

USG ASSISTANCE

Department of State (INL) Budget

Bureau of International Narcotics and Law Enforcement Affairs

FY 06 - 08 Budget

(\$000)

	FY06 Enacted	FY06 Supp.	FY07 Est.	FY 07 Supp Request	FY08 President's Budget	FY 08 Supp Request
ACI Country Programs						
Bolivia	79,200	-	*	-	30,000	-
Interdiction/Eradication	42,570	-	*	-	30,000	-
Alter.Dev./Inst.Building	36,630	-	*	-	0	-
Colombia	464,781	-	*	-	366,968	-
Interdiction/Eradication	307,742	-	*	-	366,968	-
Alter.Dev./Inst.Building	129,920	-	*	-	0	-
Rule of Law	27,119	-	*	-	0	-
Ecuador	19,800	-	*	-	7,000	-
Interdiction/Eradication	8,375	-	*	-	7,000	-
Alter.Dev./Inst.Building	11,425	-	*	-	0	-
Peru	106,920	-	*	-	36,844	-
Interdiction/Eradication	58,410	-	*	-	36,844	-
Alter.Dev./Inst.Building	48,510	-	*	-	0	-
Brazil	5,940	-	*	-	1,000	-
Panama	4,455	-	*	-	1,000	-
Venezuela	2,229	-	*	-	0	-
Air Bridge Denial Program	13,860	-	*	-	0	-
Critical Flight Safety Program	29,970	-	*	-	0	-
Subtotal Andean Counterdrug Initiative	727,155	-	569,350	-	442,812	-
Africa						
Liberia	990	-	*	-	4,130	-
Nigeria	990	-	*	-	1,200	-

South Africa	594	-	*	-	0	-
Sudan	0	-	*	-	24,000	-
Burkina Faso	0	-	*	-	100	-
Cape Verde	0	-	*	-	500	-
Democratic Republic of Congo	0	-	*	-	1,750	-
Djibouti	0	-	*	-	300	-
Ethiopia	0	-	*	-	150	-
Ghana	0	-	*	-	500	-
Mauritania	0	-	*	-	300	-
Mozambique	0	-	*	-	300	-
Sierra Leone	0	-	*	-	150	-
Tanzania	0	-	*	-	450	-
Uganda	0	-	*	-	350	-
Africa Regional	594	-	*	-	0	-
Women's Justice Empowerment Initiative	0	-	*	-	0	-
Subtotal, Africa	3,168	-	*	-	34,180	-
East Asia and the Pacific						
Indonesia	4,950	-	*	-	10,050	-
Laos	990	-	*	-	1,580	-
Philippines	1,980	-	*	-	1,150	-
Thailand	990	-	*	-	2,300	-
East Timor	1,485	-	*	-	1,010	-
Cambodia	0	-	*	-	200	-
Malaysia	0	-	*	-	800	-
Mongolia	0	-	*	-	670	-
Vietnam	0	-	*	-	200	-
State EAP Regional	0	-	*	-	280	-
Subtotal, East Asia and the Pacific	10,395	-	*	-	18,240	-
Europe						
Turkey	0	-	*	-	500	-
Subtotal, Europe	0	-	*	-	500	-
Near East						
Iraq	0	91,400	*	200,000	75,800	159,000
Algeria	0	-	*	-	200	-
Israel	0	-	*	-	500	-

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Egypt	0	-	*	-	3,000	-
Yemen	0	-	*	-	500	-
Gaza/West Bank	0	-	*	-	3,500	-
Morocco	990	-	*	-	1,000	-
Tunisia	0	-	*	-	200	-
United Arab Emirates	0	-	*	-	300	-
Jordan	0	-	*	-	1,500	-
Lebanon	0	-	*	60,000	1,800	-
Subtotal, Near East	990	91,400	*	260,000	88,300	159,000

South Asia

Afghanistan	232,650	-	*	-	274,800	-
Nepal	0	-	*	-	2,700	-
Bangladesh	0	-	*	-	1,500	-
India	0	-	*	-	400	-
Sri Lanka	0	-	*	-	350	-
Pakistan	34,970	-	*	-	32,000	-
Subtotal - South Asia	267,620	-	*	-	311,750	-

Western Hemisphere

Bahamas	495	-	*	-	500	-
Guatemala	2,475	-	*	-	5,320	-
Colombia	0	16,300	*	-	0	-
Haiti	17,500	-	*	-	9,000	-
Jamaica	990	-	*	-	1,009	-
Mexico	39,600	-	*	-	27,816	-
Argentina	0	-	*	-	305	-
Bolivia	0	-	*	-	600	-
Chile	0	-	*	-	100	-
Dominican Republic	0	-	*	-	1,150	-
Ecuador	0	-	*	-	200	-
Guyana	0	-	*	-	100	-
Nicaragua	0	-	*	-	1,600	-
Eastern Caribbean	0	-	*	-	500	-
Trinidad and Tobago	0	-	*	-	500	-
Honduras	0	-	*	-	750	-
Paraguay	0	-	*	-	280	-
El Salvador	2,475	-	*	-	0	-
Southern Cone	0	-	*	-	0	-

Caribbean and Central America						
(Transit Zone)	0	-	*	-	0	-
Subtotal, Western Hemisphere	63,535	16,300	*	-	50,530	-
Global						
Criminal Youth Gangs	0	-	*	-	5,000	-
Interregional Aviation Support	62,865	-	*	-	60,100	-
International Organizations UNODC	2,960	-	*	-	3,750	-
International Organizations CICAD	1,000	-	*	-	1,750	-
Demand Reduction/Drug Awareness	9,900	-	*	-	3,500	-
Trafficking in Persons	4,950	-	*	-	4,950	-
INL Anticrime Programs	10,395	-	*	-	14,000	-
Alien Smuggling/Border Security	594	-	*	-	1,500	-
Anticorruption Compacts	1,485	-	*	-	0	-
Fighting Corruption	2,475	-	*	-	4,500	-
Financial Crimes/Money Laundering						
/Counter-Terrorism Financing Initiative	2,475	-	*	-	4,000	-
Cyber Crime, IPR and CIP	3,366	-	*	-	4,000	-
Civilian Police Program	1,980	-	*	-	2,000	-
ILEA Operations	15,840	-	*	-	16,500	-
Subtotal, Global	109,890	-	*	-	111,550	-
PD&S	16,830	-	*	-	19,550	-
Subtotal, INCLE	472,428	107,700	703,600	260,000	634,600	159,000
TOTAL INL PROGRAMS	1,199,583	107,700	1,272,950	260,000	1,077,412	159,000

* A regular FY 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution. The amounts included for FY 2007 in this budget reflect the levels provided by the continuing resolution. Country allocations for FY 2007 will be made once a FY 2007 appropriations bill is enacted.

