EUROPE AND CENTRAL ASIA

Albania

I. Summary

Organized crime groups and drug traffickers use Albania as a transit country for heroin from Central Asia destined for Western Europe. Seizures of heroin by Albanian authorities increased significantly during 2006, due primarily to increased police targeting of the heroin trade. Cannabis also continues to be 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 government of Prime Minister Sali Berisha, which came to power in September 2005 on a platform to fight corruption, organized crime, and trafficking of persons, has made progress on these fronts. Despite this progress, however, Albania has a long road to travel. 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 2006

Policy Initiatives. The government took several steps against corruption: it passed the Law on the Prevention of Conflicts of Interest and issued a schedule for the law's implementation. Civil society monitoring has also increased expectations that corruption will decrease throughout society. The Berisha government decided to outlaw the circulation of speedboats and several other varieties of water vessels on all of Albania's territorial waters for a period of three years. The moratorium on the motorboats is aimed at stopping the trafficking of humans and drugs. 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). Albania signed the Stabilization and Association Agreement with the European Union in June 2006, which was ratified by the EU on 6 September 2006. The EU noted in their ratification that Albania "...is still facing serious challenges in tackling corruption and organized crime, achieving full implementation of adopted legislation, improving public administration and fighting trafficking in human beings and drugs."

Law Enforcement Efforts and Accomplishments. Albanian police continued to make progress in their counternarcotics operations through the increased use of technology and improved police techniques. Albanian authorities also targeted organized crime leaders that were involved in drug trafficking. Albanian authorities organized major police operations and drug seizure operations throughout the country, but primarily in Fier, Tirana, and the ports of Vlora and Durres. International cooperation also increased, including joint operations with Italian, Macedonian, Greek and Turkish authorities. Albanian authorities report that through 15 October 2006, police arrested 329 persons for drug trafficking, and an additional 24 are wanted. The police seized 104 kg of heroin, 5,517 kg marijuana, and 1.6 kg of cocaine. The police also destroyed 74,000 cannabis plants and 580 poppy plants, and confiscated one liter of hashish oil. The over two-fold increase in the amount of heroin seized compared to last year was attributed to the use of specific police

techniques to target the heroin trade due to its high profitability and organized crime connections. The decrease in the amount of destroyed plants from last year was attributed to the fact that eradication programs co-sponsored by the police and local governments in recent years had substantially reduced cultivation. In addition to drugs seized and destroyed, Albanian authorities seized five boats, 66 cars, four trucks, and a wide variety of weapons. Police also confiscated almost 250,000 Lek, 25,000 Euro and $30,000 during counter narcotic operations.

Corruption. Corruption remains a deeply entrenched problem in Albania. 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 GoA does not, as a matter of policy, encourage or facilitate the illicit production or distribution of drugs or illegal substances, or the laundering of proceeds from illegal drug transactions. As part of the Berisha government's anticorruption pledge, in May 2006 Albania ratified the UN Convention Against Corruption. The Office of Internal Control brought about the arrests of several corrupt officers, and the police and judiciary are becoming more active in investigating government officials and law enforcement personnel for corruption. Investigations and arrests, however, sometimes depend on political affiliation. The office of the Prosecutor General reported that the number of criminal proceedings increased by 13% for the first six months of 2006 compared to the same time frame in 2005; a majority of the 13 percent increase in all cases dealt with corruption, illegal government activity and trafficking. Charges were brought up against 111 members of criminal organizations inside and outside Albania. Additionally, some 280 people were investigated for trafficking. The increased number of cases suggests that enforcement is overcoming a tendency to "look the other way" to curry favor with criminals. Although these numbers are a significant improvement over 2005, the government continues to lack the judicial independence for truly unbiased proceedings and many cases are never resolved. As an example, according to one report, of the 412 proceedings dealing with corruption and illegal activities of government and high-ranking officials, only one case was completed during this period.

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. 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. Although eradication programs co-sponsored by the police and local governments have been credited with substantially reducing cultivation of cannabis, cultivation persists despite these efforts. No labs for the production of synthetic drugs were discovered in 2006. 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 unreformed 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, but growing, amount of cocaine is smuggled from South America to Albania, via the United States, Italy, Spain, or the Netherlands, for internal and external

distribution. Albania is still a transit country for heroin, but drug traffickers are experimenting with other routes.

Domestic Programs (Demand Reduction). The Ministry of Health believes that drug use is on the rise, though no reliable data exists on this subject. Some indications point to an addict population as large as 30,000 users, though the reliability of the data is uncertain. 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 has treated more than 9,000 patients since 1995. Around 69 percent of those treated were intravenous drug users.

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. One of the problems seen in training, however, is that deep politization of all levels of government has resulted in the absence of a strong civil service class and thus many trainees are subject to removal during times of political transition. This was seen again as the Berisha Government took power, and many of those training in law enforcement and counter narcotics were removed from their positions.

The DEA and the FBI conduct drug training and covert investigations training. The U.S. Department of Justice ICITAP and OPDAT programs continued their support to the Office of Internal Control at the Ministry of the Interior, the Serious Crimes Court and Serious Crimes Prosecution Office, all with the goal of professionalizing the administration of justice, combating corruption, and strengthening the GoA's ability to prosecute cases involving organized crime and illicit trafficking. OPDAT conducted six regional training programs to provide instruction to all prosecutors on new criminal laws and procedures enacted in 2004 and plans to extend similar training to judges in the upcoming years. OPDAT and the Department of the Treasury are working with the Albanian Ministries of Finance, Justice, and Interior to form an Economic Crime and Corruption Joint Investigative Unit to improve the investigation and prosecution of economic crime and corruption. To help combat the financial criminality attendant to drug trafficking, ICITAP, OPDAT and Treasury, along with several other law enforcement entities, presented a five-day seminar on Financial Crime, Terror Financing and Money Laundering to members of the Ministry of Finance and the National Intelligence Service. The Witness Protection Sector (witness protection division within the Office of Organized Crime) continues to work with the U.S. and other members of the international community to strengthen the existing witness protection legislation. The Witness Protection Sector has helped to secure a number of witnesses, and witness families, in trafficking and drug related homicide cases. Two high-ranking members of the Albanian Witness Protection Program traveled to Washington DC in July to attend the 1st International Symposium on Witness Protection. USG continues to provide assistance for integrated border management, a key part of improving the security of Albania's borders, providing specialized equipment, and the installation of the Total Information Management System (TIMS) 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 authorities have provided the Italian police with intelligence that has led to the arrest of drug dealers and organized crime members, as well as the confiscation of heroin in

Italy. Cooperation also continues with Italian law enforcement officials to carry out narcotics raids inside Albania.

The Road Ahead. The Berisha government has made a commitment to make the fight against organized crime and trafficking one of its highest priorities. Additionally, the police are taking an increasingly active role in counter narcotics operations. Albania's desire to enter into both the European Union and NATO continues to push the GoA to implement and enforce reforms, but the fractional nature of Albanian politics and the slow but continuing development of Albanian civil society has hampered progress. The U.S., together with the EU and other international partners, 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 domestic abuse of drugs is relatively small. While there has been a significant percentage increase in the number of drug related cases and interdictions since last year, the original base of cases was so small that the overall number of such incidents remains small. The Government of Armenia (GOAM) recognizes Armenia's potential as a transit route for international drug trafficking. In an attempt to improve its interdiction ability, the GOAM, together with Georgia and Azerbaijan, is engaged in an ongoing European Union-funded and UN-implemented Southern Caucasus Anti-Drug (SCAD) Program, launched in 2001. This program provides legislative assistance to promote use of European standards for drug prosecutions, collection of drug-related statistics, and rehabilitation services to addicts as well as drug-awareness education. Armenia is a party to the 1988 UN Drug Convention.

II. Status of Country

Sitting at the crossroads between Europe and Asia, Armenia has the potential to become a transit point for international drug trafficking. Its role in drug trafficking could be exacerbated by lenient criminal penalties, at least compared to other countries in the region. At present, limited transport traffic between Armenia and its neighboring states makes the country a secondary traffic route for drugs. (Armenia currently has closed borders with Turkey and Azerbaijan.) Armenian Police Service's Department to Combat Illegal Drug Trafficking has accumulated a significant database on drug trafficking sources, including routes and the people engaged in trafficking. Scarce financial and human resources, however, limit the Police Service's effectiveness. Drug abuse does not constitute a serious problem in Armenia, and the local market for narcotics, according to the police, is not large. The most widely abused drugs are opium and cannabis. Heroin and cocaine first appeared in the Armenian drug market in 1996. Since then, there has been a small upward trend in heroin sales, demonstrated by an increase in heroin seizures from 0.53 grams in the first six months of 2005 to 738.77 grams in the first six months of 2006, while cocaine seizures have remained flat. Despite some increase, the seizure amounts remain small and the overall market demand for heroin and cocaine remains fairly small. The Armenian Chief of Police heads an Interdepartmental Committee on Combating Drug Use and Drug Trafficking.

III. Country Actions Against Drugs in 2006

Policy Initiatives. There have been no new policy initiatives since the passage on May 10, 2003, of the Law of the Republic of Armenia on Narcotic Drugs and Psychotropic Substances and a 2004 amendment to the criminal code, which criminalized the illicit trafficking of drug manufacturing precursors (e.g. substances involved in the creation of heroin) and drug manufacturing equipment. According to police sources, Armenian law enforcement agencies have requested legislative changes to expand probable cause in search and seizures and lengthen criminal penalties for engaging in the drug trade.

Accomplishments. Preventive measures to identify and eradicate both wild and illicitly cultivated cannabis and poppy continued in 2006. Eradication efforts took place in October and November of 2006 in order to coincide with the hemp and poppy growing season. Armenian Police participate in "Channel," a joint operation that in 2006 involved Russia, Ukraine, Kazakhstan, Belarus, Kyrgyzstan, Tajikistan, Uzbekistan, Finland, China, Azerbaijan, Georgia, and Armenia. During this exercise, the Armenian authorities give special scrutiny to all vehicles crossing the border and all containers arriving at the airport for a one-month period. All Armenian law enforcement agencies

(Police, National Security Service, Customs, Border Guards, Internal Forces, Ministry of Defense, and Prosecutor's Office) participate in this activity. The GOAM hopes to carry out "Channel" operations two times in 2006.

Law Enforcement Efforts. In the first six months of 2006, the Armenian Police identified 477 violations of the criminal code dealing with illegal drug abuse and/or drug trafficking, compared to 208 such cases during a similar period in 2005, an increase of 129 percent. The GOAM claims that 254 individuals were involved in the 477 abuse and/or trafficking of illegal drugs violations, compared to only 147 individuals involved in the 208 cases in 2005, an increase of 72 percent. During the first six months of 2006, 7.31 kg of illegal drugs were seized, compared to 1.62 kg for the first six months of 2005, an increase of 351 percent. (Opium comprised about 45 percent of these seizures, cannabis accounted for 33 percent, and heroin 10 percent.) Police sources attribute these percentage increases to improved interdiction efforts, backed by recent legislative changes. (For example, in 2004 the National Assembly amended the criminal code to make trafficking in small amounts of illicit narcotics a crime. Previously, only larger seizures could result in prosecution.) But the possibility that the local demand for illicit drugs is growing cannot be completely discounted. Armenia has experienced double-digit economic growth for several years. Increased discretionary income among the population, particularly in Yerevan, could be raising the demand for illicit drugs. However, the overall numbers indicate the local market is still relatively small. The Armenian Interagency Unit of Drug Profiling (IUDP), which collects information on passengers at Zvartnots International Airport, has been operational since February 2005. Funded solely by SCAD, the IUDP also shares data with law enforcement agencies and attempts to identify drug traffickers.

Corruption. Corruption remains a problem in Armenia. Although the GOAM has taken steps to develop an anticorruption program, the political will and the available resources have not been adequate. Since April 2004, there has been an Anti-Corruption unit, overseen by the Prosecutor General and consisting of eight prosecutors, in the Office of the Armenian Prosecutor General. The government does not encourage or facilitate the illicit production or distribution of narcotic drugs and psychotropic substances. Nor does it encourage or facilitate the laundering of proceeds from the sale of illegal drugs. No government officials have been reported to have engaged in these activities. Armenia has signed, but has not yet 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. Armenia is also a party to the UN Convention against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in women and children.

Cultivation and Production. Hemp and opium poppy grow wild in Armenia. Hemp grows mostly in the Ararat Valley, the south-western part of Armenia; poppy grows in the northern part of Armenia, particularly in the Lake Sevan basin and some mountainous areas.

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). Armenia's borders with Turkey and Azerbaijan remain closed due to the Nagorno-Karabakh conflict, but small amounts of opiates and heroin are smuggled to Armenia from Turkey via Georgia. When all of Armenia's borders open once again, the police predict drug transit will increase significantly.

Demand Reduction. The majority of Armenian addicts are believed to be using hashish, followed by heroin. Armenia has adopted a policy of focusing on prevention of drug abuse through awareness campaigns and treatment of drug abusers. These awareness campaigns are being implemented and manuals are being published under the framework of the South Caucasus Anti-Drug (SCAD) Program. The Drug Detoxification Center, funded by the Armenian Ministry of Health and SCAD, provides drug treatment and counseling.

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 the development of an independent forensic laboratory, the improvement of the law enforcement training infrastructure and the establishment of a computer network that will enable Armenian law enforcement offices to access common databases. In 2006, the Department of State, though its Export Control and Related Border Security Assistance (EXBS) program, continued to assist the Armenian government. EXBS training and assistance efforts, while aimed at the nonproliferation of weapons of mass destruction and their delivery systems, directly enhance Armenia's ability to control its borders and to interdict all contraband, including narcotics.

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 drug trafficking issues.

Austria

I. Summary

Austria is a transit country for drug trafficking into Western Europe due to its position along the Balkan and other major trans-European routes. Foreign criminal groups from Turkey, the Western Balkans, Eastern Europe, West Africa (Nigeria), and Latin America dominate organized narcotics trafficking in Austria. Trafficking by Austrian citizens remains insignificant. Austria is not a drug-producing country. However Austrian authorities reported a slight increase in indoor cannabis cultivation for personal use; the amounts are low by international comparison.

Drug use in Austria increased slightly, but remains below the European Union average. Austrian health experts and government authorities do not consider it to be a severe problem. Studies indicate that the average age of Austrian drug users is decreasing. According to health and law enforcement officials, abuse of drug substitution medication (e.g. morphine, methadone, and buprenorphine) is increasing. Authorities estimate that there are between 15,000 to 20,000 drug users, or fewer than two addicts per 1,000 inhabitants. The lifetime prevalence of drug abuse by Austrian citizens, primarily of cannabis, also remained stable in 2006 at 20 to 25 percent.

International cooperation, particularly with U.S. law enforcement authorities, continued to be excellent during 2006 and resulted in several significant domestic and multinational seizures. From January through July 2006, Austria held the Presidency of the European Union and made the fight against organized crime a central theme. The Austrian Presidency hosted President Bush, U.S. Attorney General Alberto Gonzales, and other senior U.S. law enforcement officials for talks on fighting international organized crime and corruption. In May 2006, Austria convened a workshop of international experts to discuss policing along the Balkan drug route. In July, Austria, as President of the European Union, hosted biannual U.S.-EU discussions on drugs. Austria also continued efforts to intensify international police cooperation within the "Salzburg Forum," a meeting of regional interior ministers, and within the European Union's Central Asian Border Security Initiative (CABS). Austria is a party to the 1988 UN Drug Convention.

II. Status of Country

The drug situation in Austria did not change significantly during 2006. As of October 2006, the number of drug-related deaths—which typically fluctuates between 100 and 150 deaths per year—totaled 191.

The number of drug deaths from mixed intoxication continues to rise. The most recent statistics show a 2.68 percent increase in the number of charges Austrian law enforcement authorities have filed for violation of the Austrian Narcotics Act, with a total of 25,892 offenses. This figure includes 25,041 criminal offenses involving narcotic drugs and 848 for psychotropic drugs, and three other offenses. The number of individuals charged under the Austrian Narcotics Act also rose 1.38 percent to 21,335 persons. The Austrian Ministry of Interior investigated 164 cases involving precursor chemicals in 2005, an increase of 36 cases compared to the same period in 2004.

Experts estimate that the number of conventional illicit drug users remained stable in 2006 at 15,000 to 20,000, or roughly 0.25 percent of the population. The number of users of MDMA (Ecstasy) remained largely stable in 2006. Usage of amphetamines rose during the same period as these substances became increasingly available in non-urban areas. According to a recent study, commissioned by the Health Ministry, approximately one fifth of respondents admitted to consumption of an illegal substance. The respondents most often cited use of 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 had experience with synthetic drugs. Austria, as a member of the European Monitoring Center for Drugs and Drug Addition, undertook a study in 2006, which confirmed that problem drug use is increasing among 15 to 24 year-olds.

III. Country Actions Against Drugs in 2006

Domestic Policy Initiatives. Austria continues its "no tolerance" policy against drug traffickers, who face a minimum sentence of ten years to a maximum sentence of life in prison when convicted. It also continues its policy of "therapy before punishment" for non-dealing drug offenders. In mid-2006, Austria began drafting a series of amendments to introduce a more rigid system of fines for drug-related offenses in line with an EU framework decision to harmonize counter narcotics policies across the European Union. Following an EU Council decision on synthetic drugs in 2006, Austria also passed legislation to bring its laws into conformity with UN agreements on psychotropic substances.

A 2005 amendment expanded police powers to mount surveillance cameras in high-crime public areas. The amended law provides for the establishment of a "protection zone" around schools, pre-schools, and retirement communities, and entitles police to ban persons suspected of drug dealing within a protection zone from that area for up to 30 days. Austrian authorities say the new law has been effective in these areas. Critics argue that the law only shifted the drug scene to non-surveilled areas. In 2005, following intense public debate, the government improved quality controls and took a more restrictive approach in substitution treatment with retarding morphine therapy. A November 2006 decree by the Austrian Health Ministry is designed to further tighten controls on dispensing substitution medications and to improve training for general practitioners and pharmacists, who prescribe and dispense this treatment.

Regional and International Cooperation. During the first half of 2006, Austria held the Presidency of the European Union and hosted several high-profile events. In May, Austria hosted over 60 heads of state for the EU-Latin America Summit and led discussions on finding joint strategies to fight drug trafficking. Fighting organized crime in the Balkans and increasing regional police cooperation were also major themes of the EU Presidency. In May, over 50 nations and international organizations, including the U.S., met in Vienna to sign the "Vienna Declaration on Security Partnership," which included a convention on police cooperation. In June, Austria convened a three-day workshop of experts from Europe, the Western Balkans, Russia, the United Nations Office of Drugs and Crime (UNODC), and the U.S., including DEA's Regional Director for Europe and Africa. The participants discussed strategies for fighting drug trafficking from Afghanistan and for policing along the Balkan route. In October 2006, Austria hosted a long-running meeting of drug trafficking experts from the EU, Central and Eastern Europe, and the U.S. to discuss measures to increase law enforcement cooperation.

Law Enforcement Efforts. Comprehensive seizure statistics for 2006 are not yet available. Statistics for 2005 show a marked increase in the quantity of cocaine and heroin seized and a slight decrease in confiscations of Ecstasy pills and LSD dose units, or "hits." Police made nearly the same number of confiscations of amphetamines and methamphetamines in 2005, but the cumulative quantities of both drugs seized was less than the previous year. According to government figures, Austrian authorities seized 820 kg of cannabis products (-26.39 percent decrease over 2004), 282 kg of heroin (+20.79 percent), 13 kg of raw opium, 245 kg of cocaine (+224.50 percent), 114,103 Ecstasy tablets (-6.98 percent), and 2,108 LDS dose units (-5.36 percent). Police seized 9 kg of amphetamines (-65.3 percent) and 0.7 kg of methamphetamines (-62.9 percent) and 27,104 pieces (+28.3 percent) of pharmaceutical, psychotropic substances.

As part of an international investigation in January 2005, police in Austria made a record seizure of 143 kg of cocaine, which originated in Peru and traveled via the U.S., France, and Germany before

transiting Austria. The seizure resulted in five arrests and disrupted a European drug trafficking ring. The authorities recorded two other large seizures of cocaine, one of 30 kg and another of 24 kg. Austrian police made three major heroin busts at customs checkpoints and weigh stations in the country in 2005: 70 kg in February, 97 kg in July, and 68 kg in August. Austrian authorities seized 30,571 Ecstasy pills in January, 15,000 in March, and 10,050 in December, which the police determined all originated from the Netherlands. In 2005, the Austrian Ministry of Interior investigated 164 criminal cases involving precursor chemicals, an increase of 36 cases over 2004, and seized 100 grams of Category I precursors.

In 2006, average retail or "street prices" of illicit drugs remained basically unchanged from 2005, and were as follows: cannabis resin/hashish for approximately $9.50 per gram; herbal cannabis/marijuana for $4.50 per gram; cocaine for $82-114 per gram; brown heroin for $57-89 per gram; white heroin for $101-115 per gram; amphetamines for $9.50 per gram or $19-32 per tablet; Ecstasy (MDMA) for $13-19 per tablet, and LSD for $38-44 per dose unit or "hit."

Corruption. Austria has several laws in place, which contain provisions on corruption. In 1999, Austria became a party to the OECD antibribery convention and also abolished the tax deductibility of bribes and gray market payments. A 2006 report on corruption by the OECD confirms this and recommends that Austria further clarify its definition of foreign bribery offenses to ease investigations by tax authorities. There are no corruption cases pending that involve bribery of foreign public officials. The government has not yet prosecuted any cases, which would test the degree of the current law's enforcement. The U.S. government is not aware of the involvement of any high-level Austrian government officials in drug-related corruption. Austria is a party to the UN Corruption Convention.

Agreements and Treaties. An extradition treaty and a mutual legal assistance treaty are in force between Austria and the U.S. Austria is a party to the 1988 UN Drug Convention, the 1961 Single Convention on narcotic drugs and its 1972 protocol, and the 1971 UN Convention on Psychotropic Substances. Vienna is the seat of the 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 on trafficking in persons.

Cultivation. Production of illicit drugs in Austria was marginal in 2005 and 2006. Experts noted a minor rise in the private, indoor growth of cannabis, but the amounts are low by international comparison.

Drug Flow/Transit. Austria is not a source country for illicit drugs and illicit trafficking by Austrian nationals is negligible. Foreign criminal groups primarily from Turkey, the Western Balkans, Eastern Europe, West Africa (Nigeria), and Latin America (Colombia) carry out organized drug trafficking in Austria. Based on 2005 seizures, counternarcotics officials note that traffickers continued to rely on conventional means of transportation, such as trucking, for drug smuggling. Drug traffickers are increasingly using Central and East European airports, including those in Austria.

Domestic Programs/Demand Reduction. Austrian authorities and the public view drug addiction as a disease rather than a crime. This is reflected in liberal drug abuse legislation and in court decisions. Austrian society 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. According to health officials, 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 rates among drug-related deaths decreased to 6 percent in 2005, compared to 8 percent in 2004, while hepatitis prevalence rates increased. Policies to work toward greater diversification in substitution treatment for drug addiction (using, for example, methadone, prolonged-action morphine, and buprenorphine) continued. Although no official data is available, both drug policy and treatment experts in Austria note an increase in the abuse of substitution medications and an increase in the availability of these medications on the local black market. Public debate continues in Austria on methods to further tighten controls on this medication and to provide training to general practitioners and pharmacists, who prescribe or dispense this medication. Austrian health officials are also looking for new measures to increase secondary prevention awareness, especially concerning re-integration of recovering addicts into the labor market.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Cooperation between Austrian and U.S. authorities continued to be excellent in 2006. Although Austria has no specific bilateral narcotics agreement in place with the U.S., several bilateral efforts exemplified this cooperation. These include continuing 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 continuing DEA support of BKA investigative efforts across Europe and in the Western Balkans to combat the flow of Afghan heroin. Austrian Interior Ministry officials continued to consult the FBI, DEA, and Department of Homeland Security to gain know-how on updating criminal investigation structures and techniques and to share investigative information. In June 2006, an FBI Special Agent supervisor shared his experiences on fighting drug trafficking along the Balkan route with Austrian and EU law enforcement officials during a workshop in Vienna. The U.S. Embassy also sponsors speaking tours of U.S. counternarcotics and drug treatment experts in Austria.

The Road Ahead. The U.S. will continue to support Austrian efforts, both bilaterally and within the UN and the OSCE, to create more effective tools for law enforcement. This includes working closely with Austrian authorities against drug trafficking rings in Austria and collaborating with Austria to improve border controls and security efforts in the Western Balkans and Central Asia. The U.S. will continue to facilitate workshops or other meetings between U.S. and Austrian police, drug policy and treatment experts, and senior government officials. The U.S. will work closely with Austria to implement U.S.-EU initiatives and to deepen the level of law enforcement cooperation gained during the Austria EU Presidency in the fight against drug trafficking and other organized crime. Promoting a better understanding of U.S. drug policy among Austrian officials and the public remains a top priority.

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 receives border control assistance through the Department of State's export control and related border security assistance (EXBS) program. 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 in the 1990s because of the disruption of the "Balkan Route" due to the wars 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-Azerbaijan-Armenia-Georgia-Western Europe; Afghanistan-Iran-Azerbaijan-Russia; or Afghanistan-Central Asia-the Caspian Sea-Azerbaijan-Georgia-western Europe. Azerbaijan shares a 380 mile (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, and hashish. Domestic consumption continues to grow with the official GOAJ estimate of drug addicts reaching 18,000 persons. Unofficial figures are estimated at approximately 180,000 to 200,000, the majority of which are heroin addicts Students are thought to be a large share of total drug abusers at 30-35 percent. The majority of heroin users are concentrated in major cities and in the Ankara District (64.6 percent), which borders Iran. Drug use among young women has been rising.

III. Country Actions Against Drugs in 2006

Policy Initiatives. The GOAJ refined its strategy to combat drug transit and usage in Azerbaijan. The GOAJ bolstered its ability to collect and analyze drug-related intelligence, resulting in more productive investigations against narcotics traffickers. The GOAJ also continues to work within the framework of GUAM (an international cooperation group consisting of: Georgia-Ukraine-Azerbaijan-Moldova) to share counternarcotics information and expertise. GUAM countries use the Virtual Law Enforcement Center (VLEC) in Baku, which was established with USG assistance, to coordinate their activities. The center provides an encrypted information system that allows member states' law-enforcement agencies to share information and coordinate their efforts against terrorism, narcotics trafficking, small arms, and trafficking in persons. The extent to which information is shared among GUAM member states through the VLEC appears limited.

Law Enforcement Efforts. According to Ministry of Internal Affairs (MIA) information as of September 2006, the MIA conducted 1,670 drug investigations, of which 565 involved the sale of narcotics. During this period, the MIA seized 16 kg of hashish; 59 kg of opium; and 20 kg of heroin. The MIA reports there are approximately 18,000 registered narcotic users in Azerbaijan. According to Ministry of National Security information (MNS) as of September 2006, the MNS seized 206 kg of narcotics, including 7 kg of heroin; 19 kg of opium; 20 kg of marijuana and 160 kg of hashish.

Corruption. Corruption remains a significant problem. Several Azerbaijani prosecutors have attended U.S. DOJ-sponsored training courses on investigating trans-border crimes, implementing the Azerbaijani criminal code, and developing courtroom skills such as preparing courtroom evidence and cross examining witnesses. These broad-based skills may aid in the prosecution of drug-related cases and limit the scope of corruption. As a matter of government policy, however, 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. Azerbaijan's problem with narcotics largely stems from being a transit state, rather than a significant drug cultivation site. Cannabis and poppy are cultivated illegally, mostly in southern Azerbaijan, but not in large quantities.

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 Georgia and 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 the summer of 2006, the GOAJ produced a series of public service announcements about the dangers of drug usage. The advertisements were aimed at a younger audience and were displayed in downtown Baku.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2006, the Department of State, though its Export Control and Related Border Security Assistance (EXBS) program, continued to assist the Azerbaijan State Border Service (SBS) and the State Customs Committee (SCC). EXBS training and assistance efforts, while aimed at the nonproliferation of weapons of mass destruction and their delivery systems, directly enhance Azerbaijan's ability to control its borders and to interdict all contraband, including narcotics. During 2006, EXBS sponsored numerous border control courses for the Border Guard and SCC officers. These courses provided participants with real-time, hands-on inspections and border control tactics at sea and in the field. Other courses improved the Border Guard's control of Azerbaijan's southern border, as well as the ability of SCC officers to detect contraband.

The U.S. donation of tool trucks equipped with generators, search tools, and related equipment improved the Customs Contraband Teams' detection capabilities. The U.S. Border Patrol did an in-depth assessment of Border Guard operations in a problematic section of the Iranian border. Study recommendations will be used to prioritize the future direction of U.S. assistance. The U.S.'s contribution of fencing and construction materials to rebuild watchtowers significantly enhanced the Border Guard's ability to hamper illegal penetrations of Azerbaijan's southern border. EUCOM supported a study of the Border Guard Air Wing's ability to detect border penetrations at night. As a result of the study, EUCOM will upgrade one aircraft's avionics. During 2006, the Department of Defense and EXBS helped equip a maritime base near Azerbaijan's southern border in Astara. The base will host two patrol boats and two fast response boats to be delivered in early 2007. The

facility will also be used for extended patrols by larger vessels from Baku. In May, EXBS replaced the shore-based short-range radar in Astara with a more reliable and capable model. The efforts in Astara have dramatically improved the Azerbaijani Coast Guard's ability to monitor and patrol the southern waters and maritime boundary of Azerbaijan.

In June 2006, the Department of Justice International Criminal Investigative Training Assistance Program (DOJ/ICITAP) provided a two-week training course for site surveillance, entry and arrest techniques. The program developed Azerbaijani police officers' skills in high-risk entries and tactical team concepts to aid in arresting narcotics offenders. The Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) and Drug Enforcement Administration (DEA) are planning training courses for the Ministry of Health, MIA, and Ministry of Justice (MOJ) in using gas chromatography/mass spectrometry to analyze narcotic substances. The three ministries will receive a gas chromatography/mass spectrometry unit as an analysis tool after the training.

The Road Ahead. The U.S. and Azerbaijan will continue to cooperate in law enforcement assistance programs in Azerbaijan. Such programs will include: helping the GOAJ 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 mass-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 joint UNDP-European Union program BUMAD (Belarus, Ukraine, Moldova Anti-Drug Program), which seeks to reduce trafficking of drugs into the European Union. The program, which just concluded phase two of its three-part project, seeks to develop systems of prevention and monitoring, improve the legal framework, and provide training and equipment. BUMAD 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 traffic 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, Kyrgyzstan Republic, Tajikistan, and Uzbekistan) 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 pharmaceutical 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.

III. Country Actions Against Drugs in 2006

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. Administered by the Ministry of the Interior, the program included ambitious plans for prevention and rehabilitation strategies but was never fully implemented and will not be renewed. This year, the Belarusian government incorporated drug abuse prevention and rehabilitation into its overall national 2006-2010 Anti-Crime Program, under which the Committee for State Security (BKGB), the State Customs Committee, and the Ministries of the Interior, Health, and Foreign Affairs will conduct their own programs. While inter-agency rivalry inhibits cooperation, Belarus has made some strides over the past year in restructuring government agencies to enhance information gathering on narcotics transit and distribution. For example, in February, the Ministry of Health established a BUMAD-supported National Observatory on Drugs in order to link 19 government agencies to assist in the collection and analysis of statistics on illicit drug abuse in an effort to combat drug trafficking on a regional level. The Collective Security Treaty Organization (CSTO) launched its international anticrime operation “Channel 2005,” a cooperative effort coordinated by an office of the Commonwealth of Independent State (CIS) that resulted in the seizure of more than 80 kg of narcotics in Belarus in October 2005. In April, the CIS Council of Border Troops Commanders established a common database for coordinating border security. In June 2006, during the CSTO Heads of State summit in Minsk, Belarus and the other CSTO members signed commitments for future joint antidrug activities.

Accomplishments. While Belarus does not face large-scale illicit drug 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. In 2004, BUMAD presented the Belarusian government with a series of recommendations to bring the country's laws into full compliance with drug-related UN conventions. However, a 2006 BUMAD-commissioned study concluded that the Belarusian government had yet to implement most of those recommendations.

Law Enforcement Efforts. From January 1 to October 1, 2006, 2,118 people committed 3,720 drug-related crimes. Meanwhile, authorities seized 569 kg of drugs, a decrease from 720 kg during the same time period in 2005. However, experts, including government officials, agree that this official figure fails to reflect the real quantity of drugs transiting or used in Belarus and note that the low street prices of amphetamines and heroin, which fell from $100 to $40 per gram over the past year, attests to the overall increase in supply. Moreover, in a report presented to the BUMAD in September, the State Border Troops' Committee conceded that official seizure figures do not reflect the reality of the problem and that most drugs transit Belarus undetected from western Russia, which has a virtual open border with Belarus as part of the countries' customs union. Government officials publicly admit that enforcement efforts suffer from lack of communication and coordination and from inter-agency rivalries. According to BUMAD, this unprecedented and candid self-examination by Belarusian law enforcement translated into more interest in international cooperation in 2006. For example, the Belarusian police academy instituted a new BUMAD-supported curriculum with two new courses focusing on drug enforcement. Moreover, state Security Services reversed policy by allowing law enforcement agencies to use a BUMAD-sponsored software program to enhance information sharing between its law-enforcement agencies and with other BUMAD recipients who had previously adopted the program. Finally, Belarus hosted BUMAD's annual regional seminar on improving cooperation between Belarusian and foreign law enforcement agencies.

Despite these recent efforts, total drug seizures have declined significantly since last year. Drugs seized from January 1 to October 1 (in kg) are as follows: Poppy Straw and Marijuana (720); Raw Opium (74.8); Heroin (0.2); Amphetamine/Methamphetamine (4.3); Acetylated Opium (liquid heroin) (5.8); Hashish (9.1); Cocaine (0.5); LSD and other hallucinogens (1.2); Methadone (0.4). 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 2006. However, there is no evidence of large-scale production of poppies for export. Heroin seizures have dropped sharply from 26.7 kg last year to 0.2 kg in 2006. Credible sources report that use of synthetic drugs has increased by 136 times since 2000 and is gradually replacing demand for poppy straw and marijuana. Belarusian authorities believe that most synthetic drugs enter Belarus from Western Europe via the country's borders with Poland, Lithuania, and Latvia. In 2006, authorities seized 0.4 kg of methadone, down from 1.1 kg confiscated during the previous year.

Corruption. On July 20, President Lukashenko signed an anticorruption law to comply with the Council of Europe's 1999 Criminal Law Convention on Corruption, which Belarus ratified in 2004. Belarus also ratified the Council of Europe's 1999 Civil Law Convention on Corruption in December 2005 and is considering a series of corresponding amendments on corruption. Nevertheless, corruption remains a serious problem among border and customs officials and makes interdiction of narcotics difficult. In October, a retiring Customs Division head in the western Brest region publicly confessed that Belarusian law is still too weak to deter widespread bribery at Belarusian border checkpoints. As a matter of government policy, however, Belarus 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. 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 2005, a presidential edict greatly restricted all foreign technical assistance, making it extremely difficult 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, authorities delayed registration of the second part of BUMAD and consequently postponed the launch of BUMAD-sponsored programs for legal assistance, border control, drug intelligence, community policing, drug observatories, and NGO networking. During BUMAD's 2006 regional seminar in Minsk, Belarusian Foreign Minister Sergey Martynov acknowledged the need for more outside aid and advocated the removal of Belarus' legal obstacles to international counternarcotics cooperation. By September 2006, BUMAD reported that its second phase was nearly complete and that the authorities seemed much more responsive to foreign law-enforcement assistance programs.

Cultivation/Production. There is no confirmed widespread illicit drug cultivation or production in Belarus. Conviction for growing narcotic plants for the purpose of selling can result in a prison sentence of as much as 15 years. However, some cultivation and production have been detected. In June, authorities seized nearly 110 kg of hemp plants. In July, during a six-day joint over flight and seizure operation, border troops, BKB officers, and local police discovered 34 hectares of poppy and cannabis fields and destroyed more than 9.5 tons of narcotic plants. Earlier in the year, credible sources reported that authorities raided a small laboratory that illegally produced amphetamines and cultivated new types of Dutch marijuana.

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). Amphetamines and precursors transit Belarus to Poland and Russia. Marijuana, poppy straw, Rohypnol, and heroin transit to Russia and Western Europe.

In 2005, more than 22 million persons and 7 million vehicles crossed Belarusian borders. During that time, customs authorities seized 70 kg of illicit narcotics. In April 2006, customs officials reported that the total number of goods transiting through Belarus between January and April 2006 had risen more than 18 percent from the same period of the previous year. According to official sources, customs officers currently inspect only five percent of all inbound freight. Furthermore, Belarusian border guards often lack the training, and in many cases the equipment, to conduct effective searches. In an effort to address these problems, the BUMAD program continues several programs to improve Belarus' border checkpoints and training of law enforcement personnel.

Domestic Programs (Demand Reduction). Belarusian authorities are beginning to recognize the growing demand problem in Belarus, particularly among young people who have ready access to narcotics at dance clubs, university dormitories and educational facilities. In October, Belarus' Drug Control and Trafficking Department Chief Oleg Pekarskiy estimated the true number of drug addicts in the country to be nearly ten times the official number of 9,500, or about 127 registered drug users per 100,000 persons. According to official statistics, the number of drug-related offenses have doubled since 2000 and 70 percent of known drug addicts are between the ages of 14 and 25. In April, the Regional Juvenile Delinquency Prevention Commission based in the western city of Brest reported that the number of recorded juvenile drug-related offenses during the first three months of 2006 rose six percent over the same period in 2005.

Drug use is criminalized and highly stigmatized by government and in society. Drug addicts, especially those who are unregistered, are dissuaded from seeking treatment by fear of consequences at work, school, and in society if their addiction becomes known. Meanwhile, Belarus' counternarcotics education remains inchoate, 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 nationwide coordination of curriculum. In February 2005, BUMAD and the GOB launched a Minsk-based counternarcotics youth information campaign, "You and Me against Drugs," which included pamphlet distribution, lectures at organized sporting events and the production of an informational counternarcotics video with famous Belarusian athletes. However, the program ended in June 2005 and a similar follow up program is not scheduled to begin until summer 2007. Last year, BUMAD had also sponsored a Belarusian chapter of NGO Mothers Against Drugs (MAD), which won the 2005 UN Civil Society Award for its work in 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. However, the government subsequently withdrew its registration, and all MAD offices closed in 2006.

The government generally treats drug addicts in psychiatric hospitals, either as a result of court remand or self-enrollment, or in prisons. Moreover, the emphasis of most treatment programs is detoxification and stabilization. For example, in February, the Ministry of Health began methadone substitution program for HIV positive drug users in the southeastern Gomel region. Several NGOs run rehabilitation centers, which attempt to provide long-term care, including psychological assistance and job training. However, financial limitations constrain the breadth of these programs. Several BUMAD-supported drug counseling centers were forced to close when the government withdrew its support.

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 Belarusian 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 the second significant supplier of Ecstasy to the United States (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, while Ecstasy and amphetamine seizures have decreased, indicating a decline in the overall usage and trafficking of these drugs. Belgium is also a transit point for a variety of chemical precursors used to make illegal drugs. Within the past year, Belgium has become an important transshipment point for illegal ephedrine, used as a chemical precursor to methamphetamine, destined for the United States via Mexico.

Traffickers use Belgium's busy seaports, train stations, and the 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. Belgian authorities take a proactive approach in interdicting drug shipments and cooperate with the U.S. and other foreign countries to help uncover distribution rings at home and abroad. Belgian authorities also continue to fight the production of illicit drugs within their borders, using methods like canine and aerial surveillance to uncover traffickers and drug laboratories. Belgium is a party to the 1988 UN Drug Convention.

II. Status of Country

Belgium produces synthetic drugs, as well as cannabis, and remains a key transit point for illicit drugs bound for the United Kingdom, the Netherlands, and other points in Western Europe, as well as the United States and Canada. By most accounts, its position as an important transit point for cocaine is largely due to a shared border with the Netherlands. In virtually all cases of significant cocaine shipping, the end destination for the cocaine is the Netherlands, where Colombian groups continue to dominate drug trafficking. This border shared by Belgium and the Netherlands has also contributed to the surge in both size and number of clandestine amphetamine and Ecstasy laboratories in Belgium since 2000. Airline passenger couriers and containerized cargo remain the principal means of transporting small quantities of Ecstasy to the United States. Stricter controls have limited the sending of pills via both express and regular mail from Belgium. In the past, Israeli groups controlled most of the Ecstasy production and shipping to the United States. More recently however in Belgium, Israeli organized crime groups have been disrupted by enforcement measures and their influence has diminished. Belgian officials believe that sea freight is likely used for transporting larger amounts of Ecstasy from Belgium via third countries to the United States and Canada. However, Belgian authorities continue to make a concerted effort to stem the tide of Ecstasy headed for the United States. Turkish groups continue to control most of the heroin trafficked in Belgium. This heroin is principally shipped through Belgium and the Netherlands to the United Kingdom. Increased seizures of cocaine may be an indication of 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.

In 2006, Belgium has experienced a dramatic rise of illegal ephedrine shipping. The ephedrine market is mainly controlled by Mexicans who purchase both legal (i.e., cold medicine, dietary supplements) and illegal ephedrine, and ship it to Mexico, where it is used to produce methamphetamine for distribution in the United States. Since most forms of ephedrine are strictly regulated in the United States, Belgium and other Western European countries have become major

providers of these methamphetamine precursors. Furthermore, Belgium is also an important transshipment point for other chemical precursors, mainly 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 2006

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 is 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, which has become an increasingly common phenomenon in the nation's larger cities. The Federal Prosecutor's Office, established in 2002, works to centralize and facilitate mutual legal assistance requests on drug trafficking investigations and prosecutions. Federal authorities have also noted an extreme rise in the establishment of cannabis plantations in the past year. With the number of cannabis seizures increasing each year, new efforts will be set forth to shut down plantations.

Law Enforcement Efforts. Belgian law enforcement authorities actively investigate individuals and organizations involved in illegal narcotics trafficking. In keeping with Belgium's drug control strategy, efforts are focused on combating synthetic drugs, heroin and cocaine, and more recently, cannabis. Belgian authorities continued to cooperate closely and effectively with DEA officials stationed in Brussels. At Brussels' Zaventem International Airport, non-uniformed personnel trained by the Belgian Federal Police to help detect drug couriers have become increasingly proficient. Belgian authorities have 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. Additionally, the National Security Plan for 2004-2007 has outlined plans to use canine and aerial apprehension strategies on the local and federal levels to help fight illicit drug production and shipment in Belgium. The Canine Support Service (DSCH) has trained four dog teams to search for drugs, used mostly in airports and train stations, while the Aerial Support Service (DSAS) has made a concerted effort to increase the number of hours in the sky in an attempt to detect drug laboratories across the nation. In both proactive and reactive drug searches, the DSCH has exhibited positive results in the past year: 963 residences, 1,482 vehicles, and 2,335 persons that were searched tested positive for some illicit drug.

