guyana's many remote but navigable rivers. Smugglers also take direct routes, such as driving or boating across the uncontrolled borders with Brazil, Suriname, and Venezuela. Inside the country, narcotics are normally transported to Georgetown by road, water, or air and then sent on to the Caribbean, North America, or Europe via commercial air carriers or cargo ships. "Go-fast" speed boats may also carry cocaine from Guyana's rivers to mother-ships in the Atlantic. Authorities have arrested drug mules attempting to smuggle cocaine on virtually every northbound route out of the international airport.

In April 2005, a U.S. Immigration and Customs Enforcement investigation led to arrests of 27 members of a Guyana-based drug importation and distribution ring responsible for bringing in hundreds of kilograms of cocaine from Guyana on board flights arriving in New York. They concealed the drugs inside frozen fish and chowmein containers.

Drug traffickers also use cargo ships to export narcotics from Guyana either directly to North America and Europe or through intermediate Caribbean ports. In March 2005, British authorities arrested a man who attempted to smuggle 572 kilograms of cocaine into the UK in bags of coconuts from Guyana. In November, Barbadian authorities discovered 120 kilograms of cocaine in a shipment of lumber from Guyana. Drug traffickers have used virtually every commodity that Guyana exports as a cover for shipping cocaine out of the country.

Demand Reduction (Domestic Programs). Marijuana is sold and consumed openly in Guyana, despite frequent arrests for possessing small amounts of cannabis. CANU and the 2005-2009 NDSMP both note that consumption of cocaine powder, crack cocaine, ecstasy, and heroin has risen—and the latter two have appeared on Guyana's streets in the past year. This increase in domestic drug use is occurring despite the high cost of the drugs relative to local incomes. A survey cited in the 2005-2009 NDSMP reported that 27 percent of the 11-19 year-old children interviewed nationwide had seen cocaine. The same survey reported that 60 percent of children in Region 1 (on the border with Venezuela) said they had seen cocaine. The 2005-2009 NDSMP includes several measures to reduce demand for narcotics. The strategy includes safe lifestyle programs, stronger health and family life education, targeted surveys and compilation of social statistics, and a media strategy to promote drug awareness. The Ministry of Health and the Office of the President will administer most of these plans. As with the 2005-2009 NDSMP's other components, the government has yet to take concrete action to reduce demand for illegal drugs. Guyana's ability to deal with drug abusers is severely limited by a lack of financial resources to support rehabilitation programs.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. U.S. policy focuses on strengthening Guyana's law enforcement agencies and promoting good governance. U.S. funded training and technical support are key components of this strategy. U.S. officials continued to encourage Guyanese participation in bilateral and multilateral counternarcotics initiatives. USAID is funding projects to improve governance in Guyana, which includes much needed parliamentary and judicial reform.

Bilateral Cooperation. The DEA works closely with Guyana's government and law enforcement agencies to develop initiatives that will significantly enhance their counternarcotics activities. High-ranking representatives from the GPF and the GDF attended the International Drug Enforcement Conference in 2005. The U.S. government also funded the vetting of selected officers in counternarcotics agencies. U.S. officials continue to work closely with the FIU in its fledgling efforts to curb money laundering.

The Road Ahead. Guyana's contentious and inefficient political system and lack of resources significantly hamper its ability to mount an effective counternarcotics campaign. Legitimate businesses are suffering because money launderers associated with narcotics traffickers distort the domestic economy by pricing their goods and services below sustainable market rates. The drug trade generates violent armed groups who act as if they are above the law and who threaten Guyana's fragile democracy, and drug traffickers may use their ill-gotten gains to acquire political influence. Lastly, the drug trade is corrupting Guyanese society on a dangerous scale. The U.S. will channel future assistance to initiatives that demonstrate success in interdicting drug flows and prosecuting drug traffickers. Efforts in this area include strengthening Guyana's judicial system, law enforcement infrastructure, and counternarcotics legislation. The U.S., along with other international stakeholders, must continue to press for thorough reform. The U.S. will continue to encourage participation in bilateral and multilateral initiatives, as well as implementation of current international conventions and agreements.

Haiti

I. Summary

Haiti is a key conduit for drug traffickers transporting cocaine from South America to the United States and, to a smaller degree, Europe. The Haitian National Police (HNP), which is undergoing extensive USG-supported reform, is tarnished by a long-history of corruption. The judicial system is dysfunctional, its prosecutors and judges susceptible to bribes and intimidation. Corruption, lack of judicial infrastructure and the ongoing political and economic crises have caused the Interim Government of Haiti (IGOH) to focus its limited resources on maintaining civil order and organizing fair, democratic elections, rather than on counternarcotics. Haiti did not pursue any drug-related prosecutions in 2005. Haitian officials cooperated with requests from the Haiti South Florida Task Force (DEA, IRS, U.S. Attorney's Office, and DOJ Criminal Division Asset Forfeiture and Money Laundering Section), which is charged with drug-related investigations, as well as requests for removal of suspects and fugitives.

The IGOH appointed a reform-minded Haitian National Police Director General in 2005 who has taken a proactive stance in countering drug-related crime and police corruption. In a public demonstration of this policy, 15 officers implicated in the August killings of civilians at a soccer stadium in Martissant, were arrested. Though Haiti remains highly susceptible to money laundering due to its weak legal system and pervasive corruption, the IGOH has made progress in investigating and preparing for prosecution several money laundering cases involving official corruption. Haiti is a party to the 1988 UN Drug Convention.

II. Status of Country

Haiti has approximately 1,125 miles of unprotected shoreline, numerous uncontrolled seaports and clandestine airstrips, a thriving contraband trade, weak democratic institutions, a renascent police force that has a history of cooperating with drug traffickers, a dysfunctional judiciary system and official corruption. These factors contribute to the frequent use of Haiti by drug traffickers as a strategic transshipment area.

III. Country Actions Against Drugs in 2005

By the end of 2005, the HNP had trained 1256 new recruits (among them former members of the disbanded military) and retrained 240 existing uniformed officers. Academy training consisted of 16 weeks basic police tactics, traffic management, less-than-lethal tactics and weapons training. In-service training consisted of a week-long course in basic police tactics, crime scene management, and traffic management. On December 18, 33,192 Haitians took the police entrance exam. Thirteen thousand are expected to pass, at which point they will receive further screening and rigorous UN vetting before being admitted to the police academy in 2006. The HNP, the UN troops and the UN Civilian Police (UNPol) currently in Haiti have made limited progress toward disarming gangs that support and provide security to established drug trafficking organizations.

Supported by DEA and Narcotics Affairs Section (NAS), the HNP expanded the Counter-Narcotics Trafficking Office (French acronym BLTS) of the HNP to over 50 agents by the end of 2005. The HNP permitted the DEA to establish a Sensitive Investigative Unit (SIU) within BLTS, which has facilitated closer collaboration on counternarcotics matters. The Haitian Coast Guard (HCG) re-established operations in Cap Haitien in 2005, an important milestone in the HCG's effort to patrol Haiti's territorial waters and to interdict narcotics, illegal migrants and other illegal activities.

The IGOH reorganized the Central Financial Intelligence Unit (FIU, French acronym UCREF) and the Financial Crimes Task Force, two units involved in prosecuting financial crimes. Although the UCREF had launched approximately 400 investigations since 2004, it had achieved little success in bringing cases to trial. Data provided by the UCREF and to a lesser extent the task force in 2005 resulted in the freezing of $17.6 million in assets of convicted drug trafficker Serge Edouard.

Law Enforcement Efforts. Drug trafficking organizations operate with impunity, exploiting the instability and the weak institutions in the country. The lack of country infrastructure and governmental support leaves the BLTS and the HCG without the necessary equipment, maintenance, logistical support or incentive to effectively combat drug trafficking in Haiti.

In spite of these limitations, the BLTS continued daily patrols including inspection of inbound and outbound passenger baggage and airfreight. The BLTS also apprehended three fugitives wanted in the United States for drug-related crimes. The BLTS Maritime Interdiction Task Force (MITF) also conducted random daily searches and assisted in identifying vessels and individuals associated with drug trafficking at the local seaports. The Joint Information Coordination Center (JICC) continued to provide useful intelligence and to coordinate with the BLTS at the airport and the MITF.

The HCG conducted limited operations during 2005, supporting a UN security intervention in the Cite Soleil neighborhood of Port au Prince and participating in a joint counternarcotics operation with DEA and the BLTS.

Corruption. In October 2005, Transparency International designated Haiti as one of the most corrupt countries in the world. Corruption is endemic in almost all public institutions. The HNP Director General estimated that 25 percent of active duty HNP were involved in serious illegal activities. Intelligence confirms that the HNP continue to support drug traffickers by providing security and offloading drug-laden aircraft and vessels in Haiti. The IGOH responded by re-establishing a HNP Inspector General's office.

Cultivation/Production. There is no known cultivation or production of illicit drugs in Haiti, with the exception of cannabis, which is grown on a small scale for local consumption.

Drug Flow/Transit. The southern coast of Haiti is one of the preferred destinations for go-fast boats laden with cocaine traveling directly from the north coast of Colombia. The go-fasts typically meet Haitian fishing vessels that remain offshore at coastal towns. Near the end of 2005, the DEA noted a significant spike in suspected drug-laden airplanes landing in the border region with the Dominican Republic at Malpasse. Cocaine airdrops and sea cargo shipments from Colombia, Venezuela, and Panama were also reportedly on the rise.

Sea cargo cocaine shipments are concealed in legitimate cargo or inside the vessel structure itself. Smuggled drug shipments arriving at seaports are often transported overland to Port-au-Prince where they are broken down into smaller loads and concealed on cargo and coastal freighters. Smaller vessels carry loads of cocaine from Haiti's northern coast to the Bahamas for onward transport to Florida via fishing or pleasure boats. Multi-kilogram loads of cocaine are transported by commercial aircraft in checked luggage, strapped to bodies or hidden in food service or air cargo luggage carts. Large quantities of cocaine are also driven over the land to the Dominican Republic for eventual shipment to Puerto Rico or other destinations. Some drug planes arriving in Haiti with cocaine cargo also carry smaller amounts of heroin.

Marijuana is transported from Jamaica via go-fast boats to waiting fishing vessels and via cargo freighters to Haitian seaports along Haiti's southern claw. It is then shipped directly to the United States or transshipped through the Dominican Republic or Puerto Rico. Cocaine, crack, and marijuana are readily available and consumed in Haiti. Heroin usage for personal consumption is virtually nonexistent in Haiti.

Asset Seizure. Under the 2001 Anti-Money Laundering Law, forfeiture and seizure of assets are contingent upon convictions. Though the IGOH is supportive of a stronger, more proactive asset seizure law, its temporary governmental mandate does not allow for the passage of new laws. The inability to seize or freeze assets early in the judicial process limits the government's authority and resources to pursue cases.

Extradition. There is a U.S. and Haiti extradition treaty, signed in 1905; however, Haitian law prohibits the extradition of its nationals. The IGOH has, however, continued to cooperate with specific requests for expulsion. In 2005, three drug fugitives and six fugitives involved in other international crimes were returned to the U.S. by nonextradition means.

Demand Reduction. Widespread media coverage of high-profile suspects expelled from Haiti to face charges on drug-related crimes in the United States has helped to temper domestic demand. In addition, a public awareness campaign to discourage drug use was launched in 2005. Two radio jingles jointly sponsored by the IGOH and the USG, were broadcast free by all major radio stations in Haiti, and a public launching of the jingles attracted over 200 participants from the government, international and nongovernmental organizations, media and the general public.

Agreements and Treaties. Haiti is a party to the 1988 UN Drug Convention. A U.S.-Haiti maritime counternarcotics agreement and a bilateral maritime agreement entered into force in 2002. Haiti has signed but not ratified the OAS mutual legal assistance treaty, the Inter-American Convention Against Corruption, the Caribbean Regional Maritime Agreement, the UN Convention Against Transnational Organized Crime and the UN Convention Against Corruption.

IV. U.S. Policy Initiatives and Programs

Reform of the HNP is a major cornerstone of USG support for combating illegal drug trafficking in Haiti. The USG provided 8.2 million USD in FY 2005 to this effort through INL. Forty-five vans and trucks, 75 motorcycles, one wrecker and two armored SWAT trucks were deployed to increase the HNP's operational effectiveness and visibility. A wide array of essential police equipment was also provided in conjunction with training from INL police advisors and UNPOL. Five high-profile model police stations were rehabilitated and inaugurated in 2005 in Bicentenaire, Fort National, Delmas 33, Cap Haitian and Gonaives. The model police station project provided professional facilities with essential equipment to enable the UNPOL and HNP officers to collocate and operate jointly. INL augmented communications by installing permanent, solar-powered base radio stations and portable radios at 80 commissariats throughout Haiti.

In addition, the USG provided the Haitian Coast Guard with maritime interdiction capability, including interceptor craft, infrastructure improvements, operational support, and training and equipment. A major accomplishment in this area included a joint U.S.-UN effort to renovate the HCG station in Cap Haitien, which permitted the HCG to re-establish operations there in December 2005. Significant Military Liaison Office projects included the overhaul of four boats, USCG boat maintenance and boat operations courses funded by Federal Military Funding (FMF) and International Military Education and Training (IMET). The USCG Caribbean Support Tender (CST) cutter GENTIAN made four visits to the HCG Admiral Killick Base in Carrefour to provide supplies, conduct training, repair boats and generators, install a communications battery backup system, and inspect weapons. The USCG also supported the HCG with numerous Mobile Training Team missions. Under a SOUTHCOM humanitarian project, the medical clinic at Killick was renovated for the HCG and the community.

The DEA and NAS also worked closely with the BLTS to establish a Sensitive Investigative Unit. A site was identified, and a working plan for procurement and operations was established in 2005. The U.S. Treasury Office of Technical Assistance (OTA), in cooperation with NAS, provided on-the-job

investigative training to the Financial Crimes Task Force and to a lesser extent UCREF. In addition, NAS provided 25 computers to UCREF and four laptops and office equipment to the Task Force to support their work on prosecuting financial crimes.

The Road Ahead. Stemming the flow of illegal narcotics through Haiti remains a cornerstone of U.S. counternarcotics policy. Key preconditions to accomplishing of this goal are more effective law enforcement and judicial institutions, a government commitment to providing resources for these institutions through budgetary means and an effective asset seizure mechanism. Continued social disorder and political violence will only obstruct the road ahead. Following democratic elections, the new government should continue the IGOH's focus on fighting corruption and reforming the police and the judicial system.

Jamaica

I. Summary

Jamaica is a major transit point for cocaine enroute to the United States and also the largest Caribbean producer and exporter of marijuana. Cooperation between U.S. and the Government of Jamaica (GOJ) law enforcement agencies is considered excellent in most areas. During 2005, the GOJ sustained its counternarcotics law enforcement programs, including Operation Kingfish, which has led to the arrest of key traffickers and criminal gang leaders and the dismantling of their organizations.

The Jamaica Constabulary Force (JCF) made concerted efforts in 2005 to modernize its force. The JCF employed the services of two British law enforcement officers who are responsible for crime and operational matters and also acquired an integrated ballistic information system. Jamaica is a party to the 1988 UN Drug Convention and during 2005 made progress towards meeting the goals and objectives of the Convention.

II. Status of Country

Jamaica's 638 miles of coastline and over 110 unmonitored airstrips make it a major transit country for cocaine destined for the U.S. and European (primarily UK) markets as well as the largest producer and exporter of marijuana in the Caribbean. Although Jamaica is not a significant regional financial center, tax haven or offshore banking center, money laundering does occur, primarily through the purchase of real assets, such as houses and cars. The U.S. Customs Enforcement Team (CET) has reported that in 2005, cash couriers have become a significant concern with regards to money laundering. The GOJ made slow progress against money laundering as it remains hampered by the lack of effective legislation. The Financial Investigation Division was able to seize over $500,000 cash, from drug related proceeds.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The GOJ expanded and modernized Jamaica's ports including improvements in security. During 2005, systematic scanning of high-density cargo resulted in the seizure of over two thousand pounds of marijuana, a large quantity of weapons and other contraband. However, plans to expand and modernize CET stalled due to high staff attrition. In 2005, the GOJ began the renovation of an existing building at the Norman Manley International Airport in Kingston to house the Airport Interdiction Task Force, which will be comprised of Jamaican, U.S., UK and Canadian law enforcement personnel. The task force will focus on combating the trafficking of narcotics and illegal migrants and will become operational in early 2006. The GOJ continued to fund the operating expenses for the Caribbean Regional Drug Law Enforcement Training Center.

Law Enforcement Efforts. Both the JCF and JDF assign a high priority to counternarcotics missions. The JDF Air Wing and Coast Guard are actively involved in maritime interdiction efforts. The JCF Narcotics Division works closely with DEA in investigating significant narcotics trafficking and money laundering organizations in Jamaica.

In 2005, the GOJ seized 142.38 kilograms of cocaine, 17,654 kilograms of cannabis, 13,070 ecstasy tablets and destroyed 391 hectares of cannabis. The appearance of ecstasy on the local illicit narcotics scene is a new phenomenon. Cocaine seizures were significantly lower in 2005 when compared to 2004. Local law enforcement officers together with international law enforcement officers continued to aggressively target major drug trafficking organizations. The JDF continued to work with USG's Joint Interagency Task Force-South (JIATF-S) to successfully disrupt a number of planned go-fast

deliveries. The JCF arrested a total of 6,215 persons on drug related charges including 220 foreigners in 2005.

The ion scan machine located at the Norman Manley International airport in Kingston and operated by the British played a major role in identifying passengers transporting drugs. During 2005, Operation Kingfish resulted in the successful seizure of 56 vehicles, seven boats, one aircraft, 131 firearms, and two containers conveying drugs. Operation Kingfish alone was also responsible for the seizure of over nine metric tons of cocaine, four pounds of hash oil, and over 5,117 pounds of compressed marijuana.

The employment of British law enforcement officers and the acquisition of the integrated ballistic information system have led to a more concerted effort by the JCF to identify and dismantle high profile drug traffickers. Highlights of these efforts include the capture, conviction and sentencing of one of Jamaica's Most Wanted fugitives, the arrest of two other prominent criminals. Collaborative efforts between the JDF and the JCF intensified and the JDF played a significant role in developing intelligence, security and the apprehension of major drug dealers. Despite these changes, Jamaica's homicide rate was 1,669 for 2005 compared to 1,471 in 2004.

Corruption. Corruption continues to undermine law enforcement and judicial efforts against drug-related and other types of crime in Jamaica, and is a major barrier to more effective counternarcotics actions. The GOJ has a policy of investigating credible reports of public corruption; however, there were no prosecutions of high profile individuals for corruption or who are linked by reliable evidence to drug-related activity. The JDF has a "zero tolerance" policy on involvement in drug-related activity by its members.

Agreements and Treaties. Jamaica has a mutual legal assistance treaty (MLAT) and an extradition treaty with the U.S. Both countries utilize the MLAT to combat illegal narcotics trafficking and other crimes. The U.S. and Jamaica have a reciprocal asset sharing agreement. The U.S. and Jamaica also have a bilateral law enforcement agreement governing cooperation on stopping the flow of illegal drugs by maritime means. Jamaica is a party to the Inter-American Convention on Mutual Legal Assistance in Criminal Matters. In 2005, the GOJ agreed to the Cooperating Nation Information Exchange System. The GOJ signed the Caribbean Regional Maritime Counterdrug Agreement.

Cultivation/Production. Jamaica is the largest Caribbean producer and exporter of marijuana. There is no accurate estimate of the amount of cannabis cultivated. A lack of crop survey data and baseline figures makes it impossible to quantify the effect of GOJ eradication efforts on the total crop. The level of marijuana production has changed from large hectares to smaller plots nested in hilly and rocky terrain inaccessible to vehicular traffic. Highly sophisticated cultivation methods, including portable irrigation systems, generators, floodlights, etc., speeds up the cultivation process. Jamaica does not use herbicides to eradicate marijuana. Manual cutting is the primary eradication method.

Drug Flow/Transit. Cocaine is smuggled/transshipped from Colombia's north coast by major Colombian and Jamaican trafficking groups into and out of Jamaica primarily via go-fast vessels and to a lesser extent via private aircraft. Narcotics trafficking groups continue to utilize private aircraft to transport drugs from Jamaica to the Bahamas and then on to the United States. With one hundred and fourteen (114) identified landing strips/fields in Jamaica, these clandestine activities frequently occur undetected. Smugglers also use concealment in commercial shipments, and couriers who board airlines or cruise ships with ingested or concealed drugs.

Domestic Programs. Consumption of cocaine, heroin and marijuana is illegal in Jamaica. Marijuana is the drug most frequently abused, and consumption of both powder cocaine and crack cocaine are on the rise, despite limited availability. The possession and use of ecstasy (MDMA) is currently controlled under the Food and Drug Act and is subject to relatively light penalties. There is an effort underway to have ecstasy included under the Dangerous Drug Act. Jamaica has several active demand reduction programs including visible projects of the Ministry of Health/National Council on Drug

Abuse and the NGO, RISE, Life Management Services that receive modest U.S. funding support. The UNODC works directly with the GOJ and NGOs to improve demand reduction efforts.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The JDF Coast Guard (JDFCG) engages in cooperative operational planning with the U.S. Coast Guard for joint operations on an intermittent basis. During 2005, Jamaica participated in six deployments of Operation Rip Tide, a continuing U.S./Jamaica/Cayman Islands/UK effort to deny smugglers the use of maritime smuggling routes into Jamaica and the Cayman Islands. The bilateral maritime counternarcotics agreement was successfully exercised on several occasions during 2005. In February, the U.S. and Jamaica signed an additional protocol to the Shiprider Agreement to allow U.S. and JDFCG personnel to enforce Jamaican law from third party vessels (British, French, Dutch, Canadian, and Belgian).

Between 2004 and 2005 the JFDCG assigned two crewmembers to the Coast Guard Caribbean Support Tender and in addition, embarked the first officer for training. In 2005, two new CG ratings were attached for a yearlong tour aboard the USCGC Gentian.

In 2005, the U.S. continued to fund an advisor to the National Intelligence Bureau and a Law Enforcement Development Advisor to assist the JCF's strategic planning and reform efforts. Members of the highly effective Jamaica Fugitive Apprehension Team (JFAT), with guidance from the U.S. Marshals, received specialized training, equipment and operational support. The JFAT is actively working on over 213 fugitive cases. Since January 2005, twelve arrests have been made. There have been 5 cases of extradition and 3 persons have been deported to the United States. There are 18 defendants in custody awaiting extradition to the U.S.

The U.S.-funded International Organization for Migration (IOM) Border Control Project, designed to strengthen the GOJ's ability to monitor the flow of persons into and through Jamaica, was officially launched in November 2004 and became fully functional in 2005. Use of the system resulted in the detection of over 30 fraudulent Jamaican passports, and enabled Jamaican authorities to identify a number of individuals of various nationalities involved in immigration violations and other illicit activities. USAID is continuing with a program of assistance to the JCF in community-police relations that will focus on strategies to reduce crime and violence.

The Road Ahead. The GOJ has taken steps to combat drug trafficking and other types of organized crime. However, the GOJ needs to further intensify its law enforcement efforts and enhance international cooperation. In 2006, the U.S. will concentrate its efforts on assisting the GOJ with tackling corruption; modernize its judicial system; lobby the GOJ to expedite crime fighting legislation; and continue to provide assistance and training to the JDFCG to strengthen Jamaica's maritime interdiction efforts. The USG is committed to on-going support for the JCF Narcotics vetted unit, the JFAT and the CET through the provision of specialized training and equipment.

The GOJ needs to implement legislation similar to the U.S. RICO statute and add amendments to enhance the effectiveness of the Interception of its Communications (wiretap) Act.

Suriname

I. Summary

Suriname is a transit point for South American cocaine enroute to Europe and, to a lesser extent, the United States, and has been a transit country for MDMA (ecstasy) from Europe to the U.S. market in the past. The Government of Suriname's (GOS) inability to control its borders, lack of a law enforcement presence in the interior, and lack of aircraft or patrol boats allow traffickers to move drug shipments via sea, river, and air with little resistance. Nevertheless, in 2005, GOS law enforcement improved on its past counternarcotics performance, demonstrating the capacity to arrest and convict high-profile narcotics traffickers. The principal obstacles to effective counternarcotics law enforcement efforts are inadequate resources and limited training for law enforcement. Suriname is a party to the 1988 UN Drug Convention but has not implemented legislation bringing it into full conformity with the Convention.

II. Status of Country

Suriname is a transshipment point for cocaine destined primarily for Europe and, to a lesser extent, the United States. Evidence available in 2005 did not indicate that a significant amount of drugs entered the U.S. from Suriname. The GOS is unable to detect the diversion of precursor chemicals for drug production, as it has no legislation controlling precursor chemicals. The lack of resources, limited law enforcement capabilities, along with inadequate legislation, drug-related corruption, and a complicated and time-consuming bureaucracy, inhibit the GOS' ability to identify, apprehend, and prosecute narcotics traffickers. In addition, sparsely populated parts of its coastal region and the country's isolated jungle interior together with weak border controls and infrastructure make narcotics detection and interdiction efforts difficult.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Suriname's current administration and GOS law enforcement officials consistently express concern regarding the extent of drugs transiting Suriname and point to the lack of resources as the primary obstacle to Suriname's counternarcotics efforts. Suriname's National Drugs Master Plan (2006-2010) is pending final approval. The plan covers both supply and demand reduction and includes calls for new legislation to control precursor chemicals. The development of the plan through multisectoral consultation was a significant step in fostering national coordination to address Suriname's drug problem.

Law Enforcement Efforts. In 2005, Surinamese law enforcement focused more attention on dismantling large criminal organizations than in the past and showed an increased capacity to arrest and secure convictions of high-profile, well-connected narcotics traffickers. In 2005, GOS law enforcement arrested numerous people carrying drugs on their bodies or in luggage at the international airport, primarily passengers on the three to six weekly flights (varying seasonally) to Amsterdam; 125 of these people had ingested cocaine. Many who evade detection in Suriname are arrested at the airport in Amsterdam, which since 2004 has implemented a 100 percent inspection of all passengers and baggage arriving on inbound flights from Suriname.

In 2005, a special police unit cooperated closely with Dutch law enforcement to investigate criminal organizations smuggling drugs and laundering money between Suriname and the Netherlands. The cooperation culminated in the investigation and arrest of two long-suspected major drug traffickers and several of their associates during an operation named "Ficus." One suspect, who heads a

Suriname-based holding company with stakes in casinos, car dealerships, and money transfer/exchange offices, is now on trial in the Netherlands for narcotics trafficking and money laundering. The other suspect, who owns a prominent rice export business, is on trial in Suriname; he was arrested in connection with the December 2003 confiscation of 296 kilograms of cocaine from one of his vessels that was en route to Portugal and for being a suspected member of a criminal organization. Over the first nine months of 2005, the Narcotics Brigade of the Surinamese police force (KPS) seized 1,436 kilograms of cocaine and 78 kilograms of cannabis and arrested 540 people for drug-related offenses.

In April 2005, a joint operation of the police SWAT team (A-Team) and the Narcotics Brigade, led to the arrest of two men and the confiscation of 334 kilograms of cocaine, 274 cartridges and four hand grenades from a residence in Paramaribo. In July, police seized 289 kilograms of cocaine found packed in 700 one-kg bags of frozen root vegetable awaiting export to the Netherlands. The suspects arrested in these cases are on trial. In May, police seized 438 kilograms of cocaine from a Cessna airplane that made an emergency landing approximately 60 miles west of Paramaribo. Two Colombian men on board, whose final destination was apparently a clandestine airstrip located on an unpopulated band of the Surinamese coast, were subsequently arrested and, in November, sentenced to 16 years imprisonment for importing cocaine. There are criminal organizations operating arms-for-drugs activities in Suriname that may have connections to the Colombian terrorist group the Revolutionary Armed Forces of Colombia (FARC).

In 2005, the judiciary handed down several stiff sentences in three other high-profile drug cases. In August, Dino Bouterse, son of former military strongman and convicted narcotics trafficker Desi Bouterse, was sentenced to eight years in prison for participating in a criminal organization. Bouterse was the leader of a criminal ring involved in the trafficking of cocaine, weapons and vehicles. In September, 23 suspects, including three Colombians, were sentenced for trafficking cocaine from Colombia into Suriname based on the February 2004 police seizure of 379 kilograms of cocaine and 800 liters of airplane fuel. In October 2005, a major narcotics trafficker received a 15-year sentence for masterminding the Maratakka drugs case, in which 341 kilograms of cocaine, aircrafts, airplane fuel, weapons and ammunition were seized in November 2003.

In 2005, the GOS seized 1507 kilograms of cocaine and 169 kilograms of cannabis. A total of 734 people were arrested for drug-related offenses; 178 of these were arrested at the international airport, after having ingested cocaine.

Corruption. The GPS does not facilitate the production, processing, or shipment of narcotic and psychotropic drugs or other controlled substances, and does not discourage the investigation or prosecution of such acts. The GOS takes legal and law enforcement measures to prevent and punish public corruption. Public corruption is considered a problem in Suriname. Reports of money laundering, drug trafficking and associated criminal activity involving current and former government and military officials continue to circulate, but the government has a record of action in prosecuting or terminating corrupt officials. According to Customs reports, the GOS loses roughly $45 million annually in uncollected Customs revenues due to corruption and false invoicing. Investigations show that false invoicing occurs daily, despite heavy fines. Former military strongman Desi Bouterse and former rebel leader Ronnie Brunswijk served in the National Assembly in 2005, despite having convictions in absentia in the Netherlands for narcotics trafficking. Brunswijk was also convicted in a French court in absentia for the same crime.

Agreements and Treaties. Suriname is party to the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Suriname is also a party to the 1988 UN Drug Convention and has accordingly passed legislation that conforms to a majority of the convention's articles, but has failed to pass legislation complying with precursor chemical control provisions. The GOS ratified the Inter-American Convention on Mutual Assistance in Criminal

Matters. Since 1976, the GOS has been sharing narcotics information with the Netherlands pursuant to a Mutual Legal Assistance Agreement. In August 1999, a comprehensive six-part bilateral maritime counternarcotics enforcement agreement with the U.S. entered into force. The U.S.-Netherlands Extradition Treaty of 1904 is applicable to Suriname, but Suriname's Constitution prohibits the extradition of its nationals. The extradition relationship between the United States and Suriname is inactive. In November 2005, Suriname signed a Mutual Legal Assistance Agreement with the Netherlands Antilles allowing for direct law enforcement cooperation between the two, no longer requiring the process to be first routed through The Hague. Suriname has also signed bilateral agreements to combat drug trafficking with neighboring countries Brazil and Guyana, as well as with Venezuela. Suriname is an active member of the Inter-American Drug Abuse Control Commission of the Organization of American States (OAS/CICAD), to which it reports regularly. Suriname is not a party to the UN Convention Against Transnational Organized Crime.

Cultivation and Production. Suriname is not a producer of cocaine or opium poppy. While cannabis is cultivated in Suriname, there is little specific data on the number of hectares under cultivation or evidence that it is exported in significant quantities.

Drug Flow/Transit. Much of the cocaine entering Suriname is delivered by small aircraft, which land on clandestine airstrips in the dense jungle interior and in sparsely populated coastal districts where the lack of resources, infrastructure, law enforcement personnel and equipment makes detection and interdiction difficult. Following drug deliveries along interior roads, to clandestine airstrips, or by sea drops the drugs are shipped to seaports via numerous river routes to the sea or overland for onward shipment to Caribbean islands, Europe and the United States. Drugs exit Suriname via commercial air flights (by drug couriers or concealed in planes) and by commercial sea cargo. European-produced MDMA is transported via three to six weekly flights (varying seasonally) from the Netherlands to Suriname; in the past drug couriers have transported the drugs to the United States.

Domestic Programs. During 2005, the National Drug Demand Reduction Office (DDR) conducted training sessions for specialists on primary prevention strategies and minimum standards for drug treatment centers. In August, the Bureau for Alcohol and Drugs (BAD) and the police conducted DDR-sponsored drug prevention training for ten youth organizations in Suriname. The National Drugs Information System, created to collect and distribute data to support policy formation, has been largely ineffective.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The principle obstacles in Suriname to effective counternarcotics law enforcement efforts are inadequate resources and limited training for law enforcement. Therefore, the U.S. aims to reduce the trafficking of narcotics through Suriname through a mix of training and material to strengthen the GOS law enforcement institutions and their capabilities to detect and interdict narcotics trafficking activities.

Bilateral Cooperation. A high level of cooperation exists between U.S. and GOS law enforcement officials. In 2005, the U.S. provided both training and material support to several elements of the KPS and the military to strengthen their counternarcotics capabilities and promote greater bilateral cooperation. USG funding went towards the purchase of hardware and software for a criminal records database, radio equipment, vehicles, renovation of police academy classrooms, and computer systems, and training.

The Road Ahead. The U.S. will continue to encourage the GOS to pursue large narcotics traffickers and to dismantle their organizations rather than focusing upon swallowers and body carriers. The U.S. will encourage the GOS to sign and ratify the Caribbean Regional Maritime Agreement. The U.S. will also urge the GOS to focus on port security, specifically seaports, which are seen as the primary

conduits for large shipments of narcotics exiting Suriname. The DEA intends to intensify its cooperation with Surinamese law enforcement in 2006 by establishing an office in Suriname. The U.S. will continue to provide equipment, training, and technical support to the GOS to strengthen its counternarcotics efforts.

Trinidad and Tobago

I. Summary

Trinidad and Tobago is a transit country for drugs from South America to the U.S. and Europe. Marijuana is grown in Trinidad and Tobago, but it is not a major drug-producing country. The Government of Trinidad and Tobago (GOTT) continued to cooperate with the U.S. on counternarcotics issues and allocated significant resources to the fight against illegal drugs. U.S. bilateral efforts in 2005 focused on the provision of technical assistance, training, and materiel to help the GOTT strengthen all facets of its counternarcotics efforts. The GOTT is party to the 1988 UN Drug Convention.

II. Status of Country

Trinidad and Tobago is situated seven miles off the coast of Venezuela, directly between the major cocaine producing countries of South America and the major consumers of North America and Western Europe. It is a transshipment point for illicit drugs, primarily cocaine and marijuana but also heroin.

Trinidad and Tobago does not produce coca or opium poppy. Marijuana is grown, but not on a scale to make Trinidad and Tobago a major drug-producing country as defined in the 1961 Foreign Assistance Act. Trinidad and Tobago has an advanced petrochemical sector, which requires the import and export of chemicals that can be diverted for the manufacturing of cocaine hydrochloride. Precursor chemicals originating from Trinidad and Tobago have been found in illegal drug labs in Colombia. U.S.-donated computers now give the GOTT Ministry of Health the capability to track chemical shipments through the country, with the aim of preventing future diversion to narcotics producers.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In 2005, the GOTT National Drug Council implemented elements of the country's counternarcotics master plan. This plan addresses both supply and demand reduction. In addition, the GOTT supported the Special Anti-Crime Unit (SAUTT), commissioned in 2004, and enhanced its capabilities. The SAUTT has responsibility for both counternarcotics and antikidnapping operations. During 2005, the GOTT hired an American criminal justice specialist to evaluate Trinidad and Tobago's law enforcement structures. His report recommended changes in the structure, training regime and culture of the police service. To implement the recommendations, the GOTT sent its elite officers to numerous drug and crime training courses in the U.S and the UK.

In 2005, the GOTT upgraded its coastal radar assets, and acquired two armed helicopters, an aerial surveillance system outfitted with radar and imaging systems, a forward-looking infrared camera, twenty-four mobile police units, and several sky watch units. Anticrime legislation under discussion as a result of negotiations between the two major parties at the end of November 2005 aims at enhancing counternarcotics enforcement.

Accomplishments. The GOTT funds a three-person U.S. Customs Advisory Team that provides technical assistance to the Customs and Excise Division. This unit focuses on improving the effectiveness of the GOTT's passenger and cargo processing and enhancing enforcement of the customs law. The GOTT also funds an IRS Tax Assistance and Advisory Team that is working with the Board of Inland Revenue (BIR) to detect and prosecute financial crimes. The GOTT provided support for the Caribbean Financial Action Task Force (CFATF), which has its secretariat in Port of Spain, and began to implement several of its recommendations to combat money laundering.

The Trinidad and Tobago Coast Guard's (TTCG) Air Guard (formerly the TTCG Air Wing) conducts drug interdiction operations using two C-26 sensor aircraft it purchased from the U.S. These aircraft have maritime surveillance and drug interdiction capabilities. The GOTT has financially supported the maintenance of these aircraft since May 2005.

Law Enforcement Efforts. In 2005, the GOTT seized 3,000 kilograms of cocaine, including liquid cocaine, 15.58 kilograms of heroin, and over 100,000 kilograms of cannabis in various forms. The GOTT also eradicated 1,116,500 cannabis plants and seedlings during the year. One particularly noteworthy seizure occurred on Monos Island, located off the northwest coast of Trinidad. This joint exercise by the SAUTT, the police and the TTCG netted 1,750 kilograms of cocaine. Reports speculate that the drugs originated in Colombia and transited Venezuela, indicating involvement by a major organized crime operation. Eight persons were charged: five Venezuelans, one Antiguan and two Trinidadians.

The GOTT purchased an additional five drug detection dogs for use by the TTPS. The U.S. and UK are assisting the GOTT with the purchase of a "drugloo," a device that facilitates recovery of contraband items concealed in a smuggler's gastro-intestinal tract. In CY 2005, four people were extradited to the U.S.; three were extradited on drug-related charges.

Corruption. Trinidad and Tobago is a party to the Inter-American Convention Against Corruption and has signed the UN Convention Against Corruption. During 2005, there were no charges of drug-related corruption filed against GOTT senior officials, and the U.S. Embassy in Trinidad and Tobago has no information indicating that any senior government officials encourage or facilitate the illicit production or distribution of drugs or the laundering of drug money. At GOTT request, the USG has polygraphed police, and mid-and high-level officials going for training or entering elite units to ensure that reputable and reliable personnel are chosen.

Agreements and Treaties. Trinidad and Tobago is party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention, and the 1971 UN Convention on Psychotropic Substances. Mutual Legal Assistance and Extradition treaties with the U.S. entered into force in November 1999. The GOTT continued to comply with U.S. requests under the extradition and mutual legal assistance treaties and updated its extradition treaty with the USG in April 2004. A bilateral U.S.-GOTT maritime agreement is also in force. The GOTT signed 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 in 2001, but it has not yet ratified those instruments. Trinidad and Tobago is also a member of the Organization of American States' Inter-American Drug Abuse Commission (OAS/CICAD).

Cultivation and Production. Trinidad and Tobago is not a producer of cocaine or opium poppy. Marijuana, however, is cultivated year-round in the forest and jungle areas of northern, eastern, and southern Trinidad and, to a minor extent, in Tobago. The total amount of cultivation cannot accurately be determined because cultivation is done in small quarter-acre lots in remote areas. Eradication takes place by cutting and burning plants manually as opposed to aerial herbicide application.

Drug Flow/Transit. Illicit drugs arrive from the South American mainland, particularly Venezuela, on fishing boats, pleasure craft and commercial aircraft. Sizeable quantities of drugs also transit the country through commodities shipments from South America. Drugs are then smuggled out on yachts, in air cargo, and by couriers. Smuggling through the use of drug swallowers is also on the rise. Cocaine has been found on airline flights from Guyana transiting Trinidad and Tobago en route to North America.

Drug seizures reported by U.S. law enforcement officials at JFK International Airport in New York and other intelligence indicate that Guyanese-based smuggling organizations and other South American operations, are increasingly using Trinidad and Tobago as a transshipment point for

cocaine. In addition, the DEA believes there has been an increase in the amount of heroin transiting the country. Reportedly, some shipments are bypassing Trinidad and Tobago in favor of other islands because of the counternarcotics efforts of GOTT security forces. There is little or no manufacturing or distribution of synthetic drugs in Trinidad and Tobago.

Domestic Programs (Demand Reduction). The GOTT does not maintain statistics on domestic consumption or numbers of drug users. Trinidad's demand reduction programs are managed by government agencies such as the Ministry of Community Development, Culture and Gender Affairs, the National Drug Council in the Ministry of National Security, the Ministry of Education, and the Office of Social Services Delivery, often with assistance from NGOs. The GOTT also funds the National Alcohol and Drug Abuse Prevention Program, which coordinates the activities of NGOs to promote demand reduction.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. Joint U.S./GOTT efforts focus on strengthening the GOTT's ability to detect and interdict drug shipments, bring traffickers and other criminals to trial, attack money laundering, and counternarcotics-related corruption. The U.S. also seeks to strengthen the administration of justice by helping to streamline Trinidad and Tobago's judicial process, reduce court backlogs, and protect witnesses from intimidation and murder.

Bilateral Cooperation. The U.S. has a cooperative relationship with the GOTT and continues to provide Trinidadian law enforcement organizations with training, technical assistance, equipment and vehicles in support of their counternarcotics/crime efforts. The U.S. provided equipment and vehicles to the OCNU, drug and bomb detection dogs to the TTPS and the Customs and Excise Division, and fast interceptor boats and shallow draft interdiction boats for the TTCG and Customs and Excise Division. The U.S. continues to cooperate with the British to increase the GOTT's ability to detect drug swallowers transiting its airports. The GOTT-funded U.S. Customs Advisory Team provides technical assistance to Customs and Excise in tracking and intercepting marine vessels, including cargo container ships, and improving drug detection. The team continued to work with the Customs Marine Interdiction Unit and Canine Unit to strengthen their counternarcotics capabilities. The team provided technical assistance, along with U.S.-funded computers and training, to help the GOTT establish a Passenger Analytical Unit (PAU) at Piarco International Airport to target passengers for interview and secondary inspection. A GOTT-funded IRS Tax Assistance and Advisory Team is helping the Board of Inland Revenue detect and prosecute financial crimes.

The Road Ahead. The U.S. will work closely with the GOTT's law enforcement agencies to strengthen their counternarcotics/crime capabilities. The U.S. will provide training and operational support to the TTCG to enhance the GOTT's maritime interdiction capabilities. The U.S. will support and assist the Criminal Investigation Unit in fulfilling its five-year plan of integrating with other law enforcement agencies and conducting money laundering and illegal source of income investigations. The U.S. will continue efforts to improve the rule of law by encouraging legal reforms, including improving evidentiary laws, and providing assistance aimed at reducing judicial delays. In addition, the U.S. will seek to engage GOTT officials, the Caribbean Financial Action Task Force, and Caribbean Anti-Money Laundering Programme in the enactment and implementation of effective asset forfeiture and anti-money laundering laws.

SOUTHWEST ASIA

Afghanistan

I. Summary

The political and economic situation in Afghanistan is improving, but opium production and the resultant trafficking of opium and its derivatives still accounts for roughly one third of Afghanistan's total (combined licit and illicit) GDP. Afghanistan's huge drug trade severely impacts efforts to rebuild the economy, develop a strong democratic government based on rule of law, and threatens regional stability. Dangerous security conditions and corruption constrain government and international efforts to combat the drug trade and provide alternative incomes. However, there was some cause for guarded optimism in 2005. The number of hectares under poppy cultivation dropped 48 percent, from 2004's record crop of 206,700 to 107,400, according to USG statistics. Opium production, however, dropped only 10 percent because yields rose sharply due to favorable weather. The reduction in planting may be credited to a number of factors, including surplus crop from 2004, public information efforts against poppy cultivation, (including President Karzai's public statements), promised alternative livelihoods assistance, and the threat of forced eradication and arrest. President Karzai pledged an additional 20 percent reduction in cultivation for 2006. In a significant positive legal development, the GOA extradited a major drug trafficker to the U.S. in October, the first time Afghanistan permitted the extradition of a citizen for drug trafficking.

The Government of Afghanistan (GOA) continues to pursue an eight pillar counternarcotics (CN) strategy focused on: Public Information, Alternative Livelihoods, Law Enforcement, Criminal Justice, Eradication, Institutional Development, Regional Cooperation and Demand Reduction. In 2005, the GOA adopted the Poppy Elimination Program (PEP), a multi-faceted program working with provincial governments to reduce poppy production in the seven major poppy producing provinces. The GOA also focused on building capacity within its nascent law enforcement and justice sector institutions to increase arrests, prosecutions and convictions of drug traffickers. The international community actively assists the GOA in its CN efforts and to help build its capacity. International counternarcotics activities remain under a multilateral mandate with the UK in the lead. U.S. government assistance focuses on the five pillars of Alternative Livelihoods, Public Information, Criminal Justice (Justice Reform), Law Enforcement, and Eradication in close coordination with the GOA. Although this year saw some encouraging developments, the GOA will need sustained international assistance and political support over many years to achieve its counternarcotics goals.

II. Status of Country

Afghanistan produces nearly 90 percent of the world's opium poppy and is also the world's largest heroin producing and trafficking country. Trafficking activities include refining and traffic in all forms of unrefined (opium), refined (heroin) and semi-refined (morphine base) opiates. The IMF estimated licit GDP for the Afghan fiscal year ending on March 21, 2005 at $5.9 billion. UNODC estimated illicit opium GDP at $2.8 billion for the same period, which indicates that illicit opium GDP accounts for roughly one-third of total GDP. Criminal financiers and narcotics traffickers exploit the government's weakness and corruption. Reconstruction efforts which began in 2002 are improving Afghanistan's infrastructure, laying the necessary groundwork to combat the cultivation and trafficking of drugs throughout the country.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The U.S.—in concert with the UK, designated the international lead-nation on counternarcotics—has worked to ensure that counternarcotics is at the forefront of Afghan policy

initiatives. President Karzai has expressed his clear commitment to stemming drug production and trade in Afghanistan and has set the goal of a 20 percent reduction in opium cultivation in 2006. To accomplish this goal the GOA took the following key actions against narcotics in 2005:

- **Illicit Crop Control.** With U.S. and UK support, the GOA established the Poppy Elimination Program (PEP) in May 2005. PEP is designed to reduce poppy cultivation through year-round targeted public information campaigns to dissuade poppy planting, alternative livelihood programs to spur rural development, and governor-led eradication (GLE) of poppy crops. PEP teams have been deployed to the seven key poppy producing provinces. These teams, comprised of public information, alternative livelihoods and monitoring/verification officers, work with the governors to prevent opium planting and support governor-led eradication by providing monitoring and verification of eradication efforts. The GOA reconfigured the Central Poppy Eradication Force (CPEF) into the Afghan Eradication Force (AEF), a more flexible and mobile force with air support that will broaden the central government's eradication capabilities.
- **Legislation.** The U.S. Department of Justice Senior Federal Prosecutors Program in Afghanistan, working with their Afghan counterparts, drafted a counternarcotics law, which was adopted in December 2005. This legislation was the first step in supporting Amendment 7 of the Constitution prohibiting the cultivation and smuggling of narcotic drugs and provides the legal and investigative authority foundations for high-level investigations and prosecutions. The counternarcotics law also codified the use of the 1988 UN Drug Convention as a legal basis for extradition. This comprehensive counternarcotics law will substantially enhance the GOA's ability to arrest, prosecute and convict drug traffickers.
- **Justice Reform.** In 2004, the U.S., U.K. and other donors established the Vertical Prosecution Task Force (VPTF) and in 2005 established the Central Narcotics Tribunal (CNT); the U.S. Department of Justice Prosecutors helped the GOA craft the legal mechanism to establish this court, designed to move expeditiously against narcotics criminals. The VPTF consists of teams of investigators and prosecutors who will work together in developing and prosecuting narcotics cases. The U.K., Norway, and the U.S. have all dispatched mentors to work with the VPTF. The CNT, established by decree, has exclusive national jurisdiction over mid- to high-level narcotics cases in Afghanistan; and the Supreme Court has now authorized automatic transfer of eligible cases from other courts. The Misri Khan trial, which began in November 2005, has been transferred to the CNT and is the first to rely upon Western-style investigative techniques in Afghanistan. The Misri Khan case involves the investigation, arrest and prosecution of mid-level Afghan drug traffickers for conspiracy to export heroin to the United States.

Once completed, the Counternarcotics Justice Center (CNJC) will provide secure facilities for the VPTF and CNT to operate. It will contain secure courtrooms, and a detention facility to house defendants undergoing trial. The United Nations Office on Drugs and Crime (UNODC) is refurbishing a section of the Pol-e Charkhi prison to securely house convicted narcotics traffickers after they have been prosecuted in the CNT.

Law Enforcement Efforts. Drug law enforcement efforts have been hampered by the continuing insurgency and lack of GOA police and legal capacity. In 2003, the Ministry of Interior (MOI) established a Counter Narcotics Police Department (CNPA), which is divided into three units: investigation, intelligence and interdiction. Development of the CNPA will be the focus of efforts to create an Afghan enforcement institution capable of investigating and developing narcotics cases.

Progress has been slow, given the difficulty of the unit's mission. Developing MOI capacity and capability for the CNPA continues to be a high priority for Afghanistan itself and its major foreign donors.

To get action on enforcement now, while the longer term effort at creating the CNPA continues, DEA and the Afghan Government created the National Interdiction Unit (NIU) of the CNPA in 2005. This unit is a specially trained group of approximately 110 CNPA police officers who are supported and mentored by the DEA. The NIU conducts interdiction and investigative activities designed to attack the command and control structure of mid-value and high-value drug trafficking organizations (DTOs) in Afghanistan. To develop and support the NIU, the DEA established the Foreign Advisory Support Teams (FAST) in 2005. FAST teams are rotational deployments of specially trained DEA Special Agents and Intelligence Research Specialists who are assigned to Afghanistan for 120 day periods to support the Kabul Country office of the DEA and the NIU in furthering DEA intelligence and law enforcement operations. The NIU also works with the Afghan Special Narcotics Force (ASNF), a trained paramilitary interdiction unit used to attack large, hard targets to create a highly-specialized narcotics interdiction and investigative entity capable of disrupting and dismantling major trafficking organizations. NIU operations began in October 2004. From October 2004—October 2005 NIU seized 42.9 metric tons of opium, 5.5 metric tons of heroin, and 220 kilograms of morphine base from 247 clandestine conversion labs and made 32 arrests. NIU's activities were severely limited by the lack of dedicated air support, which would permit access to hard targets.

Efforts to interdict precursor substances and processing equipment also suffer from limited police and judicial capacity. There are currently no registries or legal requirements for tracking, storing or owning precursor substances, although the new drug law requires the Ministry of Counter-Narcotics to develop a modern regulatory system. Progress in this regard depends on passing new laws, establishing a system for distinguishing between licit/potentially illicit uses of dual-use chemicals, and then establishing a specialized police force to enforce the new system.

Corruption. Drug-related corruption is a problem at all levels of government and remains pervasive at the provincial and district levels. Corruption ranges from facilitating drug activities to benefiting from revenue streams generated by the drug trade. The national government officially condemns the drug trade, but lacks the capability to control it at the local level. In 2005, President Karzai removed from office a few police and provincial officials whom he deemed corrupt. His ability to move vigorously against corruption in provincial governments and in the central government is severely constrained by the practical political considerations of a nascent central government. The GOA realizes it must take more meaningful action against corruption in 2006 to facilitate good governance and assist in implementing its National Drug Control Strategy (NDCS).

Agreements and Treaties. Afghanistan is a party to the 1961 UN Single Convention, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. The GOA has no formal extradition or legal assistance arrangements with the U.S., although drug offenders may now be extradited under the 1988 UN Drug Convention based on recent Afghan counternarcotics legislation. In close cooperation with U.S. Department of Justice Senior Federal Prosecutors, a major drug trafficker was extradited to the U.S. in October 2005 under the 1988 UN Drug Convention to stand trial on narcotics charges. This marked the first time Afghanistan permitted the extradition of one of its citizens for drug trafficking to a foreign country. Afghanistan is not a party to any bilateral treaties that provide mutual legal assistance with any nation, including the U.S. Afghanistan is a party to the UN Convention against Transnational Organized Crime. Afghanistan has signed, but has not yet ratified, the UN Convention Against Corruption.

Illicit Cultivation/Production. The number of hectares under poppy cultivation dropped 48 percent, from 2004's record crop of 206,700 to 107,000 in 2005. Afghanistan still remains the largest cultivator of illicit opium poppy in the world, accounting for approximately 87 percent of illicit opium

worldwide, according to the UNODC. Despite the sharp decrease in hectares planted, opium production fell by only 10 percent (4,475 metric tons in 2005 from 4,950 metric tons in 2004) because favorable weather increased yield per hectare. Poppy is grown at varying levels of intensity in all of Afghanistan's 34 provinces, comprising 2.3 percent of all arable land and, up to 10 percent in poppy growing villages. Poppy cultivation provides regular employment for some 8.7 percent of the population and a much larger proportion benefits from linkages to the drug trade. As noted previously, poppy production amounts to one-third of GDP in Afghanistan. It is the principal source of livelihood in several areas, as the decision to plant poppy determines access to land and credit. There are strong linkages to all aspects of Afghanistan's still profoundly underdeveloped economy. Because of the limited reach of law enforcement, corruption, some lack of government will, and weak judicial institutions, the GOA has not been able to enforce its decree banning opium production. The GOA will not likely have the capacity to enforce the decree for some years.

The 48 percent decrease in hectares planted in 2005 is encouraging, though it was not consistent across the country. Some 55 percent of the total reduction took place in only two provinces, Nangarhar and Helmand, where provincial governments were willing to crack down on growers. In some provinces reductions were more modest and in others planting increased from 2004. Factors influencing farmers' decisions not to plant poppy likely included market forces following 2004's record crop, appeals from President Karzai and other public information efforts, the threat of eradication and arrest, and promised alternative livelihood assistance. In 2005, the ANP and provincial government forces conducted limited eradication. The CPEF was able to eradicate only a little over 200 hectares because of local resistance, obstruction by local officials and lack of needed GOA support. 200 hectares represents less than two-tenths (.002 percent) of one percent of the area planted to opium.

Understanding from 2005 experience that cooperation from provincial governments is critical to poppy elimination, President Karzai called for increased engagement by local leaders in 2006. PEP was created to focus elimination/eradication efforts at the provincial level. CPEF has been reshaped into the Afghan Eradication Force (AEF), a more nimble ready-response eradication force with air support comprised of four eradication teams that will be deployed to conduct eradication in the various provinces of Afghanistan. The Afghan Ministry of Interior has committed 1,300 policemen to support governor-led eradication.

In addition to improved law enforcement, rebuilding the rural economy to provide viable alternatives to poppy growing is critical to reducing opium poppy cultivation. USAID developed a comprehensive alternative livelihoods (AL) program that allocated and obligated some $175 million dollars to AL projects in the major opium cultivation areas of Afghanistan. These projects are focused on accelerating economic growth in rural areas to create long-term sustainable jobs. However, the full effects of these projects are realized over years and are not likely to result in a massive shift away from poppy cultivation in the near term.

Drug Flow/Transit. Drug cultivation in Afghanistan is facilitated by traffickers who lend money to Afghan farmers, and subsequently buy their crop at previously set prices, or accept repayment of loans with deliveries of raw opium. In many provinces opium markets exist. Under the control of regional gangsters (frequently warlords who also control the illicit arms trade and trafficking in persons) opium is traded freely to the highest bidder and is subject to taxation by the gangster. An increasingly large portion of Afghanistan's raw opium crop is processed into heroin and morphine base by drug labs inside Afghanistan, reducing its bulk by a factor of 10 to 1, and thereby facilitating its movement to markets in Europe, Asia and the Middle East through Iran, Pakistan, and Central Asia. In the South, Southeast and Northeast border regions, Pakistani nationals play a prominent role in all aspects of the drug trade. Distribution networks frequently are organized along regional and ethnic lines and other organized criminal groups are believed to be involved in transportation onwards to Turkey, Russia and the rest of Europe.

Demand Reduction/Domestic Programs. The GOA recognizes that it has a growing domestic drug use problem, particularly with opium and increasingly with heroin. In 2005, the GOA conducted its first nationwide survey on drug use. The survey conducted by the Afghan ministries of health and counternarcotics revealed there were 920,000 drug users in Afghanistan, including an estimated 150,000 users of opium and 50,000 heroin addicts.

The Afghan National Drug Control Strategy includes demand reduction and rehabilitation programs for existing and potential drug abusers. However, Afghanistan has a shortage of general medical services and only limited GOA resources are being directed to these programs. The UK, Germany and —to a lesser degree—the U.S. have funded specific demand reduction and rehabilitation programs.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United Kingdom was designated as the international lead nation on counternarcotics activities in Afghanistan in 2002. As the drug problem grew out of control and evidence mounted that drug proceeds were supporting Taliban remnants and terrorist groups, the U.S. expanded its counternarcotics programs. Counternarcotics activities remains among the U.S.'s top priorities for Afghanistan, as solving the narcotics problem is critical to reconstruction, effective governance and rule of law in Afghanistan. The U.S., in coordination with the GOA and the UK, has crafted a comprehensive and integrated strategy and is providing substantial resources to achieve the following aims:

- Win popular support for the government's CN program through a broad public affairs campaign.
- Develop alternative sources of income to poppy in rural areas.
- Enhance the GOA's capacity to arrest, prosecute and incarcerate drug offenders.
- Destroy drug labs and stockpiles.
- Dismantle the drug trafficking/refining networks.
- Enforce the poppy ban through a strong eradication campaign.

The Road Ahead. Afghanistan's difficult security and economic environment and political fragility limit the GOA's ability to counternarcotics production and trade. The 48 percent reduction in the poppy crop in 2005 and the GOA's commitment to reducing cultivation by an additional 20 percent in 2006 are encouraging developments. However, sustained progress against the drug trade will require continued commitment to the comprehensive counternarcotics implementation plan by the GOA and its international partners over years. Until Afghanistan has a stable security environment with a rebounding rural sector, and its law enforcement capacity is strengthened, drug production and trafficking will continue. Sustained assistance and political support by the international community, over many years, will be necessary to ensure that the Afghan Government can achieve its objectives.

Bangladesh

I. Summary

Because of its geographic location in the midst of major drug-producing and exporting countries, Bangladesh is used by trafficking organizations as a transit point. Seizures of heroin, phensidyl (a codeine-based, highly-addictive cough syrup produced in India), and pathedine (an injectable opiate with medical application as an anesthesia) point to growing narcotics abuse in Bangladesh. Phensidyl is popular because of its low price and widespread availability. While unconfirmed reports circulate of opium and cannabis cultivation along the border with Burma and cannabis cultivation in the southern delta region, there is no evidence that Bangladesh is a significant producer or exporter of narcotics. The Bangladesh government (BDG) officials charged with controlling and preventing illegal substance trafficking lack training, equipment, continuity of leadership and other resources to successfully detect and interdict the flow of drugs. Moreover, there is minimal coordination among these agencies. Corruption at all levels of government, and in particular law enforcement, also hampers the country's drug interdiction efforts. Bangladesh is a party to the 1988 UN Drug Convention.

II. Status of Country

There are unsubstantiated allegations of opium and cannabis production in the Bandarban District along the Burmese border and cannabis production in the southern silt-island ("char") region. The country's porous borders make Bangladesh an attractive transfer point for drugs transiting the region. There are no reports of production, trading or transit of precursor chemicals in Bangladesh.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Department of Narcotics Control's (DNC) counternarcotics policy initiatives and program activities are seriously hampered by the ineffectiveness of the National Narcotics Control Board (NNCB), the highest governmental counternarcotics policy agency, to fulfill the objectives of the Narcotics Control Act (NCA). Article 5 of the NCA directs the Board to formulate policies and monitor the production, supply, and use of illegal drugs in Bangladesh. The 19-member NNCB, made up of 11 ministers, seven appointed members, and the DNC Director General, is charged to meet quarterly, but only a single meeting was held in 2005, the first since 2003. There is still no master plan for combating drug trafficking and abuse in Bangladesh. The BDG and USG signed a Letter of Agreement (LOA) in September 2002 to provide equipment and forensic technical assistance to the DNC and its central chemical laboratory. This training and technical assistance was largely completed in 2005. The LOA also provided for training, conducted by the U.S. Department of Justice, for law enforcement personnel involved in counternarcotics activities. An amendment to the LOA providing for an increase in funds for training and equipment was signed in 2004. Other initiatives under consideration include the modernization of law enforcement training facilities in Bangladesh and further development of anticorruption programs within the government.

Accomplishments. The Department of Narcotics Control is the BDG agency most responsible for counternarcotics efforts in Bangladesh. It is housed within the Ministry of Home Affairs and is currently under the leadership of an acting Director General who has been in office for less than a year. The organization is chronically under-funded, understaffed, under-trained, and suffers from frequent personnel turnover. In 20052005, the BDG completed construction of the first drug treatment and rehabilitation facility—a 250-bed hospital funded entirely by the BDG. A 2005 law introduced

quality of care requirements governing staffing and facilities for addiction treatment centers. The BDG also targeted demand reduction, increasing counternarcotics public service messages.

Law Enforcement Efforts. Law enforcement units engaged in counternarcotics operations include the police, the DNC, the border defense forces known as the Bangladesh Rifles (BDR), customs, the navy, the coast guard, and local magistrates. Bangladesh's borders are generally considered porous. Elements of the BDR, responsible for land border security within twelve-miles of the boarder, are widely believed to abet the smuggling of goods, including narcotics, into Bangladesh. Customs, the navy, the coast guard and the DNC are under-funded, poorly equipped and staffed, and lack training. Customs officials also lack arrest authority. At ports of entry where customs officials are not stationed with police units, the Customs officers themselves have no capacity to detain suspected traffickers. Instead, they can only seize the contraband items found. There is no DNC presence at the country's second largest airport, in Chittagong, which has direct flights to Burma and Thailand. To date, no random searches of crews, ships, boats, vehicles, or containers are being performed at the country's largest seaport in Chittagong. These oversights significantly undermine overall BDG counternarcotics efforts.

The Rapid Action Battalion (RAB), established in 2004, targets organized criminal activity, including narcotics offenses. Increased narcotics seizures, principally attributed to the RAB, have resulted in higher street prices for popular diverted legal opiates like phensidyl and pathedine. Seizures in 2005 included 3,000 bottles of phensidyl. There is no centralized record of narcotics seizures by law enforcement agencies. The most current figures available are compiled by the Criminal Investigation Division (CID). These records vary significantly from the DNC data included in the 2005 report. These data indicate that drug quantities seized by Bangladesh authorities from January through July 2005 are as follows: 36.8 kilograms of heroin; 3.3 metric tons of marijuana; 7387.5 liters of phensidyl; and 1,902 ampoules of pathedine injection. It is important to note that these statistics do not reflect all seizures made by all agencies in Bangladesh, but they are reflective of general trends in Bangladesh. In developing countries, data is simply unreliable in detail, but even when incomplete, frequently reflective of reliable trends.

Corruption. Corruption is endemic at all levels of society and government in Bangladesh. An Anti-Corruption Commission ("ACC") was officially formed in November 2004 with a mandate to investigate corruption and file cases against government officials. The ACC has been hampered by disputes over staffing and organization and has yet to operate effectively or demonstrate the ability to act independently. The BDG does not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances or launder proceeds from their transactions. No senior official has been identified as engaging in, encouraging, or facilitating the production or distribution of drugs or controlled substances. Nevertheless, many long-term observers believe that authorities involved in jobs that have an affect on the drug trade facilitate the smuggling of narcotics, and corrupt officials can be found throughout the chain of command. While there is no "proof" as such for this belief, it is based on the pervasiveness of the culture of corruption and the evidence that narcotics are indeed moving in Bangladesh and surrounding area. If caught, prosecuted, and convicted, most officials receive a reprimand at best and termination from government service at worst. Adjudicating authorities do not take these cases seriously.

Agreements and Treaties. Bangladesh is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention, and the 1972 Protocol amending the Single Convention. Bangladesh has a memorandum of understanding on narcotics cooperation with Iran, an extradition treaty with Thailand, and is negotiating a bilateral narcotics agreement with India. Bangladesh participates in information sharing with the government of Burma, and is a signatory to the 1990 SAARC Convention on Narcotic Drugs and Psychotropic Substances.

Cultivation/Production. The DNC strongly denies unsubstantiated reports from several NGO and local government officials that opium production takes place in the Bandarban district along the border with Burma. The DNC reports, however, that it has destroyed a few "small" poppy crops in the hill tracts near Chittagong and in the northwest it says were cultivated for seeds cooking spices for local consumption. The DNC also reports limited amounts of cannabis are cultivated for local consumption in the hill tracts in the North, in the southern silt islands, and in the northeastern region. The DNC, working with law enforcement agencies, reportedly destroys any cannabis crops it discovers

Drug Flow/Transit. Bangladesh is situated between the Golden Crescent to the west and the Golden Triangle to the east. Porous boarders, weak law enforcement institutions, and widespread corruption at all levels of government leave Bangladesh vulnerable to smuggling of opium based pharmaceuticals and other medicinal drugs from India and white (injectable) heroin from Burma.

Domestic Programs (Demand Reduction). There is no consensus estimate of the number of drug addicts in Bangladesh. A recent DNC study estimated the addict population at two million and growing, while BDG estimates put the figure as low as 250,000. Media and anecdotal reports suggest that drug abuse, while previously a problem among the ultra-poor, is becoming a major problem among the wealthy and well-educated young, and increasingly among educated, well-off young women, some of whom are turning to prostitution to support their habits. The BDG sponsors rudimentary educational programs aimed at youth in schools and mosques, and has modestly increased funding for these programs in 2005, although there is no clear indication of their impact. NGOs have expressed concerns about the quality of these messages. The BDG currently runs outpatient and detoxification centers in Dhaka, Chittagong, Khulna, and Rajshahi. These are not treatment centers and thus have limited success addressing the underlying addiction. The BDG opened the first 250 bed drug treatment and rehabilitation facility in 2005. There are other, nongovernmental centers with a variety of treatment therapies available. Unfortunately, most of these are quite expensive by Bangladeshi standards and therefore beyond the reach of most drug addicts. There is, however, a drug addicts' rehabilitation organization, APON, that operates five long-term residential rehabilitation centers, including the first center in Bangladesh for the rehabilitation of female drug-users, which opened in 2005. These are the only such facilities in Bangladesh.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG continues to support Bangladesh's counternarcotics efforts through various commodities and training assistance programs. Equipment and law enforcement courses were provided in 2005, primarily to the police, but also to DNC laboratory technicians and officers, and members of the BDR, under the authority of a 2002 LOA implemented through INL by USDOJ officers. U.S. technical assistance in 2005 identified significant management issues at a DNC lab, which the DNC has addressed. Long years of neglect had left the office filing system in disorder, and chemical supplies needed to be replaced, since many chemicals had expired. Once U.S. advisor pointed out these difficulties, and worked with BDG staff, the issues were gradually resolved. Other initiatives under consideration include the modernization of law enforcement training facilities in Bangladesh and further development of anticorruption programs within the government, and training to assist counternarcotics enforcement efforts and develop their newly formed coast guard.

The Road Ahead. The USG will continue to provide law enforcement training for BDG officials and work with the BDG to construct a comprehensive strategic plan to develop, professionalize, and institutionalize Bangladesh counternarcotics efforts. This will include working with the BDG to stem drug trafficking before it reaches Bangladesh, primarily by improving maritime security but also by improving land border patrolling.

India

I. Summary

India is the only country authorized by the International Narcotics Control Board (INCB) to produce opium gum for pharmaceutical use, rather than from concentrate of poppy straw (CPS), the processing method used by the other producers of licit opiate raw materials. This matters, as gum opium is intrinsically easier to divert to illicit uses, but India does a commendable job to avoid diversion. India's strategic location, between Southeast and Southwest Asia, the two main sources of illicit opium, make it a heroin transshipment area. Over the last several years, the northwestern state of Himachal Pradesh has seen an increase in illegal drug trafficking activities, including international hashish trafficking and illicit opium cultivation. Much of the hashish and cannabis intended for international markets is smuggled into India from Nepal. India produces heroin from diverted licit opium for its own illicit domestic addict market; India is also a modest but growing producer of entirely illicit heroin destined for the international market. In the past two years, Indian law enforcement authorities have dismantled two major laboratories—one set to produce methamphetamine in Calcutta and the other, ecstasy, in Mumbai. The Government of India (GOI) formally released the results of the 2001 National Drug Study (NDS) conducted in partnership with UNODC in 2004. Injecting drug use (IDU) of heroin, morphine base ("brown sugar" heroin) and opiate pharmaceuticals continues to be a concern, while major metropolitan areas increasingly report the use of cocaine, ecstasy and other chemical drugs among the wealthy elite.

The Government of India (GOI) continually tightens licit opium diversion controls, but an unknown quantity of licit opium is diverted into illicit markets. In 2001 and 2003, the GOI and the United States conducted a Joint Licit Opium Poppy Survey (JLOPS) to develop a methodology to estimate opium gum yield. The survey results confirmed the validity of the survey's yield prediction methodology, but lacked key data to apply the study's conclusions directly to India's 2002/03 licit opium crop. The data revealed that several widely used Indian poppy varieties have a low alkaloid yield. This year (2005-06), the GOI and the U.S. Embassy will conduct another opium study. In an effort to get better results, this survey will focus on limiting the area and number of plots where the data will be collected. The JLOPS study is crucial to India's plans to control diversion of licitly grown opium into the illicit market.

India's large and fairly advanced chemical industry manufactures a wide range of chemicals, including the precursor chemicals acetic anhydride (AA), ephedrine and pseudoephedrine and other chemicals, which can be diverted for the manufacture of illicit narcotics. The GOI tries to monitor potential dual use chemicals, including the precursor chemicals AA and pseudoephedrine. Some chemicals are controlled both for import and export, while others are controlled only for import or for export. Violation of any order regulating controlled substance precursors is an offense under the Narcotics Drugs and Psychotropic Substances Act (NDPSA)—the GOI's key counternarcotics law—and punishable with imprisonment of up to 10 years. Intentional diversion of any substance (whether it is listed or not as a controlled substance in Indian law) for illicit manufacture of narcotic drugs and psychotropic substances (e.g., an unlisted replacement chemical for listed precursors) is also punishable under the NDPSA.

The GOI, in partnership with the Indian Chemical Manufacturing Association, imposes strict access controls on AA (acetic anhydydride), which is used to process opium into heroin. These controls include the requirement that AA be transported in specially fabricated sealing systems (which make it very difficult to tamper with the transportation and storage tankers' inlet and outlet valves), end-use certificates from the buyers, and special identity cards for drivers driving tankers containing AA. The

GOI reviews its chemical controls annually and updates its list of "controlled substances" as necessary. India is a party to the 1988 UN Drug Convention.

II. Status of Country

Under the terms of international agreements, supervised by the International Narcotics Control Board, India must maintain licit opium production and carry-over stocks at levels no higher than those consistent with world demand. The objective of this requirement is to avoid excessive production and stockpiling, which could be diverted into illicit markets. India has complied with this requirement and succeeded in rebuilding stocks over the past three years from below-recommended levels. Opium stocks now exceed minimum requirements, almost tripling between 1999 and 2003, from a stock of 509 metric tons in 1999/2000 to 1,776 metric tons in 2004/05. Licensed farmers are allowed to cultivate a maximum of 10 "ares" (one tenth of a hectare). This is a reduction from last year's 20 ares approved for the last opium growing season. "Opium years" straddle two calendar years. All licensed farmers must deliver all the opium they produce to the government alone, meeting a minimum qualifying yield (MQY) that specifies the number of kilograms of opium to be produced per hectare (HA) per state. The MQY is established yearly by the CBN prior to licensing. At the time Central Bureau of Narcotics (CBN) establishes the MQY, it also publishes the price per kilogram the farmer will receive for opium produced that meets the MQY, as well as significantly higher prices for all opium turned into the CBN that exceeds the MQY.

The MQYs are based on historical yield levels from licensed farmers during previous crop years. Increasing the annual MQY has proven effective in increasing average yields, while deterring diversion, since, if the MQY is too low, farmers could clandestinely divert excess opium they produce into illicit channels, where traffickers often pay up to ten times what the GOI can offer. Thus, an accurate estimate of the MQY is crucial to the success of the Indian licit production control regime. During the 2002/03-crop year, CBN began to estimate the actual acreage under licit opium poppy cultivation by using satellite imagery and then comparing it with exact field measurements. Since licit poppy cultivation is not confined to an enclosed area, many of the farmers integrate fields with other agricultural crops like soybean, wheat, garlic and sugarcane. This technology has also been used in conjunction with satellite imagery of weather conditions to compare cultivation in similar geo-climatic zones to estimate potential crop yields, assess storm damage and determine whether opium was being diverted. The satellite results were then confirmed by on-ground CBN visits that measured each farmer's plot size. CBN ensures that each cultivated area doesn't exceed the prescribed size by measuring each one individually. Any cultivation in excess of five percent of the allotted cultivation area was uprooted, with the cultivator to prosecution. During the lancing period, the CBN appointed a village headman for each village to record the daily yield of opium from the cultivators under his charge. CBN regularly checked the register and physically verified the yield tendered at harvest. The CBN has also reduced the total procurement period of opium in order to minimize opportunities for diversion and deployed additional teams of officers from the Central Excise Department to monitor harvesting and check for diversion.

In 2005, the CBN continued issuing microprocessor chip-based cards (Smart Identity Cards) for its licensed opium poppy cultivators. The card carries the personal details of the cultivator, the licensed area, the measured/test measured field area and the opium tendered by him to the CBN. The card also stores the previous years' data. The information stored on the card is read with handheld terminal/read-write machines that are provided to field divisions. CBN personnel will enter cultivation data into the cultivators' cards and the data will be uploaded to computers at CBN HQs and regional offices. The cards are delivered to cultivators at the time of licensing. The use of smart cards for the 2004/2005-crop year was successfully tested in two opium divisions. For crop year 2005/2006, the project will be expanded to include all of the 17 Opium Divisions, the three State Unit Headquarters and the Central Headquarters in Gwalior. The GOI periodically raises the official price per kilogram of

opium, but illicit market prices are anywhere from four to five to ten times higher than the base government price Farmers who submit opium at levels above the MQY receive a premium, but premium prices can only act as a modest positive incentive. For the 2005/2006 opium harvest year, CBN has decreased the number of hectares licensed (from 8,771 in 2004/2005 to 7,833 in 2005/2006) and the number of farmers licensed (from 87,682 in 2004/2005 to 79,016 in 2005/2006). The estimated yield for the 2005/06-crop year is 403 metric tons of opium.

Although there is no reliable estimate of diversion from India's licit opium industry, clearly, some diversion does take place. It is estimated that between 20-30 percent of the opium crop is diverted. However, it is not possible to pinpoint the amount accurately and there is no evidence that opium or its derivatives diverted from India's fields reaches the U.S. at all. In 2005, the GOI closed down one morphine base laboratory and one heroin processing facility.

India does not use the same production method as other legal producers of opium alkaloids, including Turkey, France, and Australia, which produce narcotics raw materials using the CPS process. The GOI believes the labor intensive gum process used in India is appropriate to the large numbers of relatively small-scale farmers who grow poppy in India. The difference between India and other producers has certain implications. Poppies harvested using CPS are not lanced, and since the dried poppy heads cannot be readily converted into a usable narcotics substance, diversion opportunities are minimal. However, it is inherently difficult to control diversion of opium gum collection (India's means of production) because opium gum is collected by hand-scraping the poppy capsule, and the gum is later consolidated before collection. The sheer numbers of Indian farmers, farm workers and others (over one million yearly) who come into contact with poppy plants and their lucrative gum make diversion appealing and hard to monitor. Policing these farmers on privately-held land scattered throughout three of India's largest states is a considerable challenge for the CBN.

Once the gum reaches consumers, processing it is difficult because a residue remains after the narcotic alkaloids have been extracted. This residue must be disposed of with appropriate environmental safeguards. Because of this, pharmaceutical opiate processing companies prefer using CPS for ease of extracting the opiate alkaloids, but some in the U.S. have adapted their systems to use gum opium, since India has proven to be a reliable supplier. For its part, the GOI has explored the possibility of converting some of its opium crop to the CPS method. The GOI is also examining ways to expand India's opiate pharmaceutical processing industry and the availability of opiate pharmaceutical drugs to Indian consumers (and to benefit from vertical integration of an industry in which India produces the key input, namely opium) through ventures with the private sector. Nevertheless, the financial and social costs of the transfer to CPS and the difficulty of purchasing appropriate technology to implement the change are daunting. Poppy straw technology is complicated. There are only a few countries that need it and have the most experience with it. But those countries-the natural source, should India be in the market for poppy straw technology-are India's direct competitors in the market for its products!

Morphine base ("brown sugar" heroin) is India's most popularly abused heroin derivative, either through smoking, "chasing" (i.e., inhaling the fumes), or injecting. Most of India's "brown sugar" heroin comes from diverted licit Indian opium and is locally manufactured. Indian "brown sugar" heroin is also increasingly available in Nepal, Bangladesh, Sri Lanka, and the Maldives. Most seized "white" heroin is destined for West Africa and Europe. Heroin seizures on the India/Pakistan border, which had plummeted during the past few years due to the Indian/Pakistani border tensions, appear to be on the upswing.

Newspapers frequently refer to ecstasy and cocaine use on the Mumbai and New Delhi "party circuit," but there is no information on the extent of their use. There has been considerable amount of reporting in the local newspapers indicating that use of cocaine and ecstasy are on the rise. While smoking "brown sugar" heroin (morphine base) and cannabis remain India's principal means of ingesting

recreational drugs, intravenous drug use of licit opiate/psychotropic pharmaceuticals (LOPPS) diverted for abuse is rising in India, replacing, almost completely, "white" heroin. In parts of India where intravenous drug users (IDUs) have been denied access to LOPPS, IDUs have turned to injecting "brown sugar" heroin. Drug users in Mumbai have discovered that injecting "brown sugar" heroin is much cheaper than "chasing," leading to an explosion of "brown sugar" heroin IDUs in Mumbai. Various licitly produced psychotropic drugs and opiate painkillers, cough medicines, and codeine are just some of the substances that have emerged as new drugs of choice.

III. Country Actions Against Drugs in 2005

Policy Initiatives. India's stringent Narcotic Drugs and Psychotropic Substances Act (NDPSA) of 1985 was amended in October, 2001, bringing significant flexibility to the Indian sentencing structure for narcotics offenses. The amendments removed obstacles faced by investigation officers related to search, seizure, and forfeiture of illegally acquired property and provided for controlled deliveries to facilitate investigation both within and outside the country. The amended NDPSA also made it more likely that drug traffickers would be refused bail, particularly those serious offenders who are more likely to flee before trial. Amendment of India's sentencing laws for drugs is expected to increase the conviction rate significantly for future violators, since unrealistic minimum sentences in the prior law discouraged magistrates from returning convictions. From January 2005 through October 31, 2005, 8,544 people were prosecuted, resulting in 3,817 convictions. The total number of prosecutions/convictions may be larger when the complete 2005 statistics become available. In certain cases involving repeat offenders, who are dealing in commercial quantities of illegal drugs, the law allows for the death penalty. However, to date, no person has been given the death penalty for drug trafficking in India.

Accomplishments. Indian authorities have established a continuous aerial/satellite-based system for monitoring licit and illicit opium cultivation nationwide, which became operational in early 2002 and was enhanced in 2003.

Law Enforcement Efforts. The GOI's decision to fence the India/Pakistan border, while not specifically designed to control drug trafficking, has effectively done so, leading to a drop in the amount of Afghan heroin trafficked through that border. Through October 2005, Indian law enforcement authorities seized 620 kilograms of heroin in 2,833 cases. Indian law enforcement agencies also seized 778 kilograms of opium in 511 cases, 2,863 kilograms of hashish in 1,136 cases and 33 kilograms of morphine base in 79 cases. This is a significant quantity of seizures, placing India high on the list of countries with the largest seizures of opiates. Cocaine seizures, while small, have been increasing each year since 2003 (no figures available). Cocaine is available in India on the wealthy "party circuit," particularly in Mumbai and New Delhi.

In a joint investigation by the DEA and NCB, a major international illicit pharmaceutical drug internet marketing organization, which operated in the United States, India, Costa Rica and Australia, was disrupted and dismantled in April 2005. A total of 23 individuals were arrested—18 in the United States and five 5 in India. This organization distributed controlled pharmaceutical drugs via the Internet, including bulk ephedrine, a controlled precursor chemical, and ketamine (a veterinary pain killer, frequently abused in Asia). Internet websites used to distribute these pharmaceuticals were operated by multiple individuals located in the U.S. and throughout the world. The takedown of this drug organization resulted in the seizure of a large quantity of pharmaceutical drugs, including 108 kilograms of Indian ketamine seized in the U.S. The U.S. street value of the ketamine was estimated to be approximately $1.62 million. The total amount of controlled and noncontrolled pharmaceutical drugs seized in the U.S. alone was 4 million dosage units. The amount of controlled pharmaceutical drugs seized in India was approximately 3.6 million dosage units. This drug organization had an estimated 100,000 Internet retail customers, of which approximately 80 percent were located in the

U.S. The total amount of money and property seized from this investigation was approximately $3.5 million dollars in India and $4 million in the United States.

In another Internet-related investigation in 2004/2005, DEA and India's NCB arrested three Indian nationals and one U.S. citizen for the illegal distribution of controlled pharmaceuticals. In addition to the arrests, a large quantity of controlled pharmaceuticals was seized, including Schedule II, III and IV controlled substance pharmaceuticals (U.S. designations). The investigation revealed that the pharmaceuticals were being ordered through a U.S. company that was operating an Internet online pharmacy. The arrest and break up of this illegal international pharmaceutical drug organization resulted in the seizure of 23,379 tablets of various controlled pharmaceuticals in India. The total amount of money seized from this investigation was approximately $350,000 in India and $400,000 in the United States.

From September to November 2005, Indian Customs seized five international mail packages that were found to contain a kilogram or more of Southwest Asian heroin destined for individuals in the United States. DEA New Delhi worked closely with Indian Customs and the NCB and conducted 3 international controlled deliveries of the seized heroin to the recipients in the United States. All three controlled deliveries were successful, leading to the arrest of five individuals in the United States. The related investigations continue, with efforts being made to identify co-conspirators in India and the United States.

These investigations are significant for a number of reasons. DEA New Delhi has seen an increase in the amount of heroin being smuggled into India from Afghanistan and Pakistan over the third and fourth quarters of 2005. In recent months, Indian Customs has arrested a number of West Africans flying from Kabul to New Delhi with heroin. In addition, the Indian Directorate of Revenue Intelligence (DRI) recently arrested three Nigerians and seized approximately 36 kilograms of heroin. Post-arrest statements indicated the 36 kilograms of heroin was of Afghan origin. This trend may continue, as the border between Pakistan and India is opening up to commerce and travel as cooperation between the two countries has increased. A contributing factor in the increase in seizures may be the result of Indian Customs' recent strategy to aggressively monitor and profile suspicious mail packages. The increased enforcement activities may also be a sign of Indian Customs' goal to be more proactive in drug law enforcement and its desire to widen the scope of its investigations to include international drug trafficking.

Recent intelligence provided by DHS Immigration and Customs Enforcement (ICE) indicates that during FY 2005, U.S. Customs seized 433 packages containing heroin that had been shipped to the United States from India. It should be noted that most of the individual packages contained 50 grams or less of heroin. Interestingly, there were no recorded DHS/ICE seizures of heroin packages from India during FY 2004.

In 2005, Indian Customs made 51 drug seizures in India including 3.5 kilograms of cocaine, 8.5 kilograms of heroin, 3,000 tablets of codeine sulphate, and 18 kilograms of hashish, destined for various international locations. Approximately 5.4 kilograms of heroin that was seized was intended for the United States.

Corruption. The Indian media regularly reports allegations of corruption against law enforcement personnel, elected politicians, and cabinet-level ministers of the GOI. The United States receives reports of narcotics-related corruption, but lacks the corroborating information to confirm those reports and the means to assess the overall scope of drug corruption in India. It is a reasonable assumption in a developing country like India that corruption does play some role in narcotics trafficking, despite the government's best efforts. Both the CBN and the NCB periodically take steps to arrest, convict, and punish corrupt officials within their ranks. The CBN frequently transfers officials in key drug producing areas. The CBN has increased the transparency of its methods for paying licensed opium farmers to prevent corruption and appointing village coordinators to monitor

opium cultivation and harvest. These coordinators receive 10 percent of the total paid to the village for its crops, in addition to what they receive for their own crops, so it is advantageous for them to ensure that each farmer under their jurisdiction turns in the largest possible crop. India has signed, but has not yet ratified, the UN Convention Against Corruption.

Agreements and Treaties. India is a party to the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. Both an MLAT and extradition treaty are in force between the U.S. and India. India has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime. The USG and the GOI signed the long-awaited Customs Mutual Assistance Agreement on December 15, 2004.

Illicit Cultivation/Production. The bulk of India's illicit cultivation is now confined to Arunachal Pradesh, the most remote of northeastern states, which has no airfields and few roads. The terrain is a mountainous, isolated jungle that would require significant material and human resources to conduct crop eradication campaigns. The need to combat the many insurgencies in the Northeast states has limited the number of personnel available for such time-consuming, labor-intensive campaigns. For those reasons, the GOI has not conducted any major poppy eradication campaigns in the Northeast in the past three years. There are no accurate estimates of opium gum yields, but CBN officials claim that the yields from illicit production in Arunachal Pradesh are very low, between two to six kilograms per hectare.

Drug Flow/Transit. Although trafficking patterns appear to be changing, India historically has been an important transit area for heroin from Southwest Asia (Afghanistan and Pakistan) and, to a lesser degree, from Southeast Asia (Burma, Thailand, and Laos). India's heroin seizures from these two regions continue to provide evidence of India's transshipment role. Most heroin transiting India appears bound for Europe. Seizures of Southwest Asian heroin made at New Delhi and Mumbai airports tend to reinforce this assessment. However, the bulk of heroin seized in the past two years has been of domestic origin (NCB estimates 80 percent of the heroin, seized in South India and apparently destined for Sri Lanka, is of domestic origin). Trafficking groups operating in India fall into four categories: Most seizures at the Mumbai and New Delhi international airports are from West African traffickers. Traffickers who maintain familial and/or tribal ties to Pakistan and Afghanistan are responsible for most of the smuggling of Pakistani or Afghan heroin into India. Ethnic Tamil traffickers, centered primarily in Southern India, are alleged to be involved in trafficking between India and Sri Lanka. Indigenous tribal groups in the northeastern states adjacent to Burma maintain ties to Burmese trafficking organizations and facilitate the entry into Burma of precursor chemicals and into India of refined "white sugar" heroin through the porous Indo/Burmese border.

Indian-produced methaqualone (Mandrax) trafficking to Southern and Eastern Africa continues. Although South Africa has increased methaqualone production, and there is also significant production and trafficking from China, India is still believed to be among the world's largest clandestine methalqualone producers. Seizures of methaqualone, which is trafficked in both pill and bulk form, have varied significantly, from 1,614 kilograms in 2004 to 468 kilograms through October 2005. Cannabis smuggled from Nepal is mainly consumed within India, but some makes its way to western destinations. India is also increasingly emerging as a supplier of licit opiate/psychotropic pharmaceuticals (LOPPS), both organic and synthetic, to the Middle East, Pakistan, Bangladesh and Afghanistan. Some of the LOPPS are licitly manufactured and then diverted, often in bulk. Some of the LOPPS are illicitly manufactured as well. Indian-origin LOPPS and other controlled pharmaceutical substances are increasingly being shipped to the U.S. Thousands of illegal "personal use" shipments are being intercepted in the mail system in the United States each year by Customs and Border Protection. These "personal use" quantity shipments are usually too small to garner much interest by themselves, and most appear to be the result of illegal Internet sales. Codeine-based cough remedies are a prominent example.

Domestic Programs (Demand Reduction). In 2004, the Ministry of Social Justice and Empowerment (MSJE) formally released what is likely the world's largest drug abuse study, conducted in partnership with UNODC in 2001. The study found that licit opiate abuse accounted for 43 percent of Indian drug abuse. According to the study, drug users are largely young and predominantly male. Although drug abuse cuts across a wide spectrum of India's society, more than a quarter of drug abusers are homeless, nearly half are unmarried, and 40 percent had less than a primary school education. Itinerant populations (e.g., truck drivers) are extremely susceptible to drug use. The number of women drug abusers is increasing rapidly. Most women IDUs exchange sex for drugs, and many are commercial sex workers. Frequently, their children become drug users. A new residential treatment program for women IDUs opened in New Delhi in 2004, so that India now has two residential treatment programs for women IDU's. Widespread needle sharing has led to high rates of HIV/AIDS and overdoses. The popularity of injecting controlled licit pharmaceuticals can be attributed to four factors. First, they are far less expensive than their illegal counterparts. (Refined heroin on the illicit market is more expensive than what LOPPS usually cost.) Second, they provide quick, intense "highs" that many users prefer to the slower, longer-lasting highs resulting from heroin. Third, many IDUs believe that they experience fewer and milder withdrawal symptoms with pharmaceutical drug use. Finally, licit opiate/psychotropic pharmaceuticals are widely available and easy to obtain, since virtually any drug retail outlet will sell them without a prescription. Because LOPPS produce shorter periods of intoxication, users must inject them more often, leading to more opportunities to spread diseases associated with IDU, such as HIV/AIDS and hepatitis. It is not uncommon for IDUs to share needles and other drug paraphernalia with as many as eight to 15 people a day. The MSJE/UNODC study found that intravenous drug users often engaged in unprotected sexual intercourse, often with sex workers.

The GOI's Ministry of Social Justice and Empowerment (MSJE) has a three-pronged strategy for demand reduction, consisting of building awareness and educating people about drug abuse, dealing with addicts through programs of motivational counseling, treatment, follow-up and social reintegration and training volunteers to work in the field of demand reduction. The MSJE's goal is to promote greater community participation and reach out to high-risk population groups with an on-going community-based program for prevention, treatment and rehabilitation through some 400 NGOs throughout the country. The MSJE spent about $5 million on NGO support last year. In the Indian context, the best efforts of an energetic government and NGO community are always in danger of being swamped by the simple scale of the problem.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States has a close and cooperative relationship with the GOI on counternarcotics issues. In September 2003, the United States and India signed Letter of Agreement (LOA) amendments providing for the State Department to make available drug assistance funding worth $2.184 million for counternarcotics law enforcement. In 2004, another $40,000 was added to the LOA. While some funds have already been spent, a share remains to be spent, and efforts continue to identify new activities. A separate grant of $50,000 directly to NGO Navjyoti of the Delhi Police Foundation funded a drug rehabilitation project to train medical personnel to treat drug abusers and to provide community-based prevention services to slum areas, which have the highest rates of drug abuse in New Delhi. This project was concluded in July 2005. Each year since 2003, and planned through 2007, the U.S. Coast Guard provides the Indian Coast Guard boarding officer training.

The Road Ahead. The GOI continues to tighten controls over licit opium cultivation. The NCB's move to the Ministry of Home Affairs in 2004 has enhanced the U.S. relationship with the Ministry and NCB. DEA gave more courses to more law enforcement officials from a wider variety of state and central government law enforcement agencies in 2004 and 2005 than ever before. The Intelligence Infrastructure Enhancement Project training on link analysis software will yield results in better

targeting of drug traffickers and closer cooperation with DEA. The GOI has recognized the need for stronger drug control efforts nationally, particularly in the Northeast. The United States will continue to explore opportunities to work with the GOI in addressing drug trafficking and production and other transnational crimes of common concern.

Nepal

I. Summary

Although Nepal is neither a significant producer of, nor a major transit route for, narcotic drugs, domestically-produced cannabis, hashish and heroin are trafficked to and through Nepal every year. An increase in the use of Nepalese couriers, apprehended by the police, suggests that the country's citizens are becoming more involved in trafficking. Moreover, Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) reports that more Nepalese citizens are investing in and taking a larger role in running trafficking operations. Customs and border controls remain weak, but international cooperation has resulted in increased narcotics-related indictments in Nepal and abroad. The ongoing Maoist insurgency has an impact on rule-of-law and interdiction efforts in many parts of the country. NDCLEU has enhanced both the country's enforcement capacity and its expertise. Nepal is a party to the 1988 UN Drug Convention.

II. Status of Country

Heroin from Southwest and Southeast Asia is smuggled into Nepal across the open border with India and through Kathmandu's international airport. The ongoing Maoist insurgency has an impact on rule-of-law and interdiction efforts in many parts of the country. Police have reconfirmed that production of cannabis is on the rise in the southern areas of the country, and that most is destined for the Indian market. Police have also intercepted locally produced hashish en route to India in quantities of up to 500 kilograms at a time. Nepal's Maoist guerrillas are most likely involved in drug smuggling to finance their insurgency. NDCLEU reports that Maoists are known to have called upon farmers in certain areas to increase cannabis production and levy a 40 percent tax on cannabis production. Abuse of locally grown and wild cannabis and locally produced hashish, marketed in freelance operations, remains widespread. Licit, codeine-based medicines continue to be abused. Nepal is not a producer of chemical precursors.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Nepal's basic drug law is the Narcotic Drugs (Control) Act, 2033 (1976). Under this law, the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs are illegal. The Narcotics Control Act, amended last in 1993, conforms in part to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol by addressing narcotics production, manufacture, sales, import, and export. Nepal is actively implementing a National Drug Abuse Control Plan (NDACP).

Legislative action on mutual legal assistance and witness protection, developed as part of the NDACP, remained stalled for a fourth year due to the lack of a parliament. The government has not submitted scheduled amendments to its Customs Act to control precursor chemicals. Legislation on asset seizures was drafted in 1997 with United Nations Office on Drugs and Crime assistance and is under the review of the Ministry of Law and Justice. Legislation on criminal conspiracy has not yet been drafted.