International Training

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

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

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

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

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

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

International Law Enforcement

Academies (ILEAs)

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

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

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

The ILEAs help develop an extensive network of alumni that exchange information with their U.S. counterparts and assist in transnational investigations. These graduates are also expected to become the leaders and decision-makers in their respective societies. The Department of State works with the Departments of Justice (DOJ), Homeland Security (DHS) and Treasury, and with foreign governments to implement the ILEA programs. To date, the combined ILEAs have trained over 18,000 officials from over 75 countries in Africa, Asia, Europe and Latin America. The ILEA budget averages approximately \$16-18 million annually.

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

Instruction is provided to participants from Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Djibouti, Ethiopia, Kenya, Uganda, Nigeria, Cameroon, Comoros, Congo, the Democratic Republic of Congo, Gabon and Madagascar.

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

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

Instruction is provided to participants from Brunei, Cambodia, East Timor, China, Hong Kong, Indonesia, Laos, Macau, Malaysia, Philippines, Singapore, Thailand and Vietnam. Subject matter experts from the United States, Thailand, Japan, Netherlands, Philippines and Hong Kong provide

instruction. ILEA Bangkok has offered specialized courses on money laundering/terrorist financing-related topics such as Computer Crime Investigations (presented by FBI and DHS/Bureau of Customs and Border Protection (BCBP)) and Complex Financial Investigations (presented by IRS, DHS/BCBP, FBI and DEA). Total annual student participation is approximately 600.

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

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

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

Latin America. ILEA San Salvador was established in 2005. The training program for the newest ILEA is similar to the ILEAs in Bangkok, Budapest and Gaborone and will offer a six-week Law Enforcement Management Development Program (LEMMP) for law enforcement and criminal justice officials as well as specialized courses for police, prosecutors, and judicial officials. In 2007, ILEA San Salvador will deliver three LEMMP sessions and about 10 Specialized courses that will concentrate on attacking international terrorism, illegal trafficking in drugs, alien smuggling, terrorist financing, financial crimes, culture of lawfulness and accountability in government. Components of the six-week LEMMP training session will focus on terrorist financing (presented by the FBI), international money laundering (presented by DHS/ICE/Immigration and Customs Enforcement) and financial evidence/money laundering application (presented by DHS/FLETC and IRS). The Specialized course schedule will include courses on financial crimes investigations (presented by DHS/ICE) and money laundering training (presented by IRS). Instruction is provided to participants from: Argentina, Barbados, Bahamas, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panamá, Paraguay, Perú, Trinidad and Tobago, Uruguay and Venezuela.

The ILEA Regional Training Center located in Peru will officially open in 2007. The center will augment the delivery of region-specific training for Latin America and will concentrate on specialized courses on critical topics for countries in the Southern Cone and Andean Regions.

Drug Enforcement Administration

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

DEA's contribution to our nation's international counter narcotics strategy is accomplished through its 227 domestic offices throughout the U.S. and 86 foreign offices in 62 countries. The DEA overseas mission has the following components:

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

The emphasis placed on each component is determined by conditions and circumstances within the host nation. In nations where the law enforcement infrastructure is advanced and well developed, the DEA office may tailor its activities to specific areas that best support host nation efforts. In countries lacking a robust law enforcement capability, DEA personnel may provide assistance in all four of the mission areas listed above. The following sections highlight the assistance that DEA provided during 2006 to host nation counterparts in support of the four established mission components.

Bilateral Investigations

Historical Operations

Operations All Inclusive 2005-1 and 2006-1, which ran from August 5, 2005 through October 8, 2005, and March 4, 2006 through April 26, 2006, respectively, targeted South American source regions, Eastern Pacific and Western Caribbean vectors of the Mexico/Central America transit zones, and the Mexico and Central America land mass, to attack the drug trade's main arteries and support infrastructure with innovative, multi-faceted, and intelligence-driven operations. Both operations exploited the maritime, overland, commercial air, and private air smuggling vulnerabilities in the movement of drugs, money, and chemicals. DEA and other federal, state, and host nation law enforcement and military agencies supported both operational and intelligence aspects of these operations.

Operation All Inclusive 2005-1: Seizure highlights in Mexico include 21.05 metric tons of marijuana, 108 kg of cocaine, 35.2 kg of heroin, and nearly one million tablets of pseudoephedrine. Of particular importance were two currency seizures at the Mexico City Airport totaling \$8.7 million. One of these seizures was for \$7.8 million. This seizure is the largest currency seizure to

date at the Mexico City International Airport. During this operation, over 46 metric tons of cocaine were interdicted and seized before they could reach Mexico, where the drugs are normally broken down into smaller quantities for transshipment north and to make them more difficult to interdict. Another significant seizure during this operation was of 3.5 metric tons of cocaine, seized from a fishing vessel in the Eastern Pacific Ocean on August 15, 2005.