In the past year, Belgian authorities have discovered two clandestine laboratories, one producing Ecstasy and one producing both Ecstasy and amphetamines. As in past years, both production sites were located along the northern border with the Netherlands. These seizures bring the number of synthetic drug laboratories seized since 1999 to 56. In 2006 Belgian authorities seized approximately 2,928.92 kg of cocaine, 277.55 kg of heroin, 431,056 methylenedioxymethamphetamine (MDMA/Ecstasy) pills, 118.81 kg of amphetamines, 4,530.63 kg of cannabis/marijuana, 8,000.52 kg of hashish, and 1,923.99 kg of khat (cathinone/cathine).

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) (CTIF-CFI) 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 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. 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 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 (CSI), 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 and cocaine, is more significant than its own production of illegal drugs. Nevertheless, Belgian authorities believe domestic Ecstasy and cannabis production is on the rise. Only the Netherlands exports more Ecstasy for use in the United States than does Belgium. Cultivation of marijuana is increasingly done using elaborate, large-scale operations in Belgium. Within the past year, 188 cannabis plantations, all in Flanders, were shut down, leading to the arrest of over 20 people and the seizure of 101,464 cannabis plants. The police action plan for 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. Dutch traffickers are involved in 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.

Drug Flow/Transit. Belgium remains an important transit point for drug traffickers because of its port facilities (Antwerp is Europe's second-busiest port), two international airports, highway and rail links to cities throughout Europe, and proximity to the Netherlands, where drug trafficking is a major problem. It has been estimated that about 25 percent of drugs from South America moving through Europe eventually transit Belgium, especially cocaine. These drugs are ultimately shipped to the United Kingdom, the Netherlands, and to other points in Western Europe, to Canada and to the United States. Israeli drug traffickers continue to control most of the export of Ecstasy from Belgium and the Netherlands, as evidenced by the arrest in 2006 of 16 Israelis possessing a total of 350,000 tablets of Ecstasy. The Ecstasy is sent in bulk from Belgium to Chinese or Vietnamese gangs in Canada. Most Ecstasy production continues to be controlled by Dutch chemists on either side of the border between Belgium and the Netherlands. A growing trend involves Chinese traffickers shipping Ecstasy precursor chemicals from China to Belgium and the Netherlands. These groups are believed to have largely displaced traditional Ecstasy sources. The port of Antwerp continues to be the preferred destination for cocaine imported to Europe; although the oft-quoted estimate is 16 tons entering the port each year, this figure is probably too low; 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. In addition, over 100 seizures of cocaine were documented at Brussels' Zaventem Airport from January to August 2006. Most of the cocaine had originated in South America and transited through either West Africa or South America. The majority of the carriers were of Albanian,

Moroccan, or Dutch descent. The other predominant cocaine trafficking groups in Belgium are Colombian, Surinamese, Chilean, Ecuadorian, and Israeli. The Port of Antwerp is also an important transit point for cannabis and hashish. Authorities have noted that the principal shipping method of marijuana has been through DHL parcels destined for the United Kingdom via Belgium. The Netherlands remains a major supplier of both marijuana and hashish to Belgian traffickers. 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. These trucks are usually destined for Portugal. Turkish criminal organizations involved in heroin trafficking seem to have diversified their activities by starting to export Ecstasy from Belgium. Trucks with Ecstasy are sent to Turkey and return to Belgium with heroin.

Domestic Programs. Belgium has an active drug education program administered by the regional governments (Flanders, Wallonia, and Brussels) that targets the country's youth. These programs include education campaigns, drug hotlines, HIV and hepatitis prevention programs, detoxification programs, and a pilot program for “drug-free” prison sections. The Belgian system contrasts with the U.S.'s approach in that Belgium directs its programs at individuals who influence young people versus young people themselves. In general, Belgian society views teachers, coaches, clergy, and other adults as 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 drug-related information. Counternarcotics officials in the Belgian Federal Police, Federal Prosecutor's Office, and Ministry of Justice are fully engaged with their U.S. counterparts. With the rise in the trafficking of ephedrine in Belgium, the U.S. plans to focus on identifying and prosecuting both suppliers and shippers of illegal ephedrine before the drug reaches the U.S.

The Road Ahead. The United States 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 UNODC in order to help decrease drug trafficking and production both in Belgium and throughout Europe.

Bosnia and Herzegovina

I. Summary

Narcotics control capabilities in Bosnia and Herzegovina remain in a formative period and have not kept pace with developments in other areas of law enforcement. Bosnia 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. Although the political will to improve narcotics control performance exists among the Bosnian government, faced with ongoing post-war reconstruction issues, it has to date focused limited law enforcement resources on war crimes, terrorism and trafficking in persons and has not developed comprehensive antinarcotics intelligence and enforcement capabilities. 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 activities of foreign and domestic organized crime figures that 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 measures against narcotics trafficking and related crimes are often substandard.

In 2006, Bosnia did not create a state-level body to coordinate the fight against drugs or develop the national counternarcotics strategy mandated by legislation passed in late 2005. In 2006, the Bosnia government, in cooperation with the European Union Police Mission, conducted a public information campaign to raise awareness about the dangers and effects of drugs. Bosnia is attempting to forge ties with regional and international law enforcement agencies. Bosnia is party to the 1988 UN Drug Convention.

II. Status of Country

Bosnia is not a significant narcotics producer, consumer, or producer of precursor chemicals. Bosnia does occupy a strategic position along the historic Balkan smuggling route between drug production and processing centers in Southwest Asia and markets in Western Europe. Bosnian authorities at the state, entity, cantonal, and municipal levels have been unable to stem the transit of illegal migrants, 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. Bosnia is increasingly becoming a storehouse for drugs, mainly marijuana and heroin. Traffickers “warehouse” drugs in Bosnia, until they can be shipped out to destinations further along the Balkan Route. One of the main routes for drug trafficking starts in Albania, continues through Montenegro, passes through Bosnia to Croatia and Slovenia and then on to Central Europe. Cocaine for domestic consumption arrives mainly from the Netherlands through the postal system. Information on domestic consumption is not systematically gathered, but authorities estimate Bosnia has 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 2006

Policy Initiatives. On November 8, 2005, the Bosnia House of Representatives passed legislation designed to address the problem of narcotics trafficking and abuse. However, the state-level

counternarcotics coordination body and national counternarcotics strategy mandated by the legislation were not in place as of October 2006 due to staffing and resource constraints. It is hoped that the work of the counternarcotics coordination body will get under way upon the formation of a new government in the wake of October 2006 national elections. 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. Through June 2006 (latest available statistics), law enforcement agencies in Bosnia-Herzegovina (including the State Investigation and Protection Agency, the State Border Service, Federation Ministry of Interior, Republika Srpska (RS) Ministry of Interior and Brcko District Police) have filed 750 criminal reports against 916 persons for drug related offenses. The aforementioned law enforcement agencies also report having seized almost four kg (kg) of heroin, 650 grams of cocaine, 1.9 kg of amphetamines, 11.6 kg of marijuana, 4,327 cannabis plants, 1,825 cannabis seeds, 4,761 Ecstasy tablets, 242 grams of “speed”, 117 grams of hashish, and 70 LSD stamps. These official statistics only reflect illegal drugs seized between January-June 2006 and do not reflect several significant September drug interdictions that reportedly recovered over 90kg of marijuana. The State Border Service, founded in 2000, is now fully operational with 2,199 officers 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 Bosnia. However, there are still a large number of illegal crossing points, including dirt paths and river fords, that the SBS is unable to control. Moreover, many official checkpoints and many crossings remain understaffed. The SIPA, once fully operational, will be a conduit for information and evidence between local and international law enforcement agencies, and will have a leading role in counternarcotics efforts. As of November 2006, SIPA had hired 911 of its proposed 1,700 staff.

Cultivation/Production. Bosnia is not a major narcotics cultivator. Officials believe that domestic cultivation is limited to small-scale marijuana crops grown in southern and western Bosnia. Bosnia is also not a major synthetics narcotics producer and refinement and production are negligible.

Corruption. Bosnia 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, working with a few corrupt government officials, uses 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, Bosnia 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. Bosnia is a party to the UN Convention Against Corruption.

Agreements and Treaties. Bosnia 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 Bosnia as a successor state. Bosnia 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 entering Bosnia are being trafficked to destinations in third countries, 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 transit Bosnia by several well-established overland routes, often in commercial vehicles. Local officials believe that Western Europe is the primary destination for this traffic. 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 and conflict among, Bosnian criminal elements and organized crime operations in Russia, Albania, Serbia and Montenegro, Croatia, Austria, Germany, and Italy.

Domestic Programs. In Bosnia 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 is rising 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. During 2006, the police of Bosnia and Herzegovina in conjunction with the European Union Police Mission implemented an antidrug campaign "Choose Life, not Drugs". This public awareness Campaign, targeting drug prevention messages to youth, provided promotional materials to students and delivered antidrug abuse messages from former drug addicts to help youth choose a drug-free lifestyle. In September, the campaign kicked off a "School without Drugs" program to be carried out in 65 elementary and 37 secondary schools in the Sarajevo region. The "Viktorija" Association raised funds and helped 25 drug addicts complete a rehabilitation and reintegration program. The PROI Association helped 10 former drug addicts reintegrate into society. An antidrug public awareness campaign in Mostar utilized the wall of a centrally located prison for antidrug messages painted by youth volunteers.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. USG policy objectives in Bosnia 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 Drug Enforcement Agency (DEA) Regional Office in Rome maintains liaison with its counterparts in Bosnian state and entity level law enforcement organizations. The DEA has also sponsored specific narcotics interdiction training in Bosnia.

The Road Ahead. Strengthening the rule of law, combating organized crime and terrorism, and reforming the judiciary and police in Bosnia 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 Bosnia with the full implementation of the planned national counternarcotics strategy and continue to support 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 through Bulgaria 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 maintained the rate of seizures and closed down one illegal drug-producing laboratory. 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 the 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 Drug 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 NGOs 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 2006. Among the problems hampering counternarcotics efforts are poor inter-agency cooperation, lack of financing, inadequate equipment to facilitate narcotics searches, widespread corruption, and an often ineffective judicial system.

III. Country Actions Against Drugs in 2006

Policy Initiatives. The Bulgarian government has continued to implement the National Strategy for Drug 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 2006 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 900 suspected drug traffickers.

Law Enforcement Efforts. From January to November 2006, Bulgarian law enforcement agencies closed one illegal drug-producing laboratory and seized 8450 kg of drugs, including 460 kg of heroin, 7,460 kg of marijuana, 80 kg of cocaine, 348 kg of synthetic drugs and 50 vials and 93,576 tablets of other psychotropic substances. Also seized were 9.5 kg of dry and 0.5 liters of fluid precursor chemicals. Bulgarian services report that the 74 percent drop in seizures of synthetic drugs is due to the relocation of illegal laboratories to Eastern Turkey.

Corruption. Despite some progress, corruption in various forms in the government remains a serious problem. The European Commission's monitoring report commended the government's efforts but noted the need to do more to erase high-level corruption, in particular more indictments, trials, and convictions of the guilty. 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 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. While the extent of cultivation is not known, there has been a drastic increase in the seizures of marijuana. Experts ascribe this to ready availability of uncultivated land and Bulgaria's receptive climate. Cannabis is not trafficked significantly 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, heroin, and cocaine are the main drugs transported through Bulgaria. Heroin from the Golden Crescent and Southwest Asia has traditionally been trafficked to Western Europe on the Balkan route from Turkey through Bulgaria to consumers in Western Europe. However, Bulgarian authorities say the trend of heroin traffic moving by the more circuitous routes through the Caucasus and Russia to the north and through the Mediterranean to the south is strengthening. 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 increasing amounts of 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. 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 operates prevention and education centers in each of Bulgaria's 28 administrative districts. 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 1000 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. The U.S. encourages the Bulgarian government over the next year to maintain sufficient rates of narcotics seizures, while implementing steps to reduce domestic drug production. It also encourages the Bulgarian government to increase interagency cooperation and take steps to prosecute cases of high-level corruption.

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 to Croatian authorities. 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, Montenegro, 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 large European market. The steady increase of narcotics smuggling from the east continued in 2006. Croatian police estimate that 70 to 80 percent of heroin destined for European markets is smuggled through the notorious "Balkan Route."

III. Country Actions Against Drugs in 2006

Policy Initiatives. In December 2005, Croatia adopted a National Strategy for Narcotics Abuse Prevention for 2006-2012,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 in order to facilitate data sharing with the EU's EMCDDA programs. In February 2006, the Government of Croatia (GOC) adopted the Action Plan on Drug Abuse Control for 2006-2009. Its goal is to achieve equal availability of programs throughout the country targeting primarily children, youth and families. By the end of 2005, the GOC completed establishment of the network of addiction prevention centers, which are now available in all of Croatia's 22 counties. In June 2006, Parliament adopted changes to the Criminal Code, which increased sentences for possession and dealing of illicit drugs. Croatia also instituted changes to the criminal code, increasing penalties for several other narcotics-related offenses. The minimum penalty for narcotics production and dealing was increased from one to three years. The minimum penalty for selling narcotics by organized groups was increased from three to five years. The minimum penalty for incitement or facilitating the use of illegal narcotics was increased to one year. In addition, punishment for possession of related equipment or precursor chemicals was increased from three months to a mandatory sentence of no less than one year. Other changes to the criminal code permit the police to use such tactics as controlled deliveries, a method that was used frequently this year with international cooperation. Another amendment to the criminal code eases measures to confiscate assets of organized crime groups by placing the burden of providing evidence about the origins of assets on the defendant rather than the prosecutor, and allowing confiscation of assets acquired during the period of incriminating activity. Croatia continues to cooperate well with other European states to improve the control and management of its porous borders. Authorities describe cooperation on narcotics enforcement issues with neighboring states as excellent.

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 neighboring states, and cooperates through the South-Eastern Cooperation Initiative (SECI).

Croatian police and Customs authorities continued to coordinate counternarcotics efforts on targeted border-crossing points, although with 189 legal border crossing points, there is insufficient staffing and coordination. Heroin (25 kg in 2005 vs. 80 kg in the first nine months of 2006) and hashish (6 kg in 2005 vs. 12 kg in the first nine months of 2006) seizures increased this year. Border police attributed the rise in heroin seizures to a single large seizure. Marijuana (428 kg in 2005 vs. 144 kg in the first nine months of 2006) and cocaine seizures (17.6 kg in 2005 vs. 5 kg in 2006) declined, as have amphetamine and Ecstasy seizures. Police reported 4.7 percent more arrests this year in connection with narcotics charges than in 2005. Authorities have increased efforts to detect drug money laundering.

Corruption. 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 2006, police increased efforts to fight corruption internally, resulting in the removal of 630 law enforcement officers. Croatia is a party to the UN Corruption Convention.

Agreements and Treaties. Croatia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1972 UN Convention Against 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. Croatia has signed bilateral agreements with 29 countries permitting cooperation on combating terrorism, organized crime, smuggling and narcotics abuse.

Cultivation/Production. Small-scale cannabis production for domestic use is the only narcotics production within Croatia. In 2006, authorities, giving some sense of the minor scale of this cultivation, seized 2,960 cannabis plants. Poppy seeds are cultivated on a small scale for culinary use. Because of Croatia's small drug 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 "Balkan heroin smuggling Route." Authorities believe that much of the heroin from Asian sources transverses this route to reach European markets. Although Croatia is not considered a primary gateway, police seizure data indicate smugglers continue to attempt to use Croatia as a transit point for non-opiate drugs, including cocaine and cannabis-based drugs. A general increase in narcotics abuse and smuggling has been attributed to liberalization of border traffic and increased tourism and maritime activities. Police noted that cocaine seizures primarily occurred at Croatia's seaports. Cannabis-based drugs have increasingly been identified at road border crossings. Ecstasy and other synthetics are smuggled into Croatia from the Netherlands and Belgium.

Domestic Programs/Demand Reduction. The Office for Combating Drug Abuse, develops the National Strategy for Narcotics Abuse Prevention, and is the focal point for agency coordination activities to reduce demand for narcotics. According to the Office, Istria County continued to have the highest rate of treated addicts, followed by the Zadar and Varazdin 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 2005, 6,688 persons underwent drug addiction treatment--a 15.6 percent increase from the previous year. The majority of those treated were opiate addicts. The number of the first-time seekers of addiction treatment, which had been sliding since 2001, rose by 9.3 percent in 2005

and the number of new opiate addicts increased 7.2 percent compared to 2004. Government sources ascribe the increase to a wider and more efficient network of addiction prevention/treatment centers opening up treatment options for those abusing drugs. Approximately 72 percent of all addicts were addicted to heroin.

The GOC stated that the number of addicts infected with hepatitis C and HIV, stood at 47 percent and 0.5 percent respectively, and has not changed significantly in 2005. The number of deaths caused by overdose was slightly lower in 2005 (104 drug-related deaths in 2005 compared to 108 in 2004).

The Ministry of Education requires drug education in primary and secondary schools. Other ministries and government organizations also run outreach programs to reach specific populations, including pregnant women. The state-run medical system offers treatment for addicts, but slots are insufficient to accommodate all needing treatment. Methadone is used in the treatment of 67 percent of patients. The Ministry of Health operates in-patient detoxification programs, as well as 14 regional outpatient methadone clinics. In January 2006, Croatian authorities adopted guidelines 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 and 20 persons died from overdose. Under the guidelines only licensed psychiatrists are allowed to prescribe substitute treatment, which must occur under the supervision of a medical doctor. The Ministry of Heath is currently forming guidelines for buprenophine usage. The GOC spent 49.8 million kuna ($8.6 million) on all drug abuse related programs in 2005, which is eight percent less than in the previous year. It has created a network of county-level expert advisory groups that work with local governments to counter narcotics abuse and serve as incubators for policy initiatives. In Varazdin, the advisory group continued 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 have been focused on improving the ability of Croatian law enforcement agencies to work bilaterally and regionally to combat organized crime and narcotics trafficking. Having achieved these two basic objectives, U.S. assistance for police reform efforts under the ICITAP (DoJ) program was refocused on combating organized crime and corruption in 2006. In October 2006, Croatian police formed the first joint police-prosecutor task force to target a criminal organization allegedly involved in drug trafficking and other illegal activities. 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 this year on border security, tracking training, and commodity identification, all of which will assist in preventing drug trafficking through Croatia.

Road Ahead. For 2007, U.S. expert training teams will join in-country U.S. trainers to help Croatian police develop skills in surveillance, management development, port security and port vulnerability assessments. 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 2007 under the EXBS program will have spin-off benefits for Croatia's fight against narcotics trafficking, particularly in the areas of interagency cooperation and border management.

Cyprus

I. Summary

Cyprus has been divided since the Turkish military intervention of 1974, following an unsuccessful coup d'etat directed from Greece. Since then, the southern part of the country has been under the control of the Republic of Cyprus. The northern part is run by a Turkish Cypriot administration that in 1983 proclaimed itself the "Turkish Republic of Northern Cyprus (TRNC)," recognized only by Turkey. The U.S. Government recognizes only the Republic of Cyprus and does not recognize the "TRNC." This report refers to the Government-controlled area unless otherwise specified.

Although Cypriots do not produce or consume significant amounts of narcotics, an increase in local drug use continues to be a concern. The government 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. The geographic location of Cyprus and its government's decision to opt for free ports at its two main seaports continue to make it an ideal transit country for legitimate trade in most goods, including chemicals, between the Middle East and Europe. Drug traffickers use Cyprus as a trans-shipment point due to its strategic location but to a limited extent due to 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 to deter those who would attempt to use Cyprus free ports for narcotics smuggling. Cyprus is a party to the 1988 UN Drug Convention.

II. Status of Country

Cypriots themselves do not produce or consume significant quantities of drugs. The island's strategic location in the eastern Mediterranean creates an unavoidable liability for Cyprus, as Cyprus is a convenient stopover for narcotics traffickers moving from Southwest Asia to Europe. Precursor chemicals are believed to transit Cyprus in limited quantities, although there is no hard evidence to confirm this. Cyprus offers relatively highly developed business and tourism facilities, a modern telecommunications system, and the ninth-largest merchant shipping fleet in the world.

This year, Cyprus has seen an increase of bank accounts as well as accountants being involved in the laundering of money derived from online Internet pharmaceutical sales, not only from the U.S., but from European countries as well. In 2006, approximately $2.3 million worth of illegal narcotics proceeds was frozen in several bank accounts. 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 carries 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. This has continued through 2006. 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 Cypriot Courts began sentencing individuals charged with

distributing heroin and Ecstasy (MDMA) with 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.

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. There were nine reported drug-related deaths in 2006, five of which were the result of overdose, and four of which involved traffic accidents where traces of narcotics were found in the deceased's' system. The use of cannabis and Ecstasy by young Cypriots and tourists continues to increase. Cypriot authorities have no tolerance toward any use of narcotics by Cypriots and use a pro-active public relations strategy to remind Cypriots that narcotics use carries heavy penalties. The media reports extensively whenever narcotics arrests are made. The Government of Cyprus has no working relations with enforcement authorities in the area administered by Turkish Cypriots. The U.S. Embassy in Nicosia, particularly the DEA, within the Embassy, nevertheless works with the Turkish Cypriot community on international narcotics-related issues. Turkish Cypriots have their own law enforcement organization responsible for the investigation of all narcotics-related matters. They have shown a willingness to pursue narcotics traffickers and to provide assistance when asked by foreign law enforcement authorities.

III. Country Actions Against Drugs in 2006

Policy Initiatives. In May 2004, Cyprus became a member of the European Union (EU). Prior to its accession into the EU, Cyprus implemented all the necessary requirements to comply with EU regulations, such as establishing the Anti-Drug Council. The Council is responsible for national drug strategies and programs, and is chaired by the Health Minister and is composed of heads of key agencies that are appointed by the Council of Ministers for a three-year period. As the national coordinating mechanism on drug issues in the country, the Council's mandate includes the planning, coordination and evaluation of all actions and programs and interventions aimed at the primary, secondary and tertiary levels of drug prevention. The Council acts as a liaison between the Republic of Cyprus and other foreign organizations concerning drug-related issues, as well as having the responsibility for promoting legislative or any other measures in an attempt to effectively counter the use and dissemination of drugs. Moreover, the Cyprus Anti-Drug Council is the responsible body for the strategic development and implementation of the National Drugs Strategy and the National Action Plan on Drugs aligned with the EU Drugs Strategy.

Also in connection with EU entry, Cypriot authorities established the Cyprus Police European Union and International Police Co-operation Directorate, which replaces a similar operational unit established in 2002. The Division is responsible for cooperating with foreign liaison officers appointed to Cyprus, including the DEA, Nicosia Country Office (NCO), as well as Cypriot liaison officers appointed abroad. The Cyprus Police, Drug Law Enforcement Unit, (DLEU) is the lead Police agency in Cyprus charged with combating drug trafficking in Cyprus. The DLEU hosts weekly meetings attended by foreign liaison officers from the United States (DEA), Greece, United Kingdom, Russia and France assigned to Cyprus and regional liaison officers not assigned in Cyprus from Australia, Canada, Germany, and Italy with reporting responsibilities for Cyprus. In 2006, DLEU's budget increased slightly which contributed to the continuation of training its members in combating drug trafficking. Also, this year has seen the appointment of a new DLEU commander, who brought a wealth of experience into the unit. It is expected that narcotic-related seizures and arrests will increase due to the new commander's innovative methods of drug investigations. In late October 2006, the DEA Office of International Training conducted an Asset

Forfeiture Training conference in Nicosia, which was attended by more that forty law enforcement personnel.

Law Enforcement Efforts. Cyprus aggressively pursues drug seizures, arrests, and prosecutions for drug violations. Cyprus focuses on major traffickers when cases subject to their jurisdiction permit them to, and readily supports the international community in efforts against the narcotics trade. Cypriot police are generally effective in their law enforcement efforts, although their techniques and capacity remain restricted by a shortage of financial resources. Through the first eleven months of 2006, the Cyprus Police Drug Enforcement Unit opened 557 cases and made 632 arrests. Of those arrested, 421 were Greek Cypriot while 211 were foreign nationals. They also seized approximately 18 kg of cannabis, 304 cannabis plants, 1 kg of cannabis resin (hashish), 6.484 kg of cocaine, 8,229 tablets and 55 grams of MDMA (Ecstasy), 125 tablets and 8.5 grams of amphetamines, 1.75 kg of opium, and 819 grams of heroin, 39 tablets of DHC, 36 tablets of methadone and 201 grams of psilocybin. Seizures of inbound parcels, containing illegal narcotics, through the government-controlled postal system have increased significantly since 2005. In 2005, five parcels containing narcotics were seized; in 2006, nineteen parcels were seized. The vast majority of the seized parcels originated in England.

Area administered by Turkish Cypriots: The Narcotics and Trafficking Prevention Bureau functions directly under the General Police Headquarters. From January 1 to October 18, 2006 the Turkish Cypriot authorities arrested 246 individuals for narcotics offenses and seized 17.639 kg of hashish, 15.476 kg of heroin, 2 grams of cocaine, 1.498 kg of opium and 1,604.5 tablets of Ecstasy. The Turkish Cypriot authorities also reported an increase of inbound drug related parcels, but did not provide any statistics.

Corruption. As a matter of policy, 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 UN Single Convention as amended by the 1972 Protocol and the 1972 UN Convention Against Psychotropic Substances. Cyprus is also party to the UN Convention against Transnational Organized Crime and its three protocols, and has signed but has not yet ratified the UN Corruption Convention. An extradition treaty between the United States and Cyprus entered into force in September 1999. A mutual legal assistance treaty (MLAT) between the United States and Cyprus entered into force on September 18, 2002. Cyprus also became a member of the EU in May 2004.

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. The Police seized 332 cannabis plants in the first 11 months of 2005 compared to just 97 in 2004.

Area administered by Turkish Cypriots: The import/export, sale, distribution, possession or cultivation of narcotics is viewed as a serious offense and sentences of up to 15 to 20 years are not unusual. There have been no reports of large-scale cultivation of narcotics, although some individuals have planted cannabis for their own personal use.

Drug Flow/Transit. Although no longer considered a significant transit point for drugs, there were several cases of narcotics smuggling in the past year. Cypriot law enforcement authorities continued to cooperate with the DEA office in Nicosia on several international investigations initiated during 2006. Tourism to Cyprus is sometimes accompanied by the import of narcotics,

principally Ecstasy and cannabis. Cyprus police believe that to a large extent their efforts in combating drug trafficking have converted Cyprus from a drug transit point to a "broker point," in which dealers meet potential buyers and negotiate the purchase and transport of future shipments. In the past, Cypriot authorities believed that there was no significant retail sale of narcotics occurring in Cyprus; however, with new statistics on arrests and seizures of narcotics, this theory has changed. Last year, arrests of Cypriots for possession of narcotics with intent to distribute were significantly higher than the number of arrests of non-Cypriots on similar charges. 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.

Area administered by Turkish Cypriots: The majority of hashish comes from Turkey, whereas heroin transits from Pakistan and Iran via Turkey. Ecstasy and cocaine come from Turkey and England. The preferred method of smuggling illegal narcotics is through concealed compartments of vehicles.

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.

Area administered by Turkish Cypriots: The Turkish Cypriot community has introduced several demand reduction programs, including regular seminars for school counselors and teachers.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The U.S. Embassy in Cyprus, through the regional DEA office, works closely with the Cypriot police force 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. In late October 2006, the DEA Office of International Training conducted an Asset Forfeiture Training conference in Nicosia.

Czech Republic

I. Summary

Illegal narcotics are imported to, manufactured in, and consumed in the Czech Republic. Locally produced pervitine is also exported to neighboring countries. Marijuana, grown locally and imported from Holland, is used more than any other drug. Consumption of recreational drugs, such as marijuana and Ecstasy, continues to grow particularly among youth. The Czech government has taken little action, even though the EU reported last year that Czech marijuana usage is the highest in Europe. Usage and addiction rates of heroin and pervitine are high but seem to have stabilized, while cocaine use remains low but is growing. The Czech Republic is a producer of ergometrine and ergotamine used for the 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 country is also a popular destination country. The maximum sentence for any drug-related crime is 15 years imprisonment, but often convicted drug traffickers only receive light or suspended sentences. The Czech National Focal Point for Drugs and Drug Addiction is the main body responsible for collecting, analyzing and interpreting data on drug use. A four-year governmental action plan "The National Drug Policy Strategy for 2005-2009" is evaluated internally every year and appropriate measures are taken when viewed necessary.

According to a pan-European (EU) study from 2005, 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.

The Czech statistical office estimates Czechs spend 6.5 billion crowns ($297 million) and consume about 15 tons of drugs annually. Czechs consume 10 metric tons of marijuana, 1.2 million Ecstasy tablets, over 250,000 LSD tabs, 3.5 metric tons of pervitine and 2.2 metric tons of heroin annually as well.

III. Country Actions Against Drugs in 2006

Policy Initiatives. Drug policy remains a contentious issue in Czech domestic politics. The US-DEU political party, one of five members of the former government, oriented its election campaign towards young people and promised to promote the legalization of marijuana. US-DEU did poorly in the June 2006 national elections and won no seats in Parliament. The stalemate following the deadlocked June elections has led to the failure of the government to address drug-related issues, including legalization proposals.

The Criminal Code passed in 2005 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 focuses on enforcement operations against organized criminal enterprises and efforts to reduce addiction and their associated health risks. One of the top priorities of the government in 2005 and 2006 was the establishment of a

system of certification for drug prevention programs. The government also focused efforts on improving laws on asset forfeiture and seizure of illicit proceeds, as well as on controlling pills containing chemical precursors.

The National Drug Headquarters is the main organization within the country responsible for major drug investigations. The drug units of the Czech Customs Service are also responsible for tracking drugs and can use the same operational tools as the police. Since 2005, they are also responsible for monitoring the Czech Republic's modest licit poppy crop, a function previously performed by the Ministry of Agriculture.

In 2005, the Czech Customs Service established mobile groups that control suspicious trucks on highways in the country. Given the Czechs accession into the EU and a loosening of the borders this is of growing importance. Czech Customs is also responsible for the control of highway tickets and the trafficking of illegal cigarettes. As a result of these other tasks, drug trafficking is not their highest priority.

The NDH cooperates regularly with the Custom Services based on a cooperation agreement signed between the Ministries of Interior and Finance. In 2006, the Customs Service placed a liaison officer at the Police Presidium to strengthen and streamline cooperation. The fight against drug smuggling was made more difficult by the Czech Republic's entry into the EU and the resultant more open borders. In November 2005, the Customs Service received on-line access to all police information systems. Discussions continue as to whether the NDH and the customs drug unit should be joined under one institution due to overlapping responsibilities. The National Drug Headquarters cooperates regularly with the Czech Financial Police.

Accomplishments/Law Enforcement. In 2005, the National Drug Headquarters, together with the Customs Service, seized 36.3 kg of heroin; 19,010 Ecstasy pills; 5.3 kg of methamphetamine, 103 kg of marijuana, 1,780 cannabis plants, 4.6 kg of hashish, and 10 kg of cocaine. They also found 261 methamphetamine laboratories.

During the first nine months of 2006, the National Police, together with the Customs Service, seized 15.3 kg of heroin; 12,416 Ecstasy pills; 4.6 kg of methamphetamine, 61 kg of marijuana, 1,550 cannabis plants, only 0.4 kg of hashish, and 1.4 kg of cocaine. In the same period of time, 278 methamphetamine and 11 marijuana laboratories were found which is an increase compared to statistics for all of 2005.

The National Drug Headquarters also scored some significant successes in 2006:

In January, after several years of intensive international cooperation with Venezuela, the Netherlands, Slovakia and Netherlands Antilles, the Czech police arrested two Czechs and one Slovak who ran a large drug smuggling ring importing cocaine from South America to Europe. During the investigation, the Dutch police, in cooperation with NDH arrested several Czech and German drug mules carrying nearly 200 kg of cocaine. It is not clear whether the cocaine's end destination was the Czech Republic. The seized cocaine had a street value of 110 billion crowns ($5.2 billion).

In May, the police arrested three Israelis who ran an Ecstasy drug trafficking ring in the Czech Republic. The group built its distribution network in Prague's center, selling Ecstasy primarily in clubs and discos and was successful in a monopolizing the Ecstasy trade in downtown Prague. During the bust, police found over 4,200 Ecstasy pills, with an estimated street value of one million crowns ($50,000) as well as other drugs.

During the summer, six Czechs were arrested for large-scale production and distribution of pervitine. These individuals worked with conspirators from the Former Republic of Yugoslavia in obtaining the necessary ephedrine to make pervitine and organized distribution within the Czech

Republic and also exported the highest quality pervitine, called "crystal," to Germany. The price of one dose of crystal in Germany is about 2,000 crowns ($90). Czech police continue to investigate the case.

According to police statistics for the first half of 2006, 1,261 people were investigated for drug related crimes. Police investigated 1,230 suspects for unauthorized production and possession of narcotics and psychotropic substances and "poisons". Police investigated 104 individuals for drug possession for personal use, and 31 others were investigated for spreading addiction.

According to the statistics provided by the Ministry of Justice for the same period of time, the state prosecuted 1,438 suspects and indicted 1,270 others for drug related crimes; 116 were indicted for drug possession for personal use and 50 were indicted for spreading addiction. Courts convicted 747 individuals for drug related offenses, including 29 convictions for drug possession for personal use and 7 for spreading addiction.

Statistics for first six months of 2006 show that most convicted criminals (54 percent) received conditional sentences for drug related crimes and only one-third of convicted criminals were actually sentenced to serve time in prison. Only 15 percent of this latter group received sentences higher than 5 years in prison. Compared to 2005, this is a slight improvement since at that time only 13 percent of prison sentences were higher than five years. The majority of those sentenced to serve time in prison (71 percent) received sentences ranging from one to five years. The practice of adding on penalties such as fines, asset forfeiture or public service was similar to previous years.

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". This leaves the determination to the individual police officer thus opening up 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 and 2005 a few police officers were arrested for drug-related crimes including four cases of production and distribution of drugs and one case of trafficking. In August, one policeman was convicted of selling drugs in Northern Bohemia. He only received a one-year suspended sentence, but the prosecutor has appealed the verdict to the higher court in an attempt to stiffen the penalty. The Czech Republic signed the UN Convention against Corruption in 2005 but has not yet ratified it.

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. A 1925 extradition treaty, as supplemented in 1935, remains in force between the United States and the Czech Republic. The U.S. and Czech representatives signed supplements to the U.S. — EU extradition treaty in May 2006.

Drug Flow/Transit. Whereas in past years heroin trafficking in the country was solely under the control of ethnic Albanian groups that import their product from Turkey, according to the Czech counternarcotics squad this is no longer the case. Due to several major successes against these groups in the past, they are now experiencing financial insolvency and are having difficulties importing large amounts of heroin. However, Turks living in the Czech Republic have better relations with suppliers in Turkey and have more cash available for large heroin purchases from Turkey. Heroin is transported in the Czech Republic primarily using modified vehicles. Abuse of cocaine is not as widespread as other drugs, but abuse is increasing also thanks to the growing purchasing power of Czech citizens. Cocaine is frequently imported by Nigerians or Czechs

through Western Europe from Brazil or Venezuela. Mail parcels, Czech couriers or "swallowers" are the most common ways of import.

Pervitine is a synthetic methamphetamine—type stimulant primarily produced in homes and laboratories. Its production is growing thanks to growing local demand and growing export possibilities to Germany, Austria and Slovakia. Besides Czech citizens, who are still the main producers of the drug, Vietnamese and Albanians residing in the Czech Republic and Germans are also major pervitine traffickers. The Vietnamese control mainly the border areas, selling drugs in market places where they collect orders from German customers and use Czech and German couriers to satisfy demand in the region. Pervitine is produced from imported ephedrine from the Balkans or from locally available flu pills.

Imported Ecstasy tablets remain a favorite drug of the "dance scene." Ecstasy is trafficked primarily from the Netherlands and Belgium. Ecstasy tablets are smuggled into the country by local couriers, mainly hired in localities with high unemployment rates like Northern Bohemia and Northern Moravia. These couriers travel into the country on trains, buses or planes within the EU. There is also some trafficking organized by Nigerians. A trend toward larger-scale growth of cannabis plants in hydrophonic laboratories continued in 2006, along with a similar growth in the potency of the drug produced (up to 20 percent THC). Consumption of cannabis is mainly covered by local production, but is also imported from the Netherlands in small amounts and to a lesser extent from Spain or India. Most smugglers are Czechs or Dutch citizens, but local Vietnamese have also become involved in marijuana trafficking.

Salvia Divinorum is a legal drug that is more common among young experimenters. A plant of salvia is relatively easy to buy on Internet for about 500 crowns ($25). Toluene, a solvent, is commonly inhaled by poor young segments of the population, primarily in the north of the country.

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 that 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 May, the government released a study on drug addiction treatment programs that stressed the importance of services provided by telephone and the Internet. As a result, the Czech government produced an online "Map of Help" including contact information for all drug treatment programs in the Czech Republic.

To provide high-level treatment services to clients all over the country, the National Strategy set standards that are required from all drug treatment providers. In connection with this effort, the government began a certification process in 2005 for treatment facilities. All providers of secondary and tertiary prevention programs that applied for governmental funding in 2006 were required to have received prior government certification. Certification of primary prevention programs under the administration of the Ministry of Education was delayed although all such providers must obtain certification prior to the end of 2008.

Since January, mandatory drug testing of individuals suspected of traffic violations is now required by law, but is facing problems due to a lack of resources. Traffic police do not have enough test kits and the law allows police only to test the driver's saliva as opposed to sweat, which is more commonly used in many other European countries.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. covers Czech Republic drug issues through the DEA office in Warsaw, which maintains a cooperative relationship with Czech counterparts.

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) to prevent against the transit of illicit drugs. 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 2006

Policy Initiatives. 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. Over the past two years, there has been 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." 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. Serbian and Albanian nationals control heroin trafficking. Final crime statistics for 2006 are not yet available, but the latest 2005 figures show an increase in drug seizures for all major drugs, including heroin, cocaine, hashish, and amphetamines.

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. Denmark is also a Major Donor to the UN Office on Drugs and Crime (UNODC), with an annual pledge of nearly $2,000,000.

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

The closures of illegal synthetic drug labs, seizures of drug precursors, and detection of local and international drug chains indicate drug production and transit activity in Estonia, but also reflect the increasing efficiency of counternarcotics efforts by Estonian law enforcement agencies. The drug situation in Estonia does not differ dramatically from that in other European countries except for the high HIV-infection rates among intravenous drug users. Estonia is a party to the 1988 UN Drug Convention.

II. Status of Country

Estonia's most popular illegal narcotics include trimethylphentanyl, or "White Persian," Ecstasy, amphetamine, and cannabis. The closure of illegal synthetic drug labs, along with seizures of production equipment and precursors, indicate that synthetic drugs are produced in Estonia. While some drugs are consumed locally, production is also exported to neighboring countries, as evidenced by the frequent arrests of drug traffickers at the border. Seizures of large quantities of narcotic substances by Estonian law enforcement agencies indicate that Estonia is involved in drug transit in the region.

According to Government and NGO estimates, there are about 14,000 intravenous drug users (IDUs) in Estonia (about one percent of the total Estonian population). Due to its large IDU population, Estonia has the highest per capita HIV-infection growth rate in Europe. As of October 2006, a total of 5,567 cases of HIV had been registered nationwide, 504 of which were registered in 2005 (a slight decline compared to recent years). To date, AIDS has been diagnosed in a total of 112 people, 12 of whom were diagnosed in 2006. Male IDUs account for the largest share of newly registered HIV cases; however, the number of HIV-positive young women and pregnant women has increased, indicating that the epidemic is spreading into the general population.

III. Country Actions Against Drugs in 2006

Policy Initiatives. In 2006, Estonia continued to upgrade its antinarcotics legal framework. On July 17, 2006, the Amendment Law on the Narcotic Drugs and Psychotropic Substances Act (ALNDPSA), adopted by Parliament came into force. The ALNDPSA harmonizes Estonia's legislation with European Union (EU) narcotics regulations and brings domestic law into compliance with the United Nations (UN) Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. The ALNDPSA specifies that, starting from January 1, 2006, the Estonian Drug Monitoring Center has the right to collect data on illegal drugs and drug users and to establish a national drug treatment registry.

Also in 2006, Estonia continued to implement its national 2006-2015 anti-HIV/AIDS strategy. The national anti-HIV/AIDS strategy was adopted on December 1, 2005. Its aims are 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 IDUs. As part of its anti-HIV/AIDS strategy the Government of Estonia (GOE) formed a high-level committee to coordinate all HIV and drug abuse prevention activities. The committee is comprised of representatives from the Ministries of Social Affairs, Education and Research, Defense, Internal Affairs, Justice, and Finance, as well as the UN Global Fund to Fight HIV/AIDS, TB, and Malaria (UN Global Fund), local governments, the World Health Organization, organizations for people living with HIV/AIDS, and members of the original working groups that drafted the GOE's anti-HIV/AIDS strategy. The committee reports directly to the GOE on a biannual basis.

Law Enforcement Efforts. Combating narcotics is a major priority for Estonian law enforcement agencies. Good cooperation on counternarcotics activities is maintained between police, customs officials, and the border guard. Currently 92 police officers are working solely on drug issues. In 2006, the police registered 701 drug-related criminal cases and successfully carried out several counternarcotics operations. In March, the Central Criminal Police discovered an amphetamine lab in a rural community outside the capital. Amphetamine, precursors, and lab equipment were seized. The street value of the confiscated items was $8,400. In May, police seized 450 grams of fentanyl, or "White Chinese," estimated at 15,000 doses with at total value of $84,000. As a result of several operations in June and August, Estonian police eliminated a drug conspiracy group, detained five people, and seized over 20 kg of the psychotropic substance gammahydroxybutyrate (GHB), lab

equipment, and 15 kg of the precursor gammabutyrolactone (GBL), sufficient to produce 45 kg of GHB.