Law Enforcement Efforts. The NDCLEU has developed an intelligence wing, but its effectiveness remains constrained by a lack of transport, communications, and surveillance equipment. Coordination and cooperation among NDCLEU and Nepal's customs and immigration services, while still problematic, are improving. Crop destruction efforts have been hampered by the reallocation of resources to fight the Maoist insurgency and the lack of security in the countryside. Final statistical

data for 2004 and data through November 2005 indicate that destruction of cannabis plants continues to decline. In 2004, the Nepal Police arrested 45 foreigners on the basis of drug trafficking charges. From January-October 2005, police arrested 23 foreigner. In this same time period the NDCLEU reportedly seized 5,864 kilograms of cannabis—triple the amount of cannabis seized in all of 2004 (1,790 kilograms), and further reported the seizure of 64.8 kilograms of hashish and 1.6 kilograms of heroin at Kathmandu's Tribhuvan International Airport (TIA). No opium was seized in 2005. Seizures of heroin remained constant, and the absolute quantity (a total of approximately 7 kilograms) remained small. Most seizures of heroin and hashish in 2005 occurred along the Nepal-Indian border, within Kathmandu, or at Nepal's international airport as passengers departed Nepal. Seizures of illicit and licit, but illegally abused, pharmaceuticals were similar to 2004 levels.

Corruption. Nepal continues to have no laws specifically targeting public narcotics-related corruption by senior government officials, although both provisions in the Narcotics (Control) Drug Act of 1976 and Nepal's anticorruption legislation can readily be employed to prosecute any narcotics-related corruption. As a matter of government policy, Nepal neither encourages nor facilitates illicit production or distribution of narcotics or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Nepal is party to the 1998 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1993 South Asian Association for Regional Cooperation (SAARC) Convention on Narcotics Drugs and Psychotropic Substances. Nepal has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

Cultivation/Production. Cannabis is an indigenous plant in Nepal, and cultivation of developed varieties is rising, particularly in lowland areas. There is some small-scale cultivation of opium poppy, but detection is difficult since it is interspersed among licit crops. Nepali drug enforcement officials believe that all heroin seized in Nepal originates elsewhere. Nepal produces no precursor chemicals. Importers of dual-use precursor chemicals must obtain a license and submit bimonthly reports on usage to the Home Ministry. There have been no reports of the illicit use of licensed imported dual-use precursor chemicals.

Drug Flow/Transit. Narcotics seizures suggest that narcotics transit Nepal from India, Pakistan, and Afghanistan to other countries in the region and to Europe, the U.S. and Japan. Media reports claim that most narcotics are bound for India, and law enforcement sources indicate that most seizures occur at the India/Nepal border. Customs and border controls are weak along Nepal's land borders with India and China. The Indian border is essentially open. Security measures to interdict narcotics and contraband at Kathmandu's international airport and at Nepal's regional airports with direct flights to India are inadequate. The Government of Nepal (GON), along with other governments, is working to increase the level of security at the international airport, and the Royal Nepal Army is detailed to assist with airport security.

Arrests of Nepalese couriers in other countries suggest that Nepalese are becoming more involved in trafficking both as couriers and as traffickers, and that Nepal may be increasingly used as a transit point for destinations in South and East Asia, as well as Europe (Spain, the Netherlands and Switzerland). The NDCLEU has also identified the United States as a final destination for some drugs transiting Nepal, typically routed through Bangkok.

Domestic Programs (Demand Reduction). The GON continues to implement its national drug demand reduction strategy in association with the Sri Lanka-based Colombo Plan, the United States, UNODC, donor agencies, and NGOs. However, resource constraints limit significant progress.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. policy is to strengthen Nepal's law enforcement capacity to combat narcotics trafficking and related crimes, to maintain positive bilateral cooperation, and to encourage Nepal to enact and implement appropriate laws and regulations to meet all objectives of the 1988 UN Drug Convention. The United States, NDCLEU, and other donors work together through regional drug liaison offices and through the Kathmandu Mini-Dublin Group of Countries Offering Narcotics Related Assistance.

Bilateral Cooperation. The United States works with GON agencies to help implement Nepal's master plan for drug abuse control and to provide expertise and training in enforcement. Nepal exchanges drug trafficking information with regional states and occasionally with destination states in Europe in connection with international narcotics investigations and proceedings.

The Road Ahead. The United States will continue information exchanges, training, and enforcement cooperation; will work with the UNODC to strengthen the NDCLEU; will provide support to various parts of the legal establishment to combat corruption and improve rule of law; and will support improvements in the Nepali customs service. The United States will encourage the GON to enact stalled drug legislation.

Pakistan

I. Summary

Pakistan is on the frontline of the war against drugs as a major transit country for opiates and hashish from neighboring Afghanistan. Increased law enforcement pressure in Afghanistan threatens to shift drug trafficking operations across the border. Aiming to return to poppy-free status, Pakistan saw a 58 percent decrease in opium poppy cultivation in 2005 to approximately 3,147 hectares, of which 2440 hectares were harvested. The Government of Pakistan (GOP) does not have any evidence of heroin labs in Pakistan, although DEA continues to receive unconfirmed reporting about the existence of a few small heroin-producing facilities in Pakistan. Estimates of the number of drug addicts in Pakistan range from three to five million. The GOP has announced it intends to develop a new Master Drug Control Plan for attacking recently emerged narcotics threats from both the supply and demand sides. GOP counternarcotics efforts are led by the Anti-Narcotics Force (ANF) under the Ministry of Narcotics Control, but also include several other law enforcement agencies and the Home Departments of Northwest Frontier Province (NWFP) and Balochistan Province. Counternarcotics cooperation between the GOP and the United States remains strong. U.S. assistance programs in counternarcotics and border security have strengthened the capacity of law enforcement agencies and have improved their access to remote areas where some of the drug trafficking takes place, evidenced by a nearly 61 percent increase in opium seizures in 2005. Pakistan is a party to the 1988 UN Drug Convention.

II. Status of Country

After seeing a steady increase in poppy cultivation from zero in 2001 to 7,571 hectares in 2004, Pakistan reversed the trend in 2005 by cutting cultivation in half. The GOP continues to strive to implement its commitment to return Pakistan to poppy-free status. Since the post-Taliban spike in poppy cultivation in Afghanistan, Pakistan's importance as a transit country of heroin, morphine, opium and hashish has increased, particularly as a conduit to Turkey, by land, and Iran, by land and sea. According to DEA, Pakistani traffickers are also an important source of financing to the poor farmers of Afghanistan who otherwise would not be able to produce opium. To a very significant extent, when it comes to opiates, Pakistan is part of the massive Afghan opium production/refining "system". Relatively modest drug cultivation/production in Pakistan frequently means that financiers in Pakistan have judged circumstances in Afghanistan more favorable to investments there, as opposed to Pakistan. Financers and organized trafficking groups generally operate where it is easiest to operate, and ignore national boundaries when making these decisions. A U.S.-funded Border Security Project, begun in 2002, has significantly improved GOP interdiction capacity on the porous 1500-mile western border, as evidenced by increased drug seizures in 2005. However, fragmented, decentralized drug trafficking organizations, equipped with high-tech communications capabilities, make successful drug investigations difficult.

The steady flow of drugs into Pakistan has fueled domestic addiction, especially in areas of poor economic opportunity and physical isolation. Although no accurate figure exists for the current number of drug addicts in Pakistan, estimates range from three to five million out of an approximate 162 million total population. A 2000 UNODC National Assessment on Drug Abuse estimated 500,000 chronic heroin abusers and identified a new trend of injecting narcotics, which has raised concerns about HIV/AIDS.

Pakistan has established a chemical controls program that monitors the importation of controlled chemicals. While some diversion of precursors probably occurs in Pakistan, it is not believed to be a major precursor source country. DEA has unconfirmed intelligence that there are small heroin labs in

Pakistan, producing 2-10 kilograms on a weekly basis; the GOP does not have any information that there are heroin labs in Pakistan.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Taking into account the emergence of new narcotics threats, the GOP currently is revising its Master Drug Control Plan to identify prioritized strategies, agency responsibilities and funding requirements for attacking both drug supply and demand. The ANF is the lead counternarcotics agency in Pakistan. Other law enforcement agencies with counternarcotics mandates include the Frontier Corps (FC), the Coast Guards, the Maritime Security Agency, the Frontier Constabulary, the Rangers, Customs, the police, and the Airport Security Force. The GOP recently approved significant personnel expansions in both the ANF and FC Balochistan. The Coast Guards has created a counternarcotics cell within its headquarters to better coordinate and execute counternarcotics operations. Having been deemed "poppy-free" by the United Nations in 2001, the GOP aims to regain Pakistan's poppy-free status through enforcement of a strict "no tolerance" policy for cultivation. Federal and provincial authorities continue to conduct antipoppy campaigns in both Balochistan and NWFP, delivering messages to local and tribal leaders that forced eradication, fines and arrests will take place if the ban on poppy is not observed.

The GOP has been actively engaged at the ministerial level in regional and international fora on counternarcotics, such as the Paris Pact, the Intergovernmental Technical Committee, the Quad, International Drug Enforcement Conferences (IDEC), Colombo Pact, Gulf Cooperation, Pak-India bilateral talks, CENTCOM's Central and South Asia Counternarcotics Security Working Group, and U.S.-Afghanistan-Pakistan Counter Narcotics Working Group (CNWG). In such meetings, the GOP has expressed willingness to conduct "hammer-and-anvil" (military sweep/blocking force) border operations with Afghanistan and to establish mechanisms for exchanging real-time operational and long-term intelligence. The GOP claims such exchanges and joint operations have not been possible previously because the capacity to either block or sweep, as required, simply did not yet exist within the nascent Afghan Army.

Accomplishments. In 2005, Pakistan's poppy cultivation levels decreased by 58 percent to about 3,147 hectares. This is largely attributed to a significant drop in cultivation in Balochistan from 3,067 hectares in 2004 to 278 hectares in 2005; GOP forces reported complete destruction of the Balochistan crop. Potential opium production decreased from 70 metric tons in 2004 to approximately 61 metric tons in 2005.

From January to December 2005, GOP security forces reported seizing 24.3 metric tons of heroin (including morphine-base), and 6.4 metric tons of opium, a 61 percent increase from 2.5 metric tons in 2004. In particular, ANF's opium seizures increased from .677 metric tons to 3.7 metric tons, and FC's opium seizures increased from .064 metric tons to 1.2 metric tons. Of the 90 metric tons of hashish seized by all GOP law enforcement agencies, the Coast Guard interdicted over 7.3 metric tons, more than the total number of CG hashish seizures for the last four years combined. Other drugs seized by ANF in 2005 include over 2438 kilograms of opium poppy straw, 38 kilograms of opium liquid, .683 kilogram of Pseudo-Ephedrine, 210,000 of Buprenophine Injections, ecstasy tablets and other synthetic drugs.

From January to November 30, 2005, GOP authorities reported arresting 33,932 individuals on drug-related charges. As of November 30, 2005, the ANF had registered 437 narcotics cases in the GOP's court system over the course of 2005, 387 of which were decided with an 89 percent conviction rate. The great majority of narcotics cases that go to trial are uncomplicated drug possession cases involving low-level couriers and straightforward evidence. The problematic cases tend to involve more influential, wealthier defendants. ANF continues to work appeals for seven long-running cases in the Pakistani legal system against major drug traffickers, including Munawar Hussain Manj, Sakhi Dost

Jan Notazai, Rehmat Shah Afridi, Tasnim Jalal Goraya, Haji Muhammad Iqbal Baig, Ashraf Rana and Muhammad Ayub Khan Afridi. The ANF has made commendable efforts to address reversals of convictions by hiring its own special prosecutors, who have had admirable results despite limited resources, and by adding attorneys as part of its expansion. Following a DEA judicial seminar on conspiracy laws in October 2005, a Pakistani judge used the conspiracy principles to issue the first conviction of a drug trafficker, Malik Amir. Amir himself was not in direct possession of the narcotics drug.

Through November 30, 2005, the amount of drug traffickers' assets frozen stood at Rs. 238.5 million (about $4 million) and Rs. 11.475 million (about$193,000) in assets were forfeited.

The GOP's USG-supported Border Security Project continues to make progress in strengthening security along Pakistan's western border through: training to professionalize border forces; provision of vehicles and surveillance and communications equipment to enhance the effectiveness of patrolling of the remote border areas; and a Ministry of Interior Air Wing to enable border surveillance and interdictions. Since the arrival in May 2005 of two additional Huey II helicopters, the Air Wing's ten Huey IIs have executed 46 operational missions involving 112 aircraft sorties. These included an air assault on a suspected drug compound, poppy surveys, medevacs for personnel injured during FC operations, support for four FC border interdiction missions, and border reconnaissance. The three fixed-wing Cessna Caravans, equipped with FLIR surveillance equipment, executed 55 missions, including border surveillance, medevacs, and command and control support for large operations. Air Wing assets directly contributed to the seizure of 88 kilograms of morphine, 889 kilograms of opium, and 312 kilograms of hashish, as well as weapons and vehicles used by smugglers.

Law Enforcement Efforts. Although counternarcotics agencies in Pakistan generally need more resources, Prime Minister Shaukat Aziz made a significant decision in 2005 to approve 1,166 new positions in ANF (500 positions filled in 2005 and 666 which will be filled in 2006), and increase ANF's budget by 15.5 percent to cope with emerging narcotics challenges. The GOP also approved a 10,264 personnel increase in the Frontier Corps Balochistan to enhance the force on Pakistan's border with Afghanistan and Iran.

The U.S. has trained and equipped ANF's Special Investigative Cell (SIC), a vetted, 62-member unit that was established in 2000 to target major trafficking organizations. In 2005, the performance of the SIC continued to improve in intelligence collection and investigations. In particular, the SIC took the critical step of developing a joint High Value Target list with DEA to identify and dismantle the most significant drug trafficking organizations in the region. As of December 10, 2005, the SIC had arrested 101 persons, and conducted a number of joint operations with other national and international law enforcement agencies.

Corruption. As a matter of policy, neither the GOP nor any of its senior officials encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. However, with government salaries low and societal and government corruption endemic, narcotics-related corruption is likely to be associated with the movement of large quantities of narcotics and pre-cursor chemicals.

Agreements and Treaties. Pakistan 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 Convention on Psychotropic Substances. The U.S. is providing counternarcotics and law enforcement assistance to Pakistan under a continued? Letter of Agreement (LOA) that provides for cooperation in the areas of border security, opium poppy eradication, narcotics law enforcement, and drug demand reduction. The U.S.-Pakistan extradition relationship is conducted under the terms of the 1931 U.S.-U.K. Extradition Treaty, which continued in force for Pakistan following its independence. Pakistan has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime and the UN Convention

Against Corruption. In November 2005, Pakistan and India concluded negotiations on a Memorandum of Understanding for counternarcotics cooperation that will be signed shortly.

Cultivation/Production. Through interagency ground monitoring and aerial surveys, the GOP and USG confirmed that Pakistan's cultivation levels decreased by 58 percent to about 3,147 hectares (278 in Balochistan, and 2,869 in NWFP) in 2005. Of the remaining cultivated crop, only 22.5 percent of the hectares were eradicated, leaving about 2,440 hectares to be harvested. Based on the GOP calculation of about 25 kilograms of opium produced per hectare, potential opium production was approximately 61 metric tons. Pakistan's overall decrease in poppy cultivation reflected in large part a 91 percent drop in cultivation in Balochistan. This may have been the result of aggressive GOP eradication campaigns that deterred poppy sowing, but the possibility that extremely heavy rains killed the crop cannot be ruled out. ANF informed the USG that it destroyed 100 percent of the crop this year in Balochistan with the assistance of the new recruits police force and arrested over 100 growers. Cultivation in the "nontraditional" areas in NWFP—Orakzai, Kurram, and North Waziristan—remained almost completely contained this year. (No estimates for South Waziristan are available due to ongoing counterterrorism operations.) The cultivation level in Kohistan reportedly dropped from 1,012 hectares in 2004 to 123 hectares in 2005; one theory for the decline is that people have stopped growing poppy in return for promises of government development programs. However, Pakistan saw increases in cultivation and poor eradication efforts in some easily accessible areas of NWFP, particularly in Charsadda and Peshawar Districts and Mohmand and Bajaur Agencies. The U.S. has constructed roads and provided alternative development assistance in Mohmand and Bajaur since 1989, but in 2005 suspended funding for its programs there until stricter enforcement efforts are seen. In the significant poppy-growing areas of Khyber Agency and Kala Dhaka, 1,488 hectares and 417 hectares of poppy were cultivated respectively. Poor eradication efforts in Kala Dhaka were the result of the inaccessibility of the areas of highest cultivation and the general lack of infrastructure and government presence. In Khyber, poor eradication efforts were attributed to a fear of disrupting community acquiescence to counterterrorism operations in the area and a lack of available security forces due to ongoing counterterrorism operations. Ground monitoring teams observed, particularly in Khyber, a trend of increasing cultivation within walled compounds to discourage eradication.

Drug Flow/Transit. Although no exact figure exists for the quantity of narcotics flowing across the Pak-Afghan border, estimates of opiates that came through Pakistan from Afghanistan in 2004 range from 78 metric tons to 280 metric tons. The GOP has expressed concern that as law enforcement efforts increase in Afghanistan, drug trafficking organizations (DTOs) and labs will shift across the border. Many of the groups already have cells throughout Pakistan, particularly in the rugged, remote terrain of Balochistan Province where law enforcement has little to no presence. DTOs in Pakistan remain fragmented and decentralized. Individuals involved in the drug trade are often "specialists" in one particular activity (such as processing, transportation, or money laundering), who can act as independent contractors for several different criminal organizations. Pakistan is a major consumer of Afghan heroin, although the majority of the heroin smuggled out of Southwest Asia through Pakistan continues to go to the European market, including Russia and Eastern Europe. The balance goes to the Western Hemisphere and to Southeast Asia where it appears to supplement shortfalls in opiates in that region. Couriers intercepted in Pakistan were en route to Africa, Nepal, India, Europe, Thailand, China, Bangladesh, Sri Lanka, and the Middle East (especially United Arab Emirates (UAE)). The ANF believes precursor chemicals are smuggled most likely through UAE, Central Asia, China and India, and that mislabeled containers of acetic anhydride form part of the cargo in the Afghan transit trade. Ecstasy, Buphrenophine and other psychotropics are smuggled from India, UAE and Europe for the local Pakistani market. The ANF has also seen Africans bringing cocaine into Pakistan.

Afghan opiates, being trafficked to Europe and North America, enter Pakistan's Balochistan and NWFP provinces and exit either through Iran or Pakistan's Makran coast, or through international airports located in Pakistan's major cities. The ANF reports that drugs are being smuggled in the cargo

holds of dhows to Yemen, Oman, Saudi Arabia and United Arab Emirates via the Arabian Sea. Traffickers also transit land routes from Balochistan to Iran and from the tribal agencies of NWFP to Chitral, where they re-enter Afghanistan at Badakhshan province for transit through Central Asia. Drug convoys in Balochistan have become smaller, generally comprising two to three vehicles with well-armed guards and scouts for early warning, and often travel at night. Available evidence indicates that traffickers throughout the country are transporting smaller quantities of drugs through multiple carriers, both male and female, in an attempt to reduce the size of seizures and protect their investment; the seizures of 100-kilo shipments of several years ago have been replaced by seized shipments of 20-100 kilograms. Other methods of shipment include via hard-side luggage; strapped to the body and concealed from drug sniffing dogs with special sprays; the postal system; or inside legal objects (such as cell phone batteries). The ANF believes traffickers frequently change routes and concealment methods to avoid detection. It has also observed that West African traffickers are using more Central Asian, European and Pakistani nationals as "mules".

Demand Reduction. The GOP and the UNODC are cooperating on a survey of drug abuse in Pakistan. The GOP views addicts as victims, not criminals. Despite the extensive work of a few NGOs and the establishment of two GOP model treatment and rehabilitation centers in Islamabad and Quetta, drug users have limited access to effective detox and rehabilitation services in Pakistan. In 2004 and 2005, ANF conducted a number of drug abuse awareness programs, including a series of UNODC- and USG-funded demand reduction workshops on raising awareness of district officials in the four provinces and the role of women in drug abuse. Religious leaders, who participated in a USG-funded drug prevention program, drafted two resolutions against drug use and cultivation that have been used in weekly sermons. The USG also funded the Malaysian NGO Pengasih to conduct three training courses for drug health care providers in Pakistan. Other programs include financial support of NGOs involved in treatment and rehabilitation of drug addicts; a study on drug addiction in women; creation of youth groups to prevent drug abuse through organized alternative activities; and media messages and information dissemination. The ANF plans to implement other projects to increase community participation in demand reduction and create mass awareness among youth, women, and transportation drivers. While the GOP has the political will to do more, it lacks the resources and an updated, comprehensive demand reduction strategy, which it plans to develop as part of its Master Drug Control Plan.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. counternarcotics policy objectives are to continue to help the GOP strengthen the security of its borders and coast against drug trafficking and terrorism; to expand regional cooperation; to encourage the GOP to eliminate poppy cultivation and inhibit any spread of cultivation; to increase GOP interdiction of opiates from Afghanistan and help dismantle major trafficking organizations; to expand demand reduction efforts; to enhance cooperation regarding the extradition of narcotics fugitives; to encourage enactment of comprehensive money laundering legislation; to press for reform of law enforcement institutions; and to encourage cooperation among GOP agencies with counternarcotics responsibilities.

Bilateral Cooperation. Through the State Department-funded Counternarcotics Program and Border Security Project, the U.S. provides operational support, commodities, and training to ANF and other law enforcement agencies, as well as funding for demand reduction activities. Under the Border Security Project, the construction of 49 Frontier Corps outposts in Balochistan and NWFP was completed in 2005; work on the remaining six outposts in North Waziristan remains suspended due to the security situation there. Ongoing construction of over 360 kilometers of roads in the border areas of the FATA continues to open up remote areas to law enforcement. In 2005, the U.S. completed delivery of over 1500 vehicles, communications, and surveillance equipment to law enforcement agencies operating on the western border. The State Department has funded construction of over 465

kilometers of counternarcotics program roads (which allow forces to eradicate poppy, and facilitate farm-to-market access for legitimate crops), and supported the implementation of over 700 small schemes and alternative crops in Bajaur, Mohmand and Khyber Agencies. These alternative development programs will expand to Kala Dhaka and Kohistan in 2006. The U.S. funds Narcotics Control Cells in both the Home Department NWFP and the FATA Secretariat to help coordinate counternarcotics efforts in the province and tribal areas. The U.S.-supported MOI Air Wing program provides significant benefits to counternarcotics efforts, while advancing counterterrorism objectives. The DEA provides operational assistance and advice to ANF's SIC, which continues to raise its investigative standards. The Department of Defense in 2005 began providing assistance to the Coast Guard to improve the GOP's counternarcotics capacity on the Makran Coast.

The Road Ahead. Even with improvements in air and ground mobility and communications capacity, the GOP continues to face an immense challenge in the coming year to interdict the increasing supply of drugs from Afghanistan. The U.S. will continue to assist the GOP in its efforts to conduct investigations that dismantle drug trafficking organizations, to build capacity to secure the western border and coast, to eliminate poppy, to increase convictions and asset forfeitures, and to reduce demand. Implementation of those strategies will require stronger GOP interagency cooperation, strict enforcement of the poppy ban and eradication, effective use of resources and training, development of drug intelligence, and regional cooperation and information sharing.

Sri Lanka

I. Summary

Drug use and trafficking in Sri Lanka remains a relatively minor problem. The Government of Sri Lanka (GSL) remains committed to targeting drug traffickers and implementing nation-wide demand reduction programs. In 2005, the U.S. government strengthened its relationship with Sri Lanka on counternarcotics issues by offering training and seminars for the Sri Lankan Police. After the 2002 ceasefire agreement between the GSL and the Liberation Tigers of Tamil Elam (LTTE), a comparatively relaxed security environment led to the opening of a new overland drug trafficking route. LTTE officials continue to police and monitor the route. Although Sri Lanka has signed the 1988 UN Drug Convention, Parliament had not enacted implementing legislation for the convention as of the end of 2005.

II. Status of Country

Sri Lanka is not a significant producer of narcotics or precursor chemicals. GSL officials continue to raise internal awareness of, and vigilance against efforts by drug traffickers attempting to use Sri Lanka as a transit point for illicit drug smuggling. Domestically, officials are addressing a modest drug problem, with problem drugs consisting of heroin, cannabis, and increasingly, ecstasy.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In 2005, the Police Narcotics Bureau (PNB) and Excise Department worked closely to target cannabis producers and dealers, resulting in several successful arrests. The PNB warmly welcomed, and was an active partner in, U.S.-sponsored training for criminal investigative techniques and management practices.

Sri Lanka continued to work with the South Asian Association for Regional Cooperation (SAARC) and the United Nations Office on Drugs and Crime (UNODC) on regional narcotics issues. SAARC countries met in Maldives in early 2004 and agreed to establish an interactive website for the SAARC Drug Offense Monitoring Desk, located in Colombo, where countries can input, share, and review regional narcotics statistics. GSL officials maintain continuous contact with counterparts in India and Pakistan, countries of origin for the majority of drugs that enter Sri Lanka.

Law Enforcement Efforts. The PNB continued close inter-agency cooperation with the Customs Service, the Excise Department and other, nonnarcotics units of the Sri Lank an Police to curtail the illicit drug supply lines of local drug dealers and users. As a result of these efforts, GSL officials arrested 9,519 heroin dealers and 9,168 cannabis dealers from January to October of 2005. The largest heroin haul was 11.5 kilograms, valued locally at around $402,500. The Sri Lanka Navy made the interdiction in Mannar, where an LTTE cadre was caught with the package of heroin. This year approximately 40 kilograms of heroin were confiscated in Mannar alone. Law enforcement officials did not make any ecstasy-related drug arrests this year.

Apart from its Colombo headquarters, the PNB has one sub-unit at the Bandaranaike International Airport near Colombo, complete with operational personnel and a team of narcotics-detecting dogs. Greater vigilance by PNB officers assigned to the airport sub-station led to increased arrests and narcotics seizures from suspected drug smugglers. During the year, the PNB began the process of establishing additional sub-stations to combat trafficking. The next two substations, at the international port in Colombo and the northwest coastal town of Mannar, will be operational shortly. Future sub-stations will also be located in cannabis-growing regions.

Corruption. A government commission, established to investigate bribery and corruption charges against public officials, temporarily resumed operations in 2004 and continued through 2005. In June 2005, the PNB, along with police officers island-wide, began "Operation Clean-Up" to apprehend drug peddlers and users. All police stations and divisions are taking part in this effort. Police investigations determined that a sub-inspector of police has earned significant profit from his involvement with a gang of drug dealers. This officer has been suspended from the service, and a special police team is conducting an investigation into his conduct. In addition, investigations also continue in the case of two police constables caught smuggling cannabis. The GSL does not, as a matter of policy, encourage or facilitate the illicit production or distribution of any controlled substances or the laundering of proceeds from illegal drug transactions. There were no reports that any senior official engaged in such activity or encouragement thereof.

Agreements and Treaties. Sri Lanka is a party to the 1988 UN Drug Convention. The Attorney General's Office is expected to submit a draft of the implementing legislation for the 1988 UN Convention to the Ministry of Justice and Judicial Reforms by year's end. The Justice Minister is then slated to seek Cabinet approval and present the legislation as a bill to Parliament by the first quarter of 2006. Sri Lanka is also a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Sri Lanka has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime, and is a party to the UN Convention against Corruption. An extradition treaty is in force between the U.S. and Sri Lanka.

Cultivation/Production. Cannabis is cultivated and used locally. There is little indication that this illicit drug is exported in great quantities. The majority of the production occurs in the southeast. PNB and Excise Department officials work together to locate and eradicate cannabis crops. PNB officials also sought to set up substations in order to limit trafficking through vulnerable regions.

Drug Flow/Transit. Some of the heroin entering Sri Lanka is solely for transshipment purposes. With the opening of the northwestern coastal waters after the ceasefire between the GSL and the LTTE, narcotics traffickers have taken advantage of the short distance across the Palk Strait to transit drugs from India to Sri Lanka. According to police officials, drugs are mainly transported across the strait and then overland to southern coastal towns, from which they are transported onward by sea. Mannar is considered the primary port of entry for narcotics. The PNB is attempting to control the area better with the upcoming opening of a sub-station there. With no coast guard, however, Sri Lanka's coast remains highly vulnerable to transshipment of heroin en route from India. Police officials state that the international airport is the second major entry point for the transshipment of illegal narcotics through Sri Lanka. There is no evidence to date that synthetic drugs are manufactured in Sri Lanka. Police note that the ecstasy found in Colombo social venues is likely trafficked from Thailand.

Domestic Programs (Demand Reduction). The National Dangerous Drugs Control Board (NDDCB) began establishing task forces in each regional province to focus on the issue of drug awareness and rehabilitation at the community level. Each task force works with the existing municipal structure, bringing together officials from the police, prisons, social services, health, education and NGO sectors. For the first time in 2004, NDDCB officials visited the war-affected northern and eastern provinces to assess the local situation and investigate the possibility of establishing treatment centers in those regions. The GSL continued its support, including financial, of local NGOs conducting demand reduction and drug awareness campaigns. The PNB instituted an annual drug awareness week in June 2005, with programs focused on school children as well as recent secondary school graduates. The PNB is making preparations to organize other drug awareness programs as well, including counseling to tsunami victims in the south and east of Sri Lanka. With the help of Police Divisions throughout the country, the PNB implemented a successful public awareness program at the village level about the adverse repercussions of narcotics use.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG remained committed to helping GSL officials develop increased capacity and cooperation for counternarcotics issues, although bilateral efforts were hindered by funding cuts on the Sri Lankan side. The USG also continued its support of the regional Colombo Plan Drug Advisory Program, which conducts regional and country-specific training seminars, fostering communication and cooperation throughout Asia.

Bilateral Cooperation. In 2004, the USG began to implement a law enforcement development program with PNB. Over 200 police officers have participated in training seminars thus far. USG-trained Sri Lanka police replicated the seminars and scheduled training for colleagues of the original police trainees at training academies and stations throughout the island. In May of this year in Sri Lanka, the Colombo Plan sponsored a U.S.-funded South Asian regional conference for public health practitioners on the subject of drug recovery.

The Road Ahead. The U.S. government intends to maintain its commitment to aiding the Sri Lankan police as they attempt to adapt to the changing needs of the Sri Lankan people.

SOUTHEAST ASIA

Australia

I. Summary

Australia is a committed partner in international efforts to combat illicit drugs, and gives high priority to drug-related issues, both internationally and domestically. Australia manages the diverse legal, health, social and economic consequences of drug use through comprehensive and consistent policies of demand and supply reduction and circumscribed harm reduction initiatives. Australia is party to the 1988 UN Drug Convention.

II. Status of Country

Australia is a consumer nation for illicit drugs. There is no evidence indicating that narcotics destined for the U.S. are transiting Australia. U.S. and Australian law enforcement agencies have excellent cooperation on narcotics matters. While domestically produced marijuana is the most abused drug in Australia, the use of MDMA (ecstasy) and methamphetamine has risen drastically in the past few years. The UN 2005 World Drugs Report indicated that Australia has one of the highest rates of MDMA and methamphetamine abuse in the world. There are also indications that the use of cocaine has increased throughout Australia in recent years. Although the use of heroin has declined since 2000, law enforcement and health officials continue to aggressively target heroin trafficking and abuse.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Federal Government continues to vigorously pursue polices that attempt to both prevent and treat illegal drug use. Launched in 1997, Prime Minister Howard's National Illicit Drug Strategy outlines a program to address drug issues. Australia has committed more than US$750 million (AU$1 billion) to the Strategy. (NOTE: Throughout this report, figures are in U.S. dollars, calculated at an exchange rate of A$1 equals U.S. $0.75) Since 2002, following the Federal Government's creation of the Australian Crime Commission, state and federal investigators have increased their cooperation, bolstered their enforcement responses to serious crimes such as drug trafficking, and improved prosecution at the appropriate state or federal level. The Federal government committed an additional $187.4 million in 2003 to its program to reduce the supply of, and demand for, illicit drugs.

In 2004, the Australian government instituted a national program to educate customs officers, container examiners and other law enforcement personnel on the inputs and precursor chemicals used in the creation of synthetic narcotics. The government is supporting private industry's attempt to develop a pseudoephedrine product that cannot be used as a precursor chemical for methamphetamine. There is an ongoing campaign to prevent illegal sales of pseudoephedrine in Australia. On January 1, 2006 legislation tightening the access to pseudoephedrine on a national level will go into effect. In August 2005, the Australian Minister of Justice announced the implementation of the National Strategy to Prevent Diversion of Precursor Chemicals. The Australian government has committed $4.1 million to prevent the diversion of legitimate chemicals like pseudoephedrine into the manufacture of illicit drugs.

Accomplishments. The Australian government continues to implement extensive multi-faceted programs to combat drug trafficking and use in Australia. Throughout 2005, Australian law enforcement officials seized record amounts of ecstasy and crystal methamphetamine. These seizures were consistent with the reported increased use of these drugs throughout Australia. State Police

agencies continue to report increases in the number of clandestine methamphetamine labs seized throughout the country, along with the seizure of several large-scale MDMA labs. The agencies believe that the level of sophistication in many of these labs has advanced. Australian efforts to control the availability of the precursor chemical pseudoephedrine have led to the increase in illegal bulk pseudoephedrine import attempts into Australia. In August 2005, Australian law-enforcement seized 400 kilograms of pseudoephedrine in a shipment of ceramic products from Vietnam. In 2005, law enforcement officials successfully completed several high profile investigations targeting Vietnamese organized crime groups operating sophisticated hydroponic marijuana growth sites. The trial for defendants arrested as a result of the April/May 2003 seizure of 125 kilograms of heroin from the North Korean cargo vessel MV Pong Su began in January 2005 and is on-going and scheduled to be completed in early 2006.

Law Enforcement Efforts. Australian law enforcement agencies continued their aggressive counternarcotics efforts in 2005. Responsibility for these activities is divided among the Federal government—primarily the Australian Federal Police (AFP), the Australian Customs Service (ACS), the Australian Crime Commission (ACC) and the Therapeutic Goods Administration (TGA)—and state/territorial police services throughout the country. In recent years, the AFP has restructured its liaison network, which has led to a slight reduction of officers and overseas posts, in order to better focus on transnational crime, including drug trafficking, terrorist activities and people smuggling. The AFP currently maintains more than 60 officers in 30 overseas liaison posts in 25 countries to assist in narcotics investigation. AFP Liaison Officers, particularly those in the Pacific Islands and throughout Asia, also assist local law enforcement agencies in training and institution building. The AFP and other Australian law enforcement agencies continue to have close working relationships with U.S. agencies including the DEA and FBI.

Corruption. The Australian Government is vigilant in its efforts to prevent narcotics-related corruption. There is no indication of any senior official of the government facilitating the production or distribution of illicit drugs or aiding in the laundering of proceeds from such activities. Although some state police officers have been investigated and tried for drug-related corruption, corruption is not common or widespread.

Agreements and Treaties. The U.S. and Australia cooperate extensively in law enforcement matters, including drug prevention and prosecution, under a bilateral mutual legal assistance treaty and an extradition treaty. The USG has a Customs Mutual Assistance Agreement (CMAA) with Australia. Australia 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. Australia is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. Australia also is a party to the UN Convention Against Corruption.

Cultivation/Production. Cannabis is the only significant illicit drug cultivated in Australia. The use of hydroponic growth sites has been increasing throughout the country in recent years. The cannabis grown in Australia is primarily destined for the domestic market and there is no evidence that Australian marijuana reaches the U.S. in any significant quantity. Australia has a well-established and controlled licit opium crop (13,000 hectares) on the island of Tasmania. Although recent significant seizures of foreign produced methamphetamine have revealed a change in trafficking patterns, a large amount of amphetamine and methamphetamine consumed in Australia is produced in small, often mobile, domestic clandestine laboratories.

Drug Flow/Transit. Historically, Australia has been the target for Asian-based criminal groups trafficking in heroin. This trend is continuing and many of these organizations are also involved in the trafficking of methamphetamines into Australia. The primary source for heroin in Australia continues to be the Golden Triangle area of Laos, Burma and Thailand. Ecstasy consumed in Australia is

primarily imported from Europe with some shipments transiting Asia prior to arrival in Australia. South American cocaine trafficking organizations are utilizing the improved transportation/commercial links between Australia and South America to facilitate the smuggling of cocaine. Couriers from South America are intercepted at international airports on a regular basis. There has been a steady increase in couriers transiting South Africa to convey cocaine into Australia.

Domestic Programs. The Federal Government has continued to pursue an aggressive policy to prevent and treat drug use. The Prime Minister's National Illicit Drug Campaign committed the equivalent of $4 million to drug prevention programs in schools and $40 million for compulsory education and a treatment system for drug offenders. Under Australian law, the Federal Government has responsibility for national health and crime issues, while the States and Territories have responsibility for the delivery of health and welfare services. The Ministerial Council on Drug Strategy brings together Federal, State and Territory Ministers responsible for health and law enforcement to determine national policies and programs to reduce the harm caused by drugs in Australia.

Although the Federal Government opposes supervised injecting rooms, the legal authority to provide injecting rooms rests with the health and law enforcement agencies in the States and Territories. In May 2001, the State of New South Wales passed legislation to permit the licensing and operation of an injecting center for a trial period of 18 months. This trial period has been extended to October 2007. The center, which is now in operation, provides for medically supervised heroin injections. The Australian Capital Territory has passed similar legislation but has not opened an injection center.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. U.S. counternarcotics activities in Australia feature strong ongoing U.S.-Australian collaboration in investigating, disrupting, and dismantling international illicit drug trafficking organizations. In mid-2002, the U.S. and Australia signed a Memorandum of Understanding to outline these objectives.

Bilateral Cooperation. Cooperation between U.S. and Australian authorities is excellent.

The Road Ahead. Australia shows no sign of lessening its commitment to the international fight against drug trafficking. Australian counternarcotics efforts throughout Asia and the Pacific Islands continue to be extremely robust. The U.S. can expect strong bilateral relations with Australia on counternarcotics issues. The two countries will continue to work closely in support of the UN Drug and Crime Program and other multi-lateral fora.

Burma

I. Summary

Burma is the world's second largest producer of illicit opium, accounting for more than 90 percent of Southeast Asian heroin. Even so, Burma has just a small share of worldwide heroin, given Afghanistan's exceptionally large opium/heroin production. Burma is also a primary source of amphetamine-type stimulants (ATS) in Asia. Annual production of opium has declined over the past ten years and is now at less than 20 percent of mid-1990 peak levels. In 2005, Burma produced an estimated 380 metric tons of opium, less than eight percent of the opium produced in Afghanistan. Burma's opium poppy is grown predominantly in the "Golden Triangle" border region of Shan State in areas near the borders of China, Laos, and Thailand that are controlled by former insurgent groups (less than one percent of Burma's poppy crop is grown outside of Shan State).

Cultivation by ethnic Wa hill tribesmen along the Chinese border accounts for 40 percent of Burma's total poppy crop, down from 55 percent in 2004. The decline in that area was accompanied by a resurgence in poppy cultivation in southern and eastern Shan State. Nonetheless, major Wa traffickers continue to operate with impunity and the government has been unable or unwilling to curb drug activities conducted by the United Wa State Political Leadership (UWSP) a criminal group controlling the United Wa State Army (UWSA), which is primarily responsible for criminal activities such as heroin/ATS production in Wa territories. The UWSA announced in June 2005 a total ban on poppy cultivation and opium production and trafficking, but UWSA noncompliance with that announced ban and involvement in methamphetamine production and trafficking remain serious concerns. In January 2005, the U.S. Attorney's Office for the Eastern District of New York unsealed federal indictments against seven UWSA leaders for conspiracy to possess, manufacture, or distribute heroin and methamphetamine.

During the 2005 drug certification process, the USG determined that Burma was one of only two countries in the world (the other was Venezuela) that had "failed demonstrably" to meet international counternarcotics obligations.

In addition to regular joint work with the Drug Enforcement Administration (DEA) and Australian Federal Police (AFP) on narcotics investigations, the Government of Burma (GOB) has increased law enforcement cooperation with Thai and Chinese authorities, particularly through renditions, deportations, and extraditions of wanted drug traffickers. Burma is a party to the 1988 UN Drug Convention.

II. Status of Country

Burma is the world's second largest producer of illicit opium, but produces only a small fraction of the opium that is now produced in Afghanistan. Eradication efforts and enforcement of poppy-free zones combined to depress cultivation levels from 2000 to 2004, especially in the Wa territory. A resurgence of cultivation in eastern and southern Shan State in 2005, however, where improved weather conditions and new cultivation practices increased opium production, led to a slight overall increase in cultivation and production in Burma. According to the UNODC, a persistent and strong demand in Asia for opiates and a falling supply in the Golden Triangle region led to a 22 percent increase in Burmese village-level opium prices, from $153 per kilogram in 2004 to $187 in 2005. Opium price increases, however, did little to alleviate the poverty of poppy farmers, who are among the most impoverished populations in Burma.

According to an annual U.S. opium yield estimate, in 2005 the total land area under poppy cultivation was 40,000 hectares (ha), an 11 percent increase over the previous year. Estimated opium production in Burma totaled approximately 380 metric tons in 2005, a 14 percent increase over 2004. A UNODC opium yield survey, using a different methodology, concluded that cultivation had actually declined 26 percent and production had declined 19 percent. Nonetheless, both surveys estimated a yield average of 9.2 kilograms/ha, well below the peak level of 15.6 kilograms/ha recorded in 1996. Both surveys also concluded that Burma had experienced a significant downward trend over the past decade, with poppy cultivation and opium production declining by roughly 80 percent.

Declining poppy cultivation over the last ten years has been matched by a sharp increase in the production and export of synthetic drugs. Burma plays a leading role in the regional traffic of ATS. Drug gangs, many of which are ethnic Chinese, based in the Burma/China and Burma/Thailand border areas annually produce several hundred million methamphetamine tablets for markets in Thailand, China, and India using precursors imported from China and India.

According to GOB figures, during the first eleven months of 2005, ATS seizures totaled about 1.65 million tablets, a significant decrease from previous years. Authorities, however, seized over 280 kilograms of crystal methamphetamine ("Ice"). Aside from these important seizures, the government did not destroy any ATS labs in 2005 or take any other significant steps to stop ATS production and trafficking. The GOB has, however, stepped up its dialogue with law enforcement agencies and neighboring countries on the overall ATS problem.

Opium, heroin, and ATS are produced predominantly in the border regions of Shan State, areas controlled by former insurgent groups. Between 1989 and 1997, the Burmese government negotiated a series of individual cease-fire agreements, allowing each of several ethnically distinct peoples limited autonomy and continued narcotics production and trafficking activities in return for peace.

Since the mid-1990s, however, the Burmese government has elicited "opium-free" pledges from each cease-fire group. and as these pledges have come due, has stepped up law-enforcement activities against opium/heroin in the respective cease-fire territories. In June, the UWSA announced implementation of a long delayed ban on opium production and trafficking in Wa territory. The Wa tribal group, however, remain the country's leading poppy growers and opium producers. According to many reports, the UWSP leadership facilitates the manufacture and trafficking of ATS pills in Wa territory, predominantly by ethnic Chinese criminal gangs. Although the government has not succeeded in convincing the UWSA to stop illicit drug production or trafficking, Burmese law enforcement entities stepped up pressure against Wa traffickers in 2005.

Burma has a small, but growing domestic drug abuse problem. UNODC estimated there are roughly 20,000 opium addicts in Shan State, the country's largest poppy growing region. Surveys conducted by UNODC, among others, suggest that the overall drug addict population could be as high as 300,000, plus an additional 15,000 regular ATS users.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Burma's official 15-year counternarcotics plan, launched in 1999, calls for the eradication of all narcotics production and trafficking by 2014, one year ahead of an ASEAN-wide plan of action that calls for the region to be drug-free by 2015. The plan is to proceed in stages, with eradication efforts tied to alternative development programs in individual townships, predominantly in Shan State. The government initiated its second five-year phase in 2004. U Sai Lin's Special Region No. 4 around Mong La has been declared opium-free since 1997; the Kokang Special Region No. 1 banned poppy cultivation in 2003 after missing a 2000 deadline; and the Wa Special Region No. 2, after several postponements, implemented a ban in June 2005. Despite substantial gains in reducing the cultivation of poppy, however, none of the regions is truly opium-free.

According to the 2005 U.S. opium yield estimate, poppy cultivation within Wa territories represents 40 percent of the total Burma crop, a decline from 55 percent in 2004, but there was a resurgence in cultivation in eastern and southern Shan State.

The most significant multilateral effort in support of Burma's counternarcotics efforts is the modest presence of the UNODC in northern Shan State. The UNODC's "Wa Project" was initially a five-year, $12.1 million supply-reduction program to encourage alternative development in territory controlled by the UWSA. In order to meet basic human needs and ensure the sustainability of a 2005 UWSA opium ban, the UNODC extended the project until 2007, increased the total budget to $16.8 million, and broadened the scope from 16 villages to the entire Wa Special Region No. 2. Major donors that have supported the Wa Project include the United States, Japan and Germany, while the UK and Australia have recently made additional contributions.

In 2003, the UNODC established a project in Wa and Kokang areas ("KOWI" project) aimed at supporting the humanitarian needs of farmers who have abandoned poppy cultivation and lost their primary source of income. The project's principal objective is to prevent any return to poppy cultivation and thus to sustain drug control efforts in the long term. Altogether 18 partner organizations—including the World Food Program, the Food and Agricultural Organization, and NGOs—are coordinating activities under the KOWI umbrella to address basic human needs through the provision of food, health services, and education. The goal of these interventions, many of which commenced in 2004 and are scheduled to continue until the UN Development Program assumes oversight in 2008, is to ensure the recovery and development of communities through community-based initiatives. Japan and Italy were early donors to the UNODC's KOWI project. Australia, Germany, the European Commission, New Zealand, Sweden, Switzerland, and the United Kingdom provided support to the project's NGO partners. UNODC plans to phase out its participation by 2007. Japan has undertaken a substantial effort to help the GOB establish buckwheat as a cash crop for former poppy farmers in the Kokang and Mong Ko regions of northeastern Shan State.

The Government of Burma, under a 1993 Narcotic Drugs and Psychotropic Substances Law, has in the intervening years issued notifications controlling 124 narcotic drugs, 113 psychotropic substances, and 25 precursor chemicals. Burma enacted a "Mutual Assistance in Criminal Matters Law" in 2004 and, in support of a 2002 Control of Money Laundering Law, enacted in 2003 specific "Rules for Control of Money Laundering Law."

Over the past several years, the Burmese government has extended its regional counternarcotics cooperation, including the signing in 2001 of Memoranda of Understanding (MOUs) with both China and Thailand; the opening, with UNODC support, of liaison offices on the Chinese and Thai borders over the past four years to facilitate the sharing of intelligence; annual joint operations with China that have destroyed several major drug trafficking rings; and the establishment with Thailand of three joint "narcotics suppression coordination stations." According to the GOB, Thailand has contributed over $1.6 million to support an opium crop substitution and infrastructure project in southeastern Shan State. While not formally funding alternative development programs, the Chinese government has encouraged investment in many projects in the Wa area, particularly in commercial enterprises such as tea plantations and pig farms and has assisted in marketing those products in China through relaxation of duties and taxes.

GOB law enforcement cooperation with Thai and Chinese authorities is also manifested through renditions, deportations, and extraditions of wanted drug traffickers. Among several important cases, Burmese authorities in January arrested trafficker Ma Shun-su, one of China's five most-wanted drug kingpins, and rendered him to China in connection with the seizure of 21 kilograms of heroin. Also in January, Burmese authorities took custody of Ko Naing Lin, whom Thailand had deported in connection with a 2004 seizure in Burma of 581 kilograms of heroin. In March, Burma took custody of two individuals from China who had been deported in connection with the same 2004 heroin

seizure. In July, Burma and Thailand signed an MOU to address such issues as the sharing of seized financial proceeds from transnational organized crime. In October, Burma and India, during a joint meeting of senior Home Ministry officials, agreed to increase cooperation against drug trafficking.

Law Enforcement Measures. The Central Committee for Drug Abuse Control (CCDAC)—which is comprised of personnel from the police, customs, military intelligence, and army—leads drug-enforcement efforts in Burma. The CCDAC, effectively under the control of the Ministry of Home Affairs, now coordinates 25 drug-enforcement task forces around the country, with most located in major cities and along key transit routes near Burma's borders with China, India, and Thailand. As is the case with most Burmese government entities, the CCDAC suffers badly from a lack of adequate resources to support its law-enforcement mission. In 2005, CCDAC established two new counternarcotics task forces in Rangoon and Mandalay, complementing existing task forces in those two cities. The GOB also established an additional Financial Investigation Team (FIT), located in Mandalay, to serve as a clearinghouse for northern Burma. This new team, established with DEA and Australian Federal Police (AFP) assistance, complements an existing FIT in Rangoon.

In January, the U.S. Attorney's Office for the Eastern District of New York unsealed federal indictments against seven UWSA leaders for conspiracy to possess, manufacture, or distribute heroin and methamphetamine. Among those indicted was Wei Hseuh-kang, whom the United States had previously indicted in 1993 and designated a Kingpin trafficker in 2000. The GOB has to date taken no direct action against any of the seven indicted UWSA leaders, although authorities have taken law enforcement action against other, lower ranking, members of the UWSA syndicate.

Narcotics Seizures. Summary statistics provided by Burmese drug officials indicate that during the first eleven months of 2005, Burmese police, army, and the Customs Service together seized approximately 1,000 kilograms of raw opium, 776 kilograms of heroin, 119 kilograms of marijuana, and just over 1.6 million methamphetamine tablets. Heroin seizures have more than doubled over the past three years. Opium, heroin and morphine seizures, however, account for just a fraction of Burma's yearly potential opium production.

For the second year in a row, Burmese authorities made a massive heroin bust that disrupted international trafficking syndicates. In September, officials seized a major shipment of 496 kilograms of heroin in eastern Shan State and arrested 49 UWSA soldiers, including a brigade commander. The law enforcement operation, the first of its kind against UWSA assets, was the result of close cooperation with Chinese counternarcotics officials. Related investigations that led to additional seizures and arrests came about as a result of GOB cooperation with Laos and Thailand, as well as with the U.S. DEA.

In May, a joint operation among the GOB, DEA, and the Australian Federal Police (AFP) led to the seizure in Rangoon of 102 kilograms of ICE (crystal methamphetamine), disrupting a syndicate that had smuggled over 800 kilograms of ICE from Burma to markets in China, Malaysia, the Philippines, and the United States. Through November 2005, according to official statistics, Burma arrested 4,398 suspects on drug-related charges. The government's counternarcotics task force in Lashio, northern Shan State dismantled two heroin refineries in 2005. The GOB eradicated 3,907 ha of opium poppy in 2005, a 28 percent increase from the previous year, but less than 10 percent of the entire poppy crop. Nonetheless, overall eradication accounts for over half of the reduction in areas under poppy cultivation since 2001.

Corruption. Burma signed the 2003 UN Convention Against Corruption on December 2, 2005. At year's end, a government panel was reviewing domestic legislation and will recommend whether existing legislation can be amended to meet the Convention's obligations, or if new legislation is required.

There is no reliable evidence that senior officials in the Burmese Government are directly involved in the drug trade. However, lower-level officials, particularly army and police personnel posted in border areas, are widely believed to be involved in facilitating the drug trade; and some officials have been prosecuted for drug abuse and/or narcotics-related corruption. According to the Burmese government, over 200 police officials and 48 Burmese Army personnel were punished for narcotics-related corruption or drug abuse between 1995 and 2003. Of the 200 police officers, 130 were imprisoned, 16 were dismissed from the service, 7 were forced to retire, and 47 were demoted. In 2004, the military junta ousted Prime Minister General Khin Nyunt, accusing him and hundreds of his military intelligence subordinates of corruption, including illegal activities conducted in northern Shan State. Authorities have not, however, charged any of these officials with drug-related offenses, and no Burma Army officer over the rank of full colonel has ever been prosecuted for drug offenses.

Government authorities, acting on the results on a joint investigation with DEA and AFP, closed the Myanmar Universal Bank (MUB) in 2005, including 38 branch offices throughout the country, and seized MUB assets of over $18 million. Police arrested the bank Chairman, Tin Sein, and several of his associates and charged them for money laundering and drug trafficking offenses. The GOB, also acting on results of DEA and AFP information, revoked operating licenses for the Asia Wealth Bank and Mayflower Bank due to irregularities associated with money laundering.

Agreements and Treaties. Burma 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. In addition, Burma is also one of six nations (Burma, Cambodia, China, Laos, Thailand, Vietnam) that are parties to UNODC's sub-regional action plan for controlling precursor chemicals and reducing illicit narcotics production and trafficking in the highlands of Southeast Asia. Burma is a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Cultivation and Production. According to the annual U.S. opium yield estimate, in 2005 the total land area under poppy cultivation was 40,000 hectares, an 11 percent increase from the previous year. Estimated opium production in Burma totaled approximately 380 metric tons in 2005, a 14 percent increase from 2004. A UNODC opium yield survey concluded that cultivation in 2005 had declined 26 percent from the previous year, and by over 70 percent since 1996. UNODC also determined that production had declined 16 percent, from 370 metric tons in 2004 to 312 metric tons in 2005. Despite a variance in 2005 results, both the U.S. estimate and the UNODC survey estimated a yield average of 9.2. kilograms/ha, well below the peak level of 15.6 kilograms/ha recorded in 1996. Both surveys also concluded that Burma had experienced a significant downward trend in poppy cultivation/opium production over the past decade, with both declining by roughly 80 percent.

Drug Flow/Transit. Most ATS and heroin in Burma are produced in small, mobile labs located in the Burma/China and Burma/Thailand border areas, primarily in territories controlled by active or former insurgent groups. A growing amount of methamphetamine is reportedly produced in labs co-located with heroin refineries in areas controlled by the UWSA, the ethnic Chinese Kokang, and the Shan State Army-South (SSA-S). Ethnic Chinese criminal gangs dominate the drug syndicates operating in these areas.

Heroin and methamphetamine produced by these groups are trafficked overland (or via the Mekong River) primarily through China, Thailand, India, and, to a lesser extent, Laos, Bangladesh, and Burma itself. Heroin seizures in 2004 and 2005, and subsequent investigations, revealed the increased use by international syndicates of the Rangoon international airport and port for trafficking of drugs to the global narcotics market.

Demand Reduction. The overall level of drug abuse is low in Burma compared with neighboring countries, in part because many Burmese are too poor to afford a drug habit. Traditionally, some farmers use opium as a painkiller and an antidepressant because they lack access to adequate health

facilities. There has been a growing shift away from opium smoking toward injecting heroin, a habit that is more addictive and that poses a greater public health risk. Deteriorating economic conditions will likely stifle substantial growth in overall drug consumption, but the trend toward injecting narcotics is a significant concern. The government maintains that there are only about 70,000 registered addicts in Burma, but surveys conducted by UNODC, among others, suggest that the addict population could be as high as 300,000. NGOs and community leaders report increasing use of heroin and synthetic drugs, particularly among disaffected youth in urban areas and workers in ethnic minority mining communities. The UNODC estimated that in 2003 there were at least 15,000 regular ATS users in Burma and a joint UNODC/UNAIDS/WHO study estimated that there are between 30,000 and 130,000 injecting drug users These two baseline studies are the most recent reliable data available on the nexus between drug abuse and HIV/AIDS in Burma. There is also a growing HIV/AIDS epidemic, linked in part to intravenous drug use. According to a UNODC regional center, an estimated 26 to 30 percent of officially reported HIV cases are attributed to intravenous drug use, one of the highest rates in the world. Infection rates are highest in Burma's ethnic regions, and specifically among mining communities in those areas, where opium, heroin, and ATS are readily available, i.e., along Burma's northern and eastern borders.

Burmese demand reduction programs are in part coercive and in part voluntary. Addicts are required to register with the GOB and can be prosecuted if they fail to register and accept treatment. Altogether, more than 21,000 addicts were prosecuted for failing to register between 1994 and 2002. The GOB has not provided data since 2002. Demand reduction programs and facilities are strictly limited, however. There are six major drug treatment centers under the Ministry of Health, 49 other smaller detox centers, and eight rehabilitation centers which, together, have reportedly provided treatment to about 55,000 addicts over the past decade. As a pilot model, in 2003 UNODC established community-based treatment in Northern Shan State as an alternative to official treatment centers. About 1,600 addicts have participated in this treatment over the past three years. Since 2004, an additional 6,900 addicts have sought medical treatment and support from UNODC-sponsored drop-in centers and outreach workers active throughout northeastern Shan State. There are also a variety of narcotics awareness programs conducted through the public school system. In addition, the government has established demand reduction programs in cooperation with NGOs. These include programs with CARE Myanmar, World Concern, and Population Services International (PSI), all of which focus on injecting drug use as a factor in the spread of HIV/AIDS.

IV. U.S. Policy Initiatives and Programs

Policy and Programs. As a result of the 1988 suspension of direct USG counternarcotics assistance to Burma, the USG engages the Burmese government in regard to narcotics control only on a very limited level. DEA, through the U.S. Embassy in Rangoon, shares drug-related intelligence with the GOB and conducts joint drug-enforcement investigations with Burmese counternarcotics authorities. In 2005, these joint investigations led to significant seizures, arrests, and convictions of drug traffickers and producers. The GOB regrettably did not provide sufficient cooperation for a 2005 joint opium yield survey. The U.S., therefore, conducted a unilateral yield estimate, primarily on the basis of comprehensive satellite imagery. The U.S. also supported an annual crop survey carried out by the UNODC that, using a different methodology to determine yields, corroborates U.S. conclusions that poppy cultivation and opium production in Burma have been declining for nearly a decade. The United States supported the UNODC's Wa project for several years as the largest international donor, contributing a total over $8 million. In January 2005, following the unsealing of indictments against seven UWSA leaders, the United States reallocated unspent funds from the Wa project to UNODC projects outside of Wa territory. Bilateral counternarcotics projects are limited to a small, U.S.-financed crop substitution project in northern Shan State (Project Old Soldier). No U.S. counternarcotics funding directly benefits or passes through the GOB.

The Road Ahead. The Burmese government has in recent years made significant gains in reducing opium poppy cultivation and opium production and has cooperated with the UNODC and major regional allies (particularly China and Thailand) in this fight. Although large-scale and long-term international aid—including development assistance and law-enforcement aid—is necessary to help curb drug production and trafficking in Burma, the military regime's ongoing political repression has limited international support of all kinds, including support for Burma's law enforcement efforts. Furthermore, a true opium replacement strategy must undertake an extensive range of counternarcotics actions, including crop eradication, effective law enforcement, alternative development, and support for former poppy farmers to ensure sustainability. The Burmese government must foster cooperation between itself and the ethnic groups involved in drug production and trafficking, especially the Wa, and enforce counternarcotics laws to eliminate poppy cultivation and opium production.

The USG believes that the Government of Burma must eliminate poppy cultivation and opium production; prosecute drug-related corruption, especially corrupt government and military officials who facilitate or condone drug trafficking and money laundering; take action against high-level drug traffickers and their organizations; enforce its money-laundering legislation; and expand demand-reduction, prevention, and drug-treatment programs to reduce drug use and control the spread of HIV/AIDS. The GOB must also address the explosion of ATS that has flooded the region by gaining support and cooperation from the ethnic groups, especially the Wa, who facilitate the manufacture and distribution of ATS, primarily by ethnic Chinese drug gangs. The GOB must also close production labs and prevent the illicit import of precursor chemicals needed to produce synthetic drugs. The USG also urges the GOB to stem the troubling growth of a domestic market for the consumption of ATS.

Cambodia

I. Summary

The number of drug-related investigations, arrests and seizures in Cambodia continued to increase in 2005. This reflects a significant escalation in drug activity and perhaps some increase in law enforcement capacity. The government is concerned at the increasing use of amphetamine-type stimulants (ATS) among all socio-economic levels. The government's principal counternarcotics policymaking and law enforcement bodies, the National Authority for Combating Drugs (NACD) and the Anti-Drug Department of the National Police, cooperate closely with DEA, regional counterparts, and the United Nations Office on Drugs and Crime (UNODC). Cambodia is a party to the 1988 UN Drug Convention.

II. Status of Country

Cambodia has experienced a significant increase in recent years in the amount of ATS transiting from the Golden Triangle. The UNODC estimates that as many as 100,000 methamphetamine tablets enter Cambodia each day. Many of these are consumed domestically, though some are also thought to be re-exported to Thailand and Vietnam. In addition, Cambodian authorities believe that foreign crime syndicates, working in concert with Cambodian nationals, have set up mobile laboratories within Cambodia that produce ATS for local distribution and export to Thailand. Cocaine use by wealthy Cambodians and foreigners in Cambodia is a relatively small, but worrisome new phenomenon.

Cambodia is not a producer of opiates; however, it serves as a transit route for heroin from Burma and Laos to international drug markets such as Vietnam, mainland China, Taiwan, and Australia. Heroin and methamphetamine enter Cambodia primarily through Stung Treng, a northern province of Cambodia bordering Laos. Larger shipments of heroin, methamphetamine and marijuana exit Cambodia concealed in shipping containers, speedboats and ocean-going vessels. Smaller quantities are also smuggled through Phnom Penh International Airport concealed in small briefcases, shoes, and on the bodies of individual travelers. Cannabis cultivation continues despite a government campaign to eradicate it. There have been reports of continued military and/or police involvement in large-scale cultivations in remote areas. However, only small amounts of Cambodian cannabis reach the United States.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Cambodian law enforcement agencies suffer from limited resources, lack of training, and poor coordination. The NACD, which was reorganized in 1999, has the potential to become an effective policy and coordination unit. With the backing of the Cambodian government, the UNODC launched in April 2001 a four-year project entitled "Strengthening the Secretariat of the National Authority for Combating Drugs (NACD) and the National Drug Control Program for Cambodia". This project seeks, inter alia, to establish the NACD as a functional government body able to undertake drug control planning, coordination, and operations. Although the project is currently slated to expire at the end of 2005, it is likely to be extended through August 2006. A successor project has been proposed to target drug-related crime, including transnational organized crime.

Accomplishments. During 2005, the NACD began to implement Cambodia's first 5-year national plan on narcotics control (2005-2010), which focused on demand reduction, supply reduction, drug law enforcement, and expansion of international cooperation. The NACD trained 814 policemen, gendarmes, customs officials, seaport officials, and border liaison officials in drug identification and

law enforcement. This training complements donor-provided training to increase local law enforcement capacity to test seized substances for use as evidence in criminal trials. In February 2005, the National Assembly ratified the 1961, 1971 and 1988 UN Drug Conventions. In 2005, the Cambodian government took decisive action to strengthen previously weak legal penalties for drug-related offenses. The new law drafted with help from the Anti-Drug Department of the National Police provides for a maximum penalty of $1 million fine and life imprisonment for drug traffickers, and would allow proceeds from the sale of seized assets to be used towards law enforcement and drug awareness and prevention efforts. However, some observers worry that the law is too complex for the relatively weak Cambodian judiciary to use effectively.

Law Enforcement Efforts. In the first 11 months of 2005, 705 people (mostly Cambodians) were arrested for various drug-related offenses. This is an increase over arrests during this same period in 2004, which numbered 474. Total seizures of heroin in 2005 were 11.06 kilograms and 9 small dose packets, a five-fold increase over 2004 seizures, which totaled 2.15 kilograms. Police arrested 10 people in heroin-related cases in 2005, including a Singaporean man with 3 kilograms of heroin strapped to his legs at Phnom Penh International Airport.

While methamphetamine trafficking is believed to have increased in 2005, the number of methamphetamine pills confiscated was just one-third of 2004 levels. Police arrested 670 people in methamphetamine-related cases in 2005 and seized 293,245 methamphetamine pills. In May, police in Kampot province arrested two Stung Treng-based traffickers intending to smuggle over 100,000 amphetamine pills into Vietnam. In December, police arrested four men carrying 46,000 methamphetamine pills in Banteay Meanchey province as part of a Thai-based trafficking ring.

Corruption. Corruption remains pervasive in Cambodia, making Cambodia highly vulnerable to penetration by drug traffickers and foreign crime syndicates. Senior Cambodian government officials assert that they want to combat trafficking and production; however, corruption, abysmally low salaries for civil servants, and an acute shortage of trained personnel severely limit sustained advances in effective law enforcement. The judicial system is weak, and there have been numerous cases of defendants in important criminal cases having charges against them dropped after paying relatively small fines.

An informal donor working group, including the US, is working closely with the government to produce a revised draft anticorruption law that meets international best practices. Observers expect that the National Assembly will pass this law in 2006. Cambodia is not a party to the UN Convention Against Corruption.

Agreements and Treaties. Cambodia is a party to the 1988 UN Drug Convention and the 1971 UN Convention on Psychotropic Substances, and has signed, but has not yet ratified the 1961 UN Single Convention and its 1972 Protocol, but is expected to do so in 2006. Cambodia is a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and illegal manufacturing and trafficking in firearms.

Cultivation/Production. During 2005, 218 square meters of cannabis plantations were destroyed; 102.5 kilograms of dry cannabis were seized; and 13 people were arrested.

Drug Flow/Transit. Cambodia shares porous borders with Thailand, Laos, and Vietnam and lies near the major trafficking routes for Southeast Asian heroin. The UNODC has reported that drugs enter Cambodia via the northern border. Enforcement of the border region with Laos on the Mekong River, which is permeated with islands and mangroves, is nearly impossible due to lack of boats and fuel among law enforcement forces. Some heroin and marijuana are believed to enter and exit Cambodia via locations along the Gulf-including the deep water port of Sihanoukville-as well as the river port of Phnom Penh. Airports in Phnom Penh and Siem Reap suffer from lax customs and immigration controls. Some illegal narcotics are believed to transit these airports en route to foreign destinations.

Cambodia has several high-quality, improved-surface roads originating in Phenom Phen which have a limited reach toward remote interior regions of the country. The People's Republic of China has demonstrated its interest in increasing political influence and trade opportunities in Cambodia and all of South East Asia. To that end, the Chinese have spent millions of dollars towards this commitment and are currently constructing excellent new roads and bridges connecting the border regions with the main cities and rural areas in Cambodia. Once these roads are completed, high-speed transportation routes will facilitate even greater movement of drugs and supplies across the country.

Domestic Programs (Demand Reduction). With the assistance of the UNODC, UNICEF, the World Health Organization (WHO), CDC, the Japanese International Cooperation Agency (JICA) and NGOs, the NACD is attempting to boost awareness about drug abuse among Cambodians—especially Cambodian youth—through the use of pamphlets, posters, and public service announcements. A UNODC treatment and rehabilitation project is expected to start providing services to addicts and increasing the capacity of health and human services to deal effectively with drug treatment issues in early 2006. This project will work with centers in Phnom Penh and in the provinces of Battambang, Koh Kong and Banteay Meanchey. Several local NGOs, including Friends, Punloeu Komar Kampuchea, Cambodian Children and Handicap Development (CCHDO), Goutte d' Eau, Cambodian Children Against Starvation Association (CCASVA) and Street Children Assistance for Development Program (SCADP), have taken active roles in helping to rehabilitate drug victims across the country.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. For the first time in Cambodia in over three decades, there has been relative political stability since the formation of coalition governments following national elections in 1998 and 2003. However, freedom of expression declined notably during 2005. An opposition party parliamentarian was sentenced to seven years in prison on questionable charges of fraud and forming an illegal army. A journalist and a trade union leader were arrested on charges of defamation and incitement for criticizing a controversial border treaty with Vietnam. Several other political activists fled the country after warrants were issued for their arrest.

Cambodia is also plagued by many of the institutional weaknesses common to the world's most vulnerable developing countries. The challenges for Cambodia include: nurturing the growth of democratic institutions and the protection of human rights; providing humanitarian assistance and promoting sound economic growth policies to alleviate the debilitating poverty that engenders corruption; and building human and institutional capacity in law enforcement sectors to enable the government to deal more effectively with narcotics traffickers. One unique challenge which Cambodia faces is the loss of many of its best trained professionals in the Khmer Rouge Killing Fields incidents during, and after the Second Indo-China War. Performance in the area of law enforcement and administration of justice must be viewed in the context of Cambodia's profound underdevelopment. Even with the active support of the international community there will be continuing gaps in performance for the foreseeable future.

Bilateral Cooperation. U.S.-Cambodia bilateral counternarcotics cooperation is hampered by restrictions on U.S. assistance to the central government of Cambodia that have remained in place since the political disturbances of 1997. Cambodia regularly hosts visits from Bangkok-based DEA personnel, and Cambodian authorities cooperate actively with DEA, including the areas of joint operations and operational intelligence sharing. In September 2005, Bangkok-based DEA personnel conducted basic intelligence analysis training for law enforcement officials. DOD conducted Joint Interagency Task Force-West (JIATF-West) training missions in Battambang in August and October and in Stung Treng province in September. The three-week programs increased the ability of Cambodian police, military, and immigration officials to interdict transnational threats, including narcotics.

The Road Ahead. Cambodia is making progress toward more effective institutional law enforcement against illegal narcotics trafficking; however, its capacity to implement an effective, systematic approach to counternarcotics operations remains low. Instruction for mid-level Cambodia law enforcement officers at the International Law Enforcement Academy in Bangkok (ILEA) and for military, police, and immigration officers by JIATF-West has partially addressed Cambodia's dire training needs. However, after training these officers return to an environment of scarce resources and pervasive corruption.

As part of the JIATF-West program, Cambodian officials can be trained in land and maritime navigation and boat maintenance, but equipment to perform these tasks is often shoddy or completely lacking. The U.S. is unable to help provide this important equipment due to restrictions on U.S. military assistance related to Cambodia's trafficking in persons rating. However, 2006 will see an expansion in DEA training activities, as, for the first time in more than a decade, State Department counternarcotics funding will be available for training run via DEA headquarters. Training in basic investigation techniques is scheduled for January 2006 and a course on airport interdiction is planned for March 2006. The United States will try to assist Cambodia as Cambodia strives for better law enforcement performance and administration of justice.

China

I. Summary

The People's Republic of China (PRC) continues to have a significant domestic drug abuse problem. China is also an important transit route for opiates and ATS (Amphetamine Type Stimulants) moving through Asia. China was removed from the list of Major Drug Transit Countries in 2005 because there was no evidence drugs transiting China affected the U.S. to a significant extent. Heroin use persists, particularly in southwest China. There continues to be an upsurge in the consumption of synthetic drugs such as ecstasy (MDMA) and crystal methamphetamine, otherwise known as "ice". Chinese authorities view drug trafficking and abuse as a major threat to national security, the economy and national and regional stability, but corruption in far-flung drug producing and drug transit regions of the PRC limit the accomplishments of dedicated enforcement officials. China has made great strides to integrate regional and global counternarcotics efforts. China is a party to the 1988 UN Drug Convention.

Cooperation with U.S. counternarcotics officials continued to improve over the past year. The signing of a Memorandum of Intent in February 2005 between DEA and the MPS (Ministry of Public Security) Bureau of Narcotics Control yielded a higher level of cooperation. In 2005, the Chinese Government also continued to provide U.S. counternarcotics officials with samples of drugs seized, on a case-by-case basis.

II. Status of Country

The major narcotics producing areas in Asia, Southeast Asia's "Golden Triangle" and Southwest Asia's "Golden Crescent", both border China. The "Golden Triangle" on China's southwestern border is a longstanding problem; Chinese officials now believe that the "Golden Crescent" is an increasing source of illicit drugs trafficked into western China, particularly Xinjiang Province. According to the Chinese Government, drug abuse in China continues to rise and there were, as of 2004, 1.6 million registered drug addicts, double the number in 1995. Youths made up 74 percent of the registered drug addicts. The majority of registered drug addicts are heroin users. Illegal drug use was recorded in 2,148 cities, counties, and districts across China. The Chinese Government reports about 34,000 recent deaths from drug overdose, a significant increase from about 25,000 deaths as of the end of 2003.

China's well-documented economic growth and increasing societal openness over the last decade has dramatically increased the disposable income and leisure time of millions of young urban residents. This phenomenon has led to a rapid increase in drug abuse among the country's youth in large and mid-sized cities. Like large cities of relative affluence all over the world, Chinese cities have seen a significant rise in the urban culture of nightclubs and raves, and their attendant problems of drug abuse. These changes in China have increased abuse of recreational drugs, such as ecstasy and ATS. Officials have responded with several public awareness campaigns and increased enforcement, but abuse of synthetic drugs continues on an up-tick, as in the United States and Europe.

China has one of the largest chemical industries in the world. China is the world's largest producer of certain precursor chemicals, including acetic anhydride, potassium permanganate, piperonylmethylketone (PMK) and ephedra. China monitors all 22 of the chemicals listed in the 1988 UN Drug Convention. Chinese authorities report they seized over 160 tons of precursor chemicals and prevented a further 3,514 tons from leaving the country in 2004. China continues to be a strong partner of the United States and other concerned countries in implementing a system of pre-export notification of dual-use precursor chemicals.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In June 2000, the PRC issued a "White Paper" on drugs that articulated China's strategy for combating drug abuse and trafficking. The document covers all the major goals of the UN Convention, emphasizing education, rehabilitation, eradication, precursor chemical control and interdiction. It continues as the basic strategy for the PRC's approach to drugs. In November 2005 China passed its first administrative law on precursor chemicals aimed at preventing the illicit use of precursor chemicals. This law represents the first action by the PRC to control domestic sale of precursor chemicals; previous laws and regulations focused solely on imports and exports. In June 2004, the PRC published an authoritative five-year plan to tackle the drug problem, which provided the Ministry of Public Security (MPS) with a mandate to step up counternarcotics efforts. The national budget for counternarcotics efforts has seen regular increases. While the MPS's National Narcotics Control Commission (NNCC), China's counternarcotics coordinating body, received an annual budget of less than $1 million in the mid-1990's, by 1998 this amount had increased to approximately $4.5 million and to about $17.5 million in 2003. The total narcotics budget, however, is significantly higher, because each province administers its own counternarcotics budget.

Accomplishments. China continued to cooperate with regional and international partners, including the U.S., to stem the flow of drugs. China has completely eradicated opium poppy cultivation and PRC authorities have increased efforts to destroy illicit drug laboratories within China's borders.

Law Enforcement Efforts. The Chinese Government has increased its counternarcotics efforts through several highly publicized campaigns, including a nationwide "People's War" on Narcotics campaign. The counternarcotics efforts at the national level and those at the provincial level have grown substantially, with increased training and exchange programs with other Asian law enforcement agencies. Some of their successes include: the April 2005 seizure of 26 kilograms of heroin in Xinjiang, the May 2005 seizure of 102 kilograms of methamphetamine in Yunnan, the June 2005 seizure of 41 kilograms of ketamine (a veterinary pain killer widely abused in Asia), in Sichuan, the September 2005, seizure of 1,010 kilograms of ketamine in Shandong and Guangdong and the November 2005 seizure of 110 kilograms of methamphetamine in Yunnan. Additionally, in September 2005, a joint investigation conducted by China, Laos, Thailand and Burma resulted in a combined seizure of 426 kilograms of heroin in Burma. The ringleader of this shipment was a Chinese national who was arrested in Laos and eventually deported to China. The case is an indication of China's increased law enforcement co-operation with its neighbors.

In order to increase its effectiveness in law enforcement, the NNCC reorganized its enforcement operations, establishing separate heroin and amphetamine-type stimulants (ATS) enforcement groups at both the ministerial and provincial levels. Prior to 2003, enforcement was handled by one organization and focused primarily on heroin. With this reorganization, the NNCC can better address ATS enforcement.

U.S.-Chinese law enforcement cooperation continued to improve throughout 2005. The MPS continues to provide strategic and concrete information to its DEA counterparts to actively target drug rings. In addition, the MPS routinely facilitates travel of U.S. law enforcement personnel based at the U.S. Embassy in Beijing. In part due to international cooperation with its neighbors in the Golden Triangle, the MPS reports that poppy cultivation in Laos and Burma has been reduced by 44,000 hectares in recent years, which amounts to a 27 percent decrease in the total area of production since 1995.

Corruption. Official corruption in China is a serious problem. Anticorruption campaigns have led to arrests of many lower-level government personnel and some more senior-level officials. However, most corruption activities in the PRC involve abuse of power, embezzlement and misappropriation of funds, but payoffs to "look the other way" when questionable/illegal commercial activities occur, including drug smuggling, are clearly another major source of official corruption in China. Chinese

officials reported that in 2005 there were more than 32,000 people investigated for alleged corruption and that over half were found to be guilty.

While narcotics-related official corruption exists in China, it is seldom reported in the press. The MPS takes allegations of drug-related corruption seriously, launching investigations as appropriate. Most cases appear to have involved lower-level district and county officials. Although there is no substantive evidence indicating senior-level corruption in drug trafficking, the quantity of drugs trafficked within the PRC raises suspicions that official corruption is a factor in trafficking in certain provinces bordering drug-producing regions, such as Yunnan, and in Guangdong and Fujian, where narcotics trafficking and other forms of transnational crimes are prevalent. Official corruption cannot be discounted among the factors enabling organized criminal networks to operate in certain regions of China, despite the best efforts of authorities at the central government level. Narcotics-related corruption does not appear to have adversely affected on-going law enforcement cases in which the U.S. is interested. China is engaged in an anticorruption dialogue with the United States through the Joint Liaison Working Group process. China ratified the UN Convention Against Corruption on January 13, 2006.

Agreements and Treaties. China actively cooperates with other countries to fight drug trafficking. In 2000, China and the United States signed a Mutual Legal Assistance Agreement (MLAA), which entered into force March 8, 2001. In February 2005 DEA and MPS Bureau of Narcotics Control signed a Memorandum of Intent on counternarcotics cooperation. China is a party to the 1988 UN Drug Convention, as well as to the 1961 UN Single Convention as amended by its 1972 Protocol and the 1971 Convention on Psychotropic Substances. In January 2003, the United States and China reached agreement on the Customs Mutual Assistance Agreement (CMAA.) The PRC continues to cooperate with DEA's chemical control initiatives, "Operation Purple," "Operation Topaz," and "Operation Icebreaker." China strictly regulates the import and export of precursor chemicals, but chemical diversion from China has been a major problem, despite these efforts.

In October 2005 China hosted the Second International Congress of the "ASEAN and China Cooperative Operations in Response to Dangerous Drugs (ACCORD)." More than 200 delegates from ASEAN law enforcement agencies and the UN Office of Drugs and Crime (UNODC) attended. China, along with its ASEAN partners, held meetings in order to map out a regional counternarcotics cooperative mechanism in pursuit of making the region drug-free by 2015. In June, Burma, China, India, Laos and Thailand signed the Chiang Rai Declaration pledging to implement cooperative counternarcotics programs and exchange counternarcotics information. The PRC also continues to participate in UN Office for Drugs and Crime (UNODC) demand reduction and crop substitution efforts in areas along China's southern borders. China regularly participates in counternarcotics education programs sponsored by the International Law Enforcement Academy (ILEA) in Bangkok, Thailand. The PRC actively participates in the annual International Drug Enforcement Conference (IDEC) and Regional Targeting Meetings, which boost regional law enforcement cooperation against drug trafficking. China has signed over 30 mutual legal assistance agreements with 24 countries, but the U.S. and China have been unable to agree on a narcotics cooperation agreement.

Cultivation/Production. The PRC has effectively eradicated the production of drug-related crops within China. Opium, coca and other drug crops are not produced in China in significant quantities. The PRC is a main cultivator of natural ephedra, which is used in the production of amphetamine. China is also one of the world's largest producers of synthetic ephedra, which is used for medicinal purposes but can be diverted for the production of methamphetamine. The Chinese Government tightly controls exports of this key input for ATS, but like other dual-use chemicals, China remains a significant source of chemicals diverted to illicit uses, some diversions to countries as far away from China as Europe.

The Chinese Government continues to make shutting down illicit drug laboratories a top priority. The MPS seized 198 drug processing laboratories between July and August 2004 (seeking update for 2005).

Drug Flow/Transit. China continues to be used as a transshipment route for drugs produced in the "Golden Triangle" to the international market, despite counternarcotics cooperation with neighbors such as Vietnam, Thailand and Burma. Drug transportation and infiltration in Yunnan and Guangdong Provinces has been especially pervasive; drugs also move along and back and forth between China's border with the Democratic People's Republic of (North) Korea. While China's southern and southwestern provinces constitute the PRC's primary drug flow and transit areas, Chinese authorities acknowledge that western China is experiencing significant problems as well. Drugs such as heroin, methamphetamine and ketamine are being smuggled into Xinjiang Province and then distributed throughout China.

Domestic Programs (Demand Reduction). According to the MPS, China had 1.6 million illegal drug users registered by law enforcement departments. The majority of registered drug users are addicted to heroin. The Ministry of Education (MOE) and the NNCC have expanded drug education and prevention programs, aimed at preventing children from ages 12 to 18 from getting involved in drugs. Chinese officials report the distribution of 25,000 counternarcotics posters in 2004. In 2004, 100,000 drug awareness pamphlets were distributed and 100,000 special action committees were formed to carry out drug control publicity and education activities. The NNCC, Ministry of Health and the State Food and Drug Administration jointly established 34 clinics in 10 provinces to provide treatment to heroin addicts.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Counternarcotics cooperation between China and the United States continues to develop in a positive way. The information shared by China is leading to progress in attacking drug-smuggling rings that have an impact on the U.S. and is yielding significant operational results.

Road Ahead. The most significant problem in bilateral counternarcotics cooperation remains the lack of progress toward concluding a bilateral Letter of Agreement (LOA) enabling the U.S. Government to extend counternarcotics assistance to China. Reaching agreement on the LOA is a major U.S. goal that, if achieved, would greatly increase counternarcotics cooperation between the two countries. While China has provided the DEA on a case-by-case basis with some samples of drugs seized in the PRC intended for U.S. markets, the U.S. Government would welcome routinely receiving samples of all drugs seized by Chinese authorities. Despite these issues, bilateral enforcement cooperation remains on track and is expected to continue to improve over the coming year.

Hong Kong

I: Summary

Hong Kong is not a major transit/transshipment point for illicit drugs destined for the international market because of its efficient law enforcement efforts, the availability of alternate transport routes, and the development of port facilities elsewhere in southern China. Some traffickers continue to operate out of Hong Kong to arrange shipments from nearby drug-producing countries via Hong Kong to the international market, including to the United States. The Government of the Hong Kong Special Administrative Region (HKSAR) actively combats drug trafficking and abuse through legislation and law enforcement, preventive education and publicity, treatment and rehabilitation, as well as research and external cooperation. The 1988 UN Drug Convention, to which the People's Republic of China (PRC) is a party, also applies to Hong Kong.

II: Status of Hong Kong:

Hong Kong's position as a key port city in close proximity to the Golden Triangle and mainland China historically made it a natural transit/transshipment point for drugs moving from Southeast Asia to the international market, including to the United States. In recent years, Hong Kong's role as a major transit/transshipment point has diminished due to law enforcement efforts and the availability of alternate routes in southern China. Despite the diminished role, some drugs continue to transit Hong Kong to the United States and the international market. Some drug-traffickers continue to use Hong Kong as their financial base of operations, including investors involved in international drug trafficking activity who reside in Hong Kong.

Hong Kong law enforcement officials maintain very cooperative liaison relationships with their U.S. counterparts in the fight against drugs. According to HKSAR authorities, drugs seized in Hong Kong are smuggled mostly for local consumption and to a lesser extent for further distribution in the international market, including the United States. Hong Kong experienced an overall decrease in drug abuse in 2005. According to the Hong Kong Central Registry of Drug Abuse (CRDA), in the first six months of 2005 the total number of drug abusers continued to fall to 8,833, a drop of 5.1 percent from 9,303 during the same period in 2004. Heroin was the most commonly abused drug, though the number of heroin abusers also dropped slightly from 2004. Also noted was a significant drop of 30 percent in ketamine abusers over the same period in 2004. However, the CRDA noted that both the number and proportion of drug abusers taking more than one drug was on the rise, as was the number of female drug abusers.

In 2005, the Hong Kong Government again gave a high priority to tackling psychotropic substance abuse. The Hong Kong Government has identified the continuing prevalence of psychotropic substance abuse and the growing trend of young people experimenting with drugs as their major area of concern in the battle against drug abuse and trafficking.

III. Actions Against Drugs in 2005:

Policy Initiatives. Although there were no major policy changes in 2004 and 2005, the Hong Kong Government continued to work with existing counternarcotics policies and strategies in drug-prevention efforts. Minor policy changes included updating lists of prescription medicines allowed for storage in local hospitals and nurseries as well as an expansion of the reporting network of the Central Registry of Drug Abuse to enable better monitoring of drug abuse in Hong Kong.

Law Enforcement Efforts. Hong Kong's law enforcement agencies, including the Hong Kong police and Hong Kong Customs and Excise Department (HKCED) place high priority on meeting the objectives of the 1988 UN Drug Convention. Their counternarcotics efforts focus on the suppression of drug trafficking and the control of precursor chemicals. The Hong Kong Police have adopted a three-level approach to combat narcotics distribution: at the headquarters level, the focus is on high-level traffickers and international trafficking; the regional police force focuses on trafficking across police district boundaries; and the district level police force has responsibility for eradicating street-level distribution. HKCED's Chemical Control Group, in cooperation with the U.S. DEA office in Hong Kong, closely monitors the usage of precursor chemicals and tracks the export of suspicious precursor chemical shipments to worldwide destinations with significant results impacting on several regions including the United States. HKCED continued to aggressively combat drug trafficking in 2005 and carried out numerous significant drug seizures, including a record seizure of 87.5 kilograms of ketamine in March 2005.

Corruption. As a matter of government policy, the HKSAR 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.

Hong Kong has a comprehensive anticorruption ordinance that is effectively enforced by the Independent Commission Against Corruption (ICAC), which reports directly to the Chief Executive. In addition, the UN Convention Against Corruption, which the PRC ratified on January 13, 2006, is applicable to Hong Kong.

Drug Flow/Transit. Some drugs continue to flow through Hong Kong for the overseas market, including the United States. Traffickers use land routes through mainland China to smuggle heroin into Hong Kong. The heavy volume of vehicle and passenger traffic at the land boundary between PRC and Hong Kong continues to pose difficulties in the fight against the trafficking of drugs into Hong Kong. In an effort to eradicate Hong Kong's role as a transit/transshipment point for illicit drugs, the HKSAR maintains a database of information on all cargoes, cross-border vehicles, and shipping. The air cargo clearance system, the land border system and the customs control system are all capable of quickly processing information on all import and export cargoes, cross-border vehicles and vessels. The Hong Kong drug trade is primarily dominated by the local Chinese population. Contrary to common belief, there is not a significant and direct connection between Hong Kong narcotics activity and Hong Kong triads at the wholesale level. Therefore, drug investigations are not focused on known triad societies, but rather on the particular trafficking syndicates or individuals involved. In 2005, the trafficking destined for mainland China by Southeast Asians became more prominent. As a result, seizures of ketamine have spiraled upwards; shipments of multi-kilo loads of ketamine have been intercepted.

Agreements and Treaties/International Cooperation. Hong Kong has "mutual legal assistance in criminal matters agreements" with the United States and many other countries. Hong Kong has also signed surrender of fugitive offenders agreements with 14 countries, including the U.S. Hong Kong also signed transfer of sentenced persons agreements with seven countries, including the U.S. Hong Kong law enforcement agencies enjoy a close and cooperative working relationship with their mainland counterparts and counterparts in many countries. Hong Kong's reversion to China in 1997, and particularly adjustment to the unique "one country, two systems" environment in which Hong Kong currently operates, caused Hong Kong's law enforcement and customs operations around the time of reversion (July 1997) to operate less efficiently with their mainland counterparts than they do now. In the last few years, liaison information sharing and data-networking functions, such as customs information, have been formalized and have been successful in increasing the levels of inter-system cooperation and efficiency. Because intermittent drug trafficking through Hong Kong often involves mainland China aspects, foreign law enforcement agencies in Hong Kong such as the U.S. DEA have

benefited from the increased level of PRC-Hong Kong cooperation. The 1988 UN Drug Convention, 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention Against Psychotropic Substances are all applicable to Hong Kong.

Domestic Programs. The Hong Kong Government uses a "five-pronged" approach to confront domestic drug problems, covering legislation and law enforcement; preventive education and publicity; treatment and rehabilitation; research; and external co-operation. In 2005, the Hong Kong Government's preventative education policy efforts continued to focus on youth and parents. The Hong Kong Government has provided a comprehensive drug prevention program throughout Hong Kong's education system. A counternarcotics publicity program, in collaboration with local radio, kicked off in April 2005. The program was designed to allow Hong Kong youth to share their experiences and knowledge publicly through the radio and internet. Additionally, a series of television programs focusing on drug abuse issues will be produced jointly with local Hong Kong T.V. for broadcast in 2006. The Hong Kong Government's Narcotics Bureau also partners with youth organizations and groups such as Junior Police Call, the Hong Kong Red Cross, and the Scout Association of Hong Kong to promote the counternarcotics message to youths. In June 2004, the Hong Kong Government formally opened the Drug Info Centre (DIC), funded by the Hong Kong Jockey Club. The DIC is the first exhibition center in Hong Kong dedicated to counternarcotics education. Since the DIC's opening, it has received more than 45,000 visitors for various drug-prevention education activities. The Government also continued to commission nongovernment organizations to assist in educating primary and secondary school children. Since the opening in June 2004, a total of 127,300 students from 530 schools attended drug education programs sponsored by the Government.

The Hong Kong Government also continued to implement a comprehensive drug treatment and rehabilitation program in 2005. The Department of Health and the Social Welfare Department continued to operate seven residential drug treatment centers and five counseling centers for psychotropic substance abusers and the Department of Health continued its operation of a methadone treatment program. The Correctional Services Department continued to provide compulsory treatment for convicted persons with drug abuse problems.

Cultivation and Production. Hong Kong is not a producer of illicit drugs.

IV: U.S. Policy Initiatives and Programs.

Policy Initiatives. The U.S. Government and the HKSAR continue to promote sharing of proceeds from joint counternarcotics investigations. In May 2003, Hong Kong began participating in the U.S. Container Security Initiative (CSI), which U.S. law enforcement believes will increase the potential for identifying shipments of narcotics, even though its focus is on terrorism and weapons of mass destruction. Hong Kong is also an active participant in The International Law Enforcement Academy (ILEA) in Bangkok, Thailand. From 2003 to October 2005, Hong Kong Customs, Hong Kong Department of Health and the United States Drug Enforcement Administration launched a joint operation codenamed "Cold Remedy" to monitor the movement of precursor chemicals which are used in the production of methamphetamine and other drugs from Hong Kong to high-risk countries. The operation effectively decreased the frequency of these shipments and, through the high level of information exchange and timely international tracking, indicated strong cooperation between Hong Kong Government officials and their U.S. counterparts. To further strengthen international cooperation against trafficking of precursors used in the production of pseudoephedrine, Hong Kong secured an agreement with the U.S., Mexico and Panama to impose stringent controls on such shipments. Since the agreement's implementation in April 2005, no shipment of such products to Mexico or any other high-risk countries has been detected.

The Road Ahead. The Hong Kong Government has proven to be a valuable partner in the fight against drug trafficking and abuse. Hong Kong law enforcement agencies, among the most effective in

the region, continue to cooperate closely with U.S. counterparts. The U.S. Government will continue to encourage Hong Kong to maintain its active role in counternarcotics efforts.

Indonesia

I. Summary

Although Indonesia is not a major drug producing, consuming, or drug transit country, Indonesia continues to have a growing problem in all three areas. Marijuana production for the domestic market is large, because marijuana is widely abused among Indonesia's large population. In addition, recent large seizures point to ecstasy production in Indonesia, as well. The Indonesian National Police (INP) has participated in several international donor-initiated training programs and continues to commit increased resources to counternarcotics efforts. The INP has received U.S. assistance, including vehicles, software, safety and tactical equipment to support its efforts against crime and drugs. INP efforts are firmly based on counternarcotics legislation and international agreements. The INP relies heavily on assistance from major international donors for training and equipment, including the U.S. Indonesia is a party to the 1988 UN Drug Convention.

II. Status of Country

All major groups of illegal drugs are readily available in Indonesia: methamphetamine, in its crystalline and tablet forms, MDMA (ecstasy), heroin, cocaine, and marijuana. The INP reports that the majority of heroin seized in Indonesia originates in Afghanistan. Indonesian authorities report that much of the heroin trade in Indonesia is controlled and directed by West African and Nepalese traffickers, often utilizing Thailand and Singapore as transit points for their couriers. In recent years, there has been a significant increase in the domestic large scale (multi hundred kilogram quantities) production of methamphetamine and MDMA in Indonesia. Indonesian authorities report that the domestic production of methamphetamine and MDMA in Indonesia is controlled by Indonesian and Chinese syndicates, utilizing precursor chemical sources of supply in the PRC. However, the majority of MDMA is reported to be imported from the Netherlands. INP reports that marijuana is cultivated throughout Indonesia, especially the Aceh Province of Northern Sumatra, where large scale cultivation occurs. During 2005, INP identified 66 marijuana fields, destroying 160,211 marijuana plants, comprising a total of approximately 86.5 hectares, and seizing 20.9 tons of marijuana. The peace treaty signed in 2005 between GOI forces and Free Aceh Movement (GAM) rebels, has led to increased access and presence of INP throughout Northern Sumatra. Although cocaine seizures continue to occur in major Indonesian airports, the market for cocaine in Indonesia is very small. Cocaine seizures made by INP are believed to be associated with the transshipment of the drug to more lucrative markets, specifically Australia.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Indonesian counternarcotics code is sufficiently inclusive to enable police, prosecutors, and the judiciary to arrest, prosecute, and adjudicate narcotics cases; however, the continued lack of modern detection, enforcement and investigative methodologies and technology, as well as the presence of pervasive corruption, are the greatest obstacles to advancing counternarcotics efforts.

Law Enforcement Efforts. The National Narcotics Board (BNN) continues to strive to improve interagency cooperation in drug enforcement, interdiction, and precursor control. In 2005, under the auspices of BNN, the USG sponsored Joint Interagency Counterdrug Operations Center (JIACDOC), supported by the Joint Interagency Task Force West, was opened in Jakarta, Indonesia. The JIACDOC is supported by an extensive IT infrastructure connecting the center to key provinces throughout

Indonesia. The mission of the JIACDOC is to improve coordination and information exchange between various Indonesian law enforcement agencies related to drug enforcement.