Operation All Inclusive 2006-1 is an interagency effort using all available intelligence, information, and knowledge gained from Operation ALL INCLUSIVE (OAI) 1-2005. OAI 2006-1 used the combined abilities of the Special Operations Division, the El Paso Intelligence Center, Panama Express, and the Intelligence Community. Pre-operational and operational intelligence was used to identify targets of interest, their vulnerabilities, and cause a sustained disruption in the flow of drugs ultimately destined for the United States. OAI 2006-1 consisted of a combination of staggered and simultaneous land, air, maritime, and financial components combined with disinformation elements; designed to synchronize interagency counter drug operations, influence illicit trafficking patterns, and increase disruptions of drug trafficking organizations. OAI 2006-1 targeted the flow of drugs, money, and chemicals within the source and transit zones in a combined effort utilizing DEA, JIATF-South, interagency, and host counterpart capabilities. Operational Highlights –

- Mexican Federal Police seized **\$2.2 million dollars** in U.S. currency found inside false luggage compartments at the Mexico City Airport. Four Colombians scheduled to fly to Guadalajara, Mexico were arrested.
- Ecuadorian National Police seized **5.5 metric tons of cocaine** packaged in 677 boxes within a maritime container. The container originated in Buenaventura, Colombia, and was en route to Colon, Panama. This was largest cocaine seizure ever made at the Port of Guayaquil.
- Fifteen cocaine-processing labs were seized and dismantled in Colombia (11 in March and four in April). A total of **92.6 metric tons of precursor chemicals** and **500 kg of explosives** were seized.
- Eight maritime seizures, six in the eastern Pacific and two in the Western Caribbean, totaling **16.16 MT of cocaine and 8 kg of heroin**, were carried out during the operation. The largest seizure occurred on March 11, 2006, 3,317 kg of cocaine, eight kg of heroin, from a go-fast boat with five Colombia crewmembers.
- In Colombia, many of the smaller cocaine seizures (**10 kg or less**) from air cargo were destined for Spain.
- **5.6 tons of cocaine** was seized in Mexico from a DC-9 that originated in Venezuela. This seizure is one of the largest in recent history in Mexico.

Project Cohesion. Project Cohesion is an international chemical control initiative, run under the auspices of the International Narcotics Control Board (INCB), to track the flow of the cocaine precursor potassium permanganate and the heroin precursor acetic anhydride. Project Cohesion was created in October 2005 by combining the INCB sponsored legacy projects: Operation Topaz and Operation Purple. The combined steering committee of these two operations determined that while Operations Topaz and Purple had been effective in their time, changes needed to be made to reinvigorate these projects. Under the auspices of the INCB, Project Cohesion maintains the system of Central National Authorities (CNAs) for the use of the legacy Pre-Export Notification (PEN) system for both of these substances. Project Cohesion is committed to adopting a regional approach utilizing “time limited” operations to increase arrests and chemical seizures. In addition, the project is committed to increasing the efficiency of sharing intelligence and enforcement activities so that the real time exchange suspect consignment information can be obtained. Pursuant to Operation Cohesion, in the second half of 2006, the project monitored 472 shipments of acetic anhydride and 494 shipments of potassium permanganate.

Operation Cold Remedy/Aztec Flu. Pursuant to *Operations Cold Remedy* and *Aztec Flu*, initiatives run out of Hong Kong and Mexico respectively, and tracked globally under the auspices of *Project Prism*, over five metric tons of 60 milligram tablets of pseudoephedrine, with the capability to yield in excess of three metric tons of methamphetamine (at a 60 percent conversion rate), were seized through the end of 2005 in the United States, Mexico, and Panama.

Operation Containment. Operation Containment is an intensive, multinational, law enforcement initiative established in 2002 and is led by DEA. It involves countries in Central Asia, the Caucasus, the Middle East, Europe, and Russia.

The following 19 countries are participating in Op Containment:

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

The following are the goals of Operation Containment.

- Implement a coordinated post-Taliban heroin counter narcotics strategy to reduce the production of opium through the prevention of poppy cultivation and destruction of known opium stockpiles and heroin laboratories.
- Diminish the availability of heroin and morphine base in countries surrounding Afghanistan and along the Balkan and Silk Road trafficking routes.
- Deny safe havens to criminal organizations involved in drug trafficking, drug related terrorist activities, and money laundering. Deprive these organizations of the illicitly gained financial assets necessary for their activities.
- Engage in proactive enforcement and intelligence gathering operations utilizing a regional organizational attack strategy targeting the highest-level heroin Drug Trafficking Organizations (DTOs) and their command and control structures operating in Afghanistan and the greater Southwest and Central Asian region.
- Continue implementing administrative, diplomatic, and investigative measures needed to reduce the flow of Afghan heroin into world markets and prevent Afghanistan from becoming a major heroin supplier to the United States.
- In order to accomplish these goals, DEA has enhanced the staffing levels of its Kabul Country Office and works closely with various Afghan and U.S. Government agencies in a coordinated approach in regards to enforcement efforts against the highest-level DTOs.
- Further DEA office enhancements have already taken place with increased special agent presence in Ankara, Turkey; Istanbul, Turkey; London, England; and Moscow, Russia.
- The Kabul CO's primary counterpart in Afghanistan is the Counter Narcotics Police—Afghanistan (CNP-A). DEA has assisted the Afghan Government in establishing the National Interdiction Unit (NIU), which is comprised of CNP-A officers who have been selected to work narcotic enforcement operations with DEA's Kabul Country Office (CO) and Foreign-deployed Advisory and Support Teams (FAST). DEA continues to advise, train, and mentor these NIU officers. To date, DEA has trained over 150 NIU officers and they are already operationally deployed, working with their DEA counterparts throughout Afghanistan.
- DEA and the U.S. interagency community, including the Department of Defense (DOD) and the Department of State (DOS), in conjunction with British and Afghan counterparts, have initiated a long-term strategic plan for the development of the Counter Narcotics Police – Afghanistan (CNP-A). A key objective is to augment the CNP-A's professionalism and capabilities. The CNP-A will support governmental stability in Afghanistan by disrupting the production and trafficking of illicit drugs across international

borders. The desired outcome for the plan is for the CNP-A to become a self-sustaining law enforcement agency within Afghanistan.

- During fiscal year (FY) 2006, **Operation Containment** has resulted in the seizure of 5.3 tons of heroin, 5.2 tons of opium gum, 3.9 tons of cannabis, 1,439 liters of precursor chemicals, 39 clandestine opium/morphine/heroin/ conversion laboratories, and 357 arrests.