Combating the illicit narcotics trade is also a high priority for the Estonian Tax and Customs Board (ETCB). The ETCB has 27 officers solely dedicated to the fight against drug trafficking, including 17 dog teams assigned to regional Customs Control Departments. All customs, investigation, and information officers have received special training in narcotics control, and all customs border points are equipped with rapid drug tests. In 2006, ETCB installed new equipment with the capability to X-ray truck cargo at the border. The ETCB has further entered into memoranda of understanding with major courier companies in an effort to involve them in drug trade prevention. From the period of January-October 2006, the ETCB seized a total of 210.2 kg of hashish (11 cases), 11.8 kg of cannabis (three cases), 4.5 kg of heroin (single seizure), 1.2 kg of amphetamines (three cases), and confiscated lab equipment for synthetic drug production.

Corruption. The GOE does not encourage or facilitate illicit production or distribution of narcotics or psychotropic drugs or the laundering of proceeds from illegal drug transactions. There are no reports of any senior official of the GOE engaging in, encouraging, or facilitating the illicit production or distribution of narcotic substances.

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. A 1924 extradition treaty, supplemented in 1934, remains in force between the United States and Estonia, and the countries entered into a treaty on mutual legal assistance in criminal matters in 2000. On October 18, 2006 the Estonian Parliament ratified a new Estonian-U.S. extradition agreement and a revised agreement on mutual legal assistance in criminal matters. These new agreements, still pending official enactment in the United States, are in compliance with agreements previously signed between the EU and the United States as well as a 2002 decision of the EU Council concerning arrest warrants and transfer procedure. Estonia is a party to the UN Convention against Transnational Organized Crime and its three protocols. Estonia's domestic drug legislation is consistent with international laws regulating the combat against illicit drugs.

Cultivation/Production. Estonia's cold climate precludes it from becoming a major drug cultivator; however, in northeastern Estonia small amounts of poppies are grown for local consumption. During the past ten years police have closed 27 drug labs and seized products and precursors from different regions of Estonia, demonstrating Estonia's involvement in synthetic narcotics production. Most of the known labs are small and very mobile, making them difficult to detect and close. In addition to production for domestic consumption, Estonia supplies drugs to neighboring countries, including the Nordic countries and northwestern Russia.

Drug Flow/Transit. The geographical position of Estonia makes it attractive to drug smugglers. Frequent arrests of drug traffickers and seizures of narcotic substances at the borders indicate Estonia's involvement in the international drug trade, but also demonstrate the high performance level of Estonian law enforcement agencies. In summer 2006, in cooperation with foreign partners, Estonian police disrupted an international drug conspiracy. Police arrested three people within Estonian borders and seized 17,000 tablets of Ecstasy and more than 60,000 tablets of chlorophenylpiperazine in transit from the Netherlands to Russia. The estimated street value of the seized substances was about $670,000.

Domestic Programs/Demand Reduction. In 2006, Estonia continued to implement its 2004-2012 National Strategy on the Prevention of Drug Dependency. Combating the drug trade and reining in domestic consumption continue to be high priorities for all Estonian law enforcement agencies and for several government ministries. Emphasis on the prevention of drug addiction and HIV/AIDS prevention continued in 2006 with the continued implementation of the 2005 Government

Coalition Agreement. There are approximately 60 governmental, non-governmental, and private entities in Estonia working with IDUs to provide services to decrease demand and reduce harm. There are currently seven voluntary HIV testing and counseling centers in Estonia funded by the GOE, local governments, and the UN Global Fund. A needle exchange program is operational in 27 cites and includes a number of mobile needle exchange stations. In Tallinn and northeastern Estonia (the center of the HIV epidemic) methadone treatment is provided at six centers. Drug rehabilitation services are available in eight facilities nationwide, three of which are church-sponsored.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In 2006, the U.S. Department of Defense (DOD) initiated a major project with the Estonian Defense Forces (EDF) entitled "DOD HIV/AIDS Prevention Program" to raise awareness of military personnel and to assist in the creation of a sustainable EDF HIV/AIDS prevention system. In addition, the GOE continues to implement projects financed by the State Department on the prevention of HIV transmission from mother to child in the Russian border area. The implementation of HIV-related stigma reduction programs continued in 2006, including a State Department- sponsored visit by a stigma expert from the United States. The State Department further financed the printing of brochures for people living with HIV.

In 2006, the Export Control and Border Security program (EXBS) provided training for customs agents, border guards, security police, and criminal central police. While principally designed for antiproliferation and WMD detection, many of the techniques in the training are directly applicable to narcotics searches and seizures.

The Road Ahead. The U.S. will continue to cooperate with Estonia and will continue to build on the training completed during 2006: International Railroad Interdiction Training in El Paso, TX (April 3-7); International Seaport Interdiction Training in Charleston, SC (September 18-22); International Railroad Interdiction Training in Narva, Estonia (September 25-29); and International Airport Interdiction Training in New York City, NY (scheduled for December 2006).

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 and Western Europe. Estonian organized crime syndicates are believed responsible for much of the drug trafficking into Finland. Finland'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 and Beijing 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 UNODC 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 are 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. Domestic drug abuse and rehabilitation programs are excellent, although access to rehabilitation programs for prison inmates was criticized in 2005 as being insufficient due to resource constraints. As of 2006, a government committee was looking into recommendations to improve this situation.

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 growing Finnish expatriate community in Malaga. 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 larger cities such as Turku, Tampere, and Oulu. Social Welfare authorities believe the introduction of GHB and other “date rape” drugs into Finland has led to an increase in drug-related 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 90's, but seizures have declined since 2004. Subutex (buprenorphine) and other heroin-substitutes seem to have supplanted actual heroin use 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 supply, which is 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. The actual extent of Subutex use is unknown.

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 EU, Estonian travelers to Finland are no longer subject to routine inspection at ports-of-entry, making it more 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. Ecstasy is primarily sold in dance clubs in larger cities and is reportedly readily available in many of the most popular clubs. There is also demand for Ecstasy on university campuses. Ecstasy use tends to be concentrated among students and young adults. 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 human smuggling and trafficking-in-persons. Finland's Frontier Guard stationed a permanent liaison officer in Beijing in 2006 to better monitor this phenomenon, and has liaison officers in St. Petersburg, Moscow, and several other cities.

III. Country Actions Against Drugs In 2006

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 about the “mixed message” that the fine system sends 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.

Accomplishments. The GoF's strategy in 2006 focused on regional and multilateral cooperation aimed at stemming the flow of drugs before they reach Finland's borders and on using the country's position as EU President from July-December to facilitate EU cooperation on antinarcotics efforts. Finland spearheaded efforts at the EU Justice and Home Affairs Ministerial Meeting in September to make it easier for the EU to use qualified majority voting procedures to facilitate law enforcement cooperation and information sharing. Finland participated in several multilateral conferences and seminars on combating narcotics globally and in the Nordic-Baltic region. A Finnish delegation met with Chinese counterparts to discuss narcotics smuggling from Asia to Europe. During Finland's EU Presidency, Interior Minister Rajamaki frequently cited antinarcotics

cooperation as one of the EU's and Finland's key goals; in November, Rajamaki visited the U.S. for the U.S.-EU Justice and Home Affairs Ministerial Meeting and discussed, inter alia, trans-Atlantic narcotics eradication efforts.

Law Enforcement Efforts. The police report that arrests and seizures in 2006 are projected to remain stable (statistics are not yet available). Law enforcement focuses limited police resources on major narcotics cases and significant traffickers. The Frontier Guard stationed a permanent liaison officer in Asia (Beijing) for the first time to better monitor and combat narcotics trafficking. Finland in 2006 continued its impressive record of multilateral cooperation. Finnish police maintain liaison officers in ten European cities (six in Russia). The Prosecutor-General's Office maintains liaison officers in St. Petersburg, Tallinn, and Moscow. In addition, Finland and the other Nordic countries pool their resources and share information gathered by Nordic liaison officers stationed in 34 posts around the world.

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 has extradition treaties with many countries, including the U.S. Finland ratified the EU extradition treaty in 1999 and the EU Arrest Warrant in 2005, and signed the bilateral instrument of the EU-U.S. Extradition Treaty in 2004. Finland is a party to the UN Convention Against Transnational Crime and its protocols against trafficking in persons and migrant smuggling.

Finland has also concluded a Customs Mutual Assistance Agreement with the United States. Finland is a member of the Dublin Group of countries coordinating policies on drug issues and is also a “major donor” to the UNODC, with an average annual pledge of nearly $2,000,000.

Cultivation/Production. There were no reported seizures of indigenously cultivated opiates, no recorded diversions of precursor chemicals, and no detection of illicit methamphetamine, cocaine, or LSD laboratories in Finland in 2006. Finland's climate makes cultivation of cannabis and opiates almost impossible. Local cannabis cultivation is believed to be limited to small numbers of plants in individual homes using artificial lighting for personal use. The distribution of the 22 key precursor chemicals used for cocaine, amphetamine, and heroin production is tightly controlled.

Drug Flow/Transit. Hashish and Ecstasy are the drugs most often seized by the police. Finland is not a 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 GoF emphasizes rehabilitation and education over punitive measures to curb demand for illegal drugs. The central government gives substantial autonomy to local governments to address demand reduction using general revenue grants. Finnish schools in 2006 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.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. has historically worked with Finland and the other Nordic countries through multilateral organizations to combat narcotics trafficking in the Nordic-Baltic region. This involves assistance to and cooperation with the Baltic countries and Russia. FBI Agents twice visited Finland in 2006 to participate in antitrafficking-in-persons training programs; human trafficking into Finland is believed in some cases to be associated with narcotics smuggling. Finnish law enforcement maintains a close relationship with American counterparts; cooperation is excellent.

The Road Ahead. The U.S. anticipates continued close cooperation with Finland in bilateral and multilateral settings such as the UNODC, 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 continues to be a major transshipment point for drugs moving through 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 Schengen open border system, contribute to its desirability as a transit point for drugs, including drugs originating in South America. France's own large domestic market of predominantly cannabis users is attractive to traffickers as well. Specifically, in descending order, cannabis originating in Morocco (and to a lesser extent, Algeria), cocaine from South America, heroin originating in southwest Asia, and Ecstasy (MDMA) originating in the Netherlands and Belgium, all find their way to France. Seizures of amphetamines and methamphetamine in France remain relatively inconsequential. Increasingly, traffickers are also using the Channel tunnel linking France to Great Britain as a conduit for drugs from Continental Europe to the UK and Ireland. Although the total number of drug seizures reported in 2005 (latest published figures) declined by 2.19 percent from 2004 levels (to 83,932), the gross total of the quantity of seizures of cocaine (HCL), Heroin, and Khat all increased, whereas cannabis products, MDMA, and cocaine base ("crack" form) all decreased. Drug trafficking and possession arrests decreased in 2005 by 0.78 percent to 120,305, a significant decline from the 24 percent increase seen in 2003 and the 13 percent increase seen in 2004. 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 4 percent and 2 percent of users respectively. 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 1990, MILDT (which received its current name in 1996) coordinates the 19 ministerial departments that have direct roles in establishing, implementing, and enforcing France's domestic and international drug control strategy. The MILDT is a policy organ that does not have input into enforcement matters or its own budget. The French also participate in regional cooperation programs initiated and sponsored by the European Union. Deaths by drug overdose have declined since 1995. In 2005 there were 57 deaths due to overdose, compared to 69 deaths in 2004. Possession of drugs for personal use and possession of drugs for distribution both constitute crimes under French law and both are enforced. Penalties for drug trafficking can be severe and can include up to a sentence of life imprisonment. French counter narcotics agencies are effective, technically capable and make heavy use of electronic surveillance capabilities. In France, the counterpart to DEA is the Office Central pour la Repression du Trafic Illicite des Stupifiants (OCRTIS), also referred to as the Central Narcotics Office (CNO). Two aspects of French law make narcotics enforcement difficult compared to U.S. law: French law prohibits reductions in prison sentence or dismissal of charges for cooperation (plea bargaining) and French law limits undercover operations to those approved by a judge or government prosecutor. 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 activities such as money laundering and clandestine gambling.

III. Country Actions Against Drugs in 2006

Policy Initiatives. In late 2004, France launched a five-year action plan called "Programme drogue et toxicomanie" (Drug and Addiction Program) to reduce significant 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 counter narcotics 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. In 2006, French authorities made several important seizures of narcotics. On February 3, 2006, French Customs officials seized 305 kg of heroin after searching a tractor trailer as it was preparing to transit from France, near the Belgian border, to the United Kingdom. The tractor trailer contained a shipment of auto parts fabricated in Turkey and had transited multiple east and west European countries prior to its seizure in France. On May 8, 2006, following receipt of information concerning a cocaine transaction to be conducted in Paris, French Customs and the Paris Narcotics Squad conducted surveillance resulting in the seizure of over 275 kg of cocaine and the arrest of three British nationals, one Dutch national, and one French national. On June 19, 2006, French Customs stopped a passenger vehicle entering France from Belgium and seized 19.6 kg of MDMA in the possession of a Dutch national. The MDMA was reportedly being transported to Spain. On August 26, 2006, as a result of a joint Spanish/French/US investigation, Spanish naval assets intercepted a sailing vessel near the Canary Islands and located over 3,000 kg of cocaine. The organization involved in this shipment consisted primarily of French nationals residing in southern Spain. French authorities routinely seize quantities of heroin and cocaine ranging between one and five kg, which are entering or transiting France via its two international airports in Paris. Occasionally, these seizures involve larger quantities of heroin or cocaine located in luggage.

Corruption. As a matter of government policy, the Government of France is firmly committed to the fight against drug trafficking domestically and internationally. The government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. 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. have an extradition treaty and an MLAT, which provides for assistance in the prevention, investigation, and prosecution of crime, including drug offenses. 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 against 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 and South American 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/Demand Reduction. MILDT is responsible for coordinating France's demand reduction programs. Drug education efforts target government officials, counselors, teachers, and medical personnel, with the objective of giving these opinion leaders the information they need to assist those endangered by drug abuse in the community. The government is continuing its experimental methadone treatment program, and clinics were treating an estimated 100,000 opiate addicts at the beginning of 2006. At last report, there were currently 85,000 persons taking Subutex as a treatment for opiate addiction in France, and 25,000 on methadone. 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. That said, cannabis use by young people is widely tolerated in practice.

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 and OCRTIS have been working together on operations that have resulted in the seizure and/or dismantling of 29 operational, or soon-to-be-operational clandestine MDMA (Ecstasy) laboratories, the arrests of more than 51 individuals worldwide, and 19 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 of 2005, 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. They have cooperated in the dismantling of a major hashish smuggling/drug money laundering/credit card fraud group operating in the U.S., France and Morocco. In 2006, France provisionally arrested at U.S. request two fugitives in drug related matters; their extraditions are pending.

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.

Georgia

I. Summary

Georgia has the potential to be a transit country for narcotics flowing from Afghanistan to Western Europe. In 2006, however, there were no western-bound, significant seizures of narcotics. Subutex, a licit pharmaceutical produced in the UK, continues to flow from the west into Georgia, and beyond. Breakaway territories not controlled by the Government of Georgia (GOG)--South Ossetia and Abkhazia--also provide additional routes for drug flow and other contraband. There is little or no exchange of information on trafficking between the de facto governments of these territories and the GOG. Anecdotal evidence indicates a sizable domestic drug problem in Georgia. In response, the GOG is belatedly developing an Anti-Drug Strategy. The GOG also is continuing efforts to increase border security with the United States Government, European Union (EU) and other donors' assistance Statistics on seizures, arrests, and prosecutions for narcotics-related crime are not up to Western standards. A national register of drug abusers has recommenced after falling into disuse. State-supported treatment is largely non-existent.

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 may enter Georgia from Azerbaijan via the Caspian and exit through the northern Abkhaz or southern Ajaran land and water borders. Thinly staffed ports of entry and confusing and restrictive search regulations make TIR (long-haul trucks carrying nominally inspected goods under Customs Seal) trucks the 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 any significant seizure of drugs moving west in 2006.

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. Subutex, used as an intravenous drug, is increasingly the drug of choice since it is cheaper then heroin, provides a longer high, and promises high mark-ups for dealers. There have been public reports of major seizures of Subutex trying to enter the country for domestic consumption. Anecdotal evidence, discussions with law enforcement, and an abundance of discarded needles fouling streets all point to a sizable drug problem.

III. Country Actions Against Drugs in 2006

The "Advisory Council on Drug Policy," which includes the Ministry of Health, MOIA, NGOs, doctors, and jurists, developed an "Anti-Drug Strategy", which was presented to the cabinet at the end of August. The strategy aims for a "holistic, consistent, and balanced antidrug policy", i.e. a mix of fighting supply and reducing demand. Action plans are being worked out for implementation and funding in 2007. In conjunction with this effort, the Prosecutor General and the MOIA are working out an "antidrug legal package." Already, an amendment has been presented in Parliament increasing penalties for drug abuse, and intensifying monitoring of drug users. Some observers, however, have criticized GOG antidrug efforts to date as poorly-coordinated, under-funded, and directionless.

Law Enforcement Efforts. The Special Operations Department of the MOIA is the lead agency for fighting drug trafficking. The Georgian Border Police also play a role, though far smaller. The Border Police reported four seizures of narcotics at border points in 2006. Most arrests for cultivation are believed to be small plots intended for personal use.

In the first nine months of 2006, drug related cases increased by 31 percent over 2005. It is unclear whether the jump is due to increased drug use or more aggressive policing in line with President Saakashvili's "zero tolerance policy" for criminal acts. According to MOIA statistics:

Activities	2005	2006 (Jan-Sept)
Drug-related cases	2,074	2,038
Felonies	1,427	1,357
Contraband	34	27
Dealings	138	90
Cultivation	109	95
Heroin seizure	2.59 kg	4.79 kg
Marijuana seizure	23.3 kg	11.14 kg
Opium seizure	4.75 kg	0
Cocaine	1.59 kg	0
Subutex	4,302 pills	4,539 pills
Methadone	4,717grams	0

Corruption. As a matter of policy, the GOG neither encourages nor facilitates illicit drug production, distribution, or the laundering of drug profits. No senior officials are known to be engaged in such activities. Rather, the GOG declared war against corruption after the 2003 Rose Revolution and remains publicly committed to this effort. Statistics from the World Bank and other organizations indicate that there has been a dramatic decrease in corruption across the government. The GOG is continuing civil service, tax and law enforcement reforms aimed at deterring and prosecuting corruption. Despite these efforts, however, corruption still exists.

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. In September 2006 Georgia ratified the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling. In addition, the GOG has signed antinarcotics agreements with the Commonwealth of Independent States, Black sea basin countries, the GUUAM Group (Georgia-Ukraine-Uzbekistan-Azerbaijan-Moldova), Iran, and Austria.

Cultivation and Production. Estimates by the GOG on the extent of narcotics cultivation within the country are unreliable and do not include the breakaway regions outside the central government's control (South Ossetia and Abkhazia). A small amount of low-grade cannabis is grown for domestic use, but there are no other known narcotics crops 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. In fact, many factories that could produce precursors closed after the collapse of the Soviet Union.

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 significant seizures in 2004, 2005, and the

first nine months of 2006. This, for some, is proof that Georgia is indeed not a transit country; others point to inadequate policing and/or possible corruption. For their part, antinarcotics police complain of a lack of equipment and "sniffer" dogs to properly examine vehicles at borders. Even those who argue that drugs do transit Georgia to Western markets believe that Georgia is a secondary route.

Demand Reduction. There are no widely accepted figures for drug dependency in Georgia, and more generally, statistics are poorly kept. Some sources put the number of drug users between 240,000 and 350,000. Such calculations are, however, at best, a guess. They result from multiplying known users by a coefficient to account for the covert, hidden nature of the problem and poor record keeping.

The GOG has just restarted a national register on drug abusers, which at the end of 2004 numbered 24,000. The register had fallen into disuse after mandatory drug testing was moved from the Ministry of Health to the Ministry of Justice. There were 1488 new registered drug abusers between May-December 2005, with another 4380 registered from January 2006 through mid-October 2006. New figures for 2005 and 2006 are, however, for Tbilisi only. All figures include both hard-core addicts as well as other users.

According to the UNODC Southern Caucasus Anti-Drug Program (SCAD), the GOG has slashed demand reduction funding in the past ten years ten times, allotting just 50,000 GEL ($28,730) in 2006. A handful of private clinics provide treatment, which is in great demand. In December 2005, the first ever substitution therapy program, which is financed by the Global Fund for AIDS, was launched in Georgia. Numbers treated, however, are small.

IV. U.S. Policy Initiatives and Programs

Bilateral Programs. In 2006, the USG continued timely and direct assistance on procuracy reform, anticorruption efforts, money laundering, writing a new criminal procedure code, upgrading the forensics lab, building a police academy and introducing a new curriculum, fighting human trafficking, and equipping the patrol police with modern communication equipment.

The Road Ahead. Recent efforts to hammer out a national drug strategy should be welcomed in light of the rise of Subutex. Most likely, that strategy will be a balance between interdiction and demand reduction. If implemented quickly and funded-properly, that strategy may spare Georgia the full blight of HIV/AIDS, which is a growing, but still relatively minor problem.

Germany

I. Summary

Although not a major drug producing country, Germany is 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 2006, Germany continued to implement its Action Plan on Drugs and Addiction, which it launched in 2003, with a specific focus on prevention. Cannabis is the most commonly consumed illicit drug in Germany. Organized crime continued to be heavily engaged in narcotics trafficking. The Federal Office of Criminal Investigation (BKA) publishes an annual narcotics report on illicit drug-related crimes, including data on seizures, drug flows, and consumption. The most recent complete German figures available for narcotics cover calendar year 2005. That year saw drug-related crimes (276,740) drop for the first time since 1996. Germany is a party to the 1988 UN Drug Convention.

II. Status of Country

Germany is not a significant drug cultivation or production country. However, Germany's location at the center of Europe and its well-developed infrastructure make it a major transit hub. Ecstasy moves from the Netherlands to and through Germany to Eastern and Southern Europe. Heroin is trafficked to Germany from Turkey, Austria, and Italy. Cocaine moves through Germany from South America and the Netherlands. Organized crime continues to be heavily engaged in narcotics trafficking. Germany is a major manufacturer of pharmaceuticals, making it a potential source for precursor chemicals used in the production of illicit narcotics, although current precursor chemical control in Germany is excellent.

III. Country Actions Against Drugs in 2006

Policy Initiatives. Germany continues to implement the Federal 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 an immediate remedy for drug-addicts, and (4) interdiction and supply reduction. Germany also abides by the EU Drugs Action Plan 2005-2008. The National Inter-agency Drug and Addiction Council that had been established in 2004 to coordinate and review the implementation of the government's "Action Plan on Drugs and Addiction" passed a new working program in March 2006. The program recommends, inter alia, a continued focus on demand reduction in the consumption of cannabis.

Law Enforcement Efforts. Counternarcotics law enforcement remains a high priority for the BKA and the Federal Office of Customs Investigation (ZKA). German law enforcement agencies scored numerous successes in seizing illicit narcotics and arresting suspected drug dealers. According to the most recent publicized analyses, the number of narcotics related seizures increased in 2005. However, the seized amounts decreased overall. Seizures of Ecstasy decreased in 2005, while seizures of amphetamine, heroin and cocaine increased. The number of seizures of cannabis rose in 2005, while the amount of seized cannabis fell. In 2006, the BKA seized significant amounts of hashish transported from the Pakistan/Afghanistan border region. The ZKA conducted 7,683 criminal narcotics related investigations in 2005. The Frankfurt/Main Airport Customs Office alone seized 846 kg of illicit drugs in 2005 at Europe's second busiest passenger airport and a major freight hub -- roughly the same amount as in 2004.

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. No cases of official corruption have come to the USG's attention.

Agreements and Treaties. A 1978 extradition treaty and a 1986 supplemental extradition 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 German Parliament is expected to ratify in early 2007. The U.S. Senate gave its advice and consent to ratification of the treaty on July 27, 2006. Additionally, the U.S. and Germany signed bilateral instruments to implement the U.S.-EU Extradition and Mutual Legal Assistance Agreements on April 18, 2006. These bilateral instruments were submitted for review together with the MLAT for approval by the German Parliament in order to implement all international obligations simultaneously. 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 ratified the UN Convention against Transnational Organized Crime on June 14, 2006. Germany has signed but has not yet ratified the UN Corruption Convention.

Cultivation and Production. Germany is not a significant producer of hashish or marijuana. The BKA statistics reported seizure of eight synthetic drug labs in Germany in 2005.

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 to and through Germany to other European countries. Heroin 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 for 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. The National Drug Commissioner at the Federal Ministry of Health coordinates Germany's national drug policy. Drug consumption is treated as a health and social issue. Policies stress prevention through education. The Ministry funds numerous research and prevention programs. Addiction therapy programs focus on drug-free treatment, psychological counseling, and substitution therapy. Initial results of a heroin-based treatment pilot project to treat seriously ill, long-term opiate addicts published in 2006 found heroin-based treatment for this group had advantages over a substitution therapy approach. In 2006, there were 25 medically controlled "drug consumption rooms" in Germany supplementing therapy programs to offer survival aid. German federal law requires that personnel at these sites provide medical counseling and other professional help and ensure that no crimes are committed. Drug-related deaths have been decreasing for several years. In 2005, they dropped by four percent compared to 2004, making 2005 the year with the lowest number of drug-related deaths since 1989. The number of first-time users of illicit drugs fell five percent in 2005 compared to 2004. First-time use of Ecstasy, heroin, and cocaine decreased in 2005, while the first-time use of crack increased.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. German law enforcement agencies work closely and effectively with their U.S. counterparts in narcotics-related cases. Close cooperation to curb drug trafficking continues among DEA, FBI, the U.S. Customs Service and their German counterparts, including the BKA, the State Offices for Criminal Investigation (LKAs), and the ZKA. German agencies routinely cooperate very closely with their U.S. counterparts in joint investigations U.S.-German cooperation to stop diversion of chemical precursors for cocaine production continues to be close (e.g., Operations "Purple" and "Topaz"). A DEA Diversion Investigator is assigned to the BKA

headquarters in Wiesbaden to facilitate cooperation and joint investigations. The DEA Frankfurt Country Office facilitates information exchanges and operational support between German and U.S. drug enforcement agencies. The BKA and DEA also participate in a tablet exchange program to compare samples of Ecstasy pills. Germany is also a "major donor" to the UN Office on Drugs and Crime (UNODC), with an annual pledge of approximately $2,300,000.

The Road Ahead. The U.S. will continue its close cooperation with Germany on all bilateral and international counternarcotics fronts, including the Dublin Group, a group of countries that coordinates the provision of counternarcotics assistance and the United Nations Office on Drugs and Crime (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 longstanding investigation of judiciary corruption, culminated in November 2006, in the dismissal, suspension, indictment and/or prosecution of several judges. 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.

III. Country Actions Against Drugs in 2006

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 significantly disrupt the ability of drug trafficking organizations to operate in the region.

Law Enforcement Efforts. Several notable joint U.S./Hellenic counternarcotics investigations occurred during 2006 with significant arrests and seizures. Since July 2005, DEA, Australian authorities and Hellenic National Police Agents conducted negotiations with three high-ranking members of a large-scale, international poly-drug trafficking organization with ties to South America, Europe, Australia and the United States. The investigation culminated in May 2006 when the members of the organization delivered 100,000 MDMA tablets. All of the MDMA was seized, along with $1,333,000 in drug-related assets and proceeds, and four individuals were arrested. This was one of the largest single seizures of MDMA in Greece. Prior to the arrests, the DEA, in coordination with Hellenic and Australian Authorities, targeted several Greek bank accounts belonging to the targets of the investigation for seizure. Pursuant to Hellenic laws, a financial investigation was initiated after the arrests, which resulted in the seizure of the aforementioned bank accounts and drug-related assets.

In a separate investigation, DEA, authorities of Greece and the Republic of Macedonia seized over 10 kg of cocaine and arrested six individuals of a large-scale international cocaine trafficking

organization operating in the Balkan region since 2003. This investigation involved unprecedented cooperation between Hellenic and Macedonian Authorities. Additionally, Hellenic and Macedonian Prosecutors were able to coordinate different facets of the investigation to improve the chances of a successful prosecution in both countries. As a result of the prosecutorial coordination, immediately after the cocaine seizure in Macedonia, Hellenic Prosecutors authorized the arrest of targets in Greece. This investigation established a new level of cooperation, as well as new precedents, for bilateral investigations between Greece and Macedonia.

Narcotics seizures increased considerably in 2006. The Hellenic National Police reported that in the first six months of 2006, 52.3 kg of processed hashish and 5,067 kg of unprocessed hashish, 67.6kg of heroin, 98.3 kg of unprocessed opium, 3,269 methadone tablets, 1,137 opiate tablets, 100,763 Ecstasy pills, and 14 kg of cocaine were seized by authorities. Additionally, some 6,809 individuals were arrested in connection with the above 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. Greece continued cooperation with bordering countries' police authorities to better combat narcotics smuggling. Greek, Albanian, and Bulgarian police chiefs meet regularly twice a year to coordinate counternarcotics efforts.

Corruption. 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 the illegal proceeds. However, 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 narcotics-related activities.

As part of an ongoing investigation of judicial corruption, by November 2006, 13 justices had been dismissed, 14 temporarily suspended from duty, two have been detained and are being prosecuted for money laundering and receiving bribes, 33 were indicted, and disciplinary action has been initiated against 49 other justices for charges related to corruption or early prison release of defendants, including accused drug traffickers.

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. 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 cocaine, Ecstasy and methadone pills, which reflects developments in the growing European synthetic drug market. Some years ago, the GOG estimated that there were between 20,000 and 30,000 addicts in Greece of whom about 19,000 were addicted to heroin, with the addict population growing. While there has been no formal survey since then, the general view is that the addict population in 2006 is considerably larger. 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, eight offer methadone substitution programs, and 8 offer buprenophine substitution programs. OKANA's plans to extend its program to other regions and to open it to more addicts has gone forward more slowly because of strong local reactions against the establishment of such treatment centers.

IV. U.S. Policy Initiatives and Programs

The Road Ahead. 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.

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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 neighboring countries of the former Yugoslavia. Since the collapse of communism in Europe, Hungary has become a significant consumer of narcotics as well. Drug abuse, particularly among persons under 40 years of age, rose dramatically during the nineties 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 Social Affairs and Labor has held primacy over all matters related to narcotics issues. Hungary continues to expand the collection and reporting efforts of its National Narcotics Data Collection Center. The center was established in February 2004 to report valid, comparable and reliable data on drug abuse trends to the European Monitoring Center for Drugs and Drug Addiction. Hungary is a party to the 1988 UN Drug Convention.

II. Status of Country

Throughout 2006, Hungary continued to be a major transit route for illegal narcotic 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 from Albania, Turkey, and Nigeria, controls 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 in the transport, sale, and distribution of narcotics. 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 2006

Policy Initiatives. A National Narcotics Data Collection Center (NDCC), established in 2004 in the national epidemiological center of the national public health network, is charged with the compilation of an annual report of data for the European Monitoring Center for Drugs and Drug Addiction. The National Drug Prevention Institute (NDPI) was set up in 2000 to provide technical and financial support for drug action teams in cities with populations over 20,000. The NDPI encourages the creation of local fora composed of officials of local government institutions, law enforcement agencies, schools and non-governmental organizations to create local drug strategies customized for local needs. As of November 2006, 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 continue to be problems with increasing drug dealing at schools. Research findings from the NDCC as well as the Ministry of Social Affairs and Labor indicate that the rate of experimentation and use of narcotics is steadily increasing. One in five youth have tried marijuana; one-third of these are under the age of fourteen. The drugs of choice are marijuana, Ecstasy, and to a lesser extent LSD.

Accomplishments. Preliminary reporting and data indicate that seizures of Ecstasy and cocaine continued to increase between 2005 and 2006. Accession to the European Union (EU) provided Hungarian border guards and national police forces with greater access to modern electronic detection equipment provided by the European Union to certain high threat border posts. This equipment was initially installed in 2003 and has continued to result in improved border interdiction of all types of contraband. Hungary is working to meet Schengen Standards for border control. 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. In an effort to build upon successes against narcotics-related crime throughout 2005, 2006 saw a continuation of the close cooperation between the Hungarian Border Guards and the Hungarian National Police. The Hungarian Ministry of Finance and the national headquarters of the customs and finance guard supported antinarcotics and antismuggling activities as well. These groups jointly planned and staged actions related to crime and border security that were specifically designed to prevent drug trafficking and a wide range of illicit transit and smuggling activities. The Interior Ministry merged this year with the Ministry of Justice; U.S. Embassy Budapest will monitor this new agency's performance on narcotics-related issues, particularly through arrest and prosecution statistics. 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 guarantee the security of society, combat the illegal production and smuggling of drugs and precursors facilitate joint actions with the EU member countries, as well as combat production, trading and consumption of synthetic drugs. According to the Ministry of Social Affairs and Labor, 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, which are alleged to have eliminated negative individual consequences for drug use. The cooperation between the Hungarian National Police (HNP) and the U.S. Drug Enforcement Administration (DEA) Office in Vienna, Austria has slowly improved. Hungarian authorities twice asked for DEA assistance this past year with investigations that resulted in the seizure of 30 kg of cocaine and the arrest of seven persons.

Corruption. The USG is not aware of systemic corruption in Hungary that facilitates narcotics trafficking. The Hungarian Government enforces its laws against corruption aggressively, and takes administrative steps (e.g., the regular re-posting of border guards) to reduce the temptation for corruption whenever it can. A challenge to accurately assessing the scope and success of Hungarian efforts to combat corruption is the GOH treatment of corruption-related information and prosecutions as classified national security information. Hungary is a party to the UN Corruption Convention.

Agreements and Treaties. Hungary is party to the 1961 United Nations (UN) Single Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. A mutual legal assistance and an extradition treaty between the U.S. and Hungarian governments were signed in 2005. This agreement has paved the way for closer cooperation between U.S. and Hungarian law enforcement agencies. In addition, in December 2006 the Hungarian National Assembly ratified the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling.

Cultivation/Production. GOH authorities report that marijuana is cultivated in western Hungary, Ecstasy, 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. Hungarian authorities for the Ministry of Interior and Border Guards report smuggling and distribution of narcotics throughout Hungary. In particular, long-term resident Albanians, Turks and Nigerians are involved in trafficking. Budapest's Ferihegy International Airport continues to be an important stop for cocaine transit from South America to Europe. Synthetic drugs such as Ecstasy 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 is significantly higher among youth between the ages of 12-25. As a result, drug prevention programs are taught to teachers as part of the normal educational training and schools in Hungary include several drug prevention and health promotion programs within the educational system. The life skills program is the largest of the antidrug 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. An amendment to Hungarian counternarcotics legislation, which went into effect in March 2003, was designed to shift the focus of criminal investigations from consumers to dealers. Before this amendment was enacted, Hungarian civil rights leaders claimed that the Hungarian narcotics law, among the toughest on users in Europe, subjected even casual users to stiff criminal penalties, while addicts were often exempted from prosecution. The 2003 Amendment allowed 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 provided judges with more alternatives and flexibility when sentencing drug users. Due to the continued 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 deterrence system and is currently considering a return to the punishment-based deterrence system. As a result, the constitutional court has begun to scale back treatment programs and focus again on prison sentences. However, the State Secretary for Drug Affairs has reconfirmed the GOH commitment to maintaining alternative treatment programs. In 2006, the GOH continued to provide access to 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 International Law Enforcement Academy (ILEA). In addition, the U.S. DEA maintains a regional office in Vienna, Austria that is accredited to Hungary to work with local and national Hungarian authorities. Health professionals in Budapest continue to benefit from training received in 2003 from doctors from the University of California, San Diego, who provided instruction to 200 drug treatment professionals in Budapest. The Hungarian Ministry of Health reports the 200 trainees continue to provide advice and assistance to hospitals and clinics throughout Hungary to acquaint the medical professionals with American experiences in the field of diagnosis and treatment of drug addict offenders within the criminal justice system.

The Road Ahead. The USG continues to support and encourage Hungarian legislative efforts to stiffen criminal penalties for drug offenses, and will continue to support the GOH law Enforcement efforts through training programs and seminars at the 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. 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. Most illegal drugs in Iceland are smuggled in through the mail, inside commercial containers, or by airline and ferry passengers. The chief illicit drugs entering Iceland, mainly from Denmark, are cannabis and amphetamines, with the latter becoming increasingly common during recent years as part of a trend of stimulant drug use that also involved heightened levels of cocaine in circulation. According to authorities there were 92 cases of importation of drugs and precursors in 2006 (latest available National Commissioner of Police figures through December 27). Icelandic officials raised concerns during the year that drugs smuggling into Iceland could be tied to eastern European and Baltic organized crime groups, and said publicly that investigation and interdiction efforts were being redirected accordingly. Results of the third European School Survey Project on Alcohol and Other Drugs, conducted in 2003, showed that controlled substance use among Icelandic adolescents has decreased significantly in recent years, and that students currently completing secondary school have used drugs less 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 non-profit research center that specializes in youth research and studies for policymakers -- supported these findings.

III. Country Actions Against Drugs in 2006

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. Programs are funded though an alcohol tax, with allocations overseen by he 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 non-governmental organizations working primarily in prevention. During the year it made grants worth roughly $60,000 to a total of 50 groups and projects across the country. 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.

In July, the government launched a collaborative effort by parties involved in preventive measures to draw up a comprehensive policy on drug prevention in Iceland with the aim of coordinating measures on drug prevention.

Authorities have documented a substantial upward trend in narcotics violations over the past several years (from 1671 in 2004, to 1816 in 2005, and 2034 as of December 27, 2006). While one explanation may be escalating drug use, another is a 2002 National Commissioner of Police decision to increase enforcement against possession. Police nationwide have intensified

surveillance in public places and initiated searches of suspicious individuals, while also improving interdiction training for border police and customs officials. In April the Icelandic Supreme Court confirmed the sentence of a Lithuanian man who, along with another Lithuanian, was sentenced to three years in prison for smuggling 4 kg of methamphetamines on a passenger ferry arriving in Seydisfjordur (east Iceland). In June Reykjavik District Court sentenced a man to four years in prison for smuggling 3.7 kg of amphetamines through Keflavik International Airport (KEF). In July the Reykjavik District Court sentenced two Lithuanian nationals to two and a half years in prison for smuggling and receiving 1.7 liters of liquid amphetamines through KEF, and in October the Icelandic Supreme Court increased the sentence of one of them to four years. In the same month another Lithuanian man was sentenced to two and a half years in prison for smuggling 2 liters of liquid amphetamines through KEF. In September the Reykjavik District Court sentenced three men under the age of twenty to three, two, and one and a half years in prison for smuggling 400 grams of cocaine through KEF. In November Reykjavik District Court sentenced two Lithuanians to seven years in prison for smuggling 12 kg of amphetamines in a car aboard the ferry that stops in Seydisfjordur. In December Reykjavik District Court sentenced four men to prison for attempting to smuggle 15 kg of amphetamines and 10 kg of hashish hidden in the gas tank of a vehicle. The court sentenced one man to eight and a half years, two others received six years, and the fourth man was sentenced to four years in prison. In the same month Reykjavik District Court sentenced a Lithuanian national to three and a half years in prison for smuggling 4.5 kg of amphetamines to Iceland stowed away in a car aboard the ferry that runs between Iceland, Norway, Denmark, and the Faroe Islands.

Law Enforcement Efforts. In 2006, KEF authorities made 49 seizures compared to a total of 33 in 2005. Nationwide drug seizure highlights include:

-- In January, Vestmannaeyjar police arrested a man and confiscated 1.3 kg of hashish.

-- In January, Reykjavik police arrested a couple on charges of possessing between 200 and 300 cannabis plants and about 1 kg of hashish and 1 kg of amphetamines.

-- In February, KEF police and customs arrested a couple with 3.5 kg of amphetamines hidden in a secret compartment of a suitcase.

-- In February, Reykjavik Police found 3 kg of amphetamines buried in the ground near Reykjavik. The owner of the substance has not been found.

-- In April, KEF police arrested a man in his forties with 700 grams of cocaine in his baggage.

-- In April, Reykjavik police seized 15 kg of amphetamines and 10 kg of hashish from the fuel tank of a car that had been imported to Iceland. The police arrested four men connected with the case who had been under surveillance for two weeks. Police had discovered the narcotics during customs inspection and waited for the men to pick up the car. This is one of the largest quantities of narcotics ever seized at one time in Iceland.

-- In April, Borgarnes police confiscated 228 cannabis plants at a farm.

-- In July, customs officials in Seydisfjordur seized 12.5 kg of amphetamines aboard the car ferry that runs between Iceland, Norway, Denmark, and the Faroe Islands. This was the largest-ever drug seizure connected to the ferry.

-- In July, Icelandic customs officials stopped a couple arriving at KEF and confiscated 1 kg of cocaine that they had hidden inside the bottom of their shoes.

-- In August, police arrested a Lithuanian man for smuggling 7 kg of amphetamines, hidden in various places inside his vehicle. The man arrived with the car ferry that stops in Seydisfjordur.

-- In September, customs officials confiscated 11 kg of amphetamines aboard the car ferry making

a stop in Seydisfjordur from two Lithuanian men who had hidden the substance in their car.

-- In October, Hafnarfjordur police confiscated 170 cannabis plants and a few kg of cut-down marijuana.

-- In October, KEF police arrested three men who had hidden approximately 500 grams of cocaine in their shoes.

-- In October, Reykjavik Police arrested two men after 14 kg were found in a mail delivery from Denmark.

-- In November, Reykjavik Police arrested three men after finding 800 Ecstasy tablets in a mail delivery from the Netherlands.

-- In November, KEF Police arrested an Icelandic man, arriving from Copenhagen, after seizing 3 kg of cocaine from his luggage. This is the largest amount of cocaine confiscated in Iceland at one time. The amount of amphetamines authorities had seized by year's end was 46.5 kg, or drastically higher than the total amount seized in 2005. During the year, police seized at least 2,089 Ecstasy pills, up from around 1,500 seized in 2005; and confiscated approximately 1,203 cannabis plants (latest available National Commissioner of Police figures). In 2006, KEF authorities seized a total of 1.4 kg of hashish, 8.4 kg of cocaine, and 4.2 kg of amphetamines.

The National Police Commissioner and the Keflavik Airport Police Commissioner have 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 suspected of attempting to expand their criminal operations to Iceland; there were no new biker gang incidents this year. A Norwegian Customs expert in training drug-sniffing dogs conducted courses in July for Icelandic police and customs officials who manage such dogs. Authorities affirm that the animals' 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. The total number of seizures was at least 111, the highest ever for this weekend.