The INP Narcotics and Organized Crime Directorate continues to improve its ability to investigate and dismantle international drug trafficking syndicates, for example, in November INP conducted a raid , dismantling the largest amphetamine type substance (ATS) manufacturing plaint in Indonesian history, producing both crystal methamphetamine and MDMA at the time of the raid. The Narcotics Directorate has become increasingly active in regional targeting conferences designed to coordinate efforts against transnational drug and crime organizations. The maritime counternarcotics effort depends on a myriad of Indonesian law enforcement agencies. Work in the Indonesian Government to define the roles of these agencies, including the Navy and the INP Air and Sea police, continue so as to avoid duplication. For the moment however, no effective campaign can be mounted against possible trafficking by sea. Any attempt to check trafficking by sea will be very challenging, given the many islands that make up the Indonesian Archipelago. The Indonesian courts have sentenced approximately 21 drug traffickers to death since January 2000. In 2004, the Indonesian government began to carry out these sentences, executing three individuals.

Agreements and Treaties. Indonesia 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. Indonesia has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime and the UN Convention Against Corruption.

Cultivation/Production. Indonesia produces enough marijuana for domestic consumption. This is no small amount, given that Indonesia's population is in excess of 220 million, and cannabis is the most widely abused drug. In recent years, Indonesia has experienced a significant increase in domestic production of MDMA and methamphetamine, but most of these two drugs available in Indonesia's larger cities are still imported.

Corruption. As a matter of government policy and practice, the GOI does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal transactions. Corruption in Indonesia, however, is endemic, despite laws against it, and seriously limits the effectiveness of all law enforcement, including narcotics law enforcement. The recently elected administration has made anticorruption efforts a major policy initiative, but as long as official salaries remain very low, some officials will be tempted to accept bribes.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Indonesia and the United States maintain excellent law enforcement cooperation on narcotics cases. In 2005, DEA provided training in the areas of airport interdiction, mail/parcel interdiction and maritime/cross border counternarcotics operations. Indonesia continues to work closely with the DEA regional office in Singapore on narcotics investigations.

The Road Ahead. In 2006, the U.S. will assist the BNN and other counternarcotics agencies in further developing the Joint Interagency Counterdrug Operations Center and Network. The goals of the project are to standardize and computerize the reporting methods related to narcotics investigations and seizures, to develop a drug intelligence database, and to build an information network designed to connect all of the provinces of Indonesia.

Japan

I. Summary

Japan is not a significant producer of narcotics, but it is target country for traffickers in a wide variety of narcotics. Methamphetamine ("meth") is Japan's most widely abused drug. MDMA (ecstasy) is of growing concern in Japan; several large seizures occurred in 2004 and ecstasy is now readily available in Tokyo nightclubs. Heroin and cocaine are also available in Japan, but they are relatively unpopular. The Japanese legal system discourages proactive investigative techniques for pursuing drug traffickers; consequently, Japanese law enforcement is forced to be primarily reactive in their investigations. Despite legal and bureaucratic restrictions, Japanese law enforcement is emerging as a prominent partner with United States and international law enforcement agencies in pursuit of large-scale international drug trafficking organizations (DTOs). Furthermore, Japan has taken a leadership role within the Asia-Pacific region by hosting training and seminars. DEA Tokyo acts as an advisory, support and training resource to Japanese law enforcement agencies, and conducts joint multinational investigations with its Japanese partners. Japan is a party to the 1988 U N Drug Convention.

II. Status of Country

Japan is not a significant producer of narcotics. Licit cultivation of opium poppies, coca plants, and cannabis for research is done on a modest scale and is strictly monitored and controlled by the Ministry of Health, Labor and Welfare. Methamphetamine is Japan's most widely abused drug, but there is no evidence of domestic clandestine manufacturing. GOJ authorities believe the majority of methamphetamine smuggled into Japan is refined and/or produced in the People's Republic of China (PRC), North Korea, Taiwan, Indonesia and the Philippines. Recently, seizures of methamphetamine coming from the U.S. have been made at Japan's international airports. Canada emerged as a significant source of methamphetamine and marijuana in 2004. Methamphetamine trafficking remains a significant source of income for Japanese organized crime. Approximately 80 percent of all drug arrests in Japan involve methamphetamine. The National Police Agency (NPA) estimates there are 600,000 methamphetamine addicts, and between one and three million casual users nationwide. Although not a producer of methamphetamine, Japan is one of the largest markets for methamphetamine in Asia. Government of Japan (GOJ) authorities unofficially estimate that between ten and twenty metric tons of this substance is trafficked annually into Japan.

III. Country Actions Against Drugs in 2005

Policy Initiatives. DEA Tokyo has worked closely with the GOJ to add synthetic drugs of abuse to Japan's list of prohibited drugs. In 2005, the GOJ banned 5- MeO-DIPT ("foxy methoxy") and Alpha-methyltryptamine ("AMT"). Since 2002, legislation has made illegal the possession, sale, and/or use of Benzylpiperazine ("BZP"), trifluoromethylphenylpiperazine ("TFMPP"), Psilocybin ("magic mushrooms"), Gamma Hydroxybutyrate ("GHB"), and 4- Methylthioamphetamine ("4-MTA"). Japanese officials are currently in the process of adding ketamine to the list of prohibited drugs.

Compared to past years, Japanese law enforcement has made greater attempts to be proactive in its approach to drug law enforcement.

Law Enforcement Efforts. Police counternarcotics efforts tend to focus on Japanese organized crime and foreigner operated DTOs, the main smugglers and distributors of drugs. In August 2004, DEA Tokyo initiated a joint investigation with NPA's Drugs & Firearms Control Division, the Kanagawa Prefecture Police, and U.S. Naval Criminal Investigative Service (NCIS) to intercept multiple

packages containing MDMA ecstasy tablets mailed from Seattle to a U.S. military base in Japan. This resulted in the arrests of two U.S. nationals and the seizure of 50,000 tablets of MDMA, which was sourced to violators in Vancouver, Canada.

Despite restrictive and cumbersome laws against the proactive use of informants, undercover operations, and telephone intercepts, Japan's Ministry of Health, Labor and Welfare's Narcotics Control Department conducted an extensive undercover operation between January and July 2005 that resulted in the arrests of 60 local drug peddlers. Overall, drug-related arrests (January-June, 2005) increased 6.9 percent over the same time frame last year. Through September 2005, Japanese authorities have seized approximately 126 kilograms of methamphetamine, compared to the 612 kilograms seized in 2004.

The popularity of ecstasy continued to grow. It is readily available in Tokyo's nightclubs. Through September 2005, approximately 350,000 MDMA tablets were seized. MDMA seizures this year are on pace to exceed the 414,768 seized in 2004. Heroin imports from Southeast Asia remain low; only 32 grams of heroin and 1,579 grams of opium were seized through September 2005. Heroin, opium, and cannabis use continues to be significantly lower than that of other illegal drugs in the country. However, the growing number of arrests involving marijuana and hashish indicates the increasing popularity of these substances. Through September 2005, approximately 253 kilograms of marijuana and approximately 158 kilograms of hashish have been seized in Japan. Cocaine seizures remain low, with approximately 2.7 kilograms seized through September 2005. This amount is much lower than the anomalous 86 kilograms seized in 2004, and slightly higher than the 2.3 kilograms seized in 2003.

Corruption. As a matter of government policy, the GOJ does not encourage or facilitate the illicit production or distribution of narcotics, psychotropic drugs, controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Japan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. An extradition treaty and a customs mutual assistance agreement are in force between the United States and Japan. Japan has signed but has not yet ratified the UN Convention on Transnational Organized Crime and the UN Convention Against Corruption.

The U.S.-Japan Mutual Legal Assistance Treaty (MLAT) was signed in 2003 but is not yet in force. The MLAT will allow Japan's Ministry of Justice to share information and cooperate with the U.S. Department of Justice in connection with investigations, prosecutions and other proceedings in criminal matters.

Cultivation/Production. Although Japan is not a significant cultivator or manufacturer of controlled substances, it is a major producer of 60 types of dual-use precursor chemicals. For example, Japan is one of only a handful of countries that refine ephedrine, a chemical used to treat nasal/breathing problems. Ephedrine is also an essential ingredient in methamphetamine. DEA Tokyo works closely with its Japanese counterparts to monitor end users of dual use precursors.

Drug Flow/Transit. With few exceptions, all drugs illicitly trafficked into Japan are smuggled from overseas. According to the NPA Taiwan, China, the Philippines, Canada, the U.S. and North Korea are principal sources.

Domestic Programs (Demand Reduction). Drug treatment programs are small and generally run by private organizations. GOJ provides narcotics-related counseling focused on drug prevention and supports the rehabilitation of addicts at prefectural (regional) centers. The Japanese Government continues to support a number of drug awareness campaigns designed to inform the public about the growing use of stimulants in the country, especially among junior and senior high school students. The Ministry of Health and Welfare, along with prefectural governments and private organizations,

continues to run national publicity campaigns and to promote drug education programs at the community level.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. goals and objectives include strengthening law enforcement cooperation related to controlled deliveries and drug-related money-laundering investigations, encouraging more demand reduction programs, encouraging effective use of existing anticrime legislation and available investigative tools against drug traffickers, and encouraging the effective use of government agencies responsible for financial transaction oversight.

The Road Ahead. DEA Tokyo will work closely with its Japanese counterparts to offer support in conducting investigations on international drug trafficking, money laundering, and other crimes. DEA will continue to pursue an aggressive education and information-sharing program with Japanese law enforcement agencies to foster knowledge of money laundering investigations, and their relationship to narcotics trafficking and terrorist financing.

Laos

I. Summary

In 2005, Laos enjoyed unprecedented success in its battle against opium, in no small part due to the determined efforts of the Government of Laos (GOL) supported by U.S. State Department counternarcotics funding. Crop control programs reduced poppy cultivation and production by an estimated 45 percent in just one year. Demand reduction programs reduced addiction by a claimed 30 percent of the known addict population. If successful alternative development is able to secure this victory, Laos could cease to be a major producer of opium in the near future. However, opium addiction is a persistent problem, decades in the making; claims of rapid success in treating addicts could prove to be short-lived. A 30 percent reduction in addict populations in a single year would be almost without precedent worldwide.

Unfortunately, just as Laos appears to be on the verge of a major triumph against opium, a new threat has appeared in the form of amphetamine type stimulants (ATS). The scourge of methamphetamine, locally known as "ya ba" (crazy medicine), is exploding among the nation's youth, truck drivers, and commercial sex workers. A paucity of law enforcement resources, vulnerability to corruption, and the difficulty of controlling the nation's long and remote borders will make it difficult for Laos to easily overcome this challenge. Focused demand reduction programs, more robust law enforcement, and better international cooperation will be necessary if Laos is not to become both a major ATS consumer and transit country. Laos is a party to the 1988 UN Drug Convention.

II. Status of Country

Laos was, until this year, the world's third largest producer of illicit opium, but production has decreased to the point that it may no longer meet domestic demand (largely from traditional abusers among Laos' Hill Tribes), and the nation's days as a commercially significant producer of opium appear numbered. In contrast, Laos may be on the verge of becoming a major transit country for ATS and associated precursors.

Increasing prices may be discouraging some opium use even as it serves as a stimulus to production. According to the UNODC, opium prices rose 139 percent in 2005, to a new high of $521 per kilogram, more than three times the 2002 price. USG survey results indicate that in some remote locations, prices may have been even higher during the year, based on the local specifics of supply and demand. According to the UNODC, the result of these higher prices was that overall opium production revenues declined by only 21 percent, to $7.4 million, despite the precipitous drop in production.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Central to the GOL's success in reducing poppy cultivation in 2005 was its determination to achieve the counternarcotics policy goal set forward in the Seventh Party Congress (2001), to free Laos of opium cultivation before the Eighth Party Congress convenes in early 2006. While this policy was not new, the GOL pursued it vigorously during the past year and this helped to bring Laos closer to its stated objective.

In late November 2005, Minister to the President's Office and Chairman of the Lao National Commission for Drug Control and Supervision (LCDC) Soubanh Srithirath, pressed the provinces to renew their commitment to making Laos opium free before February of 2006. He reminded provincial leaders that they were accountable for the success or failure of the policy and that the central

government would monitor their performance. The GOL sought to implement this policy in several ways:

First, Laos undertook a nationwide program to promote "opium awareness," focused on sixty-two districts where poppy cultivation has been or continues to be a serious problem. The campaign utilized local, law enforcement, and public health officials to educate suspected opium producing villages on Lao narcotics law, the hazards of addiction, and alternative development opportunities for those who stop producing. One of the key objectives of the campaign was to garner voluntary compliance and a written commitment from each of the target villages and cultivators that they would no longer plant poppy. The campaign also sought to assure that villagers understood the law and the potential legal consequences if they chose to violate it. As part of this campaign, officials attempted to confiscate poppy seed before cultivators could sow it, though the effectiveness of that effort was questionable.

Second, the GOL, with support from the US, UN and other international partners, continued to pursue a variety of alternative development programs. These included crop substitution, rice cultivation, road construction, building community infrastructure, installing clean water systems, opening livestock banks, establishing ecotourism venues, developing village health care, providing vocational training, and promoting literacy education, particularly among women. The bulk of the counternarcotics funds provided by donors to the GOL were committed to alternative development, as these initiatives provide the best long-term solution to the poverty that is the root cause of opium production.

Third, the GOL, again with substantial support from international donors including the USG, sought to bring about an end to opium addiction throughout the country. With the knowledge that it will be next to impossible to eliminate all poppy cultivation as long as there is a substantial domestic demand, LCDC conducted a conference in late November to identify those provinces that had achieved their addict detoxification targets, and to urge those which were lagging behind to redouble their efforts. Laos is in the process of implementing a pilot program that holds the promise of more cost effective detoxification, based in part on lessons learned from regional partners. Opium addiction is a persistent problem; however, and claims of rapid success could prove to be short-lived.

The GOL also sought to bring the growing scourge of ATS to the forefront of the public agenda. In a public speech in June 2005, Minister Soubanh openly addressed the problem of growing ATS abuse among the nation's youth, citing statistics that showed methamphetamine use as high as 27 percent among students in some locations. Laos is considering revising its penal code and criminal procedures to meet the challenge of growing ATS abuse, with the assistance of several European partners.

The MOJ, in cooperation with UNODC and international partners, is drafting a new comprehensive drug control law to supplement the provisions of Article 135 (1990). The article is incomplete and does not provide a coherent legal framework for the control of narcotics and other substances listed in relevant UN conventions, to which it is a party, such as the 1961 Single Convention. A consequence of this is that Lao law does not always distinguish between illicit and licit medical use of some controlled drugs. The new draft legislation provides a more complete and methodical legal framework for drug enforcement, and includes provisions for enhanced cooperation against illicit transit. In addition, the GOL amended Article 135 in 2005 to include key provisions of the TOC agreement. Unfortunately, changes in the legal code are not always published in the press, and can remain unknown to government officials and the public alike.

Accomplishments. Poppy cultivation in Laos declined dramatically in 2005, and this success stands as an unqualified victory for Laos and its international partners, especially the U.S., in the battle against illicit narcotics, especially the U.S. According to USG figures, the area under cultivation declined from 10,000 hectares in 2004 to 5,500 hectares in 2005. This was a 45 percent reduction in cultivation in just one year. The UNODC survey conducted in 2005 indicated an even steeper decline, from 6,600 hectares in 2004 to approximately 1,800 in 2005, a 74 percent drop. The decline in opium production paralleled that in opium cultivation. The 2005 USG survey projected production of

approximately 28 metric tons, a 46 percent decline from last year's estimate of 49 tons. UNODC survey results showed a more rapid reduction, from 43 tons in 2004 to 14 tons in 2005, a 67 percent decline.

Law Enforcement Efforts. Despite some successes, Laos' law enforcement resources remain inadequate to meet the full range of challenges posed by illicit drugs. Thanks to international assistance, Laos can accurately estimate opium cultivation, production, and addiction, but currently does not possess the means to accurately assess the extent of production, transit, and distribution of ATS and its precursors. Production and transit costs for opium and ATS are low. Anecdotal evidence suggests that some traffickers formerly involved in opium may now be shifting to ATS because it is more mobile, a safer investment, the returns are faster, and the market is growing. There are reports that former heroin traffickers are moving into the hospitality industry, commercial forestry, other legitimate businesses, and money laundering.

Counter Narcotics Units (CNU), Laos' principle counternarcotics law enforcement assets, remain understaffed, insufficiently trained and poorly equipped to deal with the growing ATS challenge. USG and UNODC programs have mitigated training and equipment problems to some extent.

The increase in seizures of ATS near its borders and data indicating rapid growth in use provide what little insight there is into the ATS problem in Laos. Opium seizures during the first nine months of 2005 totaled 31.2 kilograms—roughly on pace with 2004's total of 43 kilograms and somewhat surprising considering the overall reduction in cultivation. Heroin seizures thru September stood at 22.76 kilograms, off pace from 2004, when 55 kilograms were interdicted. ATS seizures were also slightly slower, at 1,870,305 pills in nine months, compared to the first half 3,020,000 of 2004. Cannabis seizures, however, appeared to speed up, with 1.6 metric tons through September 2005 versus 1.8 metric tons for all of the last year. Lao authorities opened 130 drug related cases in 2005, resulting in several hundred arrests. These prosecutions were almost entirely of street pushers, and Laos has demonstrated a serious inability to investigate or develop cases against major traffickers without external assistance and in some cases significant international pressure. Laos relies primarily upon the regulatory agencies of producing states, such as China, to prevent illicit shipments of precursor chemicals into Laos, which currently does not have any domestic production capacity. The GOL did not report any precursor chemical seizures in 2005.

While UNODC noted that Lao law enforcement cooperation with neighboring countries was generally good in 2005, the USG found that bilateral cooperation with Laos had improved only slightly, and remained unsatisfactory. With the exception of the Customs Department, the GOL failed to make use of the opportunities for cooperation afforded by the DEA, which continued to provide law enforcement support to Lao agencies, but received very little feedback in return.

International Organizations (IOs) with experience in Laos have reported that the GOL does seize assets such as homes, plots of land, automobiles and jewelry for a variety of criminal offences including but not exclusively related to narcotics violations. The legal framework for and ultimate disposition of asset seizures is not clear, transparent, or public, and the proceeds from seizures may be used to supplement the budgets of state agencies.

Corruption. Corruption in the Lao PDR, long present in petty forms, may be rising among higher-ranking officials as the potential for graft income grows. Civil servants receive very little pay, and those able to use their positions to advantage, such as police and customs officials, can augment their salary through corruption, particularly in areas distant from central government oversight. Lao law explicitly prohibits corruption, and some officials have been removed and prosecuted for corrupt acts, including at least one senior official in 2005. The GOL has made fighting corruption a priority, and to demonstrate its commitment, participated along with the UNDP, the UNODC, and international donors in "International Anti-Corruption Day" on December 9, 2005. At this event, Deputy Prime Minister Mr. Asang Laoly said that in ratifying the United Nations Convention against Corruption

(UNCAC), the Lao government would join the global partnership to fight corruption. Unfortunately, the same weaknesses that undermine counternarcotics law enforcement and facilitate corruption make fighting the latter a daunting challenge. Laos has signed, but has not yet ratified, the UN Convention Against Corruption.

Agreements and Treaties. The USG supports Crop Control, Demand Reduction, and Law Enforcement programs under three annual Letters of Agreement (LOA) with the GOL. Laos is achieving or making an earnest effort to achieve the performance goals listed in the Crop Control and Demand Reduction LOAs, but is far from doing so with regard to the goals enumerated in the Law Enforcement LOA. Laos is a party to the 1988 UN Drug Convention, the 1962 UN Single Convention and the 1971 UN Convention on Psychotropic Substances. Laos is a party to the UN Convention against Transnational Organized Crime, and its three protocols. Laos has legal assistance agreements with China, Thailand, Vietnam, Cambodia, and Burma, and it signed an agreement for legal cooperation on drug trafficking with Indonesia in 2005. Laos provided the U.S. with some limited mutual legal assistance, in the form of drug samples and a small amount of data on arrests and seizures. Laos has extradition treaties with China, Thailand, Vietnam, and Cambodia (August 2005). The GOL has assisted in the arrest and extradition of individuals to some of those nations, and recently extradited a major trafficker to Burma.

Cultivation/Production. The USG 2005 estimate for poppy cultivation is 5,500 hectares, and about 69 percent of the crop is concentrated in Phongsaly, Houaphan, and Luang Namtha provinces in northern Laos. Though cultivation declined in the majority of districts in Phongsaly, the province, Laos' northernmost, still had the greatest concentration with an estimated 2,750 hectares. Oudomxai Province had the greatest decline in production, down 75 percent from 2004. USG methodology included imagery samples from satellites. With USG support, UNODC and the GOL conducted an opium yield survey in 2005. According to the survey report published in June 2005, poppy cultivation is in a range from 2,900 to 900 hectares, with a mean value of 1,800. The UNODC utilized a helicopter survey of 30 segments approximately 6 km. in diameter and the air corridor connecting them. Digital cameras recorded opium fields for later analysis. In addition, 21 teams conducted surveys with the headmen of 189 villages in eight provinces. According to the USG estimate, 2005 potential production is about 28 metric tons, while the UNODC/GOL figure is 14. Drought significantly affected production in 2005, with USG estimated yields ranging from 3 to 7 kilograms per hectare, and UNODC estimates at an average of 8 kilograms per hectare.

This reduction in cultivation and production is a significant milestone in the nation's opium elimination efforts. From a high of 42,130 hectares when U.S. funded crop control programs began in 1989, the current estimate is an 87 percent reduction, and for the UNODC survey, a 93 percent reduction from a high of 26,800 hectares in 1998. According to the USG survey, cultivation declined in all provinces where opium production has historically been a problem, and the fields that remain are becoming smaller, more remote, and better concealed.

The decrease in production is another significant milestone for Laos, a 93 percent reduction from the estimated 380 tons produced in 1989. UNODC survey results indicated that production has fallen to the point that most of the opium produced in Laos is for domestic consumption by the nation's addicts, rather than export, and that this would remain true even at the higher production levels given in the USG estimates. This conclusion is supported by the sharp increase between 2004 and 2005 in the price paid per kilograms to local opium producers, the consequence of reduced supply.

The USG has not received any verifiable reports on the production of ATS in Laos, but the paucity of law enforcement resources in remote regions makes it highly vulnerable to regional traffickers seeking new locations for clandestine labs. For example, in one province, 14 officers must police more than 16,000 square kilometers of rugged and inaccessible terrain. Based on seizures of illegal cannabis during 2005 in northeast Thai provinces, there may be significant and expanding "contract" cannabis

production, possibly financed by Thai traffickers in southern Laos. Complicating this problem is the continuing use of cannabis as a traditional food seasoning in some locations.

USG-supported crop control programs do not employ herbicides or any other form of forced eradication. Where crops are cut down, the cultivators themselves do the eradication as a condition of a written agreement between villages and the GOL not to produce opium.

Drug Flow/Transit. While it is not possible currently to get an accurate assessment of illicit drug distribution in Laos, addiction and use rates for opium and ATS respectively suggest that while distribution of the former may be in decline, the latter is increasing exponentially. Individuals or small-scale merchants perform the majority of street-level distribution, rather than large organized criminal gangs. There have been reports of some schoolteachers distributing ATS.

Opium distribution is limited, as users are generally addicts within a producing household or village. There is some opium distribution between villages, especially as remaining opium plots move into more remote and distant terrain less accessible to law enforcement agencies. Laos, despite the progress that it has made in reducing its addict population, continues to suffer from one of the highest opium addiction rates in the world. Laos's highly porous borders, dominated by the Mekong River and remote mountainous regions, are notoriously difficult to control and readily facilitate the trafficking of illicit drugs, although there are no reliable estimates of the volume of this flow. According to the UNODC, the growth in drug seizures near Laos' borders in neighboring countries may be evidence of an increasing transit problem. The flow includes methamphetamine, heroin, and precursor chemicals bound for other nations in the region, and ironically, the problem is likely to worsen as the transportation infrastructure in Laos improves. Illicit transit to the U.S. includes unrefined opium and local formulations of ATS, but not in sufficient quantities to have a significant effect.

Domestic Programs/Demand Reduction. The GOL has continued to build its drug treatment and counseling capacity, albeit with very limited resources. Opium education and detoxification is an integral part of the overall opium elimination campaign, and despite resource constraints, appears appropriately sized if austere for the addict population. Significant impediments to full treatment of all opium addicts include the ill health of many elderly users, the remote location of some addict populations, and the lack of sufficient rural health care infrastructure to displace the traditional medicinal use of opium, which often serves as the initial entree into addiction. In addition, the initial apparent success of detoxification often induces additional "hidden" addicts to come forward for treatment. Senior GOL leaders have expressed concern about growing ATS use among the nation's youth, and the GOL has initiated drug education and treatment programs to slow the growth in demand. With the assistance of the USG and Thailand, Laos currently has two major ATS treatment centers under construction, both of which will open before March of 2006. Others are being planned.

Demand reduction is Laos' best defense against ATS, and the GOL has instituted a number of programs to stem the demand, including drug awareness education and media campaigns. Unfortunately, the explosive growth in ATS is overwhelming the resources that the GOL and international donors have available to fight it. The GOL reported that ATS testing in some secondary schools showed an increase in use from 4 percent in 2003 to 27 percent in 2005, and anecdotal evidence suggests that many addicts are turning to crime as a means of supporting their addiction.

Laos' demand reduction efforts in 2005 produced mixed results, with significant reported gains against opium, but a worrying trend in the growth of ATS use. The GOL hopes to treat all opium addicts before the end of 2006, as significantly reducing opium addiction is critical to full elimination of cultivation. Laos had approximately 20,160 opium addicts as of May 2005, based on voluntary reports from villages, and set as an objective the treatment of 9,160 before year's end, 8,885 of whom were in the northernmost 11 provinces. As of November 2005, 6,112 of the addicts in the north had undergone treatment, approximately 69 percent of the target, and the GOL pressed provincial leaders to treat the remaining 31 percent as quickly as possible. This approach to stemming addiction is highly

questionable over the long term: the incentives to report someone treated and "cured" are simply too high. Worldwide, recidivism rates from "treated" opium/heroin addicts are on the order of 80 percent/90 percent.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. is Laos' strategic partner in the battle against illegal drugs. Since 1989, the USG, through the State Department Narcotics Program (INL), has provided more than $41 million to support GOL crop control, demand reduction, and law enforcement programs. Crop control funds support opium awareness campaigns, opium detoxification clinics, and the Lao-American Projects (LAP) in Phongsaly and Luang Prahbang Provinces. The LAPs utilize the alternative development programs described above in the Policy Initiatives section. The U.S.-Lao PDR Crop Control LOA prohibits the use of USG funds to support involuntary resettlement. Demand reduction funds provide support for ATS treatment centers, drug awareness programs, and data collection. Law enforcement funds support training and equipment purchases for CNUs and Customs. The USG also supports an array of counternarcotics programs through the UNODC.

The Road Ahead. Laos' struggle against opium is in its endgame, but its fight against ATS is just beginning. To secure the victory over opium, robust alternative development must be sustained for the next 3 to 5 years. In many districts, villages have stopped cultivation or self eradicated with the promise of government support. If assistance is not soon forthcoming, these villages may revert to opium cultivation, and it will be much more difficult to persuade them to stop a second time. Detoxifying the remaining opium addicts, and offering them the best treatment possible is also essential, but claims of rapid success should be discounted given the very real problem of securing long-term success in defeating opiate addiction.

Laos does not have the law enforcement resources it needs to battle ATS, and it will have to rely on effective demand reduction to stem the tide of "Ya ba" sweeping the country. Programs that educate youth on the dangers of addiction, and treat those who succumb to addiction, should become the new focus for GOL counternarcotics efforts. Programs that train and equip law enforcement officers more effectively and improve the efficiency of the criminal justice system could help Laos to fight corruption, arrest major traffickers, secure its borders, interdict the flow of illicit drugs transiting the nation, and cooperate more effectively with international partners.

Malaysia

I. Summary

Malaysia is not a significant source country or transit point for U.S.-bound illegal drugs, though domestic abuse is on the rise and illicit labs located in Malaysia are increasing methamphetamine production. The Government of Malaysia (GOM) has established a "drug-free by 2015" policy. Malaysia's competent counternarcotics officials and police officers have the full support of senior government officials. Cooperation with the U.S. on combating drug trafficking is excellent. The U.S. maintains active and successful programs for training Malaysian officials and police, and other regional counternarcotics officials. Malaysia is a party to the 1988 UN Drug Convention.

II. Status of Country

While Malaysian officials have expressed concern about rising rates of drug addiction in their own country, Malaysia is not a significant source country or transit point for U.S.-bound illegal drugs. Narcotics imported to Malaysia include heroin and opium from the nearby Golden Triangle area, and other drugs, primarily amphetamine type stimulants (ATS), including crystal methamphetamine and ecstasy. These imports either transit Malaysia bound for other markets such as Singapore, and Australia, or are consumed domestically. The drugs of choice for Malaysian users are heroin, morphine, marijuana, and methamphetamines, according to government statistics. The Malaysian government identified over 25,000 new drug addicts during the first ten months of 2005 through reporting from police, community organizations, and treatment centers, bringing the total since 1988 to about 286,000.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Malaysia continues a long-term effort launched in 2003 to reduce domestic drug use to negligible levels by 2015. Senior officials, including the Prime Minister, speak out strongly and frequently against drug abuse. The Prime Minister chairs the Cabinet Committee on Eradication of Drugs, composed of 20 government ministers. The National Anti-Drugs Agency (NADA) is the policy arm of Malaysia's counternarcotics strategy, coordinating demand reduction efforts with various cabinet ministries. Malaysian law stipulates a mandatory death penalty for major drug traffickers, with harsh mandatory sentences also applied for possession and use of smaller quantities. Of the 234 criminal executions during the period 1980-2000, according to government statistics, 175 were for drug offenses.

Law Enforcement Efforts. Police arrested nearly 35,000 persons for drug-related offenses during the January to September 2005 period, a 35-percent increase from the same period in 2004. Enforcement officials also seized 105 kilograms of heroin, 647 kilograms of marijuana, 36 kilograms of methamphetamine, 4 kilograms of opium, 105,000 ecstasy pills, 695,000 psychotropic pills, and nearly 8,800 liters of codeine. Malaysian police and prosecutors are effective in arresting small-time drug offenders, and are examining ways to prosecute larger crime rings. The Malaysian government this year began to enforce a law that allows prosecution of the owners and operators of entertainment outlets—in addition to the patrons of such outlets—where drug abuse occurs. According to media reports, over 1,000 suspected traffickers were detained in 2005 under Malaysia's "special preventive measures," which allow for detention without trial of suspects who pose a threat to national security. In August 2005, Malaysian police raided a warehouse near the capital of Kuala Lumpur, seizing 156 kilograms of ketamine in bulk granular form, along with quantities of ketamine pills, eramin-5, methamphetamine, and various other chemicals and compounds. Fifteen people were arrested. The

ketamine, valued at $2.7 million, was apparently in transit from Chennai, India, to Hong Kong, to Shenzhen, China.

Corruption. In an apparently isolated case, two junior narcotics police officers were arrested in November 2005 for selling ecstasy that they had seized in a raid. The government is likely to seek the death penalty for them. While Malaysian and foreign media organizations continued to highlight cases of government corruption in general, no senior officials were arrested for drug-related corruption in 2005. As a matter of government 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.

Agreements and Treaties. Malaysia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by its 1972 Protocol, and to the 1971 UN Convention Against Psychotropic Substances. Malaysia is also a party to the UN Convention Against Transnational Organized Crime. Malaysia has just signed an MLAT with Australia, and is a party to the multilateral ASEAN MLAT. The U.S.-Malaysia Extradition Treaty has been in effect since 1997, though no extradition has yet occurred under that treaty.

Drug Flow/Transit. Drugs transiting Malaysia do not appear to make a significant impact on the U.S. market. However, Malaysia's proximity to the heroin production areas and methamphetamine labs of the Golden Triangle leads to smuggling across Malaysian borders, destined for Australia and other markets. Ecstasy from Amsterdam is flown into Kuala Lumpur International Airport for domestic use and distribution to Thailand, Singapore, and Australia. There is also at least some production of ATS in Malaysia, as evidenced by the take-down of a large methamphetamine lab in 2004 and the seizure of a substantial quantity of precursor chemicals awaiting use at that lab.

Domestic Programs (Demand Reduction). The NADA targets its demand reduction efforts toward youth, parents, students, teachers, and workers, with extensive efforts to engage schools, student leaders, parent-teacher associations, community leaders, religious institutions, and workplaces. Such programs continued during 2005. Government statistics indicate that 6,634 persons were undergoing treatment at Malaysia's 28 public rehabilitation facilities as of October 2005, a marked drop from last year's figure.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. counternarcotics training continued in 2005 via the International Law Enforcement Academy (ILEA) in Bangkok and the "Baker Mint" program sponsored by the U.S. Department of Defense. Baker Mint aims to raise the operational skill level of local counternarcotics law enforcement officers. In August 2005, U.S. officials from the Department of Justice, DEA and FBI presented a training workshop for Malaysian police and prosecutors on using their existing "Aiding and Abetting" laws to prosecute drug kingpins and their organizations.

The Road Ahead. United States goals and objectives for the year 2006 are to encourage the Malaysian government to use existing "Aiding and Abetting" laws more effectively against major drug traffickers; and to continue the excellent cooperation between Malaysian and U.S. law enforcement authorities. United States law enforcement agencies will take advantage of enhanced cooperation with Malaysian authorities to interdict drugs transiting Malaysia, and to follow regional and global leads. U.S.-funded counternarcotics training for Malaysian law enforcement officers will continue.

Mongolia

I. Summary

Drug trafficking and abuse are not widespread in Mongolia, but continue to rise and draw the attention of the government. Mongolia's young, burgeoning urban population is especially vulnerable to the growing drug trade. The government continues to implement the National Program for fighting Narcotics and Drugs adopted in March 2000. The initial five-year plan was completed in 2005, but the government has not yet decided on any changes for the next period. The National Council headed by the Chief of Police coordinates implementation of this program. The program is aimed at preventing drug addiction, drug related crimes, creating a legal basis for fighting drugs, implementing counternarcotics policy, and raising public awareness of the drug abuse issue. Mongolia is a party to the 1988 UN Drug Convention.

II. Status of Country

Mongolia's long unprotected borders with Russia and China are vulnerable to all types of illegal trade, including drug trafficking. Police believe most smuggled drugs come from China, and are carried by Mongolian citizens. Illegal migrants, mostly traveling from China through Mongolia to Russia and Europe, also sometimes transport and traffic in drugs. Police express particular concern that, if drug use in Mongolia continues to rise, organized crime involvement in the trade will grow beyond the current low levels. The government has made the protection of Mongolia's borders a priority. U.S.-sponsored projects to promote cooperation among security forces and training have provided some assistance. A lack of resources and technical capacity, along with corruption in the police forces and other parts of government, hinder Mongolia's ability to patrol its borders, detect illegal smuggling, and investigate transnational criminal cases.

III. Country Actions Against Drugs in 2005

Policy Initiatives/Law Enforcement. The Mongolian government and law-enforcement officials have increased their participation in international fora focused on crime and drug issues. Mongolia became a member of the Asia-Pacific Group on Money Laundering in 2004 and has committed to adhere to Financial Action Task Force (FATF) standards, while seeking participation and eventual membership in the FATF.

Drug Flow/Transit. Marijuana is the most widely used illegal drug. A small amount of marijuana is grown within the country, and appears to be consumed locally. Reports indicate that the availability and use of marijuana, heroin, cocaine, amphetamines, and over-the-counter drugs have increased. However, no reliable surveys exist of drug usage, nor is there any official database of drug convictions. The Mongolian government is alert to precursor chemical production and the potential for diversion. The government has closed some facilities, suspected of diverting chemicals, but foreign interest in securing precursor chemicals in Mongolia continues to surface.

Demand Reduction. Domestic, nongovernmental organizations work to fight drug addiction and the spread of narcotics abuse. International donors are working with the government to help Mongolia develop the capacity to address narcotics and related criminal activities before they become an additional burden on Mongolia's development.

Corruption. Mongolian internal corruption and related criminal activity appear unrelated to narcotics activities. The weakness of the legal system and financial structures (i.e., the absence of anti-money laundering and antiterrorist financing legislation), however, leaves Mongolia vulnerable to

exploitation by drug traffickers and international criminal organizations, particularly those operating in China and Russia. The reopening of the North Korean Embassy in Ulaanbaatar in August 2004 also heightens concern that the North Korean Government, through its Embassy in Ulaanbaatar, may again seek (as it did in the late-1990s) to finance North Korean diplomatic and other activities through narcotics trafficking, counterfeiting or other illicit activity.

Agreements and Treaties. Mongolia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Mongolia also is a party to the UN Convention against Corruption. The government of Mongolia attempts to meet the goals and objectives of international initiatives on drugs. The United States and Mongolia have in force a customs mutual legal assistance agreement. During the year, Mongolia's Minister of Justice and Home Affairs visited Russia and discussed improved information exchange and cooperation on cross-border crime of all kinds, including narcotics.

IV. U.S. Policy Initiatives and Programs

U.S. government assistance has included international visitor programs on transnational crime and counternarcotics, as well as some training by U.S. law enforcement agencies.

North Korea

I. Summary

For decades, North Koreans have been apprehended trafficking in narcotics and engaging in other criminal behavior and illicit activity, including passing counterfeit U.S. currency and trading in copyrighted products. This year there were no public reports of specific incidents of narcotics trafficking with clear, demonstrable DPRK (Democratic People's Republic of Korea) links. However, given developments during 2005 that linked the DPRK to other forms of state-directed criminality, the Department reaffirms its view that it is likely, but not certain, that the North Korean government sponsors criminal activities, including narcotics production and trafficking, in order to earn foreign currency for the state and its leaders.

II. Status of Country

Substantial evidence exists that North Korean governmental entities and officials have laundered the proceeds of narcotics trafficking, counterfeit activities, and other illegal activities through a network of front companies, that use financial institutions overseas, for example in Macau, for their operations. On September 15, 2005, the U.S. Treasury Department designated Banco Delta Asia SARL in Macau as a "primary money laundering concern" under Section 311 of the U.S. Patriot Act, based on the finding that the bank represents an unacceptable risk of money laundering and other financial crimes. The U.S. Treasury Department noted that the bank "…has been a willing pawn for the North Korean Government to engage in corrupt financial activities through Macau." The Federal Register Notice on the designation cited "the involvement of North Korean Government agencies and front companies in a wide range of illegal activities, including drug trafficking and the counterfeiting of goods and currency" and specifically noted past arrests of North Koreans, including DPRK diplomats and officials, for narcotics trafficking and other criminal acts in twenty different countries since 1990.

In addition, indictments in the United States issued in 2005 and the ongoing work of several corporate investigative teams employed by the holders of major United States and foreign cigarette and pharmaceutical trademarks have provided compelling evidence of DPRK involvement in trademark violations carried out in league with criminal gangs around the world, including trafficking in counterfeit cigarettes and Viagra. The DPRK is also associated with production of high-quality counterfeit U.S. currency ("supernotes").

As reported in previous INCSRs, North Korean defectors and informants have long asserted that large-scale opium poppy cultivation and production of heroin and methamphetamine occurs in the DPRK. A defector identified as a former North Korean high-level government official wrote in a February 2004 "Jamestown Review" article that poppy cultivation and heroin and methamphetamine production were conducted in North Korea at the order of the regime. According to the article, the government engaged in drug trafficking to earn large sums of foreign currency unavailable to the regime through legal transactions. While this article and similar defector reports have not been verified by independent sources. Defector statements are consistent over the years and occur in the context of multiple narcotics seizures linked to North Korea and evidence of DPRK state entity involvement in other forms of criminality.

There were no seizures of methamphetamines in Japan during 2005 linked to North Korea. But 30 per cent to 40 per cent of methamphetamine seizures in Japan in past years have been linked to the DPRK. It is possible that methamphetamine manufactured in the DPRK is now identified as Chinese-source, because of the involvement of ethnic Chinese criminal elements working with the DPRK abroad, as well as within China, in the narcotics production/trafficking business.

The "Pong-Su" incident in Australia in April 2003 drew worldwide attention to the possibility of DPRK state trading of drugs. The "Pong Su", a sea-going cargo vessel owned by a North Korean state enterprise, was seized after reportedly delivering a large quantity of pure heroin to accomplices on shore. The trial of the "Pong Su" captain and other senior officers, including a DPRK Political Secretary, began in late January 2005; a verdict is expected in early 2006.

III. Country Actions Against Drugs in 2005

DPRK officials have ascribed past instances of misconduct by North Korean officials to the individuals involved, and stated that these individuals would be punished in the DPRK for their crimes. A 2004 edition of the North Korean Book of Law contains the DPRK's Narcotics Control Law. There is no information available concerning enforcement of this law or actions taken against North Korean officials and citizens involved in drug trafficking upon their return to North Korea.

IV. U.S. Policy Initiatives and Programs

The United States has made it clear to the DPRK that its involvement in a range of criminal and illicit activities, including narcotics trafficking, is unacceptable and must stop. The United States thoroughly investigates all allegations of criminal behavior impacting the United States by DPRK citizens and entities, prosecutes cases under U.S. jurisdiction to the fullest extent of the law, and urges other countries to do the same.

The Philippines

I. Summary

Philippine law enforcement agencies continued to target major traffickers and large clandestine drug labs. Official Philippine government arrest and seizure statistics reflect an overall decline in seizures, except in the case of diverted precursor chemicals, but this may reflect an effort by the Government of the Philippines (GRP) at providing more accurate statistical reporting to correct the inflated claims of previous years, rather than less success in counternarcotics efforts. The Philippine government continues to develop a dedicated counternarcotics capability in the Philippine Drug Enforcement Agency (PDEA), established by the GRP in 2002. Based on the quantity of seizures in 2005, the Philippines continues to be a producer of crystal methamphetamine. Evidence indicates some links between terrorist organizations and drug trafficking activities in the Philippines. Funding for the proposed priority programs identified by the 2005 GRP—U.S. Joint Law Enforcement Assessment of the Philippine National Police (PNP) could help address systemic problems within the Philippine National Police and implement a reform roadmap in which combined USG and GRP resources could improve counternarcotics programs and overall Philippine law enforcement capabilities in the next few years. The Philippines is a party to the 1988 UN Drug Convention.

II. Status of Country

Domestic production of crystal methamphetamine, locally known as "shabu," exceeds demand, with most of the precursor chemicals smuggled into or illegally diverted after importation into the Philippines from the People's Republic of China (PRC), including Hong Kong. Dealers sell shabu in crystal form for smoking. No production or distribution exists of methamphetamine in tablet form. Producers make methamphetamine in clandestine labs through a hydrogenation process that uses palladium and hydrogen gas to refine the liquid mixture into crystal form. PRC- and Taiwan-based syndicates have established the vast majority of the Philippines' clandestine methamphetamine labs using a network of ethnic Chinese who possess the necessary technical skills. The Philippines also serves as a transshipment point for further export of methamphetamine of foreign manufacture to Australia, Canada, Japan, Korea, and the U.S. (including Guam and Saipan).

The Philippines produces, consumes, and exports marijuana. Philippine authorities continue to encounter difficulties stemming production. Marijuana cultivation is generally in areas inaccessible to vehicles and/or controlled by insurgent groups. Corruption and inefficiency among government officials also complicate eradication efforts. Most of the marijuana produced in the Philippines is for local consumption, with the remainder smuggled to Australia, Japan, Malaysia, and Taiwan.

MDMA commonly known as ecstasy, is gaining popularity as a recreational drug in the Philippines. Philippine authorities report use among young, prosperous adults, particularly in bars and clubs. Anecdotal reports cite increased availability, but enforcement actions against MDMA did not increase in 2005.

The Philippines has also seen a rise in the abuse and illicit conversion of ketamine hydrochloride (ketamine). Ketamine, generally used as an animal tranquilizer, was classified as a "dangerous drug" by the Philippine Dangerous Drugs Board on October 1, 2005, but several illegal ketamine laboratories were dismantled even before this reclassification.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Administration of President Gloria Macapagal Arroyo continues to concentrate on the full and sustained implementation of counternarcotics legislation and the institution building of PDEA as the lead counternarcotics agency. PDEA conducts investigations and continues to develop a training program. President Arroyo in 2002 created by executive order the Philippine National Police's (PNP) Anti-Illegal Drugs Special Operations Task Force (AIDSOTF). AIDSOTF's mission is to maintain law enforcement pressure on narcotics traffickers while PDEA builds its capacity. The GRP has developed and is implementing a counternarcotics master plan, the National Anti-Drug Strategy (NADS), which is carried out by the National Anti-Drug Program of Action (NADPA). The NADPA contains provisions for counternarcotics law enforcement, drug treatment and prevention, and international cooperation in counternarcotics, all of which are objectives of the 1988 UN Drug Convention. However, GRP efforts in 2005 concentrated chiefly on law enforcement. The major developments in 2005 were counternarcotics policy changes, especially the classification of ketamine as a dangerous drug and the greater emphasis on precursor chemicals in counternarcotics strategy.

Law Enforcement Efforts. Counternarcotics law enforcement in the GRP is a high priority, but suffers from a lack of resources. Law enforcement efforts are considered to be effective within the confines of their inadequate funding; there were no significant changes. GRP law enforcement agencies continued to target major traffickers and large clandestine drug labs. In 2005, GRP officials claimed to have seized narcotics worth approximately $85,323,555; arrested 15,268 people for drug related offenses; and ultimately filed criminal charges in 10,241 drug cases. These numbers are all down from previous years, though marijuana seizures have increased. Asset forfeiture is not yet a component of Philippine narcotics enforcement.

Major evidentiary and procedural obstacles exist in the Philippines in building effective narcotics cases. Restrictions on the gathering of evidence hinder narcotics investigations and prosecution. Philippine laws regarding electronic surveillance and bank secrecy regulations also constrain the ability of prosecutors to build narcotics cases. The 1965 Anti-Wiretapping Act prohibits the use of wiretapping as well as the consensual monitoring of conversations and interrogations as evidence in court. Crimes against the State such as treason and sedition are the only exceptions to the Act. There are also no provisions to seal court records to protect confidential sources and methods. Pervasive problems in the law enforcement and criminal justice systems (i.e., rampant corruption, low morale, inadequate salaries, recruitment and retention difficulties, and lack of cooperation between police and prosecutors) hamper narcotics investigations and prosecutions. Perennial backlogs in the judicial system impede further the already slow pace of proceedings in narcotics cases. Under the Comprehensive Dangerous Drugs Act of 2002, only those courts designated as "Special Drug Courts" can hear drug cases, obliging GRP prosecutors to move cases previously filed in other courts into the Special Drug Courts. The Comprehensive Dangerous Drug Act also prohibits plea-bargaining in exchange for testimony; the GRP can reward cooperation with the filing of lesser charges, but not by reducing sentences. Throughout 2005, Philippine authorities continued to link drug trafficking activities to terrorist organizations. The Abu Sayyaf Group (ASG), a U.S. and UN-designated Foreign Terrorist Organization operating in extreme southwest Philippines, runs a protection racket for foreign trafficking syndicates. According to government estimates, the Communist Party of the Philippines/New People's Army (CPP/NPA), also a U.S.-designated Foreign Terrorist Organization with a nationwide presence, receives money for providing safe haven and security for many of the marijuana growers in the northern Philippine and collects "revolutionary taxes" on the sale of drugs.

The DEA Manila Country Office and Joint Inter-Agency Task Force-West (JIATF-W) are developing a network of Information Fusion Centers (IFCs) in the Philippines. The primary facility, the Maritime Drug Enforcement Coordination Center (MDECC), opened in July 2005 and is located at PDEA Headquarters in Metro Manila. Construction of a satellite center at the headquarters of the Naval Forces Western Mindanao, Zamboanga Del Sur (Southern Mindanao), was completed in October; a

second satellite center is being built at Poro Point, San Fernando (La Union), and is scheduled for completion in February 2006. Officers from the Philippine Navy, Coast Guard, PNP-Maritime Group, and the PDEA will staff the facilities. The purposes of the IFCs are to gather information about maritime drug trafficking and other forms of smuggling, and to provide actionable target information that the agencies at the IFCs can use to investigate and prosecute drug trafficking organizations.

Philippine authorities dismantled seven clandestine methamphetamine laboratories in 2005, down from 11 in 2004 and 2003. This decline may reflect a diversion of operational resources in the face of the GRP's new emphasis on ketamine. GRP law enforcement officials cite four factors behind the existence of domestic labs: 1) the simplicity of processing ephedrine into methamphetamine on a near one-to-one conversion ratio; 2) the crackdown on drug production facilities and processed methamphetamine in other methamphetamine-producing countries; 3) the lesser danger in trafficking in methamphetamine precursors (ephedrine) compared to the finished product; 4) the lack of law enforcement expertise and statutory power to detect diverted precursor chemicals used in clandestine labs and prosecutions that are limited to finished product rather than the chemical inputs. GRP authorities seized a total of 104 kilograms of methamphetamine, with an estimated value of $3,781,821, and 34,353 kilograms of ephedrine (including pseudo-ephedrine and chlorephedrine), essential precursors in the production of methamphetamine. GRP seizures of precursor chemicals were up significantly in 2005. Philippine authorities dismantled 4 clandestine ketamine labs in 2005, and seized 7.8 kilograms of ketamine hydrochloride, valued at $709,545. According to PDEA, Philippine authorities arrested 15,268 people for drug related offenses, a decrease of 9,953 individuals from 2004. The decline reflects the GRP's continuing strategy, introduced in 2004, of concentrating on larger distributors rather than users and low-level dealers. GRP authorities filed criminal charges in 10,241 drug cases. PRC- and Taiwan-based traffickers remain the most influential foreign groups operating in the Philippines. According to PDEA, Philippine authorities arrested individuals associated with and/or disrupted the operations of 86 out of the estimated 181 local drug rings and syndicates.

Corruption. Corruption among the police, judiciary, and elected officials continues to be a significant impediment to Philippine law enforcement efforts. The GRP has criminalized public corruption in narcotics law enforcement through its Dangerous Drug Act (DDA), which clearly prohibits senior GRP officials from engaging in, encouraging, or facilitating the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug actions. There were no significant arrests or prosecutions under this law in 2005. There have been a few arrests of PNP and PDEA officers for dealing drugs and selling seized chemicals, both of which are also prohibited under the DDA. The USG has no evidence that any senior officials of the GRP engage in, encourage, or facilitate the illicit production or distribution or illegal narcotics, or participate in the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. The Philippines is a party to the 1988 UN Drug Convention, as well as to the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs, and the 1972 Protocol Amending the Single Convention. The Philippines is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling The U.S. and the GRP continue to cooperate in law enforcement matters through a bilateral extradition treaty and MLAT. The Philippines has signed, but has not yet ratified, the UN Convention Against Corruption.

Cultivation/Production. Authorities have identified at least 98 marijuana cultivation sites spread throughout the mountainous areas of nine different regions of the Philippines. In 2005, Philippine law enforcement agencies continued to cooperate with units from the Armed Forces of the Philippines (AFP) in launching marijuana eradication operations, some of which took place in territory controlled by armed insurgent groups. New focus on significant drug traffickers, rather than small-scale marijuana farmers, resulted in several large seizures, including 103,257 sticks of marijuana, a 32-fold increase over the previous year. Using manual techniques to eradicate marijuana, government entities

claim to have successfully uprooted and destroyed 8,570,099 plants and seedlings, more than triple the number from the previous year. They also confiscated 26 kilograms of seeds, five times the number seized in 2004. The seized and eradicated marijuana crop was valued by the GRP at $31 million. It should be noted, however, that PDEA has no mechanism for confirming these numbers, since the crops are destroyed immediately upon seizure.

Drug Flow/Transit. The Philippines is a narcotics source and transshipment country. Illegal drugs enter the country through seaports, economic zones, and airports. With over 36,200 kilometers of coastline and 7,000 islands, the Philippine archipelago is a drug smuggler's paradise. Vast stretches of the Philippine coast are virtually unpatrolled and sparsely inhabited. Traffickers use shipping containers, fishing boats, and cargo ships (which off-load to smaller boats) to transport multi-hundred kilogram quantities of methamphetamine and precursor chemicals. AFP and law enforcement marine interdiction efforts are hamstrung by deficits in equipment, training, and intelligence sharing. The Philippines is also a transshipment point for further export of crystal methamphetamine to Japan, Australia, Canada, Korea, and the U.S. (including Guam and Saipan). Commercial air couriers and express mail services remain the primary means of shipment to Guam and to the mainland U.S., with a typical shipment size of one to four kilograms. There has been no notable increase or decrease in transshipment activities in 2005.

Domestic Programs. The Comprehensive Dangerous Drugs Act of 2002 includes provisions that mandate drug abuse education in schools, the establishment of provincial drug education centers, development of drug-free workplace programs, and other demand reduction clauses. Abusers who voluntarily enroll in treatment and rehabilitation centers are exempt from prosecution for illegal drug use. While 2005 figures are not yet available, residential and outpatient rehabilitation centers reported 5,787 admission cases in 2004. Statistics from rehabilitation centers highlight the following: 1) the majority of patients are in the 20-29 age group; 2) 84 percent of the patients report methamphetamine is their drug of abuse; 3) a significant number of patients report abusing inhalants such as glue, and over-the-counter cough and cold preparations; 4) the ratio of male to female users is now 9:1 (compared to the reported 11:1 last year).

In its 2005 World Drug Report, the United Nations Office on Drugs and Crime (UNODC) estimated that 8.3 percent of the Philippine population abuses cannabis (marijuana) and amphetamine-type substances. The GRP's Dangerous Drug Board (DDB) conducted a detailed study in 2004 to determine the number of addicts or abusers involved in each drug category, but the results have never been released.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The USG's main counternarcotics policy goals in the Philippines are to: 1) work with local counterparts to provide an effective response to counter the burgeoning clandestine production of methamphetamine; 2) cooperate with local authorities to prevent the Philippines from being used as a transit point by trafficking organizations affecting the U.S.; 3) promote the development of PDEA as the focus for effective counternarcotics enforcement efforts in the Philippines; and 4) develop an improved statutory framework for control of drug and precursor chemicals.

Bilateral Cooperation. The U.S. tries to assist Philippine counternarcotics efforts with training, and has been discussing assistance to the police and justice sectors.

The Road Ahead. The USG plans to continue work with the GRP to promote law-enforcement institution building and encourage anti corruption mechanisms via our JIATF-West presence as well as ongoing programs funded by Department of State (INL and S/CT, and USAID). Strengthening the counternarcotics bilateral relationship serves the national interests of both nations.

Singapore

I. Summary

The Government of Singapore (GOS) has stringent counternarcotics policies and enforces them, including strict laws with the death penalty for trafficking. It also has effective counternarcotics education programs. Singapore is not a producer of precursor chemicals or narcotics, but with its major port and modern sophisticated service sector, it is an attractive target for drug transshipment. Corruption cases involving Singapore's counternarcotics and law enforcement agencies are rare, and their officers regularly attend U.S.-sponsored training programs (as well as regional forums on drug control). Singapore is experiencing a decrease in narcotics trafficking and abuse, with the possible exception of synthetic drugs. According to GOS statistics, the number of drug abusers arrested decreased by 47 percent, while the number of new abusers arrested also decreased by 17 percent. Singapore is a party to the 1988 UN Drug Convention.

II. Status of Country

In 2005, there was no known production of illicit narcotics or precursor chemicals in Singapore. While Singapore itself is not a known transit point for drugs or precursor chemicals, it is the busiest transshipment port in the world, and the volume of cargo passing through its port makes it likely that some illicit shipments of drugs and chemicals do pass through Singapore.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Singapore has continued to pursue a strategy of demand and supply reduction for drugs. This plan has meant that, in addition to arresting drug traffickers, Singapore has also focused on arresting and detaining drug abusers for treatment and rehabilitation. Singaporeans and permanent residents are subject to random drug tests. In addition, the Misuse of Drugs Act (MDA) gives the Central Narcotics Bureau (CNB) the authority to commit all drug abusers to drug rehabilitation centers for mandatory treatment and rehabilitation.

Law Enforcement Efforts. According to the most recent statistics available, arrests for drug-related offenses registered a sharp decline of 47 percent from 1,809 in 2003 to 955 in 2004. The number of persons detained for trafficking offenses and arrests for abuse and possession all declined. Arrests of heroin abusers fell by 80 percent, from 567 arrests in 2003 to 111 in 2004. The predominance of synthetic drugs is reflected in the composition of abusers arrested in 2004. Synthetic drugs include MDMA (ecstasy), methamphetamine and ketamine; together they accounted for 56 percent of abusers arrested. Singapore government statistics for 2004 show the composition of abusers by drug type is as follows: 32 percent ketamine; 20 percent nimetazepam; 13.1 percent methamphetamine; 12.3 percent marijuana; 11.6 percent heroine; 10.6 percent MDMA; and 0.4 percent cocaine.

In 2004, authorities executed 48 major operations during which they dismantled 24 drug syndicates. In September 2005, CNB made the largest ketamine seizure in Singapore history, yielding 3.24 kilograms. CNB seized 16,235 methamphetamine tablets ("Ya ba") in 2004, compared to 34,853 tablets seized in 2003. CNB seized 156,922 nimetazepam tablets in 2004, the largest amount seized since 1992 when nimetazepam became a controlled drug.

Corruption. The CNB is charged with the enforcement of Singapore's counternarcotics laws. The CNB and other elements of the government are effective and Singapore is widely recognized as one of the least corrupt countries in the world. Neither the government nor any senior government officials

engage in, encourage or facilitate the production or distribution of narcotics or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Singapore is 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. Singapore and the United States continue to cooperate in extradition matters under the 1931 U.S.-U.K. extradition treaty. A November 2000 Drug Destination Agreement (DDA) signed by Singapore and the United States continues to be an important mechanism for facilitating cooperation between the countries on drug cases. The agreement provides for cooperation in asset forfeiture and sharing of proceeds in narcotics cases. For instance, on October 7, 2005, the U.S. Marshals Service received $104,023.88 from Standard Charter Bank in Singapore as part of a forfeiture order in a highly publicized case involving money laundering and conspiracy to import hashish into the United States in the late 1990's. The DDA also facilitates the exchange of banking and corporate information on drug money laundering suspects and targets. Singapore has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention Against Corruption. . In 2001, Singapore signed the Drug Designation Act (DDA) allowing for close cooperation with the United States on Drug and Money Laundering investigations.

Cultivation/Production. There was no known cultivation or production of narcotics in Singapore in 2004 or 2005.

Drug Flow/Transit. Singapore has the busiest (in tonnage) seaport in the world. Approximately 80 to 90 percent of the goods handled by its port are in transit or being transshipped, and do not enter Singapore's customs area. Due to the extraordinary volume of cargo shipped through the port, it is highly likely that some of that cargo contains illicit materials. Singapore does not require shipping lines to submit data on the contents of most transshipment or transit cargo unless there is a Singapore consignee to the transaction. The lack of such information makes enforcement a challenge. Customs authorities rely on intelligence to discover and interdict illegal shipments. Absent specific information about a drug shipment, GOS officials have been reluctant to impose tighter reporting or inspection requirements at the port out of concern that this would interfere with the free flow of goods and thus jeopardize Singapore's position as the region's primary transshipment port. However, scrutiny of goods at ports has increased. In January 2003, Singapore's new export control law went into effect; while the law seeks to prevent the flow of weapons of mass destruction-related goods, the controls introduce scrutiny on some transshipped cargo. In March 2004, Singapore became the first Asian port to commence operations under the U.S. Container Security Initiative (CSI), under which U.S. Customs personnel prescreen U.S.-bound cargo. While this initiative also is aimed at preventing WMD from entering the United States, the increased information and scrutiny could also aid drug interdiction efforts.

The CNB works with the DEA to closely track the import of modest amounts of precursor chemicals for legitimate use in Singapore. CNB's precursor unit monitors and investigates any suspected diversion of precursors for illicit use. The CNB also monitors precursor chemicals that are transshipped through Singapore to other regional countries, although, as noted above, data on transshipment and transit cargo are limited. Singapore notifies the country of final destination before exporting transshipped precursor chemicals.

Domestic Programs (Demand Reduction). Singapore uses a combination of punishment and rehabilitation against first-time drug offenders. Many first-time offenders are given rehabilitation instead of jail time, although the rehabilitation regime is mandatory and rigorous. The government may detain addicts for rehabilitation up to three years. In an effort to discourage drug use during travel abroad, CNB officers may require urinalysis tests for Singapore citizens and permanent residents returning from outside the country. Those who test positive are treated as if they consumed the illegal drug in Singapore. Adopting the theme "Prevention: The Best Remedy," Singapore authorities

organize sporting events, concerts, plays, and other activities to reach out to all segments of society on drug prevention. Drug treatment centers, halfway houses, and job placement programs exist to help addicts reintegrate into society. At the same time, the GOS has toughened antirecidivist law. Three-time offenders face long mandatory sentences and caning. Depending on the amount of drugs carried, convicted drug traffickers are subject to the death penalty, regardless of nationality.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Singapore and the United States continue to enjoy improving law enforcement cooperation. In fiscal year 2005, approximately 33 GOS law enforcement officials attended training courses at the International Law Enforcement Academy (ILEA) in Bangkok on a variety of transnational crime topics. Singapore has provided some assistance in pending cases under the 2000 agreement. In October 2005, the Singaporean government transferred the first seized narcotics assets to the United States since the 2001 implementation of the DDA.

The Road Ahead. The United States will continue to work closely with Singapore authorities on all narcotics trafficking and related matters. Increased customs cooperation under the Container Security Initiative will help further bolster law enforcement cooperation. Improved communication on requests under the 2000 agreement should help improve cooperation as well.

South Korea

I. Summary

Narcotics production or abuse is not a major problem in the Republic of Korea (ROK). However, continuing reports indicate that an undetermined quantity of narcotics is smuggled through South Korea enroute to the United States and other countries. South Korea has become a transshipment location for drug traffickers due to the country's reputation for not having a drug abuse problem. This, combined with the fact that the South Korean port of Pusan is one of the region's largest ports, makes Korea an attractive location to divert illegal shipments coming from more countries, which might more likely attract a contraband inspection upon arrival. In response, the South Korean government has taken significant steps to thwart the transshipment of drugs through its territory. The ROK is a party to the 1988 UN Drug Convention.

II. Status of Country

Drugs available in the ROK include methamphetamine, heroin, cocaine, marijuana and club drugs such as LSD and ecstasy. Methamphetamine remains the drug of choice, while heroin and cocaine are only sporadically seen in the ROK. Club drugs such as ecstasy and LSD continue to grow in popularity among college students. No clandestine labs have been found in the ROK for over five years and it is believed that most of the LSD and ecstasy used in South Korea comes from North America or Europe.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In 2005 the ROK National Assembly approved amended legislation, which enhanced the control of certain precursor chemicals. Throughout 2005 the Korean Food and Drug Administration (KFDA) concentrated its efforts on implementing these controls. Previously, Korean authorities could only bring administrative charges of mislabeling against companies that transshipped precursor chemicals through Korea. The recent legislative action enhances the controls and allows for criminal sanctions. The lead agency for this initiative, KFDA, has extremely limited investigative and enforcement resources and is only able to assign a limited number of persons to monitor the precursor chemical program. Still, this important change in legislation demonstrates South Korea's recognition of the need for an enhanced precursor chemical program.

Accomplishments. The ROK has identified the transshipment of narcotics and the diversion of dual-use precursor chemicals as its most serious narcotics trafficking issues, and has taken aggressive, proactive steps in response. To curb the flow of drugs through airports, South Korean law enforcement has increased its presence and implemented tighter screening procedures, including enhanced examination of persons, luggage, express mail, and cargo. To better manage the potential for diversion of precursor chemicals, the ROK created a precursor chemical program with greater power to punish offending companies. In 2005, no cargo containers routed through Korea were identified as carrying drugs or illegally-diverted precursor chemicals, although intelligence indicated that these items had successfully transshipped through ROK ports. However, in 2004, the U.S. DEA and the Korea Customs Service tracked two large transshipments of illicitly diverted precursor chemicals as they transshipped through ROK, resulting in seizures at the final destinations.

Law Enforcement Efforts. The DEA Seoul Country Office has focused its efforts on the seizure of funds related to illicit narcotics. DEA Seoul organized a one-week training session for members of the Korean National Policy Agency's narcotics units, the Korea Customs Service, the Korean National

Intelligence Service, the Korean Maritime Police and the Korean Supreme Prosecutor's Office on narcotics investigations at the Korean Police University. Additionally, U.S. Department of Justice prosecutors provided training on asset forfeiture, as it related to narcotics seizure, for 28 prosecutors and five senior prosecutor investigators from the Korean Supreme Prosecutors Office, and two members of the Korean Financial Intelligence Unit. The numbers of persons arrested in South Korea for use of psychotropic substances, mostly club drugs, decreased from 4,478 persons to 4,362 persons (a 2.5 percent decrease) while persons arrested for marijuana use fell from 940 to 852 (a 9.3 percent decrease). The overall arrest rate for drug offenders fell slightly from 6,529 arrests in 2004 to 5,942 arrests in 2005 (a 8.9 percent decrease). It should be noted that the figures for both years are based on the first ten months of the year. Total figures for 2005 were not available. The amount of ecstasy seizures decreased significantly from 20,385 tablets in 2004 to 9,795 tablets in 2005. Seizures of trafficked marijuana were down by one third, from about 16 kilograms in 2004 to approximately 10 kilograms in 2005. This is probably a result of high profile, stepped up customs procedures at the airports discouraging traffickers from moving drugs with human "mules". Heroin is generally not used by Koreans and cocaine is used only sporadically with no indication of its use increasing.

Corruption. Although isolated reports of official corruption continue to appear in the ROK's vigorous free press, there is no evidence that any official corruption adversely influenced narcotics law enforcement in the ROK. As a matter of government policy, the ROK 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.

Agreements and Treaties. The U.S. and Korea have an extradition treaty and a mutual legal assistance treaty in force. South Korea 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. South Korea has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime, and the UN Convention against Corruption. Korean authorities exchange information with international counternarcotics agencies such as UNODC and INTERPOL, and have placed National Police and/or Customs Attaches in Thailand, Japan Hong Kong, China and the United States.

Cultivation/Production. Legal marijuana and hemp growth is licensed by local Health Departments. The hemp is used to produce fiber for traditional hand-made ceremonial funeral clothing. Every year, each District Prosecutor's Office, in conjunction with local governments, conducts surveillance into suspected illicit marijuana growing areas during planting or harvesting time periods to limit possible illicit diversion. In 2004, a dramatic increase of 58,755 plants was seized by local authorities. However, in 2005, the number of plants seized was an extremely low 3,464. Marijuana production is heavily dependent on natural conditions. Opium poppies are grown in the Kyonggi Province and farmers have traditionally used the harvested plants as a folk medicine remedy to treat sick pigs and cows. Opium is not normally processed from these plants for human consumption. All such plants are grown illegally, since South Korea forbids the growing of poppies for any reason. Each year, each District Prosecutor's Office, in conjunction with local governments, conducts surveillance into suspected poppy growing areas during planting and harvesting. They seized approximately 34,926 plants during the first ten months of 2005.

Drug Flow/Transit. Few narcotics drugs originate in South Korea, and none are known to be exported. However, Korea does produce and export the precursor chemicals acetone, toluene and sulfuric acid. Most Koreans who attempt to smuggle methamphetamine into Korea travel from China, and on a few occasions, the smugglers have indicated that the methamphetamine originated from North Korea and was simply transshipped through China. A majority of the LSD and ecstasy used in South Korea has been identified as coming from North America or Europe. People living in metropolitan areas of Korea are known to use marijuana originating from South Africa and Nigeria, whereas those living in rural areas appear to obtain their marijuana from locally produced crops.

Narcotics transshipped through ROK come from Thailand, China, North Korea and Canada for heroin; Iran, Nigeria, and South Africa for marijuana and hashish; United States, Canada and Spain for ecstasy; and China, Thailand, the Philippines and North Korea for methamphetamine. Chemicals used for manufacturing illicit drugs, such as potassium permanganate, ephedrine and acetic anhydride, originate mostly in China for transshipment to South America and the Middle East.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives and Programs. Embassy Seoul's DEA and Immigration and Customs Enforcement (ICE) officials work closely with Korea narcotics law enforcement authorities, and the DEA considers this working relationship to be excellent.

Bilateral Cooperation. The DEA in Seoul recently completed a survey of chemical monitoring programs operating in other Asian countries and forwarded the results to the Korean Food and Drug Administration to highlight the importance of the steps being taken by neighboring countries. DEA also works closely with the Korean Supreme Prosecutor's office and the Korea Customs Service, which monitor airport and drug transshipment methods and trends, including the use of international mail by drug traffickers.

The Road Ahead. Korean authorities have expressed concern that the popularity of South Korea as a transshipment nexus may lead to a greater volume of drugs entering Korean markets. Korean authorities fear increased accessibility and lower prices could stimulate increased domestic drug use in the future.

Taiwan

I. Summary

Although there is little evidence to suggest that Taiwan is again becoming a transit/transshipment point for drugs bound for the U.S., Taiwan-based methamphetamine organizations continue to supply experts such as chemists and technicians to oversee large-scale methamphetamine laboratories and production in other countries in the East Asia/Pacific region. In 2005, no new counternarcotics legislation was passed by the Taiwan's Legislative Yuan. Cooperation on drug trafficking issues continues to be guided by the Mutual Legal Assistance Agreement (MLAA) between the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office (TECRO) in the United States. Taiwan is not a member of the UN and therefore cannot be a party to the 1988 UN Drug Convention. Nevertheless, Taiwan authorities have amended and passed legislation consistent with the goals and objectives of this Convention.

II. Status of Taiwan

The People's Republic of China (PRC), North Korea, Thailand, Burma and the Philippines are the primary sources of drugs smuggled into Taiwan. Taiwan traffickers in Thailand and Burma continue to export heroin for distribution in Taiwan or onward to other international markets. Domestically, the use of crystal methamphetamine and club drugs such as MDMA and ketamine also continued to rise in 2005. Taiwan has become a consumer and importer of ketamine originating in India. Efforts to stem the flow of heroin and other drugs from Taiwan to the U.S. have been successful in large part because of enhanced coast guard and customs inspections, airport interdiction and intelligence sharing. However, several Taiwan-based organizations continue to have a direct impact on the United States, specifically by shipping precursor chemicals and drugs to the U.S. and Canada. Taiwan is also believed to be a transshipment point for drug flows to Japan.

III. Actions Against Drugs in 2005

Policy Initiatives. Taiwan's Legislative Yuan (LY) did not enact any new narcotics control legislation in 2005. Legislation that would permit the use of confidential sources and undercover operations continues to languish in committee, a victim of partisan politics and gridlock in the LY that has stalled other initiatives. A proposal to create a single narcotics control agency modeled after the U.S. DEA is still discussion by various Taiwan law enforcement organizations and has yet to be acted on.

Accomplishments. One of the highlights of counternarcotics cooperation in 2005 has been the continued receipt of drug samples by DEA from drug seizures made by Taiwan law enforcement agencies for DEA's Drug Signature Program. There was a significant increase in the number of drug samples DEA received from various Taiwan law enforcement agencies in 2005, including the first samples of MDMA (ecstasy) and methamphetamine. In early 2005, Taiwan authorities conducted their second controlled delivery operation resulting in the successful seizure of approximately seven kilograms of heroin and delivering a major setback to a distribution network in central Taiwan.

Law Enforcement Efforts. The Ministry of Justice, Investigation Bureau (MJIB) continues to lead Taiwan's drug enforcement efforts with respect to manpower, budgetary and legislative responsibilities. However, the National Police Administration's Criminal Investigation Bureau (NPA/CIB), Foreign Affairs Police Brigade, Aviation Police Bureau, Military Police Command, Coast Guard Administration (CGA) and Customs all contributed to the counternarcotics effort in 2005. For instance, in 2004 MJIB, in conjunction with the DEA, began an investigation into precursor chemicals

being sent to the United States for the production of drugs. At present, Taiwan is assisting the DEA in an investigation concerning the seizure of over 40,000 kilograms of potassium permanganate in route to Colombia and Mexico that would have been used to process cocaine. MJIB CIB and GGA also continue to share information and coordinate investigative activities with DEA.

From January through November 2005, Taiwan authorities seized 480.17 kilograms of methamphetamine, 2,406.56 kilograms of semi-processed amphetamine, 77.69 kilograms of heroin, 27.02 kilograms of MDMA (ecstasy), 186.79 kilograms of ketamine, 396 grams of Tablet ecstasy and 4.28 kilograms of marijuana. Authorities also reported the seizure of 6182.20 kilograms of precursor chemicals used in the production and processing of synthetic drugs.

Corruption. There is no indication that either the Taiwan authorities or senior officials in Taiwan, as a matter of policy, encourage or facilitate illicit production or distribution of narcotics or psychotropic drugs or other controlled substances, to include the laundering of proceeds from illegal drug transactions. No cases of official involvement in narcotics trafficking were reported in 2005, but some level of corruption would be expected with the scale of drug trafficking occurring in Taiwan.

Agreements and Treaties. In 1992, AIT and its Taiwan counterpart, TECRO, signed a Memorandum of Understanding on Counternarcotics Cooperation in Criminal Prosecutions, and in 2001, AIT and TECRO signed a Customs Mutual Legal Assistance Agreement. In March 2002, the AIT-TECRO Mutual Legal Assistance Agreement (MLAA) entered into force and remains the primary avenue for cooperation. All these agreements continue to govern and encourage narcotics cooperation between the U.S. and Taiwan.

Drug Flow/Transit. The PRC, North Korea, Thailand, Burma and the Philippines remain the principal sources for heroin, methamphetamine, and club drugs for Taiwan. Criminal syndicates continue to rely upon fishing boats, cargo containers and couriers to smuggle drugs into Taiwan. Taiwan is also believed to be a transshipment point for drugs going to Japan as well as precursor chemicals to mainland China.

Domestic Programs. The Ministry of Education and the Taiwan National Health Administration remain committed to partnerships with various civic and religious groups to raise awareness about the dangers of drug-use and educate the public about the availability of treatment programs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The United States' main counternarcotics policy goal, in cooperation with Taiwan, continues to be a coordinated effort to prevent Taiwan from returning to its earlier status as major transit / transshipment point for U.S.-bound narcotics. In 2005, the DEA conducted several training seminars for Taiwan law enforcement agencies, focusing on undercover and controlled delivery operations, precursor chemical control, clandestine lab investigations and airport interdiction. The DEA also sponsored two Coast Guard Administration officers and a NPA/CIB agent to attend a drug intelligence training seminar in Quantico, Virginia. The various Taiwan law enforcement agencies continue to regularly share intelligence and investigative leads with the DEA, and in turn, enjoy a close working relationship with DEA's Hong Kong office and AIT's Regional Security Office. In 2005, MJIB, the Coast Guard Administration and NPA/CIB all participated and cooperated with DEA in joint investigations. As a result of this close working relationship, several significant arrests and drug seizures were made throughout the EAP region.

The Road Ahead. AIT and DEA maintain an excellent working relationship with Taiwan's various counternarcotics agencies and will continue to enhance cooperation in the coming year. The DEA has provided precursor chemical control clandestine lab safety training to Taiwan counterparts with the intent of creating a Taiwan-wide clandestine lab investigative and response capability program. Additional training on undercover operations is planned in the event legislation authorizing the use of

such investigative techniques is passed by the LY. DEA will also continue to promote the Drug Signature program to receive more samples of drugs seized in Taiwan.

Thailand

I. Summary

Thailand remains one of the United States' foremost partners in combating drug trafficking and international crime. Thailand continued its regional leadership role by initiating a crop substitution advisory program with the government of Afghanistan. Thai-U.S. bilateral cooperation is exemplary and joint investigations are routinely conducted between Thai counternarcotics entities and the U.S. Drug Enforcement Administration (DEA). DEA and its predecessor agencies have successfully operated in Thailand since 1963. Thailand remains a transit nation for heroin, opium and methamphetamine enroute to international markets, but with no significant impact on the U.S. While most of the heroin produced in the Golden Triangle (where Burma, Laos and Thailand meet) now transits southern China, substantial amounts pass through the porous north and northeast Thai borders with Burma and Laos enroute to world markets. Small amounts of opium enter Thailand from Laos, while trafficking of crystal methamphetamine (Ice) from Burma into Thailand increased in 2005, primarily in transit to regional markets but also to satisfy a limited, but growing, Thai demand.

Thailand is a victim of drug trafficking as much as it is a transit country/transshipment point, as use of methamphetamine tablets, locally known as "Ya Ba" (crazy drug), permeates Thai society. While the Government of Thailand's controversial 2003 campaign against "Ya Ba" has had lasting impact (the price of individual tablets still remains three times what it was in 2003), drug users have begun moving into other areas of abuse to include ketamine, ecstasy and marijuana. The Government of Thailand (RTG) admits that the drug situation in the country "has taken a turn for the worse," noting that drug use among Thai youth may be up by as much as 20 percent. The Thai Office of the Narcotics Control Board (ONCB) has expressed concern over the rise in use of both methamphetamine and heroin among teenagers in North Thailand, and claims that most drug suspects caught recently are new to drug abuse. The United States supports Thailand's efforts to aggressively continue its national drug control strategies, as well as RTG efforts to assist neighboring nations in drug control and drug abuse treatment programs. Thailand is a party to the 1988 UN Drug Convention.

II. Status of Country

The primary illicit drug threat to Thai society continues to be large quantities of methamphetamine tablets that are smuggled from jungle labs in Burma. Thailand is no longer a significant producer of opium or heroin, and no heroin laboratories have been found inside the country in many years, although rumors about such labs surface periodically. Cocaine, "Ice" (crystal methamphetamine), ecstasy, and ketamine (a veterinary pain killer) were not produced in Thailand during 2005, but rather trafficked through and into the country. Cultivation of opium poppy continues on a very small scale in hill tribe regions, and there is no solid evidence that large quantities of methamphetamine tablets or the crystallized "Ice" form of the drug are produced locally. Some marijuana is grown for local use, and Thai traffickers are said to pay farmers in neighboring Cambodia and Laos to grow marijuana for the Thai and regional markets.

Methamphetamine remains, by far, the most commonly used illicit drug in Thailand, although the Thai ONCB reports that arrests and seizures related to this drug continued to decline in 2005. This trend reflects the RTG's aggressive enforcement policies against methamphetamine over the past several years. Marijuana use continues throughout the country and the market for ecstasy is expanding although the high price limits its abuse to more affluent users. The cocaine market remains very limited—centered mostly in relatively wealthy foreign tourist and expatriate communities. Thailand is becoming a venue for illicit Internet drug sales direct to cities in the United States and worldwide.

Millions of tablets of prescription drugs are sold illegally each year. Criminal organizations that offer prescription drugs and steroids over the Internet are well-organized, closely-knit operations with direct access to drug wholesalers. The Thai government is also concerned about the increased use of ketamine as a substitute for methamphetamine. Seizures of Ice increased in 2005, although they remain small. The consensus view among U.S. and Thai law enforcement agencies is that most smuggled Ice was intended for export to regional markets. Thai or Chinese traffickers arrange large drug transactions out of Burma. International traffickers, including Hong Kong Chinese, Taiwanese, and West Africans are responsible for controlling virtually all of the heroin and methamphetamine coming out of Thailand, while West Africans dominate the smuggling of cocaine into Thailand. Ecstasy is trafficked by a range of groups, some small and some based abroad. The northern Thai border with Burma has become an increasing challenge for traffickers, as police and military counternarcotics units have significantly increased their presence and interdiction activities. As a result, drug traffickers are increasingly transporting their product from Burmese production bases through Laos and even through Cambodia in order to attempt entry into northeast Thailand. Thai officials know that their borders with Laos and Cambodia are vulnerable and have shifted resources to meet the threat.

III. Country Actions Against Drugs in 2005

Policy Initiatives. There were no new policy initiatives in 2005, but Thailand aggressively pursued its law enforcement efforts against smuggling of illicit drugs across its land and river borders. It continued aggressive law enforcement actions against illicit drug distributors, and by far the largest category of arrests continued to be in connection with methamphetamine. The RTG continues to rely on its two effective counternarcotics agencies: the ONCB and the Royal Thai Police Narcotics Suppression Bureau (PNSB). The government also continued its policy of treatment as an alternative to incarceration for drug abusers. Drug treatment institutes and hospitals continue to implement and expand the UCLA-pioneered MATRIX treatment program as part of the national methamphetamine drug abuse treatment strategy. In 2005, Thailand hosted the UN Crime Congress.

Accomplishments. Thailand continued its effective and comprehensive crop substitution programs in northern Thailand that are key contributors to the nation's success in virtually eliminating the cultivation and production of opium. Under the personal leadership of the Thai Monarch since the late 1970's, cash crops such as coffee, tea, flowers, and fruits were steadily introduced as viable alternatives to opium poppy and have proven exceptionally successful. Local hill tribe farmers have come to rely almost completely upon the income generated by these high value crops, and their interest in opium poppy cultivation has subsequently waned. The sustained leadership of the Royal Projects and Mae Fah Luang foundations and the commitment of the RTG continue to provide a suitable standard of living for these former opium-growers. Their handicraft products and some of their crops are extensively marketed throughout the Kingdom and internationally, providing economic benefits to thousands of hill tribe people. The Royal Thai Army continued its aggressive crop eradication program that each year destroys an estimated 90-98 percent of the few small areas in northern Thailand where poppy is still grown. Army ranger teams, aided by intelligence gathered during aerial opium field surveys, destroyed numerous small patches of poppy before opium pods were ready for harvest. Occasional unconfirmed reports surfaced of small-scale repackaging laboratories in northern Thailand, where imported methamphetamine tablets are crushed, diluted with filler, then pressed into new tablets. No interdictions of this type of activity took place, however, in 2005.

The ONCB reports substantial seizures of property and liquid assets from drug-related cases during 2005. All figures show a steady, significant increase during the past 13 years, which is indicative of more effective, aggressive law enforcement activity by RTG agencies.

Demand Reduction. Thailand's approach to reducing the demand for illicit drugs encompasses a combination of stiff punishment for traffickers and an expanding program of treatment and rehabilitation for abusers. In the past two years, the Thai government has taken positive steps to substitute treatment programs for prison terms in instances where the individual concerned was clearly in possession of drugs for personal use and no distribution was intended. At the same time, the RTG continued its policy of stern punishments for violations of drug laws. Asserting that its strict policies have had beneficial results, Thai officials cite the current street price for methamphetamine—300 Baht per tablet compared to 100 Baht before the crackdown in 2003. The RTG also notes its success in interdicting, arresting and prosecuting drug traffickers.

Law Enforcement Efforts. The Police Narcotics Suppression Bureau (NSB), the ONCB and Royal Thai Police Regions 3 & 4, have together been developing a narcotics suppression strategy to be employed in northeastern Thailand. Part of this strategy entails the establishment of a highway interdiction program along the Friendship Highway, the main thoroughfare connecting Laos to Bangkok. ONCB reports frequent drug interdiction activity in 2005, with seizures of 889 kilograms of heroin, 13.4 million methamphetamine tablets (ya baa), 32,438 ecstasy tablets, 5,737 kilograms of opium, 9,997 kilograms of marijuana, 271 kilograms of Ice, 44 kilograms of ketamine, 2.6 kilograms of cocaine, 669 kilograms of codeine, and 107 kilograms of inhalant substances. Distribution of prescription drugs and steroids by small, well-organized groups using the Internet also grew. Thai authorities have cooperated with U.S. law enforcement agencies regarding this problem, but do not share the same sense of urgency because the steroids and drugs being shipped are not themselves illegal or controlled in Thailand and do not require prescriptions for possession or use. There are 200 persons on death row for drug trafficking offenses. A criminal court sentenced a well-known former singer to 50 years in jail for possession with intent to sell 3,000 ecstasy pills, 4 bottles of ketamine and 5 grams of marijuana. A Hong Kong man, in the company of the singer, pled guilty to the charges and received life imprisonment. A sting operation resulted in two other defendants being sentenced to life imprisonment for possession of 40,000 methamphetamine tablets with intent to sell.

In 2005, joint Thai-DEA investigations resulted in substantial seizures of heroin, methamphetamine tablets, Ice, marijuana, and drug money seizures equivalent to nearly $500,000. Thai authorities unilaterally seized even greater quantities of drugs, money and other assets. United States law enforcement agencies continue to provide substantial training to Thai government officials, which further enhanced cooperation. One notable Thai-DEA enforcement action in 2005 resulted in seizure of 54 kilograms of heroin and 55 kilograms of Ice in a northern Thai border town and four arrests. Another investigation targeted a worldwide African trafficking organization that smuggles drugs into Europe, Thailand, and the U.S. and supplies fraudulent documents to other drug trafficking organizations. Thailand also cooperated with the U.S. to investigate Israeli drug traffickers and Colombian money launderers. Thai agencies conducted successful operations that kept large quantities of heroin and other illicit drugs from reaching international markets. Royal Thai Marine Police stopped the Hong Kong fishing trawler Yueng Shing in international waters, seizing 610 kilograms of heroin and 10,000 methamphetamine tablets and arrested five crewmen. Debriefings identified a foreign national as the intended buyer. Thai officials also seized multiple shipments of compressed marijuana totaling nearly 900 kilograms being shipped to South Thailand and Malaysia and Thai currency equivalent to $50,000 during raids that were linked to the same nationwide crime network. In January 2005, the U.S. Attorney's Office for the Eastern District of New York unsealed federal indictments against eight United Wa State Army (UWSA) leaders for conspiracy to possess, manufacture, or distribute heroin and methamphetamine. These indictments were the product of a long-term initiative led by the DEA, with the cooperation of several branches of the Royal Thai Police.

Another policy that has encouraged more efficient interdiction efforts is a public rewards system that remains in place. ONCB has reserved a special fund to pay informants for tips that lead to the arrest/conviction of drug traffickers. To date, the fund has paid out more than 18.75 million Baht

(about $457,320) to citizens who have supplied valuable information via a phone "hotline" in Bangkok.

Thai law enforcement authorities have begun to focus on 'larger-picture' money laundering investigations, to include international wire transfers and cooperation with foreign banks. Such initiatives greatly complement DEA's desire to "follow the money." Also of importance, Thai authorities in 2005 conducted a wiretap that produced intelligence used in the U.S. courts—the first such instance to be used in legal proceedings outside of Thailand. This significant instance of cooperation clearly demonstrates Thailand's commitment to combating and overcoming international and transnational drug trafficking.

Corruption. As a matter of official policy, the RTG neither encourages nor facilitates illicit production or distribution of narcotic or psychotic drugs, or other controlled substances, or the laundering of proceeds from illegal transactions, nor does the RTG tolerate senior officials who engage any such activity. There is no evidence that any equipment made available by U.S. State Department assistance has been misused. Public corruption is nonetheless recognized by Thai society as a serious problem. Low public sector salaries, a cultural acquiescence in the culture of bribery, and a historical deference to elites combine to confound anticorruption efforts in Thai society. In 2005, the RTG continued its "war against corruption" that was announced by the Prime Minister in September 2004. Charges of malfeasance against the RTG's main anticorruption organ, the 9-member National Counter Corruption Commission (NCCC), hampered this campaign. Following an extended period of public debate, the Thai Supreme Court ruled that members abused their authority by awarding themselves certain pay increases. Commission members subsequently resigned, adding to a growing backlog of investigations. Despite this setback, Thai authorities have pursued graft cases with some notable success. Two officers were dismissed from the police force after their arrest for possession of 2,000 methamphetamine tablets. The accused denied the charges, claiming they had the pills only for use in a reverse sting operation (which was apparently unknown to their superiors). Police investigators also undertook an investigation in this case of superiors for possible negligence of duty. Another arrest resulted in suspension from duty of a sergeant-major after his van was seized by Burmese authorities while allegedly being used to smuggle 10,000 methamphetamine pills into Thailand. Thirteen other Thai nationals were also arrested by the Burmese in this incident. In a third instance, a police disciplinary panel recommended the dismissal of 22 police officers from a northern Thai district station for alleged involvement in the drug trade. Despite often ample evidence of complicity, corrupt officials are rarely actually charged with criminal violations. Rather, they are reassigned or lose their official positions in high-profile cases.

Agreements and Treaties. Thailand 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. Thailand has signed, but has not yet ratified, the UN Convention Against Corruption and the UN Convention Against Transnational Organized Crime. Thailand scrupulously honors its 1992 extradition treaty with the United States and continued its policy of excellent cooperation in extraditing persons (including Thai citizens) to the U.S. to face illicit drug charges. Multiple extraditions occurred in 2004 but the number declined in 2005 due to fewer defendants eligible for extradition. In January 2005, one defendant was extradited for violations of conspiracy, distribution, importation, and possession of anabolic steroids (via the Internet). Several other extradition requests are pending for likely movement in 2006.

Cultivation and Production. Opium poppy has traditionally been cultivated in Mae Hong Son, Chiang Mai, Chiang Rai, Nan, and Phayao provinces of northern Thailand, the eastern Shan State of Burma, and in northwest Laos. Every year since 1999, the annual USG survey has found that harvestable opium poppy cultivation in Thailand has been less than the 1,000 hectares (about 2,500 acres) that is the statutory definition of a "major" source country for opium cultivation. Indeed, Thailand has for some time been a net importer of opium. The small quantities of opium that are

actually produced cannot support domestic needs in traditional opium smoking ethnic regions or sustain heroin production. Small pockets of local cultivation continue, usually by hill tribespersons attempting to supplement their meager incomes or to supply their own consumption needs. Marijuana has historically been cultivated across wide regions of northern and southern Thailand, and to a lesser extent in rural northern Thailand, but these crops are largely for local consumption. No significant developments or major marijuana growth were noted in 2005.

Drug Flow/Transit. Thailand remains a transit country for quantities of heroin and methamphetamine entering the international marketplace, including to a lesser extent the United States. Additionally, quantities of precursor and essential chemicals pass through Thailand en route to major international drug trafficking organizations in Burma. Much of the heroin leaving Thailand ends up in Taiwan, Australia and other countries. Several crime organizations ship heroin to New York, New Jersey, Chicago and other Midwestern cities, the Pacific Northwest and California, but not in quantities which have a significant impact on the U.S. market. International drug trafficking organizations also flood Thailand with methamphetamine tablets, and have more recently begun supplying Ice.

Multi-hundred-kilogram shipments of marijuana are seized each year in Thailand that are intended for export to Europe and the U.S. Most is of Lao origin, but some originates in Cambodia and Thailand. There has been some importation of cocaine into Thailand from South America (mostly Brazil, Peru and Bolivia) for local use or transshipment to Taiwan, Japan and elsewhere in Asia. Ecstasy trafficking in Thailand is small-scale, as higher prices restrict the market, though ecstasy use is increasing in the major cities of the country. Another illicit drug trend in Thailand is marketing of steroids and other pharmaceuticals. Within the past two years, crime organizations have begun selling pharmaceuticals over the Internet to U.S. buyers, reportedly in the millions of dosage units. International drug trafficking organizations also flood Thailand with methamphetamine tablets, and have more recently begun supplying crystal methamphetamine ("Ice"), most of which passes through Thailand to international markets.

Heroin and methamphetamine are increasingly entering the northeastern portion of the Kingdom from Laos, either via overland transit or by small boat across the Mekong River. Traffickers also cross the Mekong into Cambodia with cargoes of illicit drugs. Some quantities of methamphetamine and heroin are transshipped from Burma through Laos directly into Cambodia, completely by-passing northern Thailand. Some of these drugs then enter through Thailand through the lengthy, vulnerable borders with Cambodia. Heroin continues to depart Thailand for international markets in an assortment of routes and methods. In early 2005, four Kazakh men were arrested carrying 2.8 kilograms of heroin in their stomachs as they attempted to depart for an unspecified third country. Three Malaysian males were arrested as they attempted to smuggle heroin to Malaysia in condoms they had swallowed. Later in the year, six Taiwanese males were arrested in two separate incidents. In one, four were arrested after police found 8.4 kilograms of heroin in 24 parcels being transported in the back of their car in Chiang Rai Province's Mae Sai District. The other two were found to be smuggling about one-third of a kilogram of heroin sewn into the shoulder pads of their suits; they were detained as they attempted to board a plane for Taipei.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In September 2005 the U.S. and Thailand signed a Letter of Agreement that provides $2.58 million in cooperative assistance, including $1.42 million for continued operation of the International Law Enforcement Training Academy (ILEA) in Bangkok which provides training to government officials and police officers from 20 regional countries. nonILEA dedicated funds from this agreement will be used to conduct a year long program of bilateral courses and seminars to benefit Thai law enforcement and government agencies, training visits by U.S. law enforcement professionals, and purchases of nonlethal equipment and other commodities to target illicit drug and organized crime

capacity. Training and seminars will include the following areas: Drug law enforcement; criminal justice sector development, utilizing the services of an Assistant U.S. Attorney currently on detail to the Embassy Bangkok NAS office; a grant to the American Bar Association's Asian Program office to conduct a series of senior level seminars aimed at countering official corruption; demand reduction, which includes continued support to effective crop substitution programs in northern Thailand that benefit hill tribe farmers; and DEA support programs to vetted police counternarcotics units that facilitate U.S. investigation and interdiction efforts within and outside of Thailand.

The Road Ahead. The U.S. will work to maintain close cooperation with Thailand on illicit drug and international crime control issues. Extradition and mutual legal assistance, casework cooperation, and investigative collaboration between law enforcement authorities will remain strong. Regional cooperation and technical skills to fight transnational crime and narcotics trafficking will be promoted through the continued operation of ILEA/Bangkok. The Department of Defense's Joint Interagency Task Force West will continue to support the training of Thailand's counternarcotics forces through land based and maritime-based training events. In 2006, basic law enforcement training will be integrated into several of the counternarcotics training events. Beyond the regionally-focused ILEA training programs, additional crime-fighting skills and forensic training programs will be developed for Thai participants in recognition of the new law enforcement challenges faced by Thailand. Collaborative efforts with the RTG to prevent, control, disclose and punish public corruption will remain a U.S. Mission priority, and will continue to utilize resources and dedicated personnel from the U.S. Department of Justice as well as private sector organizations such as the American Bar Association.