Operation Marble Palace II. Consolidated Priority Organization Target (CPOT) Haji Baz MOHAMMAD Convicted. In January of 2005, DEA Kabul CO agents and Afghan NIU counterparts arrested Afghan Heroin Drug Kingpin Haji Baz Mohammad in Kandahar, Afghanistan. President Bush had previously designated Haji Baz Mohammad as a Drug Kingpin pursuant the Foreign Narcotics Kingpin Designation Act. Mohammad was indicted in the Southern District of New York for distributing hundreds of kg of heroin from Afghanistan and Pakistan to the United States, between 1990 and 2005. In October of 2005, Mohammad was extradited from Afghanistan to the United States. This represented the first Afghan drug trafficker that was extradited from Afghanistan to the U.S. to face narcotics charges. Numerous co-defendants who were part of Mohammad's New York based cell have been prosecuted and sentenced to federal prison. In addition, there is a 25 million-dollar forfeiture allegation in the Southern District of New York federal indictment. On July 11, 2006, in the U.S. District Court for the Southern District of New York, Mohammad pled guilty to conspiracy to import heroin into the United States. He faces a mandatory minimum of ten years in prison and up to a potential life sentence when he is sentenced sometime in 2007.

Project Prism. This project, which began in June 2002, is an initiative sponsored by the International Narcotics Control Board (INCB) under the United Nations. The initiative is aimed at assisting governments in developing countries and implementing operating procedures to more effectively control and monitor trade in Amphetamine Type Stimulants (ATS) precursors, used mainly in the production of methamphetamine and Ecstasy, in order to prevent their diversion. A task force oversees the initiation of individual operations and ensures the sharing of information, intelligence, and resulting findings.

Operating under the auspices of Project Prism, DEA hosted a meeting in February 2006, in Hong Kong, for law enforcement and regulatory officials of producing countries of ephedrine/pseudoephedrine and 3-4 methylenedioxyphenyl-2-propanone, as well as those nations most affected by methamphetamine. The objective of this meeting was to develop and enhance systems for voluntary cooperation in data collection and the exchange in law enforcement channels of information on pharmaceutical preparations containing ephedrine and pseudoephedrine, as well as bulk precursor chemicals. This was the first time that almost all of the countries that produce these chemicals and those countries affected by methamphetamine have sat down together to discuss this problem.

While there were some differences of opinion as to the manner and channels in which information regarding the licit trade in these substances should be exchanged, it was important to bring precursor-chemical-producing nations and nations in which illicit drug manufacturing occurs together for candid discussions. The communication that occurred between countries attending the open forum meeting was encouraging. The Hong Kong meeting also helped to lay a foundation for discussions and negotiations between concerned governments, which led to the passage of a resolution at the 49th Commission on Narcotic Drugs in Vienna, Austria in March of this year. The resolution, entitled "Strengthening Systems for Control of Precursor Chemicals Used in the Manufacture of Synthetic Drugs," involves the synthetic drug precursors previously mentioned, as well as preparations containing these substances and phenyl-2-propanone (P2P). The resolution calls on all nations who are signatories to the various United Nations' conventions dealing with

drugs and precursor chemicals to provide to the INCB annual estimates of their legitimate requirements for these substances and preparations containing these substances. The resolution also calls for nations to ensure that their imports of these substances are commensurate with their respective nation's legitimate needs and urges them to continue to provide to the INCB, subject to their national legislation and taking care not to impede legitimate international commerce, information on all shipments of these drugs and precursor chemicals. The resolution further requests countries to permit the INCB to share the shipment information on these consignments with concerned law enforcement and regulatory authorities to prevent or interdict diverted shipments. The sharing of this information will, most likely occur within the Project Prism framework.

Operation Twin Oceans. Operation Twin Oceans is a multi-jurisdictional investigation that targeted the Pablo RAYO-Montaña DTO, a cocaine ring responsible for smuggling more than 15 tons of cocaine per month from Colombia to the streets of the U.S. and Europe. An international coalition spearheaded by the Brazilian Federal Police, Panamanian Judicial Police, Colombian National Police, and DEA was responsible for dismantling this international drug cartel. This three-year long investigation resulted in over 100 arrests and the seizure of 47,555 kg of cocaine, or the equivalent of 52 short tons of cocaine, and the identification of over \$100 million in assets in Mexico, Panama, Colombia, Brazil, and the United States. These assets include ships/yachts, vehicles, islands, other real property, U.S. Currency and other foreign currency, bank accounts, art work, etc. RAYO-Montaña, aka "Don Pablo," was the commander and controller of a 21st Century criminal organization whose information technology-literate managers used highly sophisticated methods to coordinate the movement of cocaine north and illegal drug proceeds south. In addition, the organization worked in close association with Colombian narcotics terrorist organizations such as the Autodefensas Unidas de Colombia (AUC), the Fuerzas Armadas Revolucionarias de Colombia (FARC) and the Norte del Valle Cartel. RAYO-Montaña was arrested by the Sensitive Investigations Unit (SIU) of the Brazilian Federal Police (DPF) in Sao Paulo, Brazil, at his residence on May 16, 2006, on charges including money laundering, and conspiracy and possession with intent to distribute cocaine. He represents the 42nd arrest of a CPOT since the inception of the program. As a result of outstanding international cooperation, Operation Twin Oceans was able to identify, target and dismantle all levels of criminal activity, from the Colombian source of supply to wholesale distributors that had direct impact in the cocaine market in the U.S.

Operation Bahamas and Turks and Caicos (OPBAT). The Bahamas participates actively as a partner in "Operation Bahamas and Turks and Caicos" (OPBAT), a multi-agency international drug interdiction cooperative effort established in 1982. OPBAT is the largest and oldest cooperative effort overseas by any government involved in drug enforcement. OPBAT brings together on the U.S. side, DEA, the U.S. Army (DOD), U.S. Coast Guard, the Department of Homeland Security, and the Department of State (DOS) and, on the Bahamian and Turks and Caicos side, counterparts from the Royal Bahamas and Turks and Caicos Police Forces. During 2006, as a result of OPBAT, 1,331 kg of cocaine and 134,831 pounds of marijuana were seized. The Drug Enforcement Unit (DEU) of the Royal Bahamas Police Force (RBPF) cooperated closely with the U.S. and foreign law enforcement agencies on drug investigations in 2006.