Corruption. There were no reports of narcotics-related public corruption in Iceland. 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. In August, a guard at Iceland's main prison was arrested after attempting to smuggle hashish and amphetamines into the prison for sale to inmates. The guard, a temporary summer hire, admitted that this was the eighth time he had smuggled drugs into the prison. The guard was fired and charges are expected in the matter by year's end. An investigation has not revealed any further complicity by prison guards or officials thus far.

Agreements and Treaties. Iceland is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol. Iceland has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime. 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 SAA, the National Center of Addiction Medicine. (Individuals with less acute problems may turn to Samhjalp or Byrgid, two Christian charities that use faith-based approaches to treating addiction.) 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 is no wait for teenagers. SAA's main treatment center estimate for the number of admitted patients in 2006 is around 2,500. Some 300 drug addicts (often those with complicating psychiatric illnesses) annually go to the National-University Hospital.

The Directorate of Customs continued with its national drug education program, developed in 1999 and formalized in an agreement with the national (Lutheran) church in 2003, in which an officer accompanied by a narcotics sniffing dog informs students participating in confirmation classes about the harmful effects of drugs and Iceland's fight against drug smuggling. Parents are invited to the meetings in order to encourage a joint parent-child effort against drug abuse. Customs officials also use the meetings to distribute an educational multimedia CD dealing with drug awareness.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA will continue to try to accommodate Icelandic requests for U.S.-sponsored training.

The Road Ahead. The DEA office in Copenhagen and the Regional Security Office in Reykjavik have developed good contacts in Icelandic law enforcement circles for the purpose of cooperating on narcotics investigations and interdiction of shipments. 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 up to now has facilitated the exchange of intelligence and cooperation on, e.g., controlled deliveries. The U.S. G. will continue efforts to strengthen exchange and training programs in the context of its on going effort to strengthen law enforcement, homeland security, and counterterrorism ties with Iceland.

Ireland

I. Summary

The Republic of Ireland is not a transshipment point for narcotics to the United States, nor is it a hub for drug trafficking outside Europe. 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 domestic traffickers attempt to import drugs in larger quantities. The GOI's National Drug Strategy aims to reduce drug consumption significantly through a concerted focus on supply reduction, prevention, treatment, and research. In 2004, the GOI signed the European Arrests Warrant Act 2003, by which Irish police (Garda) can work with foreign police to detain suspects in Irish narcotics cases. Also in 2004, Ireland enacted 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 500 million Euros worth of Ecstasy and amphetamines.

III. Country Actions Against Drugs in 2006

Policy Initiatives. The GOI continued to implement the 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." Since the 2003 launch of a National Awareness Campaign on Drugs, substance abuse programs have become part of every school curriculum in the country. The campaigns feature television and radio advertising, and lectures by police, supported by an information brochure and website, all designed to promote greater awareness of and communication about drug issues. Regional Drug Task Forces (RDTF), set up to examine narcotics issues in local areas, were operational throughout the country. The GOI established a review procedure to measure each government departments' effectiveness in 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 near completion. Progress has been made in 45 of them, and six need considerably more progress. The six actions requiring more progress were: the extension of community policing fora; review of the effectiveness of the prison strategy with respect to drugs; development of drop-in centers, respite facilities and half way houses; setting up of a pilot community pharmacy, needle and syringe exchange program; narcotics training for various professionals; and discussion of the national drugs strategy at meetings of the parliament committees. 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 in September 2005, which should provide an accurate estimate of people who die directly from drugs or of people who die as a result of the consequences of drug use.

The Minister for Health and Children announced in January that the possession or sale of mushrooms containing the psychoactive drug psilocin or an ester of psilocin - so-called magic mushrooms - is a criminal offence under the Misuse of Drugs Act 1977. Previously, it had been legal to sell the psychoactive mushrooms as long as they had not been dried or processed. In May 2006, the Minister for Justice, Equality and Law Reform announced the expansion of Operation Anvil, an anticrime initiative targeting armed Dublin gangs and covering their drug trafficking activities, a major source of their illicit funds. Some of the Euro 21 million for overtime hours committed to Operation Anvil in Dublin can now be made available to the Assistant Commissioners in the regions. Members of specialist units such as the National Surveillance Unit (NSU) and National Bureau of Criminal Investigation (NBCI), which investigate all serious crime, will be assigned from Dublin to work alongside local detectives. Other units such as the Criminal Assets Bureau (CAB), Garda National Drugs Unit (GNDU), the Garda Bureau of Fraud Investigation (GBFI), Emergency Response Unit (ERU) and the Special Detective Unit (SDU) can also be used when needed. In April, the Minister for Justice, Equality and Law reform said that the Government's top policing priority for 2006 was to continue to target organized crime and the trafficking and distribution of all illicit drugs at local, national and international levels.

Accomplishments. Prosecutions increased in 2005. In the Dublin metropolitan region 3,545 people were prosecuted for drug offences, as compared to 2,296 in 2004. In Cork, 1,166 were prosecuted, as compared to 867 in 2004. The Irish Police continued to cooperate closely with other national police forces. In October 2006, one such case resulted in the Dutch arrest of four Irish citizens suspected of organizing shipments of heroin and cocaine out of Rotterdam, intended for distribution to other European countries, including Ireland. Also in October, three Irish citizens were among five people arrested in the Netherlands and Belgium after an Irish-registered private jet was impounded in Belgium, as it was about to leave for Ireland with heroin worth Euro 10 million. The arrests took place after the GNDU provided intelligence to the authorities in both countries.

Law Enforcement Efforts. Although official statistics are not yet available for 2006, the Irish Police confirmed that drug-related arrests remained roughly constant over the previous three years. There are normally 7,000-8,000 arrests annually, including the approximately 450 arrests made by the GNDU each year. The GNDU's arrests tend to include most of the large seizures, but local police also have had success. For example, in 2006 the local police in Limerick seized various narcotics totaling over Euro five million, including a July seizure of heroin and cocaine 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 of arrests are for possession with the intention to sell' and the remainder of arrests are related to obstructing drug arrests or forging prescriptions. A breakdown of the type and quantity of drugs seized by police in 2005 follows:

Garda Seizures of main drugs 2005

Type of Drug	Quantity	Estimated Street Value
Cannabis	150,401 grams	€300,802
Cannabis Resin	6,259,750 grams	€43,818,250
Heroin (Diamorphine)	32,283 grams	€6,456,600
Ecstasy	327,179 tablets 3,444 grams	€3,306,230
Amphetamine	10,515 grams 19,452 tablets	€449,505
Cocaine	229,388 grams	€16,057,160
	Total	**€70,388,547**

Source: Garda Annual Report 2005

In February 2006, a man who was caught selling heroin worth almost Euro 500,000 to undercover police in August 2005, was jailed for seven years by the Limerick circuit court. Figures released in March showed that Customs officials at Dublin airport seized almost 500 kg of narcotics, worth Euro 4.8 million in 2005, including 40 kg of cocaine valued at Euro 3.5 million. Also in February, police arrested three men in connection with the seizure of 25 kg of cocaine, with a value of Euro 3.5 million, when a van was stopped in Dublin's north inner city in a joint police-Customs operation. In March, four men were arrested in connection with the seizure of cocaine with an estimated value of Euro 1.5 million in the Coolock area of Dublin. In the same month, two men were arrested after police seized 400 kg of cannabis worth Euro 2.8 million in north Dublin. In May, a man caught with a kg of cocaine valued at Euro 64,000 in August 2005 was given a 12-year sentence at Dublin Circuit Criminal Court. In August, three men were arrested in connection with the seizure of cannabis resin with an estimated street value of Euro 2.5 million in Dublin. During the first eight months of 2006, police seized over 40 kg of heroin - with a street value in excess of Euro 8 million - compared with just 32 kg seized in all of 2005. In October, police recovered 54 kg of heroin, with a street value of Euro 10.8million, (the largest seizure by value ever in Ireland) and 40 kg of herbal cannabis, worth Euro 80,000, in the Clondalkin area of Dublin. The seizure was made by members of the Dublin Metropolitan Region South Central Divisional Task Force, assisted by support units from Operation Anvil. A machine gun, a small quantity of ammunition and some cash were also found during the raid.

Corruption. As a matter of government policy, the GOI 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 was signed in January 2001 but has not yet entered into force. An extradition treaty between Ireland and the United States is 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 2005, reported that 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 2006, published in June, placed Ireland in joint fifth place (out of 32 European countries) for cocaine use and in joint tenth place for Ecstasy use. Cocaine, available in Ireland, comes primarily from Colombia and other countries in Latin America and the Caribbean. Heroin, cocaine, Ecstasy, and cannabis are often hidden in cars in either Spain or the Netherlands and then driven into Ireland, by gang members posing as tourists, 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 7,390 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. In January 2005, the ten health boards were replaced by a single entity, the Health Service Executive (HSE), which manages Ireland's public health sector. Since September 2005, health care is now provided through four HSE regions and 32 local health offices. For heroin addicts, there are 65 methadone treatment locations. The treatment centers treat 8,000 of Ireland's approximately 14,000 heroin addicts, 12,000 of which live in Dublin. In 2004, the GOI undertook an evaluation of drug treatment centers' to determine whether they were effective in reducing drug use. Four pilot projects to tackle cocaine use were announced in January 2005, following a number of reports indicating 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 2006, 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 law enforcement 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 Prodi government continues Italy's strong counternarcotics stand with capable Italian law enforcement agencies. Italy is a consumer country and a major transit point for heroin transiting from the Middle East and southwest Asia through the Balkans and for cocaine originating from South America en route to western/central Europe. Italian 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. 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 2006

Policy Initiatives. Italy continues to combat narcotics aggressively and effectively. In March 2006, Italy adopted a tougher new drug law that eliminates distinctions between hard and soft drugs, increases penalties for those convicted of trafficking, and establishes administrative penalties for lesser offenses. All forms of possession and trafficking are illegal but punishment depends on the severity of the infraction. Stiff penalties for those convicted of trafficking or possessing drugs include jail sentences from 6 to 20 years and fines of over $330,000. The law provides alternatives to jail time for minor infractions, including drug therapy, community service hours, and house arrest. Some center-left political parties vowed to overturn the legislation if elected to office in May 2006, but the new Prodi government--a center-left coalition of nine parties--has not yet followed through on those statements. At the multilateral level, Italy has contributed an average of $12 million to the UN Office for Drug Control and Crime Prevention (UNODC), over the last several years, 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. During 2006, Italian authorities arrested 24,918 people on narcotics-related offenses and seized 1317.2 kg of heroin; 4538.8 kg of cocaine; 5437.5 kg of marijuana; 93785 marijuana plants; 19097 kg of hashish; 62,483 MDMA tablets and 1131 doses of LSD. The majority of those arrested are non-Italian nationals and the primary nationalities were Moroccan, Tunisian, Albanian, Algerian, Nigerian, Spanish, Senegalese and Colombian.

In January 2006, an Italian Guardia di Finanza (GdF) investigation led to the seizure of 96.7 kg of heroin in Trieste, Italy. The heroin shipment was concealed within a cargo truck, which had arrived via ferry from Turkey and was destined for Germany. In April 2006, another GdF operation led to the seizure of 127 kg of cocaine from a merchant vessel in Salerno, Italy. In July 2006, an Italian National Police investigation resulted in the seizure of 424 kg of cocaine from a brick oven being transported via truck to Naples, Italy. The investigation indicated Colombian, Mexican and Italian nationals were involved in this trafficking operation. In June 2006, a GdF investigation in northern Italy led to the seizure of 52 kg of heroin concealed within compressed air tanks being transported by a cargo truck.

The fight against drugs is a major priority of the National Police, Carabinieri, and GdF counternarcotics units. The Central Directorate coordinates the counternarcotics units of the three national police services for Drug Control Prevention (DCSA). Working with the liaison offices of the U.S. and western European countries, DCSA has 21 drug liaison officers in 20 countries that focus on major traffickers and their organizations. DCSA recently stationed liaison officers 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 a number of these organized crime groups.

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. 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 ratified the UN Convention against Transnational Organized Crime. Italy has signed but has not yet ratified the UN Corruption Convention. In August 2006, Italy ratified the UN Convention Against Transnational Organized Crime and its three protocols. Italy has bilateral extradition and mutual legal assistance treaties with the U.S. In May 2006, the U.S. and Italy signed bilateral instruments on extradition and mutual legal assistance to implement the U.S.-EU Agreements on Extradition and Mutual Legal Assistance signed in 2003.

Cultivation/Production. There is no known large-scale cultivation of narcotic plants in Italy, although small-scale marijuana production in remote areas does exist, but this production 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 enroute 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 also a source country for marijuana and hashish destined for Italy.

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 kg shipments enter Italy via 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 destinations. Cocaine shipments off-loaded in Spain and the Netherlands are eventually transported to Italy and other European countries by means of land vehicles. Smaller amounts of cocaine consisting of grams to multi-kg (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 land 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, the journey made somewhat less risky by the EU's open borders. Once in Italy, the couriers are provided an originating airline ticket from Italy to the U.S. that is intended to disguise 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. As with cocaine, larger hashish shipments are smuggled into Spain and eventually transported to Italy by vehicle. Hashish also is smuggled into Italy on fishing and pleasure boats from Lebanon.

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 535 public health offices operated at the regional level; the Ministry of Interior supports 766 residential, 217 semi-residential, and 229 portable facilities. Private nonprofit NGOs fund another 1,430 treatment communities that offer 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 Prodi 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 2006, 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-October 2006, DEA received approximately 82 samples of heroin, cocaine and Ecstasy. DEA has 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. DEA independently conducted drug awareness programs at international schools in Rome and Milan. DEA also provided training to Italian counterparts in the areas of asset forfeiture and drug law enforcement operations.

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 reduction policies. Italy also maintains a 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. The USG will also continue to work with Italy in multilateral settings such as the Dublin Group of countries coordinating counternarcotics assistance and UNODC policies.

Kazakhstan

I. Summary

Kazakhstan is a major transit country for narcotics originating from Afghanistan and bound for Europe. In 2006, Kazakhstan significantly increased counterdrug operations. President Nazarbayev declared a national effort against drug use and drug trafficking. The government encouraged law enforcement agencies, NGOs, political parties and media to join together to combat drugs. The number of people who committed drug related crimes this year increased 13.4 percent. President Nazarbayev announced two ambitious programs on combating corruption and drug trafficking. Strengthening the borders, especially in the south, is a priority for Kazakhstan as well. Officially the number of young drug addicts under 17 years old increased 9.3 percent in comparison with the same period last year. Seventy percent of the drug addicts in the country consume heroin. The Government of Kazakhstan (GOK) is devoting more attention and resources to interagency cooperation in the fight against drug supply and demand. Law enforcement services acknowledge that without the assistance and pressure of society in general, NGOs, and the mass media, they will not be able to effectively combat drug distribution. Kazakhstan is a party to the 1988 UN Drug Convention.

II. Status of Country

With a record amount of opium produced in Afghanistan in 2006, increasing amounts of opiates may transit Kazakhstan en route to Russia and Europe. While sources differ, the UN reports that about 11 percent of the drugs transiting the country remain in Kazakhstan. Importation of synthetic drugs such as Ecstasy (MDMA) and LSD from Russia and Europe is increasing. However, more recent estimates provided by the Deputy Head of the Division on Combating International Drug Trafficking of the Committee for National Security showed that of the 100-120 tons of drugs expected to transit Kazakhstan in 2006 about 15-20 tons will stay in the country. In addition, there is an existing marijuana growing area in the Chu valley on the Kazakhstani-Kyrgyzstani border.

According to the local press, the Deputy Head of the Division on Combating International Drug Trafficking of the Committee for National Security announced that criminal activity related to the production of Afghani opiates presents the most serious problem for Kazakhstan. He stated that the problem of drug trafficking became much more acute when Russian border guards left the border of Tajikistan with Afghanistan at the end of 2005. Another newspaper, Komsomolskya Pravda, reported that in Kazakhstan one kg of high quality "999" type heroin costs around $18,000, while in Europe the price would increase to $60,000 and in the U.S. to $120,000.

III. Country Actions Against Drugs in 2006

Policy Initiatives. In November 2005 President Nazarbayev signed the Decree on Approval of the Strategy on Combating Drug Addiction and Drug Trafficking in the Republic of Kazakhstan for 2006-2014. The aim of the strategy is to counter drug addiction and drug trafficking in Central Asia. In an effort to ensure the gradual development of the process of combating drug addiction and drug trafficking, the strategy was divided into three stages: 2006-2008, 2009-2011, and 2012-2014. The goal of the first stage is to stop the increase in drug consumption and the illegal drug trade. The second stage focuses on stopping the growth of addiction to psychoactive substances

among the Kazakhstani population. The third stage aims to further develop a complete and effective system of state and public counteraction to drug addiction and the drug trade.

In addition to the strategy above, in September 2006 President Nazarbayev stated to the Security Council that the commitment of the capital city to combat narcotics should set an example for the rest of Kazakhstan. With the public backing of President Nazarbayev, the Akimat (City Hall) of Astana in consultation with the Ministry of Internal Affairs (MVD) developed a program entitled "Astana - Drug Free City for 2006-2008." It covers three main themes: demand reduction, treatment of drug addiction, and combating drug trafficking. On September 29 the government decided to allot one billion tenge ($8 million) to implement the program. In remarks to the Security Council, the President authorized the Committee for National Security (KNB) and MVD to join forces to combat drug use and drug trade. Nazarbayev advocated publicizing the counternarcotics push on television in order to get the message out to the population that drug use is unacceptable. Notwithstanding that the program "Astana - Drug Free City" was designed for the capital, law enforcement agencies have begun to apply it to the whole country. The MVD Minister, Baurzhan Mukhamedzhanov, mentioned that in the near future similar projects will be developed in other cities with serious drug problems.

The "Kazakhstan Today" newspaper reported that owners of night clubs in Almaty and Astana met with the leaders of the MVD to discuss measures to counteract the spread of drugs in night clubs and prevent drug addiction among their clients. As a result of the meeting the parties came to the unanimous decision to join forces with government law enforcement and security services to combat drug distribution and ensure the security of night clubs. In addition, the businessmen proposed that MVD officers train the security guards working in night clubs in basic knowledge and skills of drug detection. In July and again in October the KNB publicly burned seized Afghan heroin. In July, 43 kg were burned and in October 67 kg of heroin and 217 kg of opium.

In 2006, the MVD Minister suggested toughening punishment for drug-related crimes. In an interview in "Kazakhstanskaya Pravda" in September, he said that the MVD prepared draft legislative amendments to the Criminal Code stipulating tougher punishment for drug-related crimes, including the death penalty. The Procurator General's Office suggested establishing an interagency information center for the exchange of legal information to be used by law enforcement bodies and special services of CIS member countries. Deputy Procurator General Georgy Kim stated at a CIS conference of the heads of law enforcement information services that the Center should be not just a data base, but a unified analytical complex, where information about transnational crime received from customs, border guards, law enforcement, prisons and other agencies would be accumulated and analyzed. He said that Kazakhstan was ready to provide the Center with available software and the necessary legal basis, and would assist in the development of data security measures for shared information.

In 2006, Kazakhstan devoted more attention to drug demand reduction programs in addition to law enforcement efforts. The Ministry of Information and Culture, Ministry of Tourism and Sport, Ministry of Education and Science, MVD, Ministry of Health and NGOs all have begun efforts to reduce demand for illegal narcotics in Kazakhstani society. One of the aims is to involve youth as much as possible in other activities such as sports and social events. In one case, a member of the Mazhilis (Parliament), Tanirbergen Berdongarov, explained that after the launch of "Astana-Drug Free City, Zhas Otan", the youth wing of the "Otan" political party joined in the effort to reduce drug demand. Recently the Committee on Combating Drugs of the MVD organized a media forum and proposed to the assembled journalists that they actively cooperate in combating drug addiction. MVD representatives pointed out to the journalists the necessity of increasing social advertisements in mass media directed against drug addiction.

Accomplishments. Kazakhstan continues to comply with UN conventions on combating illicit narcotics cultivation and production within its borders. Foreign Ministers of the member states of the Memorandum on Understanding and Cooperation on Control over Illegal Production, Circulation, Abuse of Narcotics, Psychotropic Substances and Precursors decided to locate the Central Asia Regional Information Coordination Center (CARICC) in Almaty, Kazakhstan. The Center will be the focal point for communication, analysis and exchange of operations information on transnational crime and will assist in organization and support on coordination of joint operations to combat narcotics. According to official information from the Ministry of Foreign Affairs, 50 specialists will work in CARICC. The President of Uzbekistan Islam Karimov proposed the idea of CARICC during the visit of then UN Secretary General, Kofi Annan, to the Republic of Uzbekistan in October 2002.

Law Enforcement Efforts. The GOK continues to actively combat narcotics. During the KNB's 2006 "Operation Trap," a lengthy joint operation between Kazakhstani agencies, Russian special services, and Tajik law enforcement bodies, KNB officers stopped the activity of a criminal drug group, which controlled a significant portion of drug trafficking transiting through Central Asia. Experts of the KNB successfully identified the money laundering mechanisms for drug trafficking proceeds. Isatai Sabetov, Deputy Head of KNB Division on Combating International Drug Trafficking, stated that in order to launder the proceeds of drug sales, the criminal group created several businesses in Kazakhstan, Europe and offshore zones. In one of these businesses alone, KNB officers discovered and seized $1.6 million.

In October 2006, Almaty KNB officers intercepted an international drug ring of five people at the final stage of a controlled delivery operation. The criminals transported drugs through the territory of Tajikistan and Uzbekistan inside a truck carrying grapes. The consignment of narcotics was destined for the European Union. Also in October, the Almaty city KNB Department burned 67 kg of heroin and 217 kg of opium in front of TV cameras. According to Kazakh authorities, the packages of heroin were stamped with a sign "999" showing that it was produced in Afghanistan and was of the highest quality. The drugs were seized in a June 2005 special operation.

In the first 10 months of 2006, the KNB detected and eliminated 20 international drug distribution and transit networks and eight criminal rings, instituted criminal proceedings against 135 people, and claimed to have seized over 800 kg of opium and heroin.

As a result of a special operation from September 21 to October 1, MVD officers detected 577 incidents of drug use, seized over two tons of drug substances (including four kg of heroin), and discovered 154 drug sales. Law enforcement agencies seized 22,549 kg of drugs in the first nine months of 2006, compared with 21,635 kg last year. The MVD seized the largest amount of drugs with 19,753 kg; the KNB - 2,598 kg; and the Customs Control Committee of the Ministry of Finance - 198 kg.

Head of the Committee on Combating Narcotics Anatoliy Vyborov announced that as a result of the work of law enforcement agencies, 7,900 drug-related crimes were prepared for prosecution in the country; this is 5.6 percent higher than the same period last year.

According to the "Liter" newspaper, the increased seizure rates show that law enforcement agencies and security services were more efficient in 2006. This is attributed to increased collaboration with neighboring countries in Central Asia and the regular exchange of information with them. "Liter" newspaper also reported that Russian special services are the most effective in collaborating on regional antinarcotics work because they have maintained contacts in Afghanistan since Soviet times. Law-enforcement agencies seized 3,665 liters of liquid precursors in the first nine months of 2006, versus 89 liters for the same period last year.

Corruption. Corruption in Kazakhstan is a factor hampering the country's war on drugs. On December 28, 2005, the President of the Republic of Kazakhstan signed the decree "On the State Program of Combating Corruption for 2006-2010." All state agencies were mandated to take measures to combat corruption internally. From January to September 2006, the Agency on Combating Economic Crimes and Corruption registered 1,225 corruption crimes - an increase of 20.2 percent over the same time last year. Criminal cases were brought against 378 people, among them 44 employees of the MVD. According to the "Express-K" newspaper, a senior officer of the Department of Internal Affairs (DVD) of Zhambulskaya oblast (southern Kazakhstan) was sentenced to 10 years in prison. The officer, a police major, dealt drugs; he used his position to charge drug addicts a price three times higher than the street rate. One drug addict who had to pay 4,000 tenge ($32) for 1.5 grams of heroin reported the Major to the KNB.

Agreements and Treaties. The U.S. and Kazakhstan signed the fourth Supplementary Protocol to the Memorandum of Understanding on Narcotics Control and Law Enforcement in August 28, 2006. This amendment increased funds available for narcotics law enforcement programs in Kazakhstan. Kazakhstan is party to the 1988 UN Drug Convention and has signed the Central Asian Counternarcotics Memorandum of Understanding with UNODC. The Kazakhstan national antinarcotics law, passed in 1998, specifically gives provisions of international antinarcotics agreements precedence over national law (Article 3.2). Kazakhstan, the 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. On October 3, officers of Astana Department of the KNB discovered an area for the cultivation of a high quality Afghan strain of marijuana in the village of Romanovka, 30 kilometers from Astana. The owners of the land had set up an entire process to produce and package the drugs. KNB officers seized 100 kg of marijuana and 77 grams of heroin in the operation.

KNB officers in Zhambulskaya oblast discovered a workshop for the production of drugs in the cellar of a secondary school in the Chu region. A physical education teacher from the school had established the workshop to produce and package drugs for a drug ring. A search of the teacher's home revealed 90 kg of dried hemp and a 9 kg sack of hashish.

Drug Flow/Transit. The main flow of drugs, including heroin and opium, enters Kazakhstan from the Central Asian region (Afghanistan, Tajikistan, Uzbekistan, Kyrgyzstan, and Turkmenistan). Drug couriers are mainly residents of Central Asian countries. The main reason for this is poverty and high unemployment rates. Couriers rely on vehicles and trains to smuggle the majority of the narcotics into Kazakhstan. In 2006, drug smugglers responded to the increased counterdrug operations by law enforcement and security agencies by devising new methods and new routes. Increased operations on the south-central border forced the smugglers to look for other routes to the east and west to avoid interception.

According to the KNB, during the last year officers detained several passengers on an Almaty - Beijing flight at the Almaty airport when they tried to smuggle 10 kg of heroin. The couriers were two Russian citizens, one citizen of Kazakhstan, and one citizen of Azerbaijan. Six months later, special service officers arrested the leader of the group. When arrested, he had over 3,000 tablets of Ecstasy in his possession.

Local newspapers report that Almaty, the former capital in the south of Kazakhstan, stopped being a terminal point for transiting drugs from Afghanistan to Europe. Today criminals transport drugs directly through Karaganda (located in the center of Kazakhstan) in the north of the country. Drugs

are transported to Almaty only for local market there, since the local demand for drugs has not decreased.

Couriers developed or borrowed new methods to avoid detection. Some couriers cover packed drugs with parts of wolf in order to escape detection by drug dogs. According to Kazakhstanskaya Pravda, on another case, "Aul" post customs and border guard officers found over 230 grams of heroin in a propane tank, while inspecting a car.

Train passengers also resort to novel approaches. A common method for concealing illegal narcotics is to hide them in big suitcases or bags with false bottoms. One unusual method is to put heroin in walnut shells and then glue them back together.

Domestic Programs. According to official statistical data for the first nine months of 2006, there are 54,705 people using drugs and psychotropic substances in Kazakhstan. This represents a 4.9 percent increase from last year (52,137 registered last year). The figure includes 4,890 women, 4,652 minors (including 1,331 children under 14), 29,629 young people aged 18-30 years old, and 20,424 who are 30 and older. Several Kazakh government ministries and local government bodies conduct sport events, cultural events, and competitions to keep young people away from drugs. The Government of Kazakhstan has promised to build more sport clubs for young people. The government now requires that NGOs go though professional training to be able to effectively conduct demand reduction programs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The overall USG goal is to develop a long-term cooperative relationship between law enforcement bodies in the United States and Kazakhstan. This relationship will enhance the professional skills of officers and improve the organization and management of GOK law enforcement services, thereby improving the results in the fight against illegal narcotics and terrorism.

The Road Ahead. The USG conducted a Counter Narcotics Bilateral Strategy meeting with Kazakhstan in December 2006 to improve collaborative efforts to combat narcotics. The meeting discussed best practices the U.S. has learned from its efforts to combat illegal narcotics including interdiction, demand reduction, and rehabilitation. To allow for the more effective search of trucks and trains, the USG also provides technical assistance and training to GOK law enforcement and security services, including search equipment for border posts, interior checkpoints, and patrolling the green border. The USG is working with law enforcement and security service training academies to improve curriculum and training methods, and will continue to work closely with Kazakh enforcement personnel to enhance cooperation on narcotics interdiction.

Kyrgyz Republic

I. Summary

The Kyrgyz Republic has minimal internal production of illicit narcotics or precursor chemicals, but it is a major transit country for drugs originating in Afghanistan and destined for markets in Russia, Western Europe, and the United States. The Government of the Kyrgyz Republic (GOKG), though it has only limited resources, attempts to combat drug trafficking and prosecute offenders. The GOKG has been supportive of international and regional efforts to limit drug trafficking and has made a significant effort to address its own domestic drug abuse problems. The GOKG recognizes that the drug trade is a serious threat to its own stability and is continuing efforts to focus on issues such as money laundering, drug-related street crime, and corruption within its own government.

Drug abuse continues to be a serious issue in the Kyrgyz Republic. As of January 1, 2006, 7290 people were officially registered in the Republican Drug Treatment Centre, which is 5.8 percent more than last year. According to non-official data, the number is much higher. Moreover, according to UNODC estimates, 70 percent of drug users use drugs through injections, which leads to other serious problems such as HIV/AIDS. According to official data, there are 1,019 people in the Kyrgyz Republic registered with HIV/AIDS. The Ministry of Health reports that almost 90 percent of them acquired this disease through injecting drugs. The Drug Control Agency (DCA) has proposed legislation that would make first time offenders eligible for treatment instead of incarceration. The legislation was introduced to the Kyrgyz Parliament in the beginning of 2006, but was sent back for further review and amendments. It is expected to be considered by the Parliament again in early 2007.

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. There have been some positive indications that perhaps the tide is beginning to turn. Since August 2005, the new DCA director has reorganized the Agency, and purged lazy and corrupt employees. The number of drug seizures has shown a significant increase in the third quarter of 2006.

The drug trafficking problem is especially acute in the south of the country, particularly in Osh City and its surrounding regions, where drug trafficking has become an ever-increasing source of income and employment. The opening of the Southern DCA Branch in Osh took place on 6 July 2006. There is hope that the DCA will become a lead agency in the Kyrgyz Republic in minimizing drug trafficking and gaining the public's confidence. The Issyk-Kul region has favorable conditions for growing hemp. Also, one of the major drug trafficking routes passes through this area. Thus, there is a need to establish an Eastern DCA Division in the beginning of 2007 in Issyk-Kul. The Kyrgyz Republic is a party to the 1988 UN Drug Convention.

II. Status of Country

The Kyrgyz Republic shares a common border with China, Kazakhstan, Uzbekistan, and Tajikistan. Mountainous terrain, poor road conditions, and an inhospitable climate for much of the year make detection and apprehension of drug traffickers more difficult. Border stations located on mountain passes on the Chinese and Tajik borders are snow covered and uninhabited for up to four months of the year. These isolated passes are some of the most heavily used routes for drug traffickers. Government outpost and interdiction forces rarely have electricity, running water or modern amenities to support their counternarcotics efforts. The Kyrgyz Republic is one of the poorest successor states of the former Soviet Union, relying on a crumbling infrastructure and

suffering from a lack of natural resources or significant industry. Unlike some of its Central Asian neighbors, the Kyrgyz Republic does not have a productive oil industry or significant energy reserves. The south and southwest regions--the Osh and Batken districts--are primary trafficking routes used for drug shipments from Afghanistan. The city of Osh, in particular, is the main crossroads for road and air traffic and a primary transfer point for narcotics into Uzbekistan and Kazakhstan and on to markets in Russia, Western Europe and the United States. The Kyrgyz Republic is not a major producer of narcotics; however, cannabis, ephedra, and poppy grow wild in many areas.

III. Country Actions Against Drugs in 2006

Law Enforcement Efforts. The Drug Control Agency (DCA) was established in 2003 with the assistance of the U.S. Government and UNODC. It has become the lead agency in coordinating all drug enforcement activities in the Kyrgyz Republic. The DCA estimates that there were 3,494 kg of illicit narcotics seized on the territory of the Kyrgyz Republic during the first 9 months of 2006, 7.5 percent less than during the first 9 months of 2005. It also reports that 1,922 drug crimes were detected in the first nine months of 2006 (1.6 percent less than during the same period in 2005). Investigations were completed on 1,871 of those crimes. Meanwhile, the results of the DCA itself have significantly increased compared to last year. Since the beginning of 2006 (and more significantly since May 2006) the DCA has seized 1,075 kg of narcotics and psychotropic substances (396.5 percent more than in 2005), in particular: 112 kg of heroin (27 kg in 2005), 224 kg of opium (143 in 2005), and 680 kg of marijuana (35 kg in 2005). The DCA closely cooperates with relevant competent bodies of Russia, Kazakhstan, Tajikistan, and Uzbekistan. Since the beginning of 2006 the DCA conducted 5 joint "controlled delivery" operations aimed at disrupting organized trafficking operations by drug gangs and 5 other joint operations with Russian and Lithuanian police. As a result, 182 kg of drugs and psychotropic substances and 100,000 Ecstasy pills were seized.

Since the beginning of 2006, the DCA suppressed the activities of eight large-scale drug gangs. DCA and Ministry of Interior of Kazakhstan worked out a joint plan to suppress drug contraband activities on the Kyrgyz-Kazakh border. The exchange of operational information among law enforcement bodies of the Kyrgyz Republic (Ministry of Interior, National Security Service, Customs, and Border Guard) was enforced in order to increase effectiveness in the field of combating drugs; joint operations are being conducted at railroad stations, airports, and major highways. The DCA believes that drugs are being delivered to the southern part of the country by well-organized criminal groups and, in some cases, law enforcement representatives are involved in this process. In this regard, the Procurator's Office, National Security Service, and Border Guards worked out a joint strategy to check and inspect all law enforcement representatives arriving at border zones. Several joint operations have been conducted since the beginning of 2006. The "Mak (poppy)-2006" joint operation resulted in the detection of 466 drug crimes and the seizure of 1,084 kg of narcotics. The "Kanal (channel)-2006" joint operation was conducted together with the forces of the DCA, Ministry of Interior, National Security Service, and Border Guard and resulted in the detection of 40 drug-related crimes the seizure of 40 kg of illicit narcotics, and the seizure of 2 hand grenades and 9 guns. The "Marzbon-2006," a joint border operation, resulted in the seizure of 90 kg of narcotics, including 75 kg of opium and 3 kg of heroin.

Corruption. The GOKG recognizes that corruption remains a serious problem and is a deterrent to effective law enforcement efforts. An October 21, 2005 presidential decree established an Anti-Corruption Agency. The Goal of the Agency is to minimize the level of corruption in the country by means of developing, monitoring, and realizing measures aimed against corruption. However, since its inception the unit has been largely ineffective.

The DCA recently arrested two counternarcotics police officers, two customs officers and a national security officer for drug trafficking. The Kyrgyz DCA now has a relatively good reputation. DCA staff goes through a very thorough vetting procedure and receives substantial salary supplements from the UN/US counter narcotics project.

Since August 2005 more than 40 enforcement officers of the GOKG have been fired due to lack of productivity or corruption. Polygraph testing is being used extensively to ensure integrity and a corruption-free environment among the DCA employees. Corruption cases were identified using the polygraph. As a result, internal investigations were conducted, and offenders were dismissed. The GOKG is a party to the UN Corruption Convention.

Agreements and Treaties. The Kyrgyz Republic is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The Kyrgyz Republic is also a party to the UN Convention Against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. It is also a party to the Central-Asian Counter Narcotics Protocol, a regional cooperation agreement encouraged by the UN. Kazakhstan, the 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. While there is no significant commercial production of drugs in the Kyrgyz Republic, cannabis and ephedra grow wild over wide areas, especially in the Chui valley region, and around Lake Issyk-Kul. In the past, the Kyrgyz Republic was a major producer of licit opium, and was the Soviet Union's main source of ephedra plant for decades. However, with the explosion of opium production in Afghanistan, it has become less risky and easier to import drugs from Afghanistan via Tajikistan than to produce them locally. The GOKG nevertheless carries out yearly eradication campaigns against illicit crops. Despite sporadic cases of, it has little impact on the general drug situation in the Kyrgyz Republic.

Drug Flow/Transit. The overall drug situation in the country continued to gradually deteriorate in 2006. With a record amount of opium produced in Afghanistan in 2006, increasing amounts of opiates may transit Kyrgyzstan. Metric ton quantities of Afghan opiates are being trafficked through the so-called “Northern route” which includes the Central Asian States of the Former Soviet Union. Local analysts estimate that ton quantities of heroin pass through the Kyrgyz Republic. The principal market for Afghan opiates is Russia and to a lesser extent Western Europe, but seizures have also occurred in the United States and elsewhere.

Due to a very limited and largely primitive transportation system, traffickers mostly utilize lengthy overland routes leading through Afghanistan's neighboring countries. A large part of the drugs smuggled through Central Asia in 2006 entered the region through Tajikistan. Together with Uzbekistan, Kyrgyz Republic represents the main conduit for onward smuggling of opiates. Following a pattern observed across the Central Asian region in 2006, the share of opiates seized in Kyrgyz Republic increased significantly. While the amount of opium seized increased by 154 percent, the amount of heroin increased by only 56 percent. In particular, the southern border provinces of Osh and Batken again experienced a high flow of drugs in 2006. Over a number of years, there has been a well-established trafficking route from the Gorno-Badakhshan Autonomous Province in Tajikistan along the Pamir highway and the town of Murghab into Osh province. In the last few years, trafficking activities have increased on the long and mountainous border between the Tajik Garm region and Batken in the Kyrgyz Republic. Onward smuggling through the Kyrgyz Republic takes drugs mainly to the Uzbekistan section of the Ferghana valley, and across the

Northern border into Kazakhstan. In trafficking drugs into the Kyrgyz Republic and onward, traffickers can hope for high profits. In August 2006, depending on purity, a kg of heroin was worth U.S. $6,000-$9,000 in the Southern Batken and Osh provinces bordering Tajikistan, but U.S. $12,000-$15,000 in Bishkek and the Northern provinces. The large increase of opium production in the Badakhshan province of Afghanistan in 2005 and, particularly so, in 2006, is of special relevance to Central Asian region, as transport and trafficking routes out of Badakhshan are basically through the Central Asian countries in the North, including Tajikistan and the Kyrgyz Republic.

Domestic Programs/Demand Reduction. According to UNODC data, there are 7,290 officially registered drug users in the Kyrgyz Republic now. A total of 1,019 people with HIV/AIDS are registered by the medical system in the Kyrgyz Republic. Out of that number 774 are intravenous drug users. Existing economic problems and budget constraints do not allow the GOKR to effectively address the growing drug abuse and HIV/AIDS problem. Insufficient allocation of budget funds is hampering prevention and treatment programs and the training of professional staff. Although for the past couple of years funding for international financial and technical assistance programs to address HIV/AIDS problems in Central Asia have been considerably increased, very little attention is paid to the conceptual and strategic development of a modern drug treatment service provision system capable of contributing towards effectively halting drug abuse and consequently the HIV/AIDS pandemic.

State institutions in partnership with civil sector organizations conduct the programs for drug users in the Kyrgyz Republic. As of 2005 there are eleven needle exchange programs in the localities most affected by drug abuse (Bishkek, Osh, Tokmok, Jalalabat, Karasuu). One of the needle exchange programs is implemented in the penal system, which is a unique program for a post soviet country. The programs cover about seven thousand IDUs, which constitute about 13 percent of estimated number of drug users.

USAID has a Drug Demand Reduction Program (DDRP) in the Fergana Valley (Osh and Jalal-Abad) implemented by the Open Society Institute Assistance Foundation. DDRP strives to improve the regulatory environment within the prison system by working towards the institutionalization of the DDR and health promotion training that targets inmates, medical and non-medical prison staff. This year, AFEW/DDRP has been promoting efforts to institutionalize training by prison authorities through development of training modules to target medical staff, non-medical staff and inmates.

In 2006, a series of national working group meetings on drug demand reduction and health promotion in prisons were held in the Kyrgyz Republic. As a result, Deputy Minister of Justice of the Kyrgyz Republic approved a 12-hour education course entitled “Health Promotion in the Penal System of the Ministry of Justice of Kyrgyz Republic”. By the order of the Head of the Prison system, this program was included into the educational program of the Penal System Training Center. To date, 15 staff members passed this training course. UNODC also implements the following drug programs in the Kyrgyz Republic:

Diversification of HIV prevention and drug treatment services for injecting and other drug users in Central Asia, a four-year project (ends in 2007) that improves and further develops the range of HIV prevention and drug treatment services for injecting drug users in selected localities in Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan;

Drug Demand Reduction and HIV/AIDS Prevention and Care Policy Advice to the Central Asian Governments, a two-year program (that ended in 2006). It aimed at a strengthening of policy development, implementation, coordination, and monitoring and evaluation capacities of the Central Asian governments in drug demand reduction and HIV/AIDS prevention and care.

Drug Abuse and HIV/AIDS Prevention through mass media, NGO and civil society, a three year project (ends in 2007) that is aimed at mobilizing the efforts of governments, the media, and civil society organizations in order to produce an expanded and concerted response to drug abuse in the Central Asian region.

IV. U.S. Policy Initiatives and Programs

Road Ahead. The DCA currently has displayed momentum toward becoming a solid and respected law enforcement organization in the field of drug enforcement in the Kyrgyz Republic. Another initiative, which is currently being negotiated, is the presence of a TDY DEA Agent embedded at the DCA. The most significant initiative in terms of funding is the development of Mobile Interdiction Teams for the DCA. This $1 million project will give the DCA the capability to strike quickly anywhere in the Kyrgyz Republic and identify drug traffickers as they are transporting narcotics. Other initiatives include assuring immediate dismissal of employees who fail the polygraph, a review of all internal investigations, and tracking of all seizures and court cases as a result of those seizures.

Latvia

I. Summary

Drug use in Latvia is characterized by continued prevalence of synthetics, though cannabis is also popular. Heroin and cocaine can also be found. Recreational drug use has shifted to synthetic stimulants due to their low cost, as well as national information campaigns highlighting the dangers of intravenous drug use. Heroin use, which had once been Latvia's most serious narcotics problem, then flagged somewhat, is now showing marginal signs of renewed popularity. Latvia is party to the 1988 UN Drug Convention.

II. Status of Country

Latvia itself is not a significant producer of precursor chemicals, but Customs officials believe that a significant quantity of diverted "pre-precursors" originate in neighboring countries, such as Russia, Belarus, Lithuania, and Estonia and transit Latvia en route to other countries. Heroin is usually sold at "retail" only to people known to the seller and is generally not available in public places, though selling tactics and methods constantly change. Amphetamines are distributed in venues that attract youth, such as nightclubs, discotheques, gambling centers and raves. Organized crime groups also engage in both wholesale and retail trade in narcotics. Recreational drug use has increased, albeit relatively insignificantly, with Latvia's growing affluence and increased accessibility of drugs.