Vietnam

I. Summary

The Government of Vietnam (GVN) continued to make progress in its counternarcotics efforts during 2005. Specific actions included: sustained efforts of counternarcotics law enforcement authorities to pursue drug traffickers; increased attention to interagency coordination; continued cooperation with the United Nations Office on Drugs and Crime (UNODC); increased attention to both drug treatment and harm reduction; continued public awareness activities; and additional bilateral cooperation on HIV/AIDS. The U.S. and Vietnam continued to implement training and assistance projects under the counternarcotics Letter of Agreement (LOA). Operational cooperation with DEA's Hanoi Country Office (HCO) continued to lag behind expectations, but was improved over 2004 with some positive cooperation reported. Vietnam is a party to the 1988 UN Drug Convention. In 2005, Vietnam was removed from the list of major drug-producing countries, because actual drug cultivation clearly fell below the 1,000-hectare threshold for Majors.

II. Status of Country

The GVN claims less than 50 hectares of opium under cultivation nationwide and official UNODC statistical tables no longer list Vietnam separately in drug production analyses. Cultivation in Vietnam probably accounts for about one percent of cultivation in Southeast Asia, according to a law enforcement estimate; DEA has no evidence of any Vietnamese-produced narcotics reaching the United States. There appear to be small amounts of cannabis grown in remote regions of southern Vietnam. Vietnam has not been considered a confirmed source or transit country for precursors. In an effort to support Vietnam's efforts to enhance its precursor control capacity, the GVN and UNODC are cooperating on a project titled "Interdiction and Seizure Capacity Building with Special Emphasis on ATS and Precursors." Implementation of that project continued successfully into 2005 with the creation of counternarcotics interagency task forces in six "hotspot" provinces.

In 2005, the GVN continued to view the Golden Triangle as the source for most of the heroin supplied to Vietnam. The GVN also perceives close connections between Vietnamese and foreign traffickers. GVN authorities are particularly concerned about rising ATS use, and also ecstasy abuse, among urban youth. During 2005, the GVN increased the tempo of enforcement and awareness programs that they hope will avoid a youth synthetic drug epidemic. Despite some high-profile successes in 2005, lack of training, resources and experience, both among law enforcement and judicial officials, continues to plague Vietnamese counternarcotics efforts. Resource constraints are pervasive, and GVN counternarcotics officials note that Vietnam, a developing country, will face resource constraints for the foreseeable future. Drug laws remain very tough in Vietnam. For possession or trafficking of 600 grams or more of heroin, or 20 kilograms of opium gum or cannabis resin, the death penalty is mandatory. Foreign law enforcement sources do not believe that major trafficking groups have moved into Vietnam. Relatively small groups comprised of between 5 to 15 individuals who are often related to each other, usually do most narcotics trafficking. DEA believes that as Vietnam becomes a more attractive transit country, larger trafficking groups could become more prominent.

With the exception of the recently signed counternarcotics LOA, the USG has no extradition, mutual legal assistance or precursor chemical agreements with Vietnam. The LOA includes three specific counternarcotics training projects. An update to the LOA will add additional projects and funding. Following a November 2005 meeting between the U.S. Embassy, FBI, DEA and MPS (Ministry of Public Security) officials in Hanoi, both sides are at work on new legal documents to improve the framework for counternarcotics and law enforcement cooperation.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The structure of the GVN's counternarcotics efforts is built around the National Committee on AIDS, Drugs and Prostitution Control (NCADP), which includes a broad spectrum of GVN ministries and people's organizations. In addition, MPS, as NCADP's standing member, has a specialized unit to combat and suppress drug crimes. According to the UNODC, the GVN intensified its attention to the drug issue in 2005, including increased attention from the State-controlled media and additional GVN-funded training courses. Many provinces and cities implemented their own drug awareness and prevention programs, as well as demand reduction and drug treatment. The GVN continues to view drug awareness and prevention as a vital tool and a significant objective in its fight against drugs, as well as an integral part of its effort to comply fully with the 1988 UN Drug Convention. The GVN has continued to rely heavily on counternarcotics propaganda, culminating in the annual drug awareness week in June 2005, and other MPS-identified drives throughout the year. Officially sponsored activities cover every aspect of society, from schools to unions to civic organizations and government offices. In 2005, the GVN extended its 2004 effort to de-stigmatize drug addicts in order to increase their odds of successful treatment, and to help in controlling the spread of HIV/AIDS. Enforcement played a major role in the GVN's 2005 counternarcotics activities as well. This year, in addition to significant drug seizures and busts in Ho Chi Minh City and Hanoi, MPS cracked the country's biggest ever case in Phu Tho Province, and recorded large seizures in other provinces throughout the country. As of the end of 2005, there were 12 implementing decrees for the national law on drug suppression, drafted with the assistance of the UNODC. According to the UNODC, these decrees still require implementing regulations to allow law enforcement authorities to use techniques such as controlled deliveries, informants and undercover officers. There was another increase in the per-case quantity of drugs seized. According to MOLISA (Ministry of Labor and Social Affairs), the drug addiction recidivism rate after treatment is still high, at least 85 percent. As of September, there were 170,000 officially identified drug users nationwide with 83 treatment centers providing treatment to between 55,000 and 60,000 drug addicts annually. The number of "unofficial" (i.e., officially unacknowledged) drug users is much higher.

In March 2005, Prime Minister Phan Van Khai approved the national drug control master plan through 2010. Under the new master plan, there are six areas of priority technical assistance, including law enforcement, treatment, demand reduction, supply reduction, legislation and capacity enhancement, as well as building the legal framework on money laundering and precursor control. The GVN continues to look for assistance from foreign donors in these areas. The 2005 national-level budget for drug control reached approximately $13.5 million. However the actual spending on all counternarcotics activities is higher when contributed funding from localities, and other funding sources throughout the country are factored in. As in past years, observers, nevertheless, agreed that overall lack of resources continued to be a major constraint in counternarcotics activities. All foreign law enforcement representatives in Vietnam acknowledged that real operational cooperation on counternarcotics cases is minimal or nonexistent due to legal prohibitions against foreign security personnel operating on Vietnamese soil. Without changes in Vietnamese law to permit foreign law enforcement officers to work on drug cases in Vietnam, "cooperation" will remain a function of information exchange and Vietnamese police carrying out law enforcement activities on behalf of foreign agencies on a case-by-case basis. USG law enforcement agencies hold out some hope that the development of agency-to-agency agreements will improve the cooperation climate slightly. During 2005, cooperation between GVN law enforcement authorities and DEA's Hanoi country office marginally improved, although DEA agents have not been permitted officially to work with GVN counternarcotics investigators. Cooperation was limited to receiving information and investigative requests from DEA, holding occasional meetings and providing limited responses to DEA's requests. Thus far, counternarcotics police have declined to share detailed information with DEA or cooperate operationally. DEA did receive unprecedented cooperation on two undercover money laundering operations where MPS provided an undercover officer to pick up alleged drug money that was remitted to Vietnam through a

money laundering organization in the United States. However, despite requests made by DEA, MPS provided no investigation information on the organizations or businesses that facilitated the illegal money remittance in Vietnam.

Accomplishments. In 2005, the GVN approved a capacity strengthening program in the General Department of Customs, and established a counternarcotics task force within the Department of Coast Guard. This department is to coordinate the counternarcotics effort at sea. Also, during the drug awareness month of held in June 2005, MPS launched Vietnam's first official counternarcotics website "www.phongchongmatuy.com.vn". In addition to significant achievements in counternarcotics awareness campaigns in 2005, the GVN has tried to educate 100 percent of the localities throughout the country about drugs in the hope that at least 80 percent of the population will be made aware of the dangers of addictive drugs.

Law Enforcement Efforts. Seizures of opium, heroin, and amphetamine-type stimulants (ATS) increased during the reporting period. According to GVN statistics, during the first ten months of calendar year 2005, there were 9,936 drug cases involving 15,018 traffickers. Total seizures include 256 kilograms of heroin, 55.1 kilograms of opium, 3,339 kilograms of cannabis, 33,756 ATS tablets and 5,012 ampoules of addictive pharmaceuticals and other substances, representing double digit percentage increases over previous years.

Corruption. During 2005, the GVN continued to demonstrate determination and to mobilize the "entire political system" to combat corruption. Vietnam's first, specific anticorruption law was passed during the Fall National Assembly session. Under the new law, Prime Minister Phan Van Khai was appointed "Commander in Chief" of the Anti-Corruption Committee. Journalists' Association President Hong Vinh urged local reporters to provide in-depth coverage of the fight against corruption. No information specifically links senior GVN officials with engaging in, encouraging or facilitating the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. Nonetheless, a certain level of corruption, both among lower level enforcement personnel and higher level officials, is consonant with fairly large-scale movement of narcotics into and out of Vietnam. The GVN did demonstrate a willingness in 2005 to prosecute officials, though the targets were relatively low-level. Past GVN estimates stated that as much as 19 percent of the investment in major infrastructure projects is lost to poor management and corruption, indicating the pervasive nature of corruption, and giving some sense of its scale. Vietnam has signed, but has not yet ratified, the UN Convention against Corruption. Vietnam also endorsed a regional anticorruption action plan at an Asian Development Bank-Organization for Economic Co-operation and Development Anti-Corruption Initiative meeting in Manila in July 2004.

Agreements/Treaties. Vietnam is 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. Vietnam has signed, but has not yet ratified the UN Convention Against Corruption.

Cultivation/Production. The GVN and the UNODC confirm that small amounts of opium are grown in hard-to-reach upland and mountainous regions of some northern, northwestern and central provinces, especially Son La, Dien Bien, Yen Bai, Thanh Hoa, Cao Bang and Ha Giang provinces. The total number of hectares under opium poppy cultivation has been reduced sharply from an estimated 12,900 hectares in 1993, when the GVN began opium poppy eradication, to 12.9 hectares in 2005. UNODC and law enforcement sources do not view production as a significant problem in Vietnam. There have been recent confirmed reports that ATS is produced in Vietnam. GVN law enforcement forces have seized some ATS-related equipment (i.e., pill presses). As part of its efforts to comply fully with the 1988 UN Drug Convention, the GVN continued in 2005 to eradicate poppy when found, and to implement crop substitution. GVN officials have admitted that complete eradication is probably unrealistic, given the remoteness of mountainous areas in the northwest and extreme poverty among ethnic minority populations who sometimes still use opium for medicinal

purposes. The GVN's Ministry of Agriculture and Rural Development (MARD) continues to support crop substitution projects in various provinces. During the reporting year, MARD developed a national crop substitution program to include in the GVN's approved 2006-2010 Master Plan.

Drug Flow/Transit. While law enforcement sources and the UNODC believe that significant amounts of drugs are transiting Vietnam, DEA has not yet identified a case of heroin entering the United States directly from Vietnam. More commonly, drugs, especially heroin and opium, enter Vietnam from the Golden Triangle via Laos and Cambodia, making their way to Hanoi or Ho Chi Minh City, where they are transshipped to other countries such as Australia, Japan, China, Taiwan and Malaysia. The Australia-Vietnam heroin smuggling channel is significant. The ATS flow into the country during 2005 continued to be serious and not limited to border areas. ATS can now be found throughout the country. ATS such as methamphetamine, amphetamine, diazepam, ecstasy and ketamine continue to worry the government. Such drugs are most popular in Hanoi, Ho Chi Minh City and other major cities. In May and June, thousands of discotheques, karaoke bars and cafes, mainly in Hanoi and Ho Chi Minh City, were raided in a sweep targeting ATS consumption. Beyond the nightclub raids, police discovered several cases of amphetamine powder and ice (crystal methamphetamine) possession, presumably for consumption in Ho Chi Minh City.

Domestic Programs/Demand Reduction. The Ministry of Culture and Information (MOCI) is responsible for public drug control information and education among the general population. During 2005, MOCI continued to coordinate with other ministries and organizations to conduct awareness campaigns on HIV/AIDS and drugs. The Ministry of Education and Training (MOET) carries out awareness activities in schools. Counternarcotics material is available in all schools and MOET sponsors various workshops and campaigns at all school levels. SODC reported that the border forces continued to play an "active role" in disseminating counternarcotics information to border villages and communes. The UNODC views GVN drug awareness efforts in 2005 "somewhat stronger" than in 2004, while assessing that Vietnam has already done a "good job" in this endeavor. According to the UNODC, however, these efforts have had minimal impact on the existing addict and HIV/AIDS population. Behavior modification is still a problematic issue for the GVN. The UNODC believes that the challenge for Vietnam is to implement awareness campaigns more regularly at the grassroots level and encourage the participation of the youth population.

Vietnam has a network of drug treatment centers. There are now 83 centers at the provincial level that are capable of accommodating between 55,000 and 60,000 admissions a year. Vietnam has also strived to integrate addiction treatment and vocational training to facilitate the rehabilitation of drug addicts. Ho Chi Minh City is the pioneer in this campaign. These efforts include tax and other economic incentives for businesses that hire recovered addicts. Despite these efforts, at most 18 percent of recovered addicts find regular employment.

HIV/AIDS is a serious and growing problem in Vietnam. The epidemic is closely related to intravenous drug use and commercial sex work. Injection drug users (IDUs), commercial sex workers (CSWs), CSWs who are also IDUs, men who have sex with men and sex partners of IDU and CSWs are most-at-risk populations in Vietnam. At least 60 percent of known HIV cases are IDUs. The result from a 2004 national sentinel surveillance indicated a 29 percent HIV prevalence among IDUs. However, in some provinces the HIV prevalence is reported at higher than 70 percent. The Vietnamese National Strategy for HIV prevention and Control, launched in March 2004, presents a comprehensive response to the HIV situation. Apart from Information-Education-Communication, major components of the strategy include risk reduction, condom promotion, clean needle and syringe programs, voluntary counseling and testing and HIV/AIDS treatment and care.

In June 2004 Vietnam was designated the 15th focus country of PEPFAR (President Emergency Plan for AIDS Relief). The USG's funding for FY05 is about $27.5 million. The Emergency Plan will support existing agencies working in HIV/AIDS in Vietnam, including USAID, HHS/CDC, DOL

(Labor) and DOD (Defense). Under PEPFAR, the USG supports Vietnam's effort to develop a comprehensive HIV/AIDS program emphasizing not only treatment, but also prevention, care and support. Although the concentration is on the six highest HIV/AIDS prevalence provinces, the PEPFAR program also set up voluntary consulting and testing centers in 40 other provinces of Vietnam. By the end of 2006, an estimated 18,000 drug users will be eligible for release from some 19 rehabilitation centers serving the HCMC area. It is believed that approximately 60 percent of these individuals will be HIV positive. In order to facilitate successful transition of residents to their home communities, the PEPFAR team is developing a pilot project to provide HIV care and treatment, drug relapse prevention, and other services. Focusing on two HCMC area centers, the project includes in-center services (subject to Congressional approval) and other interventions targeting four HCMC districts. All plans are being coordinated with the HCMC Provincial AIDS Committee (PAC).

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In 2003, Vietnam and the United States completed and signed a bilateral counternarcotics agreement (LOA), which came into force in 2004. It represents the first direct bilateral counternarcotics program assistance to Vietnam. The USG currently funds training annually for some GVN law enforcement officers and other officials involved in the legal arena for courses at the International Law Enforcement Academy (ILEA) in Bangkok. Between November 2004 and September 2005, using State Department law enforcement assistance, 70 law enforcement officers attended the Academy for training. In late 2004 and early 2005, USG trainers journeyed to Vietnam to present counternarcotics training under the terms of the US-Vietnam LOA, mentioned above. The USG also contributes to counternarcotics efforts through the UNODC. In 2004, the USG made contributions to two projects: "Measures to Prevent and Combat Trafficking in Persons in Vietnam," and "Interdiction and Seizure Capacity Building with Special Emphasis on ATS and Precursors." The ATS project achieved its main goals in 2004 with the signing of an interagency MOU and the establishment of six Vietnamese interagency task forces at key border "hotspots" around the country. Given the example of Thailand, where ATS abuse has had a devastating impact, the GVN and the international community are anxious to respond forcefully to any sign that ATS abuse might be emerging as a problem in Vietnam.

The Road Ahead. The GVN is acutely aware of the threat of drugs and Vietnam's increasing domestic drug problem. However, there is continued suspicion of foreign law enforcement assistance and/or intervention, especially from the United States, in the counternarcotics arena. During 2005, as in previous years, the GVN made progress with ongoing and new initiatives aimed at the law enforcement and social problems that stem from the illegal drug trade. Notwithstanding a lack of meaningful operational cooperation with DEA, the GVN continued to show a willingness to take unilateral action against drugs and drug trafficking. Vietnam still faces many internal problems that make fighting drugs a challenge. With the entry into force of the counternarcotics LOA, the USG can look forward to enhanced cooperation in the area of assistance to Vietnamese law enforcement agencies. Operational cooperation, however, remains on hold pending the development of a legal framework in Vietnam to allow foreign law enforcement officers to carry out operations on Vietnamese soil, or the signing of a bilateral agreement between the United States and Vietnam that would create a mechanism for joint investigation and development of drug cases.

EUROPE AND CENTRAL ASIA

Albania

I. Summary

Albania is used by organized crime groups as a transit country for heroin from Central Asia destined for Western Europe. Seizures of heroin by Albanian, Greek, and Italian authorities declined significantly in 2005, suggesting a possible change in trafficking patterns. Cannabis is also produced in Albania for markets in Europe. 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. The new government led by Prime Minister Sali Berisha, in power since September 2005, has stated that fighting corruption, organized crime, and trafficking of persons and drugs is its highest priority. Albania is a party to the 1988 UN Drug Convention.

II. Status of Country

Although Albania is not a major transit country for drugs coming into the United States, it remains a country of concern to the U.S., as Albania's ports on the Adriatic and porous land borders, together with poorly financed and under-equipped border and customs controls, make Albania an attractive stop on the smuggling route for traffickers moving shipments into Western Europe. In addition, marijuana is produced domestically for markets in Europe, the largest being Italy and Greece.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In 2005, the asset forfeiture law, a key tool in the fight against organized crime, began to be successfully implemented, with the filing of eight asset forfeiture cases and the creation of the Agency for the Administration of Sequestered and Confiscated Assets. In 2005, a witness protection working group was set up at the Directorate of the Fight against Organized Crime and Witness Protection. Albania works with its neighbors bilaterally and in regional initiatives to combat organized crime and trafficking, and it is a participant in the Stability Pact and the Southeastern Europe Cooperative Initiative (SECI).

Law Enforcement Efforts and Accomplishments. Albanian police continue their counternarcotics operations, including large drug seizures in Fier, Tirana, and the ports of Vlora and Durres, and have made successful raids in cooperation with Italian authorities. Albanian authorities report that through November 2005, police arrested 229 persons for drug trafficking and 30 for cannabis cultivation. An additional 37 persons are wanted. The police seized 40.8 kilograms of heroin, 5,052.3 kilograms of marijuana, and 1.2 kilograms of cocaine. Police also destroyed 332,018 cannabis plants, and confiscated 7 liters of hashish oil. The quantities of contraband seized by Albanian authorities are just a fraction of the total transiting Albania; the quantities are also quite low compared to quantities of drugs transiting or originating from Albania seized by Italian and Greek authorities. Greek authorities report that from January through September 2005, they confiscated 51.8 kilograms of heroin, 0.8 kilogram of hashish, 4,133.5 kilograms of marijuana, and approximately 0.7 kilograms of cocaine. For the period January through October 2005, Italian authorities report seizing 418.6 kilograms of heroin, and 808.3 kilograms of marijuana.

Corruption. Corruption remains a deeply entrenched problem. Low salaries, social acceptance of graft, and Albania's tightly-knit social networks make it difficult to combat corruption among police, magistrates, and customs officials. The Office of Internal Control (OIC, created with ICITAP assistance and tasked with investigating police corruption) has been instrumental in bringing about the

arrests of several corrupt officers. The OIC reports that it filed 172 criminal reports with the Prosecutor's Office involving 232 police officers in 2005 (through early December). Of these cases, only one involved drug trafficking. The GoA does not, as a matter of policy, encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. Albania has signed, but has not yet ratified the UN Convention Against Corruption.

Agreements and Treaties. Albania is 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. An extradition treaty is in force between the United States and Albania. Under this treaty two individuals were extradited to Albania in 2005. Albania is a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Cultivation and Production, With the exception of cannabis, Albania is not known as a significant producer of illicit drugs. According to authorities of the Ministry of Interior's Anti-Narcotics Unit, cannabis is currently the only drug grown and produced in Albania and is typically sold regionally. Metric-ton quantities of Albanian marijuana have been seized in Greece and Italy. Cultivation of cannabis persists despite the authorities' eradication efforts. As noted, the Anti-Narcotics Unit destroyed 332,018 cannabis plants in 2005. No labs for the production of synthetic drugs were discovered in 2005. Albania is not a producer of significant quantities of precursor chemicals. The Law on the Control of Chemicals Used for the Illegal Manufacturing of Narcotic and Psychotropic Substances was passed in 2002 and regulates precursor chemicals. Police and customs officials are not trained to recognize likely diversion of dual-use precursor chemicals.

Drug Flow and Transit. Organized crime groups use Albania as a transit point for drug and other types of smuggling, due to the country's strategic location, weak law enforcement and judicial systems, and porous borders. Albania is a transit point for heroin from Central Asia, which is smuggled via the "Balkan Route" of Turkey-Bulgaria-Macedonia-Albania to Italy, Greece, and the rest of Western Europe. A limited amount of cocaine is smuggled from South America to Albania, via the United States, Italy, Spain, or the Netherlands, for internal and external distribution. In 2005, seizures of heroin transiting Albania by the Albanian State Police (ASP), as well as by Italian and Greek authorities, declined significantly, suggesting that patterns of drug trafficking may be changing.

Domestic Programs (Demand Reduction). The Ministry of Health believes that drug use is on the rise, though no reliable data exists on this subject. Local and national authorities collect little data and do not believe the problem is particularly widespread (owing both to the traditional cultural norms and low levels of discretionary income). Nevertheless, the GoA has taken steps to address the problem with its National Drug Demand Reduction Strategy. However, the woefully inadequate public health infrastructure is ill-equipped to treat drug abuse, and public awareness of the problems associated with drug abuse remains low. The Toxicology Center of the Military Hospital, the only facility in Albania equipped to handle overdose cases, reported that it handled about 1,800 patients seeking drug abuse-related treatment in 2005.

IV. U.S. Policy Initiatives and Programs

Bilateral and Multilateral Cooperation. The GoA continues to welcome assistance from the United States and Western Europe. The U.S. is intensifying its activities in the areas of law enforcement and legal reform through technical assistance, equipment donations, and training, including an October 2005 course in "Basic Narcotics Investigation Course" that was conducted by the DEA. The U.S. ICITAP and OPDAT programs played a key role in the establishment of the Office of Internal Control at the Ministry of the Interior, the Organized Crime Task Force, and the Serious Crimes Court and Serious Crimes Prosecution Office, all with the goal of professionalizing the police force, combating corruption, and strengthening the GoA's ability to prosecute cases involving organized crime and illicit trafficking. A key part of the ICITAP program has been improving the security of Albania's

borders, including placing advisors at key ports, providing specialized equipment, and the installation of the Total Information Management System (TIMS) for at border crossing points. Other U.S., EU, and international programs include support for customs reform, judicial training and reform, improving cooperation between police and prosecutors, 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.

The Road Ahead. The new government, in power since September 2005, has made a commitment to making the fight against organized crime and trafficking one of its highest priorities. The U.S., together with the EU, will continue to push the GoA to make progress on fighting illegal drug trafficking, to use law enforcement assistance effectively, 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. 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 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 itself, and the local market for narcotics, according to the police, is not large. The principal drugs of abuse are opium and cannabis. 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 is headed by the Chief of Police of Armenia's Police Services Department.

III. Country Actions Against Drugs in 2005

Policy Initiatives. There have been no new policy initiatives since the enactment on May 10, 2003 of the Law of the Republic of Armenia on Narcotic Drugs and Psychotropic Substances. Implementation of the law; however, has been effective and has led to a number of successes in the battle against narcotics.

Accomplishments. Preventive measures to identify and eradicate both wild and illicitly cultivated cannabis and poppy continued in 2005. A total of 112 tons of hemp and poppy were eradicated (551 kilograms of hemp and 335 kilograms of poppy) during the annual eradication campaign.

Armenian Police participated in "Channel 2005," an annual joint operation that involved 6 countries: Russia, Kazakhstan, Belarus, Kyrgyzstan, Tajikistan, and Armenia. All Armenian law enforcement agencies (Police, National Security Service, Customs, Border Guards, Internal Forces, Ministry of Defense) participate in this six-day operation. During "Channel 2005," 14 drug-related criminal cases were initiated against 16 individuals and 100 grams of different types of drugs, 5 liters of precursors and 69 psychotropic tablets (subutex) were seized in Armenia.

Law Enforcement Efforts. In the first 9 months of 2005, the Armenian Police uncovered 458 criminal drug trafficking cases and 15 cases of criminal drug abuse. In this period more than 14 kilograms of drugs were seized, compared to 12 kilograms for the first 9 months of 2004. The Interagency Unit of Drug Profiling (IUDP) was formed at Zvartnots International Airport and began operations in February 2005.

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. In April 2004 a new Anti-Corruption unit consisting of eight prosecutors was created under the Office of the Prosecutor General of the Republic of Armenia. The work of this unit is directly overseen by the Prosecutor General. As a matter of policy, the GOAM 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. Armenia has signed, but has not ratified the UN Convention Against Corruption.

Agreements and Treaties. 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 against migrant smuggling and trafficking in persons.

Cultivation and Production. Hemp and opium poppy grow wild in Armenia. Hemp grows mostly in the Ararat Valley in the south-western part of Armenia; poppy grows in the northern part of Armenia, particularly in the Lake Sevan basin and some mountainous areas. From September 5 to October 5, 2005, Armenian Police carried out "Hemp and Poppy 2005" an annual measure to find and eradicate cultivated and wild hemp and poppy.

Drug Flow/Transit. The principal transit countries through which drugs pass before they arrive in Armenia include Iran (opiates, heroin) and Georgia (opiates, cannabis, hashish). According to the police, drugs are no longer transiting through the Russian Federation to Armenia. Armenia's borders with Turkey and Azerbaijan remain closed due to the Nagorno-Karabakh conflict but opiates and heroin are smuggled to Armenia from Turkey via Georgia. When all of Armenia's borders reopen, the police predict drug transit will increase significantly. It is not clear when border difficulties will be resolved, permitting more open frontiers.

Demand Reduction. The majority of Armenian addicts are believed to be using hashish, followed by heroin and 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 implemented and manuals published under the framework of the South Caucasus Anti-Drug (SCAD) Program, funded by the UN Development Program.

A Drug Detoxification Center, which is being funded by the Armenian Ministry of Health and SCAD is scheduled to open in December 2005.

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 primarily serves as 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. Drug consumption in Austria is well below west European levels and authorities do not consider it to be a severe problem. Production, cultivation and trafficking by Austrian nationals remain insignificant. The number of drug users is estimated at between 15,000 to 20,000—equaling fewer than 2 addicts per 1,000 inhabitants. According to a 2005 study, there is a lifetime prevalence of drug abuse, primarily cannabis, of approximately 25 percent.

Cooperation with U.S. authorities continued to be outstanding during 2005, leading to significant seizures, frequently involving multiple countries. The March 2005 visit of U.S. ONDCP Chief John Walters to Austria, the autumn 2005 visits of Interior Minister Prokop and Justice Minster Gastinger to Washington, and Chancellor Schuessel's December 2005 meeting with President Bush underscore the close bilateral cooperation between the U.S. and Austria. Austria is a party to the 1988 UN Drug Convention.

II. Status of Country

Austria's drug situation did not see any significant change during 2005. The number of drug-related deaths has fluctuated between 100 and 150 over the past 5 years, but a surge in Vienna's drug deaths earlier this year points to a higher-than-normal overall figure for 2005. The number of drug deaths from mixed intoxication continues to rise. The latest available statistics for 2004 show a 12.6 percent increase in drug-related offenses over 2003, for a total of 24,528 offenses. Of these, 535 involved psychotropic substances and 357 involved precursor materials.

Experts estimate the number of conventional, illicit drug abusers at around 20,000 (0.25 percent of total population). The number of users of MDMA (ecstasy) remained largely stable in 2005, while usage of amphetamines rose during the same period as these substances became increasingly available in nonurban areas. According to a 2005 study, which the Health Ministry commissioned, approximately one fifth of respondents admitted to consumption of an illegal substance. The respondents cited using mostly cannabis with ecstasy and amphetamines in second and third place. Among young adults (ages 19-29), about 25 percent admitted "some experience" with cannabis at least once in their lifetime. According to the study, 2-4 percent of this age group had already used cocaine, amphetamines, and ecstasy, while three percent have had experience with synthetic drugs.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Throughout 2005 the Austrian government retained its "no tolerance" policy regarding drug traffickers, while continuing a policy of "therapy before punishment" for nondealing drug offenders. In a 2005 amendment, lawmakers expanded a 2004 law that permits police to mount surveillance cameras in high-crime public spaces. This law also provides for the establishment of a "protection zone" around schools, pre-schools, and retirement communities. The law entitles police to 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 federal government in 2005 enacted tighter asylum legislation and stricter citizenship laws. Following intense public debate in 2005, the government decided to improve quality controls and take a more restrictive approach regarding morphine-

maintenance therapy. Austria included the substance "zolpidem" in the control regime of the National Narcotics Act.

Law Enforcement Efforts and Accomplishments. Comprehensive seizure statistics for 2005 are not yet available. Statistics for 2004 show a marked increase in cannabis and cocaine seizures, and a minor surge in heroin and amphetamine seizures. Ecstasy and LSD confiscations remained stable at 2003 levels. In spring 2005, for the first time, police confiscated ecstasy pills containing certain other chemical substances, in addition to MDMA. Experts stress that the degree of purity and concentration of "ecstasy," "speed," and other illegal substances has become increasingly volatile, representing a growing risk factor. Street prices of illicit drugs remained basically unchanged during 2004-2005. One gram of cannabis sold for EUR 7.00 ($8.20); one gram of heroin for EUR 60.00 to 95.00 ($70.20-$111.10); and one gram of cocaine cost EUR 90.00 ($105.30). Amphetamines sold for EUR 20.00 ($23.40) per gram, and LSD for EUR 30.00 ($35.10) per gram. The number of criminal cases involving precursor materials rose by 38 percent, from 93 in 2003 to 128 in 2004. For 2005, officials expect higher seizure figures for heroin and cocaine, and a significant reduction in seizures of ecstasy.

Corruption. 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. The GOA's public corruption laws recognize and punish the abuse of power by a public official. There are no corruption cases pending, however; the government has not yet prosecuted any cases, which would test the degree of the current law's enforcement. Austria has signed, but has not yet ratified, the UN Convention Against 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. On July 20, 2005, the U.S. and Austria signed a protocol implementing the U.S.-EU Extradition Agreement. Austria is a party to the 1988 UN Drug Convention, the 1961 Single Convention, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Vienna is the seat of the United Nations Office on Drugs and Crime (UNODC). Austria is also a "major donor" to the UNODC, with an annual pledge of approximately $440,000. Austria is a party to the UN Convention Against Transnational Organized Crime and its protocol against trafficking in persons.

Cultivation. Production of illicit drugs in Austria continued to be marginal in 2005. Experts note a minor rise in private, indoor-grown, high-quality cannabis.

Drug Flow/Transit. Foreign criminal groups (e.g. Kurdish clans from Turkey, Albanians, nationals from the former Yugoslavia, West African gangs, and Central and South American gangs) carry out organized drug trafficking in Austria. Counternarcotics officials note a slight decrease in body-packing drug smuggling in favor of other conventional means of transportation. The illicit trade increasingly relies on Central and East European airports, including those in Austria. Trafficking of ecstasy products (originating in the Netherlands) decreased slightly in 2005 from 2004. Illicit trade in amphetamines and trading in cocaine increased. Criminal groups from Poland and Hungary were primarily responsible for amphetamine trafficking while South American and African drug organizations traffic cocaine into Austria.

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 abuse legislation and in court decisions. The center-right government made the fight against drug trafficking a major policy goal. At the same time, the government remains committed to measures to prevent the social marginalization of drug addicts. Federal guidelines ensure minimum quality standards for drug treatment facilities. The use of heroin for therapeutic purposes is generally not allowed. Demand reduction puts emphasis on primary prevention, drug treatment, counseling, and so-called "harm reduction" measures, such as needle exchange programs. Ongoing challenges in demand reduction are

the need for psychological care for drug victims and greater attention to older victims and to immigrants. Primary prevention starts at the pre-school level and continues through secondary school, apprenticeship institutions, and out-of-school youth programs. The government and local authorities routinely sponsor educational campaigns both within and outside of educational fora. Overall, youths in danger of addiction are primary 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. Policies toward greater diversification in substitution treatment (methadone, prolonged-action morphine, and buprenorphine) continued.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Cooperation between Austrian and U.S. authorities continued to be excellent in 2005. Several bilateral efforts exemplified this cooperation. These include joint DEA and BKA (Criminal Intelligence Service) training at the International Law Enforcement Academy; the drafting of a criminal asset sharing agreement between the U.S. and Austria; and DEA support of a BKA plan to initiate Joint Investigative Teams with Balkan countries to combat the flow of Afghan heroin. Austrian Interior Ministry officials continued to consult the FBI, DEA, and Department of Homeland Security on know-how to update criminal investigation structures. The U.S. Embassy also regularly sponsors speaking tours of U.S. counternarcotics experts in Austria. In March 2005, ONDCP Chief John Walters spoke at the UN Commission on Narcotic Drugs, and held bilateral meetings with Austrian National Drug Coordinator Franz Pietsch and other drug policy and treatment experts in Vienna. Walters highlighted the excellent, ongoing cooperation between U.S. and Austrian law enforcement authorities, and he exchanged views with his counterparts on "harm reduction" as a basis for policy. The October 2005 visits to Washington by Interior Minister Prokop and Justice Minister Gastinger, and Chancellor Schuessel's meeting with President Bush in December 2005, solidified the close U.S.-Austrian law enforcement connection.

Throughout 2005, 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. Austria hosted events such as the November 25, 2005 "Western Balkans Summit." 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 2005, Austria, together with Italy, continued work on a project within the UNODC for reform of the justice system in Afghanistan.

The Road Ahead. The U.S. will continue to support Austrian efforts to create more effective tools for law enforcement. The U.S. will work closely with Austria during its EU Presidency and within other U.S.-EU initiatives, the UN, and the OSCE. A priority remains 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 to Western Europe, and from Iran to Russia and Western Europe. Domestic consumption and cultivation of narcotics are low, but levels of use are increasing. The United States has funded counternarcotics assistance to Azerbaijan through the FREEDOM Support Act since 2002. Azerbaijan is a party to the 1988 UN Drug Convention.

II. Status of Country

Azerbaijan's main narcotics problem is the transit of drugs through its territory. Azerbaijan emerged as a narcotics transit route several years ago because of the disruption of the "Balkan Route" due to the wars in and among the countries of the former Yugoslavia. According to the Government of Azerbaijan (GOAJ), the majority of narcotics transiting Azerbaijan originates in Afghanistan and follows one of four primary routes:

- Afghanistan-Iran-Azerbaijan-Georgia-western Europe;
- Afghanistan-Iran-Nagorno Karabakh and occupied territories of Azerbaijan-Armenia-Georgia-Western Europe;
- Afghanistan-Iran-Azerbaijan-Russia; or
- Afghanistan-Central Asia-the Caspian Sea-Azerbaijan-Georgia-western 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. The most widely abused drugs in Azerbaijan are opiates—especially heroin—licit medicines, hemp, ecstasy, hashish, cocaine and LSD. Domestic consumption continues to grow with the official GOAJ estimate of drug addicts reaching 18,000 persons. Unofficial figures are estimated at approximately 200,000 to 300,000, 75 percent of which are heroin addicts. Students make up a large share of total drug abusers at 30-35 percent. The majority of heroin use is in the Lankaran District (64.6 percent), which borders Iran. Drug use among young women has been rising.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The GOAJ has taken the lead on counternarcotics coordination within the GUAM group of countries (Georgia-Ukraine-Azerbaijan-Moldova). As part of this initiative, the GOAJ established the Virtual Law Enforcement Center (VLEC) in Baku and conducted joint narcotics interdiction projects with the other GUAM-member countries. In theory, 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. While training for the integrated computer system of the Virtual Law Enforcement Center took place in 2005, the GOAJ has not yet integrated the system into an encrypted system with other GUAM-member states.

Law Enforcement Efforts. During 2005, the Ministry of Internal Affairs registered approximately 1660 cases of drug-related offenses. During the first seven months of 2005, authorities confiscated 205.2 kilograms of narcotics, not including psychotropic substances and drug precursors. The confiscated narcotics included 12 kilograms of heroin, 716 grams of the poppy straw, 19 kilograms of

hashish, 139 kilograms of marijuana, 10 ampoules and 11,073 pills of psychotropic drugs. Between January to June of 2005, the Azerbaijani State Customs Committee investigated 33 drug-related offenses, confiscated 15,722 kilograms of narcotics, including 4,872 kilograms of marijuana, 5 kilograms of hashish, 284 grams of heroin, and 110 psychotropic substances (in the form of ampoules, capsules and tablets). 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. In 2005, the GOAJ adopted a charter for an anticorruption commission and staffed that commission. However, active judges sit as members on the Commission, and according to Azerbaijan's Constitution, only retired judges should sit on the Commission. The Department for Fighting against Corruption (DEFAC) in the Prosecutor General's Office is extremely limited in its powers, is understaffed, and manages its own internal vetting process, which is contrary to international standards. As a matter of government policy, Azerbaijan 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.

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

Cultivation and Production. Cannabis and poppy are cultivated illegally, mostly in southern Azerbaijan. In at least one instance in the first half of 2005, the Ministry of Internal Affairs raided a marijuana plantation in western Azerbaijan and confiscated approximately 2 million plants. Seven hundred and eighty kilograms of semi-processed hashish were also found and seized.

Drug Flow/Transit. Opium and poppy straw originating in Afghanistan transit to 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.

Domestic Programs. In November 2005, a conference entitled "Youth Say No to Drugs" was held at Baku Technical College. The event focused on preventing drug addiction among teenagers. The government runs other information programs targeted on the dangers of drug abuse.

IV. U.S. Policy Initiatives and Programs.

Bilateral Cooperation. In 2005 the U.S. Export Control and Related Border Security (EXBS) program continued to provide assistance to the Azerbaijan State Border Service (SBS) and Customs Service. 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 2005, EXBS sponsored numerous courses for the Border Guard Maritime Brigade and Customs. These courses included: Commodity Identification Training Search and Secure Export Control Enforcement Investigative Analysis Training. This training introduced participants to real-time, hands-on inspections and Border Patrol tactics in the field. EXBS and the SBS hosted the Black Sea/Caspian Maritime Conference on Non-Proliferation and Maritime Domain Awareness. This conference facilitated discussion and sharing of methods in identifying and interdicting vessels suspected of carrying contraband. In August 2005, the U.S. government provided training programs

for the Ministry of Internal Affairs. The programs provided training on highway interdiction to identify vehicles containing narcotics and explosives.

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 drug-transit country. Local drug use and drug-related crime 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 receives counternarcotics assistance from the EU UNDP program BUMAD (Belarus, Ukraine, Moldova Anti-Drug Program), which seeks to reduce trafficking of drugs into the European Union. The program, which just launched phase two of its three part project, 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. Belarus is a party to the 1988 UN Drug Convention.

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. This trade is facilitated by Belarus' customs union with Russia, and the resultant lack of border controls between Belarus and Russia. 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 further facilitate all types of trafficking. There is no evidence of large-scale drug production in Belarus. The potential exists for Belarus to have a problem with illicit synthetic drug production because of its ample production facilities and the current lack of oversight controls. The completely government-owned chemical industry 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.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Belarus' counternarcotics strategy initiative (The State Program of Complex Measures Against Drug and Psychotropic Substances Abuse and Their Illicit Trafficking for 2001-2005) expired last year. This program aimed to launch preventative and rehabilitation strategies and to suppress illegal trafficking. Government officials confess, however, that the program lacked details of implementation, timeframes, as well as sufficient financial support. The Ministry of Interior had primary responsibility for its implementation, which was never entirely completed. 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. The State Program will not be renewed. Instead, drug abuse prevention will be incorporated into the Belarusian government's overall national program against crime. While interdepartmental rivalry profoundly inhibits cooperation, Belarus has made some strides in restructuring government agencies to enhance information gathering on drugs. Under the Ministry of Health, the government of Belarus created the legal framework for a National Observatory on Drugs, which aims to link 19 government agencies in order to collect and analyze illicit drug abuse statistics in an effort to combat drug trafficking on a regional level. The Collective Security Treaty Organization launched the first stage of the international anticrime operation "Channel 2005" in Belarus. This cooperative effort between CIS law enforcement officials resulted in the seizure of more than 80 kilograms of narcotics in Belarus in October.

Accomplishments. While Belarus does not face production or cultivation problems, drug use and transit issues must be addressed before Belarus will be in full compliance with the 1988 UN Drug Convention. Government agencies have proposed a set of amendments on drug control to the Belarusian Criminal Code to be included in the national law drafting annual plan for 2006. If the amendments are accepted without change, the legislation will bring Belarus fully in line with the convention.

Law Enforcement Efforts. From January 1 to November 1, 2005, 2,735 people committed 4,707 drug-related crimes. Authorities seized 907 kilograms of drugs during that same time period, but experts, including government officials, agree that this quantity fails to reflect the real quantity of drugs transiting or used in Belarus. 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. Enforcement efforts suffer from lack of communication and coordination among agencies. For example, State Security Services refused to allow law enforcement agencies to use a BUMAD-sponsored software program to enhance information sharing. It is the same program that other BUMAD recipients have already adopted and implemented. Belarusian border guards lack the training, and in many cases, the equipment to conduct effective searches. International assistance programs have tried to alleviate this problem, but insufficient supplies and training still plague law enforcement officials' work. 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. For example, the lack of a border control between Belarus and Russia creates an easy drug smuggling route. In recognition of this problem, police officials from both countries met in October to discuss ways to more effectively stop drug trafficking across the shared border.

The total amount of drug seizures has declined since last year. Drugs seized from January 1-November 1, 2005 (in kilograms) are as follows: Poppy Straw (608); Marijuana (167); Raw Opium (74.8); Heroin (26.7); Amphetamine/Methamphetamine (18.9); Acetylated Opium (liquid heroin) (6.0); Hashish (4.4); Cocaine (2.0); Hallucinogens (1.2); Methadone (1.1); Depressants (1.0); All Other Drugs (under one kilogram). 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 again the drug seized in greatest quantity in 2005—608 kilograms. There is, however, no evidence of large-scale production of poppies for export. Heroin seizures have skyrocketed after three years of steady decline; this year police seized 26.7kgs. Despite their higher prices, synthetic drugs are growing in popularity due to their longer lasting effects. In 2005, authorities seized 1.1 kilograms of methadone, compared to 682 grams in 2004.

Corruption. Corruption is a problem among border and customs officials, which makes interdiction of narcotics difficult. An anticorruption bill was voted down twice last year was removed from the legislative agenda in 2005. The government did not accept any of the 60 proposals in the bill, which included prosecuting presidential candidates and public servants for corruption. In an effort to curb corruption, however, Belarus is in the process of ratifying the 1999 Council of Europe Civil Law Convention on Corruption. This bill would guarantee compensation to those who suffer damages as a result of corruption. Moreover, if a public official commits corruption, this legislation mandates that the government is liable for providing compensation.

Agreements and Treaties. Belarus is 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. Belarus is a party to the UN Convention Against Corruption, and the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons and manufacturing and trafficking in illegal firearms.

The international donor community has had repeated difficulties in getting assistance programs registered by the government. In September, a presidential edict greatly restricted all foreign technical assistance, making it nearly impossible to introduce and utilize international aid in Belarus. 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. For example, it took several months to register the second part of BUMAD, which resulted in an interruption in program activities and a delayed launch of the second phase.

Cultivation/Production. There is no confirmed drug cultivation or production in Belarus. Belarus, however, does possess the resources necessary to produce precursor chemicals. Neighboring countries allege that Belarus is a source of precursor chemicals, but Belarusian authorities deny this accusation.

Drug Flow/Transit. Most serious illicit drugs, especially heroin, enter Belarus from Russia. Drugs also enter Belarus from Ukraine (semi-refined opium); the 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).

The Government of Belarus does not have any significant programs aimed at combating trafficking. Belarusian border guards lack the training, and in many cases the equipment, to conduct effective searches. 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.

Domestic Programs (Demand Reduction). 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. This year, BUMAD and the GOB launched a counternarcotics information campaign—*You and Me against Drugs*—targeted at youth in Minsk and in the regions. The information campaign for this program included pamphlet distribution, lectures at organized sporting events and the creation of an informational counternarcotics video with famous Belarusian athletes. In addition, the BUMAD-sponsored NGO Mothers Against Drugs (MAD) won the 2005 UN Civil Society Award for its work on developing and implementing drug prevention programs among Belarusian youth, including counseling services, HIV awareness programs, and self-help groups for addicts and their family members.

According to official data, there are approximately 6,100 registered drug addicts in Belarus and 1,250 registered drug abusers. Belarusian experts, however, estimate the real number at 55,000. 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, who have ready access to narcotics at dance clubs, university dormitories and educational facilities. 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. BUMAD has successfully launched several "Your Choice" one-stop counseling centers in Belarus this year. These centers help injection drug users find medical care, information, and counseling at no cost.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG has not provided narcotics/justice sector assistance to the GOB since 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. Belgium is among the largest suppliers of ecstasy to the U.S. (much of which is shipped via Canada), and plays a significant role in the transshipment of cocaine from South America to Europe. Usage and trafficking of cocaine 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. 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 eleven synthetic drug labs in 2005. Belgium is party to the 1988 UN Convention, 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. By most accounts, its status as an important transit point for cocaine is largely due to the shared border with the Netherlands. In virtually all cases of significant cocaine shipping, the end destination for the cocaine is the Netherlands. Colombian trafficking groups continue to dominate in the cocaine exchange in Northern Europe. Increased seizures of cocaine may be an indication there may be a growing demand in Belgium. This common border shared by Belgium and the Netherlands is also responsible for the surge, both in size and number, of clandestine amphetamine and ecstasy laboratories in Belgium since 2000. Airline passenger couriers remained the principal means of transporting small quantities of ecstasy to the United States. Stricter controls have limited the mailing of pills via both express and regular mail from Belgium. Dutch groups control most of the ecstasy production and Belgian officials believe that sea freight is likely used for shipping larger amounts of ecstasy from Belgian ports via third countries to the United States and Canada. Israeli groups continue to be the largest identified distribution network operating globally and specifically in the United States. Several recent investigations have involved the use of containerized cargo. Belgian authorities continue to make a concerted effort to stem the tide of ecstasy headed for the U.S.

Turkish groups continue to control most of the heroin trafficked in Belgium, although the influence of Albanian groups continues to grow. This heroin is principally shipped through Belgium to the UK. Increased seizures of cocaine may be an indication there may be a growing demand in Belgium. 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. Cannabis seizures have doubled—a trend that may be explained by increased enforcement and coordination efforts with neighboring countries.

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

III. Country Actions Against Drugs in 2005

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 and transshipment 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.

Accomplishments. Belgian authorities seized 11 laboratories in 2005: five producing ecstasy, five producing amphetamines, and one gamma hydroxybutyrate (GHB) production site. 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 51. By comparison, only 12 laboratories were seized in the six-year period from 1992 to 1998.

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, efforts are focused on combating synthetic drugs, heroin and cocaine. Belgian authorities continued to cooperate closely with DEA officials stationed in Brussels. During the year Belgium coordinated with the Netherlands to create joint laboratory intervention teams to dismantle drug laboratories safely. Belgium and the Netherlands cooperated on several counternarcotics sweeps during the year to include the raid and seizure of the largest MDMA production facility to date in Belgium. In 2005, Belgium authorities seized more than 8,000 kilograms of cocaine, 93 kilograms of heroin, 435 kilograms MDMA (amphetamines), and 550 kilograms of cannabis/hashish /marijuana. At Brussels' Zaventem International airport in the Brussels region, nonuniformed personnel trained by the Federal Police to help detect drug couriers became increasingly proficient. Belgian authorities continued a proactive approach to searches and inspections of U.S.-bound flights at the airport with limited results. Belgian police attribute this to the additional DHS mandated security controls on these flights. The resources Belgium devotes to the inspection of sea freight, however, appears inadequate. In June of 2005, Belgium and the Netherlands agreed to jointly increase border controls in order to prevent ecstasy and cannabis production from shifting to Belgium. This expanded international cooperation on law enforcement investigations is particularly necessary given evidence that some ecstasy production is migrating from the Netherlands to Belgium and other neighboring states.

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. Money laundering has been illegal in Belgium since 1993. The country's Financial Intelligence Unit (FIU) (TIF-CIF) is active in efforts to investigate money laundering. No senior official of the Belgian 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 as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Belgium is a party to the UN Convention Against Corruption, the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons, and illegal manufacturing and trafficking in firearms. The United States and Belgium have an extradition treaty and an MLAT. During FY-2005, eight MLAT requests for narcotics case information sharing were submitted between Belgium and the United States. As part of a joint U.S.-EU venture, in December 2004 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 are stationed at the Port of Antwerp to serve as observers and advisors to Belgian Customs inspectors on U.S.-bound sea-freight shipments.

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. Belgium is surely among the largest exporters of ecstasy for use in the United States. Cultivation of marijuana is increasingly done at elaborate, large-scale operations in Belgium. Two farms, one with 1500 plants, were destroyed during the reporting period. The new police action plan 2004-2007 includes the fight against illegal commerce of cannabis due to the large-scale plantations discovered in the country. The production of amphetamines does not appear to have abated, as evidenced by the seizure of yet another five labs in 2005. 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 Canada and the United States. Despite the arrest of an Israeli courier with 10 kilograms of ecstasy in November, Israeli drug traffickers no longer figure so prominently in the export of ecstasy from Belgium and the Netherlands (see above), however, 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 official estimate of 20 tons entering the port each year; the actual number is believed to be considerably higher. 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. 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. As in many illicit trades, this concept of the cocaine trade is a thesis: other well-informed observers believe that most cocaine enters Europe through Spanish ports. 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. Turkish criminal organizations involved in heroin trafficking seem to have diversified their activities by starting to export ecstasy. Trucks with ecstasy are sent to Turkey and return to Belgium with heroin. In addition combined consignments of heroin, cannabis with possibly amphetamines and black market cigarettes are exported to the United Kingdom.

Domestic Programs. Belgium has an active counternarcotics educational program that targets the country's youth administered by the regional governments (Flanders, Wallonia, and Brussels). 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 approach directs its programs at individuals who influence young people versus young people themselves. In general, Belgian society think teachers, coaches, clergy, and the like are better suited to deliver the counternarcotics message to the target audience because they already are known and respected by young people.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States and Belgium regularly 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 transshipment. Despite increasing law enforcement cooperation, gradual improvements in the oversight of the financial sector, 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, lack of coordination among police agencies, and a lack of attention by Bosnia's political leadership mean that effective measures against narcotics trafficking and related crimes often do not exist. BiH is still considered primarily a transit country for drug trafficking due to its strategic location along the historic Balkan smuggling routes, weak state institutions, lack of personnel in counternarcotics units, and poor cooperation among the responsible authorities. In November 2005, BiH passed legislation mandating the development of a national counternarcotics strategy and the creation of a state-level body to coordinate the fight against drugs. In 2005, the BiH government launched a public information campaign to raise awareness about the dangers and effects of drugs. BiH is attempting to forge ties with regional and international law enforcement agencies. Bosnia is party to the 1988 UN Convention on Drugs and is attempting to meet the goals of the Convention.

II. Status of Country

Bosnia is not a significant narcotics producer, consumer, or producer of precursor chemicals. BiH does occupy a strategic position along the historic Balkan smuggling routes between drug production and processing centers in South Asia and markets in Western Europe. Bosnian authorities at the state, entity, cantonal and municipal levels have been unable to stem the continued transit of illegal aliens, black market commodities, and narcotics since the conclusion of the 1995 Dayton Peace Accords. Traffickers have capitalized in particular on an ineffective justice system, public sector corruption, and the lack of specialized equipment and training in combating criminal networks that support the illicit drug trade. BiH is increasingly becoming a storehouse for drugs, mainly marijuana and heroin. One of the main routes for drug trafficking starts in Albania, continues through Montenegro, passes through BiH to Croatia and Slovenia and then on to Central Europe. Cocaine arrives mainly from the Netherlands through the postal system.

Information on domestic consumption is not systematically gathered, but authorities estimate BiH is home to 100,000 drug addicts. Anecdotal evidence and law enforcement officials indicate that demand is steadily increasing. No national drug information system focal point exists, and the collection, processing, and dissemination of drug-related data is neither regulated nor vetted by a state-level regulatory body.

III. Country Actions Against Drugs in 2005

Policy Initiatives. On November 8, 2005, the BiH House of Representatives passed legislation designed to address the problem of narcotics trafficking and abuse. This legislation calls on the state-level Ministry of Civil Affairs to develop a comprehensive counternarcotics strategy and requires the Ministry of Security (MoS) to develop a national counternarcotics action plan. It further mandates that the MoS will serve as a state-level counternarcotics coordination body and control confiscated narcotics. The new law also regulates the production and possession of chemical precursors for

synthetic narcotics such as acetic anhydride (AA). This legislation clarifies the responsibilities of law enforcement agencies and places ultimate responsibility with the national government. Bosnia is a state with limited financial resources, but with USG and EU assistance it is attempting to build state-level law enforcement institutions to combat narcotics trafficking and organized crime and to achieve compliance with relevant UN conventions. The full deployment of the State Border Service (SBS) and the establishment of the State Investigative and Protection Agency (SIPA) have improved counternarcotics efforts. Telephone hotlines, local press coverage, and public relations efforts have focused public attention on smuggling and black-marketeering.

Law Enforcement Efforts. Counternarcotics efforts have improved but remain inadequate given suspected trafficking levels. Cooperation among law enforcement agencies and prosecutors is primarily informal and ad hoc, and serious legal and bureaucratic obstacles to the effective prosecution of criminals remain in place. Through September 2005 (latest available statistics), the SBS has filed 32 criminal reports against 40 persons and seized 68 kilograms of marijuana, 27 kilograms of heroin and 9.5 kilograms of cocaine. The Federation Ministry of Interior filed 877 criminal reports against 1,139 suspects. Federation counternarcotics operations have resulted in the seizure of 44 kilograms of marijuana, 41 kilograms of heroin and 220 ecstasy pills. Through November 2005, Republika Srpska ("RS") police have filed 232 criminal reports and arrested 489 persons. RS police operations resulted in the seizure of 7.5 kilograms of marijuana, 1.6 kilograms of heroin, 0.4 kilograms of cocaine and 1,216 ecstasy pills. Through September 2005 (latest available statistics) Brcko District police have filed 14 criminal reports against 17 persons, seized 77 marijuana plants and miniscule quantities of heroine and cocaine.

The State Border Service, with 1,968 officers, is now operational and is responsible for controlling the country's four international airports as well as Bosnia's 55 international border crossings covering 1,551 kilometers. The SBS is considered one of the better border services in Southeast Europe and is one of the few truly multi-ethnic institutions in BiH. However, there are still a large number of illegal crossing points that the SBS does not control, including dirt paths and river fords. Moreover, many official checkpoints are minimally staffed and many crossings remain understaffed. The SIPA, once fully operational, will be a conduit for information and evidence among local and international law enforcement agencies, and will have a leading role in counternarcotics efforts. As of December 2005, SIPA had hired approximately 900 of its proposed 1,700 staff.

Cultivation/Production. BiH is not a major narcotics cultivator. Officials believe that domestic cultivation is limited to small-scale marijuana crops grown in southern and western Bosnia. BiH is also not a major synthetics narcotics producer and refinement and production are negligible. There are indications of increasing production of synthetic drugs, such as ecstasy, on a small, but increasing scale. Though BiH does not have the industrial infrastructure to support large-scale illicit manufacturing, a modest level of synthetic drug production in clandestine labs cannot be ruled out.

Corruption. BiH does not have laws that specifically target narcotics-related public sector corruption and has not pursued charges against public officials on narcotics-related offenses. Organized crime, a few corrupt government officials, and ethnic hard-liners all use the narcotics trade to generate personal revenue. There is no evidence linking senior government officials to the illicit narcotics trade. As a matter of government policy, however, BiH 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. BiH has signed, but has not yet ratified, the UN Convention Against Corruption.

Agreements and Treaties. BiH is a party to the 1988 UN Drug Convention and is developing bilateral law enforcement ties with neighboring states to combat narcotics trafficking. A 1902 extradition treaty between the U.S. and The Kingdom of Serbia applies to BiH as a successor state.

BiH is a party to the UN Convention against Transnational Crime and its protocols against migrant smuggling and trafficking in persons.

Drug Flow/Transit. While most drugs pass through BiH, indigenous organized crime groups are involved in local distribution to the estimated 100,000 drug users in the country. Major heroin and marijuana shipments are believed to travel through BiH by several well-established overland routes, often in commercial vehicles. Local officials believe that Western Europe is the destination for this traffic. Cocaine sales are also reputedly on the rise as the price has dropped. Officials believe that 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. Sale of narcotics is also considered a significant source of revenue used by organized crime groups to finance both legitimate and illegitimate activities. There is mounting evidence of links between, and conflict among, Bosnian criminal elements and organized crime operations in Russia, Albania, Serbia and Montenegro, Croatia, Austria, Germany, and Italy.

Domestic Programs. In BiH there are only two methadone therapy centers with a combined capacity to handle about 160 patients. The limited capacity of the country's psychiatric clinics, also charged with treating drug addicts, is problematic, as the number of addicts and drug-related deaths in the country rises steadily. It is estimated that between 70 to 80 per cent of drug addicts who undergo basic medical treatment are recidivists. The Bosnian government currently pays for the basic medical treatment of drug addicts, but there are no known government programs for reintegrating former addicts into society. On November 8, the BiH House of Representative adopted a law on the prevention of the use of illegal narcotics. This law includes provisions for treatment, rehabilitation, and increasing public awareness. Canton Sarajevo Public Institute for Alcoholism and Substance Abuse started a public radio campaign discouraging drug usage aimed at youth population. A counternarcotics citizen's association organized a fund raising concert under the title "NO DRUGS" Program with the participation of popular BiH music groups. nongovernmental organizations including the Parents' Association Against Drug Abuse have helped send 65 addicts to various residential centers. The Citizen's Association for Treatment, Support, and Re-Socialization of Drug Addicts (UG-PROI) provides advice and support to drug addicts and their families, and assists in the re-socialization of recovered addicts after treatment. In May 2005, the organization completed the construction of a therapeutic community for the rehabilitation of addicts near Sarajevo on a property donated by a local family. This is the first multidisciplinary center of this kind in the Federation.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. USG policy objectives in BiH include reforming the criminal justice system, strengthening state-level law enforcement and judicial institutions, improving the rule of law, de-politicizing the police, improving local governance, 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's bilateral law enforcement assistance program continues to emphasize task force training and other measures against organized crime, including narcotics trafficking. The Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP) and U.S. Customs programs provided specific counternarcotics training to entity Interior Ministries and the SBS. The Overseas Prosecutorial Development Assistance Training (OPDAT) provides training to judges and prosecutors on organized crime-related matters.

The Road Ahead. Strengthening the rule of law, combating organized crime and terrorism, and reforming the judiciary and police remain top USG priorities. The USG will continue to focus its bilateral programs on related subjects such as public sector corruption and border controls. The USG

will assist BiH with the full implementation of the new national counternarcotics strategy and with the implementation of police reform. 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 thought that much of the heroin distributed in Europe is transported through Bulgaria. Marijuana and cocaine are also transported through Bulgaria. The Government of Bulgaria (GOB) has continued to make progress in improving its law enforcement capabilities and customs services; it closed some illegal drug-producing laboratories and recorded a notable increase in seizures. However, while major legal and structural reforms have been enacted, effective implementation remains a challenge. 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 a drug transit country to an important producer of narcotics. According to NGO and government sources, Bulgaria is increasingly a center of synthetic drug production, and synthetic drugs have overtaken heroin as the most widely used drugs in Bulgaria. Amphetamines are produced in Bulgaria for the domestic market as well as for export to Turkey and the Middle East. The Government of Bulgaria has emphasized its commitment to combat serious crime including drug trafficking. Despite some progress towards this goal, there were no convictions of major figures involved in drug trafficking, or other serious related crimes, including organized criminal activity, corruption or money laundering during 2005. Among the problems hampering counternarcotics efforts are poor inter-agency cooperation, inadequate equipment to facilitate narcotics searches, widespread corruption, and an often ineffective judicial system.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Bulgarian government has continued to implement the National Strategy for Drugs Control adopted by the Council of Ministers in 2003. In 2004, amendments to the Criminal Code abolished a provision that had decriminalized possession of one-time doses of illegal drugs for personal use. The effect of this policy has been to extend harsh penalties for drug possession to users as well as producers and distributors. NGOs, government bodies, and European institutions have disputed the effectiveness of this legislation, with some studies claiming that drug use has actually increased since its adoption. Additional measures started in 2002 and continuing through 2005 included engaging NGOs in counternarcotics partnerships and the establishment of 16 provincial prevention and education centers throughout the country. Unfortunately, national programs for drug treatment and prevention, including the National Center for Addictions, have been consistently under-funded.

Accomplishments. The National Drugs Intelligence Unit, founded in October 2004, has improved coordination between law enforcement agencies by gathering and analyzing information relating to illegal drugs production and distribution. To date, the center has compiled data on over 300 suspected drug traffickers.

Law Enforcement Efforts. From January to November 2005, Bulgarian law enforcement agencies closed three illegal drug-producing laboratories and seized 2240 kilograms of drugs, including 395 kilograms of heroin, 61 kilograms of marijuana, 142 kilograms of cocaine, 1,327 kilograms of synthetic drugs and 2000 vials and 27,598 tablets of other psychotropic substances. Also seized were 192 kilograms of dry and 157 liters of fluid precursor chemicals. Bulgarian services report that the 12.5 percent increase in seizures of synthetic drugs over the same period in 2004 is due to increased demand for Bulgarian-produced synthetic drugs in Southwest Asia.

Corruption. Despite some progress, corruption in various forms in the government remains a serious problem. According to recent polls, the Customs Service is widely considered the most corrupt government agency. In November 2005, 24 Customs officers, including the Deputy Chief of the Customs Service, resigned over allegations of corruption. Despite this, 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 is not a party to the UN Convention Against Corruption.

Agreements and Treaties. Bulgaria is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by 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 protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms. The 1924 U.S.-Bulgarian Extradition Treaty and a 1934 supplementary treaty are in force.

Cultivation and Production. The only illicit drug crop known to be cultivated in Bulgaria is cannabis, but the extent of 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 of synthetic stimulant products such as captagon (fenethylline).

Drug Flow/Transit. Synthetic drugs and heroin are the main drugs transported through Bulgaria. Heroin from the Golden Crescent and Southwest Asia (primarily Afghanistan) has traditionally been trafficked to Western Europe through the Northern Balkan route from Turkey through Bulgaria to Romania. However, Bulgarian authorities have noticed a recent shift in heroin trafficking to more circuitous routes through the Caucasus and Russia to the north and through the Mediterranean to the south. Other trafficking routes crossing Bulgaria pass through Serbia and Montenegro and the Republic of Macedonia. In addition to heroin and synthetic drugs, smaller amounts of marijuana and cocaine also transit through Bulgaria. Precursor chemicals for the production of heroin pass from the Western Balkans through Bulgaria to Turkey and the Middle East. Synthetic drugs produced in Bulgaria are also trafficked through Turkey to markets in Southwest Asia. Principal methods of transport for heroin and synthetics include buses, vans, and cars, with smaller amounts sent by air. Cocaine is primarily trafficked into Bulgaria by air in small quantities and by maritime vessel in larger quantities.

Domestic Programs. Demand reduction has received government attention for several years. The Ministry of Education requires that schools nationwide teach health promotion modules on substance abuse. The Bulgarian National Center for Addictions (NCA) provides training seminars on drug abuse for schoolteachers nationwide. The NCA is in the process of opening prevention and education centers in each of Bulgaria's 28 administrative districts, 16 of which are currently operational. Three universities provide professional training in drug prevention. For drug treatment, there are 35 outpatient units, including 5 specialized methadone clinics which provide treatment to 770 patients. Twelve inpatient facilities nationwide offer 209 beds for more intensive addiction-related treatment. Specialized professional training in drug treatment and demand reduction has been provided through programs sponsored by UNODC, EU/PHARE and the Council of Europe's Pompidou Group.

IV. U.S. Policy Initiatives and Strategies

Bilateral Cooperation. DEA operations for Bulgaria are managed from the U.S. Consulate General in Istanbul. The United States also supports various programs through the State Department, USAID, the Department of Justice (DOJ) and the Treasury Department to support the counternarcotics efforts of 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 insufficient 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 attorney advises Bulgarian prosecutors and investigators on cyber-crime and other issues. A Treasury Department representative supports Bulgarian efforts to investigate and prosecute financial crimes, including money laundering. USAID provides assistance to strengthen Bulgaria's constitutional legal framework, enhance the capacity of magistrates and promote anticorruption efforts.

The Road Ahead. The U.S. and Bulgaria will continue to cooperate effectively to improve Bulgaria's capacity to enforce narcotics laws.

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 2005

Policy Initiatives. Croatia adopted a National Strategy for Narcotics Abuse Prevention in November for the 2006-2012 period, developed with assistance from the European Monitoring Center for Drugs and Drug Addiction (EMCDDA). The Strategy aims to bring demand and supply reduction efforts in line with EU policies and creates a National Information Unit for Drugs to standardize monitoring and the assessment of drug abuse data to facilitate data sharing with the EU's EMCDDA programs. In November of 2005, draft changes to the criminal code passed the initial reading in the Sabor (parliament). Key provisions include simplifying confiscation of assets of organized criminals and stiffening penalties for corruption. Further parliamentary discussion of these changes is expected in early 2006. At the end of 2005, Croatian authorities initiated a program to change the official health protocol on disbursement of heptanon and other heroin addiction replacement therapy drugs. This initiative was taken to counter the growing abuse of heptanon in Croatia: seizures of illegal heptanon doubled in 2005 compared to 2004.

Accomplishments. Croatia continues to cooperate well with neighboring and other 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 October 2005, Croatian police joined with police from Macedonia, Slovenia, and Serbian police in Operation "Put" (path) to break up an ongoing heroin smuggling operation. Twelve persons (Croatian, Turkish and Macedonian citizens) were arrested and 1.3 kilograms of heroin seized. In another operation, Croatian police worked with their Austrian counterparts to arrest an Albanian national involved in drug smuggling in Croatia.

Law Enforcement Efforts. 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. Croatian police and Customs authorities continued to coordinate counternarcotics efforts on targeted border-crossing points, although with 189 legal border crossings, the level of coordination was not consistent. Heroin (114 kilograms in 2004 vs. 25 kilograms in 2005), Hashish (53 kilograms in 2004 vs. 6 kilograms in 2005) and marijuana (967 kilograms in 2004 vs. 428 in 2005) seizures fell sharply during the first ten months of 2005 compared

to the same period of 2004. Cocaine seizures, while small absolutely, increased sharply (from 7 kilograms in 2004 to 17.6 kilograms in 2005), amphetamine and ecstasy seizures declined.

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. In 2005, two mid-level police officers from the city of Velika Gorica were suspended on allegations of corruption. Also in 2005, a lower level police officer was arrested in the city of Rijeka along with four individuals in a police raid on a street-level drug distribution organization.

Agreements and Treaties. Croatia ratified the UN Convention Against Corruption in April 2005. Croatia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by 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 against trafficking in persons, migrant smuggling, and illegal manufacturing and trafficking in firearms. 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 International Criminal Tribunal for the Former Yugoslavia (ICTY).

Cultivation/Production. Small-scale cannabis production for domestic use is the only narcotics production within Croatia. In 2004, 2,207 cannabis plants were seized. 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 Strategy for Narcotics Abuse Prevention which was adopted by the government in November for the period of 2006-2012. In July 2004, the Sabor approved some changes to the criminal code allowing courts to mandate therapeutic treatment in some drug addition cases. According to the Office, Istria County had the highest rate of treated addicts, followed by the Zadar and Sibenik-Knin County. The high rates in Istria did not necessarily reflect high drug abuse rates, but rather an efficient system of their inclusion in treatment due to good cooperation between drug abuse prevention centers and general practitioners. In 2004, 5,768 persons underwent drug addiction treatment, which is 1.6 percent more than in the previous year. But the number of the first-time seekers of addiction treatment, which has been sliding since 2001, dropped another 12 percent to 1,619 in comparison with the previous year. The number of new opiate addicts, which stood between 800 and 1000 annually for the past several years, dropped further to 732 in 2004. However, due to reorganization of addiction prevention centers, these positive results may have more to do with an unstable system of reception of addicts, than the actual decline in numbers. Approximately 72 percent of the overall number of addicts was addicted to heroin. Over 47 percent were infected with hepatitis C which was a significant drop from the 72 percent last year, and 0.5 percent were HIV positive. The number of deaths caused by overdose continued to rise. There

were 108 drug related deaths in 2004, of which 76 died of overdose—a 22 percent increase compared to 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 spent 34 million Kuna (approx $5,484,000) for demand reduction related activities in 2004. The Government of Croatia has created county-level expert advisory groups that will work with local governments to counternarcotics abuse and serve as incubators for policy initiatives. In Varazdin, the advisory group is piloting a random drug testing program for high school students.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. 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. Having achieved basic objectives ahead of schedule, U.S. assistance for police reform efforts under the ICITAP (DoJ) program was refocused on combating organized crime. In April, U.S. DEA special agents joined with ICITAP trainers to help Croatian police develop confidential source management skills. In October, Croatian police formed the first joint police-prosecutor task force to target a criminal organization allegedly involved in drug trafficking. 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. In January 2005, Customs officials who had recently received EXBS training in detecting concealed compartments in vehicles and shipping containers seized 700 kilograms of marijuana hidden in a truck.

Road Ahead. For 2006, U.S. expert training teams will join in-country U.S. trainers to help Croatian police develop skills in complex case management, undercover operations, anticorruption investigations, and detecting financial crimes including money laundering. In addition, resident advisors will continue to assist the Ministry of Interior in improving police and prosecutor cooperation in complex narcotics and organized crime cases. Additional training and detection equipment donations planned for 2006 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.

Cyprus

I. Summary

Although Cypriots do not produce or consume significant amounts of narcotics, an 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 chemicals between the Middle East and Europe. To a limited extent, drug traffickers use Cyprus as a transshipment 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 narcotics-related overdoses in 2004 were as follows: seven (7) confirmed heroin deaths (two of which also had cannabis in their system); one (1) confirmed ecstasy death; one (1) unconfirmed heroin death; and one (1) unconfirmed cocaine death. Overall, the number of overdose related deaths remained constant in 2005. The use of cannabis and ecstasy by young Cypriots and tourists continues to increase. Cypriots themselves do not produce or consume significant quantities of drugs. Dual-use precursor chemicals 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 ninth-largest merchant shipping fleet in the world.

Drug-related crime, still low by international standards, has been steadily rising since the 1980's. According to the Justice Ministry, drug-related arrests and convictions in Cyprus have doubled since 1998. Cypriot law proscribes a maximum prison term of two years for drug users less than 25 years of age with no prior police record. In late 2005, the Courts began to refer most first-time offenders to rehabilitation centers rather than requiring incarceration. Sentences for drug traffickers range from four years to life, depending on the substances involved and the offender's criminal record. In an effort to reduce recidivism as well as to act as a deterrent for would be offenders, Cypriot courts have begun sentencing distributors to near maximum prison terms as allowed by law. For example, in the second half of 2004, the Greek Cypriot courts began sentencing individuals charged with distributing heroin and ecstasy (MDMA) to much harsher sentences, ranging from 8 to 15 years. 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 2005

Policy Initiatives. In May 2004, Cyprus became a member of the European Union (EU). 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. 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. 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. The Cyprus Police, Drug Law Enforcement Unit, (DLEU) is the lead Police agency in Cyprus charged with combating drug trafficking in Cyprus.

Law Enforcement Efforts. Through the first 11 months of 2005, the Cyprus Police Drug Enforcement Unit opened 561 cases and made 675 arrests. Of those arrested 465 were Greek Cypriot while 211 were foreign nationals. The police also participated in three controlled deliveries with authorities from Greece, South Africa and the United Kingdom and dismantled four drug-trafficking organizations operating within Cyprus. They also seized 155 kilograms of cannabis, 332 cannabis plants, 5 kilograms of cannabis resin (hashish), one kilogram and 300 grams of cocaine, 12,835 tablets and 5.7 grams of MDMA (ecstasy), 17.5 tablets and 1.5 grams of amphetamines, 792 grams of opium, and 953 grams of heroin. 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. As a matter of policy, the Government of Cyprus does not encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Cyprus 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. 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 and an MLAT are in force between the United States and Cyprus. Cyprus also became a member of the EU in May 2004.

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

Drug Flow/Transit. 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 nonCypriots on similar charges. The number of Turkish Cypriots arrested for the distribution of narcotics in Cyprus in 2005 was roughly the same or below 2004 levels. 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.

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/Bilateral Cooperation. 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 2006, 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. The consumption of recreational drugs such as marijuana and ecstasy continues to grow, particularly among youth. According to the EU, Czech marijuana usage is now the highest in Europe. The usage and addiction rates of heroin and pervitine have stabilized or slightly decreased; the level of cocaine use remains very low. 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. The Czech Republic is a party to the 1988 UN Drug Convention.

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 imprisonment. The Czech National Focal Point for Drugs and Drug Addiction is the main body responsible for collecting, analyzing and interpreting data on drug use. Earlier this year the Interior Ministry issued its action plan: National Drug Policy Strategy 2005-2009. According to a pan-European (EU) study, the rate of marijuana use in the Czech Republic is the highest in Europe, with 22.1 percent of young adults having used the drug within the previous twelve months. Czechs were also the most likely to have ever used marijuana in their lifetimes. Consumption of ecstasy and Pervitine was among the highest in the EU. Czech officials believe that the number of IV drug users has largely remained steady or has slightly declined.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Drug policy remains a contentious issue in Czech domestic politics. The Christian Democratic Party, a junior member of the governing coalition, has endorsed a "war on drugs" and called for sharply punitive enforcement policies. The new Criminal Code passed in 2005, however, draws a sharp distinction between the use of "soft" drugs, such as marijuana and ecstasy, and "hard" drugs, such as heroin and Pervitine. Although a measure that would have decriminalized marijuana failed in Parliament earlier in 2005, the Criminal Code fully envisions a markedly more liberal approach to soft drugs in order to focus resources against drugs considered more damaging. The current National Drug Strategy flatly states that drug users will not be a priority target of police operations. Current planning focuses enforcement operations against organized criminal enterprises and efforts to reduce addiction and their associated health risks. The National Drug Headquarters is the main organization within the Interior Ministry responsible for major drug investigations, but the Deputy Police President has noted publicly that it is seriously understaffed. The drug unit of the Czech Customs Service assumed responsibility in 2005 for monitoring the Czech Republic's modest licit poppy crop, a function previously performed by the Ministry of Agriculture.

Accomplishments/Law Enforcement. In 2005, the National Drug Headquarters, together with the Custom Service, seized 36.3 kilograms of heroin; 19,010 ecstasy pills; 5.3 kilograms of methamphetamine, 103 kilograms of marijuana, 1,780 cannabis plants, 4.6 kilograms of hashish, and 10 kilograms of cocaine. They also found 261 laboratories for methamphetamine production compared

to 105 in 2004. The seizure statistics for ecstasy and hashish showed decreases, methamphetamine and cocaine seizures represented a significant increase over the totals registered in 2004.

The National Drug Headquarters also scored some significant successes in 2005. In November 2005, for example, a ten-member group of pervitine producers were arrested following a long-term sting operation. The arrests put an end to an operation that had generated perhaps millions of dollars in illicit revenues. The Drug Headquarters also successfully investigated and prosecuted several members of ethnic-Albanian drug gangs involved in the distribution of heroin and other drugs.

According to the police statistics for 2005, 2209 people were investigated for drug related crimes. 2156 suspects were investigated for unauthorized production and possession of narcotics and psychotropic substances and "poisons". 184 were investigated for drug possession for personal use, and 53 others were investigated for spreading addiction.

According to the statistics provided by the Ministry of Justice for 2005, the state prosecuted 2430 suspects and indicted 2157 others for drug related crimes. 203 were indicted for drug possession for personal use and 91 were indicted for spreading addiction. Courts have convicted 1326 people; there were 60 convictions for drug possession for personal use and 32 for spreading addiction.

Statistics for year 2005 show that most of the convicted criminals (51 percent) receive conditional sentences, i.e., (if they regularly attend mandated treatment, their sentences are suspended) for drug related crimes and only one third of convicted criminals are actually sentenced to serve time. Only 13 percent of this latter group receives sentences higher then 5 years. The majority (74 percent) of those given prison sentences receive from 1 to 5 years. There was a significant trend in Czech legal practice to give additional penalties such as financial penalties (28 percent of all convicted) and assets forfeiture (6 percent). Compared to 2004 there were no punishments such as public service.

Corruption. As a matter of government policy, the Czech 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. A current provision in Czech law permits possession of a small amount of certain drugs, but fails to define a "small amount". Leaving this determination to the individual officer offers strong possibilities for corruption and malfeasance. To avoid any possible confusion and to eliminate possibilities for corruption, the Police President and Supreme Public Prosecutor issued internal regulations designed to clarify elements of the drug law that some feared allowed policemen too much discretion in whether to pursue drug cases. In 2004/05 a few police officers committed drug-related crimes: there were 4 cases of production and distribution of drugs, and 1 case of trafficking. Ten police officials were convicted of similar offenses in 2003 and four in 2002. The Czech Republic has signed, but has not yet ratified, the UN Convention Against Corruption.

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 1926 extradition treaty, as supplemented in 1935, remains in force between the United States and the Czech Republic. The U.S. the Czech Republic are in the process of negotiating a new extradition treaty. The Czech Republic has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime.

Drug Flow/Transit. According to the head of Police counternarcotics squad, heroin trafficking in the country is largely under the control of ethnic Albanian groups that import their product from Afghanistan. During the course of the year the counternarcotics squad registered several major successes against these groups. Heroin is transported in the Czech Republic primarily using modified vehicles. Cocaine, on the other hand remains relatively rare in the Czech Republic, and frequently is imported through Western Europe. Pervitine is a synthetic methamphetamine primarily produced in homes and laboratories. Besides Czech citizens, Russian-speaking organized crime groups are

frequently implicated in the Pervitine trade, as well as Bulgarian nationals and citizens of former Yugoslav states. Pervitine is often exported to surrounding countries. Ecstasy remains a favorite drug of the "dance scene," and comes to the country primarily from the Netherlands, Belgium, Poland, and Bulgaria. Seizures of ecstasy tablets more than doubled in 2004 over 2003. A trend toward larger-scale growth of cannabis plants in hydrophonic laboratories continued in 2004, along with a similar growth in the potency of the drug produced (up to 20 percent THC). In the greater Prague area, three such large scale facilities were discovered in 2004.

Domestic Programs (Demand Reduction). The main components of Czech demand reduction plans include primary prevention along with treatment and re-socialization of abusers. This strategy entails a variety of programs which include school-based prevention education, drug treatment and needle exchange programs, and partnerships with local NGOs. Within the context of the National Strategy, the government has established benchmarks for success. Some of these include stabilizing or reducing the number of "problem" ("hard") drug users, reversing the trend in the Czech Republic toward rising recreational and experimental drug use, and ensuring the availability of treatment centers and social services. In 2004, the state budget provided 206 million Czech Crowns, or $8.3 million to national drug programs and an additional 82 million Crowns, or $3.3 million came from the regional budgets and 63 million Crowns, or 2.5 million from local/district budgets.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. covers Czech Republic drug issues through the DEA office in Berlin, which maintained an extremely active and cooperative relationship with Czech counterparts. The State Department has given grants for counternarcotics education and has provided equipment and training for customs officers.

The Road Ahead. The U.S. and the Czech Republic will continue their active cooperation as the Czech Republic implements its National Drug Policy Strategy document for 2005-2009.

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 will inevitably 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 use 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 2005

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. Although seldom used, undercover operations are permitted in Denmark with a court order when investigating crimes punishable by terms of more than six years in prison. Informants are used more for intelligence purposes than to secure actual evidence through sting-type operations in criminal investigations. Danish legislation passed in late 2002 requires persons carrying cash or instruments exceeding 15,000 Euros (approximately $17,850) to report the relevant amount to customs upon entry to or exit from Denmark. This law has led to Danish customs proactively intercepting illegal money.

Law Enforcement Efforts. During 2005, there was a significant 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." This case has been linked to a 43 kilograms seizure of cocaine in Estonia, the largest cocaine seizure in Baltic history. Police also targeted members of the Hell's Angels and Banditos biker gangs by increased enforcement of tax laws. Authorities brought 31 cases of tax evasion against members of the biker gangs resulting in fines up to DKK 4,000,000 ($727,272). Biker gangs are major factors in the drug trade. Heroin availability in Denmark has fluctuated based on the heroin production levels in Afghanistan. Heroin trafficking is

controlled by Serbian and Albanian nationals. Final crime statistics for 2005 are not yet available, but are expected to show increased heroin seizures over 2004. In May 2005, after a Copenhagen Police Department investigation, the Spanish Guardia Civil seized 2,500 kilograms of marijuana destined for distribution in Denmark. During the same month, another 638 kilograms of marijuana was seized by Spanish authorities at the Spanish/French border based on information provided by Copenhagen police. Suspects in Denmark were arrested in connection with both of these seizures.

Corruption. As a matter of government policy, Denmark 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.

Agreements and Treaties. 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 are known to 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.

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 on methadone maintenance. The 2003 governmental action plan against drug abuse, built upon existing programs, 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

Bilateral Cooperation. U.S. goals in Denmark are to cooperate 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. The USG enjoys excellent cooperation with its Danish counterparts on drug-related issues. In October 2005, the Embassy's defense attaché and DEA organized a briefing by the United States Coast Guard (USCG) and DEA in Washington, D.C. for senior Danish officials. This briefing addressed the Danish government's interest in using the Danish Navy, which possesses limited police powers, to support counternarcotics missions in Danish waters, as well as the Caribbean basin to combat the increasing quantities of cocaine being shipped from South American to Europe and the United States.

The Road Ahead. Danish enforcement efforts will be strengthened by new legislation that authorizes police to use 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. The introduction of visa-free travel from the new EU member states has increased the 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

Frequent arrests of drug traffickers and seizures of record amounts of drugs on Estonia's borders indicate that the drug transit through Estonia is increasing; and it also is an indication of the increasing efficiency of the counternarcotics efforts of Estonian law enforcement agencies. Monitoring agencies agree that Estonia has higher-than-average drug-related delinquency and HIV infection rates. Estonia is a party to the 1988 UN Drug Convention.

II. Status of Country

Estonia has one of the highest HIV infection growth rates in Europe. As of December 1, 2005, 5,028 cases of HIV have been registered, 586 of which were registered in 2005. AIDS has been diagnosed in 89 people, 19 in 2005. Intravenous drug-users (IDUs) and their partners form the largest share of newly registered HIV cases

III. Country Actions Against Drugs in 2005

Law Enforcement. The closure of three synthetic drug labs within six months in 2005, along with seizures of drug precursors and detentions of drug traffickers in possession of refined drugs, indicates that synthetic drugs are produced in Estonia. In April 2005, police discovered an extensive narcotics trafficking network near Tallinn and seized 0.7 kilograms of precursor chemicals. In the first six months of 2005 police seized nearly three times more drugs than in the same period of the previous year. In October Estonian law enforcement, in cooperation with U.S. law enforcement agents, seized 40 kilograms of high-quality cocaine in Tallinn and detained four Israeli citizens in connection with drug trafficking.

Domestic Programs/Demand Reduction. In 2005, changes were introduced to the state legal framework regulating drug-related issues. On April 13, 2005, the Estonian Parliament adopted the Amendment to the Law on the Narcotic Drugs and Psychotropic Substances Act (ALNDPSA), which came into force in May 2005. The ALNDPSA harmonizes domestic legislation with EU narcotics regulations and brings Estonian law into compliance with the 1988 UN Drug Convention. The ALNDPSA provides the Estonian Drug Monitoring Center with the authority to collect data on drugs and drug addiction and to establish a national drug treatment registry.

In 2005, the GOE continued implementation of the National Strategy on the Prevention of Drug Dependency 2004-2012. Combating the drug trade and reining in domestic consumption continue to be high priorities for all Estonian law enforcement agencies as well as for several government ministries. Under the current Government Coalition Agreement, which was adopted in April 2005, the GOE has announced it will focus on prevention of drug addiction and HIV/AIDS.

On December 1, 2005, the GOE adopted a national anti-HIV/AIDS strategy for 2006-2015 which aims to bring about a steady downward trend in the spread of HIV as well as to improve the quality of life of people living with the disease. The strategy pays special attention to programs for various at-risk groups, including intravenous drug uses (IDUs).

Corruption. As a matter of government policy, Estonia 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.

Agreements and Treaties. Estonia is 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. Estonia is also party to the 1990 Council of Europe (COE) Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime. The U.S. and Estonia share a 1924 extradition treaty, supplemented in 1934 and an MLAT that entered into force in 1998. Estonia is a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons, and illegal manufacturing and trafficking in firearms.

IV. U.S. Policy Initiatives and Programs

The Road Ahead. The U.S. and Estonia will continue to work together to suppress narcotics trafficking and reduce the drug dependency of drug abusers.

Finland

I. Summary

Finland is not a significant narcotics-producing or trafficking country. However, drug use and drug-related crime has increased over the past decade. Finland's constitution places a strong emphasis on the protection of civil liberties, and this sometimes has a negative effect on law enforcement's ability to investigate and prosecute drug-related crime. Electronic surveillance techniques such as wiretapping are generally prohibited in all but the most serious investigations. Finnish political culture tends to favor demand reduction and rehabilitation efforts over strategies aimed at reducing supply. Police believe increased drug use may be attributable to the wider availability of narcotics in post-cold war Europe, increased experimentation by Finnish youth, cultural de-stigmatization of narcotics use, and insufficient law enforcement resources.

While there is some overland narcotics trafficking across the Russian border, police believe existing border controls are mostly effective in preventing this route from becoming a major trafficking conduit into Finland. Estonian organized crime syndicates are believed responsible for most drug trafficking into Finland. Estonia's accession to the Schengen Treaty has complicated law enforcement efforts to combat narcotics trafficking. Asian crime syndicates have begun to use new air routes between Helsinki and Asian cities like Bangkok to facilitate trafficking-in-persons, and there is some concern that these routes could be used for narcotics trafficking as well. 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 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 the export of narcotics abroad. Estonia, Russia, and Spain are Finland's principal sources for illicit drugs. Finnish law criminalizes the distribution, sale, and transport of narcotics; the GoF cooperates with other countries and international law enforcement organizations regarding extradition and precursor chemical control.

The overall incidence of drug use in Finland remains low (relative to many other western countries); however, drug use has increased over the past decade. Cocaine is rare, but amphetamines, methamphetamine, synthetic "club" drugs, and heroin and heroin-substitutes can be found. Finland has historically had one of Europe's lowest cannabis-use rates, but cannabis seizures have increased since 2004. Police attribute this to new smuggling routes from southern Spain, a popular tourist destination for Finns and home to a Finnish "migr," a kibbutz-like rural community. Ecstasy, GHB, ketamine ("Vitamin K") and other MDMA-type drugs are concentrated among young people and associated with the club culture in Helsinki and other large cities. Social Welfare authorities believe the introduction of GHB and other date rape drugs into Finland has led to an increase in sexual assaults. Finnish law enforcement authorities admit that resource constraints and restrictions on electronic surveillance and undercover police work complicate efforts to penetrate the ecstasy trade. Changing social and cultural attitudes toward drug use also contribute to this phenomenon.

Heroin use began to increase in Finland in the late 1990's, but seizures have declined since 2004. . In August 2005, Finnish Customs at the Vaalimaa Border Station, Finland, which is located at the Russian border seized 55 kilograms of heroin. This is largest reported heroin seizure in Finland's history. Typically, heroin is smuggled to Scandinavia by vehicle using the Balkan route, through

Germany and through Denmark to the rest of Scandinavia. This seizure documents a new route used with Finland being the first point of entry to the EU and Scandinavia.

Abuse of Subutex (buprenorphine) and other heroin-substitutes seems to have replaced heroin abuse to some extent. France remains the major source for Subutex. According to police, French doctors can prescribe up to three weeks supply of Subutex. Finnish couriers travel frequently to France to obtain their supplies which are then resold illegally with a high mark-up. Possession of Subutex is legal in Finland with a doctor's prescription, but Finnish physicians do not readily write prescriptions for Subutex unless patients are actually in a supervised withdrawal program.

According to Finnish law enforcement, there are approximately two dozen organized crime syndicates operating in Finland; most are based in Estonia or Russia. Since Estonia's entry into the Schengen Region, Estonian travelers to Finland are no longer subject to routine inspection at ports-of-entry, making it difficult to intercept narcotics. The police report that a drug dealer in Helsinki can phone a supplier in Tallinn, and within three hours a courier will have arrived in Helsinki via ferry with a shipment of drugs. Although Estonian syndicates control the operations, many of the domestic street-level dealers are Finns. In the past, the Estonian rings primarily smuggled Belgian or Dutch-made ecstasy into Finland, but beginning in 2003, larger quantities of Estonian-produced ecstasy began hitting the Finnish market, although the quality (and market value) is lower. Estonian smugglers also organize the shipment of Moroccan cannabis from Southern Spain to Finland. The police report that cooperation with Estonian law enforcement is excellent, and both countries maintain permanent liaison officers in the other.

Russian organized crime syndicates remain active inside Finland. Russian traffickers based out of St. Petersburg are the primary suppliers of heroin, although Estonians are now active in this area as well. The police are increasingly concerned about Asian crime groups using new air routes from Helsinki to major Asian cities like Bangkok as a narcotics smuggling route. Asian syndicates are already using these routes for trafficking-in-persons. Finland's Frontier Guard will post a permanent liaison officer to Beijing in 2006 to better monitor this phenomenon.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Finland's comprehensive policy statement on illegal drugs was issued in 1998; the statement articulated a zero-tolerance policy regarding narcotics. However, a 2001 law created a system of fines for simple possession offenses rather than jail time. The fine system enjoys widespread popular support and is chiefly used to punish youth found in possession of small quantities of marijuana, hashish, or ecstasy. Some Finnish authorities have expressed concern that this system sends a mixed message to Finns about drug use and would prefer stiffer penalties. There is limited political and public support for demand reduction through stronger punitive measures, however. In 2005, Parliament passed a law expanding the authority of the Frontier Guard to cover the entire country (not just immediate border areas), thereby enhancing the Guard's ability to combat narcotics trafficking.

Law Enforcement Efforts. The police report that arrests and seizures in 2005 remained stable (statistics are not yet available). Law enforcement focuses limited police resources on major narcotics cases and significant traffickers. Finland in 2005 continued its impressive record of multilateral cooperation. Finnish police maintain liaison officers in ten European cities (six in Russia).

Corruption. As a matter of government policy, Finland 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. Finnish officials do not engage in, facilitate, or encourage the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Official corruption is not a problem in Finland. There have

been no arrests or prosecutions of public officials charged with corruption or related offenses linked to narcotics in Finnish history.

Agreements and Treaties. Finland is a party to the 1988 UN Drug Convention, and its legislation is consistent with all the Convention's goals. Finnish judicial authorities are empowered to seize the assets, real and financial, of criminals. Finland is also a party to the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Finland is a party to the UN Convention against Transnational Crime, and is a signatory to the UN Convention Against Corruption. A 1976 bilateral extradition treaty is in force between the United States and Finland. Finland signed the bilateral instrument of the EU-U.S. Extradition Treaty in 2004; however, the Parliament has not yet ratified the treaty, and some Parliamentarians have linked this nonratification to discomfort with certain U.S. rendition practices, which some believe might violate. Finland has also concluded a Customs Mutual Assistance Agreement with the United States. Finland is a member of the major Donor's Group within the Dublin Group. The vast majority of Finland's financial and other assistance to drug-producing and transit countries has been via the UNODC.

Cultivation/Production. There were no reported seizures of indigenously cultivated opium, no recorded diversions of precursor chemicals, and no detection of illicit methamphetamine, cocaine, or LSD laboratories in Finland in 2004; reports for 2005 are not yet available. Finland's climate makes cultivation of cannabis and opium poppy almost impossible. Local cannabis cultivation is believed to be limited to small-scale, indoor hydroponic culture. The distribution of 22 key precursor chemicals listed by international agencies is tightly controlled.

Drug Flow/Transit. Hashish and ecstasy are the drugs most often seized by Finnish police. Finland is not a major transit country for narcotics. Most drugs trafficked into Finland originate in or pass through Estonia. Finnish authorities report that their land border with Russia is well guarded on both sides to ensure that it does not become a major transit route.

Domestic Programs (Demand Reduction). The central government gives substantial autonomy to local governments to address demand reduction using general revenue grants. Finnish schools in 2005 continued to educate students about the dangers of drugs. Finland's national public health service offered 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 illegal drugs. The government was criticized in 2005 for failure to provide adequate access to rehabilitation programs for prison inmates.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives/Bilateral Cooperation. The U.S. has worked with Finland and the other Nordic countries through multilateral organizations in an effort to combat narcotics trafficking in the Nordic-Baltic region. This work has involved U.S. assistance to and cooperation with the Baltic countries and Russia. Finland in 2005 participated in a DEA-sponsored regional drug enforcement seminar.