Operation High Step. Operation High Step is a Special Operations Division (SOD)-supported, multi-national, multi-jurisdictional, multi-agency investigation targeting the Carlos Alberto Bejarano-Ospina/Gonzalo Salazar-Oliveros DTO. Also known as Operation Isla de Sur by the Bogotá CO, which is coordinating this investigation with DEA New York, DEA JFK Airport Group, the New York Strike Force, DEA New York Task Force, DEA Houston, DEA Chicago, DEA Miami, DEA Orlando, DEA Tampa, and the Colombian National Police (CNP) Direccion Antinarcotics Control Precursores Quimicas (ANTIN). In November 2005, police and federal

agents arrested 78 people and seized hundreds of pounds of heroin in near-simultaneous raids across Colombia and the U.S. The ring brought heroin from labs in Colombia to Boston, MA, New York, NY, Chicago, IL, and Orlando, FL. Seventeen people were arrested in Massachusetts, where the ring was selling heroin in Everett and Lynn, authorities said. Nineteen people were arrested in Colombia, including the alleged leaders of the drug ring, Alberto Bejarano-Ospina and Gonzalo Salazar-Oliveros. They have been charged with distribution of and conspiracy to distribute heroin and are now subject to extradition to the U.S. During the year-long investigation, authorities also seized \$1.4 million in cash and 20 weapons. To date, enforcement efforts during Operation High Step have resulted in 160 arrests and seizures totaling 128 kg of heroin, 60 kg of cocaine, and \$2.4 million in U.S. currency. The success of this multi-national, multi-jurisdictional, multi-agency investigation exemplifies the cooperation between law enforcement entities throughout the U.S. and the Government of Colombia.

Operation Mountain Mist. Operation Mountain Mist is a SOD-supported multi-jurisdictional, multi-national OCDETF investigation targeting the Auto Defensas De Colombia (AUC) Para military leaders and their supporting lieutenants who are among the most feared and dangerous criminals in Colombia. Their groups, which have been designated as Terrorist Organizations by the Department of State, utilize violent means to maintain total control and to protect the interests of significant Colombian sources of supply of cocaine. Cumulative operational results include 128 arrests and the seizure of 20 cocaine HCl labs, 22,919.5 kg of cocaine, 28,999 gallons of precursor chemicals, 4,000 pounds of marijuana, and \$2,732,309 in U.S. currency.

Operation Panama Express. Operation Panama Express is a joint operation designed to disrupt and dismantle major maritime drug smuggling organizations operating from the Pacific and Caribbean coasts of Colombia. DEA and several other federal, state, and local law enforcement authorities, including the Federal Bureau of Investigation, Immigration and Customs Enforcement, and the Joint Interagency Task Force (JIATF), conducted the operation. Since the February 2000 implementation of Operation Panama Express, 437 metric tons of cocaine have been seized, 136,000 kg of cocaine have been destroyed, when vessels carrying these illicit drugs were scuttled by their crews to avoid capture or when the boats were sunk by law enforcement, and 1,288 individuals arrested.

Operation Windjammer. On May 19, 2005, based on information provided by DEA's Cartagena, Colombia Resident Office (RO), DEA's Kingston, Jamaica Country Office (CO) initiated a Priority Target Investigation focusing on Gareth Lewis, a multi-ton, Jamaica-based cocaine distributor. Through a myriad of investigative resources, the Kingston CO, in conjunction with the Cartagena RO, the Panama CO, and SOD determined that Lewis distributed multi-ton quantities of cocaine to the U.S. and Europe via Panama and Mexico. On January 3, 2006, a two-count indictment was rendered by the U.S. District Court for the District of Columbia, alleging that Gareth Lewis, his father Jeffrey Lewis, and five co-conspirators were in violation of Title 21, U.S. Code (USC), Sections 863 and 959, conspiring to transport cocaine into the U.S. In support of Operation Windjammer, the Kingston CO played a significant role in obtaining vital evidence that was utilized to implicate the Lewis' and members of their drug trafficking organization in a conspiracy to transship cocaine into the U.S. As evidenced by this indictment, Operation Windjammer was tailored to assist DEA via host nation counterparts in pursuing Priority Target and/or significant narcotics traffickers impacting the U.S. via Jamaica. There were seizures in this investigation in Colombia in excess of 1,400 kg of cocaine. In 2006, Operation Windjammer seized 195 pounds of hash oil and 7,052 pounds of marijuana, and effected eight arrests.

1st Quarter FY2006 (October 1, 2005-December 31, 2005)

- **The Government of Afghanistan passed comprehensive counter narcotics legislation prohibiting the manufacture and trafficking of narcotics in December 2005.** The law

includes the standardization of penalties and the authorization of modern law enforcement techniques.

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

Communications via the Internet and parcel distributions were the core of these companies' operations. The websites showcased the products and offered an email address to exchange prices and tracking numbers, and provided ordering and payment instructions. They used U.S.-based email addresses and listed each manufacturer utilizing a business website to place their products in the hands of American consumers. Some manufacturers provided direct referrals to distributors through the "Contact Us" section of the websites. The steroids were smuggled into the United States, and shipped to customers. Additionally, steroids from the eight companies were shipped to U.S. traffickers, who re-sold the products to their customers. Financial transactions were primarily done via Western Union wire transfers, as well as bank transfers and credit card payments. These groups also supplied numerous pharmacies along the U.S./Mexico border, where U.S. customers could purchase steroids and smuggle them back across the border into the United States. To date, nine individuals have been arrested pursuant to this investigation, as well as seizures of assets and steroids.