III. Country Actions Against Drugs in 2006

Policy Initiatives. Latvia is in the second year of its State Program for the Restriction and Control of Addiction and the Spread of Narcotic and Psychotropic Substances (SPRCASNPS), which was approved by the Cabinet of Ministers 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.

Law Enforcement Efforts. In 2006 the amount of seized amphetamine, methamphetamine, heroin and cocaine increased compared to 2005 figures. Poppy straw, marijuana, hashish, ephedrine, Ecstasy and LSD seizures dropped last year. Amphetamine seizures, which jumped from 3.7 kg in 2005 to 11.1 kg in 2006, were accomplished chiefly by four large seizures: 1.97 kg on February 7, 1.98 kg on May 24, 0.97 kg on June 1, and 3.28 kg on June 27. All four seizures occurred in Riga. Heroin seizures increased from 42.3 grams in 2005 to 157.4 grams in 2006. Methamphetamine seizures also more than doubled, from 3.4 kg in 2005 to 8.2 kg in 2006. Ecstasy seizures dropped from 21,937 tablets in 2005 to 4,640 tablets in 2006. Marijuana seizures dropped to 6.3 kg in 2006, down from 25.9 kg in the previous year. Ephedrine seizures dropped from 18.46 grams in 2005 to 0.88 grams in 2006. Hashish seized dropped to 358.4 grams in 2006, from 1,553.8 grams the year before. Additionally, at the end of October 2006, the GOL reported a seizure of 42.2 grams of "China White" or 3-methylfentanyl. The Latvian government acknowledges that Latvian law enforcement needs to show better results for its counternarcotics efforts, despite resource and funding difficulties. The 2005-2008 national strategy takes this into account and indicates the government's intent to increase funding, personnel, and education for law enforcement.

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. According to the KNAB Director, his bureau has not found any senior-level Latvian officials to be involved in, encouraging,

or facilitating narcotic crimes or the laundering of proceeds from illegal drug transactions. The USG also has no evidence of drug-related corruption at senior levels of the Latvian government. As a matter of government policy, Latvia does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

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 neighboring countries, 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. Heroin is primarily trafficked via Russia from Central Asia.

Domestic Programs/Demand Reduction. The current national strategy addresses demand reduction, education, and drug treatment programs. Since its passage by the Cabinet of Ministers, the following objectives have been achieved: establishment of a co-ordination mechanism for institutions involved in combating drug addiction (involving eight ministries); establishment of a system for monitoring court directed treatment for addicted offenders; holding educational events for teachers and parents, as well as updated educational materials and informative booklets; inclusion of information on drug addiction in school curriculums; establishment of 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; and an increase in the number of employees in the regional offices of the Organized Crime Enforcement Department under the State Police. In addition to the State Narcotics Center, Latvia has established four regional narcotics addiction treatment centers in Jelgava, Daugavpils, Liepaja, and Straupe. There are rehabilitation centers in Riga and Rindzele, and youth rehabilitation centers in Jaunpiebalga and Straupe. Data from 2005 showed that Latvia had 27,648 patients in alcoholic addiction programs and 2,441 patients being treated for narcotic or psychotropic drug addiction.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States offers 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

Lithuania's illegal drug trade grew slightly in 2006, even as the government increased funding for drug prevention and control programs, and undertook greater cooperation with international partners in law enforcement work. Lithuania remains a source country for synthetic drugs, especially amphetamines, as well as a transit route for heroin and other illicit drugs. Lithuania is a party to the 1988 UN Drug Convention.

II. Status of Country

Cannabis and synthetic narcotics are the most popular illicit drugs in Lithuania, according to the country's Criminal Police Bureau. In 2006, police intercepted several shipments of locally produced amphetamines to Scandinavian countries, and closed down an illicit synthetic drugs laboratory, the 17th amphetamine lab discovered in Lithuania during the past decade. Police also intercepted heroin smuggled through Lithuania, cocaine imports from Venezuela that had transited Western Europe, and several caches of Ecstasy tablets.

The number of people seeking initial treatment for drug addiction has decreased according to the most recent data, falling from 12.3 cases per 100,000 inhabitants in 2004 to 10.2 cases per 100,000 inhabitants in 2005. Nearly 73 percent of registered drug addicts are younger than 30 years old, and 88 percent are men. Approximately seventy-one percent of the registered 1,173 people living with HIV contracted the disease through intravenous drug use. The Narcotics Control Department's (NCD) survey of drug use in Lithuania showed 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.

III. Country Actions Against Drugs in 2006

Policy Initiatives. Lithuania's Ministry of Interior, Police, and other law enforcement institutions worked to implement the National Program on Drug Control and Prevention of Drug Addiction for 2004-2008, adopted in 2005. Parliament has passed several new measures aimed at monitoring, treating, and preventing drug addiction.

Accomplishments. Lithuania worked effectively with international partners to break up drug smuggling operations in 2006, making important seizures in cooperation with Norwegian, Swedish, Estonian, Latvian, Russian, and Polish law enforcement partners. Lithuania increased funding to the National Drug Prevention and Control Program from LTL 12.1 million ($4.21 million) in 2005 to 14.6 million ($5.41 million) in 2006. The national police department strengthened prevention and control measures at schools and implemented nationwide educational programs to prevent drug use among youth.

Law Enforcement Efforts. Lithuanian law enforcement officials recorded 1,393 drug-related crimes as of November 2006, a slight decrease from the 1,436 during the same period in 2005. As of November 2006, police and customs had seized 15 kg of poppy straw, 31 liters of poppy straw extract, 140 kg of hashish, 26,050 Ecstasy tablets, 12 kg of methamphetamines, and 25 kg of amphetamines. Lithuanian authorities confiscated 111 kg of synthetic drugs working in cooperation with other countries' law enforcement agencies. They also impounded small quantities (less than five kg each) of heroin, cocaine, marihuana, LSD, hallucinogenic mushrooms, various psychotropic drugs, and precursors.

Using European Union funds allocated for the strengthening of Lithuania's external borders, the Lithuanian State Border Guard Service bought 14 “sniffer” dogs to strengthen border enforcement in 2006.

In 2006, the police shut down one laboratory producing high-quality amphetamines and confiscated 7.89 kg of methamphetamine bases from the laboratory site.

As of November 2006, the Lithuanian court system heard 781 drug-related cases and convicted 827 persons. Sentences for trafficking or distribution of drugs range from five to eight years.

Corruption. Narcotics-linked corruption does not appear to be a major problem in Lithuania. Lithuania does not, as a matter of policy, encourage or facilitate illicit production of drugs or the laundering of proceeds from the illegal drugs trade. Lithuania has established a broad legal and institutional anticorruption framework, but low-level corruption and bribery continues to be the basis of frequent political scandals, and press reports have highlighted corruption in law enforcement structures during 2006. There were no reports involving Lithuanian government officials in drug production or sale or in the laundering of drug proceeds.

Cultivation/Production. Laboratories in Lithuania produce amphetamines for both local use and export, according to the Lithuania Ministry of Interior. Law enforcement agencies regularly find and destroy small plots of cannabis and opium poppies used to produce opium straw extract for local consumption. In 2006, police, in cooperation with customs agents, eradicated 4733 square meters (about one-half of a hectare) of poppies and 233 square meters of cannabis (less than 3 percent of a hectare).

Drug Flow/Transit. According to Lithuanian law enforcement agencies, domestically produced synthetic drugs have been intercepted en route to Sweden and Norway and also passing through Germany, Poland and Denmark. Customs agents have stopped drugs entering Lithuania from all sides; cocaine, Ecstasy, and other synthetic drugs arriving mostly from or via Western Europe; and heroin arriving from Central Asia via Russia and Belarus. Domestically grown poppy straw serves nearby markets in Lithuania, in Russia's Kaliningrad region, and in Latvia.

Domestic Programs (Demand Reduction). Lithuania operates five national drug dependence centers and ten regional public health centers, and several programs aim to reduce drug consumption through education programs and public outreach, especially in schools. The Prisons Department operates a rehabilitation center for incarcerated drug addicts, and spent around LTL 1 million ($350,000) in 2005 to purchase equipment and fund activities to prevent drug trafficking, train officials, and educate inmates.

In 2006, Lithuania's Narcotics Control Department (NCD) implemented targeted drug prevention programs involving parents, teachers, and communities in prevention activities and efforts to keep high-risk youth occupied with better things. In cooperation with the Nordic Council of Ministers, NCD initiated an education project targeted at reducing the use of narcotics in bars and clubs. The NCD has also provided narcotics control and prevention training for members of municipal drug control commissions.

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 ratified the UN Convention against Corruption in 2006.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Law enforcement cooperation continues to be an area of great success, a result of several years of legal reform and law enforcement training. The United States has successfully cooperated with the Lithuanian authorities in numerous investigations involving fraud, narcotics trafficking, money laundering, and other crimes.

The Road Ahead. The United States will continue cooperating with Lithuanian institutions to support drug prevention activities and fight against narcotics trafficking.

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 2006 -- illicit drug seizures in Macedonia increased during 2006 -- although domestic use of illicit drugs also rose. The quantity of drugs seized in 2006 increased on average in some categories (heroin, opium, and marijuana), while decreasing in others (cocaine and other psychotropic substances). The government approved the Inter-ministerial Counternarcotics Commission's "Counternarcotics Strategy and Action Plan" on December 16. Macedonian law enforcement authorities cooperated closely with regional counterparts, including the UN Mission in Kosovo (UNMIK), in counternarcotics operations. Such operations occasionally were hindered by ineffective interagency coordination and planning, as well as by inadequate criminal intelligence, although there were some modest improvements in interagency coordination compared to the previous year. 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 and Bulgaria) to Western Europe. Hashish and marijuana produced in Albania travels along the same route 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. According to government sources, there were no reports of the production of precursor chemicals in Macedonia. Cocaine was not transported to or through Macedonia in significant quantities (although a major seizure of nearly 500 kg of cocaine in January 2007 suggested official figures might have been under-reported). According to MOI sources, trafficking in synthetic drugs appeared to increase in 2006, but seizures were not higher than in 2005. Macedonia produced some poppy straw and poppy straw concentrate, but in quantities insufficient for its pharmaceuticals industry. As a result, some poppy was imported, under license, from Serbia and Australia.

III. Country Actions Against Drugs in 2006

Policy Initiatives. The 2005 draft national strategy and action plan for demand reduction and combating drug trafficking, prepared by the GOM's Inter-ministerial Counter-Narcotics Commission, did not include any provision for adequate funding for its implementation. The government approved the strategy on December 16, and was preparing by year's end an action plan for implementing it.

As of the end of 2006, there has not been a parliamentary vote on draft laws, previously submitted by the GOM, to further strengthen control of narcotic drugs, psychotropic substances, and medical and chemical precursors.

As of October 2006, a draft National Strategy and Action Plan for Prevention, Treatment and Harm Reduction related to drug abuse for 2006-2012, which had been prepared by a working group established and chaired by the Minister of Health, had not been finalized.

Accomplishments. The Witness Protection Law was adopted in May 2005, strengthening the legal framework for combating organized crime and drug trafficking. In November 2006, the Macedonian parliament passed legislation, which will enhance the ability of prosecutors to use wiretaps as evidence in criminal proceedings.

The Ministry of Interior's (MOI) Organized Crime Unit includes a sector for combating illegal drug trafficking and a criminal intelligence cell. However, inadequate MOI intelligence regarding narcotics trafficking hampered counternarcotics efforts.

The Customs Administration continued to strengthen its intelligence units and mobile teams, and police officials claimed cooperation with their Customs colleagues had improved compared to past years. Wide-ranging personnel changes in Customs after the new government took office in August, however, called into question the training and competence of the new Customs cadres.

Law Enforcement Efforts. According to MOI statistics, in 2006 criminal charges were brought against 328 persons, including two juveniles and two police officers, involved in 249 cases of illicit drug trafficking. Police seizures of heroin and, marijuana in 2006 were on average higher than in the previous year. Seizures of other drugs, such as cocaine, hashish, and other psychotropic substances were significantly lower. However, MOI sources believe trafficking in some synthetic drugs, such as Ecstasy, actually rose in 2006, as evidenced in lower prices for such narcotics, reflecting an increased supply on the market.

The MOI reported the following quantities of drugs and psychotropic substances seized:

--heroin, 150 kg (two and a half times more than in 2005);

--marijuana, 309 kg (50 per cent higher than in 2005);

--cannabis, 142 plants (a major decrease from the 3,000 plants seized and destroyed the previous year);

--hashish, 16 grams (about 5 percent of the amount seized in 2005);

--raw opium, 3 kg (a significant increase compared to the 7.8 grams of opium seized in 2005); and

--Ecstasy, 1,377 pills (about half the amount seized in 2005).

In mid-September, a Macedonian court convicted four defendants on drug smuggling charges. All four defendants, (three Macedonian citizens and one Greek citizen) received prison sentences ranging from five to eight years. The convictions resulted from a successful inter-agency, cross-border counterdrug operation involving the Macedonian MOI, Ministry of Justice, and the Special Organized Crime Prosecutor's Unit, working with Greek authorities and U.S. DEA agents.

Corruption. Corruption is pervasive 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. The new government removed the Chief Public Prosecutor, accusing him of having failed to effectively prosecute a range of crimes, including high-level corruption cases. As a matter of policy and practice, however, 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, although MOI sources reported only small quantities of the drug were cultivated, mostly for personal consumption.

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. The quantity of synthetic narcotics trafficked to Macedonia in 2006 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. At border crossings with Bulgaria and with Kosovo and Serbia, Customs officials and police seized significant quantities of both outbound and inbound heroin.

Domestic Programs/Demand Reduction. Official Macedonian statistics regarding drug abuse and addiction are unreliable, but the government estimated there were between 7,000-8,000 drug users in the country. The most frequently used drug was marijuana, followed by heroin and Ecstasy. There were an estimated 1,000 cocaine users in the country in 2006, according to official sources. Treatment and rehabilitation activities are carried out in the one state-run outpatient medical clinic for drug users that dispenses methadone to registered heroin addicts. There are also seven specialized local centers for methadone substitution treatment, including one in the largest prison in the country (with over 60 percent of the prisoner population). Nevertheless, Macedonian health officials acknowledge that rehabilitation centers currently are overcrowded. The Ministry of Health announced in June a cooperative project, funded by the EU, to "combat drug-related criminal activity" through the opening of three new addiction treatment centers. 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.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. During 2006, DEA officers worked with the Macedonian police to support coordination of regional counternarcotics efforts. As reported above, DEA officers supported a successful cross-border Macedonian-Greek counterdrug operation that resulted in the conviction and sentencing of four drug smugglers in September.

MOI police, the financial police, Customs officers, prosecutors, and judges continued to receive USG-funded training in antiorganized crime operations and techniques. USG representatives continued to provide training, technical advice, and other assistance to Macedonian Customs and MOI Border Police units.

The Road Ahead. Macedonia's porous borders and the influence of regional narcotics trafficking groups suggest the country will continue to provide an important route for the transit of illegal drugs, which is likely to boost drug use domestically. DEA officials continue to expect increased use by traffickers of Macedonia as a "warehousing" base during transshipments. Some Macedonian authorities argue, however, that the accession of both Bulgaria and Romania to the EU in 2007 could decrease the flow of illicit narcotics through Macedonia, as Asian suppliers find it easier to reach Western European markets through those two countries.

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. In cooperation with EU and other international community partners, the U.S. will press for implementation and funding of the national counternarcotics strategy, and for a permanent secretariat for the National Commission.

With the passage of wiretapping legislation in November, USG law enforcement training agencies in Macedonia can now focus on working with GOM counterparts to implement the law in order to strengthen the hand of prosecutors in counterdrug cases. The USG will continue to 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, as well as on 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 joining the European Union in 2004. As a result, Malta's criminal code is in alignment with the goals and objectives of the 1988 United Nations Drug Convention. 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 some 400,000 people located 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. However, with daily flights, numerous ship calls, a large commercial port, numerous illegal immigrants, membership in the European Union, and frequent international travel by a large percentage of Maltese, Malta is not an isolated country. The drug problem is generally limited to the sale and use of consumer quantities of illegal drugs. There has been a recent increase in the proliferation of recreational drugs such as Ecstasy and also increased use and trafficking of illicit drugs by persons under eighteen. Cultivation activity is limited to less than a few hundred cannabis plants per year.

Malta is not a precursor or essential chemical source country. Malta does not produce or possess significant amounts of precursor or essential chemicals nor does it have chemical manufacturing or trading industries that conduct considerable trade with drug producing regions. There are a number of generic pharmaceutical firms operating in Malta but no evidence of 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 2006

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. Port authorities have shown the ability to respond quickly when notified by foreign law enforcement of intelligence related to transshipment attempts.

Accomplishments and Policy Initiatives. In 2004, the Government of Malta and the United States successfully negotiated a Maritime Counter-Narcotics Cooperation Agreement, but it has not yet been ratified. This treaty 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. The text of the treaty is final and has been signed, but has not yet been implemented. In 2006, Malta and the U.S. finalized agreement on the Proliferation

Security Initiative (PSI) Ship Boarding Agreement. The Ship Boarding Agreement and the Counter Narcotics Cooperation Agreement will require legislation to amend Malta's civil code.

Law Enforcement Efforts. Maltese law provides the necessary provisions for asset forfeiture of those accused of drug related crimes. In 2006, the Malta Police Force Drug Squad seized several vehicles, boats, and cash property.

2006 Drug Seizures:

The statistics below are for January 1 - November 30, 2006.

A)	Coca leaf	n/a
B)	Cocaine	4 kg 258.95 g
C)	Opium poppy straw	n/a
D)	Opium gum	n/a
E)	Heroin	1 kg 883.675 g
F)	Cannabis:	
-	Resin	44 kg 931.01 g
-	Grass	2 kg 862.74 g
-	Seeds	n/a
-	Plants	39 plants
G)	Other	

Police statistics also reveal the seizure of:

- 16,559 tabs of Ecstasy
- 50,533 tabs of Ecstasy
- 70.5 tabs of BZP
- 11 kg 812.3 g of Khat
- 84 tabs DHC
- 2 tabs Valium
- 0.5 g of Amphetamines

2006 Arrests:

Arrests	- 499
Nationals	- n/a
Foreign	- n/a
Arraignments for possession	- 392
Arraignments for trafficking	- 101
Sentences awarded	- 243
Raids/Searches	- 369

Corruption. There is no indication of any widespread corruption of public officials associated with illegal drug activities or 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 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. The final outcome in this case is pending appeals filed on behalf of the defendants.

Agreements and Treaties. As part of its accession to the European Union, Malta signed the Council of Europe's Criminal Law Convention on Corruption. The European Union promulgated the convention in order to improve judicial cooperation in criminal matters among the member states and to require all member states to implement "a common criminal policy aimed at the protection of society against corruption." Malta has also signed the UN Corruption Convention, but has not yet ratified it. 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. In November 2005, Malta and the United States concluded bilateral negotiations and agreed to a new extradition treaty. The extradition treaty is before the U.S. Senate for advice and consent to ratification; Maltese actions to bring it into force have been completed.

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 non-proliferation and border security initiatives that also have enhanced Malta's ability to monitor illicit trafficking through the Freeport. This should improve detection and act as a deterrent to narcotics traffickers seeking to use container-shipping activity at the Freeport as a platform for drug movements through the country.

Malta serves as a transfer point for travelers between North Africa and Europe. 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 2006, two Mexicans were apprehended at the airport transporting cocaine on two separate days. These apprehensions represented a new trend in that previously cocaine had not been transported directly from South America, but filtered through Europe.

Home to the world's eighth largest ship registry, Malta can be anticipated to be involved in interdiction operations.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. law enforcement and security agencies and their Maltese counterparts continue to cooperate closely on drug-related crime investigations. Maltese officials remain interested in securing USG sponsored training for personnel involved in narcotics control.

U.S. Customs has provided several training courses in Malta over the last two years. Under the Export Control and Border Security assistance program managed by the U.S. Embassy at 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 a state-

of the-art patrol boat. The Embassy's Regional Security Officer (RSO) works closely with the DEA Country Attaché and the FBI Legal Attaché based in Rome to foster cooperative efforts to strengthen law enforcement.

The Road Ahead. 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. Close USG-Maltese cooperation, so clearly beneficial to both sides, will continue.

Moldova

I. Summary

The Moldovan Ministry of Interior (MOI) is responsible for counterdrug law enforcement activity. The Anti-Drugs Unit has 78 officers nationwide. The number of criminal proceedings in 2006 also indicates a noticeable increase in cases sent to trial. Drug usage within Moldova remained a concern; the number of officially registered addicts increased by over six percent, despite the fact that widespread poverty makes Moldova a relatively unattractive market for narcotics sales. Moldova is not a significant producer of narcotics or precursor chemicals, and the true extent of money laundering here is difficult to determine. During 2006, the USG donated several field drug-test test kits to the MOI and financed basic law enforcement training programs (via the Department of State's Bureau of International Narcotics and Law Enforcement Affairs, "INL") that included narcotics enforcement modules. Additional support in the form of skills training and equipment donations is pending proposed project approval. The USG supported visits of Moldovan police officers, prosecutors, judges and legislators abroad on various capacity-development programs. These programs focused on enhancing techniques related to combating corruption, money laundering, illicit drug trafficking and organized crime. Moldova is a party to the 1988 UN Drug Convention.

II. Status of Country

Moldova is an agriculturally rich nation with a climate favorable for cultivating marijuana and poppy. Annual domestic production of marijuana is estimated at several hundred kg. Authorities regularly seize and destroy illicitly cultivated hemp plants and poppy plants. The market for domestically produced narcotics remains small, largely confined to local production areas or neighboring countries. The importation of synthetic drugs continues to grow. A significant problem for Moldova is smuggling of narcotic or psychotropic substances. Investigations performed in 2006 revealed increased cases involving narcotic substances of synthetic origin, such as: methamphetamine, amphetamine, Ecstasy (MDMA) and LSD. These investigations identified 29 networks involved in substance distribution. According to the MOI, domestic drug traffickers remain closely connected to organized crime in neighboring countries. These groups are not only involved in narcotics trafficking, but also trafficking in persons (TIP). Moldova is not a regional producer of any precursor chemicals. During the first ten months of 2006, the MOI discovered 13 cases of medical personal prescribing narcotic or psychotropic substances in violation of the law or appropriate procedure.

III. Country Actions Against Drugs in 2006

Policy initiatives. In February 2005, the GOM approved the Measures to Combat Drug Addiction and Narco-Business for the years 2005-2006. These measures include 70 activities that are structured into the following major groups:

- establishing the normative framework;
- organizational and legal issues;
- preventing drug use;
- treatment, psychosocial rehabilitation, and social and family reintegration of drug addicts; and
- ensuring control over the distribution of narcotic and psychotropic substances and their precursors.

Pursuant to its mission of curbing the increasing threat of trans-border crime, in April 2006 the MOI established the Department of Operative Service in order to ensure effective cooperation among existing law enforcement authorities in combating trans-border crimes. The Anti-Drugs Unit comprises 78 officers nationwide. All of the personnel are dedicated exclusively to antinarcotics activity. Moldova also continues to pursue, with U.S. support, anticorruption, antitrafficking, and border control initiatives that supplement counterdrug efforts.

Law Enforcement Efforts. Moldovan authorities initiated 1,691 drug related cases in the first nine months of 2006, as compared to 1,686 cases during the same timeframe in 2005. During 2006, 332 kg of poppy straw and 22 liters of liquid opium were seized, compared with 588 kg of poppy straw and 9 liters of opium seized for the same period in 2005. Heroin seizures decreased considerably in 2006. Twelve grams were seized during the first nine months of 2006. Concerns remain that Moldova, which is primarily a transit country, could become a user country. Twenty-eight cases were identified in which drugs were transferred to detainees serving in prisons. Moldova will need to invest significant resources in education, border enhancement, and further law enforcement initiatives if it hopes to stem the growth of its user population. However, given Moldova's poverty and the scarcity of government resources, significant additional government investment is unlikely.

Corruption. Corruption, at all levels, is a major systemic problem within Moldova but there has been some improvement. The Center for Combating Economic Crimes and Corruption (CCECC) is the law enforcement agency responsible for investigating corruption allegations, including those related to narcotics. The CCECC has been accused of political bias in targeting its investigations, although not specifically with regard to narcotics cases. The Government of Moldova, as a matter of policy, does not encourage or facilitate the production or distribution of drugs or launder proceeds from illegal drug transactions.

Agreements and Treaties. Moldova is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention. Moldova is a party to the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling. Moldova participates actively in arrangements among former Soviet states and others of its neighbors, to cooperate to confront narcotics trafficking and other organized trans-border crimes.

Cultivation/Production. Each year, during July-August, the MOI launches a special law enforcement operation called "POPPY." This operation targets illicit poppy and marijuana fields for eradication. In the first nine months of 2006, 447 hemp fields were discovered and destroyed and 964 poppy fields suffered a similar fate.

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

Domestic Programs/Demand Reduction. As of November 2006, the number of officially registered addicts in the Republic of Moldova was 8,750. This number represents an increase compared with the same period of 2005 (8,247). In 2006, the MOI organized 17 lectures at educational institutions on the topic of "Drug Addiction - Ways of Prevention." At the same time, three seminars were organized at the MOI Police Academy on the topic: "The Use of Operative Investigative Techniques in Combating Drug Trafficking." There were also concerts for young people to communicate the message: "Dangers of Drug Addiction." In addition, four television shows were broadcast on the national television station regarding similar topics. The MOI also publicized, through high profile media releases, 156 cases involving the apprehension and arrest of

drug traffickers. Treatment is an option for only the wealthiest of drug addicts. The Moldovan government and NGOs continued to provide limited information about narcotics and conducted education campaigns, but were unable to meet the demand for treatment of those already addicted.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Ongoing USG training and equipment initiatives are designed to improve the abilities of police to investigate and infiltrate organized crime and narcotics syndicates. The U.S. also offers assistance, including customs and border improvement programs aimed at strengthening Moldovan border control. While not specifically related to narcotics-these programs are focused on detecting WMD- they clearly have a "spin-off effect" of reducing the general illegal flow of goods through Moldova, including narcotics. State Department assistance also supported travel abroad by Moldovan police investigators. Customs officials and border guards attended basic law enforcement training courses at the International Law Enforcement Academy (ILEA) in Budapest. The course included sessions on combating organized crime, drug trafficking, human trafficking, money laundering and corruption. State Department assistance also organized an ILEA Roswell Advanced Management training course for ILEA graduates from Moldova focused on the same issues. In addition, the USG also donated six field drug-test kits to the MOI during 2006.

The Road Ahead. The U.S. and Moldova will continue to work together within the framework of several different U.S. assistance programs to improve the capacity of Moldovan law enforcement to target illicit movement of goods and persons through Moldovan territory.

Montenegro

I. Summary

Organized crime groups use Montenegro as a transit country for cannabis from Albania and Kosovo, and smaller amounts of other narcotics from the Middle East and Latin America, destined for the western Balkans and Western Europe. A small domestic market for illegal drugs exists. The Government of Montenegro is implementing a comprehensive action plan against illegal drugs, and is seeking close law enforcement relationships with other states in the region. Montenegro became an independent state on June 3, 2006, and is in the process of becoming a signatory to relevant international conventions and agreements, including the 1988 UN Drug Convention.

II. Status of Country

The Government of Montenegro estimates that only a small percentage of the illegal drugs entering the country are for the domestic market. Protection of its borders is a national priority, and the United States and other international donors support those efforts; in particular, U.S. donations of ocean and lake patrol craft have been effective in interrupting water-borne smuggling. However, if left unchecked, the use of Montenegrin territory by drug smugglers could undermine political stability and economic growth, and contribute to crime in neighboring states.

III. Country Actions Against Drugs in 2006

Policy Initiatives. Changes passed by the Parliament in 2006 to the domestic criminal surveillance law will allow the use of improved methods and additional technical means in investigating crimes, including drug trafficking. The adoption in 2004 of the new Criminal Code and Criminal Procedure Code included antinarcotics provisions meeting objectives in the 1988 UN Drug Convention, and included Montenegro's first Law on Witness Protection, creating a specialized police unit for this purpose as well. In 2006, Montenegro continued discussion with neighboring states on regional cooperation in witness protection.

Law Enforcement Efforts. Training of police officers in techniques for combating organized crime and financial crimes remains central to coursework at the national police training center, re-established as a professional Police Academy on October 25, 2006. Montenegro has retained a separate counternarcotics service in the police force, and is looking to coordinate its efforts with the police surveillance unit, border police, the customs service, and the domestic intelligence service. Montenegrin authorities report that through the end of September 2006, police arrested 320 persons on felony drug charges in 280 cases, with an additional 42 persons charged with misdemeanor drug charges in 38 cases. The police seized 936.7 kg of cannabis, 3.3 kg of heroin, 8 grams of hashish, 69 grams of cocaine, 332 tablets of Ecstasy, and 4.8 kg of precursor chemicals. Two seizures of marijuana crops were made in 2006: one of 400 seedlings, the second of 670 seedlings.

Corruption. Corruption and the perception of corruption are common in Montenegro, and affect both law enforcement and the judiciary. The Government attempts to identify, prosecute and punish instances of official corruption, but does not specify whether the acts underlying specific disciplinary actions and prosecutions are narcotics-related or not. Laws that criminalize any and all corrupt activities by government employees address narcotics-related corruption. The Government has criminalized the production and distribution of narcotic and psychotropic drugs as well as the laundering of proceeds from illegal drug transactions, and enforces these laws as a matter of policy. As a matter of government policy, the GOM 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. Montenegro is a party to the UN Convention against Corruption.

Agreements and Treaties. Montenegro became an independent state on June 3, 2006, and has succeeded to a number of multilateral treaties to which the State Union of Serbia and Montenegro was a party or signatory, including the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by the 1972 Protocol. Montenegro is also party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. Montenegro has signed memorandums of understanding (MOUs) with neighboring states to facilitate cooperation in the fight against all forms of crime. As of October 2006, Montenegro has such MOUs with Albania, Austria, Bulgaria, Croatia, Macedonia, Romania, Serbia, and Slovenia, as well as with the UN Mission in Kosovo (UNMIK). Montenegro signed an international agreement on Witness Protection Relocation and Cooperation with Serbia and Bosnia and Herzegovina in July 2006.

Drug Flow/Transit. Organized crime groups use Montenegro as a transit point for drug smuggling, due to the country's central location, topography - both coastal and mountainous - and its past reputation as a facilitator of smuggling. Cannabis is smuggled from producers in Albania and Kosovo, en route to the Western Balkans and Western Europe; heroin from Southwest Asia transits Albania and Kosovo, crossing Montenegro before being transported further into Western Europe. A joint action by Montenegro, Serbia, and Italy at the end of 2004 into the first half of 2005 seized 200 kg of cocaine from Latin America before it could be smuggled into Western Europe.

Domestic Programs (Demand Reduction). The Government plans to re-convene its expert group to update its 2003-2006 action plan to combat drug use among children and youth. The group includes participants from the Interior Ministry, Ministry of Health, Ministry of Culture, Education Ministry, Justice Ministry, Labor and Social Welfare Ministry, Customs service, local governments, and NGOs. The Government has recognized the potential problem of drug use -- especially synthetic drugs -- among foreign tourists, and the effect upon Montenegro's tourism sector, which is a central pillar of the economy.

IV. U.S. Policy Initiatives

Bilateral Cooperation. The Government of Montenegro works closely with the United States and EU countries in reforming and improving its law enforcement and judicial capacity. The United States has provided extensive technical assistance, equipment donations, and training, to the police, customs service, and judiciary. Several U.S. Departments have programs that directly and indirectly support counternarcotics activities in Montenegro, including the Department of Justice (ICITAP and OPDAT programs funded by the State Department), Department of Homeland Security (Montenegro Border Security Program, and U.S. Coast Guard), Department of Defense (Defense Threat Reduction Agency), Department of the Treasury, and Department of State (Export Control and Border Security/EXBS, and SEED foreign assistance funding of Justice, Treasury, and DHS programs).

The Road Ahead. Current U.S assistance programs, which are aimed at professionalizing the police and customs service, improving the ability of Montenegro to control its borders at land and at sea, improving prosecution of corruption and organized crime, including money laundering and illicit trafficking, and increasing the ability of the judiciary to effectively address serious crime are expected to continue. SEED-funded speakers have also helped publicize antidrug campaigns carried out by local NGOs, and will also continue into the future, as the U.S. seeks opportunities to cooperate closely with Montenegro in joint efforts against narcotics smuggling.

Netherlands

I. Summary

With its extensive transportation infrastructure and the busiest maritime port in Europe, the Netherlands continues to be a major distribution point for illicit drugs to and from Europe. A significant percentage of the cocaine consumed in Europe enters through the Netherlands, and the country remains an important producer of Ecstasy (MDMA), although production seems to be declining substantially. The Netherlands' successful five-year strategy (2002-2006) against production, trade and consumption of synthetic drugs will be reviewed at the end of 2006, and a new long-term plan will be published in early 2007. According to the Dutch National Police, three large seizures caused the number of Ecstasy tablets seized in the U.S. that could be linked to the Netherlands to rise to 0.85 million in 2005 from 0.2 million in 2004. 2005 seizures are still down from the 1.1 million seized in 2003 and 2.5 million in 2002. Operational cooperation between U.S. and Dutch law enforcement agencies is excellent, despite some differences in approach and tactics. ONDCP Director Walters praised the Dutch during his April 2006 visit to The Hague for their efforts to curb Ecstasy trade and expressed eagerness to continue progress on the bilateral agreement to exchange scientific and demand reduction information that he and Dutch Health Minister Hoogervorst signed in July 2005. The Netherlands actively participates in DEA's El Paso Intelligence Center (EPIC). One hundred percent controls at Schiphol airport on inbound flights from the Caribbean and some South American countries have 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 a sizeable amount of Ecstasy production has shifted outside the country. There also is 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 2006

Policy Initiatives. Major Dutch Government policy initiatives in 2006 include:

Cannabis. In June 2006, then-Justice Minister Donner and Interior Minister Remkes announced measures to step up the fight against illegal cannabis cultivation through enhanced cooperation among police, prosecutors, energy companies, housing corporations, insurance companies, and tax and welfare services. The National Prosecution's 2006-2010 plan, published in October 2006, lists prosecuting illegal cannabis cultivation as a major priority area. The investigations will focus on fighting the criminal organizations behind the cannabis plantations.

In June 2006, the Dutch Parliament backed away from a proposal to permit the regulated large-scale production of cannabis to supply marijuana "coffeeshops." Then-Justice Minister Donner,

who strongly opposed the proposal, had threatened to resign if Parliament had passed a resolution authorizing a trial program for commercial cultivation of cannabis in Maastricht.

In June 2006, Maastricht mayor Leers suspended his plan to move 7 of the 15 coffeeshops currently in the city center to the city outskirts and closer to the Belgian border. Instead, he and neighboring towns will look for a regional solution to the drug problems caused by drug "tourists." In 2006, Maastricht began a trial project to offer local residents special access passes to coffeeshops. The Netherlands allows sale of cannabis in coffeeshops under vigorous controls and conditions. The objective of the Maastricht trial is to cut down on drug tourism from neighboring countries. If successful, the experiment will be expanded, but it already faces legal challenges aimed at determining whether or not such limitations comply with EU law.

In May 2006, Health Minister Hoogervorst informed Parliament that the government will continue to treat Dutch- grown cannabis with high THC content as a "soft" drug. Research by the National Institute for Health and Environment (RIVM) showed that, although high-THC cannabis use induced elevated heart rates, lower blood pressure and sleepiness, the symptoms were not sufficiently serious to require regulation comparable to that for "hard" drugs. According to RIVM's report, the average THC content of cannabis available in the Netherlands dropped to 17.5 percent in early 2006, from 17.7 percent in 2005.

In March 2006, the Justice Minister sent Parliament an amendment to the Opium Act making it easier for local governments to close down premises where drugs are sold illegally. Under the bill, mayors would no longer have to prove such premises are causing a serious public nuisance, which, in practice, can be very difficult. This authority already applies to public places, such as coffeeshops. The proposed amendment has cleared committee but its final consideration by the Dutch Parliament has been delayed by an election and coalition discussions.

Bilateral law enforcement cooperation treaties with Germany and Belgium/Luxembourg became effective in 2006. 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.

Dutch legislation implementing the EU framework decision on illegal drug trafficking of November 2004 became effective on July 1, 2006. The law, among other things, raises the maximum sentence for large-scale cannabis cultivation and illegal cannabis trafficking from 4 to 6 years imprisonment. A June 2006 study estimated the total number of coffeeshops in the Netherlands at 729 in 2005, down from 737 in 2004. Only 24 percent of the 483 Dutch municipalities allow coffeeshops within their cities - 72 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 the criteria for operating such shops usually are well observed. In July 2006, Rotterdam closed 10 out of the 31 "grow" shops (which sell, among other things, equipment for hemp cultivation) in the Rotterdam region, because they reportedly sold cannabis cuttings and full-grown cannabis plants.

Cocaine Trafficking. As a result of the Schiphol drug policy, which has implemented stricter controls and intensified cooperation with the Netherlands Antilles and Suriname, the number of drug couriers attempting to enter the Netherlands from the Caribbean and South America has been greatly reduced. From January to August 2006, 777 couriers were arrested at the airport, down from 1204 couriers in the same period of 2005. Because of the 100 percent drug controls at Schiphol, Dutch drug couriers increasingly appear to divert to the Dominican Republic as a transit point for Colombian cocaine. In November 2006, Justice Minister Hirsch Ballin sent Parliament an assessment of the Schiphol drug policy, including a long-term plan. According to the Justice Ministry, despite the good results, intensive law enforcement efforts remain necessary to be able to control the problem. DEA and the Dutch Royal Military Constabulary are currently working on

possible solutions to a data-sharing problem on individuals apprehended in the Netherlands and charged as narcotics couriers.

In late January 2006, a Rotterdam Customs drug-sniffing dog found 1780 kg of cocaine hidden in an industrial boiler, which had arrived from Curacao by vessel. The drugs had a street value of more than 70 million Euros. In March, Rotterdam Customs found 500 kg of cocaine in a sea container, probably shipped from Trinidad.

Ecstasy. The Government's successful five-year strategy (2002- 2006) against production, trade and consumption of synthetic drugs will be reviewed at the end of 2006, and a new long-term plan will be published in early 2007. According to the Justice Ministry, the UNODC's 2006 World Drug Report shows that the Netherlands has successfully moved away from being the world's leading Ecstasy producing country. The Dutch Justice Ministry noted a shift in production to Belgium and East European countries, including Poland. Canada is now a lead supplier to the U.S.

On December 29, 2005, the Dutch police seized 1800 liters of PMK (precursor for Ecstasy) and 85,000 MDMA tablets, and arrested one subject. The investigation involved close cooperation between the Dutch Crime Squad, Royal Canadian Mounted Police (RCMP) and DEA. In May 2006, the National Crime Squad arrested three people (two Swiss and one Antillean) in Amsterdam suspected of large-scale Ecstasy smuggling to the U.S. The arrests were requested by the U.S. Department of Justice after a DEA operation.

Heroin. On May 10, 2006 the National Crime Squad made routine traffic stop in Rotterdam seizing 200 kg of heroin and arresting five persons. This investigation was coordinated by DEA and Dutch and Turkish officials. In May 2006, cooperation between Dutch and German law enforcement agencies resulted in the seizure of almost 300 kg of Turkish heroin, of which 204 kg were captured in the Netherlands.

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 cannabis is 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 in January 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 a result of the 2005 bilateral “Agreed Steps” law enforcement negotiations, DEA has obtained access to the NR office in The Hague, which focuses on cocaine investigations, and, since October 2006, to the NR office in Helmond, which focuses on synthetic drugs and precursor chemicals. Co-location with these units has greatly enhanced effective cooperation, in particular police-to- police intelligence sharing, and has helped to link Dutch drug investigations to major ongoing DEA international operations.

The National Crime Squad (NR) has proven very effective in drug investigations, which has prompted closer cooperation with the DEA. After a meeting with the U.S. Ambassador to the Netherlands and DEA in September 2006, the KLPD National Police Force agreed to join the International Drug Enforcement Conference (IDEC) as a member country, which will help ongoing efforts to increase communication and cooperation in large and complex narcotics investigations. In addition to working directly with the Chinese on joint precursor chemical investigations, the Netherlands is an active participant in the INCB Project PRISM (a multilateral synthetic precursor chemical control effort).

In May 2006, the Dutch participated in DEA's International Drug Enforcement Conference (IDEC) in Montreal, Canada, as observers. This conference, involving approximately 50 nations, meets to share drug intelligence, identify joint targets and assist in coordinating international drug trafficking investigations. The Netherlands will become a full member of this conference during the May 2007 IDEC conference in Madrid, Spain. In July 2005, the KLPD assigned a liaison officer to Beijing, China to facilitate joint cooperation on precursor chemical investigations.

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 two 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. 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. However, the quick sharing of police-to-police information is improving as a result of the increased access for DEA agents with NR units.

The 100 percent controls on inbound flights from the Caribbean and some South American countries continue at Schiphol Airport. Currently, all drug couriers at Schiphol are prosecuted, regardless of the quantity of drugs they are carrying. The manpower required to conduct these 100 percent controls remains a major monetary expense and logistical challenge for the authorities at Schiphol. The program decreases the resources targeted for outbound flight checks. The number of outbound drug couriers going to the United States arrested at Schiphol remains low and has dropped since 2004. The absolute number of couriers coming from the Caribbean and South America to the Netherlands has also dropped since 2004. Current policy to check vigorously all inbound flights at some cost to checks on outbound flights is continually evaluated by the Ministries of Justice, Defense, and Interior.

In August 2006, Health Minister Hoogervorst allocated 20 million euros to the UNODC for fighting infectious diseases among drug users in Eastern Europe and Russia over the next four years. The Netherlands is a leading member of the Dublin Group of countries coordinating drug-related assistance.

Drug Seizures	2004	2005
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Heroin kg	1,244	902
Cocaine kg	12,387	14,603
Ecstasy (tablets)	5,600,193	1,854,487
Ecstasy (powder and paste) kg	303	430

Synthetic drug production sites	29	19
Amphetamine kg	577	1,576
Amphetamine (tablets)	10,355	980
LSD (doses)	52,000	25,000
LSD (tablets)	-	-
Methadone (tablets)	13,866	13
Cannabis resin kg	16,101	5,484
Marijuana kg	7,491	2,014
"Nederwiet" kg	2,163	2,223
Hemp plants	1,127,174	1,672,103
Dismantled hemp plantations	2,261	2,500

(Source: KLPD National Police Force)

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.