The Road Ahead. The U.S. anticipates continued close cooperation with Finland in the fight against narcotics. The only limitations to such cooperation will likely be the smaller 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 colonial legacy 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 2004 (latest figures), Government of France (GOF) counternarcotics initiatives in 2005 included increased 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

Cannabis users are the largest group of drug users in France, according to official French statistics. By contrast, users of the next most popular drugs, heroin and cocaine, account for approximately four percent and two percent of users respectively.

The number of fatal drug overdoses decreased in 2004 compared to 2003, continuing a trend that began in 1995 (with the exception of a small up-tick in 2000). There were only 69 deaths due to drug overdose in 2004, compared to 89 in 2003, indicating a 22 percent decrease.

III. Country Actions Against Drugs in 2005

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.

Late in 2004, France launched a five-year action plan called "Programme drogue et toxicomanie" (Drug and Addiction Program) to reduce significantly the prevalence of drug use among the population and lessen the social and health damage caused by the use and trafficking of narcotics. In 2005, as part of that plan, the French Government launched a 38 million euro national information campaign as well as a program to boost France's medical treatment for cannabis and heroin users/addicts. The plan also provided funding (up to 1.2 million euros) for France's contributions to EU and UN counternarcotics programs in four priority areas: Central and Eastern Europe, Africa, Central Asia, and Latin America/Caribbean. While France's bilateral counternarcotics programs focus on the Caribbean basin, special technical bilateral assistance has also been provided to Afghanistan through France's Development Agency (AFD). Ten million euros went to training Afghan

counternarcotics police and to fund a crop substitution program that will boost cotton cultivation in the provinces of Konduz and Balkh.

Law Enforcement Efforts. French counternarcotics authorities are efficient and effective. In 2005, French authorities made several important seizures of narcotics. In addition, they dismantled fifteen drug rings across France, with a total of 90 arrests. French authorities report that France-based drug rings appear to be less and less tied to one product, and are also increasingly involved in other criminal activity such as money laundering and clandestine gambling. Some of the larger 2005 seizures include: On January 3, French Customs stopped a tractor-trailer arriving in France from Spain. A search revealed over 4.5 tons of hashish within a cargo of sand. On January 11, French authorities at the Belgian border seized 14 kilograms of heroin from a Spanish vehicle. On January 17, French authorities seized 15 kilograms of heroin and 1 kilogram of cocaine from the luggage of two passengers as they arrived at the train station in Lille from Belgium. On November 1, Interior Ministry officials carried out a large raid involving over 160 officials. The raid, in the Drome department of southeastern France, led to the seizure of 17.6 kilograms of heroin and yielded 43 arrests. On December 2, French Customs officials at Lyon airport seized 24 kilograms of cocaine hidden in packets of dog biscuits and Chinese noodles. There were several other important seizures throughout France.

Corruption. As a matter of government policy, the Government of France 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.

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. France and the U.S. share an extradition treaty and an MLAT. The U.S. also has a Customs Mutual Assistance Agreement (CMAA) with France. France is a party to the UN Convention Against Corruption, and the UN Convention on Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

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. There are currently 85,000 persons taking Subutex in France now, and 25,000 on methadone.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives/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 (French Central Narcotics Office) have been working together on operations that have resulted in the seizure and/or dismantling of 25 operational, or soon-to-be-operational clandestine MDMA (Ecstasy) laboratories, the arrests of more than 44 individuals worldwide, and 16 lab seizures in the United States, two in France, three in Germany, two in Australia, and one each in Ireland, New Zealand and Spain.

French Naval vessels operating in the eastern Caribbean Sea cooperate with Joint Interagency Task Force South (JIATF-S) by conducting counternarcotics patrols. They have seized several drug-laden vessels. During the spring, French Naval Forces conducted a large counternarcotics operation concurrent with JIATF-S involving several warships northeast of the Leeward Islands in the southern North Atlantic Ocean.

The 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, and look forward to their signing the Caribbean Regional Maritime Counterdrug Agreement.

Georgia

I. Summary

Georgia has the potential to be a transit country for narcotics flowing from Afghanistan to western Europe. In 2004 and 2005, however, there were no transit-size seizures of narcotics. Subutex, a licit pharmaceutical produced in France, is moving from Europe to Georgia and has quickly become the drug of choice for intravenous drug users. Breakaway territories not controlled by Government of Georgia (GOG) South Ossetia and Abkhazia also provide additional routes for drugs flow and other contraband. The GOG has taken steps to make their borders less permeable with USG support. There have been notable improvements in border control on the Black Sea coast with Turkey and along the Russian border. These border control improvements have resulted in an increase in the seizure of contraband goods, and, to a lesser extent, of narcotics. Statistics on seizures, arrests, and prosecutions for narcotics-related crime in the country are poorly kept. Georgia is a party to the 1988 UN Drug Convention and receives assistance from the UN Office for Drug Control and Crime Prevention (UNODC).

II. Status of Country

Georgia's geography and transit status between Europe and Asia make it a potential narcotics trafficking route. Asian-cultivated narcotics destined for Europe probably enter Georgia from Azerbaijan via the Caspian sea and exit through the northern Abkhaz or Southern Ajaran land and water borders. Thinly staffed ports of entry and confusing and restrictive search regulations encourage traffickers to use Trans-International Route trucks as their main means for westward-bound narcotics trafficking in the region. Judging from Ministry of Internal Affairs (MOIA) statistics, there does not appear to have been transit-sized seizure of drugs moving west in 2004 or 2005. There were, however, two smaller seizures of heroin at the Red Bridge crossing point with Azerbaijan in December 2005. Conversely, licit drugs, namely Subutex, are trafficked from Europe in small quantities via used-car trade routes, where vehicles acquired in Western Europe are driven through Greece and Turkey destined for Georgia. There have been public reports of major seizures of Subutex, a synthetic opiate analog used in drug treatment in France, entering the country for domestic consumption. Anecdotal evidence indicates a growing problem. The GOG is working with France to limit the diversion of Subutex to Georgia for abuse.

III. Country Actions Against Drugs in 2005

Law Enforcement Efforts. Arrests for narcotics offenses decreased slightly from 2004 to 2005, though seizures increased. According to the MOIA, its counternarcotics unit uncovered 1,702 drug-related cases, compared to 1,763 in the previous year. According to GOG statistics, heroin, cocaine, marijuana, and raw opium seizures all rose in 2005, but quantities seized were small (raw opium 38 kilograms). Since 2001, the Southern Caucasus Anti-Drug Program has been implementing projects that address the strengthening of interdiction capacities at sea ports and land borders, and the development of compatible systems of intelligence gathering and analysis.

Corruption. After the 2003 Rose revolution, the GOG declared war against corruption and still remains committed to this effort. A considerable number of corrupt former government and law enforcement officials were arrested, their property was confiscated, and large fines were levied. The government is working on civil service, tax and law enforcement reforms aimed at deterring and prosecuting corruption. It is also building a professional police force and streamlining the bureaucracy. As a result of the counter corruption campaign, the head of a police sub-station, and some customs

employees were arrested and charged for bribery. A number of policemen and high-ranking officials, including the Georgian Consul to Ivory Coast and an employee of Chamber of Control were also recently arrested for drug trade in Georgia. Georgia is not a party to the UN Convention against 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 the 1972 Protocol. Georgia has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime.

Cultivation and Production. Given the small amount of low-grade cannabis grown for domestic use, Georgia does not appear to be a significant producer of narcotics. There is no other known narcotics crop or synthetic drug production in Georgia. Although Georgia has the technical potential to produce precursor chemicals, it has no known capacity for presently producing in significant quantities.

Drug Flow/Transit. The GOG has no reliable statistics on the volume of drugs transiting through Georgia. MOIA figures appear to indicate the absence of transit size seizures in 2004 and 2005. Prices for drugs in Georgia are currently estimated at the wholesale price of $100-$120 for one gram of heroin. The decrease in price for heroin was (in 2004 it was $150-$200) mainly caused by emergence of a new synthetic drug on Georgian Market—Subutex. According to law enforcement officials, Subutex appears to have replaced heroin as the main intravenous drug of choice: 65 percent of drug addicts have switched to Subutex in the last 3 years. One tablet of Subutex can be dissolved into an injectable solution for seven to eight people. One "hit" costs approximately $12-$15.

Demand Reduction. There are no widely accepted figures for drug dependency in Georgia. Press reports indicate at least 350,000 drug users in Georgia during 2005; the government puts the number at 240,000. Any increase in drug consumption is probably due to the growing popularity of Subutex.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2005, the USG continued assistance on procuracy reform, anticorruption efforts, money laundering, writing a new criminal procedure code, upgrading the forensics lab, remodeling the police academy and introducing a new curriculum, fighting human trafficking, and equipping the patrol police with modern communication equipment.

The Road Ahead. The GOG is capable of fighting the transit of narcotics through its territory. Ongoing efforts by the USG to help the GOG to strengthen its borders have already resulted in some narcotics seizures and indicate a greater willingness by the GOG to address drug trafficking at entry points.

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 2005, Germany continued to implement its Action Plan on Drugs and Addiction launched in 2003, with a specific focus on prevention. Cannabis is the most commonly consumed illicit drug in Germany. Continuing a trend from recent years, the consumption of amphetamines and cannabis increased in 2004. The use of cocaine and ecstasy also rose in 2004, whereas the use of heroin decreased slightly. In the first half of 2005, the numbers of drug-related deaths were up only 1.3 percent over the figures for the first half of 2004. The number of first-time users of illicit drugs dropped 6 percent in the first half of 2005 compared to the first half of 2004. Organized crime continued to be heavily engaged in narcotics trafficking. The number of drug-related crimes has increased continuously in the last ten years, with a rise of 11 percent in 2004, compared to 2 percent in 2003. Germany is a party to the 1988 UN Drug Convention. The Federal Criminal Investigative Service (BKA) publishes an annual narcotics report on illicit drug related crimes, including data on seizures, drug flows, and consumption. Their report was a key source document for this report. The most recent complete German drug statistics available cover the year 2004, although a few series are available covering the first half of 2005.

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. Ecstasy transits from the Netherlands through Germany to Eastern and Southern Europe. Heroin transits Germany from Eastern Europe via the Balkan route to Western Europe, especially the Netherlands. Cocaine transits through Germany from South America, the Netherlands, and for the first time in 2004 to a more than marginal degree from African states, such as Ghana and Nigeria. Germany is a major manufacturer of pharmaceuticals, making it a potential source for precursor chemicals used in the production of illicit narcotics.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Germany continues to implement the Health Ministry's "Action Plan on Drugs and Addiction" adopted by the cabinet in 2003. The action plan establishes a comprehensive multi-year strategy to combat narcotics. The key pillars are (1) prevention, (2) therapy and counseling, (3) survival aid as immediate remedy for drug-addicts, and (4) interdiction and supply reduction. The National Drug Commissioner at the Federal Health Ministry continues to coordinate Germany's national drug policy. A new Drug Commissioner was nominated in November 2005 after the parliamentary elections September 18. The agreement of the new CDU/CSU—SPD coalition that took power in November 2005 lists key policy issues of the new German government and confirms the action plan as the new Coalition's counternarcotics strategy.

Law Enforcement Efforts. German law enforcement agencies scored numerous successes in seizing illicit narcotics and arresting suspected drug dealers. The number of cases of cocaine, opium, heroin, amphetamine, and ecstasy seizures increased in the first half of 2005 compared to the first half of 2004, while the numbers of crack (Crystal Form of Cocaine) seizures dropped; the amounts of cocaine and crack seized rose, while the amounts of heroin, opium, amphetamine, and ecstasy seized went down. German law enforcement agencies scored numerous successes in seizing illicit narcotics and

arresting suspected drug dealers. The Customs Criminal Police established a telephone hotline in March 2005 for anonymous tips regarding illegal smuggling of goods, including narcotics. According to the Customs Criminal Police, since establishment of the hotline callers have provided useful tips for a number of investigations. In one of the largest German narcotics trafficking investigations of the last 50 years, the State Criminal Investigative Service of North Rhine-Westphalia disrupted a ring of Lebanese cocaine traffickers with world-wide operations after a four year investigation. Brazilian officials arrested twenty ringleaders in Sao Paulo, Brazil, in July 2005. Since the beginning of the investigation in 2001, law enforcement agencies in several EU countries have arrested over 200 members of this ring, and seized 1100 kilograms of cocaine, worth over 110 million Euros.

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

Agreements and Treaties. A 1978 extradition treaty and a 1986 supplement treaty are 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 Bundestag is expected to ratify in 2006. The MLAT has also been sent to the U.S. Senate for ratification. In addition, the U.S.-EU Agreement on Mutual Legal Assistance and Extradition is expected to improve further the U.S.-German legal cooperation. Negotiations on the U.S.-German implementing instrument to the U.S.-EU MLAT were concluded in January 2006 and the instrument is expected to be signed later in 2006. The U.S.-German MLAT and the U.S.-EU Agreements on Mutual Legal Assistance and Extradition, once they are ratified and implemented, will simplify and expedite law enforcement cooperation. 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 signed the UN Convention against Transnational Organized Crime, and the UN Convention against Corruption. Ratification of both conventions is pending.

Cultivation and Production. Germany is not a significant producer of hashish or marijuana. The BKA statistics reported that all ten synthetic drug labs seized in Germany in 2004 were small and not equipped for large 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 and from Africa to and through Germany 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 trans-shipment point for ecstasy destined to the U.S. and other drugs coming into 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 other prevention programs. Addiction therapy programs focus on drug-free treatment, psychological counseling, and substitution therapy. Results of a heroin-based treatment pilot project to treat seriously ill, long-term opiate addicts are expected in 2006.

In 2005, there were 25 "drug consumption rooms" in Germany supplementing therapy programs to offer so called "survival aid." German Federal law requires personnel at these sites to provide medical counseling and other professional help, and to supervise the addicts to assure an orderly process, while they take a medically approved dosage of their drug of abuse. The 2004 International Narcotics Control Board (INCB) Annual Report noted that the establishment of "drug injection rooms" raises "legal and ethical" issues as they are "legal facilities for the purpose of facilitating behavior that is

both illegal and damaging." In July 2005, the second German-French working conference hosted by the French and German Drug Commissioners was held in France to discuss cross-border cooperation to prevent the consumption of cannabis and to treat cannabis addicts. Germany and Switzerland are conducting a bilateral assistance project called "Realize it" to help juvenile cannabis consumers to stop using the drug. Germany, together with four other European countries, also participates in a research project on the treatment of young cannabis addicts.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. German agencies routinely work very closely with their U.S. counterparts in joint investigations, using the full range of investigative measures, such as undercover operations. German-U.S. cooperation to stop diversion of chemical precursors for cocaine production continues to be close (e.g., Operations "Purple" and "Topaz"). A DEA liaison officer is generally 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.

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

Greece

I. Summary

Greece is a "gateway" country in the transit of illicit drugs. Although not a major transit country for drugs headed for the United States, Greece is part of the traditional "Balkan Route" for drugs flowing from drug producing countries in the east to drug consuming countries in 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. The DEA and Hellenic Authorities conducted numerous counternarcotics investigations during the year, which resulted in significant arrests, narcotics seizures, and the dismantling of major drug trafficking organizations. A number of judges were charged and at least nine were dismissed for allegedly taking bribes in exchange for favorable judgments or early prison release of defendants, including accused drug traffickers. Greece is a party to the 1988 UN Drug Convention.

II. Status of Country

With an extensive coastline border, numerous islands, and land borders with other countries through which drugs are transported, Greece's geography has established it as a favored drug transshipment country on the route to Western Europe. Greece is also home to the world's largest merchant marine fleet. It is estimated that Greek firms own one out of every six cargo vessels and control 20-25 percent of cargo shipments worldwide. The utilization of cargo vessels is the cheapest, fastest and most secure method to transport multi-ton quantities of cocaine from South America to distribution centers in Europe and the United States. Greece is not a significant source country for illicit drug production, although marijuana cultivation operations have increased slightly. The marijuana that is produced in Greece is usually destined for the domestic market. Hellenic Authorities recently arrested an individual who was mailing anabolic steroids, which were later found to have originated in Russia, from Greece to the United States. (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 2005

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 eventually eliminate the ability of drug trafficking organizations to operate in the region.

Law Enforcement Efforts. Several notable joint U.S./Hellenic counternarcotics investigations occurred during 2005 with significant arrests and seizures. Following a two-year investigation, the DEA, in cooperation with Hellenic and Macedonian authorities, seized 6,500 kilograms of hashish and 1,088 kilograms of ephedrine in January 2005. The hashish and ephedrine were co-mingled in a containerized shipment of rice, which originated in Pakistan. The hashish was destined for North America, while the ephedrine was destined for Southeast Asia. In October 2005, the DEA and Hellenic Authorities dismantled a marijuana trafficking organization that was responsible for distributing metric ton quantities of marijuana throughout Greece for over a decade and was growing marijuana in greenhouses in Central Greece. Hellenic Authorities executed search warrants on the greenhouses and several residences used by the organization, resulting in the arrest of six individuals and the seizure of 840 marijuana plants, 105 kilograms of processed marijuana, 21 kilograms of

marijuana seeds, scales and packaging materials. According to Hellenic Authorities, this was the largest marijuana cultivation operation ever seized in Greece. The Hellenic National Police reported that through November 2005, 10,204 kilograms of hashish, 278 kilograms of heroin, and 39 kilograms of cocaine were seized by authorities, and 11,411 individuals were arrested in connection with the above seizures.

Narcotics seizures increased considerably in 2005. In November, authorities in the Western Macedonia region reported seizing three times the hashish seized in 2004. National seizures of heroine and cocaine were also reported to have increased over 2004 seizures. 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. 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.

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 nine judges were dismissed and as many as 50 judges are being prosecuted for allegedly taking bribes in exchange for favorable judgments or early prison release for a variety of defendants, including accused drug traffickers. As a matter of government policy, Greece neither encourages nor facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances or 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, and the 1961 UN Single Convention 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 and an extradition treaty between the U.S. and Greece are in force. 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 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 part of the "Balkan Route" and as such is a transshipment country 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. 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 Trans-International Route trucks, in automobiles, on trains, and in buses. 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 significant amounts of narcotics are entering the United States from Greece.

Domestic Programs (Demand Reduction). Drug addiction continues to climb in Greece. According to the National Documentation Center for Narcotics and Addiction run by the Mental Health Research Institute of the Medical School of the University of Athens, 8.6 percent of the Greek population between 12 and 64 years of age report that they have used an illegal substance one or more times in

their life. The most commonly used substances are chemical solvents, and marijuana and heroin. There has been 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 of whom about 19,000 are addicted to heroin, with the addict population growing.

The Organization Against Narcotics (OKANA) is the state agency that coordinates all national treatment policy in Greece. It has the capacity to treat 3,923 persons in 40 therapeutic rehabilitation centers, of which 25 offer "drug free" programs, seven offer methadone substitution programs, and 8 offer buprenophine substitution programs. The average number of addicts treated in 2004 was 2,783, and the total number of those who received therapeutic treatment was 5,160. OKANA has 64 prevention centers in 47 of the 52 regions in Greece, and treated 1,824 addicts in "drug free" therapeutic programs in 2004, down from 1,967 in 2003. About 3,000 persons have been registered in waiting lists for substitution programs. OKANA plans to extend its 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. In June 2005, the Mayor of Athens, in collaboration with the national broadcasting organization and the drug rehabilitation organization KETHEA, presented plans for a new rehabilitation/detoxification center to be opened in Athens.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2005, an American Professor of Clinical Psychiatry and Director of the Center for Criminality & Addiction Research, Training & Application at UC San Diego was awarded a Fulbright scholarship to develop curricula and direct workforce development trainings for treatment of addiction.

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

Hungary

I. Summary

Hungary continues to be a primary narcotics transit country between Southwest Asia and Western Europe, due to its unique combination of geographic location, a modern transportation system, and the unsettled political and social climate in the former Yugoslavia. Since the collapse of communism, Hungary has transformed into a significant consumer of narcotics as well. Drug abuse, particularly among persons under 40 years of age, rose dramatically during the 1990s and continues to increase. The illicit drugs of choice in Hungary are heroin, marijuana, amphetamines, and ecstasy (MDMA). In addition, the abuse of opium poppy straw, barbiturates and prescription drugs containing benzodiazepine is growing. In the lead-up to its accession to the European Union in May 2004, Hungary adopted and amended much of its narcotics-related legislation to ensure harmonization with relevant EU narcotics law. Since 2004, the Ministry of Youth, Family, Social Affairs and Equal Opportunity has held primacy over all matters related to narcotics issues. Hungary continues to expand efforts to collect narcotics data. The center to collect data 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

Throughout 2005, Hungary continued to be a major transit route for illegal narcotics smuggling from Southwest Asia and the Balkans into Western Europe. Traditional routes in the Balkans that had been disrupted due to instability in the Former Republic of Yugoslavia are again being utilized to transport narcotics. Hungarian Ministry of Interior and Border Guard officials reported narcotics smuggling to be especially active across the Ukrainian, Romanian and Serbian borders. Foreign organized crime, particularly those from Albania, Turkey, and Nigeria, control the transit and sale of narcotics in Hungary. Concurrently, Hungarian drug suppliers and criminal networks are getting stronger as well 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 2005

Policy Initiatives. 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 nongovernmental organizations. The objective is to create local drug strategies, customized for local needs. As of December 2005, there were 96 counternarcotics fora throughout Hungary. The GOH has employed programs for combating drug use at schools since 1992, however, given the shortage of police trainers and funding, there is a continuing increase in drug dealing at schools. Research findings from the National Drug Data Collection Center and the Ministry of Youth, Family, Social Affairs and Equal Opportunity indicate that the share of those experimenting and using drugs is on a steady increase. One in five youths (1/3 who are under age 14) have tried marijuana. The drugs of choice are marijuana, ecstasy, and to a lesser extent LSD.

Accomplishments. Expanded investigative authorities and cooperation between the Hungarian Border Guards and the Hungarian National Police, coupled with investigative agreements with neighboring countries, have also played a significant role in increasing Hungary's ability to interdict shipments of

narcotics. Despite these successes, Hungary continues to be a significant transshipment point for narcotics destined for, and sent from, Western Europe.

Law Enforcement Efforts. Close cooperation continued in 2005 between the Hungarian Border Guards and the Hungarian National Police. Subsequent to the accession of Hungary to the European Union, the Hungarian Ministry of Interior had prepared a unified drug interdiction strategy for the Hungarian National Police and Border Guards for the period 2005-2012 in line with the requirements of the EU drug strategy. The stated goals of this strategy are to (1) guarantee the security of the society, (2) combat the illegal production and smuggling of drugs and precursors, (3) facilitate joint actions with the EU member countries, and (4) to combat production, trading and consumption of synthetic drugs. Nevertheless, the number of criminal drug cases has continued to increase dramatically. Much of the increase is attributed to the transition from penalty-based court and social systems to treatment-based court and social systems that are alleged to have eliminated negative individual consequences for drug use. Seizures of ecstasy and cocaine continued to increase between 2004 and 2005.

Corruption. As a matter of government policy, Hungary neither encourages nor facilitates the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. The Hungarian government enforces its laws against corruption aggressively, and takes administrative steps (e.g., re-assignment of border guards) to reduce the temptation for corruption whenever it can. A challenge to determining the scope and success of Hungarian efforts to combat corruption is the treatment of corruption-related information and prosecution as classified national security information.

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. Hungary is a party to the UN Convention against Corruption, and has signed the UN Convention against Transnational Organized Crime. An extradition treaty and MLAT are in force between the U.S. and Hungary. Ratification of the UN Convention against Transnational Organized Crime is expected in 2006.

Cultivation/Production. GOH authorities report that marijuana is cultivated in Western Hungary. Ecstasy (MDMA) and LSD may also be manufactured locally. However, to date no production laboratories have been discovered. All other illegal narcotics are smuggled into Hungary.

Drug Flow/Transit. Albanians, Turks and Nigerians, who have been resident in Hungary for many years, are involved in drug trafficking in Hungary. Budapest's Ferihegy international airport continues to be an important stop for cocaine transit from South America to Europe. Synthetic drugs such as ecstasy (MDMA) are transported into Hungary, frequently via car, from the Netherlands and other Western European countries.

Domestic Programs. Hungarian ministry officials report the domestic drug problem continues to be significantly higher among youth between the ages of 12-25. As a result, drug prevention programs are taught to teachers as part of their normal educational training within the educational system. The life skills program is the largest of the counternarcotics programs and was developed in the early nineties with USIA assistance. Through 2005, the fifteen year program has trained nearly 12,000 teachers and educators. Community-based prevention efforts are primarily focused on the teen/twenties age group and provide information about the dangers of substance abuse, while emphasizing active and productive lifestyles as a way of limiting exposure to drugs. Within Hungary there are approximately 230 healthcare institutions that care for drug patients. The Ministry of Health continues to establish and fund drug outpatient clinics in regions where such institutes are not yet available. By 2005, only one region (out of nineteen) in Hungary still did not have a drug outpatient clinic. 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 traffickers often escaped prosecution. The amendment allows police, prosecutors, and judges to place drug users in a 6-month government-funded treatment or counseling program instead of prison. Drug addicts are encouraged to attend treatment centers while casual users are directed to the prevention and education programs. The amendment also provides judges with more alternatives and flexibility when sentencing drug users. Due to the continuing increase in the rate of drug use, as well as drug-related crime in Hungary, the GOH has become dissatisfied with the results of the treatment-focused system and is currently considering a return to the punishment-based deterrence system. As a result, beginning in December 2004, the constitutional court began to scale back treatment programs and focus again on prison sentences. However, the State Secretary for Drug Affairs has reconfirmed her commitment to alternative treatment programs. In 2005, the GOH continued to provide access to several needle exchange dispensers in Budapest to guarantee inexpensive, sterile needles for drug users.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The primary USG focus in support of the GOH counternarcotics efforts is through training and cooperative education at the ILEA. In addition, DEA maintains a regional office in Vienna that is accredited to Hungary and works with local and national Hungarian authorities.

The Road Ahead. The USG continues to support and encourage Hungarian legislative efforts to stiffen criminal penalties for drug trafficking offenses, and will continue to support the GOH law enforcement efforts through training programs and seminars at ILEA, as well as through specialized in-country programs. The DEA office in Vienna continues its cooperative efforts with the Hungarian National Police to streamline the flow of actionable investigative information.

Iceland

I. Summary

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

II. Status of Country

Illegal drugs and precursor chemicals are not produced in significant quantities in Iceland. The harsh climate and lack of arable soil make the outdoor cultivation of drug crops almost impossible. Icelandic authorities believe that the production of drugs, to the extent it exists, is limited to marijuana plants—now grown in quantities adequate to satisfy virtually all domestic demand, and the occasional small-time amphetamine laboratory. In late December 2005 police confirmed that they had heard of Icelandic marijuana on the market in Copenhagen, but no further information was available regarding this apparently new phenomenon. 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 past two years as part of a trend of stimulant drug use that also involved heightened levels of cocaine in circulation. According to authorities there were 87 cases of importation of drugs and precursors in 2005 (latest available National Commissioner of Police figures).

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 during their school years than did earlier cohorts. Appraisals of Reykjavik in 2004 and 2005 by the Icelandic Center for Social Research and Analysis, a nonprofit research center that specializes in youth research, supported a conclusion that drug use in Iceland has declined.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Public Health Institute of Iceland, established in 2003, is responsible for alcohol and drug abuse prevention programs on behalf of the government. 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.

Programs are funded through an alcohol tax, with allocations overseen by the independent national Alcohol and Drug Abuse Prevention Council (ADAPC). The institute collects data; disseminates information on use of intoxicants; supports health improvement projects; and funds and advises local governments and nongovernmental organizations working primarily in prevention. During the year the institute made grants worth $485,000 to a total of 52 groups and projects across the country.

Reykjavik Customs continued with a national drug education program developed in 1999 and formalized in an agreement with the state (Lutheran) church in 2003. As part of the program, 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. Customs officials also use the meetings to distribute an educational multimedia CD dealing with drug awareness.

In spring 2005, European Cities against Drugs launched a new Europe-wide drug prevention program geared toward teenagers that is based on the conclusions of an Icelandic research program on drug prevention. The Icelandic program, Drug Free Iceland 1997-2002, was launched by the City of Reykjavik and resulted in a substantial reduction in teen drug use between 1998 and 2004. The European program, Youth in Europe, will be based on key results from the Icelandic project and emphasize the importance of organized leisure activities, as well as time spent with parents, as the Icelandic study showed that these reduced the likelihood of drug use. The program will study drug use in 10 European cities, compare different prevention methods, and attempt to motivate institutions, authorities, schools and the urban public to confront the drug menace. The program is sponsored by the pharmaceutical company Actavis Group, headquartered in Iceland, and is administered and coordinated by the City of Reykjavik, the University of Iceland, and Reykjavik University. A Reykjavik city council member and a medical doctor head the program's steering committee, and the President of Iceland, Mr. Olafur Ragnar Grimsson, is the honorary "patron" of the project.

Law Enforcement Efforts. Through November 2005, Keflavik Airport (KEF) authorities made 33 seizures of controlled narcotics compared to 60 for the same period in 2004. Authorities have documented a substantial upward trend in narcotics apprehensions in Iceland over the past several years (from 1,385 in 2003, to 1,671 in 2004, and 1,754 as of December 13, 2005). While one explanation may be escalating drug use, that runs counter to survey results, reported above. Another explanation is increased enforcement against possession. Police nationwide have intensified surveillance in public places and initiated searches of suspicious individuals. Nationwide drug seizure enforcement highlights include:

- In January, KEF Customs arrested two men after finding 4 kilograms of amphetamines concealed in a hidden compartment in a suitcase. This is the largest amount of amphetamines ever confiscated at one time at KEF.
- In January and May, a Norwegian Customs expert in training drug-sniffing dogs conducted courses for Icelandic police and customs officials. Authorities contend that the dogs' success rate in finding narcotics has significantly improved since the adoption of Norwegian methods. 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. Police credit their stricter law enforcement and the deployment of the drug-sniffing dogs for approximately 100 arrests made at the festival, a large increase from previous years.
- In March, KEF police seized 800 grams of cocaine from a woman in her sixties who had hidden it in a wig.
- In May and June, Reykjavik District Court convicted nine people in connection with one of the most wide-ranging narcotics cases in the history of Iceland, involving the smuggling of approximately 7.7 kilograms of amphetamines and 2,000 doses of LSD on a cargo ship. The defendants received punishments ranging from a fine to six-and-a-half years in prison (later reduced by the Supreme Court to four years in return for the defendants' cooperation with the investigation). Icelandic police discovered an additional 4,000 doses of LSD in a suitcase. The suitcase belonged to one of the defendants in the cargo ship smuggling incident. It had been seized by Dutch authorities from the defendant's apartment in the Netherlands. Dutch authorities simply overlooked the secreted drugs. This surprising find resulted in the single largest confiscation of LSD ever in Iceland.

- In June, an Icelandic court sentenced two Lithuanians to three years in prison for smuggling 4 kilograms of amphetamines to Iceland on a passenger ferry arriving in Seydisfjordur (East Iceland) from Denmark via the Faeroe Islands. The men had hidden the drug in a specially outfitted storage space inside a beam under their vehicle.
- Also in June, five men and a woman were sentenced to one to two years in prison for attempting to smuggle 1,000 ecstasy pills and 130 grams of cocaine, which they had concealed in hollow candles, in through KEF.
- In December, KEF security arrested a man with 3 kilograms of hashish in his suitcase, the largest amount seized at the airport this year.
- In December, police arrested a man in southern Iceland on charges of possessing 165 cannabis plants and about 5 kilograms of marijuana.

Despite the increased number of violations, law enforcement expects the total amount of narcotics seized to be lower overall. The amount of amphetamines authorities expect to have seized at year's end will be almost the same as in 2004 or about 16 kilograms. During the year, police seized at least 1,200 ecstasy pills, down from around 7,500 seized in 2004; and confiscated approximately 3,200 cannabis plants, almost as many as in the previous four years combined (latest available National Commissioner of Police figures). Through November, KEF authorities seized a total of 2.7 kilograms of hashish, 800 grams of cocaine, and 3.9 kilograms of amphetamines

The National Police Commissioner has expressed concern about attempts at infiltration by Eastern European gangs and criminals from the Baltic States. In the past, police have cooperated with Nordic officials to prevent the entry of biker gang members supposedly attempting to import their criminal operations into Iceland; there were no new biker gang incidents this year.

Corruption. 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 as amended by its 1972 Protocol. Iceland has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. An extradition treaty is in force between the U.S. and 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 cocaine), and particularly amphetamines are popular on the capital region's weekend club scene. Most alcohol and drug abuse treatment is taken on by the National Center of Addiction Medicine (SAA). 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 addicts, especially men, there are none for teenagers. SAA's main treatment center estimate for the number of admitted patients in 2005 is around 2,100, which is down by several hundred from previous

years. SAA has had to reduce some services due to rising costs in excess of government funding. Its emergency reception center closed at the beginning of 2005 due to lack of funding but reopened in early December 2005 after receiving a promise of private funding from seven Icelandic corporations. Some 300 drug addicts annually (often those with complicating psychiatric illnesses) go to the National-University Hospital. In addition, 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. The DEA office in Copenhagen and the Regional Security Office in Reykjavik have a good working relationship with Icelandic law enforcement personnel for the purpose of cooperating on narcotics investigations and interdiction of shipments. In the past year the Embassy's Regional Security Office has worked closely with the Icelandic Border Police on implementing advanced screening techniques, scrutinizing identity documents, and developing intelligence on traffickers. The USG's goal is to maintain the good bilateral law enforcement relationship that has facilitated the exchange of intelligence and cooperation in narcotics cases.

The Road Ahead. The U.S. will continue efforts to strengthen exchange and training programs to further improve law enforcement 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 continued its upward trend. Seizures have also increased as traffickers attempt to import drugs in larger quantities. The GOI's National Drug Strategy aims 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, but 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 2004, officials found a quantity of precursors intended to manufacture around Euro 500 million worth of ecstasy and amphetamines.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The GOI continued to implement 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 released the results and recommendations of this review in June 2005. It found that 49 of the 100 actions set out in the strategy published in 2001 are completed or almost so, progress has been made in 45 of them, and six need considerably more progress. The review made rehabilitation of drug users a fifth pillar of the strategy, and recommended greater availability of needle exchanges and increased resources for community policing. A Working Group was set up to develop a strategy for the provision of integrated drug rehabilitation services. The GOI announced a National Drug-Related Deaths Index on September 27. The index will provide an accurate estimate of people who die directly from drugs and an accurate estimate of people who die as a result of the consequences of drug use.

Accomplishments. Seizures in 2003 had reached Euro 121 million, three times the goal set in the National Drug Strategy for that year. (Figures for 2004 and 2005 are not yet available). 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, which in one such case resulted in the arrest in Spain of 11 people and the seizure of over four tons of cocaine, worth an

estimated Euro 330 million. Authorities believe the cocaine was intended for distribution to other European countries, including Ireland.

Law Enforcement Efforts. Although official statistics are not yet available for 2005, 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 (NDU) each year. The NDU's arrests tend to include most of the large seizures, but local police also have had success. For example, in 2005 the local police in Limerick seized various narcotics totaling over Euro five million, including a May 13 seizure of 150 kilograms of cannabis resin with an estimated market value of over Euro one million. Each year, 60-65 percent of arrests for drug-related offenses nationwide tend to be for simple possession, 20-25 percent are for possession with the intention to sell, and the remainder of arrests are related to obstructing drug arrests or forging prescriptions.

During 2005, arrests and prosecutions included the seizure on March 22, of 200 kilograms of cannabis with an estimated street value of Euro 1.5 million during a search of a house in the Malahide area of Dublin. A man jailed in April 2004 for possession of nearly Euro 16 million worth of cocaine and cannabis had his prison sentence increased from five to seven years by the Court of Criminal Appeal in March. A man who was caught by police with Euro 108,000 worth of heroin and cocaine in 2004 was jailed for six years by the Dublin Circuit Criminal Court. In July 2005, three men were arrested following the seizure of 20 kilograms of cocaine, worth Euro 1.5 million, in Portlaoise. In August 2005, a truck driver, found in possession of cannabis and cocaine with a combined value of over Euro 15 million was jailed for 10 years at Dublin Circuit Criminal Court. In August 2005, the NDU recovered cocaine worth Euro 4.5 million in a raid on a house in Dublin. Police believe that a major drug gang used the house as a base to prepare, mix and package an average of eight kilograms of uncut cocaine every two weeks for the past year for distribution across south Dublin. The cocaine recovered had a purity of almost 80 percent, compared to the average street-level purity of between 25 percent and 30 percent. In August 2005, as part of the result of an ongoing investigation, police and customs officials seized 1.2 tons of cannabis resin in Kildare valued at Euro 10 million. This resulted in the arrest and detention of three Irish men and a Spaniard under Section 2 of the Drug Trafficking Act. In Dublin, on the same day, police seized some 20 kilograms of cocaine, worth Euro 1.5 million. In October 2005, during a planned raid on a crack manufacturing operation in Dublin, police seized 900g of cocaine, 300g of crack cocaine and drug paraphernalia. The drugs had an estimated street value of Euro 150,000. On the same day, police and customs service officers seized 15 kilograms of cocaine, worth Euro 1.2 million, from baggage at Dublin airport, and arrested two women in a follow-up operation.

Corruption. As a matter of government policy, 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. An MLAT between the United States and Ireland, signed in January 2001, is now in force. An extradition treaty between Ireland and the United States is also 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 has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

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

Drug Flow/Transit. Among drug abusers in Ireland, cocaine, cannabis, amphetamines, ecstasy (MDMA), and heroin are the drugs of choice. A Council of Europe report on organized crime, published in January, said Ireland had the highest rate of ecstasy and amphetamine use in Europe and the second highest rate of cocaine abuse. The UN Office on Drugs and Crime (UNODC) World Drug Report 2005, published in June, placed Ireland in joint third place (out of 30 European countries) for cocaine use and in joint sixth place for ecstasy use. 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 sites. 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. Four pilot projects to tackle cocaine use were announced in January 2005, following a number of reports which indicate that abuse of the drug has increased substantially in recent years. The four projects are aimed at different types of drug users in Dublin's inner city and Tallaght and will differ in their approaches to dealing with cocaine abuse. The projects will include diversionary therapies aimed at mainly intravenous users, group drug counseling, individual drug counseling, and cognitive behavior therapy.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. In 2005, 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 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, continues 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 domestically and internationally. The Berlusconi government continues its strong counternarcotics stand with capable Italian law enforcement agencies. Italy is a consumer country and a major transit point for heroin coming from the Near East and southwest Asia through the Balkans as well as for cocaine originating from South America enroute to western/central Europe. 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, cocaine, and hashish. Possession of small amounts of illegal drugs is an administrative, not a criminal, offense, but drug traffickers are subject to stringent penalties. 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. Law enforcement agencies with a counternarcotics mandate are effective.

III. Country Actions Against Drugs in 2005

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 of abusers. A draft law submitted to Parliament in late 2003 would change this approach, eliminating the legal distinction between hard and soft drug use as well as decreasing the tolerance for possession of a "moderate quantity" of drugs, making possession and personal use of drugs illegal. At a 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, including 6-20 years in prison, and fines ranging from $22,000 to over $220,000. Deliberations on this law began in 2004 and continued through 2005 in the Senate Justice Committee. At the multilateral level, Italy contributed $12 million to the UN Office for Drug Control and Crime Prevention (UNODC), making it one of the largest donors to the UNODC budget. Italy also supported U.S. key objectives at the UN commission on narcotic drugs.

Law Enforcement Efforts. Comparing data from January to October 2005, seizures of cocaine and hashish have increased, while those of heroin and marijuana have decreased. As of October 2005, the Italian police apprehended 18,000 people on narcotics-related offenses and seized approximately 27,000 kilograms of narcotics (1,168.4 kilograms of heroin; 3,714.4 kilograms of cocaine; 19.947.5 kilograms of hashish; and 2,024.1 kilograms of marijuana) and 284,310 MDMA tablets. The major nationalities of those arrested were Moroccan, Tunisian, Albanian, Algerian, Nigerian, Spanish, Senegalese, and Colombian.

In October 2005, the Italian police led an international drug bust involving five countries (Italy, Spain, Argentina, France, and the Netherlands) that netted about 1.5 tons of cocaine and over 120,000 ecstasy tablets; at least 60 people were arrested. Also in October, the Italian Carabinieri (military police) busted an organized crime-led international drug trafficking network based in southern Italy. Over 40

individuals were arrested and about 100 others were put under investigation. The fight against drugs is a major priority of the National Police, Carabinieri, and financial police counternarcotics units. The counternarcotics units of the three national police services are 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 19 drug liaison officers in 18 countries that focus on major traffickers and their organizations. Additional drug liaison positions were created in 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). During a two-year investigation leading to a major drug bust in early 2005, Italian officials confirmed working links on drug trafficking between the Mafia, N,dragheta, and Camorra.

Additional narcotics trafficking groups are Nigerian, Albanian, 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 e-mail accounts, undercover operations and controlled deliveries under certain circumstances. Adequate financial resources, money laundering laws, and asset seizure/forfeiture laws help ensure the effectiveness of these efforts.

Corruption. As a matter of government policy, Italy does 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 in Italy although it rarely rises to the national level and it does not compromise investigations. When a corrupt law enforcement officer is discovered, authorities take appropriate action. Penalties range from 6 months to 5 years in prison, depending on the charge.

Agreements and Treaties. Italy is a party to the 1961 UN Single Convention as amended by its 1972 Protocol, as well as the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Italy has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime, which is still being examined by the Justice Ministry. Italy has signed, but has not yet ratified 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 and the U.S. have concluded negotiations on the instruments to implement the U.S.-EU treaties, and it is expected that they will be signed in early 2006.

Cultivation/Production. There is no known cultivation of narcotics plants in Italy, although small-scale marijuana production in remote areas does exist, but is mainly for domestic consumption. No heroin laboratories or processing sites have been discovered in Italy since 1992. 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. A large percentage of all heroin seized in Italy comes via Albania. 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. Albania is a source country for marijuana destined for Italy. During 2002-2004, Italian law enforcement agencies seized 15, 907 kilograms of marijuana originating in Albania. Italian seizures of Albanian marijuana in 2004 (801 kilograms) were significantly lower than 2003 levels (9,258 kilograms).

Almost all cocaine found in Italy originates with Colombian and other South American criminal groups and is managed in Italy mainly by Calabrian-based organized crime groups. Multi-hundred kilogram shipments enter Italy via several seaports concealed in commercial cargo. Although the traditional Atlantic trafficking route is still in use, stepped-up international scrutiny and cooperation are forcing traffickers to use alternative avenues. Italian officials have detected traffickers using transit ports in Nigeria, Togo, and Ghana where drugs are off-loaded to smaller fishing vessels that ultimately reach Spain and other Mediterranean approaches. Cocaine shipments off-loaded in Spain and the Netherlands are eventually transported to Italy and other European countries by means of vehicles. Smaller amounts of cocaine consisting of grams to multi-kilogram (usually concealed in luggage) enter Italy via express parcels or airline couriers traveling from South America.

Ecstasy found in Italy primarily originates in the Netherlands and is usually smuggled into the country by means of couriers utilizing commercial airlines, trains or vehicles. Italy is also used 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 to couriers in Amsterdam concealed in luggage. The couriers then travel by train or airline to Italy facilitated by the EU's open borders. Once in Italy, the couriers are provided an originating airline ticket from Italy to the U.S. disguising the couriers, recent travel from a source country, thereby reducing the chance of scrutiny by law enforcement authorities in the U.S.

Hashish comes predominantly from Morocco through Spain, entering the Iberian Peninsula (and the rest of Europe) via sea access points using fast boats. Hashish also is smuggled into Italy on fishing and pleasure boats from Lebanon. As with cocaine, larger hashish shipments are smuggled into Spain and eventually transported to Italy by vehicle.

Domestic Programs/Demand Reduction. The GOI promotes drug prevention programs using abstinence messages and treatment aimed at the full rehabilitation of drug addicts. The Italian Ministry of Health funds 557 public health offices operated at the regional level while private nonprofit 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 budgeted $141 million for counternarcotics programs run by the health, education, and labor ministries. Seventy-five percent of this amount is dedicated to the different regions and the remaining 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 2005, the DEA continued the Drug Sample Program with the GOI, which consists of the analysis of seized narcotics to determine purity, cutting agents and source countries. From January-November 2005, the DEA received approximately 140 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 DEA also provided training to Italian counterparts in the areas of asset forfeiture, undercover operations, and forensic chemistry.

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 to enhance both countries' abilities to apply effective demand dampening policies. The Italian authorities are considering an invitation by the Government

of Afghanistan's "Drug Czar" to assign a drug liaison officer in Kabul, Afghanistan. Italy also maintains a large liaison office in Albania made up of Carabinieri, Finance Police, and National Police to assist Albanians interdicting narcotics originating there and destined for either Italy or other parts of Europe.

Kazakhstan

I. Summary

Kazakhstan continues to be an important narcotics transit country, especially for drugs coming out of Afghanistan. The Ministry of the Interior's Committee on Combating and Controlling Narcotics estimates that approximately 1,400 tons of Afghanistan's opium will move through Kazakhstan this year via the northern Afghan route (Uzbekistan-Kyrgyzstan-Kazakhstan). It is also estimated that approximately 10 percent of these drugs will be sold in Kazakhstan. According to data provided by the Committee, more than 19 tons of narcotics, including 130 kilograms of heroin, have been seized since the beginning of this year. Kazakhstan is a party to the 1988 UN Drug Convention.

II. Status of Country

While there is some cultivation of narcotic crops and production of narcotics in Kazakhstan, it is primarily a transit country. Although Kazakhstan's existing small-scale cultivation of marijuana and opium suggest that it could become a major producer of narcotics in the future, evidence continues to suggest that local production is minimal at present. The Committee on Combating and Controlling Narcotics' statistics for the first nine months of 2005 show that the annual "Operation Poppy" campaign only eradicated approximately 15,271 square meters of illicit poppy and marijuana cultivation. There were no discoveries of laboratories for the production of narcotics.

The Committee for National Security (KNB) has uncovered two new routes of movement for opiates and heroin transiting the country: Kyrgyzstan-Kazakhstan-China-Australia and Afghanistan-Tajikistan-Kazakhstan-Russia-Japan. In addition, the KNB continues to monitor the long established route through Kazakhstan-Russia to western Europe. During the KNB's operation "Trap" this year, more than 1,250 kilograms of opium and more than 200 kilograms of heroin were seized from an internationally operated narcotics ring led by a Kazakhstani citizen of Tajik decent. The ring laundered the proceeds received from the sale of narcotics by creating fictitious contracts supposedly related to the sale of wheat and flour. The KNB traced this laundered money to bank accounts in Germany and the Baltic countries. In an August 2005 article published in a Izvestiya-Kazakhstan newspaper, a KNB official was quoted as saying that the investigation of only one of these bank accounts turned up more than $1.6 million from the sale of narcotics, which had been transferred abroad. The KNB continues to investigate the international narcotics and money laundering ring.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Presently, Kazakhstan is in the fifth year of its five-year plan to fight drug trafficking. On March 3, 2004, the President signed a decree that established the Committee on Combating and Controlling Narcotics within the Ministry of the Interior. This DEA-like office 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 local branch of Interpol. The Committee's staff is comprised of 580 officers. The Committee has been operational for more than a year, and it is already responsible for more than its present staff can handle. According to the Head of the Committee, Vice Minister Vyborov, only 13 officers are engaged in significant investigative work related to the elimination of major narcotics trafficking. Vice Minister Vyborov also noted that the work of the Committee over the last year has increased five times and that the Committee's staff must tackle a variety of tasks ranging from

submitting tenders for narcotics search equipment to conducting undercover work. The MIA requested $16.5 million for its new three-year counternarcotics program including over $5 million for first-year operations in 2006.

According to Vice Minister Vyborov, Kazakhstan needs stricter legal punishments for those involved in drug trafficking and the sale of narcotics, especially to minors. During a Governmental meeting chaired by the Prime Minister, the Minister of the Interior announced that 2,626 people had been convicted of narcotics-related charges in 2004, but one in every four was given a suspended sentence. He also stressed the prevalence of repeat offenders, noting that every fifth offence was committed by a previously-convicted criminal. Furthermore, he noted that only one of the 316 criminals convicted in 2004 for serious narcotics offenses received the maximum sentence of 15 years of imprisonment. On average, narcotics dealers only receive a sentence of three years imprisonment. Moreover, a majority of convicted criminals are paroled and released early without serving a complete sentence. In order to address these shortcomings, the MIA initiated changes to the Law of the Republic of Kazakhstan on "Narcotics, psychotropic substances, precursors, and countermeasures to illegal consumption" in 2005. More specifically, the Committee's recommendations include stricter sentences for narcotics barons and narcotics dealers, as well as more regulated procedures for the destruction of seized narcotics to eliminate its leakage back into the market. The Prime Minister supported these proposed changes and promised the MIA that the GOK will expedite the amendments to the legislation. This legislative initiative is part of the first stage of the Government's counternarcotics program for 2006-2014.

Another major policy initiative taken by the Committee is the creation of an internal narcotics checkpoint system entitled "Narcotics Boundaries." The Committee plans to establish six checkpoints to search vehicles on six major highway intersections and three checkpoints at railroad stations. Construction of the structures at these checkpoints will be directly funded by INL or via an INL grant to UNODC. The GOK has allocated more than $700,000 for the "Narcotics Boundaries" program. According to Vyborov, each of the nine "Boundary" posts will be manned by a Committee officer, a road patrol officer, a migration police officer, and a dog handler.

On July 8, 2005, 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" (ALOA). This agreement established a framework for the implementation of projects designated to improve the capacity of Kazakhstani law enforcement agencies to combat narcotics trafficking and organized crime. The agreement includes the provision of technical assistance aimed at improving the ability of the Ministry of the Interior's counternarcotics forces to apprehend narcotics and other contraband transiting through Kazakhstan and to improve 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. The Committee on Combating Narcotics, whose sole responsibility is fighting narcotics, is in the final stages of adopting a "Master Plan for the Control of Illicit Drugs and Organized Crime." The Central Asia Regional Information Coordination Center (CARICC) is a $6.5 million, four-year, UNODC project. The Center's main objective is to develop and promote regional cooperation in counternarcotics efforts between Azerbaijan, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan. The Center, which will be based in Almaty, will house a shared database of regional intelligence and will produce operational intelligence and strategic assessments concerning narcotics trafficking and related crimes.

Law Enforcement Efforts. The GOK claims to have seized more than 19 tons of various narcotics (raw marijuana, etc.), including 130 kilograms of heroin. Seizures are for the first nine months of 2005. Since the beginning of 2005, more than 15 undercover operations were led by the Committee. Seven major organized criminal groups and four smuggling rings with ties to other organized crime groups in the Southern-Kazakhstan region, the Eastern-Kazakhstan region, and the city of Almaty

were apprehended and charged with illicit narcotics activities. More than 64 kilograms of heroin were seized from one of these groups in April 2005. After a six-month covert operation, Committee officers seized a substantial load of heroin, its largest seizure of 2005, hidden in a truck transporting tomatoes. In August 2005, the Committee also seized four loads of marijuana, each weighing more than a ton. The annual project "Operation Poppy," which combines intelligence collection, interdiction of smugglers, eradication of cultivation, and demand reduction was conducted from May 20 until October 20, 2005. More than 1,800 officers from the Ministry of the Interior, 141 officers from Customs, and 99 officers from the Committee for National Security combined their efforts in undertaking the operation. As a result, 3,803 individuals, including 88 CIS citizens from outside Kazakhstan, were detained for the production, processing, and trafficking of narcotics. "Operation Poppy" also concentrated on the control and seizure of psychotropic substances and precursors. Overall, this operation led to 83 criminal convictions related to the abuse of psychotropic and controlled substances, which represents almost a 25 percent increase over 2004. In addition to these arrests, more than 15,271 square meters of illicit poppy and marijuana were eradicated, and 4,607 other drug related arrests were made, which is more than a 100 percent increase over last year (2,134 cases in 2004).

In an April 2, 2005, interview with the Kazakhstanskaya Pravda newspaper, the Head of the KNB stated that there are no heroin-producing laboratories operating on the territory of Kazakhstan. He also noted that southern Kazakhstan has become a new hub for narcotics trafficking and one of the most critical regions in the country's counternarcotics efforts. In March 2005, after two years of cooperation with Tajik and Russian colleagues, the KNB dismantled an international narcotics trafficking ring based in the southern Kazakhstan city of Shymkent. As a result, 268 kilograms of raw opium and 66 kilograms of heroin were seized. The KNB Head added that the group had utilized a warehouse in Shymkent to store heroin entering Kazakhstan from Uzbekistan and Kyrgyzstan. After being re-packaged in the warehouse, the heroin was transported in hidden car compartments to Russia. The KNB also raided several auto shops in Shymkent that had begun specializing in the construction of hidden compartments for vehicles. During the first three months of 2005, law enforcement officials in southern Kazakhstan seized 238 kilograms of opium, and 37 kilograms of heroin. During the same time period in 2004, officials in the region only apprehended 31 kilograms of opium and 45 kilograms of heroin. Similarly, the number of narcotics addicts in the southern region increased by 100 percent in the last year. Most of these drug addicts are young, with the average age of addicts being 14-15 years old. The youngest drug addict presently going through a rehabilitation program in the region is eight years old.

Law enforcement circles in Kazakhstan are also seriously concerned about the expansion of synthetic drugs. In 2005, the KNB seized more than 36,000 ecstasy pills. All synthetic drugs seized in the country were produced outside of Kazakhstan. Despite this increase in nonopiate narcotics, heroin still remains the drug of choice in Kazakhstan.

Corruption. The significant corruption in Kazakhstan inevitably is a factor hampering the country's war on drugs. Nonetheless, there appears to be an increasing effort to apprehend law enforcement officials involved in corruption. Corruption charges were brought against 15 individuals from the Ministry of the Interior for illegal actions involving their operations with narcotics. Police officers are required to destroy all narcotics after their use as court evidence, but it is likely that much of these seized narcotics return to circulation via corrupt law enforcement officials. During the first eight months of 2005, 29 out of 39 state officials accused of corruption were convicted based on evidence provided by KNB. Among the accused are a district mayor, three judges, 23 police officers, and two Financial Police officers. In all cases, the perpetrators were sentenced to jail terms and were immediately terminated from their government positions. One of these cases involved a former police officer from the western region of Kazakhstan who was arrested for selling heroin and sentenced to ten years imprisonment in a maximum-security prison. While these efforts demonstrate that the GOK is at

least 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. Kazakhstan is not a party to the UN Convention Against Corruption.

Agreements and Treaties. Kazakhstan is party to the 1988 UN Drug Convention, 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Kazakhstan also is a party to the UN Convention Against Transnational Organized Crime. Kazakhstan has signed the Central Asian counternarcotics Memorandum of Understanding with UNODC. The Kazakhstan national counternarcotics law, passed in 1998, specifically gives the provisions of international counternarcotics agreements precedent over national law (Article 3.2).

Cultivation/Production. Marijuana grows wild on about 1.2 million hectares of southern Kazakhstan, with the largest single location being in the Chu Valley. It is estimated that 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 2005, the Committee on Combating Narcotics identified 164 cases of the illicit cultivation of opium poppies and marijuana. In August 2005 operatives from the Committee on Combating Narcotics apprehended a 40 year old resident of the Chu Valley who had harvested more than one ton of marijuana for sale, and seized another ton of marijuana from a separate Chu Valley resident. These cases were the biggest marijuana seizures this year.

Drug Flow/Transit. Kazakhstan continues to be an important transit country, especially for drugs coming out of Afghanistan. The law enforcement officials of Kazakhstan estimate that one-third of Afghanistan's 4,200 tons of heroin will pass through Kazakhstan this year and that 10 percent of this heroin will remain in Kazakhstan to be consumed by local addicts. The main routes for narcotics coming into Kazakhstan continue to run through Tajikistan and Kyrgyzstan.

Domestic Programs. Kazakhstan's increasing prosperity has also created a new market for artificial drugs, particularly ecstasy and amphetamines. These drugs are particularly popular among the patrons of the country's 700 night clubs. Nonetheless, the growing popularity of these drugs poses much less a threat to Kazakhstan than does the country's ever-expanding heroin problem. Opiate addiction continues to increase in the country, likely due to the large amount of heroin and opium transiting Kazakhstan,. During the first nine months of 2005, it was estimated that there were approximately 52,137 drug addicts in Kazakhstan (47,000 in 2004). The GOK has sponsored several drug awareness programs since the beginning of this year. These programs were initiated as part of a pilot project on combating narcotics among the underage and teenage population.

IV. U.S. Policy Initiatives and Programs

Despite its continued problems of drug trafficking and drug abuse, Kazakhstan has made considerable progress. Given Kazakhstan's great potential as a partner in the fight against narcotics, the overall goal of the United States is to develop a long-term cooperative relationship between the police and investigative services of the United States and those of Kazakhstan. This relationship will enhance the professional skills of officers and improve the organization and management of GOK law enforcement services thereby increasing their effectiveness in the fight against illegal narcotics. All assistance provided by the U.S. in 2005 was intended to further this larger long-term goal. To allow for the more efficient inspection of trucks and vehicles, State Department Counternarcotics assistance (INL) provided an inspection hangar at the Ulken counternarcotics checkpoint this year. The Ulken checkpoint is approximately 400 km northeast of Almaty. The construction was completed in October 2005 and is located on a major highway with a constant flow of trucks and vehicles from Kyrgyzstan, Tajikistan, and Uzbekistan. Ulken will serve as a model for two internal MIA checkpoints in Kyzyltu and Beineu that INL will equip, and for the remaining five checkpoints which UNODC will construct with INL funds. INL continued to cooperate with the Border Guard Service. As part of a larger project aimed at combating narcotics trafficking in Kazakhstan, INL provided search equipment for the Aul

and Zheshkent Border Guard posts on the Russian-Kazakhstani border. During joint discussions of funds and projects for 2006, the Border Guards requested that we change our focus from working on the Russian-Kazakhstani border to working on the Kyrgyz-Kazakhstani border. The Border Guards felt that it made more sense to concentrate on controlling the traffic of incoming narcotics from Kyrgyzstan as opposed to controlling the outflow of narcotics from Kazakhstan to Russia.

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 and regional partners. Furthermore, it is better targeting its approach to counternarcotics work, is trying to curb corrupt law enforcement officials, and is establishing stricter punishments for drug-related crimes. 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 significant transit country for drugs originating in Afghanistan and destined for Russian, western European and American markets, with several of the main drug trafficking routes out of Afghanistan running directly through the Kyrgyz Republic. Particularly in the city of Osh and its surrounding regions, drug trafficking has become an ever-increasing source of income and employment.

However, there is minimal domestic production of illicit narcotics or precursor chemicals in the Kyrgyz Republic. During the calendar year 2005, the Government of the Kyrgyz Republic (GOKG) attempted, with limited resources, to combat drug trafficking and locate and prosecute offenders. 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. The Drug Control Agency ("DCA") has introduced legislation that would make first time offenders eligible for treatment instead of incarceration. The legislation will go before the Kyrgyz Parliament in January 2006. Although there are no official statistics for 2005, the Ministry of Health reports that approximately 90 percent of known HIV and AIDS cases are related to intravenous drug use. The Kyrgz Republic is a party to the 1988 UN Drug Convention. In August 2005, a new director was appointed to the DCA, and he has taken an innovative approach to the reorganization of the agency.

II. Status of Country

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 to a minor extent, the United States. The Kyrgyz Republic is not a major producer of narcotics; however, cannabis, ephedra and poppy grow wild in many areas.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Despite the GOKG's best efforts, public confidence is very low with regard to the GOKG's ability to address important concerns of its citizens such as unemployment, unpaid salaries, inadequate health care, corruption, and rising crime. The result has been public apathy towards government initiatives such as counternarcotics programs, cynicism about 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 established Kyrgyz Drug Control Agency (DCA) (funded by the USG, and implemented by UNODC), along with the Ministry of Interior initiatives have been fighting a losing battle against drug trafficking. There have been some positive indications that perhaps the tide is beginning to turn.

Law Enforcement Efforts/Accomplishments. The DCA, established in 2003, coordinates all drug enforcement activities in the Kyrgyz Republic. The DCA estimates that through November, there were 4326 kilograms of illicit narcotics seized (569 kilograms more than during the first 11 months of last year—2004). The DCA also reports that they detected 151 crimes, including 138 drug crimes (83 crimes more than during the 11 months of last year—2004). To stop illegal activities of transnational organized drug crime, the DCA closely cooperates with relevant competent bodies of Russia, Kazakhstan, and Tajikistan. They conduct joint operations and "external controlled deliveries" of drugs.

One of the operations the Channel Operation had as its major goal to block the "northern route" and to improve mechanisms of cooperation of law enforcement, customs, border guard and security institutions. The "Channel" operation seized 28,577 kilograms of drugs, including 3,386 kilograms of heroin, 24,731 kilograms of marijuana, 25 kilograms of precursors. The "Zaslon 2" operation started in October 2004, and lasted for six months. It was financed by the Drug Enforcement Administration and supported by the Ministry of Interior of Uzbekistan. The DCA was in charge of the operation on the territory of Kyrgyzstan coordinating activities of the Customs Service, Border Guards, National Security Service, and the Ministry of Internal Affairs. As a result of this operation, law enforcement bodies seized 174 kilograms of different drugs on the territory of Kyrgyzstan, including 45 kilograms of heroin and 129 kilograms of opium.

Corruption. The GOKG does not facilitate the production, processing, or shipment of narcotic and psychotropic drugs or other controlled substances, and does not discourage the investigation or prosecution of such acts. The GOKG takes legal and law enforcement measures to prevent and punish public corruption. During the spring and summer months of 2005 a number of investigations were launched into corrupt activities within the DCA that resulted in the replacement of the director of the DCA and three of its command staff in August 2005. Corruption is one of the single most important deterrents to effective Kyrgz law enforcement efforts; reform efforts continued in the late fall of 2005.

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

Drug Flow/Transit. 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 more difficult. These isolated passes are some of the most heavily used routes for drug traffickers. Border stations located on mountain passes on the Chinese and Tajik borders are snow-covered and un-staffed for up to four months of the year. Government outpost and interdiction forces rarely have electricity, running water or modern amenities to support their counternarcotics efforts.

Afghanistan is the major source of opium and heroin, which pass through the Kyrgyz Republic through a so-called "Northern Route.". 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.

International Organizations and Law Enforcement bodies of the Kyrgyz Republic estimate that 80 metric tons of heroin enter Russia and Europe by way of Central Asian countries. Every year up to 3-5 metric tons of heroin (or 30-50 metric tons of opium) transits Kyrgyzstan. Most of these drugs come to Russia and Western European countries along the "northern route." The fact that 34 citizens of Kyrgyzstan were arrested in Russia for drug crimes is a solid indication of the nature of this traffic. Availability of local sources of cannabis and ephedra complicates the drug situation in Kyrgyzstan. According to UNODC data, the total area of wild cannabis is more that 6,000 hectares, which results in the production of 4,248 metric tons of marijuana (or 148 metric tons of high quality hashish). Opium acreage and production are negligible. Drug dealers use almost every transportation means for drug delivery. Drugs are hidden among goods, food, objects, personal items, body cavities, home appliances, vehicles, and containers.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The USG supports a Customs Post in the village of Kyzyl-Art on the Tajik border. This $250,000 "model" project, funded by State Department Narcotics assistance (INL), will be equipped with modern detection equipment and will be manned on a 24-hour basis. The construction phase of the project was finished in September 2005, and the training phase (final) should be completed in early 2006. State Department narcotics assistance (INL) also supported a project which purchased vehicles, office, laboratory and communications equipment for the Ministry of Justice, the Ministry of Interior, the Customs Service and the Procurator's office. This $465,000 project has assisted the GOKG to reduce the number of drug related crimes. The USG is also the only donor to a $6.3 million UNODC project that helped establish an overall Drug Control Agency in the Kyrgyz Republic.

The Road Ahead. The USG will continue to assist the GOKG in their 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 their law enforcement and customs canine services. The development of a master plan for counternarcotics activity in Kyrgyzstan will continue, hopefully, to a successful conclusion in the near future.

Latvia

I. Summary

Drug use in Latvia is characterized by continued prevalence of synthetics. The overall results from Latvian government attempts to combat narcotics distribution and use remains mixed. Ecstasy is the most common narcotics in Latvia, though amphetamines, cannabis, heroin, cocaine and LSD can also be found. Patterns of heroin use, in previous years Latvia's most serious narcotics problem, are changing. Recreational drug use is shifting to ecstasy due to the latter's low cost, as well as national information campaigns highlighting the dangers of intravenous drug use. Though Latvia experienced an increase in drug-related criminal cases and prosecutions this past year, a lack of law enforcement resources continues to hinder efforts to combat narcotics use. Latvia is party to the 1988 UN Drug Convention.

II. Status of Country

Two sophisticated marijuana production facilities were shut down by the Organized Crime Enforcement Department. The marijuana was destined for the Riga market and not for distribution abroad. Latvia itself is not a significant producer of precursor chemicals, but Customs officials believe that a significant quantity of diverted "pre-precursors" originate in Belarus and transit Latvia en route to other countries. Heroin is sold at "retail" in public places such as parks, in the city center, or more discreetly, in private apartments; selling tactics and methods constantly change. Amphetamines are distributed in venues that attract youth, such as nightclubs, discotheques, gambling centers and raves. Recent seizures and arrests indicate that Latvians themselves are becoming more involved—not just in the trading of cannabis—but also in its production for local distribution. Organized crime groups also engage in both wholesale and retail trade in narcotics. Through the first nine months of 2005, Latvian police seized 28.64 grams of heroin, compared to 494.38 grams the previous year. Recreational drug use has increased with Latvia's growing affluence, with amphetamines, cannabis, cocaine, and ecstasy all reflecting an increase in usage.

III. Country Actions Against Drugs in 2005

Policy Initiatives. On August 17, 2005, the Cabinet of Ministers approved the State Program for the Restriction and Control of Addiction and the Spread of Narcotic and Psychotropic Substances (SPRCASNPS) for the years 2005 to 2008. This national strategy lists as its priorities: reducing the spread of drug abuse, especially among young people; increasing the possibilities for rehabilitation and re-socializing for drug addicts; reducing crime related to drug abuse and distribution, as well as drug trafficking; eliminating and preventing the harm caused to the general development of the Latvian state by drug addiction and drug related crime. Latvia's passage of the SPRCASNPS was in response to criticisms that it lacked a clear division of authority between municipalities and the state regarding budget and competencies.

Law Enforcement Efforts. The total number of drug-related crimes increased from 814 in the first nine months of 2004 to 877 in the same period of 2005. The 2005 drug-related crime statistics include 852 crimes related to sales, purchasing, possession, and repeated illegal use of narcotics; as well as ten crimes related to large-scale drug contraband. In the first nine months of 2005, the amount of seized marijuana, hash, ecstasy pills, and LSD increased compared to 2004 figures. Poppy straw, heroin, and cocaine seizures dropped in the first nine months, while amphetamines and methamphetamines seizures remained approximately the same. The total number of persons arrested for driving while under the influence of narcotics has steadily increased, with 2005 showing the highest number of

arrests to date (283 for 2005 as compared to 255 for 2004). This is due in part to the recent government crack down on intoxicated and impaired drivers. Prosecutions of drug-related cases have steadily increased over the past several years. In the first six months of 2005, the General Prosecutor's office opened 573 narcotics-related criminal offense cases, as compared to the 523 for the entire year of 2004. Of the cases opened by the Prosecutor General's Office, 355 have been completed and sent up for trial. In December of 2005, the police seized the largest amount of methamphetamines in Latvia to date. Latvian customs officers, in cooperation with the police, detained a courier on the Lithuanian border, whose arrest led to the discovery of 2.98 kilograms of methamphetamines in the courier's home. The police believe the courier to be associated with organized criminal elements in Latvia. Ecstasy seizures increased five times from 4,385 tablets in 2004 to 20,945 tablets in 2005. Marijuana seizures also increased five-times from 5.8 kilograms in 2004 to 25.38kg in 2005. Hashish seizures increased almost ten-times from 139.62g in 2004 to 1331.32g in 2005, and LSD increased quite sharply from 79.5 units in 2004 to 2190 units in 2005. Ephedrine seizures dropped from 658.05g in 2004 to 18.46g in 2005; heroin seizures dropped from 494.38g in 2004 to 28.64g in 2005; and poppy straw seizures dropped from 103.13kg in 2004 to 58.68kg in 2005.

The Latvian government acknowledges that Latvian law enforcement needs to show better results for its counternarcotics efforts, even with resource and funding difficulties. The new national strategy to address drugs takes this into account and has stated the government's intent to increase funding, personnel, and education for law enforcement. Currently, however, the police are not able to fully investigate all narcotics reports, especially routine reports of individual usage or abuse in private or club settings.

Corruption. Latvia's Anti Corruption Bureau (KNAB) was established in 2003 to help combat and prevent public corruption and has grown in its effectiveness and scope. In 2005 the KNAB uncovered and investigated potential abuses in Latvia's sworn Bailiff System. In 2005 the KNAB opened 34 new criminal cases, and 24 have been passed to the General Prosecutor's office, slightly more than 2004. 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 and a 1934 supplementary extradition treaty currently are in force between the U.S. and Latvia. On December 7, 2005, Latvia and the United States signed a new extradition treaty and Mutual Legal Assistance protocol, which will require ratification. Latvia is a party to the UN Convention against Corruption, and to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms.

Drug Flow/Transit. Narcotic substances are frequently smuggled into Latvia from Lithuania, principally by ground transport. Seaports are used mainly to transship drugs destined for sale elsewhere. Latvia is not a primary transit route for drugs destined for the United States. Most drugs transiting Latvia are destined for the Nordic countries or Western Europe. Latvian police report that seventy percent of drugs entering the Nordic countries move through Latvia, Estonia and then on to the Nordic countries, often taking advantage of frequent ferry service along the Baltic and Scandinavian coasts. Heroin is primarily trafficked via Russia from Central Asia.

Domestic Programs. The new national strategy, announced in 2005, addresses demand reduction, education, and drug treatment programs. For the year 2005, the following have been achieved: a co-ordination mechanism for institutions involved in combating drug addiction (involving eight ministries); monitoring of the work program of the EMBDDA on the national level; a system for monitoring court directed treatment for addicted offenders; educational events for teachers and

parents, as well as updated educational materials and informative booklets; inclusion of information on drug addiction into school curriculums; a pilot program for teaching prevention of drug addiction, alcohol abuse and smoking; pilot programs on drug addiction for local governments; education programs for members of the armed forces; mechanisms for information exchange amongst relevant institutions; an increase in the number of employees in the regional offices of the Organized Crime Enforcement Department under the State Police; and a course on "Problems of Narco-criminality" to be studied as part of the Master's program at the Police Academy. In addition to the State Narcotics Center, Latvia has established four regional narcotics addiction treatment centers in Jelgavas, Daugavpils, Liepajas, and Straupes. There are rehabilitation centers in Riga and Rindzeles, and youth rehabilitation centers in Jaunpiebalga and Straupe respectively.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States maintains assistance on liaison programs in Latvia that focus on investigating and prosecuting drug offenses, corruption, and organized crime.

The Road Ahead. The United States will continue to pursue and deepen cooperation with Latvia, especially in the areas of law enforcement and prosecution. The United States will expand efforts to coordinate with the EU and other donors to ensure complementary and cooperative assistance and policies with the government of Latvia. The United States will also encourage Latvia to work with regional partners to advance the mutual fight against narcotics trafficking.

Lithuania

I. Summary

In 2005, Lithuania increased the efficiency of law enforcement counternarcotics efforts, improved drug-consumption research capabilities, and strengthened implementation of the National Drug Addiction Prevention and Drug Control Program at the federal and municipal levels. Lithuania remains a transit route for heroin and other illicit drugs from Asia and Russia to Western Europe. Lithuania produces synthetics for both domestic use and export. The most popular drugs for domestic consumption include synthetics, poppy straw extract, heroin, and cannabis. Lithuania's domestic drug trade is estimated at LTL 500 million ($172 million) and growing. The number of registered drug addicts and drug-related crimes increased in 2005. Law enforcement cooperation between the U.S. Government and the Government of Lithuania 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 illicit drugs in Lithuania. Heroin is smuggled into Lithuania from Central Asia and the Balkans. Cocaine imports from South America transit Western Europe into Lithuania and then on to neighboring countries. Organized crime groups operating in central and western Lithuania smuggle illegal narcotics and psychotropics, especially ecstasy, into other Western European countries, including Norway, Germany, Ireland, and the United Kingdom. The number of people seeking initial treatment for drug addiction increased from 10.3 cases per 100,000 inhabitants in 2003 to 12.2 cases per 100,000 inhabitants in 2004. Nearly 73 percent of registered drug addicts are younger than 35 years old, 90 percent live in cities, and 20 percent are women. Lithuania had 943 registered cases of HIV in October 2005, an increase of 133 from October 2004. Approximately eighty percent of those registered with HIV contracted the disease through intravenous drug use.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The national Narcotics Control Department (NCD), established in 2004, commissioned its first survey of drug use in Lithuania. The study found that 8.2 percent of Lithuania's residents had used drugs at least once in their lifetime, with those 15-34 years old significantly more likely than those 35-64 years old to have tried drugs at least once (14.1 percent and 3.8 percent respectively.) The NCD, in cooperation with the Nordic Council of Ministers, also initiated a drug prevention and education project targeted at reducing the sale and use of illicit narcotics in bars and clubs. Lithuania approved a Drug Prevention Action Plan for 2006 under the overall National Drug Addiction Prevention and Drug Control Program adopted in 2004. In 2005, the parliament designated this program as critical to Lithuania's long-term national security.

Law Enforcement Efforts. Lithuanian law enforcement registered 1,313 drug-related crimes as of November 2005, a slight increase over the 1,121 registered during the same period in 2004. In 2004, Lithuanian law enforcement detained 869 persons for criminal acts related to the possession or sale of narcotic and psychotropic substances. In the first ten months of 2005, law enforcement detained 845 persons. As of November 2005, police and customs had seized 545 kilograms of poppy straw, 76 liters of poppy straw extract, 59 kilograms of cannabis, 48 kilograms of hashish, and 5,500 ecstasy tablets. They also impounded small quantities (less than five kilograms each) of heroin, cocaine, amphetamines, methamphetamines, LSD, hallucinogenic mushrooms, various psychotropic drugs, and precursors. In 2005, the police shut down a laboratory producing high-quality amphetamines. They

confiscated 769 grams of amphetamine and three kilograms of BMK (1-phenyl-2-propanon), an amphetamine and methamphetamine pre-cursor, from the laboratory site. The Customs Service initiated fourteen pre-trial investigations related to narcotics smuggling in 2005.

In May 2005, law enforcement officials on the Latvian border seized 23 kilograms of hashish hidden in a passenger car. Swedish and Lithuanian law enforcement cooperated to stop a drug smuggling group that included five Lithuanians and had attempted to transport 130 kilograms of hashish and 3.5 kilograms of amphetamine from Lithuania to Sweden. Russian and Lithuanian law enforcement officials busted a criminal group that transported heroin and amphetamine to Russia, arresting three individuals and seizing 30 grams of heroin and one kilogram of amphetamine. In October 2005, Norwegian law enforcement detained three Lithuanians for transporting 56 kilograms of rohypnol tablets. In December 2005, Lithuanian police participated in a joint operation with Ireland and France to arrest a Lithuanian arriving in Ireland by car ferry with 113,000 ecstasy pills concealed in his car bumper. The Lithuanian court system heard 1,111 drug-related cases in 2005, with a 75 percent conviction rate. Those convicted of trafficking or distribution face prison terms of five to eight years.

Corruption. Lithuania does not encourage or facilitate illicit production of controlled substances or money laundering. Lithuania has established a broad legal and institutional anticorruption framework, but low-level corruption and bribery continue to be the basis of frequent political scandals. There were no reports involving Lithuanian government officials in drug production or sale or in the laundering of drug proceeds.

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 trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms. An extradition treaty and mutual legal assistance treaty are in force between the U.S. and Lithuania. Lithuania has signed, but has not yet ratified, the UN Convention against Corruption.

Cultivation/Production. Illicit laboratories in Lithuania produce amphetamines for both local use and export. Lithuania is not a major cultivator of illicit narcotics, but law enforcement regularly finds and destroys small plots of cannabis and opium poppies used to produce opium straw extract for local consumption. In 2005, police, in cooperation with customs agents, eradicated 10,089 square meters of poppies and 286 square meters of cannabis.

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) 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. Amphetamines from Lithuania are usually transported by truck to Sweden and Norway through Poland, Germany and Denmark. Most ecstasy tablets come by land or sea from the Netherlands. Iceland was a new destination for amphetamines and cocaine in 2005. The United States is occasionally a destination country for synthetic narcotics, primarily ecstasy, from Lithuania.

Domestic Programs (Demand Reduction). Lithuania operates five national drug dependence centers and ten regional public health centers, and attempts to reduce drug consumption through education programs and public outreach, especially in schools. In 2005, twenty rehabilitation centers and seventeen addict rehabilitation communities operated in Lithuania. The Prisons Department operates a rehabilitation center for incarcerated drug addicts, and allocated LTL 780,000 ($280,000) in 2005 to purchase equipment and fund activities to prevent drug trafficking, train officials, and educate prison.

In 2005, Lithuania increased funding to the National Drug Prevention and Control Program by twenty percent, from LTL 10.2 million ($3.51 million) to LTL 12.2 million ($4.21 million) and allocated LTL 15.25 million ($5.25 million) to the 2006 Action Plan. The national police department strengthened prevention and control measures at public events including concerts and holiday celebrations, arresting several individuals for selling illicit drugs. In 2005, the police also organized a "Drug Prevention Week" for about 600 school children from around the country.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Law enforcement cooperation between the United States and Lithuania is very good. In 2005, the United States continued to support Lithuania's efforts to strengthen its law enforcement bodies and improve border security. The United States sponsored a conference in Lithuania on drug prevention and treatment with participation of speakers from the Department of Health and Human Services and the White House Office of National Drug Control Policy. Lithuanian Customs opened negotiations with a U.S.-based logistics company for assistance in narcotics detection and interdiction.

The Road Ahead. The United States looks forward to continuing its close cooperative relationship with Lithuania's law enforcement agencies. In 2006, the United States will continue to promote increased Lithuanian attention to the drug problem and will support activities aimed at preventing the production and trafficking of illicit narcotics. A U.S. priority will be to encourage Lithuania to focus on the role of communities, parents and schools in drug abuse prevention and on strengthening counseling and other services as part of drug treatment programs.

Macedonia

I. Summary

Macedonia is neither a major producer nor a major regional transit point for illicit drugs. The government made some progress in combating drug trafficking in 2005; however, illicit drug transshipments through Macedonia increased, as did drug use. The quantity of drugs seized in 2005 decreased on average in some categories (heroin and marijuana) but increased in others (cocaine and psychotropic substances). The inter-ministerial counternarcotics commission completed its draft counternarcotics strategy and action plan, but the plan had not been approved by year's end. The organized crime unit of the Ministry of Interior (MOI) began operating in early 2005, and Macedonian law enforcement authorities cooperated closely with regional counterparts in counternarcotics operations. However, counternarcotics operations often were hindered by ineffective inter-agency coordination and planning, as well as by inadequate criminal intelligence. 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 hashish and marijuana produced in Albania to Turkey, where it is exchanged for heroin that is then transported to Western European markets. Small amounts of marijuana are grown in Macedonia, mainly for personal use. Macedonia is not known to produce precursor chemicals. Police and Customs officers check on the possible diversion of precursors at the borders. Cocaine was not transported to or through Macedonia in significant quantities. Trafficking in synthetic drugs appeared to increase in 2005.

III. Country Actions Against Drugs in 2005

Policy Initiatives. By year's end, the GOM's inter-ministerial National Commission for Prevention of Illicit Drug Trafficking and Abuse had completed a draft national strategy and action plan for demand reduction and combating drug trafficking. The Commission expected the draft plan would be reviewed and approved by the government before June 2006. Unfortunately, the plan did not include any provision for adequate funding for implementation of the plan. In addition, the GOM revised and submitted for parliamentary approval draft laws to further strengthen control of narcotic drugs, psychotropic substances, and medical and chemical precursors. The government expected both laws would aid in implementing the 2004 Law for Control of Precursors. In May 2005, the Minister of Health established and chaired a working group to prepare a draft National Strategy and Action Plan for Prevention, Treatment and Harm Reduction related to drug abuse for 2006-2012. By year's end, the strategy document was in the final phase of preparation.

Accomplishments. The Witness Protection Law was adopted in May 2005, nearly completing the legal framework for combating organized crime and drug trafficking. At year's end, the parliament was reviewing the Law on Intercepting Communications, which would enhance the ability of prosecutors to use wiretaps as evidence in criminal proceedings.

The MOI's Organized Crime Unit, which included a sector for combating illegal drug trafficking and a criminal intelligence cell, began operations in early 2005. However, inadequate MOI intelligence regarding narcotics trafficking hampered counternarcotics efforts.

The Customs Administration continued to strengthen its intelligence units and mobile teams. Anecdotal evidence suggests that rivalries between Customs and the Border Police hampered effective counternarcotics operations in some instances.

Law Enforcement Efforts. According to MOI statistics, criminal charges were brought against 283 persons involved in 228 cases of illicit drug trafficking. The ministry also reported that 428 misdemeanor charges were brought against 449 individuals for "using narcotic drugs." Police seizures of heroin and marijuana in 2005 were on average lower than in the previous year. Seizures of other drugs such as cocaine and other psychotropic substances were much higher, although overall quantities seized were relatively low.

The MOI reported the following quantities of drugs and psychotropic substances seized: nearly 70 kilograms of heroin (10 percent of the quantity reported seized in 2004); 196 kilograms of marijuana (36 percent of the 2004 figure); just over 3 kilograms of hashish; 11 kilograms of cocaine (over 100 times higher than in 2004); 3,206 ecstasy tablets (nearly 300 times higher than in 2004); 107,000 diazepam tablets; nearly 2 kilograms of paracetamol and cocaine mixture; 93 morphine hydrochlorine ampules; 2,865 cannabis sativa plants (6 times higher than in 2004) 2,220 poppy plants; and 2.5 kilograms of dry poppy. Macedonian police disrupted one international distribution operation at the Blace border crossing with Kosovo, seizing 9 kilograms of Turkish heroin bound for Kosovo.

Corruption. Corruption is prevalent in Macedonia. Low salaries and high unemployment help to foster graft among law enforcement officials. The judiciary remains weak and is frequently accused of corruption. Macedonia's Anti-Corruption Commission accused the Public Prosecutor of showing little interest in prosecuting high-profile corruption cases, although there was no concrete evidence of high-level corruption related to drug trafficking, it is probably reasonable to presume that some occurs. As a matter of 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. Macedonia has signed, but has not yet ratified, the UN Convention against Corruption.

Agreements and Treaties. Macedonia is a party to the 1988 UN Drug Convention, the 1961 Single Convention 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. Macedonia is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling.

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. Only one pharmaceutical company in the country was authorized to cultivate and process poppy. Authorized poppy production is reported to the Ministry of Health, which shares that information regularly with the Vienna-based International Narcotics Control Board. Marijuana cultivation in southeast Macedonia continued to present a challenge to authorities.

Drug Flow/Transit. Macedonia is on the southern variant of the Balkan Route used to ship southwest Asian heroin to the western European consumer market. Drug gangs used heavy trucks, vans, buses and cars to transport the bulk of the drug shipments. The quantity of synthetic narcotics trafficked in Macedonia in 2005 appeared to increase, largely due to the low cost of such drugs. Most synthetic drugs aimed at the Macedonian market originated in Bulgaria and Serbia, and arrived in small amounts by vehicle.

Domestic Programs (Demand Reduction). Official Macedonian statistics regarding drug abuse and addiction are unreliable, but the government estimated there were between 6,000-8,000 drug users in the country, reflecting an increase in domestic drug use. The most frequently used drug was marijuana, followed by heroin and ecstasy.

Macedonia has one state-run outpatient medical clinic for drug users that dispenses methadone to registered heroin addicts. During 2005, the Ministry of Labor and Social Affairs opened three day care centers for drug addicts, and was seeking professional training assistance for the staff members of the centers. The Ministry of Health reported the opening of six new drug treatment centers, and anticipated opening an additional 10 centers in 2006. In-patient treatment in specialized facilities consisted of detoxification, accompanied by medicinal/vitamin therapy, as well as limited family therapy, counseling and social work. Follow-up services after detoxification, or social reintegration programs for treated drug abusers, were inadequate. Educators and NGOs continued to support programs to increase public awareness of the harmful consequences of drug abuse, targeting drug use among youth in particular. The Ministry of Science and Education continued its counternarcotics use information campaign at the primary and secondary school level.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. During the year, DEA officers worked closely with the Macedonian police to support coordination of regional counternarcotics efforts. In one case, Macedonian, Greek and U.S. DEA officers cooperated to disrupt a drug trafficking operation at the border crossing point between Macedonia and Greece in southern Macedonia. The successful operation resulted in the seizure of 10.5 kilograms of high-quality cocaine intended for the Greek market. MOI police, financial police, customs officers, prosecutors, and judges received State Department-funded training in 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. Macedonia's porous borders and the growing influence of regional narcotics trafficking groups suggest the country will continue to face increased transit rates of illegal drugs, which is likely to boost drug use domestically. DEA officials expect increased use by traffickers of Macedonia as a "warehousing" base during transshipments. The United States government, through law enforcement training programs, will continue to strengthen the ability of the police, prosecutors and judges to monitor, arrest, prosecute, and sanction narcotics traffickers. Working with our EU and other international community partners, we will press for implementation and funding of the national counternarcotics strategy and a permanent secretariat for the National Commission. We also will work with the GOM and our international partners to strengthen the criminal intelligence system, and to improve the government's ability to provide reliable statistics on drug use and arrests, prosecutions and convictions of 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 significant 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 is in harmony with the goals and objectives of the 1988 UN Drug Convention, to which Malta is a party. 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, cocaine, ecstasy, and cannabis resin over the last five 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 399,000 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, unwanted trends are relatively easy to detect and deter. However, with daily flights, numerous cruise ship calls, a large commercial port, numerous illegal immigrants, and frequent international travel by a large percentage of Maltese, Malta is not isolated. 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 abuse 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 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. There are a number of generic pharmaceutical firms operating in Malta, but no evidence of pilferage or diversion from the production side. There are stringent legislative controls of the pharmaceutical sector and the Maltese Health Department conducts inspections and review of company records.

III. Country Actions Against Drugs in 2005

Since the drug problem in Malta is not widespread, enforcement agencies are able to focus a large percentage of their resources on preventing the smuggling of drugs into Malta. Police and Customs personnel have had significant success through the profiling and targeting of suspected passengers transiting the airport. The Police and the Armed Forces work together to monitor, intercept and interrupt sea borne smuggling of illegal drugs. Maltese Custom officials have worked to become more adept at detecting and preventing the movement of drugs through the 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.

Law Enforcement Efforts. There was no significant seizure of property related to drug crimes in 2005. However, current Maltese law provides the necessary provisions for asset forfeiture of those accused of drug-related crimes. In 2005, the Malta Police Force Drug Squad seized several vehicles,

boats, and cash property. In the first 101/2 months of 2005, Maltese authorities seized 6.4 kilograms of cocaine (.15 kilogram); 15.4 kilograms of heroin (.77 kilogram); 7 kilograms of cannabis products (36 kilograms), and 15,309 ecstasy pills (6071). (Figures in parenthesis represent 2004 full-year seizures.)

Corruption. The USG is not aware of any widespread 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". The final outcome in this case is pending appeals filed on behalf of the defendants.

Agreements and Treaties. Malta is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Malta is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. Malta has signed, but has not yet ratified, the UN Convention against Corruption. In June of 2004, the U.S. and Malta successfully negotiated a Maritime Counter-Narcotics Cooperation Agreement. This agreement concerns cooperation to suppress illicit traffic in narcotic drugs and psychotropic substances by sea and is intended to assist the interdiction of the flow of drugs through Mediterranean shipping lanes. Malta and the U.S. are currently negotiating a Proliferation Security Initiative (PSI) Ship Boarding Agreement. If negotiations on the Ship Boarding Agreement are successful, then it and the Counter Narcotics Cooperation Agreement may be sent to the Maltese Parliament for ratification at the same time. Malta and the U.S. cooperate in extradition matters under the 1931 US-UK Extradition Treaty. In November 2005, Malta and the United States concluded bilateral negotiations for a new extradition treaty and for a mutual legal assistance treaty.

Drug Flow Transit. There is no indication that Malta is a major trafficking location. The Malta Freeport container port 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 nonproliferation 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. There are cases of heroin being smuggled into Malta, hand-carried by visitors from North African countries (Libya, in particular). Traditionally, Malta's drug problems involved the importation and distribution of small quantities of illegal drugs for individual use. In 2005, three significant seizures indicated a trend toward "distribution by organization." Specifically, police determined that the products were intended for sale at street level by loosely affiliated individuals. Malta has the world's eighth 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. Customs has provided several training courses in Malta over the last two years. Under the Export Control and Border Security assistance program at Embassy Valletta, the U.S. continues to work closely with port officials to improve their ability to monitor and detect illegal shipments. In 2005, a Coast Guard Attaché was assigned to Embassy Valletta to improve coordination and training with the Maltese Maritime Enforcement Squadron. Training focuses on maritime search

and seizure techniques as well as on the proper utilization and operation of two recently donated 87' state-of the-art patrol boats. In May 2005, DEA conducted a four-day training seminar for Maltese law enforcement agencies. Topics included surveillance techniques, raid techniques, information sharing, and interdiction tactics. The joint effort to provide training, support and assistance to GOM law enforcement agencies has clearly improved the Maltese enforcement 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.

The Road Ahead. The U.S. and Malta will continue to work on narcotics control issues, benefiting the performance and interests of both parties.

Moldova

I. Summary

Drug usage within Moldova remains a concern; although the number of officially registered addicts decreased, the importation of synthetic drugs and psychotropic substances increased, despite the fact that consistently poor economic conditions make Moldova a relatively unattractive market for narcotics sales. To date, 2005 statistics regarding the quantity of hemp and poppy plants seized doubled in comparison with the same period of last year and heroin seizures increased by more than four times. There was also a noticeable increase in the seizures of psychotropic substances, especially ecstasy. Moldova is not a significant producer of narcotics or precursor chemicals. The number of criminal proceedings this year indicates a noticeable increase in cases sent to trial. Moldova is a party to the 1988 UN Drug Convention.

II. Status of Country

Moldova is an agricultural country with a climate favorable for cultivating marijuana and opium poppy. Annual domestic production of marijuana is estimated at several thousand kilograms. By November of 2005, authorities seized and destroyed 16,688 kilograms of hemp plants and 18,418 kilograms of poppy plants. The market for domestically-produced narcotics remains small. The importation of synthetic drugs continues to grow as evidenced by the increase quantities of ecstasy and other psychotropic substances seized this year. Domestic drug traffickers remain closely connected to organized crime in neighboring countries. Moldova is not a factor in the regional production of any precursor chemicals. During the first 10 months of 2005 the Ministry of Internal Affairs (MIA) discovered 8 cases of medical personnel prescribing narcotic and psychotropic substances in violation of the established regulations.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In November 2005 the Parliament amended the articles pertaining to narcotics control in the Criminal Code (CC), Criminal Procedure Code (CPC) and the Administrative Offences Code (AOC), which brought the legislation in line with the provisions of Article 3 of the 1988 UN Drug Convention. The maximum penalty in the CC for narcotics trafficking was increased from 12 years to 20 years in prison. The CC was amended to include six new articles that covers a wider range of drug-related crimes . The articles from the CPC related to wiretapping, intercept of communications and correspondence, were greatly improved to allow the use of these techniques for the entire range of drug related crimes, versus only especially grave offenses before November 2005. The AOC was amended to include a more detailed description of drug-related offenses. In 2005 the Anti-Drugs Department of the MIA was transferred from the Directorate to Combat Organized Crime to the Directorate of the Judicial Police, which also incorporates the Criminal Police Department. This change was considered significant by the MIA, because the regional counternarcotics investigators are now directly subordinated to the Anti-Drugs Department, instead of reporting to a different department. Unfortunately, this change also brought a reduction of the number of law enforcement personnel within the Anti-Drugs Department, which decreased from 103 to 75 officers nationwide, with 12 officers at headquarters in Chisinau supporting 63 in the regions. Moldova also continues to pursue—with U.S. support—anticorruption, counternarcotics and border control initiatives that supplement counternarcotics efforts.

Law Enforcement Efforts. Moldovan authorities initiated at least 1,846 drug-related cases in the first 10 months of 2005, as compared to 2,140 total cases for the entire year of 2004. This year, 558

kilograms of poppy straw and 9 liters of opium were seized, compared with 460 kilograms of poppy straw and 13.5 liters of opium for the same period of 2004. Heroin seizures increased by 4 times in 2005: 870 grams were seized during the first 10 months of 2005, while only 202 grams were seized during the first 11 months of 2004. Seizures of ecstasy almost tripled: 326 pills in 2005 and 124 pills in 2004. Concerns over Moldova also focus on the fact that historically, many transit countries have become user countries over time. Moldova will need to invest significant resources in education, border enhancement, and further law enforcement initiatives to stem the growth of its user population. Narcotic drug seizures and lab destructions remain high priorities for the counternarcotics units. The Anti-Drugs Department found and destroyed 38 clandestine labs this year compared with 11 labs in 2004. MIA officials also continue to work with the Prosecutors to ensure quality cases are pursued. During the first 10 months of 2005, 98.8 percent of the cases reported were sent forward for prosecution, with 78.7 percent going to trial. During the entire year of 2004, 99 percent of those reported were forwarded for prosecution, resulting in 70.5 percent of cases going to trial.