- **Seizure of 39 kg of Heroin.** On October 29, 2005, DEA's Santo Domingo, Dominican Republic CO and members of one of its sponsored units, (Inteligencia Operativa) at the Dirreccion Nacional De Control De Drogas, seized 39 kg of heroin. The seizure was a result of an undercover operation involving a confidential source and extensive surveillance. As a result of the operation, five individuals were arrested; four Colombian Nationals and one Venezuelan national. All were conducting their drug trafficking activities within the Dominican Republic.
- **Historic Extradition of Cocaine Kingpin and Four Criminal Associates from Curacao To New York.** On October 5, 2005, the historic extradition of cocaine kingpin James Yezid VALENCIA Rugeles, aka "Matador," and four of his associates from the Netherlands Antilles to New York, for the alleged trafficking of \$88 million worth of cocaine was announced. VALENCIA Rugeles, along with Mario ALBERTO Valencia, James Jesus VALENCIA Munevar, Oscar DIAZ Mejia, and Xiomara DIAZ Mejia were arraigned in Manhattan, where they were ordered to be held for appearance at the U.S. District Court. These extraditions rise from the first-ever joint Curacao-U.S. investigation of a major drug organization and represent the culmination of an international law enforcement operation conducted by the New York Drug Enforcement Task Force, DEA's Caribbean Field Division, the Colombian National Police, and law enforcement agencies of the Netherlands Antilles. The indictment alleges that the VALENCIA Rugeles ran an organization responsible for massive cocaine smuggling and transported tons of cocaine to St. Maarten, and ultimately Puerto Rico and the U.S. During the course of the investigation, law enforcement officers seized approximately 4,438 kg of cocaine worth more than \$88 million on New York City streets. If convicted, each defendant faces a maximum sentence of life in prison and a mandatory minimum term of 10 years imprisonment.

2nd & 3rd Quarter FY2006 (January 1, 2006-June 30, 2006)

- **Arrest of Jose Adolfo HURTADO-Paz.** On July 4, 2006, Jose Adolfo HURTADO-Paz was arrested in Buenaventura and is currently in jail in Colombia awaiting extradition to Miami, FL or Washington, D.C. HURTADO-Paz was a fugitive involved in coordinating multi-ton shipments of cocaine via fishing vessels for the RAYO-Montano DTO on the eastern Pacific side of Colombia. DEA's Cartagena Resident Office and the Colombian National Police (CNP) Anti-Narcotics Unit (ANTIN) are actively pursuing eight other fugitives in Colombia in relation to this case. DEA Cartagena continues to coordinate the financial investigation of the Colombian-based RAYO-Montano DTO with the CNP-ANTIN SIU FIT, and has identified approximately \$61 million in properties, vehicles, businesses, and fishing vessels.
- **Arrest and Extradition of Roger KAHN.** On June 29, 2006, Roger KAHN, leader of a Guyana-based DTO, was successfully extradited via an arrest warrant issued out of the Eastern District of New York. KAHN was apprehended in Suriname, turned over to the DEA, and transported to the U.S. KAHN is currently in custody in New York pending drug trafficking charges. KAHN was responsible for significant amounts of narcotics shipped via maritime, air, and go-fast boats from Guyana, Suriname, and the Eastern Caribbean region.
- **Fentanyl Laboratory Seized in Mexico.** As a result of Chemical and Drug Identification training received from DEA and INL, on May 21, 2006, Mexican officials seized an operational fentanyl laboratory in Toluca, Estado de México, Mexico. It is suspected that kg quantities of fentanyl were produced in this laboratory and sent to the United States.
- **Consolidated Priority Organization Target (CPOT) Zeev ROSENSTEIN Arrested.** On November 8, 2004, the DEA Miami Division reported the arrest of CPOT Zeev ROSENSTEIN by the Israeli National Police in Tel Aviv, Israel. The arrest is the result of a three-year investigation and September indictment of ROSENSTEIN for trafficking MDMA in the U.S. District Court, Southern District of Florida. According to intelligence information, ROSENSTEIN was the leader of an Israeli criminal organization responsible for financing, coordinating and smuggling multi-million tablet shipments of MDMA from Belgium and Holland to the United States, Israel and Europe. Investigative information has linked ROSENSTEIN to a 2001 seizure in New York of 700,000 MDMA tablets and \$187,000 in U.S. currency. On February 16, 2006, the Israeli Justice Minister signed the extradition order allowing ROSENSTEIN to be extradited to Miami, Florida. On March 6, 2006, Rosenstein was transported to Miami, Florida. Subsequently, ROSENSTEIN was convicted in federal court and sentenced to 144 months prison.
- **DEA Kabul, National Interdiction Unit members, and Afghan Security Force Officers Seized 15 kg of Heroin and Arrested Haji Ahsanullah in Nangarhar Province,** in February 2006. This marked the first execution of a search warrant under the new Afghanistan Drug Law.

4th Quarter FY2006 (July 1, 2006-September 30, 2006)

- **Operational Mexican Methamphetamine Laboratory Seized.** On December 10, 2006, the Jalisco, Mexico fire department responded to a blazing fire at a ranch located in Tlajomulco de Zuniga, Jalisco, Mexico. As a result of Chemical and Drug Identification training received from DEA and INL, firemen discovered an operational methamphetamine laboratory containing 100 200-liter barrels of chemical substances used in the manufacture of methamphetamine. The main building contained approximately 100 55-gallon barrels of chemicals, multiple pressure cookers, and approximately 33 pounds of suspected finished methamphetamine.