Agreements and Treaties. The Netherlands is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, 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 signatory to the UN Convention Against Corruption, and is a party to the UN Convention Against 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). The Netherlands 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 domestic legal steps to bring it into force.

Cultivation and Production. Although commercial (indoor) cultivation of hemp is banned, about 80 percent of the Dutch cannabis market is Dutch-grown marijuana ("Nederwiet"). The Prosecution's Department's 2006-2010 plan of October 2006, which lists the department's priorities for the next four years, singled out cannabis cultivation as a major focus area. According to this report, some 2,500 cannabis plantations were dismantled in 2005, up from 2,261 in 2004. Because such operations take up significant police resources, and because dismantled production sites often simply relocate, the prosecutor's office wants to give priority to tackling the criminal organizations behind the plantations, for instance through asset seizures. 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. On June 2006, Dutch Parliament backed away from a proposal to permit the regulated large-scale production of cannabis to supply marijuana "coffeeshops." Then-Justice Minister Donner, who strongly

opposed the proposal, had threatened to resign if Parliament had passed a resolution authorizing a trial program for commercial cultivation of cannabis in Maastricht.

The Netherlands remains one of the largest producers of synthetic drugs, although the National Crime Squad (NR) has noted a production shift to Belgium and Eastern Europe. According to the NR, there also appears to be a shift from Ecstasy to amphetamine production. The NR seized an enormous 42,181 liters of chemical precursors in 2005 compared to 11,120 liters in 2004. The total number of Ecstasy tablets with an alleged Dutch connection confiscated by U.S. authorities rose to 0.85 million in 2005 from 0.2 million in 2004, but is still down from 1.1 million in 2003. The NR attributed the rise in 2005 to three major MDMA seizures. The number of Ecstasy tablets seized in the Netherlands totaled 1.85 million in 2005, down from 5.6 million in 2004.

According to the 2005 NR report, 2005 drug seizures around the world that could be related to the Netherlands involved more than 13 million MDMA tablets and 23 kg of MDMA powder (compared to 10 million tablets and more than 1,000kg of MDMA powder in 2004). MDMA (powder and paste) seizures in the Netherlands in 2005 rose to 430kg from 303kg in 2004. The number of dismantled production sites in the Netherlands for synthetic drugs dropped to 19 in 2005 from 29 in 2004. Of the 19 production sites, 8 were for amphetamine and 3 for Ecstasy production, 5 were meant for Ecstasy tablet making, 1 for LSD, 1 for GHB, and 1 for meta-chlorophenylpiperazine (m-CPP).

Drug Flow/Transit. The Netherlands remains an important point of entry for drugs to Europe, especially cocaine. 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 rose to 14,603kg in 2005 from 12,387kg in 2004. Of the 2005 seizures, some 4,494kg were seized at Schiphol, of which 3,518kg from passengers and 976kg in air cargo. Because of stronger controls at Schiphol, traffickers have diverted to other European airports or alternative routes. 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 of opiate addicts 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 their use of 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 2005 National Drug Monitor, the out- patient treatment centers registered some 30,745 drug users seeking treatment for their addiction in 2004, compared to 29,173 in 2003. The number of cannabis addicts seeking treatment rose to 5,500 in 2004 from 4,485 in 2003, but the number of opiate addicts seeking treatment dropped from 15,195 in 2003 to 13,929 in 2004. Statistics from drug treatment services show a sharp increase in the number of people seeking help for cocaine addiction, from 2,500 in 1994 to 10,000 in 2004. About 61 percent of addicts seeking help for cocaine problems are crack cocaine users.

The Trimbos Institute is expected to publish updated drug prevalence statistics in early 2007. Below are the latest available statistics of drug use among students ages 12-18. (Percent of respondents reporting use at least once in their life-time and use in the last month)

Life-time use	Last-month use

Year	1999	2003	1999	2003
Cannabis	20.0	19.0	9.0	9.0
Cocaine	2.8	2.2	1.2	0.8
Heroin	0.8	1.1	0.4	0.5
Amphetamine	2.8	2.2	1.1	0.8
Ecstasy	3.9	2.9	1.4	1.2

(Source: National Drug Monitor 2005, Trimbos Institute

Drug prevention programs are organized through a network of local, regional and national institutions. Programs target schools in order to discourage 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 the 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 in the 12-18 age group about the health risks of cannabis use also continues. The 24-hour national Drug Info Line of the Trimbos Institute has become very popular.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. and Dutch law enforcement 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 there remains room for improvement in accepting reasonable U.S. proposals for controlled deliveries. Dutch authorities continue to resist use of undercover criminal informants 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. Bilateral law enforcement cooperation continues to expand under the "Agreed Steps" list of action to fight drug trafficking. We have also noted improved and expedited handling of extradition requests. The U.S. is also working with the Netherlands to assist Aruba and the Netherlands Antilles in countering narcotics trafficking. The 10-year 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. The Netherlands Ministry of Health, Welfare and Sport has provided the Trimbos Institute for the years 2006-2007 with financial means to set up a continuing dialogue with U.S. counterparts with the aim of bringing scientists and professionals in the field of drugs and drug addiction together to create a better understanding of the respective problems the Netherlands and the United States face in tackling drug use.

Since 1994, U.S. Coast Guard Law Enforcement Detachments (LEDETs) have embarked Royal Netherlands Navy (RNLN) vessels in the Caribbean Sea to conduct counterdrug operations under an informal arrangement. In 2001, the USG presented text of a proposed LEDET MOU to the GON. The draft MOU would provide the legal framework for future LEDET operations from

RNLN, and perhaps Antilles Coast Guard, platforms. Meanwhile, we continue to operate under the well-settled practices developed since 1994.

The Road Ahead. U.S.-Dutch bilateral law enforcement cooperation is expected to intensify in 2007, particularly through DEA's access to the two NR drug units in The Hague (cocaine) and Helmond (Ecstasy). The bilateral "Agreed Steps" process will continue to promote closer cooperation in international investigations, including Ecstasy and money laundering cases. The bilateral exchange on Drug Demand Reduction will also continue in 2007 as well as the collaboration between ZON and NIDA on drug addition research projects. We expect the follow-up to the Dutch government's successful Ecstasy Action Plan, which expired at the end of 2006, to further improve Dutch counter narcotics efforts.

Norway

I. Summary

Norway's illicit drug production remained very low in 2006. As in the past, Norway continued to tightly control domestic sales and exports and imports of precursor chemicals. The volume of drugs seized increased along with the number of drug seizures. Of the 2006 seizures, cannabis accounted for 45 percent followed by amphetamines (nearly 20 percent) and benzodiazepines (16 percent). Other drugs accounted for 19 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 very low in 2006 mainly due to Norway's tight regulations governing domestic sales, exports and imports of precursor chemicals, and Norway's unfavorable climate for naturally-based drug cultivation. 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.

II. Country Actions Against Drugs in 2006

Policy Initiatives. The Ministry of Health and Care Services continued its Narcotics and Alcohol Abuse Treatment and Prevention Reform program in 2006. Its activities were documented in its annual survey "Status Report on the Drug & Alcohol Situation in Norway". The report states that 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. In 2006, the Ministry of Health and Care Services continued to encourage the use of Oslo's drug injection room for drug addicts; more rooms are reportedly 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 national government unveiled Norway's 2006-2008 Counter-Narcotics Action Plan in late 2005. In the plan, the Health and Care Services Ministry underscores that the Norwegian Government's counternarcotics policy remains comprehensive and coordinated. The Ministry calls for continued international cooperation to combat drug abuse and stressed that increased rehabilitation of drug offenders was a priority in Norway. Meanwhile, the joint Narcotics Action Committee (established 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, 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 and border drug raids. The Police Directorate has a helicopter that is used in narcotics investigations, specifically in tracking narcotics criminals. The Police Directorate's 2003-2008 Action Plan carries forward plans and initiatives to meet the objectives of the 1988 UN Drug Convention. The Plan focuses on reducing domestic drug abuse, identifying and curbing illicit drug distribution, and curbing drug abuse among drivers of motor vehicles. The Norwegian Police Directorate has announced that that the list of narcotics drugs is going to be revised in 2007. The Police Directorate supports the Verdal Initiative (Verdal is a small community in northern

Norway), where the local community has introduced measures to curb narcotics use. The Verdal Initiative is based on community cooperation to combat illicit drug use and is a model for other parts of Norway. This initiative involves voluntary nighttime patrols by citizens to report on those in the local community that openly use narcotics, and more visible police patrols in the streets to serve as deterrence. In addition, the Police Directorate supported various local antidrug and rehabilitation actions in 2006. 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 coordinates its efforts closely with the police and the Coast Guard.

Law Enforcement Efforts. According to statistics compiled by the Norwegian police crime unit (KRIPOS), the number of drug seizures in 2006 rose by 10.5 percent to an estimated 26,238 cases (up from 23,754 cases in 2005). The narcotics police also note increases in the volume of some drugs seized (e.g., cocaine) as the police continued to focus attention on bulk drug suppliers rather than individual abusers. Of the seizures made in 2006, cannabis accounted for 45 percent, amphetamines 20 percent, benzodiazepines 16 percent, and other drugs accounted for 19 percent of total seizures. In 2005 (the most recent year in which figures were available), the number of persons charged with narcotics offenses rose 7 percent to approximately 37,500 - compared with 35,000 in 2004. 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 investigate 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. In June 2006 Norway ratified the UN Corruption Convention. Norway has an extradition treaty and customs agreement with the U.S.

Cultivation/Production. In 2006, sporadic, and very small amounts of illicit crop cultivation were discovered. Very small quantities of Norwegian-grown cannabis concealed as potted or cultivated 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 2006.

Drug Flow/Transit. According to the police crime unit KRIPOS, the 2006 inflow of illicit drugs remained significant in volume terms with cannabis, heroin, benzodiazepines, Ecstasy, amphetamines topping the list. Most illicit drugs enter Norway by road from other European countries and other countries in Eastern Europe and Asia. As in the past, some drugs have been seized in commercial vessels arriving from Europe and Central/South America.

Domestic Programs (Demand Reduction). Government ministries and local authorities continue to initiate and strengthen counter narcotics abuse programs. According to the Ministries of Health and Care Services, the reduced number of drug-related deaths suggests that these programs have been successful. While the maximum penalty for a narcotics crime such as trafficking in Norway is 21 years imprisonment, penalties for carrying small amounts of narcotics are mild.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA officials consult with Norwegian counterparts whenever a Norwegian case has a U.S. nexus.

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

Traditionally Poland has been a transit country for drug trafficking. Improved economic conditions and increased ease of travel to Western Europe have increased Poland's 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 2006

Policy Initiatives. The total 2006 budget for state institutions is estimated at over $38 million. The complete information on the costs of the antidrug program, called the "National Plan," which will include both national and local government funding, will be available in mid-2007. By comparison, in 2005 the total costs of implementing the National Plan amounted to over $90 million, which was an increase of approximately 30percent. In addition, the National Bureau for Combating Drug Addiction has a 2006 budget of $3.4 million, up slightly from $3.2 million in 2005.

Law Enforcement Efforts. Polish National Police cooperated with DEA 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. 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. Poland continues to strengthen its relationship with Interpol in international policing efforts. Additionally, it works closely with the European Police Office (Europol) and has signed a border crossing agreement to monitor its eastern border. Police law enforcement officers go to Brussels for training.

On October 27, customs officers from Bialystok made the largest drug bust of the year at the Lithuanian border. They inspected a Lithuanian truck and found 570 liters of BMK - a precursor for the production of amphetamines. This amount of BMK could have produced 500 kg of amphetamines, with a market value of $8.3 million (25 million PLN). Each customs officer received a bonus of $3,300 (10,000 PLN).

The Paprocki case was another notable drug bust. The investigation involved cooperation between DEA's Warsaw and Tampa, FL District Offices and Polish police's Warsaw and Gdansk offices. Cooperation on this case led to the seizure in Poland of large quantities of MDMA (Ecstasy), amphetamines, and $112,000 in counterfeit U.S. currency, as well as leading to the dismantling of the amphetamine laboratory.

Drug Seizures:

	2004	2005	Jan-Jun 2006
Heroin (kg)	65.6	41.1	53.16
Cannabis (plants)	15,440	34,916	5,899
Marijuana (kg)	207.5	201.4	103.9
Amphetamines (kg)	236.5	308.6	214.6
Hashish (kg)	41	18.5	9.5
Cocaine (kg)	21.7	12.8	10.99
Ecstasy (tablets)	269,377	487,268	77,321
LSD (strips)	34,28	2,157	620
BMK (liters)	4,970	716	411

Corruption. A comprehensive inter-ministerial anticorruption plan 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. 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 Assistance Agreement.

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 against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons, and illegal manufacturing and trafficking in firearms. In September 2006, Poland ratified the UN Corruption Convention. 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, cocaine, and Ecstasy frequently transit the country, as does opium in all forms originating from Afghanistan. Poland produces a large amount of high quality amphetamines in clandestine laboratories located throughout the country. Polish organized crime syndicates then distribute the amphetamines throughout the European community, especially in Russia, Germany, and the Scandinavian countries. Destinations for these drugs are primarily 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 Plan 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 Plan 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 their 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. Training under the State Department-funded narcotics assistance program from 2002 through 2005 was highly successful, but this program has expired and will not be renewed. Operational cooperation through joint investigations will continue and should be enhanced by the new DEA office (see below).

Bilateral Cooperation. In August, DEA opened its office in the U.S. Embassy in Warsaw. In past years, Poland was handled from Berlin, Germany. DEA maintains close contact and holds numerous operational liaison meetings with Polish law enforcement officials. The highly successful 2002 Letter of Agreement between Poland the United States under the International Criminal Investigative Training and Assistance Program (ICITAP) expired in 2005 and has not been renewed. In 2006 DEA sent a member of the Polish National Police to the United States for training.

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 counter narcotics activities, facilitating even closer collaboration between Poland and its neighbors to the East and the West. GOP priorities for 2007 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. Overall drug seizures in Portugal in 2006, as compared to 2005, significantly increased. For example, seizures of cocaine increased from 7.2 metric tons in the first six months of 2005 to 30.4 metric tons during the same period in 2006. In the first half of 2006 seizures of hashish and heroin diminished by 78 and 48 percent respectively. U.S.-Portugal cooperation on drugs has included visits to Portugal by U.S. officials and experts, and training of law enforcement personnel. 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 for cocaine arriving in Portugal, largely from Brazil and Venezuela, both of which have large resident Portuguese populations. Other primary source countries were Morocco and Spain, especially for hashish. Cocaine and heroin enter Portugal by 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 2006

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). On October 11, 2006, Portugal passed a law approving the creation of a two-year program targeted at preventing drug use among at-risk populations in Portugal. The government approved a 2,600,000 Euro budget targeting families with a history of substance abuse; youth with a record of delinquency and school absenteeism; and individuals with relatives working in bars, nightclubs or other locations of known drug consumption.

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 a 2006 semi-annual report prepared by the PJ, the Portuguese law enforcement forces arrested 2,087 individuals for drug-related offenses in the first six months of 2006 as "traffickers/consumers." Most were Portuguese citizens, followed by a number of nationalities, such as Cape Verdeans (198), Angolans (52), Spanish (40), Brazilians (31), Bissau-Guineans (29), and Venezuelans (27). The 2006 PJ semi-annual report indicates a significant increase in the cocaine seized in the first half of 2006 compared to the first half of 2005. Seizures of cocaine increased four-fold. In the first six months of 2006, the PJ seized over 30.4 metric tons of cocaine, up from 7.2 metric tons in the same period in 2005. Hashish seizures decreased by about 78 percent, Ecstasy seizures decreased by 12 percent and heroin seizures declined by 48 percent. The 2006 PJ report indicates the following monetary seizures related to narcotics: 5.9 million Euros in cash, 49.7 thousand Euros in assets and the equivalent of over one million Euros in foreign currency. In February 2006, "Operation Portuguese

Soul" located and halted 8.2 metric tons of cocaine in transit towards Europe. In August 2006, Operation "Tornado" seized six metric tons of cocaine and six million Euros en route to Europe.

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 1994. 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. When these enter into force they will modernize the criminal law relationship between the U.S. and Portugal.

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 and some traffickers use the Azores islands as a transshipment point. The U.S. has not been identified as a significant destination for drugs transiting through Portugal.

Domestic Programs. Responsibility for coordinating Portugal's drug programs was moved to the Ministry of Health in 2002. The Government also established the Institute for Drugs and Drug Addiction (IDT) by merging the Portuguese Institute for Drugs and Drug Addiction (IPDT) with the Portuguese Service for the Treatment of Drug Addiction (SPTT). The 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 implementing its National Drugs Strategy: 2005-2012, with an intermediary impact assessment scheduled for 2008. It builds on the EU's Drugs Strategy 2000-2004 and Action Plan on Drugs 2000-2004 and 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. 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 important source countries for drugs found in Portugal, including countries 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 1994 CMAA.

The Road Ahead. Portugal was selected to host an interagency counternarcotics information sharing initiative, Maritime Analysis and Operation Center (MAOC) beginning in 2007. The MAOC aims to locate possible narcotics shipment vessels and to coordinate Western Europe's law enforcement response. The MAOC will implement some of the methods used by the U.S. Joint Interagency Task Force- East in Key West, Florida.

Romania

I. Summary

Romania serves as a transit country for narcotics, as it lies along the well-established Northern Balkan route that is used to move heroin and opium from Southwest Asia to Central and Western Europe. Romania also sits astride a developing route for the transit of synthetic drugs from Western and Northern Europe to the East. While Romania is not a major source of production or cultivator of narcotics, it has begun to be a source of amphetamines and is used as a transit point for South American cocaine destined for Western Europe. In 2006, Romania made several major drug seizures. Romania worked to implement its 2005-2008 National Anti-Drug Strategy and is a party to the 1988 UN Drug Convention.

II. Status of Country

Romania is a transit country for narcotics, mainly heroin and opium, moving from Southwest Asia, through Turkey and Bulgaria and onward toward Central and Western Europe. Romania finds itself along a developing route for the transit of synthetic drugs from Western and Northern Europe to the East. A large amount of precursor chemicals transits Romania from West European countries toward Turkey. Romania is increasingly becoming a storage location for illicit drugs prior to shipment to other European countries. Heroin and marijuana are the primary drugs consumed in Romania. However, the use of synthetic drugs such as MDMA (Ecstasy) has increased among segments of the country's youth as economic conditions improve. Officials also predict an increase in domestic heroin consumption.

III. Country Actions Against Drugs In 2006

Policy Initiatives. Romania continues to build an integrated system of prevention and treatment services at the national and local level, with 47 Anti-Drug Prevention and Counseling Centers throughout the country. The General Directorate for Countering Organized Crime and Anti-Drug (DGCCOA) operates at both the central and territorial level, with 15 brigades assigned to the local Appeal Courts and 41 county offices for combating narcotics and organized crime. Joint teams of police and social workers carry out educational and preventative programs against drug consumption. Romania plays an active role in the Bucharest-based Southeast European Cooperative Initiative (SECI) Center's Anti-Drug Task Force.

Law Enforcement Efforts. In the first six months of 2006, Romanian authorities seized 162 kg of illegal drugs, including 23 kg of heroin, 10 kg of cocaine, 94 kg of mescaline, 26 kg of cannabis and 11,133 amphetamine pills. During the first six months of 2006, 1218 individuals were investigated for drugs and precursors trafficking, possession and consumption. This was an increase of 11.6 percent compared with the same period in 2005. Three-hundred and fifteen individuals were indicted and 228 were held under preventive arrest. The Romanian Courts convicted 349 individuals (most of these were indicted in 2005 and before) for narcotics-related offenses, of which 329 were sent to prison and 20 were given a fine.

Corruption. As a matter of government policy, the Romanian 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. The USG does not believe that senior officials within Romania engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances. However, corruption remains a serious problem within the Romanian government, including within the judiciary and law enforcement branches. The Code of Ethics for police officers provides strict rules for the professional conduct of law enforcement. It

specifically addresses corruption, use of force, torture, and illegal behavior. Unlawful or abusive acts may trigger criminal or disciplinary sanctions. In conjunction with the Code of Ethics, the government created a permanent commission within the Ministry of the Administration and Interior to monitor compliance with the code. Also, the newly created Anti-corruption unit within the Ministry of the Administration and Interior conducted several internal undercover operations targeting corruption among police officers.

Agreements and Treaties. Romania is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, and the 1971 UN Convention on Psychotropic Substances. The United States and Romania are negotiating a new extradition treaty, which will fully modernize the extradition relationship between the two countries, which is currently governed by a treaty that entered into force in 1925 and a supplementary treaty that entered into force in 1937. Amendments to the Romanian constitution that make it possible for Romania to extradite its own citizens are the proximate reason for renegotiation of the treaty. The U.S.-Romania Mutual Legal Assistance Treaty entered into force in 2001, and the United States and Romania are negotiating a protocol to the treaty to satisfy certain obligations related to Romania's recent accession to the European Union. Romania is party to the UN Corruption Convention, and the UN Convention Against Transnational Organized crime and its three protocols.

Cultivation/Production. For the first time, in 2006, cultivated green cactus (San Pedro), containing high levels of mescaline, was discovered for sale in Baia Mare.

Drug Flow/Transit. Illicit narcotics from Afghanistan enter Romania both from the north and east, and as well as 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 cross the border with Moldova, as well as via the country's international airports. Once in Romania, the drugs move either northwest through Hungary, or west through Serbia. Police estimate that 80 percent of the drugs entering Romania continue on to Western Europe. Romania also is becoming an increasingly important route for the transit of synthetic drugs from Western and Northern Europe to the East.

Domestic Programs. While consumption of narcotics in Romania has historically been low, this appears to be slowly changing; the Romanian government has become increasingly concerned about domestic drug consumption. Approximately, 800 drug prevention programs were initiated during the first half of 2006, including programs against drug consumption in the families, in schools or in the community. These were conducted in cooperation with local authorities, NGOs, religious organizations and private companies. Detoxification programs are offered through some hospitals, but treatment is limited. These programs are hampered by a lack of resources and poorly trained staff.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2006, the United States provided $1,724,000 in assistance to further develop Romania's activities against cyber-crime, narcotics trafficking, as well as to reform the criminal justice system, combat emerging crimes and counter official corruption. The 2006 agreement covers two projects that continue to help Romania's prosecutorial and judicial institutions to effectively prosecute corruption, trafficking in persons (TIP), organized crime, terrorism and other crimes ($825,000). They also develop law enforcement capabilities to effectively combat computer crime cases and narcotics violations at both the national and local levels and to support the Romanian National Police in its effort to decentralize decision-making authority ($849,000). Romania also benefited in 2006 from approximately $900,000 in U.S. assistance to the Bucharest-based Southeast European Cooperative Initiative (SECI) Center for Combating Trans-border Crime, which more broadly supports the twelve participating states in the Balkan region and focuses on trans-border crime, with one task force directed specifically towards

combating the narcotics trade. The United States is a permanent observer country at the SECI Center, with a DEA Liaison Officer who assists in coordinating narcotics information sharing, maintains liaison with participating law enforcement agencies, and coordinates with the DGCCOA on case-related issues. A Resident Legal Advisor (Senior Prosecutor) from the U.S. Department of Justice is assigned to the SECI Center, providing guidance on drug trafficking investigations.

The Road Ahead. Romania has put a serious emphasis on its counternarcotics efforts and cooperation with the USG. The USG believes that cooperation will continue, as the Romanian government has become increasingly concerned about domestic drug consumption. The United States will continue supporting Romania's efforts to strengthen its judicial and law enforcement institutions.

Russia

I. Summary

In 2006, the Government of Russia (GOR) focused its efforts on prevention, legislation, and combating money laundering 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 demand, as well as transit through Russia to the rest of Europe. In addition, heroin use contributed to a significant increase in the number of persons infected with HIV/AIDS and/or Hepatitis C, directly attributable to intravenous drug use. The Director General of the Federal Drug Control Service (FSKN) emphasized the need for international cooperation to combat drug traffickers that operate without regard to borders. The FSKN continued to work on plans to open liaison offices in ten countries, including Afghanistan. Trafficking in opiates from Afghanistan (primarily opium and processed heroin) and a new synthetic opiate injectable drug comprised of a mixture of heroin and 3-methylfentanyl (Beliy Kitai - White China) and their abuse were major problems facing Russian law enforcement and public health agencies. However, the FSKN reported that the sharp post-Soviet increases in the number of drug users has begun to stabilize. More than 90 percent of Afghan drugs arrive in Russia via Central Asia. The GOR has recognized the extent of the drug trafficking problem 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 a party to the 1988 UN Drug Convention.

II. Status of Country

Trafficking. Russia is both a transshipment point and a market for heroin, opium and other dangerous illegal substances such as "White China". Since the beginning of 2006, the FSKN has reported a sharp increase in seizures of 3-methylfentanyl by Russian law enforcement. In the first six months of 2006, FSKN recorded 321 seizures of 3-methylfentanyl, five times more than during the same period in 2005. The majority of these seizures were made in the Northwest and Western parts of Russia. 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. In February 2006, the FSKN reported that over 100,000 persons died in Russia of drug addiction compared to 30,000 homicide victims and 35,000 deaths due to road accidents- almost 5 percent of all crimes in Russia - are related to drugs. Per the Director, while there are 500,000 people officially registered as drug addicts in Russia, the actual numbers are 5-6 million, and possibly more. The annual revenue from illicit drug trafficking in Russia was estimated to be $15 billion. According to the FSKN, seizures have pushed up the price of almost every kind of drug across Russia. The average price for a gram of heroin (retail) in 2006 was $ 51.54. The average price in 2005 was $40, in 2004, $30 and in 2003, $20. Per gram prices (retail) for heroin were as low as $19 (in Perm Oblast) and as high as $132 (in Murmansk Oblast). The wholesale price for a kilo of heroin in 2006 was about $26,500 kg prices ranged from about $11,300 dollars to about $75,200.

Synthetic drugs produced in Russia usually take the form of amphetamine type stimulants and heroin analogues like methadone and mandrax. 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. In 2006, the Deputy Director of FSKN, confirmed that a significant portion of synthetic drugs are smuggled to Russia from Europe, most often through the Baltic States, as well as through Ukraine and Belarus. The FSKN reported in September 2006 that 680 million doses of synthetic drugs had been seized in Russia since January. Synthetic opiates have shown up in Orenburg Oblast, a region where the USG has projects focused on HIV/AIDS prevention and drug demand reduction. The abuse of these synthetic opiates has directly resulted in an increase in death due to drug overdoses.

Although the MDMA tablets produced in Russia are of poor quality, the low prices (as little as $ 5.00 per tablet) are attractive to Russian youth compared to the $ 20.00 typically charged per tablet for MDMA tablets from the Netherlands. Methamphetamine is extremely rare in Russia. 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 over the past few 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 Russia 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. FSKN officials have identified a disturbing new trend in narcotics trafficking - the use of the Internet to sell illegal drugs. According to the FSKN, Russia is home to hundred of websites which market illegal drugs both in Russia and abroad. The FSKN has reported that it is attempting to develop technology to interrupt web-based drug trafficking.

Addict/User Population. The FSKN reports that there are 1.5 million drug users with 400,000 officially registered drug addicts in Russia's treatment centers. New models of cognitive therapy are being implemented in treatment centers in St. Petersburg, but substitution therapy has not been fully explored and remains politically sensitive. The Ministry of Health (MOH) estimates that up to six million Russians take drugs on a regular basis. The FSKN Deputy Director confirmed that around six million Russians take drugs, thus agreeing with the MOH estimate, adding that only one in twenty drug addicts are officially diagnosed. 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, and in 2006, claimed that the rise in the number of drug addicts had been halted.) While the number of registered cases of drug use has stabilized, the number of drug overdoses in many regions is increasing due to the introduction of dangerous new substances such as White China. The lack of drug maintenance therapy to treat drug users contributes to the small number of registered cases of IDUs (Intravenous Drug Users) in treatment centers.

According to the MOH, as of August 2006, there were over 350,000 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 90 percent of injecting drug users are Hepatitis C positive. With FY06 HIV/AIDS funding, the National Institute of Health has just begun work with Russian research facilities in St. Petersburg to explore alternative drug treatment regimens acceptable to the GOR. Naltrexone and Bupanorfin are two drugs currently registered in Russia, which may prove to be useful alternative drug treatment measures. A sign of progress is that the MOH has recently requested a special report prepared on medication assisted drug therapy. A group of key MOH health and social welfare officials and NGOs have recently returned from a

study tour to the U.S. financed by USAID to observe effective social programs for high risk families and communities affected by drug use. This has resulted in a new committee in the MOH, which plans to put into action lessons learned from Baltimore, Providence, and New York City. In November 2006, the USG in collaboration with the MOH and the FSKN will sponsor a major technical workshop in St. Petersburg to improve access and quality of drug treatment and rehabilitation services for IDUs.

Trafficking Organizations. 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 (Russia shares a 7,000 km border with Kazakhstan) and into European Russia and western Siberia. The FSKN claims that 90 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.

III. Country Actions Against Drugs In 2006

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 restructured the agency in 2004, which is now known as the Federal Drug Control Service (FSKN). The FSKN has 35,000 employees, with branch offices in every region of Russia. Since its creation the FSKN has stressed the importance of attacking money laundering and other financial aspects of the drug trade. The money laundering division of the FSKN cooperates closely with the Ministry of the Interior (MVD), the Federal Security Service (FSB), and the Federal Customs Service (FTS), but its main partner is the Federal Service for Financial Monitoring (FSFM). 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 FSKN. The GOR has signed many bilateral agreements on counternarcotics cooperation. In 2005, during a visit of the FSKN Director to the U.S., the FSKN signed a Memorandum of Understanding with the U.S. Drug Enforcement Administration to enhance bilateral cooperation to combat illegal drugs and their precursor chemicals. Multilaterally, Russia and the other member nations of the Shanghai Cooperation Organization (SCO) have attempted to use the SCO as a vehicle to combat narcotics trafficking in Afghanistan and Central Asia. In 2006, Russia hosted the Paris II-Moscow I Ministerial Conference on Drug Routes from Afghanistan. This conference, organized by the MFA and UNODC, was a follow-on conference to a similar meeting in Paris in 2003 and addressed ways to combat Afghan drug trafficking, including the illicit traffic in precursors for the production of heroin. Representatives of more than 50 countries and 23 international organizations attended the conference.

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. Legislation passed in 2004 entitled "On Protection of Victims, Witnesses and Other Participants in Criminal Proceedings" extends legal 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. In 2005, the GOR issued implementing regulations and provided money from the Federal budget for implementation of the legislation.

One of the key obstacles in Russia's struggle with drug trafficking is a lack of experience with prosecuting narcotic-related cases. The FSKN Director 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 narcotic-related crimes and establishing a legal framework that is beginning to work effectively against drug dealers. On February 7, 2006, the GOR approved amendments to the Criminal Code that reduce the minimum punishable amounts of illegal drugs subject to prosecution. This amendment was a reversal of a legislative change adopted in November 2003, which had reduced the sentence for possession of drugs for personal use from a maximum of three years in jail to a fine. The amendments introduced the sizes of "large" and "especially large" amounts of drugs to be used in determining sentences for drug-related crimes and eliminated the category of average dose. The amendments classified as large/especially large amounts exceeding the following amounts in grams of: poppy straw (20/500), hashish (2/25), heroin (0.5/2.5), marijuana (6/100), opium (1/25), and methadone (0.5/2.5).

Law Enforcement Efforts. On March 27, 2006, President Putin issued Decree No. 263 On Official Representatives of the Federal Drug Control Service of the Russian Federation to Foreign States authorizing FSKN to station 50 officers (representatives and their deputies) in foreign states to facilitate information sharing and joint investigations. The officers will be based in Russian diplomatic missions but will not be part of embassy staff in order to give them more flexibility in dealing with their counterparts. The FSKN had earlier already established a drug liaison office in Dushanbe, Tajikistan and is now on track to open an office in Kabul in 2007. Seizure statistics: The following figures reflect total drug seizures for 2005 and the first half of 2006 by all law enforcement agencies in Russia: (all figures are in kg/source: FSKN)

Substance	2005	First Half of 2006
Hashish	2,101	1,065
Marijuana	30,618	13,942
Poppy Straw	3,209	833
Opium	1,523	417
Heroin	4,676	2,538
Cocaine	109	32
Controlled substances (Pharmaceuticals, etc.)	95,174	8,602
Other	1,335	815

Corruption. Controlling corruption has been a stated priority for the Putin administration. 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, the FSKN Director endorsed a Code of Honor in 2005 for FSKN personnel. The Code is a brief list of rules of conduct that guide the activities of every FSKN employee. FSKN officials report that over 100 law enforcement officers were arrested in 2005 for drug trafficking. Figures for 2006 are not yet available. In May 2006, five FSKN officers were accused of extortion and detained in Moscow. The case is currently under investigation. There were no reported cases of high-level narcotics related corruption. As a matter of government policy, the

GOR 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 GOR senior officials were 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. Russia is party to the 1988 UN Drug Convention, the 1961 Single Convention on Psychotropic Substances and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The U.S.-Russia Mutual Legal Assistance Treaty (MLAT), entered into force on January 31, 2002.Russia is a party to the 1994 Agreement on Coordination and Cooperation of Customs Authorities in Combating Illicit Distribution of Narcotics and Psychotropic Substances signed by Belarus, Ukraine, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Russia is a party to the UN Corruption Convention and the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling.

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 area, 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 2006, Operation Poppy identified numerous illicit plantations of cannabis, primarily in Primorskiy Kray and Altay Kray and about 40 metric tons of narcotic plants were destroyed. Primary cannabis cultivation areas are Primorye, Altay, as well as Amur Oblast and the Republic of Tuva.

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 metric tons of heroin are annually smuggled 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. Cocaine destined both for Russia and 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 area around St. Petersburg.

Each year, law enforcement agencies of Russia and several of its neighbors participate in Operation Kanal. Kanal is an interdiction blitz during which extra personnel are stationed at railroad stations, airports, border crossings, and other checkpoints. During Kanal 2005, 881 individuals were detained and 1,396 kg of illegal drugs were seized in Russia. Kanal 2006 is being implemented in three phases: the first phase took place in May 2006 and focused on the interdiction of precursor chemicals. The second phase is currently underway and is focusing on synthetic drugs. The third phase had not yet been scheduled at the time this report was drafted. For the first time, DEA agents have been invited to observe. FSKN officials continue to report a significant increase in drug trafficking into Russia following the withdrawal of Russian border guards from the Afghan/Tajik border in 2005. Russian forces had been stationed in Tajikistan after the dissolution of the Soviet Union, but departed after the expiration of the agreement governing their presence.

Domestic Programs/Demand Reduction. Russian authorities are attempting to implement a comprehensive counternarcotics strategy that would combine education, health and law enforcement. FSKN is tasked with demand reduction among its other responsibilities and has recently begun a large-scale public awareness campaign. Russian law enforcement authorities also 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 has been expanded 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. In 2006, the FSKN and National Health League launched a preventive program called Health Wave - Take Care of Yourself aimed at children's health and prevention of drug addiction in four cities (Samara, Saratov, Volgograd and Astrakhan).

IV. U.S. Policy Initiatives and Programs

Policy Objectives. The principal U.S. counternarcotics programmatic 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 help improve cooperation of Russian law enforcement authorities with U.S. law enforcement agencies.

Bilateral Accomplishments. In 2002, the U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs (INL) negotiated a Letter of Agreement (LOA) with the GOR allowing direct assistance to the GOR in the area of counternarcotics and law enforcement assistance. DEA provided INL-funded counternarcotics training to over 100 trainees in 2006, drawn from the FSKN, the MVD, and the Federal Customs Service. In 2007, DEA will again offer INL-funded counternarcotics training to Russian law enforcement. In FY 2006, the DEA Office of International Training and the Moscow Country Office, with funds provided by INL, worked together to organize numerous additional narcotics law enforcement training events. In FY 2007, DEA is planning to hold a one-week Forensic Chemist Seminar, funded by INL. This seminar will focus on advanced signature (i.e., seized opiate origin) analysis techniques, including the analysis of Southwest Asian heroin, and to explore joint experience in conducting signature analysis. Progress continued on the Southern Border Project, an effort that will eventually 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. also provided technical assistance in support of institutional change in the areas of criminal justice reform, mutual legal assistance, anticorruption and money laundering.

The Road Ahead. The GOR places high priority on counternarcotics efforts and has indicated a desire to deepen and strengthen its cooperation with the United States and other countries, particularly in light of its 2006 chairmanship of the G-8 and chairmanship of the Council of Europe. 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.

Serbia

I. Summary

Organized crime groups use Serbia, a center point on the Balkan smuggling route, as a transit point for the transfer of heroin, cocaine, marijuana and other synthetic drugs. A small portion of smuggled narcotics remains in Serbia for domestic consumption. Serbia is developing and enacting new laws and law enforcement initiatives, including the National Strategy for the Fight Against Drugs, but a weak legal infrastructure and endemic corruption will make the fight against narcotics and drug smuggling a long process. As legal successor to the state union of Serbia and Montenegro and the Former Yugoslavia, Serbia is party to the 1988 UN Drug Convention.

II. Status of Country

Serbia is primarily used as a transit country for the movement of narcotics, but the ability of organized crime groups to exploit the porous borders and weak infrastructure threatens political stability and economic development of this developing country. The Ministry of Interior notes that the Sandzak portion of Serbia, with its capital of Novi Pazar, is most problematic because of its geographical position near the Montenegrin and Kosovo border on the smuggling route and the storage of large quantities of drugs in the region. The Serbian government estimates that a small portion of narcotics trafficking through Serbia remains in country for domestic consumption. Heroin appears to be the most prevalent.

III. Country Actions Against Drugs in 2006

Policy Initiatives. Articles 246 and 247 of the General Crime law regulate countermeasures against drug crimes in Serbia, both for production, trafficking and usage of narcotics. A newly implemented law on Chemical Substance and Production for synthetic drugs, based on European standards, requires the Ministry of Health to monitor the substances acquired and used by foreign and domestic companies operating in Serbia. The law also allows the Ministry of Interior to get approval from the Ministry of Health to investigate certain companies or individuals in possession of chemical substances. A new law on criminal procedures has also been completed that stipulates that narcotics seized should be destroyed, except for a small sample to be used in court, instead of stored in often less than secure warehouses by the Ministry of Interior or the Ministry of Justice. Serbia is continuing to establish and promote relations with neighboring countries, including Bulgaria, Romania, Croatia, Hungary, and Bosnia and Herzegovina to combat the transport of narcotics across their common borders.

Law Enforcement Efforts. The Drug Unit in the Ministry of Interior is the central unit that polices narcotics smuggling and usage of heroin, cocaine, marijuana, and synthetic drugs throughout the entire territory of Serbia. The Drug unit is responsible for coordinating cooperation and information exchanges with smaller police units located throughout Serbia as well as with Customs officials, the Ministry of Justice and Interpol. The Drug Unit is currently trying to create one database with all narcotics-related crimes, arrests and seizures, but a shortage of financial and technological assistance is hampering its implementation. Officers in the Ministry of Interior participate in workshops organized by the OSCE and other international organizations and intend on continuing training exercises with regional neighbors, including Bulgaria and Romania. The Ministry hopes to have these officers who are trained in combating narcotic-related crimes train their fellow officers in the police force and drug unit. The Drug Unit reports that through nine months of 2006 they have seized around 6.5 kg of cocaine, 150 kg of heroin, 5 kg of hashish and 989 grams of Marijuana. This data excludes any information from local police branches. The unit estimates that by the end of 2006, they will probably seize around 1/2 ton of heroin and more

marijuana. The Customs Administration of Serbia reports that in the first nine months of 2006, they have seized 228 kg of heroin, 36 kg of ephedrine, 18 kg of Ecstasy, and fractional quantities of cocaine, HCL, hashish and marijuana.

Corruption. Corruption is endemic in Serbia and is prevalent throughout the legal infrastructure of the country. The Serbian government does attempt to prosecute instances of corruption, but because it is so accepted by society, is often hard to identify. There are no reports that senior government officials engage in, encourage, or facilitate the production and distribution of narcotic and psychotropic drugs and there is also no evidence that Serbia, as a matter of government policy, encourages or facilitates illicit production or distribution of narcotic or psychotropic drugs or actively launder proceeds from illegal drug transactions. Serbia is a party to the UN Convention against Corruption.

Agreements and Treaties. Serbia became the legal successor state to the state union of Serbia and Montenegro on June 3, 2006. All international treaties and agreements continue in force, including the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling.. Serbia currently has a bilateral agreement with Romania for the training of Serbian officers, and has cooperation agreements with Slovenia, Croatia and Bosnia and Herzegovina on border control issues meant to stop cross-border narcotics transfers. The 1902 extradition treaty between the United States and the Kingdom of Serbia remains in force between the U.S. and Serbia.

Drug Flow/Transit. Serbia is located in the center of the smuggling and transit route along the Balkan road. Heroin is smuggled from Turkey and moves through Bulgaria into Serbia and then onward into Western Europe. Small amounts of heroin stay in the country, but Serbia mostly serves as a transit point. Cocaine usually comes from South America into Serbia via Spain, Italy and Greece, while synthetic drugs typically originate in the Netherlands and are generally used for trading for other narcotics, including heroin.

Domestic Programs (Demand Reduction). Experts from the Belgrade Institute on Drug Abuse estimate that currently there are 60,000-80,000 drug users in Serbia. A task force of government ministries, including the Ministry of Health, the Ministry of Interior the Ministry of Justice and the Ministry of Education and Sport is developing a National Strategy for the Fight Against Drugs, which incorporates antinarcotics programs used by neighboring countries, and adheres to EU-regulated standards.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The Serbian Government works closely with the United States and EU countries in reforming and improving its law enforcement and judicial capacity. The United States has provided extensive technical assistance, equipment donations and training to the police, customs services, and judiciary. Several USG agencies have programs that directly or indirectly support counternarcotics activities in Serbia, including the Department of Justice (ICITAP), Department of Homeland Security, Department of Defense, Department of the Treasury, and Department of State. The Department of State and Justice have also been instrumental in supporting the new Organized Crime Court and the new Special Court for Organized Crime and War Crimes. The programs are aimed at professionalizing the police and customs services, improving the ability of Serbia to prosecute corruption and organized crime, including money laundering and illicit trafficking, and increasing the ability of the judiciary to effectively address serious crime.