Corruption. Corruption, on all levels, is a major systemic problem within Moldova. Despite repeated pledges by the Government of Moldova to eradicate corruption, corruption appears to be pervasive, permeating all levels of society from the judicial and political processes to education and health care to business. The Center for Combating Economic Crimes and Corruption (CCECC) is the law enforcement agency responsible for investigating corruption allegations, including those related to narcotics-related public corruption. It has been accused of political bias in its investigations, although not specifically with regard to narcotics cases. As a matter of government policy, Macedonia neither encourages nor facilitates illicit production or distribution of narcotics or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Moldova is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances and the 1961 UN Single Convention. Moldova is also a signatory of the Strasbourg Convention of 1990 and the 1999 International Convention for the Suppression of the Financing of Terrorism, and cooperates in accordance with these agreements where resources and abilities permit. Moldova is a party to the UN Convention on Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. Moldova has signed, but has not ratified, the UN Convention against Corruption

Drug Flow/Transit. Seizures this year increased and they indicate that Moldova remains primarily a trans-shipment country for narcotics. Information provided by the MIA 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 Commonwealth of Independent States. The MIA continues to express concern about the increased use of heroin and ecstasy and has indicated that in the near future Moldova may become a target of international drug trafficking networks, especially those trafficking heroin.

Domestic Programs. As of November 2005 the number of officially registered addicts was 8,247, which is a decrease compared with the same period of 2004 (8,527). The MIA conducted 5,515 raids and operations in 2005, organized 7,013 meetings with vulnerable groups and published 312 preventive advertisements in the media. Treatment is an option for only the wealthiest of offenders. These rehabilitation programs continue to suffer from lack of financial resources and dilapidated facilities, which restrict rehabilitation and treatment efforts by the Moldovan government.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG's counternarcotics program remains focused around Department of State (INL) Bureau activities. In March 2005, the United States provided narcotics interdiction training for the Moldovan police, customs officials and employees of the Information and Security Service. The training focused on tactical vehicle stops, drug identification, parcel interdiction and

secret compartments, jet way interdiction, ground transportation interdiction, case development and international controlled deliveries. INL supported travel abroad by Moldovan police investigators, customs officials and border guards to attend the International Law Enforcement Academy (ILEA) in Budapest for basic law enforcement training, which included sessions on combating organized crime, drug trafficking, human trafficking, money laundering and corruption. INL also organized an ILEA Roswell Advanced Management training for ILEA graduates from Moldova focused on drug and human trafficking. Ongoing 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. Moldova and the U.S. will continue to work closely on narcotics control issues.

Netherlands

I. Summary

With its extensive transportation infrastructure and some of the most active maritime ports in Europe, the Netherlands is one of the leading distribution points for illegal drugs to and from Europe. A significant percentage of the cocaine consumed in Europe enters first through the Netherlands, and the country remains one of the leading international producers of ecstasy (MDMA), although production seems to be declining substantially. 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. that could be linked to the Netherlands dropped to 0.2 million in 2004 from 1.1 million in 2003 and 2.5 million in 2002. This number does not take into account the amount of ecstasy seized in Canada that is destined for the U.S. Operational cooperation between U.S. and Dutch law enforcement agencies is excellent, despite some differences in approach and tactics. In July 2005, ONDCP Director John Walters and Dutch Health Minister Hans Hoogervorst signed an agreement between their two agencies to exchange scientific and demand reduction information. The Netherlands actively participates in DEA's El Paso Information Center (EPIC). The 100 percent close inspection at Schiphol airport on inbound flights from the Caribbean and some South American countries has resulted in a dramatic decline in the number of drug couriers. 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. The Netherlands is a party to the 1988 UN Drug Convention.

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; although significant ecstasy production has shifted outside the country—particularly to neighboring European states and perhaps to Canada. 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 2005

Policy Initiatives. The National Crime Squad ("Nationale Recherche" or NR), which officially started functioning in January 2004, had a very successful year in 2005. Not only did it make the largest cocaine seizure ever in the Netherlands, it also dismantled the largest ecstasy laboratory ever found in the country (see below for more details).

Cannabis. As announced in the 2004 "Cannabis Letter", the Dutch Government has given top priority to discouraging "drug tourism" and cannabis cultivation, particularly in the southern border regions. In November 2005, Justice Minister Donner sent the Second Chamber an assessment of the government's cannabis policy, highlighting the most important developments:

- Dutch authorities in Maastricht will shortly begin a trial project to offer local residents special access passes to coffeeshops. The Netherlands permits sale of cannabis in coffeeshops under vigorous controls and conditions. The objective of the

Maastrict trial is to cut down on drug tourism from neighboring countries. If successful, the experiment will be expanded.

- In October 2005, Justice Minister Donner proposed amending the Opium Act to make it easier for local governments to close down premises where drugs are sold illegally. Currently, closure of such "drug premises" is possible with a judge's order, but only if there is concrete evidence they are causing a serious public nuisance.
- The public prosecutor's office and the police in the southern provinces of Brabant and Limburg have started a pilot project targeting the criminal organizations behind illegal cannabis cultivation, rather than merely focusing on individual growers.
- In anticipation of parliamentary ratification of the bilateral law enforcement cooperation treaties with Germany and Belgium, practical measures have been taken to reduce drug trafficking in border regions. Cross-border surveillance has been intensified and license numbers of drug tourists are being exchanged.
- To implement the EU framework decision on illegal drug trafficking of November 2004, the Government currently is drafting a proposal raising the sentence for large-scale cannabis cultivation and illegal cannabis trafficking "either (in organized form) or not in organized form" from 4 to 6 years' imprisonment.
- The 2004 National Drug Monitor, published by the Trimbos Addiction Institute in April 2005, showed that recent (within the last-month) cannabis use among young people aged 12-18 dropped from 11 percent in 1996 to 9 percent in 2003. Lifetime prevalence (ever-used) of cannabis in this age group dropped from 22 percent to 19 percent over the same period. In 2004, Trimbos began a 3-year mass-media publicity campaign, subsidized by the Health Ministry, to discourage cannabis use among young people.
- The average THC content in Dutch-grown cannabis ("Nederwiet") was a very high 20 percent in 2003-2004, and appears to be stabilizing at between 17 and 20 percent. The State Institute for Health and Environment (RIVM) has been ordered to investigate acute health risks of cannabis with high THC levels. Results of this study are expected in March 2006.
- A July 2005 study estimated the total number of coffeeshops in the Netherlands at 737 at the end of 2004, down from 754 in 2002. Only 22 percent of the 483 Dutch municipalities allow coffeeshops within their cities—70 percent do not allow any at all. Half of all coffeeshops are located in the five largest cities. On average, coffeeshops are checked by the authorities four times per year, and criteria for operating such shops usually are well observed.

In a November 28, 2005 letter to the Second Chamber, Health Minister Hoogervorst stated that legal sales of medicinal cannabis by pharmacies have largely failed. He said the policy to allow medicinal sales in pharmacies could only be effective if an official cannabis-based medicine were registered. Hoogervorst intends to end the experiment if the pharmaceutical industry fails to develop such a medicine within one year. Since March 2003, doctors have been allowed to prescribe medicinal cannabis for their chronically ill patients. The Health Ministry's Bureau for Medicinal Cannabis buys the cannabis from two official growers, confirms quality and organizes the distribution.

Cocaine Trafficking. In July 2005, the Justice Ministry expanded prosecutions of South American and Caribbean cocaine couriers at Schiphol airport. Previously, the government only prosecuted couriers carrying 3 kilograms or more of cocaine; couriers carrying smaller quantities were sent home (to save the Dutch taxpayer the expense of "lodging" them in prisons). Under the new policy, couriers

carrying 1.5 or more kilograms are prosecuted. Government officials expect to prosecute all couriers, regardless of quantity carried, by January 2006. This has become possible because of the dramatic decline in the number of couriers due to the stricter controls. During a Justice Ministry budget debate in November 2005, the Second Chamber questioned the high amount of money spent annually on the 100 percent checks: 27 million Euros by Justice, and 6.5 million Euros each by the military police and Customs. In early 2006, the Justice Ministry will publish an assessment of the Schiphol drug policy, including a long-term plan.

In September 2005, Justice Minister Donner signed agreements with his Colombian and Venezuelan counterparts on intensified cooperation in combating cocaine trafficking to Europe. In June 2005, the Justice Ministry agreed to resume sharing the list of all "blacklisted" Schiphol couriers with DEA's El Paso Intelligence Center (EPIC) after a two-month hiatus due to Dutch concerns over privacy protections. To date, approximately 5,300 courier names have been provided to EPIC. In August 2005, the Rotterdam police seized 4,500 kilograms of cocaine—the largest cocaine seizure ever in the Netherlands. The cocaine, hidden inside two large steel cable spools, was worth an estimated $273 million. The investigation involved close cooperation with DEA offices in Spain, Belgium, and the Netherlands. Cooperation among Dutch, German and Spanish police led to the seizure of 1,650 kilograms of cocaine at the Port of Rotterdam in November. The cocaine, with an estimated street value of $60 million, was hidden in tins of asparagus and red peppers.

Ecstasy. In July 2005, Justice Minister Donner submitted to the Second Chamber an interim evaluation of the Government's 2002-2006 ecstasy action plan. The report, which covers the period up to 2004, indicated positive effects, such as increased seizures, increased apprehensions, and completed investigations. (For more details, see section on cultivation/production.)

On November 29, 2005, the National Crime Squad (NR) and the FIOD-ECD fiscal and economic investigation service dismantled the largest ecstasy lab ever found in the Netherlands. The professional lab was found in Nederweert (southern Limburg province), and was estimated to have had a production capacity of 20 million ecstasy tablets. The police also found more than 300 liters of PMK (the precursor for ecstasy) and a small quantity of MDMA powder and amphetamine. In addition, more than 50,000 liters of chemicals were discovered at a different location. Six people were arrested, all of them from Limburg province. The investigation, which began in May 2005, was carried out in close cooperation with German and Belgian authorities. This was the first ecstasy lab discovered in 2005; previously, only amphetamine laboratories had been found this year.

Accomplishments. The new National Crime Squad (NR) has proved very effective in drug investigations, and resulted in closer cooperation with the DEA. In July 2005, the national police (KLPD) assigned a liaison officer to China to work on joint precursor chemical investigations. In addition to working directly with the Chinese, the Netherlands is an active participant in the INCB/PRISM (A multilateral control effort) project's taskforce.

Law Enforcement Efforts. The Health Ministry coordinates drug policy, while the Ministry of Justice is responsible for law enforcement matters relating to local government and the police are the responsibility of the Ministry of Interior. At the municipal level, 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 up to 12 years. When trafficking takes place on an organized scale, the sentence is increased by one-third (up to 16 years). Sales of small amounts of cannabis products (under five grams) are "tolerated" (i.e., not prosecuted, even though technically illegal) in "coffeeshops" operating under regulated conditions (no minors on premises, no alcohol sales, no hard drug sales, no advertising, and not creating a "public nuisance").

The Dutch National Police (KLPD) and the National Prosecutors office continue to give high priority to combating the illegal drug trade. The National Crime Squad (Nationale Recherche—NR), a branch of the KLPD, became operational on January 1, 2004; two of the NR's primary missions are investigating of smuggling and cross border trade in cocaine and heroin, and investigating the production and trade of synthetic drugs. As part of the bilateral "Next Steps" law enforcement negotiations, DEA has obtained increased access to the NR office in The Hague, which focuses on cocaine investigations, and is working toward a similar relationship with the NR office in Helmond, which focuses on synthetic drugs. In September 2004, DEA assigned an additional special agent to The Hague Country Office, increasing the office's manpower to six, the largest it has ever been.

The Netherlands has accelerated efforts to collaborate on joint-law enforcement operations with its neighbors. On May 27, 2005, the Dutch government signed the Prum treaty with Belgium, Luxembourg, Germany, Austria, France, and Spain, promoting broad police cooperation across borders. In March, the Netherlands signed the Germany-Dutch Treaty, which will go into effect in 2006 and allow for common police patrols and controls in the border area between the two countries. The Benelux treaty, (the Netherlands, Belgium and Luxembourg), signed in June 2004 and enacted in February 2005, provides for increased cross-border police cooperation between the three countries. In June of 2005, Belgian and Dutch authorities agreed to jointly increase border controls in order to prevent ecstasy and cannabis production from shifting to Belgium. This expanded international cooperation on law enforcement investigations is particularly necessary given evidence that some ecstasy production is migrating from the Netherlands to neighboring states.

All foreign law enforcement assistance requests continue to be sent to the DIN (International Network Service), a division of the NR. The DIN has assigned two liaison officers to assist DEA and other U.S. law enforcement agencies. Since the reorganization into the NR, the DIN has allowed DEA and other liaison officers to contact one of the five NR offices directly with requests. In addition, DEA has been allowed to contact regional police offices on a case-by-case basis. This policy has permitted better coordination during ongoing enforcement actions, such as controlled deliveries and undercover operations. Under Dutch law enforcement policy, prosecutors still control most aspects of an investigation. Dutch police officers must get prosecutor concurrence to share police-to-police information directly with foreign liaison officers. This can hamper the quick sharing of information, which could be used proactively in an ongoing investigation. However, the quick sharing of police-to-police information is improving as a result of the increased access for DEA agents with NR units. This improved information sharing led to the seizure of approximately 4,500 kilograms of cocaine and the dismantling of a Colombian cocaine transportation cell operating in the Netherlands and Spain in September 2005. Dutch law enforcement has also become much more willing to undertake controlled delivery operations with DEA. In fiscal year 2004, the Dutch did not accept any requests from DEA for controlled delivery operations. In FY 2005, the Dutch and DEA conducted 10 inbound controlled deliveries of cocaine. This trend is continuing with three controlled delivery operations attempted so far in FY 2006. Most of these controlled deliveries are small amounts of cocaine (less than five kilograms) contained in parcels being sent from South America or the Caribbean.

The Dutch Government also took significant steps at the policy and operational levels to target the more significant international drug trafficking organizations active in the country. In 2005, the National Crime Squad (NR) began operations to better coordinate Dutch investigations with a focus on large organizations. In early July, the NR announced the arrests of 10 members (including the leader) of an international organization believed to be responsible for a significant percentage of all MDMA production in the Netherlands. Seizures from this organization have included 25,000 liters of precursor chemicals, enough to make 375,000,000 tablets worth an estimated $7.5 billion in retail street value. The NR attributes the doubling of the price of precursors since 2004 to seizures against this organization—a mark of its market dominance. Also, Dutch targeting of Israeli-based trafficking

organizations has had a demonstrable impact; they are no longer dominant players in the ecstasy trade originating form the Netherlands.

The 100 percent checks on inbound flights from the Caribbean and some South American countries continue at Schiphol Airport. The manpower required to conduct these 100 percent checks remains a major monetary expense and logistical challenge for the authorities at Schiphol. The program negatively affects the number of flights targeted for outbound checks, and as a result, the number of outbound drug couriers going to the United States arrested at Schiphol remains low.

Double Dutch. This is a joint initiative between Dutch Customs, ICE, and CBP, that is led and coordinated by ICE. The operation targets drug smuggling via commercial air carriers departing Schiphol International Airport in Amsterdam for various U.S. airports. On selected flights, Dutch Customs conducts 100 percent outbound examinations of cargo, baggage, passengers, and flight crews, as do ICE and CBP upon the flight's arrival in the U.S. The rationale behind 100 percent exams on both sides is intended to preclude the possibility of internal conspiracies.

Mercure. From November 3-10, 2004, the Office of the ICE Attache/The Hague participated in Operation Mercure II, a World Customs Organization-sponsored, multinational initiative designed to target synthetic drug smuggling from 21 European countries via airfreight, courier services, and letter/parcel post packages bound for the United States, Australia, and Canada. The European countries include: Belgium, Denmark, Germany, France, Hungary, Ireland, Poland, Spain, Sweden, The Netherlands, United Kingdom, Estonia, Greece, Slovenia, Finland, Austria, Portugal, Lithuania, Italy, Luxembourg, Czech Republic, and Switzerland.

Mercure II, based at Europol in The Hague, ran for 24 hours a day for the duration of the operation. The primary focus of Mercure II was for European customs organizations to attempt to intercept packages containing controlled substances and facilitate controlled deliveries to the U.S., Canada, and Australia.

The operation resulted in approximately 175 referrals to the U.S. Of these, only one resulted in an ICE/DEA controlled delivery of 47,250 ecstasy tablets in New York, although CBP did effect numerous seizures of anabolic steroids at JFK. Most of the referrals were recommendations for examination in the U.S., which obviously usually met with negative results for controlled substances.

Corruption. The Dutch 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. Press reports of low-level law enforcement corruption appear from time to time but the problem is not believed to be widespread or systemic. In November 2005, 140 officers of the special Schiphol CargoHarc drug team staged a preventive security control action of the airport's baggage basement, searching for drugs and other potential criminal activities. The action did not result in any arrests.

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

The U.S. and the Netherlands have fully operational extradition and mutual legal assistance agreements (MLAT).

Cultivation and Production. Although commercial (indoor) cultivation of hemp is banned, about 80 percent of the Dutch cannabis market is Dutch-grown marijuana ("Nederwiet"). A 2004 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 kilograms of "Nederwiet." In 2004, 2,261 hemp plantations were dismantled, up from 1,867 in 2003. Domestic Dutch cannabis production in 2005 remains quite significant. Although the Dutch government has given top priority to the investigation and prosecution of large-scale commercial cultivation of Nederwiet, tolerated coffeeshops appear to create the demand for such cultivation. To end the controversial policy of allowing "front-door" cannabis sales in coffeeshops, but banning "back-door" deliveries, a Second Chamber majority urged the Government in October 2005 to approve a trial program regulating cannabis cultivation. Proponents, including the Mayors of Amsterdam and Maastricht, argued that the measure would end large-scale home cultivation, in which organized crime plays an important role. Justice Minister Donner and Interior Minister Remkes strongly opposed the experiment on the grounds that it would violate international treaties to which the Netherlands is committed. The matter remains under consideration.

The Netherlands remains one of the largest producers of synthetic drugs, although the National Crime Squad (NR) has noted a production shift to Eastern Europe. According to the NR, there also appears to be a shift from ecstasy to amphetamine production. According to a July 2005 report by the National Crime Squad (NR), 197 ecstasy suspects were arrested in 2004, down from 214 in 2003. The NR seized 11,120 liters of chemical precursors compared to 11,453 liters in 2003. The NR completed 60 criminal investigations in 2004 and 40 in 2003. The Fiscal and Economic Investigation Service (FIOD-ECD) completed 23 investigations in 2004 and 19 in 2003. The total number of ecstasy tablets with an alleged Dutch connection confiscated by U.S. authorities continued to drop from almost 2.3 million tablets in 2002, and 1.1 million in 2003, to about 0.2 million in 2004. The number of registered ecstasy tablets seized in the Netherlands totaled 5.6 million in 2004, compared to 5.4 million in 2003.

According to the same NR report, 2004 drug seizures around the world that could be related to the Netherlands involved more than 10 million MDMA tablets (2003: 12.9 million) and more than 1,000 kilograms (2003: 870 kilograms) of MDMA powder. MDMA (powder and paste) seizures in the Netherlands in 2004 dropped to 303 kilograms from 435 kilograms in 2003. The number of dismantled production sites in the Netherlands for synthetic drugs dropped to 29 in 2004 from 37 in 2003. Of the 29 production sites, 13 were for amphetamine and 11 for ecstasy production, and 5 were meant for ecstasy tableting.

Drug Flow/Transit. The Netherlands remains an important point of entry for drugs to Europe, especially cocaine. According to a November 2003 report by the National Crime Squad, an estimated 40,000-50,000 kilograms of cocaine are smuggled annually into the Netherlands, of which about 20,000 kilograms enter via Schiphol and the remainder via seaports and road from Spain (Dutch cocaine use is estimated at 4,000-8,000 kilograms annually). The Dutch government has stepped up border controls to combat the flow of drugs, including the successful Schiphol Action Plan. Cocaine seizures in the Netherlands dropped to 12,387 kilograms in 2004, of which about 8,155 kilograms were seized at Schiphol. The government has 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); 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 Dutch government, needle supply and exchange programs have kept the incidence of HIV infection among intravenous drug users relatively low. Of the addicts known to the addiction care organizations, 75 percent regularly use methadone.

According to the 2004 National Drug Monitor, the out-patient treatment centers registered some 29,173 drug users seeking treatment for their addiction in 2003, compared to 27,768 in 2002. The number of cannabis addicts seeking treatment rose to 4,485 in 2003 from 3,701 in 2002, but the number of opiate addicts seeking treatment dropped from 16,043 in 2002 to 15,195 in 2003. Statistics from drug treatment services show a sharp increase in the number of people seeking help for cocaine addiction, from 6,103 in 2000 to 9,216 in 2003. About 65 percent of addicts seeking help for cocaine problems are crack cocaine users.

Prevention. A network of local, regional and national institutions organize drug prevention programs. Programs target schools in order to discourage youth drug use, and use national mass media campaigns 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 "healthy living" project, developed by Netherlands Institute of Mental Health and Addiction (the Trimbos Institute) continues to run in about 75 percent of Dutch secondary schools. The three-year cannabis information campaign launched in 2004 by the Health Ministry and the Trimbos Institute warning young people (12-18 years old) about the health risks of drugs also continues. The 24-hour national Drug Info Line of the Trimbos Institute has become very popular.

Heroin Experiment. In June 2005, Ministers Donner and Hoogervorst informed the Second Chamber that projects providing free heroin to hard-core drug addicts would be expanded to another 15 municipalities, for which 7 million Euros would be made available over the next few years. Amsterdam, Rotterdam, The Hague, Utrecht, Groningen and Heerlen already have such projects, which include a total of 300 addicts. In total, 980 addicts could be "treated" with the extra money.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. and Dutch law enforcement agencies 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. Dutch law enforcement has dramatically improved its acceptance of controlled delivery operations with the DEA but continues to resist use of undercover operations in investigations of drug traffickers. They are also reluctant to admit the involvement of large, international drug organizations in the local drug trade and do not use their asset forfeiture rules often. The fourth bilateral law enforcement talks, which were held in Washington in April 2005, resulted in additional agreements to the "Agreed Steps" list of actions to enhance law enforcement cooperation in fighting drug trafficking. The U.S. is also working with the Netherlands to assist Aruba and the Netherlands Antilles in countering narcotics trafficking. The 10-year FOL agreement between the U.S. and the Kingdom for the establishment of Forward Operating Locations (for U.S. enforcement personnel) on Aruba and Curacao became effective in October 2001. Since 1999, the Dutch Organization for Health Research and Development (ZonMw) has been working with NIDA on joint addiction research projects. We have also noted improved and expedited handling of extradition requests.

The Road Ahead. We expect U.S.-Dutch bilateral law enforcement cooperation to intensify in 2006. The bilateral "Agreed Steps" process will continue to promote closer cooperation in international investigations, including ecstasy and money laundering cases. In particular, increased access for DEA agents to NR drug units is expected to result in enhanced police-to-police information sharing and coordination. The Dutch government's ecstasy Action Plan is expected to result in further improvements in Dutch counternarcotics efforts. The Dutch synthetic drug unit, which now is part of the National Crime Squad, will continue to make concrete progress. The stationing of the Dutch liaison officer in China in July 2005 is expected to increase cooperation among the U.S., China and the Netherlands on precursor chemicals.

Norway

I. Summary

Norway's illicit drug production remained insignificant in 2005. Norway continued to tightly control domestic sales, exports and imports of precursor chemicals. The volume of drugs seized increased despite a decline in the number of drug seizures as the police continued to focus attention on bulk drug suppliers rather than individual abusers. Of the 2005 seizures, cannabis accounted for 43 percent followed by amphetamines (20 percent) and benzodiazepines (16 percent). Other drugs accounted for 21 percent of seizures. The police continued to step up efforts to track and intercept drugs in transit. Norway is a party to the 1988 UN Drug Convention.

II. Status of Country

Norwegian illicit drug production remained insignificant in 2005 mainly due to Norway's tight regulations governing domestic sales, exports and imports of precursor chemicals and Norway's unfavorable climate for drug production. However, Norway remained a popular market and transit country for drugs produced in Central/Eastern Europe and elsewhere. Looking ahead, Norway is unlikely to become a significant source for diverted dual-use precursor chemicals because of the country's prohibitive regulatory framework and strong law enforcement.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In 2005, the Ministries of Health and Social Affairs continued their joint Narcotics and Alcohol Abuse Treatment and Prevention Reform program. The national government, represented by the regional health enterprises, has the responsibility for treatment and prevention of narcotics and alcohol abuse. The principal aim of state centralization is to provide improved and uniform health and counseling services for drug and alcohol abusers countrywide.

On January 31, 2005, the Ministry of Social Affairs opened the first injection control room (in Oslo) for drug addicts; more are slated to follow. The rationale for the injection rooms is to remove the drug addicts from the streets and to provide addicts with sterilized injection needles in a controlled environment. The Ministry of Social Affairs has also arranged counternarcotics conferences in Oslo on themes including Norwegian Cities against Narcotics, with officials from major Norwegian cities attending.

The national government unveiled a drugs status report on July 25, 2005, as a progress report on Norway's 2003-2008 Counter-Narcotics Action Plan (see below). Then-Social Affairs Minister Dagfinn Hoeybraaten underscored that the Norwegian Government's counternarcotics policy remains comprehensive and coordinated. He called for continued international cooperation to combat drug abuse and stated that increased rehabilitation of drug offenders was a priority in Norway. Meanwhile, the joint Narcotics Action Committee (established by the Ministries of Health and Social Affairs in 2003) continued its work on government narcotics policy. According to the committee's mandate, it will evaluate preventative strategies and propose drug rehabilitation and treatment measures. The committee is also mandated to study the premises behind current narcotics policy and propose long-range policy changes.

The Norwegian Police Directorate (PST), a part of the Justice Ministry, continued to implement Norway's 2003-2008 Counter-Narcotics Action Plan, with the police carrying out an increasing number of countrywide drug raids. The PST has at its disposition one helicopter that is used in narcotics investigations, specifically in tracking narcotics criminals. The PST's 2003-2008 Action

Plan, unveiled in October 2002, carries forward plans and initiatives to meet the objectives of the 1988 UN Drug Convention. The PST Plan focuses on reducing domestic drug abuse, identifying and curbing illicit drug distribution, and curbing drug abuse among drivers of motor vehicles.

Norway's Customs and Excise Directorate (CED) continued its counternarcotics efforts. The CED has now been equipped with mobile X-Ray scanners that can detect drugs, illegal firearms and alcohol in vehicles passing major border crossings. The CED continued implementing its own counternarcotics plan aimed at curbing drug imports, and seizing illicit drug money and chemicals used in narcotics production. The CED continues to coordinate its efforts with the police and the Coast Guard.

Law Enforcement Efforts. According to statistics compiled by the Norwegian police crime unit (NEW KRIPOS), which was re-organized as of January 1, 2005, the number of drug seizures in 2005 dropped by eight percent to an estimated 22,300 cases from 24,108 in 2004. But NEW KRIPOS notes that volumes of some seized drugs rose (e.g., cocaine) as the police continued to focus attention on bulk drug suppliers rather than individual abusers. In November, the police seized a record haul of cocaine (nearly 200 kilograms) onboard a South American ship docking in a Norwegian industrial port. Of the seizures made in 2005, cannabis accounted for 43 percent, amphetamines 20 percent, benzodiazepines 16 percent, and other drugs accounted for 21 percent of total seizures. In 2004 (the most recent year in which figures were available) the number of persons charged with narcotics offenses remained virtually unchanged from the prior year—37,259 in 2004—(the latest available figure) compared to 36,657 in 2003—perhaps reflecting a tendency for police to focus attention on bulk drug suppliers,. In order to discourage the use of narcotics substances, Norwegian law enforcement authorities have continued to make coordinated raids at border crossings against smuggling rings and to impose heavy fines relating to narcotics offenses. In a move to improve law enforcement, the Ministry of Justice gave permission in 2005 to use bugging devices to track down narcotics offenders.

Corruption. Norway does not encourage or facilitate illicit production or distribution of narcotics or psychotropic drugs or other controlled substances or the laundering of proceeds from illegal drug transactions. Senior government officials do not engage in, encourage, or facilitate illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. According to Norway's penal code, corruption of Norwegian and foreign officials is a criminal offense.

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 is also a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms, and has signed, but has not yet ratified, the UN Convention Against Corruption. Norway has an extradition treaty and customs agreement with the U.S. Norway remains a member of Interpol, the Dublin group, and the Pompidou group.

Cultivation/Production. In 2005, insignificant amounts of illicit crop plant cultivation were discovered. Very small quantities of Norwegian-grown hashish/cannabis concealed as potted plants in private premises were detected. While there is concern that narcotics dealers may establish mobile laboratories to convert chemicals into drugs, the police did not uncover significant synthetic drug production in 2005.

Drug Flow/Transit. According to the police crime unit NEW KRIPOS, the 2005 inflow of illicit drugs remained significant in volume terms with cannabis, heroin, benzodiazepines, ecstasy, amphetamines and khat topping the list. Most illicit drugs enter Norway by road from other European countries including the Baltic states, the Netherlands, Belgium, Germany, Spain, Central, the Balkans and other countries in Eastern Europe and Asia. As in the past, some drugs have been seized in commercial vessels arriving from elsewhere on the European continent and from Central/South

America. A record quantity of cocaine (nearly 200 kilograms) was seized onboard a South American ship that docked in Norway in November.

Domestic Programs (Demand Reduction). Government ministries and local authorities continue to initiate and strengthen counternarcotics abuse programs. According to the Ministries of Health and Social Affairs, the reduced number of drug-related deaths suggests that these programs have been successful. While the maximum penalty for a narcotics crime in Norway is 21 years imprisonment, penalties for carrying small amounts of narcotics are mild.

IV. U.S. Policy Initiatives and Programs

DEA officials consult with Norwegian counterparts when required.

The Road Ahead. Norway and the U.S. will continue to cooperate on narcotics related issues both bilaterally and in international fora, especially the EU.

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. 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 in 2004 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.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The National Program for Counteracting Drug Addiction (National Program), 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 nongovernmental organization, is the main actor in the implementation of the National Program. In 2005, the National Program budget was decreased slightly from $3.6 million in 2004 to $3.2 million. In addition, individual ministries and local governments continue to finance the program's activities out of existing counternarcotics budgets.

Law Enforcement Efforts. DEA agents visit Poland regularly and in 2005, worked closely with the Polish National Police in numerous narcotics investigations targeting drug trafficking organizations that import controlled substances into Poland, as well as those that export controlled substances to the United States. The National Bureau for Drug Addiction is well-known for its openness and cooperation in discussing drug-related issues. During 2005, Polish police shut down 18 major amphetamine-producing laboratories. Many of these were in the Warsaw region, with two in Katowice and others scattered throughout Poland. To fight international crime, the use of informants, telephone taps, and controlled deliveries are now all permitted by Polish law, and a witness protection program is in place.

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. Instances of small-scale corruption bribery, smuggling, etc., are prevalent at all levels within the customs service and among police. In April and May, the Central Bureau of Investigation (CBS) offices in Lodz and Poznan were closed and the Director of the CBS, Janusz Golebiewski resigned. An inspection at the CBS in Lodz revealed that over the last several years over 120 kilograms of narcotics disappeared from CBS custody, while in Poznan an inspection revealed that CBS officers were trading top-secret operational information. 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 a Law Enforcement LOA.

Agreements and Treaties. Poland has fulfilled requirements to harmonize its laws with the EU's Drug Policy. Poland is a party to the UN Convention on Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons, and illegal manufacturing and trafficking in firearms. Poland has signed, but has not yet ratified, 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 of countries coordinating narcotics assistance.

Drug Flow/Transit. While 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. Ecstasy transits Poland en route to both Western Europe and the United States. 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. The program also seeks to improve training and coordination between various Polish law enforcement authorities, including the CBS and the border guards. The CBS has made the controlling and monitoring of precursors the Bureau's top priority. The Law on Counteracting Drug Addiction also 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. The Ministry of Education requires all schools to incorporate a drug prevention curriculum in their programs, however, schools are able to modify and tailor their drug prevention curriculum to meet individual school needs. To assist teachers with this task, the Ministry has a Center for Psychological and Didactic Assistance which offers professional training and programs to develop drug prevention curriculum.

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 2006 bilateral activities. Enhancing operational cooperation through joint investigations and travel assistance to Polish law enforcement officers will also continue.

Bilateral Cooperation. The DEA maintains close contact and holds numerous operational liaison meetings with Polish law enforcement officials, and cooperates with two full-time agents from the Federal Bureau of Investigation posted in Warsaw. In 2006, DEA plans to have two full time agents posted to Warsaw. In 2005, the U.S. International Criminal Investigative Training and Assistance Program (ICITAP) conducted a training of senior level police officials, such as regional commanders and deputy commanders, on Code of Ethics and Anti-Corruption Strategy. 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 by the U.S. and Poland.

The Road Ahead. Poland's accession to EU membership on May 1, 2004 played a key role in sharpening the GOP's 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 2006 will continue to include better educational campaigns addressed to specific target groups (including media campaigns, and a 'peer campaign' for children and students) and continuing the pilot program for the assessment of the quality of medical, rehabilitation, and health harm reduction treatments provided by various institutions. Authorities will also continue to focus on the creation of a strategy for counteracting drug addiction at the local (township) level.

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 cocaine and heroin also taking a heavy human and economic toll. Overall drug seizures in Portugal in 2004-2005, as compared to 2003-2004, significantly increased. For example, seizures of cocaine increased 146 percent and heroin increased 35 percent. Seizures of hashish diminished by 8 percent. Portugal actively participates in international counternarcotics programs. U.S.-Portugal cooperation on drugs has included visits to Portugal 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 easier by open borders between the Schengen Agreement countries and by Portugal's long coastline. South America was the primary source in 2004-2005 for cocaine arriving in Portugal, largely from Brazil and Venezuela, both of which have large resident Portuguese populations. Other primary source countries in 2004-2005 were Morocco and Spain, especially for hashish. Cocaine and heroin enter Portugal by car, commercial aircraft, truck containers, and maritime vessels. The Netherlands, Spain and Belgium are the primary sources 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 2005

Policy Initiatives. Portugal decriminalized drug use for casual consumers and addicts on July 1, 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 (EEZ). Portugal is planning to open its doors soon to the European Maritime Safety Agency (EMSA).

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 of criminal investigations. According to the 2004 annual report drawn up by the PJ, the Portuguese law enforcement forces arrested 5,086 individuals for drug-related offenses in 2004. 2,235 were traffickers and 2,851 were "traffickers/consumers." Most were Portuguese citizens, followed by a number of nationalities, such as Cape Verdeans (368), Angolans (68), Venezuelans (66), Spanish (57), Bissau-Guineans (42), and Brazilians (41).

The 2005 PJ semi-annual report indicates a significant increase of drugs seized in the first half of 2005 compared to the first half of 2004. Seizures increased by 104 percent for heroin, 363 percent for cocaine, and 59 percent for ecstasy. Hashish seizures decreased by about 24 percent. The PJP 2005 semi-annual report indicates the following monetary seizures related to narcotics: 1.8 million Euros in cash, 212 thousand Euros in assets and the equivalent of Euro 426 thousand in foreign currency.

In December 2005, a joint investigation by the PJ and the Spanish Internal Revenue Service Agency (Agencia Tributaria Espanhola) led to the seizure of a UK-flagged fishing vessel called "The Guiding

Light." Upon the boat's attempt to dock in Portugal, officials seized huge quantities of hashish. Three British citizens were arrested, and the cargo was recovered.

In November 2005, the PJ seized more than 230 kilograms of cocaine in Lisbon's harbor. The drug, coming from South America, was disguised in a container carrying furniture.

Also in November 2005, Portuguese Customs Patrol made three important seizures of cocaine—two at the Lisbon airport and one at the Madeira airport. Two Venezuelans and one Italian were arrested. All three flights originated in Caracas.

Corruption. As a matter of government policy, Portugal does not encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. No senior Portuguese officials are known to be involved in, or encourage, such activities.

Agreements and Treaties. Portugal is 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. Portugal is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. Portugal has signed, but has not yet ratified, the UN Convention against Corruption. 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 an extradition treaty dating from 1908. Although this treaty does not cover financial crimes, drug trafficking or organized crime, certain drug trafficking offenses, are deemed extraditable in accordance with the terms of the 1988 UN Drug Convention. On July 14, 2005, the U.S. and Portugal signed agreements on extradition and mutual legal assistance pursuant to the U.S.-EU Agreements on these subjects. These will modernize the criminal law relationship between the U.S. and Portugal. Portugal has signed, but has not ratified, the UN Convention against Transnational Crime.

Drug Flow/Transit. Portugal's long, rugged coastline and its 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. The U.S. has not been identified as a significant destination for drugs transiting through Portugal, but in recent years, U.S. border officials have found an increasing number of Portuguese citizens trying to smuggle in khat. The U.S. embassy in Lisbon is aware of at least 50 such cases.

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). The new IDT gathers statistics, disseminates information on narcotics issues and manages government treatment programs for narcotic addictions. It also sponsors several programs aimed at drug prevention and treatment, the most important of which 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.

Portugal is currently bringing forward a new National Drugs Strategy: 2005-2012, with an intermediary impact assessment scheduled for 2008. The new strategy builds on the EU's Drugs Strategy 2000-2004 and Action Plan on Drugs 2000-2004. The Portuguese strategy focuses on reducing drug use, drug dependence and drug-related health and social risks. The system will include prevention programs in schools and within families, early intervention, treatment, harm reduction, rehabilitation, and social reintegration measures. Drug demand reduction measures take into account

the health-related and social problems caused by the use of illegal psychoactive substances and of poly-drug use in association with legal psychoactive substances such as tobacco, alcohol and medicines.

In law enforcement cooperation, the program aims at strengthening cooperation among all security forces within Portugal as well as within the 25 EU member states. The program also will intensify law enforcement cooperation with Portugal's countries of interest, largely in Africa and South America.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA-Madrid cooperates closely with the Portuguese authorities on U.S.-nexus drug cases. The Portuguese Customs Bureau cooperates with the U.S. under the terms of the 1996 CMAA.

The Road Ahead. Continuing cooperation between the U.S. and Portugal on narcotics law enforcement will aid in attacking drug trafficking networks. Portugal's ratification of the MLAT and its participation in the Container Security Initiative will assist in the seizures of narcotics in maritime cargo containers.

Romania

I. Summary

Romania is not a major source of narcotics; however, Romania serves as a transit country for narcotics from Southwest Asia to Central and Western Europe. It is also a developing route for the transit of synthetic drugs from Western and Northern Europe to the East. In 2005, Romania made several major drug seizures. Romania worked to implement its 2004-2005 National Anti-Drug Strategy and finalized the National Anti-Drug Strategy for 2005-2012 which was drafted to comply with EU standards. Romania is a party to the 1988 UN Drug Convention.

II. Status of Country

Romania lies along the Northern Balkan Route, which is used to move heroin and other opiates from Southwest Asia to 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 transit Romania from West European countries en route to Turkey. Heroin and marijuana are the primary drugs consumed in Romania; however, the use of synthetic drugs such as MDMA (ecstasy) also increased among segments of the country's youth. According to estimates by Romanian authorities, domestic heroin consumption remained level in 2005, due in part to a country-wide campaign against the use of intravenous drugs because of the danger of the spread of HIV

III. Country Actions Against Drugs in 2005

Policy Initiatives. Romania recently completed hiring personnel for a new legally-required integrated system for prevention and treatment services at the national and local level. The 47 Drug Prevention and Counseling Centers throughout the country are furnished, staffed and capable of providing treatment. However, the occupancy rate is below expectations because of the low quality of the services provided to patients. The General Directorate for Countering Organized Crime (DGCCO) operates at both the central and local level, with 15 brigades assigned next to the local Appeal Courts and 27 county offices for combating organized crime and narcotics. Joint teams of police and social workers carry out educational and preventive programs against drug consumption. Romania plays an active role in the Bucharest-based Southeast European Cooperative Initiative (SECI) Center's Anti-Drug Task Force.

Law Enforcement Efforts. In the first eleven months of 2005, Romanian authorities seized 906.1 kilograms of illegal drugs, including 284.8 kilograms of heroin, 109.7 kilograms of cocaine, 6.2 kilograms of opium, 493.9 kilograms of cannabis and 32,309 amphetamine and derivates pills. The number of drug-related offenses increased 5 percent in 2005, up to 1,495 crimes. Between January and October 2005, the Romanian authorities identified 145 organized groups of drug traffickers composed of 653 individuals. The Prosecutor's Offices opened 1,105 criminal cases related to drug and precursor crimes, in which 1,828 individuals were investigated.

Corruption. Corruption remained a problem within the Romanian government, including in the judiciary branch and with law enforcement. Existing legislation, which allowed drug dealers to receive smaller sentences in exchange for providing information about other drug criminals, contributed to the development of bribery between police and drug criminals. In conjunction with renewed emphasis on the Code of Ethics, which provides strict rules for the professional conduct of law enforcement, the government created an Anti-Corruption Unit within the Ministry of the Administration and Interior to monitor compliance with the Code. The Anti-Corruption Unit conducted several internal undercover

operations targeting suspected corrupt police officers. While no policemen were officially convicted on corruption charges, numerous administrative sanctions were imposed. As a matter of government policy, however, Romania 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.

Agreements and Treaties. Romania 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. Romania is a party to the UN Convention against Corruption and to the UN Convention against Transnational Organized crime and its protocols against trafficking in persons, migrant smuggling, and illegal manufacturing and trafficking in firearms. Both an extradition and a mutual legal assistance treaty are in force between Romania and the United States.

Cultivation/Production. Not applicable.

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 and Ukraine, 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 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 increasing, and the Romanian government has become increasingly concerned about domestic drug consumption. In 2005, 213 drug prevention programs and activities were initiated. Detoxification programs were offered through some hospitals, but treatment remained severely limited. These programs were hampered by a lack of resources and adequately trained staff. In the first eleven months of 2005, approximately 1,800 individuals were registered for treatment.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2005, the United States provided $1.75 million in SEED money assistance to further develop Romania's crime fighting capabilities at the police, prosecutor and judicial levels. In addition, Romanian Police officers have participated in DEA and Customs Enforcement (ICE) undercover operations training, focusing on drug-related investigations. The FBI provided training in advanced cybercrime investigations, combating police corruption and advanced organized crime. Romanian police officers participated in U.S. Bureau of Customs and Border Security Canine Enforcement Officer training. Romania also benefited in 2005 from approximately $1.3 million in U.S. assistance to the Bucharest-based Southeast European Cooperative Initiative 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 Road Ahead. In 2005, Romania put emphasis on its counternarcotics efforts and cooperation with the USG and other nations. Future efforts will likely be keyed to domestic drug consumption, corruption and strengthening Romania's borders. The USG believes that cooperation will continue, as Romania moves closer to becoming a member of the European Union. The United States will continue supporting Romania's efforts to strengthen its judicial and law enforcement institutions.

Russia

I. Summary

In 2005, the Government of Russia (GOR) intensified its counternarcotics efforts in response to the threat of narcotics trafficking along the "Northern Route" from Afghanistan through Central Asia into Russia. Afghan opiates transported along the Northern Route supply Russia's internal user demand, as well as transit through Russia to the rest of Europe. In addition, heroin use contributes to the significant increase in the number of persons infected with HIV/AIDS and/or Hepatitis C, due to intravenous drug use. Press reports claim that one hundred Russians each day are infected with HIV/AIDS. Federal Drug Control Service (FSKN) Director General Cherkesov emphasized the need for international cooperation to combat drug traffickers that operate without regard for borders. The FSKN plans to open liaison offices in ten countries, including Afghanistan, in 2006. In November 2005, the FSKN signed a Memorandum of Understanding with the U.S. Drug Enforcement Administration (DEA) to enhance bilateral cooperation to combat illegal drugs and their precursor chemicals. Trafficking in opiates from Afghanistan (primarily opium and heroin) and their abuse continued to be major problems facing Russian law enforcement and public health agencies, although the FSKN reports the sharp post-Soviet increases in the number of drug users has begun to stabilize.

Russia handed over control of the Afghan/Tajik border to Tajikistan in June 2005. Following withdrawal, FSKN officials report the drug flow into Russia has increased significantly. More than 90 percent of Afghan drugs arrive in Russia via Central Asia. The GOR has recognized the extent of the drug trafficking and is taking steps to address both the law enforcement and public health issues. Health education programs in schools are beginning to incorporate messages concerning the harmful effects of drug use and the links between injecting drugs and HIV/AIDS. Russia is party to the 1988 UN Drug Convention.

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 the rest of Europe. The Russian border with Kazakhstan is roughly twice the length of the U.S.-Mexican border and poorly patrolled. Considering the resource constraints facing local law enforcement agencies, Russian authorities are unlikely to stop a significant proportion of the heroin entering their country.

Synthetic drugs produced in Russia usually take the form of amphetamine type stimulants (ATS) and heroin analogues like methadone and mandrax (methaqualone). The FSKN reports that the use of illegal synthetic drugs increased dramatically in 2005. Clandestine amphetamine labs are occasionally reported in Russia, typically located in the northwest region of the country close to St. Petersburg or right across the border in the Baltic States. The St. Petersburg area had long been considered the primary gateway for foreign-produced MDMA (ecstasy) smuggled into Russia. However, the Russian Federal Customs Service (FTS) reported that roughly half of the MDMA it seized in 2005 entered the country from Belarus and is typically manufactured in Poland. Although the MDMA tablets produced in Russia are of poor quality, the low prices (as little as $5.00) are attractive to Russian youth compared to the $20 typically charged for MDMA tablets from the Netherlands. Methamphetamine production is extremely rare in Russia.

Russia is a legitimate producer of acetic anhydride (AA), which is a widely used industrial chemical, but also is a precursor chemical used in the clandestine production of heroin from opium. The FSKN and Russian Customs report that the small number of legitimate production facilities in Russia is subject to strict government regulation. However, they acknowledge that diversion of AA may occur.

Other precursors such as ergotamine (for LSD), red phosphorous (for methamphetamine), and acetone (used in several substances) are also produced in Russia. 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. Disposable incomes in Russia have risen steadily for seven years, while cocaine prices have remained static, making the drug more affordable to a growing pool of potential users. 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 in cargo containers. Couriers traveling on commercial flights bring cocaine into Russia, often traveling through third countries in Europe as well as through the U.S.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The FSKN was established in 2003 as the State Committee for the Control of Traffic in Narcotic and Psychotropic Substances (GKPN). Russian President Putin issued an edict in July 2004 calling for the restructuring of FSKN. The FSKN has 35,000 employees, with branch offices in every region of Russia. Since the FSKN's creation, Director Cherkesov 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. Production, transportation, distribution, and import/export of controlled substances now require licensing from the FSKN.

Accomplishments. Russia now has a legislative and financial monitoring structure that facilitates the tracking, seizure, and forfeiture of all criminal proceeds. Russian legislation provides for investigative techniques such as search, seizure and the compulsion of documents production.

In 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 financial institutions to report suspicious transactions to the FSFM.

In 2004, Russia passed new witness protection legislation. Russian law previously provided limited protection for testifying witnesses, but the provisions were weak and ineffective. 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. The new legislation requires implementing regulations. The GOR is working on such regulations, but they have not yet been published.

One of the key obstacles in Russia's struggle with drug trafficking is a lack of experience with prosecuting narcotics-related cases. FSKN Director Cherkesov has commented publicly that the courts must give stiffer sentences to drug traffickers. It is rare that criminals who have committed serious drug crimes in Russia are given the maximum 20-year sentence. However, Russia's legislators and politicians continue to address this problem, demanding stiffer sentences for narcotics-related crimes and establishing a legal framework that is beginning to work effectively against drug dealers.

Law Enforcement Efforts. In November 2004, the FSKN announced it would establish a system of drug liaison offices (DLOs). FSKN officers will be stationed in approximately ten foreign countries to

facilitate information sharing and joint investigations. The FSKN has already established an office in Dushanbe, Tajikistan, and plans to open an office in Kabul in early 2006.

The average price for a gram of heroin (retail) in 2005 was in the $40 range. The range in 2004 was $30 and in 2003, $20. The wholesale price for a gram of heroin in 2005 was between $20-$30. Per gram prices as low as $10 and as high as $50 have been reported.

FSKN officially reported seizing 3.9 metric tons of heroin in 2004 and 1.5 metric tons of heroin in the first half of 2005. At a November 2005 press conference, Cherkesov stated that the year-to-date total was over four metric tons of heroin seized by all law enforcement agencies. The FSKN further reported the seizure of 102.3 metric tons of narcotics and psychotropic and other powerful substances in 2004 and that 129.7 metric tons were seized by all Russian law enforcement agencies in 2004. Final figures for 2005 are not yet available.

Corruption. Controlling corruption has been a stated priority for the Putin administration since its inception. However implementing this policy is a constant challenge. Inadequate budgets, low salaries, and lack of technical resources hamper performance, sap morale, and encourage corruption. Evidence indicates the scope and scale of official corruption have grown markedly in the past several years. Officials from the FSKN report that corruption is a problem within their agency. In an effort to decrease corruption, Cherkesov endorsed a Code of Honor in 2005 for FSKN personnel. The Code is a brief list of rules of conduct that are supposed to guide the activities of every FSKN employee. FSKN officials report that about 100 law enforcement officers were arrested in 2004 for drug trafficking and stated that the figures for 2005 (not yet available) will be even higher. There were no reported cases of high-level narcotics related corruption, but given the scale of drug trafficking in Russia, some probably exists. Russia has signed but has not yet ratified the UN Convention Against Corruption.

Agreements and Treaties. Russia 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. A mutual legal assistance treaty is in force between the United States and Russia. As a result of the provision in the MLAT 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. To date, Russia has provided MLAT assistance in two narcotics-related cases and has received a third request for assistance from the USG. Russia is a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

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 ranging in size from 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. Every year Russian authorities carry out the "Operation Poppy" eradication effort, aimed at illicit cannabis and poppy cultivation. In 2005, Operation Poppy identified and destroyed numerous illicit plantations of cannabis, primarily in maritime areas and the Altai region.

Drug Flow/Transit. Opiates (and hashish to a lesser degree) from Afghanistan are carried across the Central Asian states and into Russia. The FSKN estimates that 60 tons of heroin are smuggled annually into Russia from Afghanistan via Central Asian countries on the "Northern Route." Contraband is typically carried in vehicles along the region's highway system that connects it to the populated areas of southwestern Russia and western Siberia. The Russian cities of Yekaterinburg, Samara, Omsk, and Novorossisk have emerged as hubs of trafficking activity. Couriers also frequently

use the region's passenger trains. Incidents involving internal body carry or "swallowers" are common.

At the wholesale level, the trade in Afghan opiates within Russia is dominated by Central Asians. Tajiks, Uzbeks, and others with family, clan, and business ties to Central Asia transport Afghan heroin across the southern border with Kazakhstan and into European Russia and western Siberia. The FSKN claims that ninety percent of drug kingpins in Russia are from Central Asia. 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.

Cocaine destined both for Russia and in-transit to Western Europe enters the country through the port of St. Petersburg. Synthetic drugs manufactured in Russia and elsewhere in 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. In 2005, there was one report of a large seizure of ephedrine in both bulk powder and tablet forms that had originated in China. 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.

Each year, law enforcement agencies of several CIS countries participate in Operation Kanal. Kanal is an interdiction blitz during which extra personnel are stationed at railroad stations, airports, border crossings, and other checkpoints. In Russia, 881 individuals were detained and 1,396 kilograms of illegal drugs were seized during Kanal 2005.

Russian forces were stationed in Tajikistan after the dissolution of the Soviet Union. At that time, their stated goal was to prevent incursions by Islamic extremists. This arrangement was formalized in a 10-year agreement signed in 1993. During that time, narcotics interdiction became one of their primary functions. In May 2003, the agreement governing the presence of Russian forces on the Tajik-Afghan border expired. In June 2005, Russia handed over control of the Afghan/Tajik border to Tajikistan. FSKN officials report that the withdrawal of Russian border guards from the Afghan/Tajik border has led to a significant increase in drug trafficking into Russia.

Demand Reduction. The FSKN reports that there are 1.5 million drug users with 400,000 officially registered drug addicts in Russia's narcological centers. New models of cognitive therapy are being implemented in narcological centers in St. Petersburg, but substitution therapy (i.e., maintenance using some artificial opiate like methadone) has not been fully explored and remains politically sensitive. The Ministry of Health estimates that up to six million Russians take drugs on a regular basis. These figures are significantly higher than FSKN statistics cited in 2004 and suggest a new willingness by the GOR to acknowledge and combat drug use in Russia. In 2004, Cherkesov claimed that there were only 390,000 "officially registered" drug addicts in Russia and four to five million Russians who use drugs regularly.

According to the Ministry of Health, as of October 2005, there were 335,000 officially registered HIV/AIDS cases in Russia. However, unofficial estimates, including those by the United Nations AIDS program, put the figure much higher, with some suggesting that there are over one million HIV-positive Russians. Intravenous drug use continues to be the most common method of transmission of HIV/AIDS and Hepatitis C in Russia. There are estimates that nearly 70 percent of new HIV cases can be attributed to intravenous drug use, and that 90 percent of injecting drug users are Hepatitis C positive.

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 have come to support the idea that demand reduction should complement law enforcement efforts to reduce supply. With support from the USAID Healthy Russia 2020 project, demand reduction messages are being incorporated into a Ministry of Education sanctioned health education curriculum for high school students and training materials for teachers. This program has been tested in Ivanovo (the eighth poorest oblast in Russia) and plans to expand to Irkutsk and Orenburg, two oblasts on the key drug trafficking routes. The problem of drug use among homeless teens has reportedly reached extraordinary levels in St. Petersburg. The Doctors of the World Program, which works with street children, reported that about 70 percent of children age 11 and younger (on a small sample of 30) were injecting homemade substances and 30 percent of these young people were HIV positive. While the knowledge of HIV risks is high even among drug users, the messages have not yet translated into behavioral changes and injecting practices.

IV. U.S. Policy Initiatives and Programs

Policy Objectives/Initiatives. The principal U.S. counternarcotics goal in Russia is to help strengthen Russia's law enforcement capacity, both to meet the challenges of international drug trafficking into and across Russia, and to provide reliable Russian law enforcement partners for U.S. law enforcement.

Bilateral Accomplishments. In 2002, the U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs (INL) negotiated a Letter of Agreement (LOA) with the GOR allowing direct assistance to the GOR in the area of counternarcotics and law enforcement assistance. In 2005, DEA International Training teams provided instruction to the agency's Russian counterparts in precursor chemicals, highway interdiction, and specialized training for drug enforcement unit commanders. Progress continued on the Southern Border Project, an effort that will lead to the establishment of three mobile drug interdiction task forces based in Orenburg, Chelyabinsk, and Omsk, all near the Russian-Kazakh border. The U.S. and Russia worked together to provide canine training to counternarcotics law enforcement officials from four Central Asian countries, training more than 45 law enforcement officials. The U.S. provided technical assistance in support of institutional change in the areas of criminal justice reform, mutual legal assistance, anticorruption and money laundering. U.S. Customs and Border Protection (CBP) conducted 2 Border Security Seminars at Russian Customs training academies and Rostov-on-Don and Vladivistok. The training included equipment packages of nonintrusive inspection equipment. In 2005, the U.S provided $809,000 worth of equipment to Russian Customs and the FSKN in support of INL counternarcotics projects. In November 2005, the FSKN signed a Memorandum of Understanding with the U.S. Drug Enforcement Administration (DEA) to enhance bilateral cooperation to combat illegal drugs and their precursor chemicals.

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, particularly in light of its upcoming chairmanship of the G-8. The USG will continue to encourage and assist Russia to implement its comprehensive, long-term national strategy against drug trafficking and use with multidisciplinary sustainable law enforcement assistance projects that combine equipment, technical assistance and expert advisors. DEA is scheduled to provide INL-funded counternarcotics training to over 100 trainees in 2006, drawn from the FSKN, the MVD, and the Federal Customs Service.

Slovakia

I. Summary

Slovakia lies near the western end of the Balkan drug transit route, which runs from southwest Asia to Turkey and on to Germany, France, and other western European countries. Since 1989 Slovakia has seen an increase in transshipments of narcotics and domestic production and consumption. Slovakia is a party to the 1988 UN Drug Convention.

II. Status of Country

Narcotics consumption and production remain relatively low in Slovakia, though the domestic market is still growing. The fastest growth is seen in the production and use of stimulants, including Pervitin and ecstasy, as well as marijuana. The Government of Slovakia (GOS) remains concerned that Slovakia is a transshipment point for drugs, particularly heroin, smuggled by ethnic Albanian criminal organizations along the "Balkan Route"—from Afghanistan, through Central Asia, and then through the Balkans, Hungary, and Slovakia, and on to Western Europe. The Slovak police believe the same criminal organizations are responsible for the shipment of smaller amounts of cocaine (from South America) and hashish (mostly from Morocco) into Slovakia for the domestic market. For the time being, however, the high price of such drugs has restricted the local market.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The national action plan for the fight against drugs was revised for 2005-2008 in accordance with the Action Plan of the EU for the Fight against Drugs. The revised version represents a comprehensive strategy to reduce drug use and to intercept drug transshipments.

Law Enforcement Efforts. In the first half of 2005, there were 837 drug-related criminal cases in Slovakia, which is a 29 percent increase in comparison to the first half of 2004. In the first 9 months of 2005, police seized almost 2 kilograms of heroin; 302.2g of cocaine; 1.35 kilograms of synthetic drugs; 649g of marijuana (including 92 plants uprooted), 98.7g of hashish, and 60 ecstasy tablets. Police are concerned by a growing number of small synthetic drug laboratories, mostly used to produce Pervitin. In the first 9 months of 2005 police confiscated 14 such laboratories.

Corruption. Although corruption remains a serious problem, GOS has enacted major legislation in recent years. In 2005 charges were brought and sentences handed down against several high profile personalities. Most officials seem serious about creating transparent rules and prosecuting abuses. In addition to the special Police Bureau for Fighting Corruption, since 2004 there is also a special prosecutor and, since September 2005, a special court for the fight against corruption. All are viewed as effective.

Agreements/Treaties. Slovakia is 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 Substance. Slovakia is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms. Slovakia has signed, but has not yet ratified, the UN Convention against Corruption. The extradition treaty between the former Czechoslovakia and the United States continues in force between the United States and Slovakia as a successor state. In 2005 the U.S. and Slovakia successfully completed negotiations to implement the U.S.-EU extradition treaty and the U.S.-EU mutual legal assistance treaty; these agreements were signed in early 2006.

Cultivation/Production. Marijuana is the most commonly cultivated illicit drugs in Slovakia. Although some high-quality marijuana is grown in greenhouses and indoors, the majority of marijuana and hashish used in Slovakia is of Moroccan origin.

Drug Flow/Transit. In years past the majority of drugs sold in Slovakia were taken from larger shipments of drugs that continued west. Because of improved policing, however, larger transshipments are usually kept whole until reaching a final destination west of Slovakia, at which point smaller amounts are couriered back to Slovakia on demand.

In years past the main sellers of illicit drugs were thought to be Roma selling from their homes. Today the police believe that Roma are responsible only for a negligible portion of sales, and that foreign criminal groups with local contacts, especially ethnic Albanian groups, have taken over the trade. Slovakia's border with Hungary was the site of the greatest number of attempts to enter Slovakia with illegal narcotics. The Austrian border was the site of the greatest number of attempts to smuggle drugs out of Slovakia.

Domestic Programs. According to the 2003 Mini-Dublin group report, the GOS is among the highest spenders on preventive 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

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 2005. 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 was the leading confiscated drug in 2005. 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 2005

Policy Initiatives. In June 2004, a two-year regional project sponsored by the European Union aimed at strengthening cooperation of law enforcement structures and other agencies, such as Customs of EU candidate countries, which focused on 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 1,166 tablets of ecstasy in the first 11 months of 2005 compared with 198 in 2004. In 2005, authorities seized slightly less than 24 kilograms of heroin, compared with almost 150 kilograms in 2004. In addition, police netted 22.8 kilograms of marijuana, up from approximately 17 kilograms in 2004. Police also seized 2,183 cannabis plants in the first 11 months of 2005 compared with 4,893 plants in 2004. Through the end of November 2005, police seized just over 2 kilograms of cocaine compared with approximately 105 kilograms in 2004.

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 protocols against trafficking in persons, migrant smuggling, and illegal manufacturing and trafficking in firearms.

Drug Flow/Transit. In the first 11 months of 2005, the Slovene authorities registered 1,262 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 2005, with three seizures at border crossings constituting the majority of heroin seizures for the year.

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 joint operations against dangerous drugs.

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 2006.

Spain

I. Summary

Spanish National Police, the Guardia Civil and Customs Services interdicted near-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. Spain continues to be the largest consumer of cocaine in the European Union with four percent of young adults reportedly using cocaine during 2005. Spain also ranks in the top four of all EU nations in its consumption of designer drugs and hashish. Spain continues to work on ways to reduce demand. Law enforcement officials have increased investigations into the trafficking of ecstasy (MDMA). The Spanish government ranks drug trafficking as one of its most important law enforcement concerns, and continues to maintain excellent relations with U.S. law enforcement.

II. Status of Country

Spain remains a principal gateway for cocaine transported from Latin American countries, such as Colombia and Venezuela, or transshipped from South America through West Africa and Morocco. The ready access to hashish from Spain's close southern neighbors of Morocco and Algeria make the maritime smuggling of hashish across the Mediterranean Sea a large-scale business. Spanish police continue to seize large amounts of Moroccan hashish, some of which is brought into Spain by illegal immigrants. The majority of heroin that arrives in Spain is transported via the Balkan route from Turkey. The Spanish National Police have identified established organizations operated by Turks that distribute the heroin once it is smuggled into Spain. Illicit refining and manufacturing of drugs in Spain is minimal, although small-scale laboratories of synthetic drugs such as LSD are discovered and confiscated each year. MDMA labs are rare and unnecessary in Spain since labs in the Netherlands are plentiful and productive; however, ecstasy and other synthetic drug traffickers use Spain as a transit point to the U.S. in an effort to foil U.S. Customs and Border Protection inspectors who are increasingly wary of packages from the Netherlands or Belgium. Spain has a pharmaceutical industry that produces precursor chemicals. There is effective control of precursor shipments within Spain from the point of origin to destination, administered under the National Drug Plan (PND).

III. Country Actions Against Drugs in 2005

Policy Initiatives. Spanish policy on drugs is directed by the National Drug Plan (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. In March, the Spanish government modified the PND to focus on reducing drug consumption. The plan was funded with 17 million Euros. In 2003, Spain and Portugal signed a Treaty of Cooperation to reduce 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.

Spain is a member of the UNODC major donors group and the Dublin group of countries coordinating policies on drug issues. Spain also chairs the regional Dublin group for Central America and Mexico. Spain funds programs through the Organization of American States' Inter-American Drug Abuse Control Commission. Spain pledged $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.

Law Enforcement Efforts. Spanish officials at the Ministry of Interior reported that drug enforcement agencies seized more than 40,000 kilograms of cocaine in 2005 year-to-date. Many of the more significant seizures and arrests in 2005 were a direct result of cooperation between the U.S. DEA's office in Madrid and Spanish authorities. For example, in coordination with DEA, on March 22, the Spanish GC seized two metric tons of cocaine and more than 17 million Euros hidden in maritime shock absorbers. The cocaine had been smuggled into Barcelona via commercial air cargo from Mexico. On July 21, DEA contributed to an operation that resulted in a seizure of 2,500 kilograms of cocaine by Spanish customs agents. Eight Brazilian nationals were arrested. Also in coordination with DEA, on August 3, a shipment of 4,500 kilograms of cocaine that originated in Spain was seized in the Netherlands. A total of 14 traffickers were arrested. Operations that resulted in cocaine seizures of 458 kilograms on March 30 and 190 kilograms on April 19 are two additional examples of success from DEA/Spanish cooperation. Increased efforts in MDMA investigations led to several significant seizures of the drug. In January, Spanish authorities seized 8,500 ecstasy tablets from a Spanish female as she attempted to travel to Philadelphia. On February 6, the GC seized 2,550 tablets of ecstasy during a raid on a residence in Alpedrete, a section of northwest Madrid. Two Moroccan nationals were arrested. On September 10, the GC intercepted 1,590 ecstasy tablets hidden inside a vehicle at a service station in Cordoba, Spain. Two Spanish nationals were arrested. On September 14, five Spanish nationals were detained following a vehicle stop in Guarroman-Jen, Spain, where nearly 2,000 ecstasy tablets were discovered.

Hashish trafficking continues to increase as does the use of the drug in Spain. Hashish trafficking is controlled by Moroccan, British and Portuguese smugglers and, to some extent, people from Gibraltar and Dutch nationals. GC investigations have uncovered strong ties between the Galician mafia in the northwest corner of Spain and Moroccan hashish traffickers. Hashish continues to be smuggled into Spain via commercial fishing boats, cargo containers, Fast Zodiac boats and commercial trucks.

Some notable hashish interdictions include the August 13 capture of 67 bundles of the drug with an approximate weight of 2,000 kilograms found inside a maritime vessel named "Trolls." Spanish Customs officials, in cooperation with the National Police, were credited with this seizure. Two British nationals and one Moroccan were detained. On September 20, the GC, also in cooperation with Spanish customs, intercepted 2,600 kilograms of hashish on a Zodiac boat in Las Mulas-Murcia, Spain.

Corruption. The National Central Drug Unit coordinates counternarcotics operations among various government agencies, including the Spanish Guardia Civil (GC), 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.

Agreements and Treaties. Spain is 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. Spain is also a party to the UN Convention Against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. 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, 2004, Spain and the United States signed bilateral instruments on extradition and mutual legal assistance pursuant to the U.S.-EU Agreements on these subjects.

Cultivation/Production. No coca is grown in Spain. Some cannabis is grown but the seizures and investigations by Spanish authorities indicate the production is minimal. Opium poppy is cultivated

licitly under strictly regulated conditions for research. Refining and manufacturing of cocaine and synthetic drugs is minimal, with some small-scale laboratories converting cocaine base to cocaine hydrochloride.

Drug Flow/Transit. Spain is the major gateway to Europe for cocaine coming from Columbia, Peru, and Ecuador. 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 principal 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, where counternarcotics sea patrols are less frequent. Spain's international airports in Madrid and Barcelona are a transit point for passengers who intend to traffic ecstasy and other synthetic drugs, mainly produced in the Netherlands, to the United States. These couriers, however, are typically 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 4.1 million Euros to assist private, nongovernmental organizations that carry out drug prevention and rehabilitation programs.

IV. U.S. Policy Initiatives and Programs

U.S. 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. The USG seeks to promote intensified contacts between officials of both countries involved in counternarcotics and related fields. Minister of Interior Juan Jose Alonso met with DEA Administrator Karen Tandy when he visited the U.S. in April. Latin America remains an important area for counternarcotics cooperation. Spanish officials work closely with U.S. Embassies in Peru and Bolivia on drug issues.

The Road Ahead. The U.S. will continue to coordinate closely with Spanish counternarcotics officials though 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. Amphetamine and cannabis remained the most popular illegal drugs. The Government of Sweden (GOS) increased efforts concerning treatment of drug addicts. Sweden actively participates in numerous international counternarcotics fora. Sweden is a party to the 1988 UN Drug Convention.

II. Status of Country

Relative to other European countries, Sweden (both government and society) is highly intolerant of illegal drugs. Sweden places strong focus on prevention and education. Among adults, the number of drug users is twice as high among men as women. Sweden has approximately 28,000 seriously dependent drug addicts (i.e. addicts with regular intravenous use and/or daily need for narcotics) which represents an increase of 7 percent from last year; women represent 25 percent of this total. The rate of drug-related deaths has increased significantly the last few years. There were approximately 390 narcotics-related deaths during the year, which represents an 8 percent increase from last year. NGO reports indicate that the overall number of young people who use drugs remained the same during the last five years. Trends observed in 2005 include continued use among young drug users of high-profile drugs such as amphetamines and cocaine. Among sixteen-year-old students, 4 percent said they had used narcotics recently. There were no differences between the percentages of male and female students using drugs. Approximately 60 percent of students who used drugs claimed they used cannabis when trying narcotics for the first time. Amphetamines and ecstasy were the second and third most common drugs.

Reports of teenagers buying drugs on the Internet have led police to increase efforts to develop methods, such as infiltration and sting operations, to stop the trade. Swedish Police have also increased Internet monitoring for drug transactions. Prime Minister Goran Persson has declared the fight against narcotics to be one of his government's top priorities. Sweden has allotted approximately $42 million to a National Action Plan on Narcotic Drugs, which began in January 2002 and ran through the end of 2005. Restricting supply to young people 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.

There were no reports concerning the liquid steroids originating from China that were mentioned in the 2005 INCSR. Also, problems that arose in 2004 with the synthetic drug fentanyl did not reoccur.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Government's "Mobilization Against Drugs" taskforce continued to implement the National Action Plan on Narcotic Drugs established in January 2002. Its work during 2005 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 task force's final report was scheduled to be delivered to the Government at the end of 2005 or at the beginning of 2006. Police in Sweden and other Scandinavian countries have started a joint initiative to combat west-African criminal networks smuggling heroin, cocaine and marijuana into the Nordic countries. In Sweden, these networks dominate the increased heroin-trade.

At the end of 2004 the GOS announced that it would be making an investment of $80 million for a three year nationwide fight against drugs. Approximately $12 million will be directed towards the treatment of drugs abusers in prisons; the rest will be distributed among municipalities, which bear responsibility to act at the local level. This initiative directs $10 million to addicts recovering from drug abuse and to the improvement of treatment facilities. In March 2005, the GOS gave $1 million to the National Board of Health and Welfare to strengthen voluntary organizations that work with drugs and narcotics, and $1 million to drugs prevention projects operated by NGO's and County Administrative Boards throughout the country. Fighting drugs remains a high priority area for Sweden's efforts in official development assistance. The Swedish International Development Authority (SIDA) allocated about $1.5 million for 2005 for multilateral and bilateral UN "best practices" projects against drugs and tobacco.

Sweden played a strong part in the development of an EU strategy plan for narcotics 2005-2012 that was approved during the autumn. Also, a frame decision was taken by the European Council concerning common criminal regulations on penalties for handling narcotics. Another action within the EU concerns an initiative on a resolution for cannabis. The resolution aims to increase awareness about cannabis and reduce the use of the drug among young people. Sweden is also one of the major contributors to the UNDCP.

Law Enforcement Efforts. Police reported 37,471 narcotics-related crimes for the January-September 2005 period. This represents a slight decrease (5 percent) compared to the corresponding period in 2004. Approximately 30 percent of the arrests under the Narcotics Act led to convictions, which on average carried six-month jail sentences. The majority of the crimes involved consumption and possession. No major drug processing labs were detected during the year.

Corruption. As a matter of government policy, Sweden does not encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. Swedish law criminalizes 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 or production of illegal narcotic substances.

Agreements and Treaties. 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 has signed, but has not ratified, the UN Convention Against Corruption. An extradition treaty is in force between the U.S. and Sweden

In October 2005, the GOS approved cooperation agreements between the Swedish National Police Board and Russian Narcotics Control Authorities. The agreement provides for increased bi-lateral cooperation in fighting narcotics in the region, such as facilitation of information sharing and bilateral efforts in police enforcement actions.

Cultivation/Production. No major cultivation or production operations were detected during the year. Some legal cultivation of cannabis for use in fibers occurs in Sweden, as permitted 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 amphetamines originate in 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 but, according to police information, a west-African network has established a route for smuggling into Sweden. The Stockholm Police have characterized as alarming the heroin inflow, and note that despite 30 arrests during the year heroin continues to enter the country in significant amounts via this network. Sweden and other countries in Scandinavia have cooperated in customs and law enforcement activities, as well as other activities, to combating this influx.

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. Since 2004 Sweden has participated in 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. There were no cases of extradition between Sweden and the U.S. concerning drug crimes during 2005. Sweden has a bilateral customs agreement with the United States.

The Road Ahead. Swedish cooperation with United States Government law enforcement authorities continues to be excellent. The United States 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. Nevertheless, in 2004 (NB. Throughout this report, the latest official statistics available are for 2004) total drug-related arrests reached 50,000 cases for the first time. Cocaine and ecstasy seizures increased by 91.6 percent and 480 percent respectively.

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 have 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, the public lobby "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 the whole 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 obtain the remaining 30,000 signatures needed to pass the initiative soon. The initiative is expected to be formally registered at the Federal Chancellery on January 13, 2006. A zero tolerance law against driving while on drugs (cannabis, heroin, cocaine, ecstasy) entered 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. While the use of heroin and ecstasy has stabilized, the use of cannabis, amphetamines, and LSD continues to increase. Police are also concerned about the continuing trend by casual users to mix cannabis and other drugs. An international survey recently found 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 increased by 9.5 percent in 2004 and concerned mostly marijuana smokers.

The Swiss Federal Police published a report on narcotics activities in 2004. It is available on http://www.bap.admin.ch/f /aktuell/stat/BMS-f-2004.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Since January 1, 2002, jurisdiction for all cases involving organized crime, money laundering, and international drug trafficking shifted from the cantons to the federal prosecutor's office in Bern. According to the federal prosecutor's office, the number of investigative magistrates will be increased to 25 by 2006. Beginning January 1, 2002, it became illegal to advertise products that contain narcotic 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.

Heroin maintenance prescription programs originally intended to end in December 2004 have been extended 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 percent 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.

Following the release of the "Zurich drugs and addiction policy report," made public on August 12, 2004, Zurich authorities admitted that they had been so busy tackling the open heroin scene that other areas of addiction had been overlooked. 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 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. However, the Swiss government is backing other pilot projects in Bern and Basel aimed at distributing Ritalin, a substitute for narcotic drugs.

Law Enforcement Efforts. To give a sense of drug abuse developments in Switzerland, some important drug-related enforcement operations are described below:

- Over the year 2005, Lausanne police undertook 10 counternarcotics operations leading to the arrest of 14 drug traffickers, and the seizure of 3.6 kilograms of cocaine and 1 kilogram of heroin. Most of the drug traffickers were of African origin or from the Balkans.
- In April 2005, the Lausanne police seized a record 30,000 ecstasy pills worth 450,000 Swiss francs ($346,786). Two Serbs and one Frenchman were arrested.
- In July, the Zurich police dismantled an African drug ring which was based in Switzerland, Italy and Holland. Eleven people were arrested, and 21 kilograms of cocaine and 100,000 Swiss francs in cash were seized. The drugs were smuggled into Switzerland using human mules from Africa and South America. In many cases, these were women accompanied by small children.
- In October, the Zurich police managed to break a ring that smuggled 180 kilograms of cocaine into Switzerland. The traffic went through a Zurich-based company that imports precious stones, minerals, and flowers from Brazil. The company is owned by a Swiss-Brazilian dual citizen. Payments to traffickers in Brazil were presumably made through another company owned by a Brazilian national with businesses in Lausanne and Lugano. Also arrested were Swiss and Moroccan citizens accused of delivering narcotics to Zurich and another Swiss national from Schwyz who was in charge of laundering the funds.
- In November, the Zurich police arrested two Turkish citizens after discovering 11.5 kilograms of heroin and four handguns in their apartment.
- Following a three-and-a-half year investigation, cantonal and federal police authorities managed to break an important drug trafficking ring operating from Fribourg. About 50 individuals, including four Swiss citizens and nationals from mostly the Balkans, were arrested on accusations of having possession of and trafficking 115 kilograms of heroin estimated to be worth Sfr. 5-7 million (ca. $4.6 million). The ring supplied drugs to the Fribourg, Bern, Biel, Thun, Lausanne and Geneva areas.

Geneva police authorities also complain that a large number of drug dealers or traffickers have applied for asylum while simultaneously destroying their identity papers to avoid repatriation to their home country. Dealers from Algeria, Guinea and Serbia Montenegro are the most problematic in this regard.

During 2004, Swiss border guards reported that the amount of drugs seized at the border was still significant, with cocaine seizures doubling to 259 kilograms. Most of the drug seizures took place at airports. Cannabis seizures dropped by a third to 157 kilograms, largely as a result of police crackdown on hemp shops in several cantons. Ecstasy and amphetamines seizures increased to 180,000 largely as a result of the demand at rave parties. Across Switzerland five to ten percent of police time is spent fighting drugs. In 2005, a new undercover law went into effect. Under this law, undercover operations can only be authorized at the federal prosecutor's level. Previously, this authority rested at the law enforcement level.

Foreigners and asylum seekers play a significant role in the Swiss drug scene, especially in distribution. Those arrested in the past originated mainly from the Balkans (Albania, Former Yugoslavia, and Bosnia) Africa (Sierra Leone, Guinea), the Dominican Republic, and 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 bands dealing in heroin and prostitution; and the money laundering networks working 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 convicted drug dealers, resident in another canton, from visiting their cantons. They also prohibit convicted drug dealers from visiting certain areas, like 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 country of origin from the police. When looking at cross-border cocaine smuggling, the Swiss federal police believe that many criminals involved use the train to connect the Swiss drug market with Holland or Spain. Their nationalities range from Swiss, Italians, Lebanese, West-African, South-East Europe, South American, and from the Dominican Republic. The "mules" generally originate from Africa or South Africa, Brazil, the Dominican Republic and Europe.

Corruption. As a matter of government policy, the GOS 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.

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. In September 2005, Switzerland ratified the 1988 UN Drug Convention. Switzerland has signed, but has not yet ratified either the UN Convention Against Corruption, or the UN Convention Against Transnational Organized Crime.

On June 22, 2004, Swiss and German authorities announced a new bilateral police agreement aimed at increasing bilateral cooperation at border checkpoints. The main goal of the agreement was to deal more effectively with drug and weapons smuggling. Document specialists from both countries will also assist border guards to use improved techniques to detect forged travel documents. The Swiss-German border crossing at Basel/Larach is one of the busiest in Europe, with 70 million people crossing over per year. In September 2005, a joint police operation led to the arrest of a Yugoslav drug ring that was established in Switzerland and the neighboring German region of Baden Wurttemberg. On July 27, 2004, Slovenia and Switzerland signed a police agreement aimed at fighting organized

crime, and facilitating the return of illegal residents. The deployment of liaison officers will enable a faster more direct exchange of information.

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 illicit hemp planted area 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 increased the allotment of heroin to 246 kilograms to use for maintenance of severe drug addicts as part of its maintenance programs in 2004, as compared to 230 in 2003. Three-quarters of those enrolled in the program were male. The number of slots available in "heroin treatment centers" also increased by eight to a total of 1389. These centers are currently at 92 percent of capacity . Medical treatment costs approximately $16,137 (SFr 20,840) per year per person, or $44 per day (SFr57). Twenty percent of the costs were paid for by the cantons, while 80 percent was paid by the individual's health insurance. Average time in heroin treatment is 2.83 years. Of the 182 persons who terminated the heroin prescription program, 42.3 percent opted for the methadone-assisted programs, or an abstinence therapy. In early 2005, Switzerland took part in an international pilot study, the implementation of the Multidimensional Family Therapy (MDFT) for adolescents with a cannabis problem. MDFT was developed at Miami University and has been used successfully in many instances in the U.S.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation/Policy Initiatives. 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 stated that every country should introduce and enforce laws against the sale of narcotics and psychotropic drugs over the Internet. Swissmedic, 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 big increase in seizures of narcotic drugs bought over the Internet, many of these originating from Pakistan. The 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 urges Switzerland to use experiences gained in fighting terrorist money laundering to become more proactive in seizing and forfeiting funds from narcotics money laundering. The United States also will monitor Switzerland's proposed revisions of its narcotics law.

Tajikistan

I. Summary

Tajikistan produces few narcotics, but it is a major transit country for heroin and opium from Afghanistan. A significant amount of opium/heroin is trafficked, primarily using land-based routes, through Tajikistan, onward through Central Asia, and then to Russian and other European markets. Illicit narcotics transiting Tajikistan rarely enter the United States. 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 remains committed to fighting narcotics, but is less equipped to handle the myriad social problems that stem from narcotics abuse. Tajikistan continues to implement a counternarcotics strategy and coordinates well with all major donors to that strategy. 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, 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, as well as the Government's lack of revenue to adequately support law enforcement efforts. With the average monthly income in the country around $30, high unemployment, 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 2005

Policy Initiatives. In coordination with other Tajik government agencies, the Presidential Office's Drug Control Agency (DCA) continued to implement a number of U.S. and UN-funded programs to strengthen Tajikistan's drug control capacity, including: new facility construction; renovation of existing facilities; purchase of vehicles and trucks and police support equipment; creation of new analytical centers, a national K-9 facility and trained dog and handlers; forensics laboratory improvements; national law enforcement communications network, training academy improvements, and salary supplemental programs. The addition of the new mobile response and deployment teams by the DCA has improved DCA's operational capacity. As a result of the final withdrawal of Russian border troops in August, Tajik forces are now solely responsible for patrolling and maintaining the border.

Accomplishments. Although the TBG (Tajikistan Border Guards) are poorly equipped and trained, enforcement operations have increased substantially since the Russian troop withdrawal, as have

arrests and seizures of narcotics and related counternarcotics operations, thanks in large part to the new initiatives and programs.

Law Enforcement Efforts. Despite misgivings that the withdrawal of Russian border troops would lead to an increase in narcotics trafficking and a decrease in seizures, the Tajik Government reports that the opposite has proven true: Tajiks forces claim to have seized up to twice the amount of drugs as Russian forces during the same period. During the first 10 months of 2005, the DCA, TBG and MOI reported the following seizures: DCA—407.5 kilograms of heroin; 553.7 kilograms of opium; 151 metric tons of cannabis. TBG—137.4 kilograms of heroin; 261.6 kilograms of opium; 151 metric tons of cannabis. MOI—965.7 kilograms of heroin; 1.25 metric tons of opium; 498 metric tons of cannabis. Tajikistan currently ranks fourth in the world for quantity of heroin seizures.

Corruption. As a matter of policy the Tajik Government 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. However, it has been reported that many senior officials in the TBG, MOI and DCA live in modest houses and apartments and drive modest vehicles, while some counterparts in Customs and Security agencies, have more extravagant lifestyles. Because of this apparent disparity here is a good deal of public speculation about the involvement of government officials in narcotics trafficking and money laundering. Speculation focuses on prominent public figures involved in Tajikistan's 1992-97 civil war. It is impossible to determine authoritatively just how pervasive drug-related corruption, and other forms of corruption are within government circles. However, there is certainly a comparative disproportion between low salaries paid to government officials and the lifestyles many senior officials appear to maintain. Even when arrests are made for narcotics trafficking, the resulting cases are not always brought to a satisfactory conclusion. Tajikistan is not a party to the UN Convention against Corruption.

Agreements and Treaties. Tajikistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1972 UN Convention on Psychotropic Substances. Tajikistan is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Cultivation/Production. Opium poppies and cannabis, are cultivated in very limited amounts, mostly 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 grow opium poppies in neighboring Afghanistan. No statistics are available for 2005. 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 narcotic plants have been eradicated, including 825 poppy plants.

Drug Flow/Transit. The Tajik government estimates that a high share of narcotics produced in Afghanistan is smuggled across the border into Tajikistan's Shurobod, Moskovskiy, and Pyanzh districts. 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) the total volume of drugs transiting Tajikistan is certainly high and growing. One UN estimate put the amount of heroin from Afghanistan going through Tajikistan at roughly 80 to 120 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 encouraged the involvement of domestic and international nongovernmental organizations (NGOs) in this effort. In 2004, a youth center in Khorog was added to the Tajik Government's programs to fight drug use among 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.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. Embassy has a full-time Senior Law Enforcement Advisor to coordinate Law Enforcement and counternarcotics assistance. A full-time narcotics assistance officer should be in place by summer 2006, and the DEA plans to open their office in 2006 as well. The Embassy's Border Law Enforcement Working Group (BLEWG) provides a coordination mechanism for all USG assistance on counternarcotics and border assistance. The Embassy played a large role in creating a donor working group to coordinate multilateral assistance with IOM, the UN and EU to better meet Tajikistan's great needs. The USG provided training for a number of Tajik law enforcement officials through the International Law Enforcement Academy in Budapest and Roswell.

The Road Ahead. The United States remains committed to working with the Tajik Government to increase its law enforcement and counternarcotics capabilities. The United States plans to coordinate closely with European countries, including Russia, to maximize available resources for narcotics-related projects.

Turkey

I. Summary

Turkey is a major transit route for Southwest Asian opiates to Europe, and serves as a base and refining center for major narcotics traffickers and brokers. Turkish law enforcement organizations focus their efforts on stemming the traffic of drugs and intercepting precursor chemicals. The Turkish National Police (TNP), under Interior Ministry control, is responsible for security in large urban areas. The Jandarma, paramilitary forces under joint Interior Ministry and military control, is responsible for policing rural areas. The Jandarma is also responsible for specific border sectors where smuggling is common; however, the military has overall responsibility for border control. 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., but not in quantities sufficient to have a significant impact on the U.S. There is no appreciable cultivation of illicit narcotics in Turkey other than marijuana grown primarily for domestic consumption. There is no known 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 point. 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, with the Jandarma and Customs continuing to play a significant role. 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 smuggled through Turkey each month. Some heroin is still being refined in Turkey.

Turkey is one of the two traditional licit opium-growing countries recognized by the USG and the International Narcotics Control Board. Opium for pharmaceuticals 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 cannabis 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 2005

Policy Initiatives. The Government of Turkey devotes significant financial and human resources to counternarcotics activities. Turkey continues to play a key role in Operation Containment (a DEA 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 (TNP), continues to be a 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 44 training programs for local and regional law enforcement officers in 2005. A total of 287 foreign officers were trained at TADOC this year, including officers from the Balkans, Central Asia, Syria, and Afghanistan. The training programs focused on drug trafficking, corruption, counterfeiting, illegal immigration, money laundering, and demand reduction. TADOC also hosted an FBI training program on criminal interrogation techniques for 35 law enforcement officers from the region. A 2004 UN drug survey indicated that while there was no major increase in drug abuse in Turkey in the last couple of years, the use of synthetic drugs is on the rise.

Law Enforcement Efforts. Through 05 December 2005, Turkish law enforcement agencies seized 7,760 kilograms of heroin, 409 kilograms of morphine base, 7.6 million dosage units of synthetic drugs, 10,671 kilograms of hashish and 25 kilograms of cocaine. In addition, the GOT law enforcement authorities have made more than 12,749 drug-related arrests. (The Jandarma and Customs have only reported statistics through October 2005.)

Corruption. As a matter of government policy, Turkey does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Similarly, no senior government official is alleged to have participated in such activities. In December 2005, the General Assembly's Foreign Affairs Committee adopted a law ratifying the UN Convention against Corruption.

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 protocols on migrant smuggling, trafficking in persons, and illegal manufacturing and trafficking in firearms. 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 cannabis, 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, refining center 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 Afghanistan and Pakistan via Iran. 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, 2,304 liters of acetic anhydride were seized in, or destined for, Turkey. Some criminal elements in Turkey 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 2005, 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 calendar year 2005, a total of 7.5 million dosage units of synthetic drugs, predominantly captagon and ecstasy, were seized in Turkey.

Demand Reduction. While drug abuse remains modest in scale 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 2005, seven 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.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives and Programs. Through fiscal year 1999, the U.S. Government has extended $500,000 annually in assistance. During 2005-06 the U.S. Government anticipates spending approximately $60,000 in previously-obligated funds on counternarcotics programs.

Bilateral Cooperation. DEA reports excellent cooperation with Turkish officials. Turkish counternarcotics forces have developed technically, becoming increasingly professional, in part based on the training and equipment they received in the past from the U.S. and other international law enforcement agencies.

The 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 transshipment route 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 992-kilometer boundary with Iran. Counternarcotics efforts are carried out by the Ministry for National Security (MNB), Ministry of Internal Affairs (MVD), State Customs Service (SCS), State Border Guards Service (SBS), State Service for the Registration of Foreigners and Prosecutor General's Office. The State Counternarcotics Coordination Commission (SCCC) at the Cabinet of Ministers 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 548 kilograms of illegal narcotics in the first six months of 2005.

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. GOTX officials have acknowledged publicly that smuggling organizations are increasing their efforts to traffic narcotics across Turkmenistan and large-scale seizures are increasingly common. Domestic drug abuse is steadily increasing, although concrete statistics are not publicly available. 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. Opiates from Afghanistan—such as heroin, opium and other opium-based drugs—destined for markets in Turkey, Russia and Europe enter Turkmenistan from Afghanistan, Iran, Pakistan, Tajikistan and Uzbekistan. The bulk of the GOTX's law enforcement resources and manpower are directed toward stopping the flow of drugs from Afghanistan and Iran. Turkmen law enforcement efforts at the Turkmenistan-Uzbekistan border are primarily focused on interdicting smuggled commercial goods. Traffickers appear aware of this focus, and thus seem to view this route as an attractive transshipment route. Commercial truck traffic from Iran continues to be heavy. Caspian Sea ferry traffic from Turkmenistan to Azerbaijan and Russia continues to be a viable smuggling route. Turkmenistan airlines operates international flights connecting Ashgabat with Abu Dhabi, Bangkok, Beijing, Birmingham, Dubai, Frankfurt, Istanbul, Kiev, London, Moscow, and New Delhi. These too provide options to traffickers.

III. Country Actions Against Drugs in 2005

Policy Initiatives. During the past year, the President of Turkmenistan acknowledged that drug usage and smuggling were a problem in Turkmenistan and increased pressure on law enforcement officials to improve counternarcotics efforts. In August 2004, the GOTX introduced a new draft criminal procedure code in its efforts to transform its Soviet era criminal justice sector. The parliament has not adopted the new code.

Accomplishments. The U.S. Export Control and Related Border Security Program (EXBS) conducted an interdiction and boarding officers' course in Turkmenbashy Port in July and the Department of Homeland Security Customs and Border Protection hosted a Port Security training exercise in August. The GOTX had two law enforcement officers participate in counternarcotics dog training in Rostov,

Russia in March, and three officers from counternarcotics units attended the Drug Enforcement Agency's (DEA) counternarcotics unit commanders training seminar in Tashkent in December. Along with the enhancement of border infrastructure (see paragraph below), the UNODC and OSCE conducted training programs on narcotics identification. INL, European Union-Border Management Programme for Central Asia (BOMCA) and UNODC all have permission to continue counternarcotics training.

Law Enforcement Efforts. The USG is constructing two new border crossing checkpoint facilities, one on the border with Afghanistan and one on the border with Iran, and the GOTX has given the SCS money for the construction of two new facilities on the border with Kazakhstan. EXBS delivered nine additional jeeps and three additional water trucks along with radios and radio networking equipment to the SBS. The USG donated gas chromatograph/mass spectrometer and laboratory equipment to the MVD's national forensic laboratory for analyzing narcotics. Turkmen border forces are moderately effective in detecting and interdicting narcotics and reported a total of 548 kilograms of seized illegal narcotics in the first six months of 2005. The local press published articles in August and September detailing drug seizures by SGS officers along the border with Iran. Officers involved in the incidents seized 100kg of opium and 122 kilograms of narcotics respectively and were awarded medals for courage and given immediate promotions.

Corruption. Law enforcement officials' low salaries, combined with their broad general powers, foster an environment in which corruption occurs. A palpable general distrust of the police by the public, fueled by anecdotal evidence of police officers soliciting bribes, suggests a problematic level of corruption in law enforcement. There have been persisting reports that senior GOTX officials are directly linked to the drug trade. In September, President Niyazov dismissed the provincial governor of Ahal province and the provincial head of law enforcement for drug addiction. The governor was also accused of purchasing and selling heroin. In November, the president dismissed the SBS chief responsible for the border guards at Serhetabad border crossing checkpoint along the Turkmenistan-Afghanistan border for his staff's involvement in the illegal drug trade. Payments to facilitate passage of smuggled goods to lower officials at border crossing points frequently occur.

Agreements and Treaties. Turkmenistan is 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. Turkmenistan also is a party to the UN Convention Against Corruption, the UN Convention Against Transnational Organized Crime, and its protocols against migrant smuggling, trafficking in persons, and Illegal Manufacturing and Trafficking in Firearms.

Cultivation/Production. Turkmenistan is not a significant producer of illegal drugs, although small-scale opium and marijuana 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, law enforcement officials eradicate opium crops.

Drug Flow/Transit. Turkmenistan remains a primary transit corridor for smuggling organizations seeking to transport opium and heroin to markets in Turkey, Russia and the whole of Europe, and for the shipment of precursor chemicals to Afghanistan. Turkmenistan's two major border control agencies, the SCS and the SBS, have received increased attention and funding for their drug enforcement duties. Systemic deficits in necessary equipment, training, resources, and facilities will take time to improve. Border crossing points with rudimentary inspection facilities for screening vehicle traffic and lacking reliable communications systems have been identified by the GOTX and are being improved.

Domestic Programs. Currently, the Ministry of Health operates seven drug treatment clinics; one in the capital Ashgabat, one in Serdar city, and one in each of the five provincial administrative centers. Drug addiction is a prosecutable offense with jail sentences for convicted persons, although judicial officials usually sentence addicts to treatment. The president's opening statement read at the GOTX-

UNODC Regional Counternarcotics Conference in March was the first high-level admission that drug use was a concern for the government. GOTX consistently has refused to participate in USG or UN drug demand reduction programs and is not conducting any of its own.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The USG is providing necessary equipment and quality training to make the GOTX a more effective partner in counternarcotics issues. State Department assistance has an on-going relationship with the MVD through a forensic lab project, the funding of two UNODC projects on the border with Afghanistan, funding of English language programs for law enforcement officers working to combat narcotics trafficking, and training port security officials to locate contraband. INL will also begin a regional counternarcotics training program for MVD officers. The EXBS program directly benefits INL efforts by providing search and seizure training and enhancing border security. The U.S. Department of Defense is currently funding and implementing the construction of two border crossing checkpoints.

Bilateral Cooperation. The USG-GOTX bilateral relationship on law enforcement issues, most specifically counternarcotics programs, continues to improve. The GOTX supported USG initiatives to enhance law enforcement institutions and training programs, and has expanded the relationship to include the construction of infrastructure along the border.

The Road Ahead. Bilateral cooperation is expected to continue, and the USG will expand counternarcotics law enforcement agency training at the working level. 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 2005. Ukraine has adequate counternarcotics legislation. The Government of Ukraine continued to take steps to limit illegal cultivation of poppy and hemp to proven licit uses. The transit of illicit narcotics through Ukraine is a serious and growing problem. Combating narcotics trafficking and use, and its effects, continues to be a national objective, though a lack of 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.