- **Arrest of CPOT Pablo RAYO-Montano and Dismantlement of the RYAO-Montano Drug Trafficking Organization.** On May 16, 2006, CPOT Pablo RAYO-Montano was arrested as part of Operation Twin Oceans. The unprecedented level of cooperation and coordination between governments has enabled DEA to identify and target this worldwide DTO. Updated stats for the May 16, 2006, takedown include the arrest of 29 of 42 indicted targets; 52 additional targets arrested on local charges. Seizures include \$377,000 in Colombia, \$323,000 in Panama, and \$2,047,000 in Miami, for a total of \$2,747,000, combined with over \$100 million in assets.
- **Cash Seizure of \$829,716 by DEA's Kingston, Jamaica Country Office.** On May 15, 2006, the Kingston CO reported a significant seizure of \$829,716 in U.S. currency, which was being transported by four Colombian nationals. All four individuals were arrested and identified as members of a drug trafficking and money laundering organization. All defendants are in custody pending prosecution on money laundering charges. This seizure also attests to the continuing success and efficient sharing of information between DEA and Jamaican law enforcement officials.
- **DEA Fugitive Extradited from Mexico.** On November 30, 2006, DEA fugitive Javier Torres-Felix was extradited from Mexico to McAllen, Texas, under a U.S. indictment for conspiracy to import, manufacture and distribute cocaine. Javier Torres-Felix was a top lieutenant and close confidant for CPOT Ismael ZAMBADA-Garcia.
- **Arellano-Felix Brother Extradited from Mexico.** On September 16, 2006, Francisco Rafael Arellano-Felix was extradited from Mexico to Texas. Francisco Rafael Arellano-Felix was originally arrested in Mexico on December 4, 1993, and was in a Mexican jail. He is the older brother of CPOT Francisco Javier Arellano-Felix and Eduardo Ramon Arellano-Felix.
- **Seizure of 588 firearms in Pedro Juan Caballero, Paraguay.** On September 3, 2006, 588 firearms were seized in Pedro Juan Caballero, Paraguay. This seizure was the result of an investigation by the DEA Asuncion, Paraguay CO and the DEA-supported vetted unit (SENAD) of drug/firearms traffickers involved in a recent seizure of 318 firearms in Pedro Juan Caballero. Intelligence indicates that these firearms were destined for the violent Primero Comando de Capital (PCC) organization. A total of 906 firearms, consisting of shotguns, assault rifles, rifles, pistols, revolvers, and concealable pen guns have been seized from the PCC organization in Pedro Juan Caballero. Additionally, 8,000 rounds of rifle ammunition (7.62mm and 5.56mm), multiple silencers, and numerous M-16 magazines were seized, with a total value of \$600,000.
- **Extradition of Samuel Knowles on August 29, 2006.** On August 28, 2006, Samuel Knowles was extradited to the Southern District of Florida after fighting extradition from The Bahamas since 2002. In 2002, Knowles was designated by President Bush as an individual appropriate for sanctions under the Foreign Narcotics Kingpin Designation Act (21 USC 1901-1908), an act that targets, on a worldwide basis, significant foreign traffickers and their organizations and operations. Knowles' organization was responsible for the importation/distribution of multi-ton quantities of cocaine and marijuana to the U.S. from The Bahamas. Knowles is charged with importing, via high performance speedboats, approximately 1,644 kg of cocaine and 879 pounds of marijuana. Additionally, over \$2.5 million in drug proceeds was seized from Knowles' organization.
- **Extradition of CPOT Manuel Hoover SALAZAR-Espinosa.** On August 22, 2006, Manuel Hoover SALAZAR-Espinosa was extradited from Colombia to the U.S. SALAZAR-Espinosa was indicted for violations of Title 21 in the Southern District of New York and is also the subject of a second indictment returned in the Southern District of Florida. SALAZAR-Espinosa, aka "Hoover Salazar," is the subject of superseding indictment 05 CR 517, which

was returned in the Southern District of New York on June 28, 2005. The indictment charged SALAZAR-Espinosa with violations of 21 USC 812, 21 USC 952, 21 USC 959, 21 USC 960, and 21 USC 963 of the Controlled Substances Act. Additionally, SALAZAR-Espinosa was charged with violations of 18 USC 2, and 18 USC 1956. This indictment also includes criminal forfeiture penalties pursuant to 21 USC 853, 21 USC 959, 21 USC 963, and also 18 USC 982, 1343 and 1956.

- **Cash Seizure of \$1,345,842.** On August 17, 2006, \$1,345,842 was seized in Freeport from a Haitian DTO operating in The Bahamas.
- **Arellano-Felix Brother and Associates Arrested.** Based on an ongoing investigation, on August 14, 2006, the U.S. Coast Guard arrested Francisco Javier Arellano-Felix and two of his lieutenants, Arturo Villareal-Heredia and Marco Villanueva-Fernandez, and turned them over to DEA San Diego. In December of 2003, a grand jury in the Southern District of California returned an indictment against Francisco Javier Arellano-Felix and several other members of the Arellano-Felix drug trafficking organization charging them with violating the Racketeering Act, a Continuing Criminal Enterprise, Conspiracy to Import and Distribute a Controlled Substance, and Aiding and Abetting in furtherance of a Criminal Conspiracy.
- **Seizure of 732.1 kg of Cocaine in Eastern Pacific Ocean [Galapagos Islands].** On August 5, 2006, a U.S. Navy vessel interdicted an unflagged go-fast vessel (GFV) with four crew members. Personnel from the Navy vessel boarded the GFV and discovered that the entire mid-ship and bow was filled with cocaine, resulting in a seizure total of 1,614 pounds. U.S. Navy personnel estimated that, based on its size, as much as 2.5 metric tons of cocaine was on board the GFV, however, due to fire on the vessel, an accurate total could not be ascertained. The Navy sank the GFV due to excessive fire damage.
- **Corrupt Member of the Afghan Ministry of Interior was Convicted and Sentenced to Ten Years Incarceration for Distributing Two kg of Heroin.** In August 2006, in an investigation jointly undertaken by DEA and the Counter Narcotics Police of Afghanistan, a corrupt member of the Afghan Ministry of Interior was convicted and sentenced to ten years incarceration for distributing two kg of heroin. The convicted individual, who held the rank of Lieutenant Colonel, was found guilty despite making threats against key members of the Afghan government. This investigation demonstrates the resolve of both governments in the fight against narcotics trafficking.
- **Training Results in Methamphetamine Laboratory Seizures in Mexico.** As a result of DEA and INL sponsored training in Chemical and Drug Identification on January 5, 2006, Mexican authorities raided a suspected methamphetamine laboratory and seized approximately 500 kg of methamphetamine, 770 kg of ephedrine, large amounts of precursor chemicals, and laboratory equipment. Also, on August 1, 2006 as a result of the same chemical recognition training, Mexican State Police officials discovered a methamphetamine laboratory in Jalisco, Mexico, and seized approximately 100 kg of methamphetamine.