The Road Ahead. The United States will continue to work with Serbia to improve the administration of justice and narcotics law enforcement. During the next year the U.S. hopes to see further progress in Serbian justice sector development and efforts to combat organized crime and narcotics. This includes increased seizures of narcotics, attempts to prosecute corruption at senior levels, and efforts to reduce domestic narcotics demand.

Slovakia

I. Summary

Slovakia lies near the western end of the historic Balkan drug transit route, which runs from southwest Asia to Turkey and on to other western European countries. Since 1989 Slovakia has seen a steep increase in narcotics transshipments and domestic production and consumption. Slovakia is a party to the 1988 UN Drug Convention.

II. Status of Country

Interest in synthetic drugs, especially pervitin and Ecstasy, has driven an increase in local illicit drug processing and production. Synthetic drugs are normally produced in mobile laboratories, which can be packed and moved quickly and inconspicuously. Local cannabis production is also on the increase, especially hydroponically grown cannabis with sharply increased THC content. Police believe that consumer interest in hydroponically grown cannabis, attributable to experience with higher-THC varieties imported from Western Europe, has driven growth in this sector. Police report that the market for heroin and cocaine has become saturated, and that prices for these drugs are therefore decreasing even as consumer demand continues to rise. For all drugs, there has been a steady decrease in regional differentiation of consumption. With respect to cannabis, pervitin, heroin and Ecstasy, use of which was once confined to larger urban areas, consumption is now spread over the whole territory of the Slovak Republic.

III. Country Actions Against Drugs

Policy Initiatives. In 2005 the National Program for the Fight against Drugs 2004-2008, was developed into Action Plans for specific ministries and regional authorities in accordance with the Action Plan of the EU for the Fight Against Drugs. At the same time, a Methodological Instruction of the Slovak Republic Government Office was issued setting out the activities of regional authorities in the field of narcotics, and unifying the procedure for establishing regional coordination commissions for narcotics issues. A new Penal Code and Code on Criminal Procedure became effective on January 1, 2006. The most important change contained in the new Penal Code concerns criminal liability for the possession of drugs for personal consumption. Specifically, Sections 171 and 135 of the new Penal Code set out maximum sentences of three years incarceration for possession of no more than three times a single dose of any narcotic substance, and up to five years for possession of up to ten times a single dose. Possession of more than ten times a single dose is considered possession for other than personal consumption. There were no other substantial changes in the legislative, institutional or executive framework of narcotics control in Slovakia in 2006.

Law Enforcement Efforts. The National Anti-Narcotics Unit of the Police Presidium was reorganized in January 2005. The unit, which formerly consisted of 150 officers and support staff working in 12 regional bureaus, now employs just 30 people to cover the Bratislava (capital) region. The remainder of the unit, and responsibility for antinarcotics programs outside the capital, was transferred to the Office for the Fight Against Organized Crime, which includes three distinct offices for Western, Central and Eastern Slovakia. The division of the National Anti-Narcotics Unit's resources has affected the ability of the police to coordinate actions and share resources across regions, although the Police Presidium says the strengthening of the Office for the Fight Against Organized Crime has had broadly positive effect. The National Anti-Narcotics Unit includes three distinct sections: the Street-sales Section, the Section for Major Cases (including all trans-national cases) and the Joint Police-Customs Section. In 2005, 1,638 drug-related criminal cases were brought to court in Slovakia. In 2005, the Police seized: 3,707.59 g of heroin, 34.82 kg

of marijuana (herbs), 1,031.65 kg of marijuana (wet), 360.01 g of cocaine, and 1,695 tablets of MDMA.

Corruption. As the post-socialist economy has opened up, and Slovakia received more investment from abroad, the incidence of corruption has been reduced. Nevertheless, corruption remains a serious concern in both the public and private sectors. As a matter of government policy, however, the Government of Slovakia 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. Slovakia is a party to the 1988 UN Drug Convention; the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; and the UN Convention against Transnational Organized Crime and its three protocols. Slovakia ratified the 2003 UN Corruption Convention on June 1, 2006.

Cultivation/Production. Marijuana is the most commonly cultivated illicit drug in Slovakia due to strong demand and a climate, which permits cultivation. Hydroponic (laboratory) cultivation of marijuana has become more popular lately in response to consumer demand for a product with artificially high THC content. Police are concerned by a growing number of small semi-portable drug laboratories, which are used to produce pervitin and other synthetic drugs. Slovakia's domestic market for synthetic drugs is served exclusively by domestic production. In recent years, the average purity increased in marijuana (THC 7.8percent) as well as in pervitin (58.3percent) and heroin (12.5percent). In Ecstasy tablets, a decrease in purity was observed in 2005. In 2005, for the first time, Ecstasy tablets were discovered containing chlorophenyl piperazine, a stimulant that is not currently included in the list of narcotic and psychotropic substances.

Drug flow/Transit. Since 1989, Slovakia has seen an increase in transshipment of drugs across its territory to markets in Western Europe. Foreign criminal groups with local contacts, especially Albanian groups, are thought to be responsible for most transshipments. Drugs, including heroin from Central Asia and, to a lesser extent cocaine from South America and hashish from Morocco, pass through Slovakia on the final leg of the so-called Balkan drug transit route. Ethnic Albanian groups dominate the heroin trade, though Roma groups are thought to share in street-level sales. Due to the high price of imported drugs, it is believed that only relatively small quantities of transit drugs remain in Slovakia for domestic consumption. In 2005 sales of heroin to Slovak consumers stagnated. This is thought to be a consequence of cheaper and more readily available synthetic drugs from local suppliers. Police fear that many young people have become accustomed to traveling to the Netherlands for higher quality and more readily accessible Ecstasy and cannabis products.

Domestic Programs (Demand Reduction). The National Program for the Fight against Drugs (NPFD) 2004-2008 is primarily directed at activities aimed at reducing drug demand. The National Strategy also defines key ministries for the implementation of prevention, including the Ministry of Education, Ministry of Health and Ministry of Labor, Social Affairs and Family. Drug-use prevention is an integral part of the education process at schools. Positions for Drug Prevention Coordinators have been created at many schools, and Pedagogical and Psychological Counseling Centers have been established in each district. In addition, most districts have Educational and Psychological Prevention Centers that focus on the prevention of socially pathological phenomena, conduct training courses for peer activists, teacher training, and provide methodological assistance to school psychologists and educational counselors. According to the 2003 Mini-Dublin group report, Slovakia is among the highest spenders on preventative activities in relation to per capita GNP.

The number of drug users in treatment in Slovakia remained relatively stable in 2006. In 2005, 2,078 drug users were treated in total, including patients treated in general medical facilities.

Conversely, approximately 550 more clients sought non-medical assistance from social work field organizations in 2005 than in the year before. These were mostly users of injected drugs and/or users of heroin and pervitin. A study conducted by the National Monitoring Center for Drugs estimates the number of problem drug users, defined as users of injected drugs, long-term regular opiate and/or pervitin users, at 4.8 per 1000 inhabitants. Experience with pervitin use is relatively limited although comparisons with previous surveys do show an upward trend. The lifetime prevalence of pervitin use in Slovakia's population increased from 0.6percent (2002) to 1.5percent (2004) and, in youth, from 3.4percent (2004) to 4.5percent (2005). Conversely, for the first time ever, a moderate decrease in pervitin users in treatment was recorded in 2005 (489 patients), although their number in proportion to total persons treated did not change compared to 2004. Marijuana usage continued to increase in 2005. From 2000 to 2004, lifetime prevalence of marijuana use in Slovakia's population (15-64 years) increased from 11.7percent to 15.6percent. Cocaine is used only rarely in Slovakia and is believed to be used recreationally by a smaller group of people. In 2005, 11 cocaine users were reported in treatment.

Availability of treatment in Slovakia is relatively good. In 2005, treatment was provided by 6 specialized treatment centers for drug dependency, 54 departments of psychiatric hospitals and facilities, and by offices of psychiatrists specialized in drug addiction treatment. Social reintegration and residential care for clients having received medical treatment were provided by 20 social reintegration centers with the total capacity of approximately 300 beds. The National Monitoring Centre for Drugs is concerned by insufficient coverage of needle and syringe exchange programs. In 2005, such services were provided by 6 organizations in 8 cities. Yet fewer than 20percent of the estimated injecting drug users are in contact with low-threshold agencies, and some areas (city of Zilina, southern Slovakia) are not covered at all. A substitution treatment register still does not exist in Slovakia. Until 2005, a methadone maintenance program was available in only the capital, Bratislava, where it has existed since 1997. In 2005, another methadone maintenance treatment program was launched in Banska Bystrica. Subutex is often used for substitution treatment, particularly outside of Bratislava.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The Regional DEA Office in Vienna, Austria shares information with the Slovak Police Presidium on operational issues of mutual interest, and has offered training for Slovak counterparts in the past. DEA reports, however, that cooperation and communication has been difficult and often seems to be hampered by excessive bureaucracy.

The Road Ahead. The U.S. will continue to work with the Government of Slovakia to fight drug transit through Slovakia and to assist with drug treatment in Slovakia itself.

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 2006. 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 2006. 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 2006

Policy Initiatives/Accomplishments. Slovenia continues to benefit from a two-year regional project sponsored by the European Union concluded in June 2004. This project strengthened cooperation of law enforcement structures and other agencies such as Customs of EU candidate countries in the areas of tracking, risk assessment, and shipment controls, among others.

Law Enforcement Efforts. Law enforcement agencies seized 2,523 tablets of Ecstasy in the first 11 months of 2006 compared with 1,166 in 2005. In 2006 authorities seized slightly less than 134 kg of heroin, compared to slightly less than 24 kg of heroin seized in 2005. In addition, police netted little more than 45 kg of marijuana in 2006, compared to 22.8 kg of marijuana in 2005. Police also seized 1,516 cannabis plants in 2006, compared to 2,183 cannabis plants seized in the first 11 months of 2005. Through mid-October police seized over 4 kg of cocaine, compared to 2005, when police seized just over 2 kg. Police also seized 3.2 kg of amphetamines and 184 individual tablets of amphetamines.

Corruption. As a matter of government policy, the GOM 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. There is no indication that senior officials have encouraged or facilitated the production or distribution of illicit drugs. Police and border control officials are adequately paid, and corruption among them is uncommon

Agreements and Treaties. Slovenia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The 1902 extradition treaty between the United States and the Kingdom of Serbia remains in force between the United States and Slovenia as a successor state. Slovenia is a party to the UN Convention against Transnational Organized Crime and its three protocols.

Drug Flow/Transit. Slovenia is on the "Balkan Route" for drugs moving from Afghanistan, through Turkey, a traditional refining center for heroin, and then onward to Western Europe. Some heroin is thought to transit on so-called "TIR" trucks, long-haul trucks inspected for contraband at

their place of embarkation, and then sealed by customs authorities before their voyage to a final destination.

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

IV. U.S. Policy Initiatives and Programs

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

The Road Ahead. Based on the high quality of past cooperation, the USG expects to continue joint U.S.-Slovenian law enforcement investigation cooperation into 2007.

Spain

I. Summary

For the second year in a row, Spanish National Police, the Guardia Civil and Customs Services seized near-record amounts of cocaine and heroin, and carried out increased enforcement operations throughout Spain to arrest distributors of synthetic drugs, such as LSD and Ecstasy (MDMA). Spain continues to be the largest consumer of cocaine in the European Union with 6,000 youth between the ages of 14 and 18 reportedly using the drug on a daily basis and over 50 percent of new patients admitted to rehabilitation centers being cocaine addicts. Spain also ranks at the top of EU nations in its consumption of designer drugs and hashish. Spain continues to work on ways to reduce demand and in early October launched a comprehensive anti-drug publicity campaign with graphic placards prominently displayed in metro stations throughout the country. Law enforcement officials increased funding and manpower to combat the trafficking of Ecstasy and, partly as a result of this, have seen an increase in the number of Ecstasy tablets seized. Spain has also seen an upward trend in the amount of heroin seized this year. The Spanish government ranks drug trafficking as one of its most important law enforcement concerns, and continues to maintain excellent relations with U.S. counterparts. Spain is a party to the 1988 UN Drug Convention.

II. Status Of Country

Spain remains the principal entry and transshipment zone for the large quantities of South American cocaine and Moroccan cannabis destined for European consumer markets, and is also a major transit location for drug proceeds returning to South and Central America. Colombia appears to be the largest supplier of cocaine from Latin America, although intelligence available suggests an increase in shipments of illicit cocaine from Bolivia, which is transshipped through Brazil and Argentina by vessel or plane to the Iberian Peninsula. Spain also faces a sustained flow of hashish from its southern neighbors, Morocco and Algeria, which makes maritime smuggling 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 has identified established Turkish trafficking organizations 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 as there are other existing production sites throughout Europe. However, traffickers of 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 countries known to manufacture synthetic drugs, such as the Netherlands or Belgium. Spain has a pharmaceutical industry that produces precursor chemicals; however, most precursors used in Spain to manufacture illegal drugs are imported. There is effective control of precursor shipments within Spain from the point of origin to destination through a program administered under the National Drug Plan (Spanish acronym PNSD).

Iii. Country Actions Against Drugs in 2006

Policy Initiatives. Spain's policy on drugs is directed by the PNSD, which covers the years 2000 to 2008. The strategy, approved in 1999, expanded the scope of law enforcement activities and permitted the sale of seized assets in advance of a conviction and allowed law enforcement authorities to use informants. The strategy also outlined a system to reintegrate individuals who have overcome drug addictions back 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 October, the Ministry of Health released a report claiming that almost 30,000 Spanish citizens between the ages of 14 and 18 consume cannabis on a daily basis while 6,000 youth in the same age group use cocaine every day. This report spurred the Spanish government to launch a comprehensive anti-marijuana and anti-cocaine publicity campaign with graphic placards prominently displayed in metro stations throughout the country. Spain is a UNODC Major Donor and a member of the Dublin Group, a group of countries that coordinate the provision of counternarcotics assistance.

Law Enforcement Efforts. Spanish officials at the Ministry of Interior report that drug enforcement agencies seized 47 MT of cocaine in 2006. Many of the more significant seizures and arrests in 2006 were a direct result of cooperation between the U.S. DEA Madrid Country Office and Spanish authorities. For example, working with DEA, Spanish Customs, Civil Guard (GC), and Portuguese police intercepted 600 kg of cocaine in the town of Las Rozas that was being transported in a rental truck. The GC intercepted 115 kg of cocaine this summer, which was on board a vessel that departed under a Spanish flag from Tenerife, Canary Islands. Spanish authorities seized 6,948 kg of cocaine during the months of July, August, and September alone, according to Spanish Ministry of Interior and DEA information.

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, nationals of Gibraltar and the Netherlands. 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. Spanish authorities recorded the largest hashish seizure of the year in August when the GC intercepted 9,000 kg of the drug and detained 12 individuals in the port of Almerimar-El Ejido in southern Spain. It is believed that the hashish originated in North Africa and was transported by a large vessel on the high seas. Spanish law enforcement officials have detected a worrying rise in the amount of heroin trafficked through the country this year. Heroin smuggled into Spain originates principally in Turkey, and is usually smuggled into Spain by commercial truck or private vehicle through the Balkan Route or from Germany or Holland. The GC reported a total seizure of 454 kg of heroin for 2006.

Seizures:	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
Heroin (kg)	631	275	242	271	174	454
Cocaine(mt)	34	18	49	33	48	47
Hashish (mt)	514	564	727	794	670	451
MDMA (pills x 1000)	860	1,400	772	797	573	408

Corruption. The National Central Drug Unit coordinates counternarcotics operations among various government agencies, including the Spanish Civil Guard, National Police, and Customs Service. Their cooperation appears to function well. Spain 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. There is no evidence of corruption of senior officials or their involvement in the drug trade, but there have been isolated cases involving corrupt law enforcement officials who were caught facilitating drug trafficking.

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. Spain ratified the UN Corruption Convention in June 2006. 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, and the two countries 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, but they have not yet entered into force.

Cultivation/Production. Coca leaf is not cultivated in Spain. However, there is concern that clandestine laboratories are being established for the conversion of cocaine base to cocaine hydrochloride in Spain and some West African countries. 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. The DEA is in the process of considering an amendment to its regulations to update the list of nontraditional countries authorized to export narcotic raw materials (NRM) to the United States. This change would replace Yugoslavia with Spain and would, once it takes affect, allow Spain to join the other "non-traditional" NRM exporters, Australia, France, Hungary, and Poland, as the only countries which are allowed to supply approximately 20 percent of the NRM required annually by the U.S. Traditional exporters India and Turkey get preferred access to 80 percent of the NRM market. Spain is not a significant production zone for synthetic drugs.

Drug Flow/Transit. Spain is the major gateway to Europe for cocaine coming from Columbia, Bolivia, 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. Spanish police report that the country's two largest airports, Madrid's Barajas and Barcelona's El Prat, are the entry point for much of the cocaine trafficked into and through Spain, and there continues to be a substantial number of body cavity smugglers arriving by air. Spanish officials note that for the month of June, at Madrid-Barajas the monthly record for seizures of both heroin and cocaine was topped, with 2.53 kg of heroin and 172 kg of cocaine seized. Spain's international airports in Madrid and Barcelona are also a transit point for passengers who intend to traffic Ecstasy and other synthetic drugs, mainly produced in Europe, to the United States. These couriers, however, are typically captured before they leave Spain or when they arrive in the U.S. Spain remains a major transit point to Europe for hashish from Morocco, and Spain's North African enclaves of Ceuta and Mellila are principal points of departure. Spanish law enforcement has disrupted many drug shipments through its use of the Integrated External Surveillance System (Spanish acronym SIVE), deployed on its southern coast. The Spanish Civil Guard initiated the SIVE system to control the growing flow of illegal maritime drug trafficking especially around the coasts of Cadiz and Malaga.

Domestic Programs/Demand Reduction. The national drug strategy identifies prevention as its principal priority. In that regard, PNSD continued its publicity efforts targeting Spanish youth. PNSD closely coordinates its demand reduction programs with the Spanish National Police, Civil Guard, Ministry of Health, and Ministry of Public Administration. 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 over 4 million € to assist private, non-governmental organizations that carry out drug prevention and rehabilitation programs.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States continues to improve the current excellent bilateral and multilateral cooperation in law enforcement and demand reduction programs it has with Spain. A series of visits to Madrid in late 2006 by high-level U.S. government officials reinforced to the Spanish the U.S. commitment to the counternarcotics fight.

Road Ahead. With drug traffickers targeting Spain in a major way and its government reaching out to us for assistance, the U.S. will continue to coordinate closely with Spanish counternarcotics officials. Spain will continue to be a key player in the international fight against drug trafficking and is gearing up to host DEA's 25th-annual International Drug Enforcement Conference (IDEC) in May 2007, the first time it will be held outside of the Western Hemisphere.

Sweden

I. Summary

Sweden is not a significant illicit drugs producing, trafficking or transit country. The fight against illegal drugs is an important government priority and enjoys strong public support. The Parliament approved a new narcotics action plan in April of 2006. A United Nations Office on Drugs and Crime (UNODC) Report released in September characterized Sweden's drug control policies as highly successful, noting drug use in Sweden is one-third of the European average. The report noted, however, that the proportion of heavy drug users, as a subset of overall users, remains high. In 2006, the number of seizures of illegal drugs was the same as last year, while overall quantities seized increased slightly by 4 percent. Amphetamine and cannabis remain the most popular illegal drugs even though there was a small decrease in seized substances during the year. Authorities recorded a large increase in the size of cocaine seizures, mainly in the Stockholm area. The use of Ecstasy decreased, continuing the downward trend of the last few years. There was a slight decrease in the use of drugs among teenagers. 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. According to government statistics, 12 percent of the adult population (15-75 years old) has tried drugs. Among adults, the number of drug users is twice as high among men as women. Sweden has approximately 26,000 serious drug addicts (i.e. regular intravenous use and/or daily need for narcotics). This figure represents a decrease of 7 percent from last year. Some 25 percent of the serious drug users are women. Police and government officials state that the annual number of deaths related to drugs is difficult to estimate, but place the figure at approximately 300. Authorities attribute a slight drop in the death rate to the increased use of subutex, a medicine used for maintenance of heroin addicts during detoxification and treatment.

A government-sponsored organization for alcohol and narcotics information named “CAN” reports that the overall number of young people who have used drugs has decreased. The percentage of high-school students (aged 15-16 years old) who claim to have tried drugs fell from 21 to 19 percent among boys, and from 22 to 19 percent among girls. High-school aged boys who claim to have tried drugs stayed the same at 7 percent; the corresponding statistic for high-school aged girls fell from 7 to 5 percent. Approximately 60 percent of those who try drugs for the first time use cannabis. Amphetamine and Ecstasy were the second and third most commonly used drugs. There are large regional differences in drug use. The use of narcotics (and in particular regular use) occurs mainly in urban areas; use in rural areas is very low. Police continued cooperation with Interpol to develop methods to prevent teenagers from buying drugs on the Internet.

CAN detected the following new drugs during the year: “blue fusion,” neurontin/gabapentin, nitrazepam and ketogan.

Police attributed an observed increase in the use of cocaine to a significant drop in its price. Previously considered a “luxury” drug, and mainly used in fashionable bars and restaurants, cocaine today is more common. A few years ago one gram of cocaine cost approximately the equivalent of $80; today the street price is $40. Police believe new competition for drug sales in Sweden exerts significant downward pressure on prices. Police report that long-established South American networks have recently experienced competition from West African ones.

The Doping Call Center -- a national telephone hot-line -- reported an upward trend in young women's abuse of anabolic steroids since 2004.

III. Country Actions Against Drugs in 2006

Policy Initiatives and Accomplishments. In April, Parliament approved a National Action Plan on Narcotic Drugs, which runs through 2010. Demand reduction and restriction of supply figures prominently in the plan. The plan includes provisions to increase treatment for detainees with drug problems. The Ministry of Social Affairs has primary responsibility for drug-related issues in the government. The government established a working group (SAMNARK) comprised of officials from four different ministries to improve cooperative efforts related to the Action Plan.

In September, the government established an investigative commission to review current narcotics legislation and to make recommendations on how to strengthen it. The commission will also consider proposals for harsher penalties for doping-related crimes. The government also appointed a national coordinator for drugs, Bjorn Fries. The coordinator will map the extent of drug use in Sweden and to suggest measures to combat it.

Continued cooperation with countries in the Baltic region -- where significant drug trafficking routes exist -- constitutes an ongoing and important element in Sweden's counternarcotics efforts. Sweden participates in an on-going project sponsored by the Nordic countries to combat West African criminal networks smuggling heroin, cocaine and marijuana. Authorities report the most dominant West African smuggling networks originate in Nigeria and Gambia.

The government allotted $4.1 million to the Mobilization Against Drugs (MOB) task force for antidrug education in schools, the development of new drug-treatment methods, the promotion of drug-free bars and restaurants, and the enhancement of antidrug efforts in prisons. In 2006 MOB conducted information campaigns and seminars throughout the country designed to raise awareness. It also aided the establishment and maintenance of national and international NGO networks. MOB earmarked $200,000 for antidrug programs in Sweden's northern counties. MOB also started a program to educate leading politicians in municipalities countrywide on drug prevention measures.

At the end of 2004, the government allocated $80 million for a special three-year nationwide fight against drugs. It earmarked approximately $12 million of this program for treatment of drug abusers in prisons.

Fighting drugs remains a high priority area for Sweden's official development assistance. The Swedish International Development Authority (SIDA) allocated about $1.2 million for 2006 for multilateral and bilateral UN normative instrument projects against drugs and tobacco. Sweden works with its EU partners to implement the EU strategy plan for narcotics that was approved in late 2005.

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

Law Enforcement Efforts. During the year authorities detected no major drug processing labs. In March, Customs officials detained two people attempting to smuggle 10 kg of heroin via vehicle into the south of Sweden. The two men were part of a large network smuggling extensive amounts of drugs to the Nordic countries, mainly to Norway. Overall, authorities arrested eight individuals related to this case. In October, the Gothenburg District court sentenced one of those arrested to 14 years in prison-- a relatively severe sentence by Swedish penal standards. Among the remaining 7,

two were prosecuted and are awaiting sentence, and five are awaiting prosecution. Two additional suspects are wanted by the police.

Police reported 49,263 narcotics-related crimes for the January-September 2006 period. This represents a 25 percent increase compared to the corresponding period of 2005. Approximately 30 percent of the arrests under the Narcotics Act led to convictions, which on an average resulted in six months in jail. The majority of the crimes involved consumption and possession.

Media reported a slight decline over the last ten years in arrests of drug dealers, and a concomitant slight increase in the arrest of drug users. Police say this phenomenon results from increased delegation of antidrug responsibilities from national-level to local authorities.

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

Agreements and Treaties. Sweden has bilateral customs agreements with the United States, the United Kingdom, Germany, Spain, Norway, Hungary, Latvia, Slovakia, the Czech Republic, Iceland, Russia, Lithuania, France, Finland, Estonia, Poland, Denmark and the Netherlands. Through the EU, Sweden also has agreements with other nations concerning mutual assistance in customs' issues and antidrug efforts.

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 protocols against trafficking in persons and migrant smuggling. Swedish drug liaison officers were posted in Tallinn, St. Petersburg, Moscow, Warsaw, Belgrade, Bangkok, Berlin, Riga, and Vilnius. There are three Swedish policemen at Interpol in Lyon and one at Europol in The Hague.

The Swedish Police have a cooperation agreement with the Russian Narcotics Control Authorities. The agreement facilitates antinarcotics efforts in the region through information sharing and bilateral efforts in police enforcement actions.

Cultivation/Production. No major illicit drug cultivation/production was detected during the year. Some legal cultivation of cannabis for use in fibers occurs in Sweden, as allowed for under EU regulations on the cultivation of flax and hemp for fiber.

Drug Flow/Transit. Drugs mainly enter the country concealed in commercial goods, by air, by ferry, and by truck over the Oresund Bridge linking Sweden to Denmark. Statistics show that 70 percent of all seizures are made in the southern region of Sweden. Despite increased smuggling through the Baltic countries and Poland, 75 percent of illicit drugs are smuggled through other EU countries. Most of the seized amphetamine; however, originates from Poland, the Netherlands, and Baltic countries. Seized Ecstasy comes mainly from the Netherlands; cannabis from Morocco and southern Europe; and khat from Eastern Africa via Amsterdam and London. Cocaine often comes through Spain and the Baltic region. The route for heroin is more difficult to establish, but according to police information, a west-African network has established a route to Sweden. This has lead the countries in Scandinavia to make a joint effort to attempt to combat these networks.

In 2006 law enforcement officials did not encounter any drugs intended for the U.S. market.

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

IV. U.S. Policy Initiatives and Programs

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

The Road Ahead. The U.S. will pursue enhanced cooperation with Sweden and 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 2005 (NB: Throughout this report, the latest official statistics available are for 2005) total drug-related arrests reached 49,450 cases. In 2004, drug crimes had reached 50,000 cases for the first time ever. Cocaine and Ecstasy seizures nevertheless increased by 44 percent (2004: +91 percent) and 75 percent (2004: +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 was 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.Switzerland is a party to the 1988 UN Drug Convention.

II. Status of Country

In a country of approximately seven and a half 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 Ecstasy has reportedly increased by 23 percent, the use of other drugs remained stable compared to last year. Nevertheless, cannabis, cocaine, and heroin remain popular among drug addicts. Swiss statistics show that cocaine consumption among youngsters aged 15-16 is on the rise. 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 remained stable with a slight drop for marijuana smokers. Drug trafficking-related arrests also dropped by 21 percent, but deaths due to drug consumption (overdoses) increased by 16 percent. The Swiss Federal Police published a report on narcotics activities in 2005. It is on:

www.fedpol.admin.ch/etc/medialib/data/kriminalitaet/statistik/betaeubungsmittel.Par.0007.File.tmp/Stup%2005.pdf

III. Country Actions Against Drugs in 2006

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 Attorney General's office in Bern. According to the federal prosecutor's office, the number of investigative

magistrates will be increased to 25 by the close of 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 $158,079 (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. Over the last five years, the city of Zurich has also offered the possibility for youngsters to test their drugs outside nightclubs. In September, Zurich decided to open an office on a regular daily basis, sponsored by the Federal Office of Public Health and the city budget, which offers drug testing services.

Law Enforcement Efforts. To give a sense of drug abuse developments in Switzerland, some important drug-related enforcement operations are described below:

--In February, the Aargau Police arrested 94 people for their involvement with a drug network. Fifty-five of them were recognized as drug dealers. The police also seized several hundreds grams of cocaine, and several kg of marijuana. Later, police authorities also discovered two indoor cannabis plantations and several thousand Swiss Francs in cash.

--In the first three months of the year, the Police noticed a sharp increase in cocaine smuggling and consumption. Eight cocaine rings were dismantled during the same period, with seizures reaching 3.8 kg of cocaine, almost the quantity for the entire year of 2004.

--The Vaud antidrug taskforce code-named STRADA increased the number of drug related arrests five fold.

--In May, the Aargau police broke a marijuana network and seized 240 kg of marijuana. Most of the thirteen drug dealers arrested were Turks. Four of them also face money laundering charges involving Sfr.4.7 million. All the suspects, who live in Basle, have been released on bail.

--In June, The Neuchatel police announced it had dismantled the largest Thai methamphetamine pill drug ring operating in Switzerland ever. After years of investigations, the police arrested 150 drug smugglers in the Neuchatel area, including high profile drug importers located in Basle, Aargau, Bern, Zurich and St-Gallen. Investigative authorities believe that one to two million pills have been sold since 2001, with a value of Sfr.20 million.

--In June, the Geneva police managed to break a heroin drug ring and arrested eight Albanians. The police also seized 1.5 kg of brown heroin, 75 kg of cutting ingredients, one gun, several cell phones, and Sfr 11,000.

--In August, the Zurich police dismantled a cannabis home delivery service and seized 210 kg of marijuana and hashish. Of the nineteen persons also under arrest, only two were foreigners. The police also confiscated several weapons, electroshock devices, some cash and a luxury car.

--In September, cantonal and federal police authorities managed to break an important drug trafficking ring operating in the Lausanne area. Many individuals from mostly West Africa were arrested for building a sophisticated drug network, which ultimately used nearby France as a base to collect the drug revenues and use African tourists to bring the funds back to the drug dealers' families in Africa. So far, French and Swiss police have seized Sfr 700,000 and twenty cell phones.

--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 are the most problematic in this regard. Cocaine arrives, in general, in Switzerland from South America, via Amsterdam. The Swiss market is controlled by traffickers originating in West Africa (Benin, Sierra Leone, Guinea-Bissau, and Guinea-Conakry).

--During 2005, Swiss border guards reported that the amount of drugs seized at the border was significant: with cocaine seizures at 167 kg and 57 kg of heroin. Most of the drug seizures took place at airports. The total number of drug related arrests at the border increased from 2,681 in 2004 to 3,192 in 2005.

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 long-term undercover operations (i.e., operatives require full cover/legend like fictitious papers; UC Officer infiltrates criminal organization/network and has several meetings with offenders, etc.) can only be authorized at the federal prosecutor's level. Previously, this authority rested at all jurisdictional levels (federal, cantonal and local)

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 Republic of Yugoslavia, and Bosnia) Africa (Sierra Leone, Guinea), the Dominican Republic, and Europe (France, Germany, Italy and Portugal). Organizations from the former Yugoslavia/Albania/Balkan area control the heroin market, which enters Switzerland through the Balkan route. Whereas cocaine trafficking is primarily controlled by Dominican and West African trafficking organizations. Cocaine normally enters the country via courier. Cocaine trafficking routes tend to be from South America into West Africa or South Africa and then into Europe, or from South Africa through the Caribbean into Europe. 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, 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 the UN Corruption Convention . In October 2006 Sweden ratified the UN Convention Against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. On June 22, 2004, Swiss and German authorities signed a bilateral police agreement aimed at increasing bilateral cooperation at border checkpoints. The main goal of the agreement is to deal more effectively with drug and weapons smuggling. Document specialists from both countries 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.

Cultivation and Production. Switzerland is not a significant producer of illicit drugs, with the exception of illicit production of high THC-content cannabis/hemp, which is the most widely abused drug in Switzerland, particularly among young people. 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. Cannabis consumption has also increased during the last couple of years, especially among young people. A minority develops problematic consumption patterns, which can have a negative effect on the consumer's psychological, physiological and/or social development.

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 kg to use for maintenance of severe drug addicts as part of its maintenance programs in 2004, compared to 230 in 2003 (the 2005 data are not yet available). 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.

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 to the West. A significant amount of opium/heroin is trafficked, primarily using land-based routes, through Tajikistan, onward via the Northern Route - Central Asia - Russia -West and East Europe. There is also evidence of Afghan opiates entering Tajikistan bound for China via Murghab in the eastern part of the country. There is no evidence yet of a significant amount of Afghan heroin transiting Tajikistan to the U.S. 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 it is ill equipped to handle the myriad social problems that stem from narcotics trade and abuse. Tajikistan continues to implement counternarcotics activities and coordinates well with all major donors. However, corruption within the Tajik government continues to complicate counternarcotics efforts, and so far no anticorruption efforts supported by the Government of Tajikistan have had a large impact. Tajikistan is a party to the 1988 UN Drug Convention, as well as the UN Convention against Corruption.

II. Status of Country

Geography and economics continue to make Tajikistan an attractive transit route for illegal narcotics. The Pyanj River, which forms most of Tajikistan's border with opium-producing Afghanistan, is thinly guarded, and difficult to patrol. Traffickers can easily cross the border at numerous points without inspection. Tajikistan's economic opportunities are limited by a lack of domestic infrastructure and complicated by the fact that its major export routes transit neighboring Uzbekistan. In the past, Uzbekistan closed its border to combat a “perceived instability” from its neighbor, although borders have remained open for at least two years. Criminal networks that came to prominence during the 1992-97 civil war, continued instability in Afghanistan, and the Government's lack of revenue to adequately support law enforcement efforts hinder the Tajik Government's efforts to strengthen rule of law and combat illegal narcotics flows.

With the average monthly income in the country at around $30, high unemployment, poor job prospects, and massive economic migration to Russia, the temptation to become involved in narcotics-related transactions remains high for many segments of society. In-country cultivation of narcotics crops is minimal. However, the Government of Tajikistan has recently indicated that it is investigating the possible existence of small mobile processing labs to refine Afghan opiates near the southern border area.

While a large portion of Afghan narcotics transit Tajikistan, the picture is still unclear with regard to precursor chemicals moving into Afghanistan. The small amount of licit precursor chemical imports, closely monitored by the Tajik Government, is destined generally for five in-country industrial sites that use such chemicals. The Government of Tajikistan does not have the capability to monitor or intercept precursor chemicals illegally transiting Tajikistan to Afghanistan. Part of the reason for the lack of seizures and information is that the Tajik government has a customs inspection agreement with Uzbekistan and Kyrgyzstan that prohibits inspection of sealed through trucks bound for a non-Tajikistan destination (TIR), many of which carry goods such as licit and illicit precursor chemicals. There were no illegal precursor seizures in 2006. Tajik drug control officers argue that it makes little sense to traffic precursors through Tajikistan because huge amounts of precursors are needed to produce drugs and trafficking would require a developed communication system with Afghanistan, which Tajikistan does not have. This argument ignores the strong monetary incentives, which the drug traffic creates.

III. Country Actions against Drugs in 2006

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.-funded programs to strengthen Tajikistan's drug control capacity, including: new facility construction; renovation of existing headquarters and regional facilities; purchase of vehicles and police support equipment; creation of new analytical centers, a national K-9 facility with trained dogs and handlers; forensics laboratory improvements; national law enforcement communications network, training academy improvements, and salary supplemental programs. The new DCA mobile response and deployment teams have considerably improved DCA's operational capacity. As a result of the final withdrawal of Russian border troops from the Tajik-Afghan border in June 2005, Tajik forces are now solely responsible for patrolling and maintaining the border and the Tajik State Committee for Border Protection (SCBP) continues to adjust to its growing needs, including participating in a new U.S.-funded initiative to provide salary supplements to border guards on the Tajik-Afghan border which will begin in 2007. The Ministry of Interior (MOI) has also begun to pursue renovation of its forensics lab and overhaul of the national police academy. The MOI held its first ever antidrug sports event for young athletes in September 2006 and plans to expand such public outreach events to improve the relations of the police with Tajik youth.

Accomplishments. Although the SCBP are poorly equipped and trained, enforcement operations have increased substantially since the Russian troops' withdrawal, as have arrests and seizures of narcotics and related counternarcotics operations, thanks in large part to new initiatives and programs. From May 23 - 29, 2006 the Drug Control Agency, Ministry of Interior, Ministry of State Revenue and Tax Collection and the State Committee for Border Protection participated in the first stage of the "Channel 2006 Operation" conducted among Collective Security Treaty Organization (CSTO) member states - Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Belarus and Armenia. The operation resulted in the seizure of 243.2 kg of drugs, including 129.9 kg of heroin, disclosure of 105 drug related crimes, seizure of 12 firearms, and detention of 11 suspects. The second stage of this rapid response operation occurred October 9-15, 2006 during which Tajik agencies were able to work cooperatively and seize 441 kg of narcotic substances, including 125.4 kg of heroin as well as more firearms and ammunition. This multi-agency participation confirms the growing professionalism of Tajikistan's law enforcement agencies and their ability to coordinate a "common front" approach on combating drug trafficking.

Despite all obstacles, cooperation between Tajik law enforcement and Afghan counterparts is slowly developing: in March, a successful joint operation conducted between Tajik and Afghan special forces resulted in the seizure of 91 kg of heroin and 44 kg of marijuana. In July, the presidents of Tajikistan and Afghanistan signed a joint communiqué, which calls for the creation of a regional counternarcotics center.

Law Enforcement Efforts. During the first 9 months of 2006, the DCA, SCBP and MOI reported the following seizures: DCA - 405.482 kg of heroin; 926.213 kg of opium; 234.774 kg of cannabis. SCBP - 117.853 kg of heroin; 189.458 kg of opium; 356.740 kg of cannabis. MOI - 1,071.19 kg of heroin; 1,461.304 of opium; 472.585 kg of cannabis. Total drug seizures by all law enforcement agencies in 2006 (January to November 2006), was 3,747.705 kg, as opposed to 3,416.355 kg during the same reporting period in 2005. Overall, the DCA is progressing at a notable rate with some arrests of traffickers and major seizures. The SCBP is still hampered by considerable corruption at the lower levels and its Soviet top-down management style. On the whole, law enforcement and security ministries contributing to management of border smuggling and organized crime have demonstrated greater capacity and willingness to be proactive in comparison to previous years. Much needs to be done in training and capacity building to reinforce this positive trend by Tajik forces. Tajikistan seizes roughly 80 percent of all drugs captured in Central Asia and stands third worldwide in seizures of opiates (heroin and raw opium). Although drug seizures are

significant, the lack of a conspiracy law severely limits law enforcement's ability to target upper echelon drug traffickers. So far, no major narcotics trafficker has been apprehended and brought to trial - a move that will require the backing of the President in order to happen.

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, some senior officials in the SCBP, MOI, DCA, and the Ministries of Security (MOS) and Justice (MOJ) live in modest houses and apartments and drive modest vehicles, while others in the same customs, law enforcement and security agencies have expensive new homes, cars and other investments. Due to this apparent disparity there is a good deal of public speculation about the involvement of government officials in narcotics trafficking, money laundering and corruption. 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 striking difference in the life styles of low salaried government officials and the extravagant lifestyles many senior officials appear to maintain, although their nominal government salaries could hardly support such lifestyles. Even when arrests are made for narcotics trafficking, the resulting cases are not always brought to a satisfactory conclusion. There have been some arrests of Border Guard and Customs officers in the last year by the DCA; however, these are low level officers, and investigations rarely proceed beyond indictment of the courier and foot soldiers involved. Tajikistan signed the UN Convention Against Corruption in accordance with the President's Executive Order No. 1601 of September 10, 2005, and fully ratified it in September 2006.

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 also a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. Kazakhstan, the 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. 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. In the course of the continuous “Poppy Operation,” about 460,000 illicit drug plants - mostly wild hemp, have been eradicated. This eradication program has been implemented for the past several years. All law enforcement structures participate under the lead of the Drug Control Agency, which, in 11 joint operations, destroyed 356,653 plants in 2006.

The Government of Tajikistan suspects that drug processing may occur on the Tajik side of the Afghan border and has begun investigations in the southern part of the country to obtain definitive evidence. There is significant evidence that close family and clan ties between Tajiks and Afghans in the border region have aided, and continue to aid, traffickers in moving their product across Tajikistan. However the U.S. currently has no evidence of major drug processing taking place within Tajikistan.

Drug Flow/Transit. The Tajik government estimates that a significant share of narcotics produced in Afghanistan is smuggled across the border into Tajikistan's southern Shurobod, Moskovskiy, Ishkashim and Pyanj districts. There is some evidence that some portion of Afghan opiates transiting eastern Tajikistan is entering western China, but due to the remoteness of the region,

there is little data on the scale of the trafficking through this route. The government may be seriously overestimating the percentage of Afghanistan's drug production that transits Tajikistan. Although 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. USAID-funded, Population Services International (PSI) is running four "Youth Power Centers" in Dushanbe (1), Khudjand (2), and Khorog (1) aimed at prevention of drug use among youth and other at-risk groups. Each center supports up to 1000 young people aged 15 to 25. The Tajik government 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 a sports complex in Khorog. From September 20 - 26, 2006, the U.S. Embassy and Tajik Ministry of Interior co-sponsored the sport event held under the slogan: "Youth Against Drugs" aimed at advertising a healthy lifestyle among Tajik youth. Despite such efforts, the number of young addicts continues to grow, and 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 in Tajikistan has a growing Narcotics and Law Enforcement Section, with a full-time narcotics and transnational crime assistance officer and a Senior Law Enforcement Advisor to coordinate law enforcement and counternarcotics assistance. The section expects the addition of a Resident Legal Advisor as well. The DEA plans to establish an office in Dushanbe with a permanent Country Attaché, two special agents, and support staff in 2007 and has maintained temporary personnel in country since February 2006. Overall, U.S. security assistance to Tajikistan continues to expand with additional resources coming from the Department of Defense (DOD) and other sources. The Office of Defense Cooperation is implementing installation of a major communications system that will link all border posts and border guard Headquarters. Eventually, this system can be expanded to link all law enforcement/security agencies in Tajikistan and feed into regional efforts such as the UN-supported Central Asian Regional Information and Coordination Centre (CARICC) meant to improve information flow and operational intelligence across Central Asian borders to better combat the increase of transnational organized crime networks in the region. DOD and INL also fund renovations of border outposts, provide training and substantial operational and investigative equipment to various security-related government agencies.