II. Status of Country

Ukraine is not a major drug-producing country; however, Ukraine is located astride several important drug trafficking routes into Europe, and thus is an important transit country. Ukraine is a significant transit corridor for narcotics originating in East, Central and Southwest Asia (Afghanistan) and transiting through Russia, the Caucasus and Turkey, and then through Ukraine further into Western Europe. Some of the drugs trafficked through these routes come from Latin America and Africa. Ukraine's domestic market is increasingly influenced by synthetic 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, Belarus and Russia. 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 for synthetic drugs and psychotropic substances, especially amphetamine type stimulants (ATS).

III. Country Actions Against Drugs in 2005

Policy Initiatives. In 2005 the Government of Ukraine continued to implement a comprehensive policy 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, and that the Government's current education and public awareness efforts, community prevention efforts, treatment and rehabilitation centers are not adequate in scope and number to address the problem. The Program's implementation involves two stages: stage one took place from 2003-2005 and stage two will be implemented between 2006-2010. Stage one's objectives included: improving legislation; improving 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. The Program also provides estimates of future funding for the continuing support of its implementation. The total estimate is over 300 million Ukrainian hryvnyas ($60 million).

As part of the Program implementation, the Ukrainian Government proposed a bill amending The Law on Circulation of Narcotics, Psychotropic Substances and Precursors in Ukraine. The amendment establishes an explicit procedure for licensing activities related to licit trade of narcotics, psychotropic substances and precursors. It also sets forth a requirement that hospitals and health care institutions should obtain licenses for storing, transporting, purchasing, and selling medical drugs containing narcotic substances. The new Criminal Procedure Code pending adoption will also regulate more consistently the procedure for destruction of confiscated or seized equipment that has been used for illegal production of narcotics or psychotropic substances and cannot be used for legal purposes.

Accomplishments. In Ukraine counternarcotics enforcement responsibility is shared between the Ministry of Interior with its domestic law enforcement function and the Security Service of Ukraine which deals with trans-border aspects of drug traffic. The State Border Guard Service and the State Customs Service carry out drug enforcement functions in their respective field of operation, mainly drug interdiction at the green and customs borders. The Ukrainian Security Service participated in an international operation to limit cocaine trafficking from South America to Ukraine. The operation was jointly conducted by the Security Service, U.S. Drug Enforcement Agency, and the Argentine Federal Police. It led to the seizure of more than two kilograms of cocaine and the elimination of an organized criminal group with members in both Argentina and Ukraine.

Law Enforcement Efforts. According to official statistics for 2005 (January through November), approximately 61,867 narcotics offenses were investigated by the Ministry of Interior and 177 were investigated by the Security Service. Between 2001 and 2005, Ukrainian law enforcement agencies eliminated 309 drug trafficking organizations in Ukraine and 57 foreign-led drug trafficking organizations operating from Ukraine territory. According to government statistics, drug "imports" for consumption remain comparatively low while drug "exports" are increasing. The Ministry of Interior continued to strengthen its Drug Enforcement Department (DED). The total number of DED officers is 2,613 in the regions and 51 in the central headquarters; however, unlike the central staff, regional officers are tasked with other anticrime activities besides narcotics.

Corruption. The Ukrainian government has acknowledged that corruption remains a major problem in the country. In 2005, media published several reports about public officials or law enforcement officers being engaged in drug trafficking or covering up such activity. Despite the increased attention of the public to the issue of corruption and the government's declaration that it will decisively root out corruption, corruption remains a major challenge in Ukraine due to a widespread bribe-tolerant mentality, and the lack of means that law enforcement can use to investigate and prosecute it. In 2005, there were no charges of corruption of public officials relating to drugs. Ukraine has signed but has not yet ratified the UN Convention Against Corruption.

Agreements and Treaties. Ukraine is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and to the 1971 UN Convention on Psychotropic Substances. The U.S.-Ukraine Mutual Legal Assistance Treaty came into force in February 2001. Ukraine is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

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. Despite the prohibition on the cultivation of illicit drug plants (poppy straw and hemp), many cases of illegal cultivation by private households were discovered during past government investigations.

Drug Flow/Transit. The Customs Service alone interdicted 644 cases of drug trafficking across the Ukraine border from January to September of 2005. Heroin is trafficked from Central Asia (primarily Afghanistan). It comes into Ukraine mostly through Russia, the Caucasus and Turkey. Shipments are

usually destined for Western Europe, and arrive predominantly by road, rail, or sea, which methods are perceived as less risky than air or mail shipment. Lately, experts noted an increase in heroin traffic from Turkey into Ukraine by sea and then across Ukraine's western border into Western Europe. Experts believe that criminals are looking for alternatives to traditional Balkan drug traffic routes. This assumption is also supported by a number of large heroin seizures in the last year on the Ukrainian-Hungarian border. Drug traffic from Asia is increasingly controlled by well-organized international criminal groups of Afghan, Pakistani, and Tajik origin, which use citizens of the former Soviet republics as drug couriers. At the same time, the high street price of heroin ($70-$100 per gram) in Ukraine in 2005 testified to comparatively effective heroin interdiction efforts of Ukrainian law enforcement agencies. The largest segment of drug flow is composed of poppy straw and hemp, 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 trafficking of synthetic drugs and psychotropic substances from Poland and of licit medical opiates and other licit painkillers from Romania and Moldova is growing. Criminal groups, which formed in the 1990s and traditionally stayed away from the drug trafficking business, are now increasingly taking up this lucrative niche. The price of the mass-use drugs is lower than that of heroin and cocaine and therefore is attractive to young drug addicts. Other smuggling routes include cocaine from Latin America and hashish from North and West Africa. These routes transit Ukraine into Europe. The quantity of drugs moving along these routes is comparatively small.

Domestic Programs (Demand Reduction). Estimates of the number of drug addicts vary widely, from 141,594 of officially registered drug addicts as of September 2005 to roughly one million reported by local NGOs. Drug addicts commit about 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 have grown 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 methamphetamines. Hard drugs such as cocaine and heroin are still too expensive for most Ukrainian drug users. 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 an effective counternarcotics program 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 U.S. Drug Enforcement Administration have conducted a number of training courses funded by the U.S. Department of State in drug interdiction in seaports and investigation of drug cases. The Drug Enforcement Agency has established good working relations with Ukrainian counternarcotics law enforcement units.

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 border controls. Trafficking of synthetic drugs from countries of Eastern Europe is a growing concern. Demand reduction and treatment of drug abusers remain a challenge and require 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 eighth 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 try to exploit the underground narcotics market and use the UK as a major transshipping 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 England and Wales compiled as part of the 2004/05 British Crime survey. Around 9.7 percent of 16-59 year-olds (3.04 million) reported using cannabis at least once in the past year. Cocaine is the next most commonly used drug with 2.0 percent reporting use of it in the last twelve months, closely followed by ecstasy at 1.8 percent and amphetamines at 1.4 percent.

Overall, the latest official surveys on drug use showed few changes between 2003/04 and 2004/05. About 11.3 percent of those between the ages of 16-59 reported having used an illicit drug in the past year, down slightly from 12 percent in the previous survey. The decline was mainly due to a decrease in the use of cannabis between 2003/04 and 2004/05. Between 1998 and 2004/05 the use of all Class A drugs, with the exception of cocaine, has remained stable or has dropped. Ecstasy use has fluctuated, peaking in 2001/02 and is now stable. The overall increase in Class A drug use since 1998 reflects the increase in the use of cocaine and ecstasy through 2000 and an increase in the percentage of people age 25-59 who use Class A drugs. Between 2003/04 and 2004/05, the survey showed stable overall use of Class A drugs, with a slight decrease in cocaine use and an increase in the use of "magic mushrooms."

The 2004/05 survey indicates that among young people age 16-24, the incidence of use of any drug has decreased significantly since 1998, (dropping from 31.8 percent to 26.3 percent) with Class A drug use remaining stable. Cannabis is the drug most likely to be used by young people; according to the survey, 23.5 percent of 16-24 year olds used cannabis within the last year. Cocaine was the next most commonly used drug with 4.9 percent claiming to have used it in the last year, followed closely by ecstasy at 4.8 percent, amyl nitrite at 3.8 percent, and amphetamines at 3.3 percent, and hallucinogens at 3.0 percent. (The survey does not differentiate between amphetamines and methyl amphetamine.) Other drugs showed minimum usage levels among this age group.

Virtually all parts of the UK, including many rural areas, confront the problem of drug addiction to at least some degree. Official estimates of cocaine and crack users ages 16-59 have dropped, but are still well over 600,000. Current estimates of opiate users declined approximately 27 percent to 75,000 in the 2003/04 survey and further still to 41,000 in the 2004/05 survey, but still represent a significant subgroup of users. The National Criminal Intelligence Service (NCIS) reports that Britain faces a significant threat from national and international organized crime. Historically drugs have been linked to about 80 percent of all organized crime in London, and about 60 percent of crime overall.

III. Country Actions Against Drugs in 2005

Policy Initiatives/Accomplishments. UK counternarcotics policies have a strong social component, reflecting the widely accepted view that drug problems do not occur in isolation, but are often linked to other social problems. In 2005, the British government continued its ten-year strategy program, 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 decision to downgrade cannabis to a Class C drug. The final legislation implementing this downgrade was enacted in July 2003, taking effect on January 29, 2004. Class C categorization 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.

In April 2005, the Home Secretary asked for a review of the cannabis reclassification decision in light of studies into links between the regular use of cannabis and mental illness. The Advisory Council on the Misuse of Drugs issued its new report in December 2005, but did not make a firm recommendation. The Home Secretary is reviewing the report and still has the option of reclassifying the drug. Police chiefs have reportedly urged that, if cannabis is upgraded to Class B, fixed penalties be established to streamline 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.

On November 17, the Advisory Council published a special report on methyl amphetamine. While the Council did not recommend changing the classification of the drug (currently Class B), it did suggest that the serious impact of methyl amphetamine on communities in other countries, notably the United States, warranted extra attention to its patterns of use in the UK and recommended regular reassessments.

Direct annual government expenditures under the updated overall drug strategy are increasing 10 percent between 2004/05 and 2005/06, from $2.38 billion (£1.344 billion) to $2.63 billion (£1.483 billion). Drug treatment expenditures are targeted to increase 12 percent over the same period, expenditures on programs for young people will rise 5 percent, and funding for reducing supply will hold steady at $673 million (£380 million). The largest increase will come in spending on community programs (24 percent).

New legislation, the Drugs Act of 2005, has further strengthened police powers in drug enforcement. The new law allows for drug tests on arrest, rather than on charge, and requires persons with a positive test to undergo further assessment. It also amended the Anti-social Behavior Act of 2003 to allow authorities to enter a suspected crack house to issue a closure notice. Under provisions of the Act, "magic mushrooms" were upgraded to Class A in July 2005. Prior to this change in the law, only prepared (such as dried or stewed) magic mushrooms were rated as Class A drugs. The most controversial provisions of the new law will set thresholds for possession that allow police to charge persons found with more than a specified amount of a given drug with dealing, rather than the lesser

charge of possession. The prescribed amounts have yet to be set; the UK government expects to begin consultation at the end of 2005 with a final review by the Advisory Council.

Laws that took effect in 2000 required courts to weigh a positive Class A 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. The testing requirement also is applied 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 (DIP), 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, and the DIP program now operates with an annual budget of $292 million (£165 million). As of April 4, 2005, Drug Testing and Treatment Orders (DTTO) for adults were replaced by a new "Community Order." The new orders will allow authorities to choose from a larger menu of options and more closely tailor the consequences to the seriousness of the offense. Standard DTTOs will continue for 16-17 year olds until April 2007 and for offenses committed prior to April 2005. In December 2005, the UK inaugurated a pilot program of drug courts. Magistrates in one court in Leeds and one in West London have received special training and begun to track convicted drug offenders and personalize treatment. The long-term plan is to establish the courts nationwide. Scotland has been running a pilot drug court in Glasgow since 2003.

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.

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. The total value of assets recovered by all agencies under the Act (and earlier legislation) in England, Wales, and Northern Ireland was $96.6 million (£54.5 million) in 2003/04 and $149.6 million (£84.4 million) in 2004/05.

The number of drug seizures recorded in 2003 dropped to 109,410—four percent fewer than in the previous year. (Note that, as of 2003, Home Office statistics only include seizure data for England and Wales; 2003 represents the most recent detailed statistics.) Seventy-seven percent of all seizures were of Class B drugs, 94 percent of which were cannabis seizures. Twenty-seven percent of all seizures involved Class A drugs. Overall, police and customs seized a greater amount of cocaine, heroin, ecstasy, amphetamines, and cannabis in 2003 than in 2002. Heroin was the most commonly seized Class A drug, followed by cocaine. The volume of Class A drugs seized in 2003 also was greater than that seized in 2002; authorities seized 6.8 tons of cocaine (almost twice as much as in 2002) and 2.7 tons of heroin (a 2 percent increase over 2002). With the "date rape" drug GHB illegal as of July 2003, official figures recorded for the first time a seizure of 40 kilograms of this substance. The government claimed it had dismantled or disrupted 193 drug trafficking groups in 2002/03 and an additional 268 groups in 2003/04.

In 2003, the total number of drug offences in England and Wales rose 5 percent over 2002 levels to 133,970. The majority of these were cannabis offenses, at the time still a Class B substance. The number of Class A offenses rose 6 percent to 35,610. Heroin offenders were the largest group of known Class A drug offenders, accounting for 10 percent of all known offenders in 2003. The vast majority of persons convicted or cautioned for drug offenses were charged with possession. About 90 percent of all persons dealt with in the courts for drug offenses were male. Possession offenses tend to be committed by younger people (63 percent committed by those under the age of 25) while 63 percent of the producing/exporting/importing offenses were committed by persons over age 30 and 71 percent of dealing offenses were committed by persons over age 25.

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. The UK has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. In July 2005, the UK signed an updated U.S. Coast Guard Law Enforcement Detachment (LEDET) Memorandum of Understanding with the USG. This included the airborne use of force (AUF) capability on Royal Navy and auxiliary vessels attempting to stop noncompliant drug smuggling go-fast vessels as well as authorization to carry LEDETS in the eastern Pacific in addition to Caribbean operations. The first success of this AUF capability was realized on October 28, 2005 when HMS CUMBERLAND seized 1,756 kilograms of cocaine from a go-fast vessel that refused a lawful order to stop and was subsequently disabled by precision rifle fire from the HMS Cumberland's helicopter.

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. 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 evidence of exportation. In 2005, the DEA, in concert with UK authorities, conducted the controlled delivery of three GBL shipments to the U.S. DEA has asked 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 decent) 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 South America, Mexico, Spain and the UK are the organizers of this smuggling. Other information also suggests that cocaine is smuggled into the UK via West Africa.

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. In May 2003, the government launched a $5.7 million (£3 million) multimedia campaign called "FRANK", its official national drug awareness campaign. FRANK offers help and advice to anyone who may be affected by drugs. The latest information cites over 739,000 calls to the FRANK help line and 5.7 million hits on its website. The UK now has drug education programs in all schools, supported by a certificate program for teachers. In March 2005, the Department for Education and Skills officially linked FRANK to its "Every Child Matters" education programs to assure regularly reviews for effectiveness. A similar information and support program called "Know the Score" operates in Scotland.

"Positive Futures," a sports-based program started in 2000 to specifically target socially vulnerable young people, has served over 80,000 young people since its inception with 108 projects established in regions throughout the country. As of January 2006, the program will be handed over to a national charity, Crime Concern. The contract will run through March 2008. The charity hopes to use the heightened interest in sports generated by London's successful 2012 Olympics campaign to promote its agenda.

The UK has rapidly expanded 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 an 89 percent increase of people in drug treatment programs since 1998. The so-called "pooled treatment budget" administered by the Home Office and the Department of Health is targeted to increase from $448 million (£253 million) nationally in 2004/05 to $847 million (£478 million) by 2007/08. Additional services are provided through the National Health Service. National Health Service statistics show a 50 percent increase in trained drug treatment professionals (currently 10,106 with a target of 11,000) and a drop in waiting times for treatment from 6-12 weeks to 2.4 weeks since 2002. Waiting times in areas more heavily affected by drugs is lower at 1.8 weeks. Latest statistics indicate that drug-related deaths between 2002 and 2003 continued to fall and have dropped 12 percent since 1998. Among young people under the age of 20, drug-related deaths fell by almost one-third between 2002 and 2003.

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 (GOU) has taken steps to combat the narcotics trade but still relies heavily on multilateral and bilateral financial and technical resources. Law enforcement officers seized approximately 504 kilograms of illegal narcotics in the first six months of 2005. Uzbekistan is a party to the 1988 UN Drug Convention.

II. Status of Country

While there is no significant drug production in Uzbekistan, several transshipment routes for opium, heroin, and hashish originate in Afghanistan and cross Uzbekistan for destinations in Russia and Europe. Drug seizures in 2004 were up 50 percent from 2003. However, they have seemed to slow slightly in 2005. 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 2005

Policy Initiatives. In November 2005, Uzbekistan and Russia signed an agreement on cooperation in the fight against the illegal trafficking of narcotics and psychotropic substances and control of precursors. The agreement obligates the two countries to exchange information and cooperate with each other against drug trafficking. It also calls on the two sides to conduct coordinated operations against organized crime groups involved in the narcotics trade. As of the end of 2005, however, few tangible results have occurred. The United States and Uzbekistan continued counternarcotics cooperation in 2005 under the 2001 US-Uzbekistan Narcotics Control and Law Enforcement Agreement (LOA) and its amendments. These agreements provide for U.S. assistance to Uzbekistan, and are typically amended in the years following their first negotiation to increase assistance levels to ongoing programs, or to agree to begin new assistance programs. The agreements have established the framework to support projects designed to enhance the capability of Uzbek law enforcement agencies in its efforts to fight against narcotics trafficking and organized crime. In 2005, the United States proposed an additional amendment to the agreement whereby the U.S. Government would provide additional funding via the State Department's International Narcotics and Law Enforcement program to the Uzbek Ministry of Interior Special Investigative Unit (SIU), designed to target and dismantle transnational heroin trafficking organizations. The GOU declined for unspecified reasons to sign the proposed amendment. Implementation of various counternarcotics programs, including the provision of technical assistance in investigating and prosecuting narcotics trafficking cases, judicial and legal reform, and enhancement of border security, continue under previous amendments to the 2001 agreement.

The Uzbek criminal justice system continues to suffer from a lack of modernization and 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. The outcomes of court cases are usually not in doubt and conviction rates approach 100 percent. Prosecutions often

rely on coerced confessions by the defendants and conviction is typical even in the absence of evidence. Corruption at all levels of the criminal justice system is rampant.

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 been very successful and has virtually eliminated illicit poppy cultivation. In 2005, the operation only had to eradicate less than 100 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 provided by the GOU show that in the first half of 2005, Uzbek law enforcement seized a total of 504 kilograms of illicit drugs. Unprocessed poppy accounted for 33 percent of the total, cannabis 30 percent, heroin 23 percent and opium 12 percent. 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, but the Center continues to have difficulty accomplishing this goal. In 2005, training and equipment were provided to the State Customs Committee under U.S.-Uzbekistan counternarcotics-related bilateral agreements. In addition, a U.S. Drug Enforcement Administration (DEA)-supported MVD Special Investigation Unit, which became operational in 2003, continues to conduct effective counternarcotics investigations.

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 operations. These rings tend to be located on the border between Uzbekistan and Tajikistan, where poor border controls allow group members to cross between the countries with relative ease. There are indications that smuggling activities are growing along the Turkmen-Uzbek border.

Lack of training and equipment continues to hamper all Uzbek agencies. Basic necessities, even the ability to replace aging Soviet era equipment, remain in short supply or seem administratively impossible. Uzbekistan has relied heavily on international assistance from UNODC, the U.S., the UK, and other countries to supplement their own thinly-funded programs. In 2005 UNODC continued its cooperation with the GOU. However, the GOU has shown greater reluctance to work with the United States and European Union-member countries. As a result, international counternarcotics assistance to Uzbekistan has slowed substantially.

Corruption. As a matter of policy the GOU policy does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances. However, corruption is endemic at all levels of government and the paying of bribes is an accepted practice. There are anecdotal accounts of drug traffickers bribing customs and border officials to look the other way to narcotics shipments. It is likely that some government officials are involved with narcotics trafficking organizations. Uzbekistan is not a party to the UN Convention Against 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.

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 after 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, as of the end of 2004 there were approximately 19,440 drug addicts in Uzbekistan. 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. Over 3,000 people, mostly drug addicts, have tested positive for HIV in the first 11 months of 2005, according to the World Health Organization office in Tashkent. Approximately half of the people infected with HIV are between the ages of 25 and 34. Hospitals with drug dependency recovery programs are inadequate to meet the increasing need. The Ministry of Health and National Drug Control Center have recognized the need to focus increased attention on the drug problem, but do not have sufficient funds to do so adequately. Drug awareness programs are administered through NGOs, schools and the mahalla (neighborhood) support system.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S.-Uzbek bilateral counternarcotics agreements focus on the prevention of illicit drug activities in and through Uzbekistan, and the need to increase the effectiveness of Uzbek law enforcement agencies to combat these activities. In spite of the GOU's hesitance in 2005 to engage in U.S. sponsored training and programs in a variety of areas, including counternarcotics, some GOU agencies participated in U.S.-sponsored training in 2005. The DEA continues to fully fund, train and equip the SIU in the Ministry of International Affairs. The SIU has conducted a number of undercover and international operations, which have led to substantial increases in the amount of narcotics seized. Also in 2005, the U.S. Department of Defense provided training and equipment for the Border Guard Maritime unit on the Afghan border. In June 2005 the U.S. Government sponsored the travel of fourteen Uzbek Customs officials to El Paso, Texas to observe operations on the U.S.-Mexico border. The Uzbek officials visited all of the border crossings in the El Paso area where they observed U.S. Customs narcotics detection equipment and inspection methods and exchanged information with U.S. counterparts

The Road Ahead. The U.S. remains committed to providing support to appropriate Uzbek agencies to improve narcotics detection and drug interdiction capabilities. DOD plans further counternarcotics training for 2006.

AFRICA AND THE MIDDLE EAST

Angola

I. Summary

Angola is not a country that suffers from significant drug production or drug abuse; however, some cannabis is cultivated and consumed locally. Angola continues to be a transit point for drug trafficking—particularly, cocaine from Brazil into Europe and South Africa. Angola signed and ratified the Southern African Development Community (SADC) counternarcotics protocol in 2003. Angola acceded to the 1988 UN Drug Convention in October 2005.

II. Status of Country

Angola is not a major center of drug production, money laundering, or production of precursor chemicals, and is not likely to become one. It is however, a transit point for drug trafficking. Various types of narcotics, the largest quantity being cocaine, enter the country from destinations such as Brazil and are then transported to Europe and South Africa. Police continued to seize cocaine and cannabis in 2005. Increased intelligence sharing and the scanning of incoming containers improved the effectiveness of drug interdiction.

III. Country Actions Against Drugs in 2005

Law Enforcement. Angola cooperates with South Africa, Brazil, and Portugal in fighting the flow of cocaine through Angola to various destinations. South Africa has provided intelligence, training, and equipment to the Angolan police. Angola also cooperates on a regional basis via the South African Development Community (SADC).

Corruption. Although cases of public corruption connected to narcotics trafficking are rare, in June three National Department for Criminal Investigation (DNIC) officials were charged with trafficking in cocaine. As a matter of government policy, however, Angola 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.

Agreement and Treaties. In October 2005, Angola acceded 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. Angola has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime and the UN Convention Against Corruption.

Domestic Programs/Demand Reduction. In 2004, Angola enacted legislation mandating treatment for those convicted of narcotics abuse. Drug rehabilitation centers have been established in Luanda, Lubango, and Benguela.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2005, 28 Angolan police officers participated in State Department-sponsored regional training courses, which included segments on counternarcotics.

The Road Ahead. The U.S. will continue to assist Angola through training of law enforcement officials at ILEA Gaborone and in ILEA Roswell to the degree Angola wishes.

Benin

I. Summary

While Benin is a low volume narcotics producer, the country remains a transit point for illegal narcotics. During 2005, no new counternarcotics laws or initiatives were introduced in Benin. Benin's drug enforcement police squad, Office Centrale de Repression du Traffic Illicit de lat Drogue (OCERTID, or Central Office for Repression of Illicit Drug Trafficking) has limited resources. Benin co-hosted the 2005 West African Joint Operations (WAJO) Conference in September, 2005 along with the DEA Attaché from Lagos, Nigeria. The rate of illegal drug seizures remained low in Benin during 2005. Benin is a party to the 1988 UN Drug Convention, and their counternarcotics legislation adopted into law in 1997 is based on the UNDC model.

II. Status of Country

Benin remains a small producer of illegal narcotics with marijuana being the only drug produced in significant quantities. It is cultivated throughout the country, primarily along the borders with Nigeria and Togo and in the central area of the country. The primary market for this cultivation is personal use within Benin. There are no current Beninese government plans to eradicate the drug. Benin's porous borders and lack of port security allow for easy transshipment of narcotics by regional traffickers. All forms of narcotics are known to transit through Benin, but 2005 did not see a significant increase or decrease in this activity.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Benin continued to take few steps towards combating the trafficking of illegal narcotics in 2005. Legislation adopted in 1997, which increased sentences for traffickers, criminalized drug-related money laundering, and permitted the seizure of drug-related assets remains in effect, but little progress has been made towards practically implementing this legislation through enhanced drug law enforcement. Benin does not have a legal mechanism in place to seize assets on behalf of counternarcotics efforts.

Law Enforcement/Accomplishments. Benin continues to work towards the goals of a 2001 bilateral narcotics control agreement signed with the U.S. Of significance in 2005 were Beninese efforts towards regional cooperation. In September, Benin co-hosted the 2005 Western Africa Joint Operations Conference with the U.S.DEA Country Attaché from Lagos, Nigeria. Regional agreements to exchange intelligence between the 19 attending nations and plans for regional training were established. During December, three officers from OCERTID participated in UNODC counternarcotics training in Nigeria. In addition, OCERTID assigned a team to the port of Cotonou during November, 2005. But this team has been hampered by a lack of training in the area of seaport security and container search procedures. The total reported drug seizures in Benin during 2005 were 2,206 kilograms of cannabis; 28.2 grams of cocaine; and 25.2 grams of heroin. Total arrest and prosecution statistics are not available at this time, but sources indicate that existing law enforcement resources are exclusively used to arrest and prosecute small-scale couriers and users.

Corruption. There is no legislation or legal framework in Benin to prevent or punish narcotics-related corruption, and Benin did not take any new steps to prevent narcotics-related corruption in 2005. No known senior Beninese Government official or entity engages in, encourages, or facilitates the illicit

production or distribution of narcotic or psychotropic drugs, but it is likely that corruption facilitates the movement of narcotics through Benin.

Agreements and Treaties. Benin is 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. Benin is a party to the UN Convention Against Corruption, and to the UN Convention Against Transnational Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms.

IV. U.S. Policy Initiatives and Programs

The Road Ahead. Benin continues to profess its commitment to counternarcotics initiatives but needs to implement counternarcotics legislation and address border and port security controls. The lack of training and resources for counternarcotics units requires attention as well, and if remedied, would put Benin on the road to further supporting the 1988 UN Drug Convention.

Egypt

I. Summary

The Arab Republic of Egypt is not a major producer, supplier, or consumer of narcotics or precursor chemicals. Heroin and cannabis are transported through Egypt, but presumed levels have not risen in four years. The Anti-Narcotics General Administration (ANGA) is the main counternarcotics organization in Egypt. It is competent and progressive, and cooperates fully with the Drug Enforcement Administration (DEA) office in Cairo. In 2004, a joint DEA-ANGA investigation uncovered a significant MDMA (ecstasy) laboratory in Alexandria, resulting in the arrest of four individuals, possible indictment of two U.S. citizens, and a secondary ongoing investigation that has already identified more than two million dollars of drug related proceeds. In 2005, several major international investigations were conducted jointly with ANGA. Egypt is party to the 1988 UN Drug Convention.

II. Status of Country

Egypt is not a significant producer or consumer of narcotics or precursor chemicals, despite the fact that opium and cannabis plants are grown in Egypt. The substances that are most commonly abused are cannabis, which is known here as "bango," and legitimate pharmaceuticals. Narcotics do pass through Egypt. Egypt's long and mostly uninhabited borders, combined with the high level of shipping passing through the Suez Canal Zone, have made Egypt prone to the transshipment of Asian heroin. Other types of narcotics periodically pass through Cairo International Airport. The narcotics are primarily destined for Western Europe, with only small amounts headed to the United States. Transshipment has diminished considerably in recent years due to the elevation of security in Egypt and the region as a whole.

The ANGA is the oldest counternarcotics unit in the Arab world. It has jurisdiction over all criminal matters pertaining to narcotics and maintains offices in all major Egyptian cities and ports of entry. Despite limited resources, ANGA has continually demonstrated improvements in its capabilities.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Government of Egypt (GOE) continues to aggressively pursue a comprehensive drug control strategy that was developed in 1998. ANGA, as the primary Egyptian drug enforcement agency, coordinates with the Egyptian Ministry of Interior, the Coast Guard, the Customs Service, and select military units on all aspects of drug law enforcement. Government and private sector demand reduction efforts exist but are hampered by financial constraints and logistical challenges.

Accomplishments/Law Enforcement Efforts. Internal security and combating terrorism are the major foci of Egyptian law enforcement efforts. Despite these priorities, ANGA is able to operate an effective program against narcotics trafficking. Egypt is a transit country for narcotics. ANGA investigates and targets significant drug traffickers, intercepts narcotics shipments, and detects and eradicates illegal crops. Large-scale seizures and arrests are rare, primarily because Egypt does not have a significant narcotics market or narcotics abuse culture. ANGA operates its own drug awareness campaign in addition to other government and private sector demand reduction programs. ANGA's Eradication Unit conducts monthly operations against cannabis and opium crops in the Sinai.

Continuing a trend over the past several years, the amount of narcotics seized during 2004 was again higher than that of the previous year.

According to the GOE, drug seizures in 2004 included cannabis (80.2 metric tons), hashish (1.9 metric tons), and smaller amounts of heroin, opium, psychotropic drugs, and cocaine. Significant amounts of prescription and "designer" drugs such as ecstasy (6,194 tablets), amphetamines, and codeine were also seized. During the course of 2004, Egyptian law enforcement officials eradicated 171 hectares of cannabis and 65 hectares of opium poppy plants. Late in 2004, a joint DEA-ANGA investigation uncovered an MDMA laboratory located in a small apartment building in Alexandria, Egypt. ANGA raided the laboratory, arresting four individuals and seizing chemicals, paste, and equipment. Additionally, a secondary ANGA financial investigation conducted in 2005 with assistance from the DEA country office has identified over two million dollars in drug proceeds located in Egypt. Since 2003, production of illicit pharmaceuticals and counterfeit narcotics are on the rise in Egypt, which may represent a new trend toward shifting artificial drug labs to the region due to the region's relatively lax regulation of commercial chemical products. With the passage of the first anti-money laundering law in 2002, which criminalized the laundering of proceeds derived from trafficking in narcotics and numerous other crimes, seizures of currency in drug-related cases have amounted to over 3,000,000 Egyptian Pounds ($520,000). In October 2005, ANGA seized two metric tons of marijuana that originated in the northern Sinai.

Corruption. As a matter of government policy, the Government of Egypt does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal transactions. The GOE has strict laws and harsh penalties for government officials convicted of involvement in narcotics trafficking or related activities. However, low-level local police officials involved in narcotics-related activity or corruption have been identified and arrested.

Agreements and Treaties. Egypt and the United States cooperate in law enforcement matters under an MLAT and an extradition treaty. Egypt is a party to the 1988 UN Drug Convention since 1991, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Egypt is a party to the UN Convention against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in persons. Egypt also is a party to the UN Convention Against Corruption.

Cultivation and Production. Cannabis is grown year round in the northern and southern Sinai and in Upper Egypt, while opium poppy is grown in the southern Sinai only from November through March. Rugged terrain means that plots of illegal crops are small and irregularly shaped. ANGA combats this production by using aerial observation and confidential informants to identify illegal plots. Once the crops are located, ANGA conducts daylight eradication operations that consist of cutting and burning the plants. ANGA has yet to implement a planned herbicide eradication program. No heroin processing laboratories have been discovered in Egypt in the last 14 years and no evidence is available indicating that opiates or cannabis grown in Egypt reach the United States in sufficient quantities to have a significant impact. In an ongoing investigation that started in 2004, a joint DEA-ANGA operation uncovered the first ever MDMA laboratory in Egypt and eliminated it before it reached significant production.

Domestic Programs (Demand Reduction). In 2005, the National Council for Combating and Treating Addiction continued to be the GOE's focal point for domestic demand reduction programs. The Council is an inter-ministerial group chaired by the Prime Minister and has the participation of ten ministries. The group espouses a three-pronged strategy to counter the demand for narcotics: awareness, treatment (including detoxification and social/psychological treatment), and rehabilitation. The group's efforts over the past year included a range of activities, for example, a media advertising

campaign with participation from First Lady Suzanne Mubarak, annual seminars at Al-Azhar University on "Islam and Narcotics," and the establishment of a drug treatment hotline and website. Additionally, the Council sponsors four rehabilitation centers, primarily focused on the Cairo metropolitan area. These centers annually receive thousands of requests from addicts for help.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives/Bilateral Cooperation. The U.S. counternarcotics policy in Egypt is to engage the GOE in a bilateral program to reduce narcotics transshipments and decrease opium poppy and cannabis cultivation. The policy includes the following specific objectives: increase training to ANGA and other government offices responsible for narcotics enforcement; assist with the identification of illegal crop eradication targets; improve narcotics interdiction methodology; and improve intelligence collection and analysis. In 2005, the DEA country office initiated Operation Sphinx, a joint DEA-ANGA operation to collect actionable intelligence for enforcement/interdiction action in the Suez Canal and the Gulf of Aqaba. The operation targets sources of information in the maritime industry throughout the region.

The Road Ahead. In fiscal year 2006, the U.S. Government plans to increase its joint operations with ANGA, moving beyond a previously predominant focus on monitoring the narcotics problem. This will involve the DEA country office continuing to work closely with ANGA on joint investigations, as well as improving interdiction and eradication techniques and developing additional sources of information on trafficking and production.

Ethiopia

I. Summary

Ethiopia does not play a major role in the production, trafficking or consumption of illicit narcotics or precursor chemicals associated with the drug trade. Although Ethiopia is strategically located along a major narcotics transit route between Southwest/Southeast Asian heroin production and European markets and West African trafficking networks, the amount of drugs transiting Ethiopia remains small. Heroin transits Ethiopia for markets in West Africa, Europe and the United States, primarily due to Ethiopia's good airline connections between those markets and Southwest/Southeast Asia. Nigerian traffickers use Ethiopia as a transit point on a limited basis. Ethiopia now produces more khat that coffee for export. Khat is legal in Ethiopia. Khat is increasingly becoming more popular in the U.S. Seizures are up and illegal importations from Ethiopia, through Europe to the U.S. are rising. Khat is a chewable leaf, with mild narcotic effect. It is part of the culture of several countries bordering the Red Sea. A small amount of cannabis is grown in Ethiopia, but most is consumed in rural areas of Ethiopia itself. The Ethiopian Counter-narcotics Unit (ECNU) maintains an interdiction team at the international airport in the capital. Ethiopia is a party to the 1988 UN Drug Convention.

II. Status of Country

Ethiopia is not now, and is not likely to become, a significant producer, trafficker or consumer of narcotic drugs or diverted precursor chemicals. A small volume of cannabis is produced in rural areas, of which a small portion is being produced for export, primarily to neighboring countries; the majority is consumed at home, but absolute quantities in both cases are moderate. For the first time, in 2001, opium poppy was seized at two locations where it was apparently being grown as an experimental crop. No further seizures have been reported. Indications are that the techniques for growing the opium came from India and that the appearance of these apparent experimental plots may be explained by that year's downturn in coffee prices. No opium gum has been found.

III. Country Actions Against Drugs in 2005

The use of heroin and other hard drugs remains quite low, due primarily to the limited availability of such drugs, its high street price when available, and low incomes of most Ethiopians. To the extent such hard drugs are available it is in large part due to the spillover effect from drug couriers transiting through Bole International Airport in Addis Ababa. Bole is a major air hub for flight connections between Southeast and Southwest Asia and Africa, and according to Ethiopian authorities, much of the heroin entering and/or transiting Ethiopia comes from Asia, although absolute quantities in both cases are low. Some of the flights require up to a two-day layover in Addis Ababa, permitting a limited opportunity for the introduction of these drugs into the local market.

Law Enforcement Efforts. The ECNU has shown solid competence in terms of performance over the previous two years. After changing its leadership in 2002, it has since been more proactive at the federal level. The ECNU was expanded from 50 to 150 police and has plans to carry out some border road interdiction efforts in addition to its work at the airport, where its interdiction team uses its two drug sniffer dogs to examine, with a degree of randomness, cargo and luggage. The ECNU routinely screens passengers, luggage and cargo on flights arriving from "high risk" origins, such as Bangkok, Mumbai, New Delhi and Islamabad. The interdiction unit continues to improve its ability to identify male Nigerian/Tanzanian drug "mules", who typically swallow drugs to smuggle them. The Ethiopian

government does not maintain precise statistics on interdictions, but reports that the overall volume of drugs interdicted has been low, as most seizures involve airline passengers carrying small quantities in luggage or on their person.

Corruption. There is no evidence of government corruption related to illicit drugs. The Anti-Corruption Commission, created in 2001, was given substantial police powers to investigate corruption, and for a short while attracted considerable attention when it arrested and charged several high-level government officials with corruption (unrelated to drugs) in 2001 and 2002. Since then, the Commission seems to have become bogged down bureaucratically and is no longer a formidable organization. There have been no charges of drug-related corruption against government officials.

Agreements and Treaties. Ethiopia 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. Ethiopia has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention Against Corruption.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The United States is working to raise the profile of crime-related issues and encourage criminalization of money laundering. A U.S. Treasury advisor to the Ethiopian Central Bank provided advice to the Ministry of Justice in 2004 on drafting anti-money laundering legislation; the legislation was approved in Parliament and was adopted into law in 2005.

The focus of U.S. programs remains on the law enforcement side, specifically the ECNU. State Department narcotics assistance supports curriculum advice and training for police academy instructors in drug investigations. The objective is to institutionalize training, ensuring that courses will be repeatedly offered by Ethiopian trainers, rather than relying on return visits by DEA trainers from the U.S.

The Road Ahead. Ethiopia is likely to remain a minor trafficking center for Africa because of its airport and the flight arrangements described above. The GOE has a solid plan for using U.S. narcotics assistance to good effect and cooperation with the U.S. has been good.

Ghana

I. Summary

Ghana has taken steps to combat illicit trafficking of narcotic drugs and psychotropic substances and has mounted major efforts against drug abuse. It has active enforcement, treatment, and rehabilitation programs; however, lack of resources remains a problem and suspected drug trafficking by a Member of Parliament surfaced this year. Ghana-U.S. law enforcement coordination strengthened in 2005. Interagency coordination among Ghana's law enforcement, however, remained a challenge and attempts to establish an anticorruption unit at the Customs, Excise & Preventive Service were stalled. Ghana is a party to the 1988 UN Drug Convention.

II. Status of Country

Ghana is increasingly a transit point for illegal drugs, particularly cocaine from South America and heroin from Southeast and Southwest Asia. Europe remains the major destination, but drugs also flow to South Africa and to North America. Accra's Kotoka International Airport (KIA) is increasingly a focus for traffickers. Ports at Tema and Sekondi are also used, and border posts at Aflao (Togo) and Elubo and Sampa (Cote d'Ivoire) see significant drug trafficking activity. In 2005, Nigerian traffickers continued to strengthen their presence, and some South American narcotics rings trafficking cocaine began operating in Ghana. Trafficking has also fueled increasing domestic drug consumption. Cannabis use is increasing in Ghana as is local cultivation. Law enforcement officials have repeatedly raised concerns that narcotics rings are growing in their size, strength, organization and capacity for violence. The government has mounted significant public education programs, as well as cannabis crop substitution programs. Diversion of precursor chemicals is not a major problem.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Narcotics Control Board (NCB) coordinates government counternarcotics efforts. These activities include enforcement and control, education, prevention, treatment, rehabilitation, and social reintegration. The NCB's counternarcotics national strategy, the "National Plan of Action 1999/2008", was never implemented due to lack of funding. However, in 2005 the UN Office of Drugs and Crime (UNODC) financed three projects: 1) the upgrade of a rehabilitation and treatment center run by REMAR, a Spanish nongovernmental organization; 2) training of judges and officials of the Narcotics Control Board, Ghana Police, the Customs, Excise & Preventive Service and other agencies to combat transnational organized crime, including narcotics and associated financial crimes; and 3) a survey to measure the prevalence of drug abuse and its correlation to HIV/AIDS in Ghana. Each year since 1999, the NCB has proposed to amend the 1990 narcotics law to allow stricter application of bail bond system (i.e., no general granting of bail when flight is a real possibility; higher sureties to assure that defendants appear for trial) and to fund NCB operations using a portion of seized proceeds, but the Attorney General's office has not acted on these proposals. The NCB also called for amendment, without success, of PNDC Law 236 (1990) to enable it to confiscate property and assets purchased by identified drug dealers using illegal proceeds.

Law Enforcement Efforts. In 2005, Ghanaian law enforcement agencies continued to conduct joint police/NCB operations against narcotics cultivators, traffickers, and abusers. NCB agents, who are not armed, rely upon the police's Criminal Investigative Division's (CID) narcotics unit in situations requiring armed force. The Ghana Police Service has assigned several investigators to narcotics cases,

holds suspects in its cells and prepares such cases for docket. The NCB continued to work with DHL, UPS, and Federal Express to intercept packages containing narcotics.

The NCB reported that from January to September 2005 arrests rose by 40 percent for cocaine and 20 percent for cannabis compared to the same period the prior year. Meanwhile, arrests for heroin dropped to nearly one-third of their 2004 level. Drug seizure statistics for 2005 show an 11 percent increase in narcotics arrests (782 for January through September 2005 compared to 705 for the same period in 2004). More than 80 percent of these arrests are for cannabis. Despite the upward trend in arrests, the amount of cocaine seized remained steady while that of heroin dropped to one tenth of its 2004 level. The NCB said narcotics rings find trafficking cocaine to Europe easier and more profitable than obtaining heroin from the Far East and trafficking it to the U.S. The Ghana Police Service's campaign to destroy cannabis farms in the Upper East and Eastern Regions accounted for a nearly 18-fold increase in seizures in 2005. Overall, 2005 saw the highest number of drug trafficking arrests on record. In one of the largest drug busts of 2005, Ghana Police arrested two suspected narcotics ring members claiming Venezuelan citizenship on November 12 in Mpaesem, Ghana. The police seized 580 kilograms of cocaine.

The NCB reported that prices of cocaine, heroin and cannabis remained steady. In 2005, a gram of cocaine sold for cedis 168,350 ($18.50 at the current exchange rate). A cocaine booster sold for cedis 12,000 ($1.32), while crack cocaine sold for cedis 5,000 ($.55). A gram of heroin sold for cedis 145,600 ($16). A heroin booster sold for cedis 10,000 ($1.10). The price of a small parcel of cannabis in 2005 was approximately cedis 5,000 ($.55), while a wrapper or joint sold for cedis 1,000 ($.11). Successful interdiction efforts increased these prices temporarily, but the NCB said they fluctuated near this level throughout the year.

The NCB and other law enforcement agencies continued their successful cooperation with U.S. law enforcement agencies in 2005, sharing information, as well as extraditing individuals wanted on narcotics-related charges. The U.S. extradited one person to Ghana, and Ghana extradited two persons to the U.S.

Corruption. Despite the regular arrests of suspected narcotics traffickers, Ghana has an extremely low rate of conviction, which law enforcement officials indicate is likely due to corruption within the judicial system. The backlog of cases pending trial and the limited resources facing the judiciary remain problems in controlling drug trafficking in Ghana.

The Customs, Excise & Prevention Service (CEPS) says finding a location away from its headquarters has kept it from establishing an internal affairs unit. In October 2005, a supervisor of KIA's cargo handling company was arrested attempting to smuggle cocaine using an airport tractor and his unusual access to an airplane. Media outlets alleged that this occurred with either the approval or the involvement of ruling party officials. In November 2005, U.S. Immigration and Customs Enforcement officers arrested Eric Amoateng, a Member of Ghana's Parliament in New York, during the seizure of 62 kilograms of heroin. Amoateng has been provisionally charged and arraigned and is expected to face trial for drug trafficking in the U.S. NCB officials complain that courts often release suspected smugglers, including foreign nationals, on bail that is often set at only a tiny fraction of the value of the drugs found in a suspect's possession. The court requirement of a surety in addition to bail is often either dropped, or court registrars will fraudulently use the identical property as surety for multiple cases. In September 2004, the NCB was held in contempt of court for withholding the passports of suspects charged with drug trafficking who had been released on bail. The NCB retained the passports while they waited for the Attorney General to file a request not to permit bail, which was ultimately never filed. The NCB eventually had to turn over the passports on a court order. At least one of the suspects in this case, a Ghanaian citizen possessing a Dutch passport, has since traveled in and out of

Ghana while on bail. In August 2005, the Attorney General's office filed an appeal to protest a retiring judge's acquittal of two of these suspected traffickers.

In 2004 and 2005, there were no cases of alleged evidence tampering. In April 2005, the Ghana Police interdicted two policemen who allegedly facilitated a suspected Nigerian drug trafficker's escape from custody. In May 2005, the Ghana Police Criminal Investigations Division took into custody two suspected traffickers and four policemen who allegedly demanded a $60,000 bribe to release the traffickers when they first encountered them with narcotics. In June 2005, all six were granted bail.

Agreements and Treaties. Ghana 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. U.S.-Ghana extradition relations are governed by the 1931 U.S.-U.K. Extradition Treaty. In 2003, Ghana signed a bilateral Customs Mutual Assistance Agreement with the United States. Ghana has signed, but has not yet ratified the UN Convention Against Corruption.

Cultivation and Production. Cannabis (also known as Indian hemp) is widely cultivated in rural farmlands. The Volta, Brong/Ahafo, Western, and Ashanti regions are principal growing areas. Most is consumed locally; some is trafficked to neighboring and European countries. Cannabis is usually harvested in September and October, and law enforcement teams increase their surveillance and investigation efforts at these times. In 2005, combined NCB and police teams continued to investigate cannabis production and distribution, and to destroy cultivated cannabis farms and plants. In October 2005, a joint operation between the NCB and police destroyed three acres of cannabis in Akatsi and took two Ghanaians and two Jamaicans into custody. In February 2003, the NCB implemented a pilot program designed to reduce the area under cultivation, under which 140 marijuana cultivators volunteered to give up marijuana in exchange for government assistance with planting and processing new food crops and immunity from prosecution. The NCB expanded the program from 120 farmers in 2004 to 325 in 2005. The Ministry of Women and Children's Affairs also donated two cassava-processing plants to the Essam, Eastern Region community to provide alternative income to farmers growing cannabis.

Drug Flow/Transit. Cocaine and heroin are the main drugs that transit Ghana. Cocaine is sourced mainly from South America and destined for Europe, while heroin comes mainly from Southeast and Southwest Asia on its way to Europe and North America. Cannabis is shipped primarily to Europe, specifically to the United Kingdom. Narcotics are sometimes repackaged in Ghana for reshipment, and the most lucrative concealment method uses carry-on, wheeled luggage. Drug traffickers have grown increasingly inventive. In November 2004, British Customs and Excise seized 23 kilograms of cocaine hidden in live snails from Ghana at London's Heathrow Airport. Investigators have found cocaine packed as fish and packaged cannabis concealed in smocks and sacks of processed cassava.

Although there is no hard evidence that drugs transiting Ghana contribute significantly to the supply of drugs to the U.S. market, there are indications that direct shipments to the United States are on the rise. Accra is an increasingly important transshipment point from Africa. In November 2004, two alleged leaders of a drug smuggling ring from Ghana were indicted in Columbus, Ohio for shipping heroin for distribution across central Ohio, indicating a direct flow of illicit narcotics from Ghana into the U.S. Midwest. The November 2005 arrest of a Ghanaian parliamentarian indicated a similar flow of heroin to the New York area. In the past, direct flights from Accra played an important role in the transshipment of heroin to the U.S. by West African trafficking organizations. In July 2004, the Federal Aviation Administration banned Ghana's only direct flights to the United States for safety reasons. However, this did not appear to reduce the trafficking of drugs between the two countries. Instead, drug traffickers rerouted the flow through Europe, according to the NCB. In October 2005, the NCB arrested a cargo handling supervisor attempting to smuggle 12 kilograms of cocaine through the country's sole international airport. Combined with almost weekly arrests of drug mules, this arrest

raises concerns about the volume of narcotics transited by air through Ghana. The NCB reports that narcotics air transit through Ghana has reduced somewhat in favor of land routes to Abidjan, largely due to the break down of law and order in Cote d'Ivoire, which favors narcotics traffickers. The biggest challenge in Ghana, however, is the unpatrolled coastline.

Domestic Programs. The NCB works with schools, professional training institutions, churches, local governments, and the general public to reduce local drug consumption. The Ministries of Health and Education further coordinate their efforts through their representatives on the Board. Board Members and staff frequently host public lectures, participate in radio discussion programs, and encourage newspaper articles on the dangers of drug abuse and trafficking. Ghana observed the International Day Against Drug Abuse and Illicit Trafficking in June 2005, in Cape Coast, Central Region. Although treatment programs have lagged behind preventative education and enforcement due to lack of funding, there are three government psychiatric hospitals receiving drug patients, and three private facilities in Accra, run by local NGOs, also assisting drug abusers. The NCB's national drug education efforts continued in schools and churches, heightening citizens' awareness of the fight against narcotics and traffickers. In 2005, the NCB continued broadcasting TV programs to explain narcotics' effects on the human body, individual users and society, which are being broadcast on state television in local languages. Also in June, the NCB organized an event in Cape Coast to highlight drug abuse in Ghana in conjunction with the UN's International Day Against Drug Abuse and Trafficking.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG's counternarcotics and anticrime goals in Ghana are to strengthen Ghanaian law enforcement capacity generally, to improve interdiction capacities, to enhance the NCB's office and field operation functions, and to reduce Ghana's role as a transit point for narcotics. In 2002, the United States provided the Government of Ghana counternarcotics assistance in the form of surveillance and detection equipment, worth $64,000, including two narcotics detection devices ("Itemizers") installed at Kotoka International Airport in December 2003. Similar equipment funded in FY 2000 and FY 2001 is effectively maintained and has facilitated a number of drug arrests and seizures. Funding provided in FY 2002 for training for the Police will continue to assist in suppressing corruption and strengthening the capacity of the police to interdict illegal drugs. A four-week, interagency counternarcotics training course, funded by the U.S. in FY 2002 and focused on drug interdiction at Ghana's air and seaports, took place in November 2004. Future assistance, committed in August 2005, will focus on advanced narcotics investigations skills, airport interdiction and financial crimes investigations. In August 2005, the U.S. government signed an agreement to provide Ghana's law enforcement agencies with an additional $200,000 in assistance to fight narcotics trafficking.

The Road Ahead. Tougher confiscation provisions, with a portion of such resources dedicated to fighting narcotics trafficking, would strengthen Ghana's counternarcotics regime. Better oversight of financial transactions is particularly important given the potential for any narcotics financial networks to be used by terrorist organizations or for internal corruption.

Jordan

I. Summary

Jordan's geographical location between drug producing countries to the north and drug consuming countries to the south and west, makes it a transit country for illicit drugs. Historically, Jordanians do not consume significant quantities of illicit drugs, and according to the public security officials there are no known production operations in the Kingdom. Statistically speaking, however, drug use continues to grow in Jordan. According to statistics for the first 11 months of 2005, total drug seizures for the year will be slightly below, or close to 2004 seizures, excluding Captagon seizures (fenethylline), a synthetic amphetamine-type stimulant. There was an increase in reported drug-related cases and subsequent arrests. The drugs of choice among users arrested for drug possession in Jordan continue to be cannabis and heroin, and people arrested for drug-related crimes fall predominantly between the ages of 18 and 35 years old. Additionally, drug movement coming from Iraq has picked up seven-fold. Cooperation among neighboring countries in combating the drug trade is ongoing. Jordan is a party to the 1998 UN Drug Convention.

II. Status of Country

There are currently no indications that Jordan will move from a predominantly drug transit country to a drug producing country. Statistics produced by the Public Security Directorate/Anti-Narcotics Department (PSD) appear to confirm this assessment. Jordan's vast desert borders make it vulnerable to illicit drug smuggling operations. Jordanian authorities do not believe that internal drug distribution is a profit-making venture.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Due to sustained usage of hashish and heroin among people predominantly between the ages of 18 and 35, Jordan continues its drug awareness campaign focused at educating young people of the dangers of drug use. Authorities continue to provide educational presentations in schools and universities throughout the country. Jordan also publishes a number of brochures and other materials aimed at educating Jordan's youth. Cartoons aimed at younger children designed to dissuade youngsters from trying drugs have also been developed and broadcast this year. In July 2005, DEA sponsored a one-week Asset Forfeiture and Financial Investigations Seminar in Amman, which was presented to Jordanian law enforcement, financial institutions, and other attendees.

Law Enforcement. Jordan's PSD maintains an active counternarcotics bureau, and it maintains excellent relations with the U.S. DEA, Nicosia Country Office based in Cyprus. In 2004, PSD began utilizing x-ray equipment on larger vehicles at its major border crossings between Syria and Iraq, which netted numerous drug seizures in 2005. PSD stated that since 1997 it has worked cooperatively with the military on the Syrian and Iraqi borders to intercept traffickers entering through those areas. Seizures of Captagon tablets are up about 11 percent from last year's statistics, but PSD claims not to have observed any wide-spread use of the drug in Jordan. PSD reports that 80 percent of all seized illicit drugs coming into Jordan are bound for export to other countries in the region. Jordan's general drug traffic trend continues to include cannabis entering from Lebanon, heroin from Turkey entering through Syria on its way to Israel, and Captagon tablets from Bulgaria entering through Syria on the way to the Gulf. The majority of Jordan's drug seizures take place at the Jaber border crossing point between Jordan and Syria, although seizures from Iraq have risen significantly compared to last year.

Since the removal of Saddam Hussein, PSD has observed an increasing trend of trafficking hashish and opium from Afghanistan through Iraq and into Jordan. So far in 2005, there have been 28 seizures at the Iraq border resulting in the arrest of 24 people, up from a total of 4 cases in 2004.

Corruption. As a matter of government policy, Jordan neither encourages nor facilitates the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. There is currently no evidence to suggest that senior level officials are involved in narcotics trafficking.

Agreements and Treaties. Jordan 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. Jordan is a party to the UN Convention against Corruption, and has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime. Jordan continues to remain committed to existing bilateral agreements providing for counternarcotics cooperation with Syria, Lebanon, Iraq, Saudi Arabia, Turkey, Egypt, Pakistan, Israel, Iran, and Hungary.

Cultivation and Production. Existing laws prohibit the cultivation and production of narcotics in Jordan. These laws have been effectively enforced.

Drug Flow and Transit. Jordan remains primarily a narcotics transit country. Jordan's main challenge in stemming the flow of illicit drugs through the country remains its vast and open desert borders. While law enforcement contacts confirm continued cooperation with Jordan's neighbors, the desolate border regions and the various tribes, with centuries-old traditions of smuggling as a principle source of income, make interdiction difficult. None of the narcotics transiting Jordan are believed to be destined for the United States.

Domestic Programs. Jordan maintains a robust program of awareness, education, and rehabilitation. Education programs target high school and college-aged kids. Authorities continue to provide educational presentations in schools and universities throughout the country. According to a representative of the local UN Office on Drugs and Crime (UNODC), since 2001 the Jordanian government, in conjunction with the UNODC, has strengthened treatment and rehabilitation services for drug abusers in Jordan. Most notably, a national treatment and rehabilitation strategy and coordination mechanism has been put in place; the Police Treatment Center has been upgraded to provide and facilitate treatment and rehabilitation services to drug abusers referred by the court; and the five primary health centers in Jordan are now able to provide outreach services for early intervention and counseling. In August 2005, the Jordanian Drug Information Network (JorDIN) was officially established. This new UNODC initiative was implemented with the view to support the development of a comprehensive drug use monitoring system covering drug abuse indicators in Jordan, composed of the Ministries of Health and Education, the University of Jordan, and other organizations. In the future, JorDIN will enable the GOJ to better quantify rates of success for rehabilitation and treatment of drug users. The UNODC representative further stated that with each year, Jordan has made real progress in drug abuse treatments.

There are currently three locations at which people in Jordan can receive treatment and rehabilitation services: the National Center for the Rehabilitation of Addicts operated by the Ministry of Health; the Police Treatment Center operated by the PSD's Anti-Narcotics Department, and a private treatment facility operated by Al-Rashid Hospital in Amman.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In July 2005, DEA sponsored a one-week Asset Forfeiture and Financial Investigations Seminar in Amman.

The Road Ahead. U.S. Officials expect continued cooperation with Jordanian officials in counternarcotics related issues.

Iran

I. Summary

The Islamic Republic of Iran is a major transit route for opiates smuggled from Afghanistan and through Pakistan to the Persian Gulf, Turkey, Russia, and Europe. The largest single share of opiates leaving Afghanistan (ca. 60 percent) passes through Iran to consumers in Iran itself, Russia and Europe. There is no evidence that narcotics transiting Iran reach the United States in an amount sufficient to have a significant effect. Iran is no longer a major drug-producing country. There are an estimated 3 million opiate abusers in Iran, with 60 percent reported as addicted to various opiates and 40 percent reported as casual users. The latest opiate seizure statistics from Iran suggest Iran is experiencing an epidemic of drug abuse, especially among its youth.

There is overwhelming evidence of Iran's strong commitment to keep drugs leaving Afghanistan from reaching its citizens. As Iran strives to achieve this goal, it also prevents drugs from reaching markets in the West. More than 3,400 Iranian law enforcement personnel have died in clashes with heavily armed drug traffickers over the last two decades, and Iran reports that another 48 died in 2004. Iran spends a significant amount on drug-related expenses, including interdiction efforts and treatment/prevention education. Estimates range from $250-$300 million to as much as $800 million each year, depending on whether treatment and other social costs are included. Traffickers from Afghanistan continue to cause major disruption along Iran's eastern border, but Iranian security forces have had excellent seizure results for the last two years by concentrating their interdiction efforts in the eastern provinces.

Iran is a party to the 1988 UN Drug Convention, but its laws do not bring it completely into compliance with the Convention. The UNODC is working with Iran to modify its laws, train the judiciary, and improve the court system.

II. Status of Country

Iran is a transit country and a major consumer country of opiates and hashish. Entering from Afghanistan and Pakistan into eastern Iran, heroin, opium, and morphine are smuggled overland, usually to Turkey. Drugs are also smuggled by sea across the Persian Gulf. Iran is itself a major opiate consuming country, with the highest share of population abusing opiates in the world. The UNODC estimates that 2.8 percent of the Iranian population over age 15 used opiates in 2001 (latest data available). A sharp increase in the share of unrefined opium in total opiate seizures made by Iranian enforcement in 2005 suggests that drug traffickers in Afghanistan have consciously decided to serve the growing opium market in Iran, rather than ship refined or semi-refined opiates (heroin and morphine base) for ultimate consumption in Europe.

III. Country Actions Against Drugs in 2005

Policy Initiatives. A group of Iran's neighbors, and major narcotics assistance donor countries working together in a regional organization under UNODC sponsorship (the "Paris Pact") organized a visit to Iran to discuss Iran's counternarcotics efforts, and its needs for narcotics-related assistance. Among the policy recommendations to emerge from this review was the need not to overlook exit routes along the Iranian/Turkish border, and to strive for more intelligence-led investigations of trafficking organizations. The Paris Pact review also made recommendations to improve treatment and

drug education, and to encourage more effective courts and decrease corruption. UNODC has put together an assistance program for Iran containing enforcement, demand reduction, and judicial sector projects and requested donors to consider contributions towards the estimated $22 million cost of the program. Approximately half of the amount necessary has already been pledged, largely by European donors, significantly Great Britain. Iran continues to spend at least 50 percent of its budgeted counternarcotics expenditures on demand reduction activities as a continuing response to the growing social and health impact of more dangerous drug abuse (e.g., heroin vice opium), and the trend towards more intravenous heroin abuse, with certain addict populations sharing needles. Police forces engaged in narcotics suppression activities have begun to complain publicly that their budgets are inadequate for their interdiction responsibilities.

Law Enforcement Efforts. The Drug Control Headquarters coordinates the drug-related activities of the police, the Islamic Revolutionary Guard Corps, and the Ministries of Intelligence and Security, Health, and Islamic Guidance and Education. The long-time head of the Drug Control Headquarters, Ali Hashemi, was replaced after this summer's Presidential elections in Iran, by Fada Hussein Maleki, an official with provincial administration experience in a region (Baluchistan) beset by narcotics trafficking.

Iran pursues an aggressive border interdiction effort. A senior Iranian official told the UNODC that Iran had invested as much as $800 million in a system of mud walls, moats, concrete dams, sentry points, and observation towers, as well as a road along its entire eastern border with Pakistan and Afghanistan. According to an official GOI Internet site, Iran has installed 212 border posts, 205 observation posts, 22 concrete barriers, 290 km of canals (depth-4m, width-5m), 659 km of soil embankments, a 78 km barbed wire fence, and 2,645 km of asphalt and gravel roads. It also has relocated numerous border villages to newly constructed sites, so that their inhabitants are less subject to harassment by narcotics traffickers.

Thirty thousand law enforcement personnel are regularly deployed along Iran's border with Afghanistan and Pakistan. Interdiction efforts by the police and the Revolutionary Guards have resulted in numerous drug seizures. Iranian officials seized 199 metric tons of opiates (opium equivalent) just during the first seven months of 2005. Opiate seizures in 2005 (projected) were on track to be just 9 metric tons less (-2.54 percent) than the all-time record seizures achieved in 2004. Iran and Pakistan alternate for the right to be the country with the highest volume of opiate seizures in the world.

Iranian opiate seizures in the first seven months of 2005 display some interesting trends:

- Unrefined (raw) opium seizures continued to increase sharply; projected out for the year, they were on track to increase by 17 percent, even though all opiate seizures (opium, heroin, morphine base) were projected to be down by 2.5 percent;
- The share of raw opium in total opiate seizures approached 60 percent, a level not seen in a decade. Given the weight and bulk advantage of shipping opiates as either a fully or partially refined product (1/10th the weight and bulk), it would seem that trafficking groups in Pakistan and Afghanistan have made a conscious decision to serve the large and growing market for opium in Iran;
- Heroin increased from 13.5 percent of all opiates seized in Iran in 2004 to a projected 15 percent in 2005, still a relatively modest share of the total;
- The morphine base share of seized opiates fell to just 25 percent of the total. Since morphine base is the opiate most likely headed for consumption outside of Iran in Russia and/or Europe (after further refining), this sharp decline in a single year from

last year's level of 37 percent, makes clearer the traffickers' focus on the Iranian opium market.

One possible explanation for these seizure trends is a return of Iranian addicts to traditional raw opium abuse, after a period when disruptions in supply from Afghanistan forced a switch to heroin. A large share of heroin and almost all of the morphine base transiting Iran is headed for markets in Europe (heroin) or for further refining in Turkey (morphine base).

Hashish seizures in Iran in the first seven months of 2005 were 35 metric tons. If hashish seizures are projected out for the whole of 2005 (60 metric tons), and compared with 2004's seizures of 86.5 metric tons, they would register a sharp decline of more than 30 percent.

Drug offenses are under the jurisdiction of the Revolutionary Courts. Punishment for narcotics offenses is severe, with death sentences possible for possession of more than 30 grams of heroin or five kilograms of opium. Those convicted of lesser offenses may be punished with imprisonment, fines, or lashings, although it is believed that lashings have been used less frequently in recent years. Offenders between the ages of 16 and 18 are afforded some leniency. More than 60 percent of the inmates in Iranian prisons are incarcerated for drug offenses, ranging from use to trafficking. Narcotics-related arrests in Iran during 2004 continued a sharp upward trend, mounting to 417,240, an 11 percent increase over drug arrests in 2003. Almost two-and-one-half times more drug abusers were detained than drug traffickers. Iran has executed more than 10,000 narcotics traffickers in the last decade.

Corruption. It would seem that corruption plays a more important role in narcotics trafficking in Iran than heretofore thought. Corruption cases reached the courts in Iran, and were also featured in media reports. The election campaign highlighted incidents of corruption, and to some extent the results can be read as a populist reaction to perceptions of corruption in leadership circles. Although there is no specific indication that senior government officials aid or abet narcotics traffickers, comparison of the situations in other narcotics-transit countries suggests that in addition to corruption among lower/mid-level law enforcement, there is also probably involvement of higher level officials as financiers and protectors of narcotics traffickers. Nevertheless, punishment of corruption can be harsh, and the evidence of Iran's commitment to keep drugs from its people is compelling. A high-profile effort is currently under way in Iran to highlight corruption and discourage its spread, but some cynicism might be justified on the question of its seriousness, with an eye on those in the top infrastructure who escape punishment for apparent corruption. Iran has signed, but has not ratified, the UN Convention Against Corruption.

Agreements and Treaties. Iran is a party to the 1988 UN Drug Convention; however, its legislation does not bring it completely into compliance with the Convention, particularly in the areas of money laundering and controlled deliveries. The UNODC is working with Iran through the NOROUZ Program to modify its laws, train the judiciary, and improve the court system. UNODC has also proposed new assistance projects for Iran's courts and prosecutors after the recent Paris Pact review of Iran's counternarcotics efforts. The proposed assistance, which is projected to cost in excess of $7.5 million, focuses on modernization of the courts, especially increased use of computerization in courts, transparency, and corruption reduction. UNODC is seeking donor commitments currently. Iran is also a party to the 1971 UN Convention on Psychotropic Substance, and the 1961 UN Single Convention as amended by the 1972 Protocol. Iran has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime. Iran has shown an increasing desire to cooperate with the international community on counternarcotics matters. Iran is an active participant in the Paris Pact, a group of countries that actively seeks to coordinate efforts to counter opiate smuggling in Southwest Asia, and as noted above, Iran hosted an expert round table and review of its counternarcotics efforts by this group in 2005.

Cultivation/Production. A 1998 U.S. survey of opium poppy cultivation in Iran and a detailed U.S. multi-agency assessment concluded that the amount of poppy being grown in Iran was negligible. The survey studied more than 1.25 million acres in Iran's traditional poppy-growing areas, and found no poppy crops growing there, although the survey could not rule out the possibility of some cultivation in remote areas. A follow-up survey in 1999 reached the same conclusion. Iran is now generally viewed as a transit country for drugs produced elsewhere, but there are some reports of opium refining near the Turkish/Iranian border. Most refining of the opiates moving through Iran is done elsewhere, either in Afghanistan or in Turkey.

Drug Flow/Transit. Shipments of opiates enter Iran overland from Pakistan and Afghanistan by camel, donkey, or truck caravans, often organized and protected by heavily armed ethnic Baloch tribesmen from either side of the frontier. Once inside Iran, large shipments are either concealed within ordinary commercial truck cargoes or broken down into smaller sub-shipments. The Iranian town of Zahedan is reportedly a center for the opiate trade as it first enters Iran, and then moves westward. Foreign embassy observers report that Iranian interdiction efforts have disrupted smuggling convoys sufficiently to force smugglers to change tactics and emphasize concealment more than they have in the past. The use of human "mules" is on the rise. Individuals and small groups also attempt to cross the border with two to ten kilograms of drugs, in many cases ingested for concealment. Trafficking through Iran's airports also appears to be on the rise. Still, many traffickers move drugs in armed convoys, and are ready for a fight if challenged.

A large share of the opiates smuggled into Iran from Afghanistan is smuggled to neighboring countries for further processing and transportation to Europe. Turkey is the main processing destination for these opiates, most of which are bound for consumption in Russia and Europe. Essentially all of the morphine base, which represented almost 25 percent of all opiates seized in the first seven months of 2005, in Iran, is likely moving towards Turkey, as is some share of the much diminished 15 percent, or so, of opiates moving as heroin. Significant quantities of raw opium are consumed in Iran itself, but some quantities also move on to the west to be refined and consumed as heroin in Europe and elsewhere. There is a northern smuggling route through Iran's Khorasan Province, to Turkmenistan, to Tehran, and then on to Turkey. The mountains and desert, which are sparsely populated along this route, make it hard to police. Traffickers are frequently well armed and dangerous.

The southern route also passes through sparsely settled desert terrain on its way to Tehran en route to Turkey; some opiates moving along the southern route detour to Bandar Abbas and move by sea to the Persian Gulf states. Bandar Abbas also appears to be an entry point for precursor chemicals moving to refineries in Afghanistan. Iran does not specifically control precursor chemicals used for producing illicit drugs, but has made a number of important seizures, mostly at Bandar Abbas, of acetic anhydride, used in the refining of heroin. All precursor chemicals seized were consigned? to Afghanistan. Trafficking through Iran is facilitated by wide-spread smuggling traditionally used to provide necessities, and to escape high taxation. There are also reports that enforcement authorities accept bribes to pass shipments, and fail to enforce laws that prohibit street sales of narcotics inside of Iran.

Azerbaijan and Armenia provide alternative routes to Russia and Europe that bypass Turkish interdiction efforts. Additionally, despite the risk of severe punishment, marine transport is used through the Persian Gulf to the nations of the Arabian Peninsula, taking advantage of modern transportation and communication facilities and a laissez-faire commercial attitude in that area. Hashish moves extensively along this route, as well. Oman and Dubai appear to be important destinations, but some Iranian hashish even finds its way to Iraq. Iranian enforcement officials have estimated that as much as 60 percent of the opium produced in Afghanistan in past years entered Iran, with as much as 700-800 metric tons of opium consumed in Iran itself by its ca. 3 million users.

Domestic Programs (Demand Reduction). Smoked opium is the traditional drug of abuse in Iran, but opium is also drunk, dissolved in tea. Opium and its residue are also injected, dissolved in water, by a small number of addicts. Iranians have clearly been using more heroin during the past several years. Heroin has not replaced opium, the traditional drug of choice in Iran, but lower street prices for heroin, and temporary shortages of opium (after the Taliban successfully prohibited opium production in Afghanistan in 2000/01), plus higher prices for opium, have encouraged some addicts to switch from opium to heroin. Some heroin is smoked or sniffed, but a growing share is injected. Recent seizure statistics, where the share of opium seized is up sharply, suggests a return to more traditional patterns of abuse in Iran, namely opium as the predominant drug of abuse. There are also many reports that young people in Iran have turned aggressively to drug abuse as an escape from what they perceive as difficult economic and social conditions. Significant seizures (6 metric tons in 2004) of synthetic drugs have also been reported, again suggesting that young people are driving drug abuse in Iran to even higher levels.

Ninety-three percent of opiate addicts are male, with a mean age of 33.6 years (plus or minus 10.5 years), and 1.4 percent (about 21,000) are HIV positive. In the past, Iran focused more aggressively on illegal alcohol use than on drug abuse and was reluctant to discuss drug problems openly. Since 1995, public awareness campaigns and attention by two successive Iranian presidents, as well as cabinet ministers and the Parliament, have given demand reduction a significant boost. Under the UNODC's NOROUZ narcotics assistance project, the GOI spent more than $68 million dollars in the first year for demand reduction and community awareness. The Prevention Department of Iran's Social Welfare Association runs 12 treatment and rehabilitation centers, as well as 39 out-patient treatment programs in all major cities. Eighty-eight out-patient treatment centers are now operational. Some 30,000 people are treated per year, and some programs have three-month waiting lists. Narcotics Anonymous and other self-help programs can be found in almost all districts, as well, and several NGOs focus on drug demand reduction. There are now methadone treatment and HIV prevention programs in Iran, in response to growing HIV infection, especially in the prison population.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In the absence of direct diplomatic relations with Iran, the United States has no narcotics initiatives in Iran. The U.S. government continues to encourage regional cooperation against narcotics trafficking. Iran and the United States have expressed similar viewpoints on illicit drugs and the regional impact of the Afghan drug trade. In the context of multilateral settings such as the UN's Paris Pact group, the United States and Iran have worked together productively. Iran nominated the United States to be coordinator of an earlier UN-sponsored coordination effort on narcotics called the "Six Plus Two" counternarcotics initiative. The U.S., for its part, has approved licenses which allow U.S. NGOs to work on drug issues in Iran.

The Road Ahead. The GOI has demonstrated sustained national political will and taken strong measures against illicit narcotics, including cooperation with the international community. Iran's actions support the global effort against international drug trafficking. Iran stands to be one of the major benefactors of any long-term reduction in drug production/trafficking from Afghanistan, as it is one of the biggest victims of the short term increase in opium/heroin production there now. The United States anticipates that Iran will continue to pursue policies and actions in support of efforts to combat drug production and trafficking.

Israel

I. Summary

Israel is not a significant producer or trafficking point for drugs. The Israeli National Police (INP), however, report that during 2005, the Israeli drug market continued to be characterized by high demand in nearly all sectors of society and a high availability of drugs including cannabis, ecstasy, cocaine, heroin, hashish and LSD. The INP also reports a continuing demand for ecstasy in 2005, but a lower level of seizure compared with 2004. The amount of marijuana seized is less than half that in 2004, and there was a slight decrease in the amount of hashish seized. The INP reports that the amount of heroin seized has doubled since last year and that the level of demand is unchanged. The quantity of LSD seized in 2005 is considerably less then the previous years. Widespread use of ecstasy by Israeli youths is a continuing source of concern for authorities. There was a decrease from last year in the number of arrests for drug use, and possession, not for personal use, but arrests for trafficking have increased. The number of drug arrests for 2005 was 3,640 (Note: All 2005 data are for the period January through October and were obtained from the Research Department of the Israeli Police Headquarters, unless otherwise indicated.) Israel is a party to the 1988 UN Drug Convention.

II. Status of Country

Israel is not a major producer of narcotics or precursor chemicals. Israeli narcotics traffickers operating outside of Israel continue to be deeply involved in the international ecstasy trade. The INP reports that during 2005, the Israeli drug market was characterized by a high demand in nearly all sectors of society and a high availability of drugs including cannabis, ecstasy, cocaine, heroin, hashish and LSD. The INP estimates the annual demand of the Israeli market to be 100 tons of marijuana, 20 tons of hashish, 20 million tablets of ecstasy, 4 tons of heroin, 3 tons of cocaine, and hundreds of thousands of LSD blotters. Officials are also concerned with the widespread use of ecstasy and cannabis among Israeli youth, and say that drug use among youth mirrors trends in the West. The INP indicates that most of the hashish in Israel now comes from Afghanistan and Morocco, which have replaced Lebanon as the major source. Another source of concern for law enforcement authorities is the synthetic drug Gamma Hydroxybutyrate (GHB), and its analogues, Gamma Butyrolactone (GBL), and Butanediol (BD), better known as Date-Rape Drugs. This class of drugs has been outlawed in Israel since 2004.

III. Country Actions Against Drugs in 2005

Policy initiatives. In 2005, the INP continued its general policy of interdiction at Israel's borders and points of entry because the biggest quantities of drugs cross into Israel from Jordan, Egypt, and Lebanon. Together with the Israeli Anti-Drug Authority (IADA), the INP concentrated specifically on the Jordanian and Egyptian borders, where the majority of heroin, cocaine, and cannabis entered Israel. The INP and the IADA have jointly developed programs to help Israeli youth, especially in the Arab community, where there has been a marked increase in use of illegal drugs and drug-related violence since 2004. Both organizations continue to identify and investigate several major families involved in the drug trade in Israel. In 2005, the INP combined its investigations and intelligence units into one branch called the Special Operations Division (SOD).

Law Enforcement Efforts. INP reported a high demand for cocaine and a total of 158 kilograms seized in 2005, a figure almost six times that of 2004. Other reported seizures for 2005 are as follows:

7,000 kilograms of marijuana; 730 kilograms. of hashish; 200,000 ecstasy tablets; 140 kilograms of heroin; and 1,866 LSD blotters. There was a slight change from last year in the number of arrests reported by the INP. In 2005, the INP reported 15,427 arrests for drug use, 3,047 for drug trafficking, and 5,233 for drug possession not for personal use. Israel destroyed 686 illicit labs in 2005, compared with 528 in 2004. The figure for drug arrests in 2004 was 4,340, dropping to 3,640 in 2005. In 2005, there were several high profile drug cases. In one instance, the INP arrested seven members of an ecstasy ring involved in smuggling 90,000 pills from Europe, and the seizure of 30 kilograms of pure heroin at a border crossing between Israel and Jordan, estimated at NIS 3.5 million ($777,777). In total there were 24,393 felony cases related to the narcotics crimes.

Corruption. As a matter of government policy, Israel does not encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. Israel does not have specific legislation for public corruption related to narcotics, but vigorously enforces its general laws against malfeasance in government.

Agreements and Treaties. In June 2002, Israel ratified the 1988 UN Drug Convention after passing all the necessary laws to make Israeli laws consistent with the Convention. Israel 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, an extradition treaty and a mutual legal assistance treaty are in force between Israel and the U.S. Israel signed the UN Convention against Transnational Crime and it is in the process of passing the necessary changes to Israeli law required for ratification. Israel has signed, but has not yet ratified the UN Convention against Corruption.

Cultivation/Production. There is negligible cultivation and production of illicit drugs in Israel.

Drug Flow/Transit. Israel is not a significant transit country, although Israeli citizens have been part of international drug trafficking networks in source, transit, and distribution countries. Israeli citizens abroad in locations such as France, Spain, Germany, Denmark, Holland, and Belgium serve as brokers and transporters of ecstasy to the U.S. and elsewhere. Israeli officials are particularly concerned about drugs being smuggled into Israel from neighboring countries Lebanon, Jordan and Egypt. Israel also works with Germany and Holland to interdict the flow of ecstasy—with Turkey to interdict the flow the heroin and with South American countries to interdict the flow of cocaine.

Demand Reduction. A number of both public and private entities are working to reduce the demand for drugs through awareness and prevention programs. The Israeli Anti-Drug Authority (IADA) is one of the main governmental actors in this effort. Its mission, among other things, is to spearhead prevention efforts, initiate and develop educational services and public awareness, and treat and rehabilitate drug users. It coordinates with and directs the activities of a number of government ministries involved in reducing demand. The IADA also seeks to change the public opinion to counter increasing social acceptance of recreational drug use. Prevention programs target high-risk segments of the population like the Arab sector, as well as youths, students, backpackers, new immigrants, and others. The IADA offers workshops and lectures for immigrants from Russia and Ethiopia in their respective languages and tailored to their particular cultural needs. The IADA is working to reduce demand for narcotics among soldiers by providing officers with the skills to combat effectively the use of drugs within their units. There is an ongoing public awareness campaign aimed at parents and designed to focus their attention on their children's whereabouts and activities. The IADA also concentrates on human resources development, including the development of a professional infrastructure, and is establishing a unified standard for training purposes, including development of a curriculum for nurses, police, prison employees, physicians, and counselors, as well as other drug prevention, treatment, and enforcement professionals. The IADA also performs basic, epidemiological, and evaluative research in the narcotic drug field. The INP participates in demand

reduction initiatives by lecturing at schools at all levels above 10 years of age and in the army about the impact of drugs on the body and mind.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA officials characterize cooperation between the DEA and the INP as outstanding. All DEA investigations related to Israel are coordinated through the DEA Nicosia Country Office. The INP has liaison officers in Bangkok, Paris, The Hague, Bogotá, Berlin, Moscow, Ankara, and Washington, DC. Through these offices, there were several significant joint investigations conducted in 2005 leading to arrests of 36 Israelis abroad in 2005.

Road Ahead. The DEA regional office in Nicosia, Cyprus, looks forward to continued cooperation and coordination with its counterparts in the Israeli law enforcement community. The GOI is seeking to widen and build on relations with other countries and has created an office of International Relations within the IADA to pursue this objective.

Kenya

I. Summary

Kenya has become an increasingly significant transit country for cocaine from South America bound for Europe. The seizure of more than one ton of cocaine in December 2004 raises concerns that international drug trafficking rings have made inroads in Kenya and may benefit from a climate of official corruption, which allows them to operate with near impunity. Heroin and hashish transiting Kenya, mostly from Southwest Asia bound for Europe and the U.S., have markedly increased in purity in recent years. Some share of the heroin is destined increasingly for the U.S., even as the overall transit volume is believed to have declined. There is a growing domestic heroin and cocaine market and use of marijuana is becoming more widespread, particularly on the coast and in Nairobi. Although government officials profess strong support for counternarcotics efforts, the overall program suffers from a lack of resources and corruption at various levels. Kenya is a party to the 1988 UN Drug Convention.

II. Status of Country

Kenya is a significant transit country for cocaine and heroin and a minor producer of cannabis. It is believed that Kenya is becoming an increasingly significant transit country for multi-ton shipments of cocaine from South America destined for European and African consumers; however, cocaine seizures have decreased significantly from the dramatic spike in 2004. Kenya's sea and air transportation infrastructure, and the network of commercial and family ties that link some Kenyans to Southwest Asia, make Kenya a significant transit country for Southwest Asian heroin and hashish. Although it is impossible to quantify exactly, officials now believe that the United States is at least as significant as Europe as a destination for heroin transiting Kenya. Seizures of Southwest Asian cannabis resin transiting Kenya have fallen off dramatically since 2000 and the 2005 figures remain relatively constant with figures for 2004. Cannabis or marijuana is produced in commercial quantities for the domestic and export market, however there is no evidence of its impact on the United States. Kenya does not produce significant quantities of precursor chemicals.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Kenya has abandoned the wholesale adoption of the 2001 National Drug Control Master Plan (NDCMP). Rather, Kenya is currently drafting legislation which would implement select provisions of the NDCMP by creating a Drug Control Authority. Counternarcotics agencies, notably the Anti-Narcotics Unit (ANU) within the Kenyan Police Service, continue to depend on the 1994 Narcotics Drugs and Psychotropic Substances Act (Narcotics Act) for enforcement measures and interdiction guidelines. The twelve year-old Act is generally sufficient to sustain current interdiction efforts, but the Act's major weakness remains its ambiguity and inconsistencies in the area of drug seizure, analysis, and disposal. In 2005, the government of Kenya worked with the United Nations Office for Drugs and Crime (UNODC) to draft revisions to the Narcotics Act covering the seizure, analysis, and disposal of narcotic drugs and psychotropic substances. Despite the recognized need, the revisions have yet to be implemented. Kenya has no crop substitution or alternative development initiatives for progressive elimination of the cultivation of narcotic crops. The ANU remains the focus of Kenyan counternarcotics efforts.

Law Enforcement. As a result of UNODC and bilateral training programs, the ANU and the Kenyan Customs Service now have a cadre of officers proficient in profiling and searching suspected drug couriers and containers at airports and seaports. Profiling has yielded good results in recognizing couriers but not major traffickers. Seaport container-profiling has proven difficult. Despite the official estimate that much of the narcotics trafficking through Kenya originates on international sea vessels, ANU maritime interdiction capabilities remain virtually nonexistent. Personnel turnover at the ports is high and Kenya has no functioning maritime interdiction capability. Six officers are assigned to Kenya's (and East Africa's) principal port of Mombasa for profiling purposes only; the two officers who have been trained in maritime interdiction have no boats from which to operate. Corruption continues to thwart the success of long-term port security training and inadequate resources also sap morale, and impose real restrictions on what can be achieved. Both corruption and resource constraints are real problems throughout the Kenyan police force and significantly reduce the ANU's operational effectiveness.

Seizures of heroin and cocaine decreased in 2005, while seizures of cannabis and its derivatives increased. Kenya seized 30 kilograms of heroin in 2005, a 10-kilogram decrease from the quantities seized in 2004 (all statistics on drug seizures in this section reflect the period from January to November 2005 as provided by the ANU) and arrested 103 people on heroin-related charges. The ANU concentrates its antiheroin operations at Kenya's two main international airports. Kenyan authorities seized 49,854 kilograms of cannabis and its derivatives in 2005 and arrested 4,648 suspects. As in the previous year, the ANU saw an increase in cannabis cultivation during targeted raids in 2005, in which 153,720 plants were destroyed. The ANU continued to operate roadblocks for domestic drug trafficking interdiction and is pursuing a variety of policy initiatives for more effective coordination with other government agencies. Weak laws, an ineffective and inefficient criminal justice system and widespread corruption are the main impediments to an effective counternarcotics strategy for Kenya.

Seizures of cocaine and arrests for cocaine trafficking were low, compared to 2004. Kenya seized 5 kilograms of cocaine in 2005 and made 4 arrests. However, Kenya has yet to achieve a successful prosecution stemming from the December 2004 record seizure of cocaine. All seven defendants accused of trafficking 295 kilograms of cocaine seized in the Netherlands related to the cocaine shipment seized in Kenya were acquitted in November due to lack of evidence. The presiding magistrate stated that the case was neither adequately investigated nor prosecuted and the state failed to comply with sections of the Narcotics Act. Given the lackluster performance of legal and law enforcement authorities in the case, the magistrate questioned the commitment of the Office of the Attorney General to combating drug trafficking.

The Kenyan government (through Customs and the Criminal Investigations Department of the Kenyan police service) is collaborating with UNODC in setting up a drug law enforcement program targeting key entry points of drugs into the East African region. This program complements another UNODC program focusing on developing drug control capacity in the port of Mombasa.

Corruption. As a matter of government policy, Kenya does not encourage nor facilitate the illicit production or distribution of narcotic or psychotropic substances, or the laundering of proceeds from illegal drug transactions. However, official corruption remains a significant barrier to effective narcotics enforcement at both the prosecutorial and law enforcement level. Despite Kenya's strict narcotics laws that encompass most forms of narcotics-related corruption, reports continue to link public officials with narcotics trafficking. The December 2004 cocaine seizure has heightened public concern that international drug trafficking rings enjoy protection by high-level officials for their activities in Kenya. The November 2005 acquittal of seven suspects accused of trafficking cocaine to the Netherlands raises questions about the ability or willingness of legal and law enforcement

authorities to combat drug trafficking. The December 31 murder of the lead police officer investigating the theft of shipping containers, possibly in connection with a drug trafficking ring, illustrates the challenges facing authorities in interdicting drug trafficking through the Port of Mombasa. The murdered officer was killed after reportedly refusing substantial bribe offers. As in previous years, airport and airline collusion and outright involvement with narcotics traffickers continued to occur in the year covered by this report. Several Kenya Airways employees were arrested for smuggling of small quantities of cocaine into European airports, increasing public concern about the threat that some of last year's one ton cocaine seizure, still warehoused in Kenya, might find its way back out to the streets.

Agreements/Treaties. Kenya is a party to the 1988 UN Drug Convention, which it implemented in 1994 with the enactment of the Narcotic Drugs and Psychotropic Substances Control Act. Kenya is also a party to the 1961 UN Single Convention as amended by its 1972 Protocol, and the 1971 UN Convention Against Psychotropic Substances. Kenya is a party to the UN Convention Against Corruption, and to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons, and illegal manufacturing and trafficking in firearms. The 1931 U.S.-U.K. Extradition Treaty remains in force between the United States and Kenya through a 1965 exchange of notes, but the extradition relationship has not been entirely satisfactory to the U.S. of late. Kenya, Tanzania, and Uganda established a protocol to enhance regional counternarcotics cooperation in 2001.

Cultivation and Production. A significant number of Kenyan farmers illegally grow cannabis on a commercial basis for the domestic market. Fairly large-scale cannabis cultivation occurs in the Lake Victoria basin, in the central highlands around Mt. Kenya, and along the coast. Foreign tourists export small amounts of Kenyan marijuana. Officials continue to conduct aerial surveys to identify significant cannabis-producing areas in cooperation with the Kenya Wildlife Service. Aerial surveys this year identified large cannabis crops in several areas, of which 153,720 plants were destroyed.

Drug Flow and Transit. Kenya is strategically located along a major transit route between Southwest Asian producers of heroin and markets in Europe and North America. Heroin normally transits Kenya by air, carried by individual couriers, but as a result of profiling measures and enhanced counternarcotics efforts, ANU officials believe traffickers are finding Jomo Kenyatta International Airport (JKIA) an increasingly inconvenient exit point for East African drugs. ANU officials continued to intercept couriers transiting newly created land-routes from Uganda and Tanzania, where it is believed the drugs arrive by air. The increased use of land-routes demonstrates, in the minds of ANU officials, that traffickers have noted the increase in security and narcotics checks at JKIA. Postal and commercial courier services are also used for narcotics shipments through Kenya. There is evidence that poor policing along the East African coast makes this region attractive to maritime smugglers, particularly for cocaine shipments. Kenya also remains a transit country for methaqualone (mandrax) en route from India to South Africa. However, total mandrax seizures for 2005 amounted to only 5 tablets, down from 5,000 seized in 2004. Officials have never identified any clandestine airstrips in Kenya used for drug deliveries and believe that no such airstrips exist.

Domestic Programs. The National Campaign Against Drug Abuse (NACADA) continues to combat drug abuse, although the quasi-governmental organization's budget remains negligible. While there are no reliable statistics on domestic consumption of illicit narcotics, NACADA estimates that twenty-one percent of 10 to 21 year olds have used cannabis. Kenya has made some progress in efforts to institute programs for demand reduction. Illegal cannabis and legal khat are the domestic drugs of choice. Heroin abuse is generally limited to members of the economic elite and a slightly broader range of users on the coast. Academics and rehabilitation clinic staff argue that heroin use in Nairobi and along the coast has grown exponentially in the past few years. Nairobi and Mombasa each have an

estimated 10,000 heroin addicts. Cocaine use is also expanding in urban centers. Solvent abuse is widespread (and highly visible) among street children in Nairobi and other urban centers. Demand reduction efforts have largely been limited to publicity campaigns sponsored by private donors and a UNODC project to bring counternarcotics education into the schools. NACADA continues to pursue demand reduction efforts via national public education programs on drug abuse. Churches and nongovernmental organizations provide limited rehabilitation and treatment programs for heroin addicts and solvent-addicted street children. With the support of USAID, the Ministry of Health is developing two rehabilitation and drug abuse treatment facilities in Nairobi and Mombasa. UNODC supports a youth network on drug demand reduction.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The principal U.S. counternarcotics objective in Kenya is to interdict the flow of narcotics to the United States. A related objective is to limit the corrosive effects of narcotics-related corruption in law enforcement, the judiciary, and political institutions, which has created an environment of impunity for well-connected traffickers. The USG seeks to accomplish this objective through law enforcement cooperation, the encouragement of a strong Kenyan government commitment to narcotics interdiction, and strengthening Kenyan counternarcotics and overall judicial capabilities.

Bilateral Cooperation and Accomplishments. There was a modest expansion of USG bilateral cooperation with Kenya and surrounding countries on counternarcotics matters in 2005. Counternarcotics training opportunities and equipment offers have also been the hallmark of bilateral assistance to the ANU. The United States remains active in the Mini-Dublin Group, which has responsibility for coordinating counternarcotics assistance from several Western donors. Additionally, the USG provided U.S. speaker programming on drug abuse to raise public awareness of the growing rates of heroin addiction in the coastal region. USAID also provides support to projects to develop addiction treatment services to heroin addicts in Nairobi and on the Kenyan coast.

The Road Ahead. The USG will continue to take advantage of its good relations with Kenyan law enforcement to build professionalism, operational capacity, and information sharing. The USG will actively seek ways to maximize counternarcotics efforts both in Kenya and throughout East Africa. Perhaps most significantly, the USG will work with local, regional, and international partners to better understand and combat the flow of international narcotics through Kenya.

Lebanon

I. Summary

Lebanon is not a major illicit drug producing or drug-transit country, but with a history of opium cultivation and its central location, conditions in Lebanon bear close watching. The Lebanese government reported complete success in eradication of poppy and cannabis crops for 2004. It took serious actions to prevent cannabis cultivation and to eradicate illicit crops before harvest in the Biqa' Valley. It appears that crop destruction operations like these will continue to be routine operations. However, illicit crop cultivation is likely to continue to remain an option for local farmers due to an increasingly difficult economic climate and a lack of investment in alternative crops.

Cultivation of illicit crops increased slightly from 2004 to 2005. There is practically no illicit drug refining in Lebanon, and no production, trading or transit of precursor chemicals. Drug trafficking across the Lebanese-Syrian border has diminished substantially as a result of Lebanese and Syrian efforts to deter smuggling activity. The government continued its ongoing drug reduction efforts through public service messages and awareness campaigns. Lebanon is a party to the 1988 UN Drug Convention.

II. Status of Country

At least five types of drugs are available in Lebanon: hashish, heroin, cocaine, methamphetamine, and other synthetics, such as MDMA (ecstasy). Hashish and heroin are reported to be rare, due to the destruction of local crops, but small quantities of cocaine arrive in Lebanon to meet local demand, and the government reported increased interest in synthetic drugs. Lebanon is not a major transit country for illicit drugs, and most trafficking is done by "amateurs," rather than major drug networks. Marijuana and opium derivatives are trafficked to a modest extent in the region, but there is no evidence that the illicit narcotics that transit Lebanon reach the U.S. in significant amounts. South American cocaine is smuggled into Lebanon primarily via air and sea routes from Europe, Jordan, and Syria, or directly to Lebanon. Lebanese nationals living in South America, in concert with resident Lebanese traffickers, often finance these operations. According to a report issued by the Judicial Police in 2003, very small quantities of cocaine were smuggled in 2003, as compared to an average of approximately 500 kilograms in previous years. Synthetics are smuggled into Lebanon primarily for sale to high-income recreational users.

The stagnating economic situation in rural Lebanon and the lack of investment in alternative crops continues to make illicit crop cultivation appealing to local farmers in the Biqa' Valley in eastern Lebanon, though in ever-lesser quantities due to efforts by the government to eradicate illicit crops. The government also continued a counternarcotics campaign to discourage new planting. According to Lebanon's Internal Security Forces (ISF), approximately 273,555 square meters of opium and 641,890 square meters of hashish were eradicated in 2005.