The Embassy's Border and 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, the Border Security International Working Group, (BIG) that meets monthly to coordinate multilateral assistance with IOM, the UN, the OSCE, EU and other major donors to better meet Tajikistan's greatest security assistance needs and avoid duplication of assistance. The USG provided training for a number of Tajik law enforcement officials through the International Law Enforcement Academy in Budapest.

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 will continue to focus on building basic capacity of the major law enforcement agencies in particular, the Ministry of Interior and the Tajik border guards and to expand mid-level management and leadership training to these entities. A permanent DEA presence, more sophisticated training and mentoring of

the DCA, and a greater emphasis on building cases against major trafficking organizations is a key goal for the future of the DCA program. With INL funding, DEA plans to implement drug investigation seminars in 2007. The U.S. will also begin its first project in the rule of law area to strengthen Tajikistan's ability to investigate and prosecute major drug traffickers and organized crime syndicates as well as improve and reform judicial sector training and Tajikistan's corrections facilities. The United States will continue to coordinate closely with European countries, and expand coordination efforts with Russia, Japan and China to maximize available resources for narcotics and border control-related projects.

Turkey

I. Summary

Turkey is a major transit route for Southwest Asian opiates to Europe and serves as a staging area 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, some 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. Opium, morphine base, and heroin are smuggled from Afghanistan to Iran. Both morphine base and heroin are then smuggled from Iran to Turkey and ultimately to Western Europe. A small amount of opium and 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 proactive counter narcotics force, with the Jandarma and Customs continuing to play a significant role. Turkish authorities continue to seize large amounts of heroin and precursor chemicals. It is estimated that multi-ton amounts of heroin are smuggled through Turkey each month.

Turkey is one of the two traditional licit opium-growing countries recognized by the USG and the International Narcotics Control Board (TNCB). 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 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 2006

Policy Initiatives. The Government of Turkey devotes significant financial and human resources to counter narcotics 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 89 training programs for local and regional law enforcement officers in 2006. A total of 384 foreign officers were trained at TADOC this year, including officers from the Balkans, Tajikistan, Afghanistan, Jordan, United Arab Emirates, Montenegro, Kosovo, Azerbaijan, Macedonia, Malta, Germany, Gambia, Morocco, Egypt, Lebanon, Sudan, Guinea, and Pakistan. These training programs focused on drug law enforcement, intelligence analysis, illegal immigration and human smuggling, interview techniques, surveillance techniques, and antiterrorism training for judges and prosecutors. Additionally, TADOC conducted training in several foreign countries, including Montenegro, Romania, Macedonia, Syria, and Yemen.

TADOC, with the assistance of DEA, also provided precursor chemical interdiction training to approximately 67 law enforcement representatives from Uzbekistan, Kazakhstan, Tajikistan and Kyrgyzstan as part of a UNODC/INCB sponsored initiative, code named Operation Transshipment.

Law Enforcement Efforts. In December 2005, the Turkish National Police discovered an Ecstasy and captagon laboratory in Adana, Turkey. Turkish National Police officers seized 300,000 Ecstasy tablets and 1,080,000 captagon tablets from the laboratory. Full year drug seizure statistics for Turkey are as follows:

Heroin	10,283 kg
Morphine Base	529 kg
Cannabis	23,884 kg
Opium	440 kg
AA	6,317 liters
Captagon	19,971,625 tablets
Ecstasy	2,492,200 tablets

Corruption. As a matter of government policy, Turkey does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Similarly, no senior level government official is alleged to have participated in such activities. Turkey ratified the UN Corruption Convention in November 2006.

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 is also 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 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, who finance and control the

smuggling of opiates to and from Turkey. Afghanistan is the source of most of the opiates reaching Turkey. Morphine base and heroin are smuggled overland from Afghanistan, sometimes through Pakistan, to Iran and then to Turkey. Opiates and hashish are also smuggled to Turkey overland from Afghanistan via Turkmenistan, Azerbaijan, and Georgia. Some criminal elements in Turkey reportedly have interests in heroin laboratories operating in Iran near the Iranian-Turkish border. Turkish-based traffickers control much of the heroin marketed to Western Europe.

Turkish authorities reported an increase in synthetic drug seizures throughout Turkey beginning in 2005. Turkish law enforcement has seen an increase in synthetic drug production, primarily amphetamines (captagon).

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. Seven Alcohol and Substance Abuse Treatment and Education Clinics (AMATEM), which serve as regional and drug treatment centers, have been established. 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. The Ministry of Health is reportedly considering conducting a survey in 2007.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. Since fiscal year 1999, the U.S. Government has extended $500,000 annually in assistance. In January or February 2007, the U.S. Government anticipates spending approximately $57,000 in previously-obligated funds on bringing DEA trainers to Turkey to conduct a course for counternarcotics commanders, with Turkish and Afghan law enforcement officers. Trainees will likely consist of between 15 Afghan law enforcement personnel and 5 Turkish police officials. The goal of this project is to enhance the investigative abilities of both Turkish and Afghan investigators, to increase their willingness to cooperate internationally on joint cases, and to build relationships between the two countries' law enforcement agencies.

Bilateral Cooperation. DEA reports excellent cooperation with Turkish officials. Turkish counternarcotics forces are both professional and technically sophisticated.

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, primarily Afghanistan and Iran. Turkmenistan is not a major producer or source country for illegal drugs or precursor chemicals. Turkmenistan shares a rugged and remote 744-kilometer border with Afghanistan as well as a 992-kilometer boundary with Iran. Most of its illegal drug seizures occur along Turkmenistan's borders with Afghanistan and Iran.

Counternarcotics efforts are carried out by the Ministry of National Security (MNB), the Ministry of Internal Affairs (MVD), the State Customs Service (SCS), the State Border Guards Service (SBS), the State Agency for the Registration of Foreigners, and the Prosecutor General's Office. The State Counternarcotics Coordination Commission (SCCC) at the Cabinet of Ministers is an inter-departmental body responsible for coordinating the activities of concerned government departments. It has responsibility for overseeing implementation of the government's new "National Program on Fighting Illegal Drug Trafficking and Assistance to Drug and Psychotropic Substance Addicts for 2006-2010." According to Government of Turkmenistan statistics, law enforcement officers seized a total of 1,551 kg of illegal narcotics in the first six months of 2006. The 2006 seizure statistic is three times greater than the 548 kg reported for the same period in 2005. The Government of Turkmenistan (GOT) continues to publicly commit itself to counternarcotics efforts and has increased cooperation with international organizations and diplomatic missions present in Turkmenistan; however, its law enforcement agencies are hampered by a widespread lack of resources, training and equipment. Mounting evidence, together with increased contacts with government officials and non-governmental organizations, strongly suggests that domestic drug abuse is steadily increasing, although concrete statistics are not publicly available. Turkmenistan remains vulnerable to financial fraud and money laundering schemes due to its dual exchange rate. Turkmenistan is a party to the 1988 UN Drug Convention.

II. Status of Country

Turkmenistan remains a key transit country for the smuggling of narcotics and precursor chemicals. The flow of 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 GOT's law enforcement resources and manpower are directed toward stopping the flow of drugs from Afghanistan and Iran. Common methods of transporting illegal narcotics include concealment in cargo or passenger vehicles, deliveries by pedestrian carriers or animal transport, and in some cases by concealment in the body cavities or stomach of humans and animals. Turkmenistan's law enforcement efforts at the Turkmenistan-Uzbekistan border are focused more on interdicting smuggled commercial goods than on narcotics, thus providing an attractive transshipment route. Commercial truck traffic from Iran continues to be heavy, and Caspian Sea ferry traffic from Turkmenistan to Azerbaijan and Russia continues to be a viable smuggling route. On Dec. 21, 2006, Turkmenistan's leader, Sapurmurat Niyazor, aka "Father of the Turkmen" passed away. Counternarcotics policies are expected to continue without significant changes under his successor.

III. Country Actions Against Drugs in 2006

Policy Initiatives. In April, the GOT adopted a multi-year national plan for counternarcotics activities, the "National Program on Fighting Illegal Drug Trafficking and Assistance to Drug and Psychotropic Substance Addicts for 2006-2010" (2006-2010 National Drug Program). This

program supersedes the 2001-2005 National Drug Program, and includes: increased regional cooperation to prevent drug and precursor trafficking, prevention of drug-related crimes committed by minors, enhanced technology-based border security, enhanced training for law enforcement agencies to combat organized crime, increased counterterrorism efforts, and training on drug trafficking and money laundering. The national program also addresses drug demand issues. The plan has a research and treatment of drug addiction and HIV/AIDS component and includes a national survey on the spread of drug use and HIV/AIDS within target populations. The plan calls for the creation of drug abuse "hot lines." The government specifically includes in the 2006-2010 National Drug Program continued cooperation with USG programs and cites continued cooperation with international organizations and diplomatic missions. In August 2004, the GOT introduced a new draft criminal procedure code in an effort to transform the Soviet era criminal justice sector; the parliament has not yet adopted the new code.

Law Enforcement Efforts. The GOT continues to give priority to counternarcotics law enforcement. Law enforcement agencies with counternarcotics enforcement authority received equipment and training from the USG and international organizations. In 2006, members of diplomatic missions and international organizations were invited to witness two inter-agency drug destruction events. The government is enhancing border security efforts and opened a new border crossing station near the capital Ashgabat (on the Iranian border) in July 2006. The new station is fully equipped with modern instruments including a line scan x-ray to identify narcotic substances, explosives and weapons. The USG built one new border crossing checkpoint facility on the Iranian border and will complete construction of a second facility on the border with Afghanistan in mid-2007, and the EU is planning on building a new checkpoint on the border with Uzbekistan. In May, President Niyazov publicly increased pressure on law enforcement officials by admonishing them to interdict drug smugglers in order to safeguard Turkmenistan's youth. The State Customs Service solicited support from international and diplomatic missions to develop and improve a customs training facility. The U.S. and U.K. governments co-sponsor a customs-hosted inter-agency English language course to equip law enforcement officers with language skills requisite for participation in international conferences and training. Turkmenistan's border forces are moderately effective in detecting and interdicting narcotics. The government reported that 1,551 kg of illegal narcotics were seized on Turkmenistan's borders during the first six months of 2006. In March, the local press reported that a special task force seized 830 kg of opium and 203 kg of hashish from illegal border crossers near the Sarahs border unit on the Turkmenistan-Iranian border. In May, the State Border Service, together with the Ministry of National Security, seized 34 kg of opium and 2 kg of heroin along the southern border. In October, law enforcement officers seized 50 kg of opium and 3 kg of hashish and detained two suspected traffickers while killing a third person attempting to smuggle illegal drugs across the Iranian border into Turkmenistan. All three suspected criminals are Iranian. Obtaining detailed information about individual drug cases remains challenging. The "Adalat" (Justice) weekly newspaper is the only local paper that occasionally publishes information on law enforcement agencies' activities related to illicit drug trade activities.

Corruption. The GOT does not encourage or facilitate illicit production or distribution of narcotic and psychotropic drugs or other controlled substances as a matter of government policy. However, 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 evidence of police officers soliciting bribes, suggests a problematic level of corruption in law enforcement. Payments to lower level officials at border crossing points to facilitate passage of smuggled goods frequently occur. Reports persist that senior Turkmenistan officials are directly linked to the drug trade. In March 2007, the former Prosecutor General was accused of taking bribes and abusing the powers of her office by allowing her relatives to participate in the drug

trade. In contrast to 2005, there were no arrests of law enforcement officials for complicity in the drug trade.

Agreements and Treaties. Turkmenistan is a party to the 1998 UN Drug Convention, the 1961 UN Single Convention and its 1972 protocol, and the 1971 UN Convention on Psychotropic Substances. Turkmenistan and the United States signed a letter of agreement for provision of USG counternarcotics assistance in September 2001. In July 2006, the presidents of Turkmenistan and Iran signed a joint communiqué confirming their countries' readiness to fight illegal drug trafficking, terrorism and the proliferation of weapons of mass destruction. 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 GOT conducts limited aerial inspections of outlying areas in search of illegal poppy cultivation. Upon discovery, law enforcement officials eradicate opium crops. According to the State Counternarcotics Coordination Committee, the Government of Turkmenistan holds Operation "Mak" ("Poppy") twice a year to locate and destroy poppy fields.

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. There are land, air and sea routes through Turkmenistan's territory. Officially released 2006 data shows an increased amount of seized narcotics, but lack of earlier data and comparable statistics from a non-government organization makes analysis incomplete and the reliability of statistics questionable. The government's efforts to improve border crossing stations during 2006 could lead to higher seizure rates or the opening of new trafficking routes if traffickers adapt. 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 without reliable communications systems have been identified by the Government of Turkmenistan and are being improved. However, Turkmenistan is likely to continue to serve as a major transit route for illegal drugs and precursors.

Domestic Programs/Demand Reduction. The president's opening statement read at the Turkmenistan-UNODC Regional Counternarcotics Conference in 2005 was the first high-level admission that drug use was a concern for the government. Since then, government officials have openly made reference to what anecdotal evidence suggests is a chronic domestic problem. 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. Narcotics addicts can receive treatment at these clinics without revealing their identity and all clinic visits are kept confidential. Drug addiction is a prosecutable crime with jail sentences for convicted persons, although judicial officials usually sentence addicts to treatment. Although not yet implemented, there are internationally funded prevention programs under consideration by the government. Within the framework of the 2006-2010 National Drug Program, President Niyazov signed a resolution in June 2006 approving a list of drug addiction preventive measures to provide necessary aid to drug addicts.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S.-Turkmenistan bilateral relationship on law enforcement issues, most specifically counternarcotics programs, continues to improve. The GOT 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. In 2006, the U.S. Department of Defense funded the construction of a new border crossing checkpoint station on the Iranian Border (Altyn Asyr), and is currently constructing an additional station on the border with Afghanistan (Imamnazar). Through INL, EXBS and DOD programs, the USG is providing necessary equipment and quality training to make the GOT a more effective partner in counternarcotics issues. INL has an on-going relationship with the Government of Turkmenistan through a MVD forensic lab project, the funding of two UNODC projects on the border with Afghanistan, the funding of English language programs for law enforcement officers working to combat narcotics trafficking, and training port security officials to locate contraband. The USG has also funded counternarcotics training for law enforcement officers working with canines. In March, the first Amendment to the INL LOA's was signed providing additional funding to begin a regional counternarcotics training program for MVD officers, a criminal justice sector reform project, a maritime security project and an English language training course for law enforcement officers. The EXBS program continues to directly benefit counternarcotics objectives by providing search and seizure training and enhancing physical border security.

Road Ahead. Staying engaged with all Turkmenistan's counternarcotics agencies is necessary to encourage a successful effort against narcotics trafficking. Bilateral cooperation is expected to continue, and the USG will expand counternarcotics law enforcement agency training at the working level. As both Turkmenistan and U.S. officials identify areas for improved counternarcotics efforts, the USG will provide an appropriate, integrated and coordinated response. The USG also will encourage the GOT 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

The transit of narcotics and the use of illegal narcotics are challenges for the Government of Ukraine (GOU), although official statistics showed a slight decrease in 2006 in the number of drug related crimes. Combating the trafficking of narcotics remains a national priority, but limited budget resources hamper Ukraine's ability to meet this threat. Coordination between law enforcement agencies responsible for counternarcotics occurs but continues to be stilted due to regulatory and jurisdictional constraints. Ukraine's antidrug legislation is well developed and the GOU is committed to keeping it current with the evolving threats. Ukraine has more than 80 intergovernmental and interagency agreements, both bilateral and multilateral, many of which include specific provisions on combating illegal drug traffic and crime. Ukraine is a party to the 1988 UN Drug Convention, and it follows the provisions of the Convention in its counternarcotics legislation.

II. Status of Country

Ukraine is not a major drug producing country; however, it is located astride several important drug trafficking routes into Western Europe, and thus is an important transit country. Ukraine's numerous ports on the Black and Azov seas, its extensive river transportation routes, its porous northern and eastern borders, and its inadequately financed and under-equipped Border and Customs Agencies make Ukraine an attractive route for drug traffickers into the bordering European Union's profitable illegal drug market. Narcotics originating in East, Central and Southwest Asia (Afghanistan) move through Russia, the Caucasus and Turkey, pass through Ukraine and on to Western Europe. Some drug traffic routes that go through Ukraine even originate in Latin America and Africa. Ukraine's domestic market is increasingly fed by drugs trafficked from both Asia and Central and Eastern Europe (Poland, Romania, and the Baltic Republics). Domestic use of narcotics continued to grow, and the number of registered drug addicts in 2006 increased by 10 percent over 2005 to 156,509. Domestic drug abuse continues to be focused on drugs made from narcotic plants (hemp and poppy) but the use of synthetic drugs and psychotropic substances, especially amphetamines, has been rising over the past few years.

III. Country Actions Against Drugs in 2006

Policy Initiatives. Ukraine has well-developed antidrug legislation that is consistent with international standards. In 2006, the GOU continued to implement a comprehensive antidrug policy entitled "The Program Implementing 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 in Ukraine and the lack of adequate education and public awareness campaigns, community prevention efforts, and treatment and rehabilitation facilities.

The Program consists of two stages, the first of which occurred in 2003-2005, and the second of which will take place in 2006-2010. Stage one included: improvement of legislation; monitoring and prevention of drug abuse and drug trafficking; interagency cooperation; creation of a modern interagency data bank; an increase in law enforcement capacity; scientific research; and setting up an interagency lab to research new drugs and discover new trends in drug trafficking. Stage two foresees integration into the European information space and exchange of information on drug trafficking; strengthening of drug abuse prevention centers; introduction of new treatment practices; an increase in public awareness and education, especially in schools; further strengthening of law enforcement capacity; and full achievement of international standards. To implement the plan for the second stage, these priorities were further split into 63 specific tasks and

assigned to the responsible agencies. The Program also provides estimates of future funding needed to support its implementation. The total estimate is over 300 million Ukrainian hryvnias ($55 million). However, the GOU has not been able to ensure full allocation of these resources in previous years. For example, due to the lack of funds, the GOU has not provided funding for the Interagency Research Laboratory for Narcotics, Psychotropic Substances and Precursors proposed by the Ministry of Interior. As a result, Ukraine has no common database on illegal narcotics and the level of information sharing between Ukrainian government agencies is quite low.

The GOU has taken additional steps to update its antidrug laws, in particular strengthening control over the distribution of narcotic plants with the aim of preventing the "leakage" of this medical material onto the illegal market. The GOU has introduced amendments to make the non-prescribed use of strong and poisonous medications, like tramadol, illegal. In the last two years, the GOU drafted a framework law on the government policy for alcohol and narcotic drugs. The draft legislation was submitted to the parliament for review and adoption. The Narcotics Control Committee established in 2003 in the Ministry of Health continues to monitor the production and use of controlled substances by licensed companies and organizations. The rate of criminal offences in this sector, however, is insignificant.

The Ukrainian Government participates in several regional organizations, including the Organization of Black Sea Economic Cooperation, GUAM (Georgia, Ukraine, Azerbaijan, and Moldova), and the South East Europe Cooperative Initiative (SECI), which allows Ukraine to coordinate, among other things, its antidrug law enforcement activities with the organizations' member states. In the framework of GUAM, a virtual law enforcement center has been established in each member-state, including Ukraine, to share law enforcement information electronically, including information related to drug trafficking cases.

Accomplishments. In 2006, Ukraine continued to implement the BUMAD (Belarus, Ukraine, Moldova AntiDrug) Program sponsored by the European Union and designed to decrease drug traffic in these three EU border countries. As part of the BUMAD Program, Ukraine is strengthening its potential to collect process and disseminate information on drug trafficking at both the national and the regional level. The BUMAD Program funded the establishment of a National Drug Observatory at the Ministry of Health to help collect, analyze and disseminate data on drugs at the national level, and share and improve comparability of this data at the regional level through the harmonization of key epidemiological and drug supply indicators. The Observatory opened in December 2006. It will establish a permanent monitoring system for drug and drug abuse (non-confidential information) and will adhere to EU standards in the collection and compilation of the data.

Law Enforcement Efforts. In Ukraine, responsibility for counternarcotics enforcement is shared by the Ministry of Interior (MOI), with its domestic law enforcement function, and the Security Service of Ukraine (SBU), which deals with trans-border aspects of drug trafficking. The State Border Guard Service (SBGS) and the State Customs Service (SCS) carry out certain drug enforcement functions in their respective fields, mainly drug interdiction along the border and at ports of entry. According to official statistics for January-September 2006, the MOI conducted 51,413 narcotic investigations and the SBU 273. The bulk of the narcotics seized included marijuana (17.8 metric tons by MOI and 64.4 kg by SBU) and poppy straw (6. metric tons 6 by MOI and 20.7 kg by SBU). Hard drugs accounted for only a small percentage of the total volume of seized drugs: cocaine (1.2 kg by MOI and 8.2 kg by SBU), heroin (2.3 kg by MOI and 313 g by SBU), hashish (9.5 kg by MOI and 6.6 kg by SBU), amphetamine (15.9 kg by MOI) and various psychotropic substances (1.5 kg and 1700 pills by SBU), and opium (34.5 kg by MOI and 19.5 g by SBU). The annual consumption of hard drugs in Ukraine is estimated to be one ton of heroin, ten tons of amphetamine and its substitutes, and 300 tons of opium containing substances. In 2006, the law enforcement authorities uncovered and eliminated 200 illegal drug labs (197 by MOI and 3

by SBU) and 69 organized criminal groups (39 by MOI, 30 - including a transnational ring - by SBU).

The MOI continued to strengthen its Drug Enforcement Department by increasing the number of its agents assigned to investigate large criminal groups that operate in Ukraine. The MOI and SBU continued to build cooperative relationships with international counterpart agencies located in Western Europe and Eurasia. The SBU also established good working relations with the U.S. Drug Enforcement Administration (DEA) and conducted a joint operation with them in 2006, and participated in the automatic pre-export control information system (PEN) introduced by the International Narcotics Control Board (INCB) in 2006. This system was widely used in international operations, in particular Project Prism. Project Prism is an international effort to prevent diversion to illicit uses of the main precursor chemicals for amphetamine type stimulants.

Corruption. The GOU openly acknowledges that corruption remains a major problem in society; the existence of a bribe-tolerant mentality, and the lack of law enforcement capabilities to investigate and prosecute corruption suggest this will remain a problem for the foreseeable future. As a matter of government policy, however, the GOU does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

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 has also signed specific counternarcotics project agreements with the UN Office of Drugs and Crime (UNODC). Ukraine is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. Ukraine has signed but has not yet ratified the UN Corruption Convention. The U.S. and Ukraine signed a Memorandum of Understanding on Law Enforcement Assistance in December 2002. This memo provided for State Department-funded assistance to Ukraine to improve its effort against narcotic drugs, and has been amended regularly since to add finding and projects as the Ukraine and U.S. agreed on areas for program emphasis.

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. The Cabinet of Ministers approved such cultivation in late 1997. Despite the prohibition on the cultivation of drug plants (poppy straw and hemp), many cases of illegal cultivation in small quantities by private households are regularly discovered.

Drug Flow/Transit. Ukraine continues to experience an increase in drug trafficking. Heroin is trafficked from Central Asia (primarily Afghanistan) and comes into Ukraine mostly through Russia, the Caucasus and Turkey. Shipments are usually destined for Western Europe, and arrive by road, rail, or sea, which is perceived as less risky than air or mail shipment. Lately, experts note an increase in heroin traffic from Turkey into Ukraine by sea and further by land across Ukraine's western border into Western Europe. Experts believe that traditional Balkan drug traffic routes have become saturated and criminals are looking for new traffic channels. Drug traffic from Asia is increasingly controlled by well-organized international criminal groups of Afghan, Pakistani, and Tajikistani origin that use citizens of the former Soviet republics as drug couriers. There is a steady increase in the use of minors and poor, aged or disabled individuals for moving large amounts of narcotics. As for local drug consumption, poppy straw and hemp continue to be the most popular illegal drug for Ukrainians. They are produced and consumed locally with the surplus exported to Russia. Conversely, these drugs are also trafficked into Ukraine from Russia. Poppy straw and hemp trafficked to or from Russia account for 49 percent of the drugs seized in Ukraine, with

traffic to and from Moldova accounting for 24 percent, and traffic to and from Belarus 22.4 percent.

Relative to 2005, the Border Guards reported that the number of drug-related offenses in 2006 increased on the Polish and Moldovan borders, but decreased somewhat on the Hungarian and Romanian borders. The trafficking of synthetic drugs and psychotropic substances from Poland and hard medical prescription drugs from Romania and Moldova is growing. Criminal groups of mixed origin (Ukrainians, Polish, Belarusans and Russians) that formed back in the 1990s and traditionally stayed away from drug trafficking are increasingly taking up this lucrative niche. The price of these drugs is lower than that of heroin and cocaine and therefore the drugs are attractive to young addicts. The spread of synthetic drug labs in Ukraine is exacerbating the problem. Labs shut down in Ukraine in 2006 were producing phentanyl, trimethylphentanyl, PCP (phencyclidine), amphetamine and MDMA. The Security Service seized 7 kg of an especially dangerous psychotropic drug hallucinogen, psilocin, which had been trafficked to Ukraine from the Netherlands disguised as chocolate. Other smuggling routes include cocaine from Latin America and hashish from Northern and Western Africa through Ukraine primarily en route to Europe. However, the quantity of these drugs is relatively small.

Domestic Programs/Demand Reduction. The estimate of the number of drug addicts in Ukraine in 2006 varied widely, from 156,509 officially registered drug addicts to 300,000 in official estimates and up to one million by non-government experts. Drug-related deaths over the last few years have averaged 1,000 per year, according to Ukrainian health authorities. Marijuana and hashish is growing in popularity with young people, but opium straw extract remains the drug of choice for Ukrainian addicts. Young people are using synthetic drugs more frequently, such as ephedrine, Ecstasy (MDMA), LSD, amphetamines and methamphetimines. Hard drugs, such as cocaine and heroin, are still too expensive for most Ukrainian drug users. Despite major efforts against drug trafficking, the GOU estimates that narcotics intercepted in Ukraine while en route to other destinations account for less than 30 percent of the total volume transiting Ukraine. The GOU's capability to effectively combat narcotics trafficking and the illegal use of drugs continues to be hampered by inadequate law enforcement budgets. Ukrainian officials, however, are working to reduce the demand for illegal drugs by introducing preventive measures at all levels of the education system, since 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 funding assistance from international organizations are running a number of rehabilitation programs throughout the country. Ukrainian medical and law enforcement authorities conducted a series of conferences and seminars in 2006 to discuss, raise awareness of, and reduce drug abuse in Ukraine. An awareness campaign called “Life Without Narcotics” was unrolled at a series of public events sponsored jointly by the GOU and NGOs in an effort to reach vulnerable groups.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. objectives are to assist Ukrainian authorities to develop effective counternarcotics programs in interdiction (particularly of drugs transiting the country), investigation, and demand reduction, as well as to assist Ukraine in countering money laundering. Officers from the DEA have conducted a number of training courses funded by the Department of State in the areas of drug interdiction at seaports and advance drug investigation techniques. DEA has established a good working relationship with both the MOI and SBU, and the training programs have helped.

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 Western European customs and border controls. Synthetic drugs trafficked from countries of

Eastern Europe or produced locally is also a growing concern. Demand reduction and treatment of drug abusers remains a challenge requiring close attention. However, the largest challenge remains the limited budget resources to fund law enforcement efforts to investigate and interdict sophisticated, international trafficking rings that see Ukraine as a transit point to lucrative Western European markets.

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 ninth year of a 10-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 effectively being implemented. In part to improve counter drug efforts, a national law enforcement agency under a centralized command and control, the Serious Organized Crime Agency (SOCA) was created on April 3, 2006. The UK is party to the 1988 UN Drug Convention.

II. Status of Country

Home Office figures for England and Wales compiled as part of the 2005/06 British Crime Survey (BCS) indicate that there have been few changes in drug use between the 2004/05 and 2005/06. Cannabis remains the most-used illicit drug in the UK, predominantly in the 16-24 age group; cocaine is the next most commonly used drug, closely followed by Ecstasy and amphetamines. 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 in the 16-59 age group have dropped, but are still well over 700,000. Current estimates of opiate users increased marginally from 41,000 in 2004/05 to 47,000 in 2005/06. SOCA, a newly-created national law enforcement agency, 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 2006

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 2006, the British government continued its 10-year strategy program, launched in 1998, which 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. The UK's 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 and took 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 (ACMD) 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, that 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. At a May 2006 meeting the ACMD examined new evidence regarding the reclassification of methamphetamine from a Class B to a Class A drug. In light of the new evidence presented, the ACMD wrote an open letter to the Home Secretary recommending the higher classification. The Home Secretary has accepted this recommendation and reclassification is likely to come into effect at the beginning of 2007. Reclassification would put methamphetamine into the same category as cocaine and opiates. The change would also lengthen penalties for possession and distribution.

Direct annual government expenditures under the updated overall drug strategy increased five percent between 2005/06 and 2006/07, from $2.78 billion (GBP 1.483 billion) to $2.94 billion (GBP 1.567 billion). The most recent program specific data (from 2004) shows 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 (GBP 380 million). The largest increase will come in spending on community programs (24 percent).

In part to improve counterdrug efforts, the UK created SOCA, a national law enforcement agency under a centralized command and control on April 3, 2006. SOCA is the amalgamation of police officers, analysts and investigators from the National Crime Squad, (NCS), National Criminal Intelligence Service, (NCIS), HM Revenue and Customs (HMRC), High Tech Crime Unit, (HTCU), UK Immigration, and local police officers all that have chosen to serve under the SOCA banner. The NCS, NCIS and HTCU no longer exist, while HMRC continues with tax/revenue related tasks and issues.

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. Laws that took effect in 2000 required courts to weigh a positive Class A test result when deciding bail, which 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 (GBP 165 million). In 2005, a new “Community Order” replaced Drug Testing and Treatment Orders (DTTO) for adults. The new orders 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 have 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. Since 1999, the Home Office has had an initiative to reduce smuggling of drugs into prisons and a prison service drug rehabilitation program. Counseling, assessment, referral, advice, and treatment (CARAT) services are available in every prison in England and Wales. The program is linked to another initiative called "Prospects" that offers 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 expanded the number of programs available to 117 in 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. Similarly, the Overseas Territories of the UK in the Caribbean and elsewhere are operated along similar lines.

The UK is a member of the Dublin Group, a group of countries that coordinate the provision of counternarcotics assistance and is a UNODC Major Donor.

Law Enforcement Efforts. The UK gives a high priority to counternarcotics enforcement and the United States enjoys good law enforcement cooperation with 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 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 (GBP 54.5 million) in 2003/04 and $149.6 million (GBP 84.4 million) in 2004/05. According to the Home Office, there were 107,360 drug seizures by police and HM Revenue and Customs in England and Wales in 2004 - down two per cent on the previous year (109,410). (Note that, as of 2004, Home Office statistics only include seizure data for England and Wales and 2004 represents the most recent detailed statistics.) Seventy-one percent of seizures in 2004 involved class C drugs, 98 percent of which were cannabis. Twenty-seven percent of all seizures involved Class A drugs. Seizures of cocaine and heroin rose by 14 and six percent to 7,895 and 11,074 respectively. Heroin was the most commonly seized Class A drug followed by cocaine. There were 105,570 drug offences recorded in England and Wales in 2004 (the latest full year data available), a 21 percent decline from the 133,970 offences recorded in 2003. Class A offences rose by two percent to 36,350. Heroin offenders were the largest group of known Class A drug offenders, accounting for 13 percent of all known offenders in 2004. The vast majority of persons convicted or cautioned for drug offenses were charged with possession. About 85 percent of persons dealt with in the courts for drug offenses were male. Possession offenses tend to be committed by younger people (53 percent committed by those under the age of 25) while 61 percent of the producing/exporting/importing offenses were committed by persons over age 30 and 60 percent of dealing offenses were committed by persons over age 25.

Corruption. As a matter of government policy, the UK 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 the UK have a Mutual Legal Assistance Treaty (MLAT), and a narcotics agreement, which the UK has extended to some of its dependencies. On September 30, 2006, the U.S. Senate ratified a new extradition treaty with the UK The exchange of instruments of ratification will occur when the Parliament takes final action on domestic implementing legislation. The U.S. and the UK 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. On February 9, 2006, the UK ratified the UN Corruption Convention and the UN Convention against Transnational Organized crime and its protocols against trafficking in persons and migrant smuggling. In 2005, the UK signed an updated U.S. Coast Guard Law Enforcement Detachment (LEDET) Memorandum of Understanding with the USG. This includes 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 expanding the authorization to carry LEDETS in waters beyond the Caribbean and Bermuda areas of operations, subject to the consent of both parties. In 2006, USCG LEDETs deployed on British ships seized over 10,000 pounds of cocaine.

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 they are 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 the "date rape" drug GHB illegal in 2003, GBL remains uncontrolled. DEA has asked the UK to control GBL and the UK is active in EU-wide discussions on control of this substance. Methamphetamine is growing in notoriety and use within the UK. Several small clandestine methamphetamine laboratories have been seized in the UK with law enforcement starting to embrace awareness training and strategic planning.

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) comes from 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 directly from Pakistan, is destined for British cities with 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, although there is also cultivation in Bolivia and Peru. 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 continental 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 organize 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 kg at a time. A synthetic drug supply originates from Western and Central Europe; amphetamines, Ecstasy, and LSD have been traced to sources in the Netherlands and Poland, although some originates in the UK. In a newly identified transit trend, khat (the plant's fresh leaves and tops are chewed or, less frequently, dried and consumed as tea, in order to achieve a state of euphoria and stimulation) is being imported to the UK from East African nations. Khat is not controlled in the UK, but is a Class 1 controlled substance in the U.S. In the UK, 2006 estimates put the khat importation levels at approximately 120 tons per month. Several areas in the U.S. are increasingly seeing khat, and DEA has identified several links between U.S. khat seizures and 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 2003, the government launched a $5.7 million (GBP 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 available 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 2005, the Department for Education and Skills 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. In January 2006, the program was 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 has met the target of doubling the number of drug users in treatment two years ahead of the target date; current figures show that over 180,000 people are now receiving treatment. The so-called "pooled treatment budget" administered by the Home Office and the Department of Health is targeted to increase from $448 million (GBP 253 million) nationally in 2004/05 to $847 million (GBP 478 million) by 2007/08. Also, a strategic capital bidding program from 2007/08 was announced on June, 21 2006. A total of GBP 54.9 million has been made available with a view to improving and expanding in-patient drug treatment and residential rehabilitation for drug abusers, while improving commissioning for these services. 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. According to the latest available figures, the number of deaths related to drug poisoning in England and Wales rose to 2,598 in 2004. This is an increase of 6 per cent compared with 2003. This figure is still lower than in 2000 - the year with the highest recorded number of deaths at 2,967. Among young people under the age of 20, drug-related deaths were static between 2003 and 2004.

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 front.

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 some steps to combat the narcotics trade, but still relies heavily on multilateral and bilateral financial and technical resources. Law enforcement officers seized approximately 1,019 kg of illegal narcotics in the first six months of 2006. 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 2005 fell approximately 30 percent from 2004. However, seizures for the first half of 2006 are more than double those from the same time period in 2005, according to official statistics. The GOU attributes the rise in seizures to an increase in narcotics production in Afghanistan and more effective counternarcotics operations by Uzbek law enforcement agencies. Precursor chemicals have in the past traveled the same routes in reverse on their way to laboratories in Afghanistan and Pakistan. Export of precursor chemicals, including acetic anhydride, has been controlled since 2000. There have been no reported seizures of precursor chemicals in Uzbekistan since 2001. According to official statistics, as of November 2006, only six export permits have been issued, none to Afghanistan, for chemicals that can be used in the manufacture of narcotics. Effective government eradication programs have eliminated nearly all the illicit production of opium poppies in Uzbekistan.

III. Country Actions Against Drugs in 2006

Policy Initiatives. The United States and Uzbekistan continued counternarcotics cooperation in 2006 under the 2001 US-Uzbekistan Narcotics Control and Law Enforcement Agreement and its amendments. These types of agreements provide for U.S. assistance in the counternarcotics area, and are typically amended in the years following their first negotiation to increase assistance levels to fund ongoing programs, or to agree to begin new assistance programs. To date, the agreement has established a framework to support projects designed to enhance the capability of Uzbek law enforcement agencies in their efforts to fight narcotics trafficking and organized crime. No new amendments have been signed since 2004. However, implementation of various counternarcotics programs, including the provision of technical assistance in investigating and prosecuting narcotics trafficking cases and in the enhancement of border security continue under previous amendments to the 2001 agreement. The Uzbek criminal justice system is largely inherited from the Soviet Union, and continues to suffer from a lack of modernization and reform, mainly judicial and procedural reform, and standards remain below international norms. The Executive Branch and Prosecutor General's Office are powerful entities, and the judiciary is not independent. The outcomes of court cases are usually predetermined, 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. As of November 2006, the operation has eradicated less than 10 hectares of drug

production crops - reflecting success in past years in virtually eliminating illicit drug cultivation in Uzbekistan. Efforts to achieve other convention goals are hampered by the lack of effective laws, programs, money, appropriate international agreements, and coordination among law enforcement agencies. The UNODC is continuing its efforts to implement 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 2006, Uzbek law enforcement seized a total of 1019 kg of illicit drugs. Opium accounted for 50 percent of the total, heroin 32 percent, and cannabis 13 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 2006, training and equipment were provided to the State Customs Committee under U.S.-Uzbekistan counternarcotics Letter of Agreement (LOA). LOAs define agreement on a number of planned counternarcotics projects to be funded by the U.S. The LOAs set out what each government will do to realize the projects' goals. In addition, the U.S. DEA continues to support a Special Investigation Unit within the MVD, which became operational in 2003. According to National Center reports, most smuggling incidents involve one to two individuals, likely backed by a larger, organized group. Resource constraints 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 replacements for 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 2006 UNODC continued its cooperation with the GOU. However, since 2005, the GOU has increasingly stepped back from cooperating with the United States and some European Union-member countries. As a result, international counternarcotics assistance to Uzbekistan has become significantly more difficult.

Corruption. As a matter of policy the GOU 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 ignore 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 Europe and Central Asia Protocol. Uzbekistan is also a party to the UN Convention against Transnational Organized Crime. Uzbekistan signed the Central Asian Counternarcotics Memorandum of Understanding with the UNODC, and in 2006 formally agreed to the establishment of a Central Asian Regional Information and Coordination Center (CARICC) in Almaty, Kazakhstan to coordinate information sharing and joint counternarcotics efforts in Central

Asia. Kazakhstan, the 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. The GOU has also signed agreements on increased counternarcotics cooperation in 2006 in the context of its membership in the Shanghai Cooperation Organization. However, to date, these agreements appear to have resulted in only limited tangible results.

Cultivation/Production. As noted above, "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 remains a point of concern as, in the past, narcotics have been discovered in trucks returning to Uzbekistan after delivering humanitarian aid into Afghanistan, as well as on trains coming from Tajikistan. However, a UNODC-implemented border security project at the road and rail crossing has resulted in improved control over the border crossing with Afghanistan, and humanitarian aid and other cargo crossing the border from Uzbekistan to Afghanistan has dropped considerably since 2004. Uzbek officials report no significant drug seizures along the Afghan border in 2006. The National Center and UNODC report that trafficking also continues along traditional smuggling routes and by conventional methods, mainly from Afghanistan into Surkhandarya Province and from Afghanistan via Tajikistan and the Kyrgyz Republic into Uzbekistan. The primary regions in Uzbekistan for the transit of drugs are Tashkent, Termez, the Ferghana Valley, Samarkand and Syrdarya.

Domestic Programs/Demand Reduction. According to the National Drug Control Center, as of the end of 2005 there were approximately 19,574 registered drug addicts in Uzbekistan. Sixty-two percent of these were heroin users and 48 percent were injecting drug users. According to the National Center, approximately 1,700 new addicts have been registered in 2006. The number of registered addicts is believed to reflect only 10-15 percent of the actual drug addicts in Uzbekistan. Over the last few years, there has been an alarming growth in the number of persons who are HIV positive. Over 2,000 new HIV cases were registered in 2005, according to official GOU statistics. Approximately half of the 15,000-100,000 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 assistance focuses on the prevention of illicit drug activities in and through Uzbekistan, and the need to increase the capacity of Uzbek law enforcement agencies to combat these activities. This assistance is most often provided in the form of technical assistance, training, and limited equipment donations. Since early 2005, the GOU has significantly slowed the pace of bilateral cooperation with the United States. The government continues to accept some operational training conducted in Uzbekistan and equipment donations. However, it generally will not participate in activities held outside the country, or projects which it considers to be "non-operational," (i.e., efforts to engage on legal and judicial reforms, promote increased adherence to international standards and norms, or to fight official corruption).

In spite of the GOU's continuing hesitance to engage in U.S.-sponsored training and programs in a variety of areas, including counternarcotics, some agencies participated in U.S.-sponsored training in 2006. The DEA continues to fully fund, train and equip the Special Investigative Unit (SIU) in

the MVD, which continues to conduct a number of undercover and international operations. Department of State-funded assistance programs provided additional specialized inspection equipment and drug test kits, along with associated training, at Customs posts throughout Uzbekistan, as well as at Tashkent International Airport. These programs are also providing infrastructure improvement assistance at some of the country's most remote border posts to promote better living conditions and increased control of the border. USAID's Drug Demand Reduction Project (DDRP) continues to work at key points along drug trafficking routes to prevent at-risk young people from becoming injecting drug users. DDRP cooperates with local organizations to deliver key messages on drug abuse prevention and offering alternative activities though innovative "Youth Power" centers. These programs serve as models for Uzbekistan's national HIV control strategy, since the HIV epidemic is fueled primarily by injection drug use. Department of Defense counternarcotics activities fell dramatically during FY 2006. Central Command withdrew counternarcotics funding for fiscal years 2006 and 2007, primarily because of the Government of Uzbekistan's lack of interest in participating in DOD-sponsored counternarcotics activities. The GOU participated in only one DOD-sponsored counternarcotics event in FY 2006, despite invitations to several other events sponsored by DOD or the Marshall Center, some of which included offers to fully fund Uzbek participation.

The Road Ahead. The U.S. remains committed to supporting appropriate Uzbek agencies to improve narcotics detection and drug interdiction capabilities. However, ultimately the effectiveness of U.S. assistance programs depends on the willingness of the Government of Uzbekistan to participate in these efforts.