There is no significant illicit drug refining in Lebanon. Such activity has practically disappeared due to the vigilance of the Syrian and Lebanese governments. Small amounts of precursor chemicals, however, shipped from Lebanon to Turkey via Syria, were previously diverted for illicit use. Legislation passed in 1998 authorized seizure of assets if a drug trafficking nexus is established in court proceedings.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Ministry of Interior again made counternarcotics a top priority. The Judicial Police reported that no one was exempt from the law, and made narcotics-related arrests in 2004 for the first time in 35 years. The government also continued its vigorous campaign to discourage drug use by expanding public awareness on university campuses, through media campaigns, and in written advertisements.

Accomplishments. In 2005, the Government of Lebanon continued hashish and poppy eradication. Lebanese law enforcement officers cooperated with law enforcement officials bilaterally and through Interpol. Several European and Persian Gulf countries have illicit drug enforcement offices in Beirut with which local law enforcement authorities cooperate. The Government of Lebanon received from the UNODC and the UNDP a $362,000 grant for "the development and implementation of a national action plan on drug demand reduction in Lebanon" from 2004-2006.

Law Enforcement Efforts. The ISF stated that from January to November 2004, they eradicated all cultivated crops during the year. The ISF reported seizures of 900 kilograms of hashish, and significantly lesser quantities of other illicit drugs. The number of arrests for use was 960, for dealing 847, for distribution 142, and lesser numbers for planting, smuggling, and transporting. The total number of persons arrested in 2004 for drug related crimes was 1,424, including the arrest in June of one of the major drug dealers in Lebanon. Abou Ali Sadek el-Masri was apprehended in his home in the Biqa' Valley in a joint operation carried out by the ISF and the Lebanese Armed Forces. Results for 2005 were not yet available, as this report neared completion.

Corruption. Corruption remains endemic in Lebanon up to the senior levels of government, but the U.S. is unaware that government corruption is connected with drug production or trafficking or the protection of persons who deal in illicit drugs. While low-level corruption in the counternarcotics forces is possible, there is no evidence of wide-scale corruption within the Judiciary Police or the ISF, which appear to be genuinely dedicated to combating drugs. Lebanon is not a party to the UN Convention Against Corruption.

Agreements and Treaties. Lebanon 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. Lebanon also is a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Cultivation and Production. There are conflicting reports of illicit crop cultivation. Statistics from the Judicial Police this year show that 273,555 square meters of opium and 641,890 square meters of hashish were eradicated during 2005. However, a respected agricultural research center reported that in fact there were no eradications of illicit crops because farmers did not plant illicit crops. According to the director of the center, farmers have been thoroughly intimidated by police efforts to eradicate illicit crops. Knowing that the crops will be destroyed, and given the poor economic climate, farmers are loath to invest in crops that they believe will be destroyed. In either case, the end-result is that Lebanon is not believed to be a significant drug producing country any more.

Drug Flow/Transit. Illicit drug trafficking via traditional smuggling routes has been somewhat curtailed by joint Syrian-Lebanese operations in the past. . Drug trafficking along the Israel-Lebanon frontier has been negligible since the Israeli withdrawal from Lebanon in May 2000 and the subsequent near-sealing of the UN-demarcated Blue Line. The primary route for smuggling hashish from Lebanon during 2004 was overland to Arab countries such as Saudi Arabia, Egypt, Kuwait, the United Arab Emirates, and via sea routes to Europe. According to the ISF, large exports of hashish

from Lebanon to Europe are more and more difficult for smugglers due to increased seashore patrols and airport control. The ISF asserts that no hashish has been smuggled into the United States.

Domestic Programs (Demand Reduction). Lebanese leaders understand that they need to address the problem of illicit drug use. In 2002, the government launched a public awareness campaign to discourage drug use and which remains on-going. Textbooks approved for use in all public schools contain a chapter on narcotics to increase public awareness. The current law on drugs dictates that a National Council on Drugs (NCD) be established, whose services and activities will include substance abuse treatment, prevention, awareness, and assistance to substance users and their families, in addition to setting up a national action plan. Since 2001, the government has been engaged in the establishment of this council; however, the NCD has not yet been formed.

There are several detoxification programs, but the only entity in Lebanon that offers a comprehensive drug rehabilitation program is Oum al-Nour (ON), a Beirut-based NGO. The Government of Lebanon, through the Ministry of Social Affairs and the Ministry of Public Health, provided 36 percent of ON's 2004 budget, which was $1,000,000. ON estimates that the age of the average drug addict in Lebanon has been decreasing since the end of the country's civil war in 1990, with pre-college and college-age youth now being the most vulnerable. In 2004, 60 percent of ON's clients were under 24 compared to 5 percent for the same age group in 1990. ON statistics, based on their patient base, indicate that the most commonly abused illicit substance is heroin, but use of "designer" drugs such as methamphetamine and ecstasy is increasing. ON operates three drug treatment centers in Lebanon, two for men and one for women. The centers, which have a maximum capacity of 70 patients, offer a year-long residential program for hard-core addicts, and sometimes operate above capacity. The program strives for recovery for the residents' physical, psychiatric, spiritual, and social well-being without the use of drug maintenance. A new section, funded by USAID, was built in one of the men's centers and became operational in September. The new section, which can accommodate 12 to 15 patients, has taken in 21 patients since September. ON offers no outpatient drug withdrawal programs. ON also engages in drug prevention activities such as distributing educational materials on college campuses and promoting drug awareness among the population through advertisements and education programs. The organization also has a research office and a center for statistical studies.

Another drug rehabilitation center for men opened in Zahleh in the Biqa' Valley in coordination with the Saint Charles Hospital and the Ministry of Health. The center can accommodate up to 16 patients. The center's team of psychiatrists, clinical psychologists and social workers also does clinical training with drug addicts at the hospital. A new walk-in outpatient therapeutic facility for addiction that offers prevention, awareness, and psychological treatment to drug users and their families called Skoun (which means "internal tranquility" or "silence" in Arabic) opened last year in downtown Beirut. The center is currently treating some 20 outpatients. Other associations that fight drugs are: Jeunesse Anti-Drogue (JAD), which is primarily committed to drug awareness, but also provides medical treatment and psychological rehabilitation on an outpatient basis; Jeunesse Contre la Drogue (JCD), which raises awareness of substance abuse and AIDS, and helps users get proper treatment and rehabilitation; and Association Justice et Misericorde (AJEM), which was established to assist prisoners. One recurrent problem is the lack of coordination between concerned ministries and sometimes between the various NGOs that work on substance abuse.

According to the report "Substance Use and Misuse in Lebanon", released by the UN Office on Drugs and Crime (UNODC) in May 2003, ISF participants in the study reported that individuals arrested for substance-related offenses most commonly use heroin, hashish/marijuana, and cocaine. Furthermore, the participants noted that synthetics use is on the rise and so is Benzhexol use in prisons. On the other hand, ecstasy use was perceived as uncommon. As for data from treatment/rehabilitation centers, they showed that ecstasy and medicinal opiates are on the rise. Data gathered from street substance users

showed that codeine and other medication abuse are on the rise, and additionally, that the young population is increasingly inhaling thinner.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. In meetings with Lebanese officials, U.S. officials continued to stress the need for diligence in preventing any return to the production and transportation of narcotics in Lebanon, and the need for a comprehensive development program for the Bekka' Valley that would provide impoverished residents with alternate sources of income The USG also stressed the importance of anticorruption efforts.

Bilateral Cooperation. USAID continued its four-component program to aid and empower key Lebanese stakeholders—local government, media, and civil society—in their efforts to fight corruption. On the supply side, USAID assisted U.S. and local NGOs working with villages to promote the substitution of illicit crops with legitimate, economically viable ones. The Sustainable Forage Development Program, ongoing since 2002, has proven the feasibility of forage cultivation as an alternative to illicit cropping, producing an average net income of $900 per hectare; more than 1,030 farmers in the Biqa' and South Lebanon have joined the program. USAID also helped increase the receiving capacity of one of Oum el Nour's rehabilitation centers (see above on Domestic Programs). In 2003, the Department's INL Bureau funded a narcotics demand reduction program administered by a Beirut-based NGO, the Justice and Mercy Association (AJEM). This ongoing project was designed to create a drug treatment facility in Roumieh prison to provide treatment and social rehabilitation for drug-addicted prisoners incarcerated there. INL also funded a second project aimed at expanding receiving and treatment capacity at Oum el Nour centers. This was the first year that INL funded counternarcotics projects in Lebanon.

The Road Ahead. The success of measures to halt cultivation and trafficking depends on the will of the Lebanese government. The GOL, since the withdrawal of Syrian occupation forces, has new access to areas inside Lebanon where cultivation has historically been centered. However, it has not successfully developed a socio-economic strategy to tackle the problem of crop substitution. The USG will continue to press the GOL to maintain its commitment to combating drug production and transit and implementing anticorruption policies.

Morocco

I. Summary

Morocco continues to be a major producer and exporter of cannabis. It produced an estimated 98,000 metric tons of cannabis in 2004, providing for potential cannabis resin (hashish) production of 2,760 metric tons, according to the second joint study on cannabis released in May 2005 by the United Nations Office on Drugs and Crime (UNODC) and Morocco's Agency for the Promotion and the Economic and Social Development of the Northern Prefectures and Provinces of the Kingdom (APDN). As of December 2005, the Government of Morocco (GOM) was in the process of completing its 2005 study on cannabis production. Available information continues to indicate the United States is not a major recipient of drugs from Morocco. According to the UNODC report, Morocco in 2004 succeeded in decreasing by 10 percent its land dedicated to cannabis cultivation to 120,500 hectares, down from 134,000 hectares in 2003. The UNODC study also states that approximately 800,000 Moroccans (2.5 percent of the country's estimated 2004 population) were involved in cannabis cultivation. Morocco's efforts to combat cannabis cultivation are made more difficult by limited short-term alternatives for those involved in its production. Morocco is a party to the 1988 UN Drug Convention.

II. Status of Country

Morocco consistently ranks among the world's largest producers and exporters of cannabis; and its cultivation and sale provide the economic base for much of the mountainous northern region of Morocco. Only very small amounts of narcotics produced in or transiting through Morocco reach the United States. According to a UNODC report, the illicit trade in Moroccan cannabis resin generates approximately $13 billion a year in total revenues. The narcotics trade might well be Morocco's single largest source of hard currency, but Morocco gets only a small share (perhaps $325 million) of the estimated $13 billion total turnover of the cannabis trade. Independent estimates indicate that the returns from cannabis cultivation range from $16,400-$29,800 per hectare (little of which goes to the growers themselves), compared with an average of $1,000 per hectare for one possible alternative, corn. According to EU law enforcement officials, Moroccan cannabis is typically processed into cannabis resin or oil and exported to Europe, Algeria, and Tunisia. To date, Morocco has no enterprises that use dual-use precursor chemicals and is thus neither a source nor transit point for them. While there has been a small but growing domestic market for harder drugs like heroin and cocaine, cannabis remains the most widely used illicit drug in Morocco. Although there is no substantial evidence of widespread trafficking in heroin or cocaine, press reports suggest Latin American cocaine traffickers may have started using well-established cannabis smuggling routes to move cocaine into Europe.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The GOM's partnership with UNODC in conducting the 2004 and 2003 cannabis surveys reflects Morocco's desire to compile accurate data about narcotics production and address its narcotics problem. In 2004, Morocco also launched an awareness campaign for cannabis growers—alerting them to the adverse effects of cannabis cultivation for the land and informing them of alternative ways to use the land more productively. Throughout the 1980's, the GOM worked in conjunction with the UN to devise a response to the unique geographic, cultural and economic

circumstances that confront the many people involved in the cultivation of cannabis in northern Morocco. Joint projects to encourage cultivation of alternative agricultural products included providing goats for dairy farming, apple trees, and small bee-keeping initiatives. This effort also included paved roads, modern irrigation networks, and health and veterinary clinics. In the 1990's, the GOM continued to focus on development alternatives in Morocco's northern provinces through the work of APDN and the Tangier Mediterranean Special Agency (TMSA). In June 2003, TMSA oversaw the groundbreaking of the centerpiece of its northern development program, the Tanger-MED port, which is set to become Morocco's primary maritime gateway to the world. To study the viability of medicinal plant substitution the GOM selected Taounate as the site for the construction of the National Institute of Medicinal and Aromatic Plants (INPMA). Morocco and France agreed in 2004 to reinforce bilateral counternarcotics cooperation by deploying liaison officers to Tangiers and France

Law Enforcement Efforts. According to government statistics, Morocco in 2004 seized 318 tons of cannabis, representing a 361 percent increase over the 69 tons seized the previous year. During the same period seizures were also up for cocaine, heroin, and psychoactive drugs. Morocco claims to have arrested 22,526 Moroccan nationals and 356 foreigners in connection with drug-related offenses in 2004.

As part of a 1992 counternarcotics initiative, an estimated 10,000 police were detailed to drug interdiction efforts in the North and Rif mountains in 1995. Since then, approximately every six months, the GOM has rotated personnel into this region and continued to maintain counternarcotics checkpoints. Moroccan forces also staff observation posts along the Mediterranean coast, and the Moroccan Navy carries out routine sea patrols and responds to information developed by the observation posts. These efforts, however, have not changed the underlying reality of extensive cannabis cultivation and trafficking in northern Morocco. During this past year, according to both Moroccan and French police sources, controlled deliveries of drugs have proven to be a very successful interdiction technique. The GOM in 2005 destroyed more than 7,000 hectares of cannabis, primarily in Larache and Taounate Provinces, and plans to destroy 10,000-25,000 hectares of land cultivated with cannabis during next year's eradication campaign. The Ministry of Interior is also in the final stages of launching a website that will provide the public with information on the government's counternarcotics efforts. Morocco has laws providing a maximum allowable prison sentence for drug offenses of 30 years, as well as fines for narcotics violations ranging from $20,000-$80,000. Ten years' imprisonment remains the typical sentence for major drug traffickers convicted in Morocco.

Corruption. The GOM does not promote drug production or trafficking as a matter of policy, and it contests accusations that government officials in the northern territories are involved in the drug trade. According to Moroccan press reports, the Rabat Court of Appeal in April issued prison sentences ranging from 1 to 10 years to members of a drug trafficking ring; in addition, 25 policemen and 7 gendarmes were given one-year sentences for corruption. Morocco has signed, but has not yet ratified, the UN Convention Against Corruption.

Agreements and Treaties. Morocco 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. Morocco is a party to the UN Convention against Transnational Organized Crime.

Cultivation/Production. The center of cannabis production continues to be the province of Chefchaouen, although production has expanded north in the last two decades to the outskirts of Tangiers, west to the coastal city of Larache, and east toward Al Hoceima. According to the UNODC report, small farmers in the northern Rif region grow mostly cannabis, where an estimated 27 percent of arable land is dedicated to its cultivation. Production also occurs on a smaller scale in the Souss

valley in the south. The UNODC survey found that 75 percent of villages and 96,000 farms in the Rif region cultivate cannabis, representing 6.5 percent of all farms in Morocco.

The GOM has stated its commitment to the total eradication of cannabis production; but given the economic and historical dependence on cannabis in the northern region, eradication is only feasible if accompanied by a well-designed development strategy involving reform of local government and a highly subsidized crop substitution program. Moroccan drug officials have indicated that crop substitution programs thus far appear to have made little headway in providing economic alternatives to cannabis production. The amount of cannabis production measured in 2004 suggests that the crop's cultivation has seen a steady increase over the past few years, to the detriment of other agricultural activities. The UNODC report warned that this agricultural monoculture represents an extreme danger to the ecosystem, as the extensive use of fertilizers and forest removal continues to be the methods of choice to make room for cannabis cultivation.

Drug Flow/Transit. The primary ports of export for Moroccan cannabis are Oued Lalou, Martil and Bou Ahmed on the Mediterranean coast. Most large shipments bound for Spain travel via fishing vessels or private yachts. Shipments of up to two tons increasingly are being confiscated on smaller "zodiac" speedboats that reportedly can make roundtrips to Spain in one hour. Smugglers also continue to transport cannabis via truck and car through the Spanish enclaves of Ceuta and Melilla, and the Moroccan port of Tangiers, crossing the Straits of Gibraltar by ferry. According to the UNODC, Spain still accounts for the world's largest portion of cannabis resin seizures (57 percent of global seizures and 75 percent of European seizures in 2001). The Moroccan press reported that some 800 tons of Moroccan cannabis resin were seized in Spain in 2004. Given its proximity to Morocco, Spain is a key transfer point for Europe-bound Moroccan cannabis resin.

Domestic Programs. The GOM is concerned about signs of an increase in domestic heroin and cocaine use but does not aggressively promote reduction in domestic demand for these drugs or for cannabis. It has established a program to train the staffs of psychiatric hospitals in the treatment of drug addiction. In partnership with UNODC, the Ministry of Health is exploring the relationship between drug use and HIV/AIDS infection in Morocco. Moroccan civil society and some schools are active in promoting drug abuse campaigns.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. U.S. policy goals in Morocco are to enhance Morocco's counternarcotics capability through training in law enforcement techniques and to promote the GOM's adherence to its obligations under relevant bilateral and international agreements. U.S.-supported efforts to strengthen anti-money laundering laws and efforts against terrorist financing may also contribute to the GOM's ability to monitor the flow of money from the cannabis trade.

Bilateral Cooperation. According to Moroccan counternarcotics officials, USG-provided border security equipment—particularly new scanners in main ports—improved the effectiveness of security measures at entry points, which directly contributed to increased drug seizures in 2004. Morocco and the U.S. have also begun to expand cooperation on drug investigations of mutual interest. The Drug Enforcement Administration (DEA), which covers Morocco from its Paris office, has enhanced its engagement with the Moroccan National Police, including discussing ways to increase training visits to the U.S. by Moroccan counternarcotics officials and by U.S. officials to Morocco. DEA officials conducted three trips to Morocco in the 2005. During the December 2005 visit, U.S. and Moroccan officials discussed ways in which the two governments can further their mutual cooperation. In September 2005, the U.S. Coast Guard sent a Mobile Training Team to provide training in maritime law enforcement boarding procedures.

The Road Ahead. The United States will continue to monitor the narcotics situation in Morocco, cooperate with the GOM in its counternarcotics efforts, and—together with the EU—provide law enforcement training, intelligence, and other support where possible.

Mozambique

I. Summary

Mozambique is a transit country for illegal drugs such as hashish, herbal cannabis, cocaine, mandrax (methaqualone), and heroin consumed in Europe and South Africa. Some illicit drug shipments passing through Mozambique may also find their way to the United States and Canada. The country's porous borders, poorly policed seacoast, and inadequately trained and equipped law enforcement agencies facilitate transshipment of narcotics. Drug production is limited to herbal cannabis cultivation and a few mandrax laboratories. Available evidence suggests significant use of herbal cannabis and limited consumption of "club drugs" (ecstasy/MDMA), prescription medicines, and heroin among the urban population of Mozambique. The Mozambican government recognizes drug use and drug trafficking as serious problems but has limited resources to address these issues. The U.S., the UN Office on Drugs and Crime (UNODC), and other donors have established cooperation programs to improve training of drug control officials and provide better interdiction and laboratory equipment. Despite these efforts, drug trafficking interdiction performance has improved only slightly in the past year. Corruption in the police and judiciary continues to hamper counternarcotics efforts, as has the elimination of visa requirements for South African and Mozambican citizens traveling between those two countries. Mozambique is a party to the 1988 UN Drug Convention.

II. Status of Country

Mozambique is not a significant producer of illegal drugs. Herbal cannabis for local consumption is produced throughout the country, particularly in Tete, Manica, and Zambezia provinces. Limited amounts are exported to neighboring countries, particularly South Africa. There are indications that small quantities of a low quality ecstasy are being manufactured in Southern Africa, with Mozambique as a possible producer. Mozambican authorities took steps during the year to reduce local production of mandrax by raiding facilities and seizing production equipment. Mozambique's role as a drug-transit country has continued to grow. Southwest Asian producers ship cannabis resin (hashish) and synthetic drugs through Mozambique to Europe and South Africa. Limited quantities of these shipments may also reach the United States and Canada. Heroin and other opiate derivatives shipped through Mozambique originate in Southeast Asia. Drugs cultivated in Southeast Asia then typically transit India, Pakistan, or the United Arab Emirates and later Tanzania, before arriving by small ship or, occasionally, overland to Mozambique. Traffickers are most commonly of Tanzanian or Pakistani origin. Increasing amounts of cocaine from the Andean region are sent with couriers on international flights from Brazil to Mozambique, sometimes via Lisbon, before being transported overland to South Africa. Mozambique has become a favored point of disembarkation because of its lax airport security control. Drug traffickers have recruited many young women in Maputo to work as couriers to and from Brazil. Mozambique is not a producer of precursor chemicals.

Mozambique has seen growing abuse of heroin among all levels of urban populations. The abuse of methaqualone continues to be a matter of concern for countries in Southern Africa. Methaqualone, which is usually smoked in combination with cannabis, continues to enter South Africa from India and China, and some shipments of the substances pass through Mozambique. Increasing amounts of cocaine from Brazil and Colombia are smuggled through Portugal into Portuguese-speaking countries in Africa, primarily Angola and Mozambique, then into South Africa. This year's agreement between South Africa and Mozambique to drop visa requirements has complicated interdiction and enforcement efforts, as information on individuals crossing borders has become even more limited.

III. Country Actions Against Drugs in 2005

Law Enforcement Efforts. Mozambique's drug unit operates in Maputo and reports to the Chief of the Criminal Investigation Police. With assistance from the UNODC, drug detection equipment was installed at border posts, ports, and airports in 2002 and 2003. In 2004, customs officers at Maputo airport and seaport received drug interdiction training under a UNODC program. In July 2005, a 57-person specialized police unit designed to strengthen efforts to fight organized crime, including narcotics trafficking, was introduced at airports in provincial capitals. In the first nine months of 2005, Mozambican authorities seized a total of 29.5 kilograms of cocaine at the Beira and Maputo airports. As interdiction efforts improve at the Maputo airport, traffickers have been forced to identify alternate points of entry, including Beira, Nampula, Quelimane and Vilankulos. Publicized seizures in 2005 include:

- The March seizure of 10 kilograms of cocaine in the "Colombia" neighborhood in Maputo city;
- The April seizure, at Maputo airport, of 1.8 kilograms of cocaine, carried by a 40-year old woman of unknown nationality arriving from Brazil;
- The May arrest at the Beira airport of a 39 year old Mozambican woman arriving from Brazil with 74 capsules of cocaine in her stomach;
- The June arrest at the Beira airport of a 20-year old Mozambican woman arriving from Brazil with 48 capsules of cocaine in her stomach;
- The seizure of 800 kilograms of cannabis sativa at the Changara/Moatize border post.

More than a dozen individuals were reportedly detained at the Beira and Maputo airports in connection with drug smuggling activities in 2005. Most of these were women who arrived from Brazil carrying capsules of cocaine in their stomachs. It is unclear how many of the suspects detained are incarcerated at this time. In November, local newspapers reported that two Mozambican women caught carrying cocaine from Brazil had been sentenced by the Sofala Provincial Court to lengthy prison terms for drug trafficking. Since the beginning of the year, five such "mules" of Mozambican nationality have died from overdoses while carrying cocaine.

Corruption. Corruption is pervasive in Mozambique. However, Mozambique has continued efforts to prosecute police and customs officials charged with drug trafficking offenses. The trial of four officers charged with selling the proceeds of a large Pakistani shipment of hashish began in February. In September, a Mozambican customs official in Tete province was reportedly sentenced to 16 years in prison for drug trafficking resulting from a 2004 mandrax smuggling charge. The official was accused of unlawfully taking into his possession mandrax seized by customs during a routine stop at a checkpoint in Tete province. As official policy, Mozambique seeks to enforce its laws against narcotics trafficking, but as noted above, confronts difficulties in doing so more effectively.

Agreements and Treaties. Mozambique 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. Mozambique has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention Against Corruption.

Cultivation/Production. Cannabis is cultivated primarily in Tete, Manica, and Zambezia provinces. The Mozambican government has no estimates on crop size. Intercropping is the most common method of production. Mozambican authorities have made efforts this year to eradicate cannabis crops through controlled burns.

Drug Flow/Transit. Assessments of drugs transiting Mozambique are based upon limited seizure data and observations of local and UNODC officials. Mozambique increasingly serves as a transit country for hashish, cannabis resin, heroin, and mandrax originating in Southwest Asia, owing to its long, unpatrolled coastline, lack of resources for interdiction and sea, air, and land borders, and growing transportation links with neighboring countries. Drugs destined for the South African and European markets arrive in Mozambique by small ship, mostly in the coastal areas in northern Cabo Delgado province, but also in Nampula, Sofala, and Inhambane provinces.

The Maputo corridor border crossing at Ressano Garcia/Lebombo is an important transit point. Hashish and heroin are also shipped on to Europe, and some hashish may reach Canada and the United States, but not in significant quantities. Arrests in Brazil, Mozambique and South Africa indicate cocaine is being trafficked by drug couriers from Colombia and Brazil to Mozambique, often through Lisbon and Johannesburg, for onward shipment to South Africa. In addition, Nigerian and Tanzanian cocaine traffickers have targeted Mozambique as a gateway to the South African and European markets.

Domestic Programs (Demand Reduction). The primary substances of abuse are alcohol, nicotine, and herbal cannabis. Heroin, cocaine, and "club drug" usage and prescription drug abuse are also reported across Mozambique's urban population. The Mozambican Office for the Prevention and Fight Against Drugs (GCPCD) has developed a drug education program for use in schools and with high risk families; the program includes plays and lectures in schools, churches, and other places where youths gather. It has also provided the material to a number of local NGOs for use in their drug education programs. The GCPCD has received some support for community policing and demand reduction from bilateral donors. Drug abuse and treatment options remain limited with the GCPCD providing treatment assistance and reintegration programs for approximately 200 families affected by drug addiction in 2005.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG continues to sponsor Mozambican law enforcement officials and prosecutors to attend regional training programs through the International Law Enforcement Academy (ILEA) for Africa in Botswana. Law enforcement officials have also received training at ILEA New Mexico. The State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) provides support to the attorney general's anticorruption unit and the police sciences academy (ACIPOL) near Maputo. The funds support training, specialized course instruction, instructor development, and curriculum development for ACIPOL. The anticorruption unit, which began operations in November 2002, has received specialized training and advisor visits through the Department of Justice OPDAT (Overseas Prosecutorial Development Assistance and Training) program. In September, the unit was restructured into the Central Office for the Combat of Corruption and received for the first time line item funding from the state budget.

The Road Ahead. The U.S. will continue working with ACIPOL to provide training and technical assistance, in 2006, in the areas of drug identification and investigation, as well as other areas of criminal sciences. The U.S. will conduct a community policing program in Maputo which will include specialized training for police officers and the delivery of 50 special purpose built bicycles. Technical assistance programs at the police academy will focus on methods to foster better relations between the community and the police. Among other topics, courses provided by technical specialists will include drug interdiction. U.S. assistance in support of the anticorruption unit will continue in 2006, with plans to place a short-term regional legal advisor at the unit for a period of six months. The U.S., using State Department funds, is working with the GOM to improve its border security efforts. The U.S. is also supporting the Mozambican authorities in addressing issues of coastal security.

Namibia

I. Summary.

While occasionally used as a drug transit point, Namibia is not a major drug producer or exporter. Statistics for seizures of illegal drugs in 2005 largely mirrored 2004 figures, with approximately $500,000 worth of drugs (mostly marijuana and Mandrax (methaqualone), along with smaller amounts of cocaine) seized as of November 2005. Drug abuse remains an issue of concern, especially among economically disadvantaged groups. Narcotics enforcement is the responsibility of the Namibian Police's Drug Law Enforcement Unit (DLEU), which lacks the manpower, resources and equipment required to fully address the domestic drug trade and transshipment issues. Namibia is not a party to the 1988 UN Drug Convention

II. Status of Country.

Namibia is not a significant producer of drugs or precursor chemicals. No drug production facilities were discovered in Namibia in 2005.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Namibia has requested United Nations (UNDOC) assistance in completing a National Drug Master Plan, which is still being formulated. While Namibia has not announced plans to become a party to the 1988 UN Drug Convention, many Convention requirements are already reflected in Namibian law, which states that illicit cultivation, production, distribution, sale, transport and financing of narcotics are all criminal offenses. Namibia's Parliament passed two bills designed to combat organized crime, trafficking, and terrorism in 2004, but the required implementing regulations for this legislation have yet to be drafted. Three additional initiatives are still pending parliamentary action. Once fully implemented, the new legislation will allow for asset forfeiture and other narcotics-related prosecution tools.

Law Enforcement Efforts. Namibia fully participates in regional law enforcement cooperation efforts against narcotics trafficking, especially through the Southern African Development Community (SADC) and the Southern African Regional Police Chiefs' Cooperative Organization (SARPCCO). The Minister of Safety and Security and working level officials meet regularly with counterparts from neighboring countries, during which efforts to combat crossborder contraband shipments (including narcotics trafficking) are discussed.

Corruption. As a matter of government policy, the Government of Namibia 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.

Agreements and Treaties. Namibia is not a party to the 1988 UN Drug Convention. However, Namibia is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Namibia also is a party to the UN Convention Against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in women and children, and to the UN Convention Against Corruption.

Drug Flow/Transit. Namibia's excellent port facilities and road network, combined with weak border enforcement, make it a likely transshipment point for drugs en route to the larger and more lucrative South African market. DLEU (Drug Law Enforcement Unit) personnel believe much of the transshipment takes place via shipping containers either offloaded at the port of Walvis Bay or entering overland from Angola and transported via truck to Botswana, Zambia and South Africa. Personnel constraints, inadequate screening equipment, a lack of training and varying levels of motivation among working-level customs and immigration officers at Namibia's land border posts all prevent adequate container inspection and interception of contraband. Inconsistently applied immigration controls also make Namibia an attractive transit point for Africans en route to Latin America for illicit purposes, as evidenced by the September 2004 discovery of a smuggling ring that specialized in the movement of Tanzanians to Brazil via Namibia.

Domestic Programs (Demand Reduction). Drug treatment programs are available from private clinics, and to a lesser extent from public facilities. The vast majority of treatment cases in Namibia are for alcohol abuse, with the remainder divided evenly between cannabis and Mandrax (methaqualone).

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG continues to offer Namibia opportunities for fully-funded law enforcement training programs at the International Law Enforcement Academy (ILEA) in Gaborone, Botswana. Most of these training programs contain counternarcotics elements, and some narcotics-specific training is also offered. While representatives of several law enforcement agencies (Customs, Immigration, Prison Service) and prosecutors have participated in ILEA training, the Namibian Police have declined to do so. The Namibian Police have repeatedly stated their willingness to cooperate with the USG on any future narcotics-related investigations, and both the DLEU and the Namibian Police Special Branch were extremely cooperative in the September 2004 alien smuggling investigation, but, for whatever reason, they have chosen to pass-up training opportunities, when proffered.

The Road Ahead. The USG will continue to encourage the Namibian Police to take advantage of training opportunities at ILEA Botswana and elsewhere, and will assist the Government of Namibia in any narcotics investigation with a U.S. nexus.

Nigeria

I. Summary

While Nigeria is not an important producer of narcotic drugs, it remains a major transit route for illicit trafficking of narcotics. Available evidence shows that narcotics transiting Nigerian ports and borders reach the United States in amounts sufficient to generate serious concern. Nigeria produces marijuana/cannabis domestically, which is trafficked to the neighboring West African countries and to Europe. Domestic markets for opiates, cocaine and synthetics are small, but growing. Use and demand for marijuana is significant in many cities throughout Nigeria.

Nigeria is party to the 1988 UN Drug Convention. The Nigerian Government has made efforts to stop the transshipment of illicit drugs through Nigeria to other countries. The Nigerian Government established the National Drug Law Enforcement Agency (NDLEA) in 1989. The agency is present in all 36 states of Nigeria, although staffing is uneven throughout the country. The NDLEA lacks an adequate number of personnel to handle all narcotics-related cases, and at times requests special technical assistance from the U.S. Government. The agency is insufficiently funded by the government to handle its most basic priorities, and there have been significant lapses that have hurt the NDLEA's overall performance this year. The agency currently lacks some equipment important to implement its counternarcotics mandate. For example, the seaport unit's boats need outboard motors that function, but the agency has not purchased them. Narcotics-detecting itemizers located at three airports, were donated by the U.S. Government. When U.S.-donated associated consumable supplies were expended, the NDLEA did not purchase additional materials to allow for continued use of the itemizers. They are now idle.

There have been credible allegations of drug-related corruption at NDLEA. However, despite erratic performance, there have been some successes in drug interdiction, mostly at the airports. In late November 2005 NDLEA Chairman Bello Lafiaji was dismissed by President Obasanjo due to allegations of corruption and replaced by Ahmadu Giade, a retired deputy commissioner of police.

II. Status of Country

Nigeria is not a producer of heroin or cocaine, but it is a major drug-transit hub. Heroin transits Nigeria on its way to neighboring countries and the United States. Cocaine transits Nigeria on its way to Southern Africa and Europe. Trafficking of heroin and cocaine into the country is on the increase, organized by Nigerian criminal elements, which play a major role in the worldwide cocaine trade.

The NDLEA is the lead agency charged with drug interdiction, but other agencies are secondarily involved, including the Customs Department, Immigration Department, and the Nigeria Police force (NPF). Heroin and cocaine dominate seizures at the Murtala Mohamed International Airport in Lagos, and other ports of entry to Nigeria. Sale and local consumption of marijuana is on the increase in recent years. The rise in marijuana use domestically in Nigeria is evinced by the increased quantities seized, the number of illicit plots discovered and destroyed, and numbers of arrests made.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The NDLEA did not sustain any major policy initiatives in 2005. A special task force to work with the U.S. and other drug liaison officers was instituted, but quickly disbanded by the

recently dismissed NDLEA Chairman Lafiaji after the Task Force arrested a suspected major drug trafficker in Lagos.

Law Enforcement Efforts. Statistical data from the NDLEA show some progress in drug interdiction, especially at the Lagos International Airport. Apart from the short-lived special task force, the NDLEA did not attempt to develop its capacity to investigate major traffickers or shipments. Rather, the NDLEA's enforcement efforts are concentrated on low-level mules and street traffickers.

Accomplishments. The working relationship between the U.S. Government and the NDLEA this year did not advance to the degree needed to effectively counteract the growing challenges of drug trafficking from Nigeria. In 2005, the NDLEA did not demonstrate significant progress in drug interdiction or in the development of policies aimed at eradicating illicit narcotics trafficking. The NDLEA did participate in a joint international operation to stop a container in a neighboring country. However, the agency did not let the operation continue within Nigerian borders, which could have resulted in arrests in Nigeria. According to NDLEA statistics, the agency made several arrests during the year in which there was a nexus to major sources for heroin, such as Pakistan and Afghanistan, but as a general rule, most enforcement was focused on low-level traffickers and mules, with no enforcement impact on the major traffickers who manage and finance drug trafficking from Nigeria.

Corruption. Corruption is entrenched in Nigerian society, and remains a significant barrier to effective narcotics enforcement. There were serious allegations of corruption in the NDLEA, and the Director of the NDLEA, Dr. Bello Lafiaji, was summarily removed, and replaced by Ahmadu Giade, a retired deputy commissioner of police. Chairman Giade has specific experience in investigating corruption and evidence tampering. It is also fair to say that the Nigerian government intensified its campaign against corruption. This is a general policy, and not specific to drug trafficking. To date, no senior government official has been arrested in connection with drug trafficking, despite some accusations of complicity. There is no evidence of senior government officials facilitating the production, processing, or shipment of narcotics and psychotropic drugs, or other controlled substances. However, there are serious allegations of government officials using their position to discourage the investigation of major traffickers and the prosecution of drug-related cases. Moreover, the quantity of drugs moving through Nigeria, under the control of Nigerian criminal elements, and the absence of any vigorous enforcement efforts against the more senior levels of those involved suggests strongly a certain level of corruption would be necessary to protect those senior level traffickers involved. The NDLEA lacks in-house mechanisms, such as an internal affairs section, to investigate corruption within its own agency.

To combat corruption more generally in Nigerian society, the Nigerian Government established the Independent Corrupt Practices and Other Related Offences Commission (ICPC), through the Corrupt Practices and other Related Offences Act of 2000. The Act prohibits corrupt practices and other related offences, and also provides for punishment for those offenses. Under Section 6, the Commission is empowered to receive and investigate reports of corruption, and where justifiable, prosecute the offenders. It is empowered to educate the public on and against bribery, corruption and other related offences. To date, the Commission has not dealt with any cases related to narcotics trafficking, but has vigorously pursued its mandate to prosecute corruption in other areas of government, despite vigorous attempts by legislators, state governors and some elements in the central government to curtail and frustrate its efforts.

In 2002, the Nigerian Government established the Economic and Financial Crimes Commission (EFCC). The EFCC has not investigated or prosecuted any narcotics-related cases. Similarly, no narcotics-related cases have been prosecuted under the Money Laundering Act of 2004. Major trafficking networks in Nigeria are known to replenish their cache of drugs using elaborate schemes to launder money and legitimize their profits. There are also suspicions of relationships between criminal

elements that run advance fee fraud schemes, the so called "419 Fraud", and the organized criminal gangs who arrange for large-scale movements of cocaine and heroin.

The NDLEA's relationships with the Economic and Financial Crimes Commission, Independent Corrupt Practices Commission, Nigerian Customs Department, Nigeria Immigration Department and the Nigeria Police Force have not been optimal; there is little cooperation among the agencies. This failure to cooperate weakens the efforts of all of them.

Agreements and Treaties. Nigeria 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. Nigeria is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. Nigeria also is a party to the UN Convention Against Corruption. The 1931 U.S.-UK Extradition treaty, which was made applicable to Nigeria in 1935, provides the legal basis for U.S. extradition requests. A U.S.-Nigeria Mutual Legal Assistance Treaty (MLAT) entered into force in 2003.

Cultivation /Production. Marijuana/Cannabis is grown all over Nigeria, but mainly in central and northern states. It is also grown in large quantities in Ondo and Delta states in Southern Nigeria. Cultivation is generally on small fields in remote areas. Its market is concentrated in West Africa and Europe; none is known to have found its way to the United States. However, domestic use is becoming more widespread. The NDLEA has destroyed marijuana fields, but has no regular, organized eradication program in place. There are no reliable figures to determine crop size and yields.

Drug Flow/Transit. Nigeria remains a major transit hub for heroin from Asia and cocaine from Asia and South America. Interdictions are mainly at the Murtala Mohamed International Airport in Lagos, which has a digital X-ray machine. The NDLEA also has sniffer dogs, but they are seldom used. Port Harcourt Airport is currently operating more than eight international flights per week, and has been utilized as a new smuggling route. Seaports are believed to be a significant point for drugs to enter and exit Nigeria, but the NDLEA is not present at seaports to enforce narcotics laws, and customs efforts have yielded zero seizures and arrests during the year.

Low-level drug couriers can make as much as $5,000 per trip, depending on the quantity of drugs transported. Most couriers come from poor backgrounds, earning as little as $500 a year in normally available employment opportunities in Nigeria and neighboring countries. The amounts that can be earned as drug couriers therefore are attractive to many people. Sentences and jail terms for drug trafficking are relatively light, and do not act as a strong disincentive. Repeat drug offenders are numerous.

Domestic Programs (Demand Reduction). Drug abuse continues to rise in Nigeria. Drugs are abundant, cheap, and readily available on the local market in Nigeria's large cities. Marijuana, locally referred to as Indian hemp, is the predominant drug. Local cultivation and use are growing problems in Nigeria. Drug treatment is generally not available.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In 2005, the 2002 Letter of Agreement signed between the U.S. and Nigerian Governments for narcotics-related grant assistance was amended for the fifth and sixth times. In 2005, the U.S. Government provided financial assistance in the amount of $550,000 to the NDLEA, and provided other assistance to the police and to the ICPC.

Bilateral Accomplishments. Since 2001, the NDLEA has not arrested any major traffickers, and has not interdicted any drug shipment larger than 50 kilograms, although there is evidence that many sizeable shipments move through Nigeria. No significant progress has been achieved on goals

identified in the bilateral agreement between the U.S. and Nigerian Governments, with perhaps the exception of progress in community policing in the State of Kaduna and a successful advisory program at the ICPC. The NDLEA has yet to attempt a joint international controlled delivery with the DEA. In 1993, the Nigerian Government established the NDLEA Training Academy, now located in Jos. The Academy sponsors 4, 6 and 9-month training sessions for up 140 cadets. On occasion, the NDLEA conducts UN-sponsored training for other countries at the Academy. The U.S. Government has assisted the Academy in attaining international standards.

The NDLEA received 60 VHF radios and 2 Base stations through an INL assistance program in August 2001. During INL end-use monitoring in September 2005, the NDLEA could not locate this equipment. Itemizers donated to the NDLEA, and located at the Lagos, Abuja, and Kano airports were not in use, though in excellent working condition. The NDLEA stated they did not have the consumable supplies to put the equipment to use.

The Road Ahead. With new leadership at the NDLEA, Nigeria has signaled its intention to improve its efforts to target major traffickers and to strengthen coordination between NDLEA and U.S., UK and other international drug law enforcement agencies. It is crucially important that the NDLEA make progress against narcotics traffickers, lest the trafficking situation in Nigeria and all of West Africa drift completely out of control.

Saudi Arabia

I. Summary

Saudi Arabia has no appreciable drug production and is not a significant transit country. Under the Saudi Islamic Legal Code, drug trafficking, dealing, and use are strictly prohibited. The Saudi Government places a high priority on combating narcotics abuse and trafficking. Since 1988, the Saudi Government imposed the death penalty for drug smuggling and dealing. However, Saudi officials acknowledge that domestic drug abuse and trafficking have increased. Saudi officials have stated that the flow of drugs across its borders from Iraq and Yemen has increased. Saudi and U.S. counternarcotics officials maintain good relations, and Saudi law enforcement agencies are playing a larger role in regional interdiction operations. Saudi Arabia is a party to the 1988 UN Drug Convention.

II. Status of Country

Saudi Arabia has no significant drug production. This ultraconservative society, in keeping with its conservative Islamic values and its obligations under the 1988 UN Drug Convention, places a high priority on fighting narcotics abuse and trafficking. Narcotics-related crimes are punished harshly, and narcotics trafficking is a capital offense enforced against Saudis and foreigners alike. Saudi Arabia maintains a network of overseas drug enforcement liaison offices and state-of-the-art detection and training programs to combat trafficking. Saudi officials acknowledge that despite improved counternarcotics efforts, incidences of drug trafficking and domestic drug abuse are increasing. The Saudi Government promotes counternarcotics educational campaigns in the media, health institutes, and schools. Government efforts to treat drug abuse exclusively targets male Saudi nationals, who are remanded to one of the nation's four drug treatment centers in Riyadh, Jeddah, Dammam, and Qassim. There are no separate facilities for Saudi women, and expatriate substance abusers are jailed and summarily deported. Heroin and hashish are the most heavily-consumed substances, but Saudi officials report that the use of cocaine, barbiturates, and amphetamines is becoming more widespread.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Ministry of Interior is the lead agency in Saudi Arabia's drug interdiction efforts and has over 40 overseas liaison officers in countries representing a trafficking threat. In July, the Saudi Council of Ministers passed a new law that provides more flexible and specific sentencing guidelines for drug convictions. The new Anti-Drug and Mental Effects Regulation stipulates the death penalty for Saudi drug traffickers, manufacturers, and recipients of any banned drug substances, but also allows Saudi courts to reduce a death sentence to a minimum of 15 years imprisonment, corporal punishment that consists of a maximum of 50 lashes per session, and a minimum fine of SR100,000 ($26,667). Previously used regulations, which were based on religious edicts (fatwas) issued by the committee of senior scholars, failed to set maximum and minimum punishments for drug offenders, and relied on the judge's judgment for sentencing. The new law also offers treatment to Saudi drug dealers or users who surrender to Saudi law enforcement authorities.

Law Enforcement Efforts. The Saudi Government continues to play a leading role in efforts to enhance intelligence sharing among the six nations of the Gulf Cooperation Council. Additionally, Saudi and U.S. drug enforcement officials regularly exchange information on narcotics cases. Drug seizures, arrests, prosecutions, and consumption trends are not matters of Saudi public record, in

keeping with the general Saudi practice for all criminal matters. Saudi interdiction efforts tend to focus more on individual carriers than on follow-on investigations designed to identify drug distributors and regional networks.

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

Agreements and Treaties. Saudi Arabia 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. Saudi Arabia has signed, but has not yet ratified, the UN Convention against Corruption, and is a party to the UN Convention against Transnational Organized Crime. The Saudi Government has signed bilateral agreements on drugs with Yemen, Pakistan, Libya, Turkey, the Czech Republic, and Iran.

Cultivation/Production. Cultivation and production of narcotics in Saudi Arabia is negligible.

Drug Flow/Transit. Saudi Arabia is not a major transshipment point. Due in part to new detection techniques employed at major points of entry, seizures of narcotics (coming primarily from Pakistan, Nigeria and Turkey) have increased. Saudi officials have expressed concern to U.S. officials about the increase of drugs coming from Yemen, Iraq, and Bahrain. This supports anecdotal evidence that suggests narcotics trafficking is a growing problem via the country's land borders.

Domestic Programs (Demand Reduction). In addition to widespread media campaigns against substance abuse, the Saudi Government sponsors drug educational programs directed at school-age children, health care providers, and mothers. The country's conservative religious establishment actively preaches against narcotics use and Government treatment facilities provide free counseling only to male Saudi addicts. As noted above, there are four drug treatment in Riyadh, Jeddah, Dammam, and Qassim.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Saudi officials actively seek and participate in U.S.-sponsored training programs and are receptive to enhanced official contacts with DEA. DEA officials work closely with Saudi officials.

The Road Ahead. The U.S. will continue to explore opportunities for additional bilateral training and cooperation.

Senegal

I. Summary

Counternarcotics elements of the Senegalese government remain concerned about the production and trafficking of cannabis, and to a lesser degree, hashish. Small quantities of cocaine and heroin are seized on an infrequent basis. Senegalese authorities have been active in pursuing bilateral cooperation against international traffickers, including signing mutual assistance agreements with France and the UK. Education and strict enforcement of drug laws remain cornerstones of Senegal's counternarcotics goals. Senegal is a party to the 1988 UN Drug Convention.

II. Status of Country

Dakar's position on the west coast of Africa and the presence of an international airport and seaport make it an enticing transit point for drug dealers. The seaport of Dakar and the international airport are the two principal points of entry/exit of drugs in Senegal.

Senegalese authorities state that, because there is not a direct flight from South America, Cape Verde and Guinea Bissau serve as way stations for cocaine bound for Senegal.

While trafficking of all types of drugs, including heroin, cocaine and psychotropic depressants, exists in Senegal, it is cannabis production and trafficking that has continued to stymie most enforcement efforts. Southern Senegal's Casamance region is at the center of the cannabis trade. During 2005 the peace process in the Casamance continued and more areas were opened to agricultural development. It is generally acknowledged that a portion of this development is illicit cannabis cultivation. Police are reluctant to undertake greater enforcement efforts against cannabis cultivation in the Casamance for fear of hampering ongoing peace negotiations. Senegal also serves as a transit country for traffickers due to its location, infrastructure and porous borders. Efforts to tighten security at the Dakar international airport and maritime port have been reasonably effective. However, drug enforcement efforts remain under-funded and undermanned, allowing the illegal cannabis trade and trafficking to continue.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Senegal developed a national plan of action against drug abuse and the trafficking of drugs in 1997. Multidisciplinary in its approach, Senegal's national plan includes programs to control the cultivation, production, and traffic of drugs; inform the population of the dangers of drug use; and reintroduce former drug addicts into society. Full implementation of this plan remains stalled due to funding constraints.

Periodic efforts to improve coordination have also been hampered because of insufficient funding.

Law Enforcement Efforts. The amount of hard drugs seized by police in Senegal is small by international standards. Due to weak enforcement efforts and inadequate record keeping, it is impossible to assess accurately the real drug problem in the country. Police lack the training and equipment to detect drug smuggling. Historically, Senegal has undertaken few cannabis eradication efforts. As previously mentioned, police forces feel constrained in their efforts to eradicate cannabis cultivation in the southern part of the country because of ongoing peace negotiations between insurgents and the central government. Meetings have been organized, though, with island populations

in the south in accordance with the UN Program for International Control of Drugs to promote substitution of cannabis cultivation with that of other crops.

Corruption. The USG is unaware of any narcotics-related corruption at senior levels of the Senegalese government. The GOS does not, as a matter of government policy, 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 GOS officials 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. Senegal 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. Senegal is a party to the UN Convention Against Corruption. Senegal also is a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Cultivation/Production. Although cannabis cultivation in Senegal is not a large problem in relation to the global cultivation of the drug, it could become a serious internal drug problem for Senegal. As mentioned above, efforts to eradicate cannabis cultivation are hampered by the civil conflict in the Casamance region.

Drug Flow/Transit. According to the Chief of OCRTIS (Office Central de Repression du Trafic Illicite), the trend in the amount of illicit drugs transiting through Senegal is increasing. OCRTIS is monitoring the transshipment of hashish and cocaine through Senegal. The U.S. is not a destination point for these drugs.

Domestic Programs. NGOs, such as the Observatoire Geostrategique des Drogues et de la Deviance (OGDD), have taken the lead in public education efforts. OGDD continued a program that began in 2001. The first phase involved a campaign of information targeted at cannabis cultivators, arguing that the land had greater potential if it were used for purposes other than drugs, that drugs were bad for the environment and health, and that drugs were degrading the economy. Village committees have been established to convey the above information to sensitize people to the problems associated with drug use.

The focus of the second phase of the program is to encourage farmers to substitute alternative crops for drugs on their land. Due to funding constraints, however, implementation of this part of the program has been impeded. Other associations for the prevention of drug abuse are in the process of elaborating a program of drug prevention under the auspices of the International Committee for the Fight Against Drugs, which is managed by the Ministry of the Interior.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. USG goals and objectives in Senegal are to strengthen law enforcement capabilities in counternarcotics efforts. In 2002 the USG started a program to train counternarcotics agents in drug investigation and interdiction methods under the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL). The program provided $220,000 for several law enforcement programs that will aid the police in all aspects of narcotics investigations and prosecutions. Additionally, the USG is in the fifth year of continued training to the technicians at the National Drug Laboratory that was founded with basic drug analysis equipment and training provided by INL.

The Road Ahead. The USG will continue to work closely with the Senegalese government to improve the capacity of its narcotics law enforcement officers to investigate and prosecute narcotics crimes.

South Africa

I. Summary

South Africa is committed to fighting domestic and international drug trafficking, production, and abuse. The country is an important transit area for cocaine (from South America) and heroin (from the Far East) primarily destined for Southern African and European markets. South Africa is a large producer of cannabis (the world's fourth largest according to the South African Institute for Strategic Studies), most of which is consumed in the Southern African region, but at least some of which finds its way to Europe (UK). It also may be the world's largest consumer of mandrax, a variant of methaqualone, an amphetamine-type stimulant. Mandrax is the preferred drug of abuse in South Africa; it is smuggled, primarily from India, but also from China and other sources. Mandrax is the single most important money-earner for indigenous South African organized crime. According to the Organized Crime Threat Analysis prepared by the South African Police, 369 organized crime groups operate in South Africa; 132 of these crime groups are involved in drug trafficking. Of the 369 criminal groups, 211 were broken-up by enforcement pressure and 158 are still under investigation. Most of those syndicates are foreign—primarily Nigerian, followed by the Pakistani and Indian syndicates. Chinese Triads are also present. The Prevention of Organized Crime Act (POCA, 1988), particularly its asset forfeiture section, has become a useful tool for law enforcement. South Africa is a party to the 1988 UN Drug Convention.

II. Status of Country

South Africa's transition to democracy and its integration into the world economy were accompanied by the increased use of its territory for the transshipment of contraband of all kinds, including narcotics. An overloaded criminal justice system, straining hard just to deal with "street crime," makes South Africa a tempting target for international organized crime groups of all types. South Africa has the most developed transportation, communications and banking systems in Sub-Saharan Africa. The country's modern telecommunications systems (particularly cell telephones), its direct air links with South America, Asia and Europe and its permeable land borders provide opportunities for regional and international trafficking in all forms. The sanctions busting practices so prevalent in the apartheid era have continued under a different guise: instead of the embargoed items, drugs and other illicit items are now smuggled into and out of South Africa. Narcotics trade has become very profitable for organized crime syndicates and they have become heavily involved in stealing vehicles and trading them across South Africa's land borders for narcotics. South Africa is both an importer and an exporter of drugs (marijuana produced on its own territory).

Despite the progress South Africa has made coping with organized crime, South Africa is the origin, the transit point or the terminus of many major drug smuggling routes. Cannabis, for instance is cultivated in South Africa, and also imported from neighboring countries (Swaziland, Lesotho, Mozambique, Zimbabwe), exported to some of the neighboring countries (e.g. Namibia) and Europe (mainly Holland, UK) and, of course, consumed in South Africa. LSD is imported from Holland. Methamphetamine is manufactured in South Africa for local consumption. Both heroin and cocaine are imported into South Africa (from Asia and Latin America respectively), and also exported to Europe, Australia and even the U.S. and Canada. Cocaine from Bolivia and Peru goes through Colombia to Brazil and Argentina, then to South Africa via Portugal or Angola or directly to Johannesburg. To stop some of this trafficking, South Africa needs, in addition to its own efforts, increased international cooperation and assistance.

Although South Africa continues to rank among the world's largest producers of cannabis, this production does not have a significant effect on the U.S. In terms of use of narcotics, heroin is a particularly dangerous new trend among South Africans (who traditionally only used "dagga," the local name for marijuana). The "South African Community Epidemiology Network on Drug Use" (SACENDU) reported that although alcohol remains the dominant substance of abuse, cannabis and Mandrax alone or in combination continue to be significant drugs of abuse. SACENDU also noted that heroin seems to be the primary drug of abuse in Cape Town, Gauteng and Mpumalanga. On the other hand, "club drugs" and methamphetamine abuse is low except in Cape Town where the increase in treatment demand for methamphetamine was dramatic. Methamphetamine has emerged as the main substance of abuse among the young in Cape Town, with two-thirds of drug abusers having it as a primary or secondary substance of abuse.

South Africa is becoming a larger producer of synthetic drugs, mainly mandrax, with precursor chemicals smuggled in and labs established domestically. As in 2004, a number of labs were dismantled in 2005. The SAPS (National Police Service) Annual Report for 2004-2005 reported that 48 clandestine narcotics laboratories were detected and dismantled. Police reported that because of this crackdown, labs were increasingly established on farms, making it more difficult for the police to find and destroy them.

III. Country Actions Against Drugs in 2005

Policy Initiatives. Combating the use of, the production of, and the trafficking in illicit narcotics is an important component of the anticrime agenda of the South African Government (SAG). As a practical matter, however, the SAG tends to target its limited anticrime resources on serious, violent and domestic crime. South Africa has one of the world's highest rates of murder and rape. The porous borders are crossed daily by criminals trafficking in all sorts of contraband, including illicit drugs, stolen cars, illegal firearms, diamonds, precious metals, and human beings. The Cabinet interagency "Justice Cluster" works to help coordinate the law enforcement and criminal justice system's response to those challenges. The Narcotics Bureau was integrated into the police organized crime units in 2003. There is also a Central Drug Authority. Other SAG agencies involved in counternarcotics efforts include, to a lesser or a greater degree, the Home Affairs Department, the National Prosecuting Authority and its Directorate of Special Operations (popularly known as "The Scorpions"), the Customs Service, and the Border Police (a part of SAPS). The U.S. helped in the training of the DSO. The Border Police have 55 land border posts, 10 air-border posts and 9 sea-border posts. Intelligence organizations and the port and airport authorities also have a role in identifying and suppressing drug trafficking. The SAPS 2004/2005 Annual Report states that its first operational priority is to address organized crime by focusing on criminal organizations involved in crimes related to drugs, firearms, vehicles, human trafficking, human organ trafficking, prostitution, endangered species, precious metals and stones.

Law Enforcement Efforts. Although the value of drug seizures according to the SAPS Annual Report for 2004/2005 decreased as compared to those in the period 2003/2004 (from over 3 billion Rands to 675 million Rands), arrests increased from 376 to 401 at the border. SAG authorities, on occasion working closely with other nations to include the U.S., achieved one success—the total street value of drugs seized by various law enforcement agencies during the period April 2004 to March 2005 was over $12 million.

The SAPS Annual Report (covering the fiscal year from April 1, 2004, to March 31, 2005, and published in August) did not provide seizures of drugs by name. The number of detected drug-related crimes, according to the annual SAPS Report, grew in 2005 to 180.3 per 100,000 of population (from 135.1 in the previous year), or, a 33.5 percent increase over 2004. Border Police made 401 arrests, and

confiscated drugs worth $112 million. During this period the biggest increase in reported arrests was in respect of drug-related crimes, with 21,243 more arrests reported, or a 33.85 percent increase over the previous year. About 90 percent of those crimes are presented to courts. The conviction rate is about 70 percent (i.e. relatively high).

Additional successes were reported in the press. On May 1 South Africa's Department of Foreign Affairs confirmed that 865 South African "drug mules", i.e., couriers were incarcerated in other countries. The highest number was in Brazil (118) followed by Peru (70), Argentina (51) and Venezuela (36). A 40-year old South African was jailed for life in Indonesia for attempting to smuggle 1.1 kilograms of heroin into Bali. The head of SAPS Narcotics Bureau confirmed that the trend of South Africans being used as mules is on the increase. On July 21, the National Director of Public Prosecutions Vusi Pikoli officiated over the destruction of 45 tons of mandrax powder at Springs on the East Rand seized in 2004 in Durban, with a street value of over $200 million. SAPS officers in July seized 118 bags of marijuana, with a street value of $400,000, near the Peka Bridge border post with Lesotho. In April police seized 200 kilograms of dagga near the Swaziland border (street value of $66,670) and arrested three men. SAPS and members of the South African National Defense Force in April searched a number of schools for drugs. Police said this was part of their Operation Toxic Algae aimed at rooting out drug use. In June, Durban police officers confirmed that the city is a popular distribution point for dagga throughout the country and the rest of the world. Police reported arresting two men with two tons of compressed dagga (with a street value of $15 million).

Corruption. The Annual Report by the Independent Complaints Directorate (ICD) for 2004-2005 reported an 8 percent decrease in misconduct complaints lodged against police officers. ICD reports that police were found not to be accountable for 80 percent of allegations of criminality made against them. Accusations of police corruption are frequent although the experience of enforcement officers working from the U.S. Embassy is that many of the failures and lapses by the police can be attributed to a lack of training and poor morale. Credible evidence of narcotics-related corruption among South African law enforcement officials has not been brought to light. Some suspect that the reported quantities of seized drugs are lower than actual seizures, and that the difference finds its way back out on the street. Some amount of corruption among border control officials does appear to contribute to the permeability of South Africa's borders.

Agreements and Treaties. South Africa 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. South Africa is a party to the UN Convention Against Corruption, and is also a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms. The U.S. and South Africa have bilateral extradition and mutual legal assistance agreements in force, as well as a Letter of Agreement on Anticrime and Counternarcotics Assistance. The Letter of Agreement provides for U.S. training and commodity assistance to several South African law enforcement agencies. In 2000 the U.S. and South Africa signed a Customs Mutual Assistance Agreement, which is not yet in force.

Cultivation/Production. Cannabis or "dagga" grows wild in Southern Africa and is a traditional crop in many rural areas of South Africa, particularly the Eastern Cape and Kwa-Zulu Natal provinces. It also grows wild and is cultivated in neighboring Swaziland and Lesotho. It is possible to have three cannabis crops a year in South Africa. Most South African cannabis is consumed domestically or in the region. Increasing amounts are, however, being seized in continental Europe and the UK. Some estimates are that 20,000 to 30,000 hectares of SA arable land are used to grow cannabis, although most observers estimate the area dedicated to illicit cannabis to be about 1500-2000 hectares. Although the police force, with some success, sprays cannabis in South Africa, Swaziland, and Lesotho, illicit street prices never seem to rise—an indication of uninterrupted supply.

Mandrax, amphetamine and methamphetamine are also produced in South Africa for domestic consumption. Among South Africans, "dagga" and mandrax are the traditional drugs of choice; in more recent years, there has been rising interest in domestically produced ATS and imported heroin.

Drug flow/Transit. Significant amounts of cocaine reach South Africa from South America. Cocaine is constantly available on the local illicit market. Cocaine is mainly brought in by Nigerian syndicates, or the people who work for them. South Africa, once a country of transshipment, has become a country with its own market. The consumption of cocaine, both powder and crystalline ("crack"), is on the increase. Heroin is smuggled into South Africa from Southeast and Southwest Asia, with some moving on to the U.S. and Europe. Thus, South Africa is also a country of transshipment of heroin. According to a UN study, however, most heroin trafficked into South Africa is intended for domestic consumption. Consumption of heroin among South African youth has increased with the advent of smokable heroin. South Africans do not like injectable drugs of any kind, although there are cases of people injecting heroin. An additional risk in terms of intravenous drug abuse is, of course, HIV/AIDS, a major health issue in South Africa. South Africans also import "dagga" from Swaziland and Lesotho, considering it to be of higher quality than the domestic version. Abuse of methaqualone (Mandrax) and other ATS tablets is on the rise too, especially among urban youth. Even ecstasy finds its way into townships. Diverted precursor chemicals, some produced locally and some imported into South Africa, are also a growing problem. Many drug liaison officers, as well as South African Police Service officers, believe that South Africa is becoming a place for traffickers to warehouse their stocks of various drugs before sending them on to other countries. They believe that criminals view South Africa as a" weak enforcement" option for such warehousing operations. Nigerian, Pakistani, Indian, Colombian, Venezuelan, and Chinese syndicates are all taking advantage of South Africa that, in addition to "weak enforcement," has excellent financial, transportation, and communications facilities. The 2004-2005 SAPS report states that a SAPS chemical monitoring program to prevent the diversion of chemicals for the manufacture of illicit drugs, checked 337 import notifications of precursors to South Africa. 245 export notifications of precursor chemicals were forwarded to relevant foreign authorities. Traffickers of Nigerian origin may be the most organized of organized crime groups operating in South Africa. Using South Africa as their base for world wide operations, they are involved in virtually every aspect of drug trafficking.

Domestic Programs. South Africa has had a long history of mandrax and "dagga" (cannabis) abuse; drug counselors have noted in the past two to five years large increases in the number of patients seeking treatment for crack and heroin addiction. SAG treatment facilities and nongovernment drug rehabilitation agencies have seen their allotments for treatment cut the last four to five years. There are many people seeking treatment who are unable to register with any program, and those who manage to enter a rehabilitation program find that available services are constrained by lack of resources. Education of the public at large about the dangers of drug addiction remains a high priority for the government. SAPS is continuing its visible crime deterrence policy by organizing visits and counternarcotics lectures in more than 35,000 schools; and the National Awareness Program, sponsored by the United Nations Office for Drug Control and Crime (UNODC), the Department of Safety and Security and the Central Drug Authority, and originally launched in Cape Town in 2003, continues to present facts on drugs and their dangers to young people, students and others, under the slogan "Ke Moja" ("No Thanks, I'm Fine!").

Certain successes have been achieved within the correctional system as well, mainly through efforts of NGOs. In South African prisons, up to 70 percent of inmates are drug users (with an even higher percentage among those awaiting trial), according to NGO contacts. Among the main rehabilitation programs organizers is KHULISA, an NGO partly funded by State Department narcotics assistance. "Peer" counselors, trained by KHULISA within the prison system, continue to organize

counternarcotics lectures and seminars for inmates. Some of the government-employed prison officials have also received basic training in this area.

IV. U.S. Policy Initiatives and Programs.

Policy Initiatives. U.S. law enforcement officers from the DEA, FBI, DHS (Customs/ Immigration), the Secret Service and the State Department successfully cooperate with their South African counterparts. The U.S. also urges the SAG to strengthen its legislation and its law enforcement system and thus become able to prosecute more sophisticated organized criminal activities, including drug trafficking. The Scorpions, with U.S. training, have targeted organized crime and high-profile crime of all sorts. Some training has also been provided to the national police, the metropolitan police forces of Johannesburg and Tshwane (Pretoria), the Special Investigating Unit, the Department of Home Affairs, the Customs and Revenue Service, and others.

The Road Ahead. Bilateral links between the United States and South African law enforcement communities are in the interest of both countries and even closer cooperation is needed. Assistance from the U.S. and other donors is essential to help develop the law enforcement system in South Africa.

Syria

I. Summary

In 2005, the Government of the Syrian Arab Republic (SARG) continued to give a high priority to, and devoted significant resources to combating the drug trade. Although drug seizures increased, domestic usage was negligible. Syria remains an important transit country, with a pronounced increase this year in the quantity of illegal narcotics passing through the country. Jordan and the Gulf States remain the primary destinations for drugs transiting from Lebanon and Turkey. Syria continues to have a close working relationship with Saudi Arabia and Jordan, but counternarcotics cooperation with Lebanon has deteriorated since the Syrian withdrawal from Lebanon in April 2005. Syria's domestic drug abuse problem remained small, due largely to the active enforcement of existing laws and the cultural and religious norms that stigmatize substance abuse. Syria is a party to the 1988 UN Drug Convention.

II. Status of Country

Most narcotics transiting Syria go to other parts of the region and to Europe. Syria is a transit country for hashish, cocaine, and heroin, particularly from Turkey, but also from Lebanon. Syria is also a transit country for Captagon (fenethylline), a synthetic amphetamine-type stimulant. Captagon originates in Eastern Europe, primarily Bulgaria and Romania, and is destined for the Gulf Countries, mainly Saudi Arabia via Turkey and Syria. As in 2004, the domestic production of hashish has continued to increase significantly, while production of opium has decreased slightly. Since the withdrawal of Syrian troops from Lebanon, the cooperation between the two countries has diminished.

III. Country Actions Against Drugs in 2005

Policy Initiatives. In 2005, Syrian officials implemented a 2002 draft decree providing financial incentives of up to several million Syrian pounds ($1 = 57 Syrian Pounds) to anyone providing information about drug trafficking and/or cultivation in Syria. In 2002, Syria upgraded the Counternarcotics Unit from a branch to a directorate of the Interior Ministry. The government also opened regional counternarcotics offices in Aleppo province, covering the Turkish border, and in Homs province, to monitor the Lebanese border, and eventually plans to open offices in every province. A new police facility for the Syrian Anti-Narcotics Department is set to begin construction in Damascus. This new facility will also house the country's primary drug lab.

Law Enforcement Efforts. Syrian officials characterized cooperation on drug issues with neighboring Saudi Arabia and Jordan as excellent. Relations with Lebanese and Iraqi officials are strained. Syria has strict sentencing guidelines and offers the death penalty for trafficking-type drug offenses. Syria has legislation that provides for seizure of assets financed by profits from the drug trade. The SARG has used this legislation to seize assets. In 2005, hashish, opium, heroin, and cocaine seizures all increased. Seizures of Captagon tablets have also increased significantly this year:

Corruption. The SARG has an Investigations Administration (Internal Affairs Division) responsible for weeding out corrupt officers in the counternarcotics unit and the national police force. The Investigations Administration is independent of both the counternarcotics unit and the national police and reports directly to the Minister of the Interior. According to Syrian authorities, there were no arrests or prosecutions of officers in the counternarcotics unit for corruption in 2005.

Agreements and Treaties. Syria is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotic Drugs as amended by its 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Syria has signed, but not yet ratified the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

Cultivation/Production. The SARG has an effective counternarcotics system in place that has reduced cultivation and production in Syria to negligible levels. However, as noted, the production of hashish has continued to increase significantly, while production of opium has decreased slightly.

Drug Flow/Transit. Drug interdiction remains the focus of the Syrian counternarcotics effort. Syrian officials estimate that in 2005, the overall flow of illegal narcotics transiting Syria and destined for other countries had increased. Transshipment of narcotics from Turkey continues to represent the major challenge to Syria's counternarcotics efforts, as the porous Turkish/Syrian border continues to pose a problem by providing an easy entry point for drugs being smuggled into Syria. Narcotics coming from Iraq are transported into Syria either directly or via Jordan. The SARG's reported seizure statistics suggest that either the overall flow of narcotics has increased, or that SARG counternarcotics efforts have been more effective. Main shipment routes include the transit of hashish and cocaine through Syria to Europe and other countries in the region, of opium transiting from Pakistan and Afghanistan through Syria to Turkey, and of Captagon pills transiting from Turkey through Syria to Saudi Arabia. There were also reports of an increase in drug transit from Iran to Syria via Iraq, predominantly for onward shipment.

Domestic Programs. Due to the social stigma attached to drug use and stiff penalties under Syria's strict counternarcotics law, the incidence of drug abuse in Syria remains low. The SARG's counternarcotics strategy, which is coordinated by the Ministry of the Interior, uses the media to educate the public on the dangers of drug use, and drug awareness is also part of the national curriculum for school children. The Ministry also conducts awareness campaigns through university student unions and trade unions.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In meetings with Syrian officials, DEA officials continue to stress the need for diligence in preventing narcotics and precursor chemicals from transiting Syrian territory and the necessity of terminating any involvement, active or passive, of individual Syrian officials in the drug trade.

Bilateral Cooperation. DEA officials based in Nicosia maintain an ongoing dialogue with Syrian authorities in the Counternarcotics Directorate. Syrian Ministry of Interior officials characterize cooperation with the Nicosia DEA office as excellent.

The Road Ahead. The U.S. will continue to encourage the SARG to maintain its commitment to combating drug transit and production in the region; to implement regulations and establish a financial intelligence unit to actualize their new anti-money laundering law; and to improve its counternarcotics cooperation with neighboring countries.

Tanzania

I. Summary

Tanzania is located along trafficking routes linking Asia and the Middle East to South Africa, Europe and, to a lesser extent, the United States. Drugs like hashish, Mandrax, cocaine, heroin and opium have found their way into and through Tanzania's porous borders. In addition, the domestic production of cannabis is a significant problem. As a result, drug abuse, particularly involving cannabis, cocaine and heroin, is gradually increasing, especially among younger, more affluent people and in tourist areas. Tanzanian institutions have minimal capacity to combat drug trafficking, and corruption reduces that capacity still further. Tanzania is a party to the 1988 UN Drug Convention, and in conjunction with UNODC, is seeking to address objectives of that convention.

II. Status of Country

Until 1989, Tanzania's contact with drugs was largely limited to the traditional cultivation of cannabis in some parts of the mainland. Since then, economic liberalization has brought increased affluence to the expatriate community and some urban Tanzanians. This affluence has driven demand for new drugs like Mandrax, cocaine, heroin, and opium, which have found their way through Tanzania's porous borders ever higher. The domestic production of cannabis and drug abuse among younger people is increasing. Substances commonly abused are the more affordable cannabis and Mandrax, but hard drugs like heroin and cocaine, including some crack cocaine (chrystalized), are used in small quantities within the affluent classes. The growth of the tourism industry, particularly in Zanzibar, has increased demand for narcotics there, as has drug smuggling along Tanzania's largely un-patrolled coast.

Tanzania is located along trafficking routes with numerous possible points of illegal entry. The drugs originate from Afghanistan, Pakistan, India, Thailand, Burma, and South America en route to Europe, South Africa and, to a lesser extent, the U.S. Drugs enter Tanzania by air, sea, roads and rail. Major points of entry include airports in Dar es Salaam, Zanzibar and Kilimanjaro, and seaports at Dar es Salaam and Zanzibar, as well as smaller ports like Tanga and Mtwara.

Local authorities believe that traffickers conduct a significant amount of narcotics smuggling off-shore in small "dhow" boats that never stop in ports. Anecdotal evidence suggests surveillance at the airports has improved, which may have the effect of driving trafficking to minor ports and unofficial entry points. During the year, there were reports of "mules" (paid narcotics couriers, who frequently ingest the narcotics they carry) carrying hard drugs into and out of Tanzania. An increasing trend is the use of Tanzanian land border patrols to enter neighboring countries, especially Kenya and Malawi, to catch international and regional flights.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The government did not introduce new initiatives in 2005. In 2004, the Ministry of Home Affairs (on behalf of the counternarcotics unit of the police force) submitted suggestions for amending counternarcotics legislation by increasing penalties and revising asset seizure laws. The government has yet to act on these suggestions. In 2003, the House of Representatives in Zanzibar passed their own Prevention of Illicit Traffic and Drugs Act, which puts Zanzibar narcotics law and sentencing in line with that of the mainland.

Law Enforcement Efforts. Law enforcement officials have increased their efforts to combat narcotics trafficking and made sporadic seizures during the year. Police continued cannabis eradication efforts, and uprooted 50 tons of virgin cannabis in Arusha in October 2005. Tanzania's counternarcotics police force consists of 75 officers in three branches located in Dar es Salaam, Zanzibar and Moshi. Additionally, more than 300 regional officers throughout the country have received counternarcotics training. However, because of the still limited training and operational capabilities of its counternarcotics officers, Tanzania's efforts against narcotics are narrowly focused on street pushers and individual "mule-carriers" and are not effective at limiting narcotics trafficking. While increasing the number of smugglers apprehended, Tanzanian law enforcement has not been able to translate small seizures into the prosecution of top leaders of organized rings.

Senior Tanzanian counternarcotics officials acknowledge that their officers are under-trained and under-resourced. For example, the harbor unit lacks modern patrol boats and relies on modified traditional wooden dhows to interdict smugglers. As a result of the lack of training and resources, Tanzanian officers and police staff do not effectively implement profiling techniques and seize large amounts of narcotics. Narcotics interdiction seizures generally result from tip-offs from police informants. Moreover, low salaries for law enforcement personnel provide a good deal of impetus to engage in corrupt behavior. The Dar es Salaam police force called on members of the public to cooperate with the police in addressing the illicit drug trade. Formal cooperation between counternarcotics police in Kenya, Uganda, Rwanda and Tanzania is well established, with bi-annual meetings to discuss regional narcotics issues. This cooperation has resulted in significant increases in effectiveness in each nation's narcotics control efforts. The Criminal Investigative Police reported that just over 5.5 kilograms of drugs were intercepted from January to November 2005

Corruption. Neither the government nor senior officials encourage or facilitate the production or distribution of illicit drugs; however, pervasive corruption continued to be a serious problem in the Tanzanian Police Force. It is widely believed that corrupt officials at airports facilitate the transshipment of narcotics through Tanzania. There is no specific provision of the anticorruption laws regarding narcotics-related cases, and few corruption cases are prosecuted. Many believe that corruption in the courts leads to light sentencing of convicted narcotics offenders. Prosecutors complain that many "swallowers" arrested at ports of entry will plead "not guilty" at first until there has been time to pay off the magistrate. Once confident of the magistrate's help, the suspect changes his plea to guilty, and the magistrate sentences with fines only and no jail time.

Agreements and Treaties. Tanzania is a party to the 1988 UN Drug Convention. Tanzania also has signed the Southern African Development Community (SADC) Protocol on Drug Control, and the Protocol on Combating Drug Trafficking in the East African Region. The 1931 U.S.-U.K. Extradition Treaty is applicable to Tanzania.

Cultivation and Production. Traditional cultivation of cannabis takes place in remote parts of the country, mainly for domestic use. No figures on production exist, but police and government officials report that production continues to increase. Given the availability of raw materials, and the simplicity of the process, it is possible that some hashish is also produced domestically. Police have seized equipment used to manufacture Mandrax from clandestine laboratories in Dar es Salaam, suggesting continued efforts to establish domestic production. Most other illegal drugs in Tanzania are probably produced elsewhere.

Drug Flow/Transit. Due to its location and porous borders, seaports and airports, Tanzania has become a significant transit country for narcotics moving in sub-Saharan Africa. Control at the ports is especially difficult due to the combination of sophisticated methods of forging documents, poor controls, and untrained and corrupt officials. Afghan heroin entering Tanzania from Pakistan is smuggled to the U.S. by Nigerian traffickers in small quantities. Traffickers from landlocked countries

of Southern Africa, including Zambia, use Tanzania for transit. The port of Dar es Salaam is a major entry point for Mandrax from India headed towards South Africa. An increasing number of Tanzanians are being recruited for trafficking. Tanzanian smugglers have been arrested coming into Tanzania through the land borders with Kenya and Malawi, after having arrived at international airports from Brazil, Pakistan or the United Arab Emirates. They are thought to have planned to "unload" the drugs so another mule could smuggle them to Europe or the U.S. This trend suggests a growing local trafficking organization.

Domestic Programs/Demand Reduction. Recent trends indicate an increase in consumer use, particularly of the lower cost drugs. The spill-over from trafficking and increased tourism both have contributed to an increase of domestic demand. The tourist industry has brought ecstasy (MDMA) to Zanzibar, and police reports confirm that crack cocaine is available locally. The Prime Minister's Office manages a very small demand reduction program, and the police have a public sensitization program. Generally, addicts are either arrested or placed in psychiatry wards of public hospitals.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. policy initiatives and programs for addressing narcotics problems in Tanzania focus on training workshops and seminars for law enforcement officials. State Department law enforcement assistance includes funding the establishment of a forensics lab and training in its use. At the GOT's request these facilities will include narcotics analysis capabilities. The State Department's counterterrorism bureau is funding the "PISCES" (Personal Identification Secure Comparison System) program to improve interdiction capabilities at major border crossings. While the program targets terrorist activities, it has implications for narcotics and other smuggling as well.

The Road Ahead. U.S.-Tanzanian cooperation is expected to continue, with a focus on improving Tanzania's capacity to enforce its counternarcotics laws.

Togo

I. Summary

Togo is not a significant producer of drugs and its role in the transport of drugs is primarily regional. During 2005, however, the drug trade, particularly of hard drugs, increased substantially. The Togolese drug trade is dominated by Nigerian traffickers. Lome remains a spoke in the Nigerian hub of narcotics trafficking and money laundering. Togo's ability to address the transnational flow of drugs is undercut by its stalled democratic transition and its long, porous borders. Togo is a party to the 1988 UN Drug Convention.

II. Status of Country

Drug abuse by Togolese citizens and crimes resulting from drug abuse are not numerous. There are three agencies responsible for drug law enforcement: the police, the gendarmerie, and customs. The only locally produced drug is cannabis and approximately one to two metric tons are seized each year. Heroin and cocaine, while not produced in Togo, are available, coming through the Port of Lome—the heroin smuggled from Afghanistan and the cocaine transported from South America. In 2005 Togolese authorities seized 7 kilograms of heroin valued at $3 million, 17 kilograms of cocaine (value unknown), and six grams of "crack cocaine" (value unknown). Lome serves as a transit point for drugs on their way to Nigeria, Burkina Faso, northern Ghana, and Niger. Togolese are not significant consumers. The great majority of smugglers are long-term Lebanese residents or Nigerians. Togolese buy small amounts for sale to expatriates living in Lome. From January to December 2005, 55 men and 5 women—of whom 37 were Togolese—were arrested for drug distribution. Togo's long and relatively porous borders permit narcotics traffickers easy access/egress. This relatively easy movement through Togo has made Togo a transit point for narcotics such as cocaine and heroin. Many narcotics trafficking arrests in Togo have involved Nigerian nationals traveling from Asia to other West African destinations. The prevalence of widespread official corruption facilitates the drug traffic

III. Country Actions Against Drugs in 2005

Policy Initiatives. In March 2004 a new Central Office Against Drugs and Money Laundering was created. This Central Office is responsible for investigating and arresting all persons involved in drug-related crimes. This office has approximately twenty gendarmes and ten police personnel to conduct investigations and enforcement operations. Security agencies report all drug-related matters to the Director of the Central Office. The Director of the Central Office, in turn, is directly responsible to the Minister of Interior. The National Anti-Drug Committee has been incorporated into the new Central Office. An Idea Bank has been created among Togo, Benin and Ghana to facilitate counternarcotics operations in the sub-region. While Ghana and Togo regularly contribute to the bank, Benin has yet to play an active role.

Law Enforcement Efforts. The number of arrests decreased somewhat in 2005. Only occasional spot checks are made of passengers at the airport. The new cargo screening ability at the Port of Lome will, however, aid the interdiction of drugs arriving by sea. Arrests have been most numerous at the land border crossings and in Lome. Arrests are sometimes made after a tip, but are more often made in the course of other routine law enforcement activities, such as traffic security or customs checks. The greatest obstacles that the Government of Togo (GOT) faces in apprehending drug distributors are the government's lack of computer technology, lack of communication and coordination, and mutual

distrust among the three agencies responsible for drug law enforcement. While all agencies are required to report narcotics related crimes to the Central Office Against Drugs and Money Laundering, in practice there is no effective reporting, record keeping or cross-agency communication process.

Corruption. The Anti-Corruption Commission (ACC) made no drug-related arrests of government officials and, to USG knowledge, no government officials are involved in the drug trade. Reports abound that unnamed officials in various GOT agencies can be bribed to allow illicit narcotics to transit to or through Togo. At least some of these reports are sourced to prominent expatriated former officials, who were well positioned to know, when they still were in Togo. Given the growing transit of drugs through Togo, if some of these reports were true, they would help explain the growing traffic.

Agreements and Treaties. Togo is a party to the 1988 UN Drug Convention, the 1971 UN Convention Against Psychotropic Substances, and to the 1961 UN Single Convention, as amended by its 1972 Protocol. Togo cooperates with other members of ECOWAS (Economic Community of West African States) regarding law enforcement issues. Togo is a party to the UN Convention Against Corruption. Togo also is a party to the UN Convention Against Transnational Organized Crime,

Cultivation/Production. The only drug cultivated in quantity is cannabis, which can be grown in all five of Togo's regions. Cultivation is primarily for local demand although some cross border distribution by small-scale dealers is suspected.

Drug Flow/Transit. There are sizable expatriate Nigerian and Lebanese populations involved in the drug trade, and they arrange for drug transshipments from many places in the world, through Africa, and onward to final markets. Many observers of drug trafficking in West Africa believe that hard drugs like cocaine and heroin are "warehoused" in the region, before being dispatched to final consumption markets.

Domestic Programs (Demand Reduction). The CNAD opened a youth counseling center that shows films and sponsors counternarcotics discussion groups. The programs have been well attended by NGO's, religious groups, and school groups composed of parents, teachers, and students. Programs designed for high school students focused heavily on prevention/non-use. The CNAD also sponsored programs for security forces that stressed the link between drug use and HIV/AIDS.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The primary goal of the U.S. is to help the GOT combat the international trafficking of drugs. The U.S. seeks to help the GOT in improving its ability to interdict illicit narcotics entering Togo and to prosecute those traffickers who are caught. Togo's emerging willingness to confront the issue of illicit drugs is hampered by the country's ongoing democratic transition and the weak state of GOT finances.

The Road Ahead. U.S. cooperation with Togolese counternarcotics officials will continue. USG funded narcotics assistance will be used for Togolese counternarcotics infrastructure improvements. With the assistance of the regional Drug Enforcement Agency representative based in Lagos, the Embassy will continue to look for ways to provide counternarcotics trafficking training to Togolese law enforcement personnel.

Uganda

I. Summary

Uganda is not a major hub for narcotics trafficking. Nevertheless, Ugandan authorities have detected and confiscated heroin and cannabis transiting the Entebbe Airport and also along the border with Kenya. The only drug known to be produced in Uganda is cannabis which is primarily grown in the Districts of Busia, Bugiri, Kabarole, and Rakai. Uganda is a party to the 1988 UN Drug Convention

II. Status of Country

Drug production and trading within Uganda is not significant. Uganda offers more potential as a transit route (Entebbe Airport and porous borders).

III. Country Actions Against Drugs in 2005

Policy Initiatives. The Government of Uganda (GOU) is a party to a multilateral agreement with Government of Tanzania (GOT) and the Government of Kenya (GOK). Known as the "the Protocol on Combating Narcotic Drugs in East Africa," it allows these three countries to share law enforcement intelligence amongst themselves so as to better interdict and arrest drug traffickers. Recently acquired information indicates that the GOU no longer has a Memorandum of Understanding (MOU) with the Government of Nigeria (GON) to share law-enforcement intelligence.

Law Enforcement Efforts. The GOU is making an effort to fight illicit drugs, but there are few resources to support the campaign. The GOU has approximately 120 law enforcement personnel devoted to counternarcotics activities throughout the country, 10 of whom are assigned to Entebbe airport. Limited manpower and resources have forced the GOU to concentrate its focus on Entebbe Airport as a transit point. Although the focus is at Entebbe, the GOU also sends forces to participate in cannabis eradication campaigns in certain areas.

The GOU's Drug Squad claimed the following results in 2005 (through November): Heroin Cases: 5; Heroin Arrests: 6; Heroin Seized: 1.88 kilograms; Heroin Convictions: 2; Heroin Cases Pending: 1. There were no cocaine cases or seizures. Cannabis Cases: 432; Cannabis Arrests: 430; Cannabis Seized: 11,825 kilograms plus 392,674 Plants; Cannabis Convictions: 73; Cannabis Cases Pending: 53.

Corruption. Corruption is a huge problem that affects most aspects of the Ugandan government. Although there is no evidence that there is narcotics-related corruption, , it is reasonable to believe that corruption plays the same role there that it does in the other arenas of GOU politics. The GOU, however, 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.

Agreements and Treaties. The GOU 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 its 1972 Protocol. The GOU is a party to the UN Convention Against Transnational Organized Crime and its protocol against illegal manufacturing and trafficking in firearms. The GOU also is a party to the UN Convention Against Corruption

Cultivation/Production. Marijuana is grown for domestic consumption, but there are no accurate estimates of how much.

Drug Flow/Transit. The GOU is primarily concerned with heroin transit through Entebbe Airport, raw cannabis transport into Kenya and processed cannabis transit from Kenya. The United States is not the destination for these transshipments. Uganda Police Anti-Narcotics Unit statistics show a decrease in heroin seizures since 2001, which could suggest either police have become more successful or narcotics traffickers have become better at concealment. While detection of illicit goods is a possibility at Entebbe Airport, it is exceedingly difficult to detect along Uganda's porous borders.

Domestic Programs (Demand Reduction). Demand reduction is not addressed in a national or uniform manner. Although heroin addiction and cannabis use is of concern to the GOU and local law enforcement, concern for the impact of other social ills leaves the concept of demand reduction unfunded and neglected by the GOU.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. has assisted Uganda's counternarcotics efforts with basic skills training at the Police Academy. The U.S. also is assisting Uganda to develop a forensics capability by establishing a crime/forensics laboratory, and supports a community policing project.

The Road Ahead. The U.S. Government continues to engage with the GOU on a variety of law-enforcement issues with the objective of improving Uganda's capacity to enforce its laws and investigate crime.

United Arab Emirates

I. Summary

Although not a narcotics-producing country, the United Arab Emirates (UAE) is believed to be a transshipment point for traffickers moving illegal drugs from the major drug producing countries, including Afghanistan and Pakistan. Frequent reports of seizures of illegal drugs in the UAE over the past few years underscore this conclusion. Most seizures have been of hashish. There are several other factors that render the UAE a way station, including its proximity to major drug cultivation regions in Southwest Asia and a long (700 kilometer) coastline. High volumes of shipping render UAE ports vulnerable to exploitation by narcotics traffickers. In February 2005, the UAE signed an MOU with Iran on cooperation against the trafficking of narcotics and psychotropic drugs and their precursor chemicals. In September 2005, the U.S. DEA also established a country office in the UAE to enhance cooperation with UAE law enforcement authorities. The UAE is a party to the 1988 UN Drug Convention.

II. Status of Country

A major regional financial center and hub for commercial shipping and trade, the UAE is a transshipment point for illegal narcotics from the drug-cultivating regions of southwest Asia, to Europe, to Africa, and less significantly, to the United States. Western Europe is the principal market for these drugs, and Africa is becoming an increasingly prominent secondary market. Factors that contribute to the role of the UAE as a transshipment point are the emergence of Dubai and Sharjah as regional centers in the transportation of passengers and cargo, a porous land border with Oman, and the fact that a number of ports in the UAE are de facto "free ports"—where transshipped cargo is not usually subjected to the same inspection as other goods that enter the country.

III. Country Actions Against Drugs in 2005

Policy Initiatives. The UAE continued to advance its national drug strategy based on intensifying security at the country's air and sea ports and patrols along the coastline, reducing demand for illegal drugs through educational campaigns, enforcing harsh penalties for trafficking, and rehabilitating drug addicts. The UAE's Federal Supreme Court ruled in 2003 that authorities needed proof that drug use occurred in the UAE before they could prosecute users. A positive blood test is considered evidence of consumption, but not evidence of where the consumption took place. In September of 2005, the UN established a sub-office on Drugs and Crimes in the UAE. The UAE government funded the estimated $3 million cost of the office and contributed an additional $50,000 to the UN counternarcotics program. The sub-office is responsible for coordinating national counternarcotics strategies and integrating them into the UN's comprehensive global program.

Law Enforcement Efforts. In 2004, UAE counternarcotics forces reported 901 drug cases and arresting a total of 1,419 people. This was an increase from 2003, when officials arrested 1,267 people in 786 cases. The largest number of arrestees were Emirati nationals (405) followed by Iranians (264) and Pakistanis (164). About 62 percent of the arrests were for possession or consumption of narcotics. In 2004, UAE officials seized 50 kilograms of opium, 91 kilograms of heroin, and 1,777 kilograms of hashish. In the first five months of 2005, the Emirate of Abu Dhabi announced that it had arrested 97 people on drug-related charges in 68 cases. Punishment for drug offences in the UAE is severe. A 1995 law stipulates capital punishment as the penalty for drug trafficking. No executions for drug

trafficking, however, have ever taken place, and sentences usually are commuted to life imprisonment. UAE authorities continue to take seriously their responsibility to interdict drug smuggling and distribution. In May 2005, Dubai police announced that they had seized 200 kilograms of hashish from two "Asians" who were attempting to sell it. This has been the largest seizure of hashish in Dubai to date. UAE authorities continue to cooperate with other counties to stop trafficking. This cooperation has resulted in several arrests. In one case, Dubai police, cooperating with Jordanian authorities, blocked an attempt to smuggle 2.7 million doses of "Captagon," which was being smuggled in 2 buses traveling from Eastern Europe to Dubai.

Corruption. The government of the UAE as a matter of policy does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from drug transactions. Senior officials are not known to engage in or facilitate illicit production of these drugs or the laundering of proceeds from drug transactions either. There is no evidence that corruption—including narcotics related corruption—of public officials is a systemic problem.

Agreements and Treaties. The UAE is party to the 1988 UN Drug Convention, the 1961 UN Single Conventions as amended by the 1972 Protocol and the 1988 UN Convention on Psychotropic Substances. The UAE has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

Cultivation/Production. There is no evidence of any major drug cultivation and/or production in the UAE. Published records show that there were two cases of "planting" drugs in the Emirate of Ras Al-Khaima in 2004, with a total of three people arrested.

Drug Flow/Transit. High volumes of shipping render the UAE vulnerable to exploitation by narcotics traffickers. The UAE—Dubai, in particular—is a major regional transportation and shipping hub. Narcotics smuggling from South and Southwest Asia continues to Europe and Africa and to a significantly lesser degree to the United States via the UAE. Hashish, heroin, and opium shipments originate in Afghanistan, Pakistan, and Iran and are smuggled in cargo containers, via small vessels and powerboats, and/or sent overland via Oman. According to published figures, Iranians and Pakistanis made up the largest number of nonUAE nationals arrested in drug cases in 2004 at 18.6 percent and 11.6 percent respectively. Recognizing the need for increased monitoring at its commercial ports, airports, and borders, the UAE is making an effort to tighten inspections of cargo containers as well as passengers transiting the UAE. In December 2004, the Emirate of Dubai signed the Container Security Initiative (CSI) with the U.S. CSI inspectors arrived in Dubai in 2005 and are now inspecting containers destined for the U.S. Customs officials randomly search containers and follow-up leads on suspicious cargo.

Domestic Programs (Demand Reduction). A 2003 report noted that the majority of UAE drug users take their first doses abroad, primarily because of peer pressure. Statistics reveal that 75 percent of drug users in the UAE prefer hashish, 13 percent use heroin, while six percent use morphine. The report illustrates a clear relationship between drug abuse and level of education—75 percent of arrested drug users in 2002 were high school graduates, but only two percent were university graduates. While the data is a few years old, trends reported are still reflective of current societal patterns. The focus of the UAE's domestic program is to reduce demand through public awareness campaigns directed at young people. The UAE has also established rehabilitation centers. In June 2005, the UAE issued a postage stamp to highlight the hazards of drugs as part of its awareness campaign. It also held a high-profile "Drug Awareness Week" with exhibits prominently set up in all of the local shopping malls. UAE officials believe that adherence to Muslim religious morals and severe prison sentences imposed on individuals convicted of drug offenses effectively deter narcotics abuse. An affluent country, the UAE has established an extensive treatment and rehabilitation program

for its citizens. There is a rehab center in Abu Dhabi, two in Dubai, and one each in Ajman and Sharjah for those identified as addicts. In accordance with federal law, UAE nationals who are addicted can present themselves to the police or a rehabilitation center and be exempted from criminal prosecution. Those nationals who do not turn themselves in to local authorities are referred to the legal system for prosecution. Third-country nationals or "guest workers" who make up approximately 80 percent of the population generally receive prison sentences upon conviction of narcotics offenses and are deported upon completing their sentences. Most UAE nationals arrested on drug charges are placed in one of the UAE's drug treatment programs. They undergo a two-year drug rehabilitation program, which includes family counseling/therapy.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The DEA Administrator visited the UAE in July 2005 to enhance counternarcotics cooperation with the UAE. During her visit, she proposed, and the UAE accepted, establishing a DEA presence in the UAE to work closely with UAE authorities. The first DEA office was established in September 2005 in Dubai. A second office will be established in Abu Dhabi in 2006.

The Road Ahead. The USG will continue to encourage the UAE to focus enforcement efforts on dismantling major trafficking organizations and prosecuting their leaders and to enact export control and border security legislation.