1st Quarter FY-2007 (October-December 2006)

- **Extradition of North Valle Cartel Leader Jairo Aparicio-Lenis.** On October 21, 2005, Jairo Aparicio-Lenis, a leader of the North Valle Cartel, one of Colombia's most powerful cocaine trafficking organizations, was extradited to the U.S. to face racketeering and drug charges. Aparicio-Lenis arrived in Florida and was transferred to Washington, D.C., where he has been charged by a federal grand jury along with eight other leaders of the Norte Valle Cartel. The April 29, 2004, indictment charges the cartel leaders with violations of the Racketeer Influenced and Corrupt Organizations Act (RICO) and with distributing cocaine knowing and intending that it would be unlawfully imported into the U.S. The indictment alleges that the

Norte Valle Cartel bribed and corrupted Colombian legislators. According to the indictment, Aparicio-Lenis was a member of the Norte Valle Cartel responsible for laundering the cartel's cocaine proceeds. The cartel operated in the Norte Valle del Cauca region of Colombia, the cities of Cali and Buenaventura, Colombia, as well as Mexico and the U.S. If convicted, Aparicio-Lenis faces a maximum sentence of up to life imprisonment on the cocaine importation charges, and 20 years in prison for the RICO charge. On October 19, 2006, Jairo APARICIO-Lenis pled guilty to RICO Conspiracy, 18 USC 1962(d). The underlying conduct was money laundering, in excess of \$20 million for the North Valley Cartel. APARICIO-Lenis pled guilty in the Federal District Court for the District of Columbia. He is scheduled to be sentenced on January 26, 2007.

- **Arrest of Financial CPOT Gabriel PUERTA-Parra in Colombia.** On October 8, 2004, DEA's Bogotá, Colombia CO reported the arrest of Financial CPOT Gabriel PUERTA-Parra by the Colombian National Police Sensitive Investigative Unit in La Vega, Colombia. PUERTA-Parra, a former attorney for the Departamento Administrativo de Seguridad, the Colombian equivalent to the FBI, was indicted in the U.S District Courts for the District of Columbia and the Southern District of Florida, and charged with violation of the Racketeer Influenced and Corrupt Organization Act, conspiracy, cocaine trafficking, and money laundering. According to intelligence information, PUERTA-Parra was a key counselor and advisor to the North Valley Cartel since the 1980s, and an attorney for former Medellín Cartel leader Pablo Escobar. PUERTA-Parra utilized a large range of legitimate businesses including investment and real estate companies, agricultural enterprises, and currency exchanges to launder drug proceeds through the U.S., Mexico, Colombia, Ecuador, and Vanuatu. Puerta-Parra was extradited to the U.S. on May 23, 2006, and was sentenced to 135 months on December 14, 2006.
- **Arrest of Henry RODRIGUEZ-Gallego.** On November 8, 2006, Henry RODRIGUEZ-Gallego, aka "Negro," a principal member of the Alexander PAREJA-Garcia DTO, was arrested in Madrid, Spain, on an Interpol warrant as part of Operation Platinum Fist. This investigation involved extensive coordination among multiple nations and jurisdictions. The Policia Nacional de Uruguay's DGRTID (Uruguayan National Police's Anti-Drug Unit) and DEA's Buenos Aires, Argentina CO initiated the takedown of OPERATION CHIMED on September 5, 2006. Multiple search and arrest warrants were issued over the three-week takedown, resulting in the arrest of 34 individuals and seizure of 343 kg of cocaine, over \$190,000 bulk cash (euros and dollars), over 20 bank accounts containing approximately \$2,400,000 million USD, and approximately 13 properties. The DGRTID issued two additional Interpol international arrest warrants resulting in the arrest of the following fugitives in connection with this investigation: Alexander PAREJA-Garcia and Nazar CHEMAVONIAN-Panocian.
- **Malladi, Inc. Investigation.** The Malladi investigation, coordinated by DEA, targeted Malladi Inc. located in Edison, New Jersey, an importer of listed chemicals. Malladi imported over 87 tons of pseudoephedrine raw material into the United States in 2004 from India, and was a large supplier of ephedrine and pseudoephedrine to manufacturers of "gray market" products. The investigation revealed that Malladi provided inconsistent statements regarding the declared customers for the importation requests. As a result, in April 2005, DEA served an Administrative Inspection Warrant at MALLADI, Inc. The inspection revealed Malladi had intentionally imported and exported listed chemicals with the intent to evade the reporting requirements and violated numerous other civil and criminal violations. As a result of the findings, 5,200 kg of ephedrine and pseudoephedrine were seized from the location and an additional 46,000 kg of ephedrine was seized at the New Jersey and New York ports due to Malladi's failure to file the proper paperwork for the importations. Malladi, Inc. surrendered

both their import and export registrations. On October 11, 2006, DEA's New Jersey Field Division executed a Federal District Court Seizure Warrant in Kearny, NJ, and seized an additional 1,425 kg of pseudoephedrine from Malladi, as company officials had stored this list I chemical, since April 2005, at an unregistered location.

United States Coast Guard

Overview

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

Steel Web 2006 is fully aligned with the National Drug Control Strategy (NDCS), the National Interdiction Command and Control Plan (NICCP), national security and other directives complementing the contributions of our law enforcement (DOJ/DEA, DHS/ICE, CIS, CBP and local LEAs) and DoD partners in this effort.

Three pillars form the foundation of Steel Web 2006:

- **Flexible, Intelligence Driven Operations:** On an individual basis as well as being major source providers for Joint Interagency Task Force South (JIATF-S), USCG Operational Commanders aggressively conduct and support coordinated, flexible and dynamic operations in the transit zone in response to tactical intelligence and information.
- **International Engagement:** The Coast Guard continues to emphasize international partnering, including the planning and execution of both large and small-scale joint and combined operations, as well as the pursuit and judicious exercising of bilateral maritime agreements and International Maritime Interdiction Support (IMIS) arrangements throughout the theaters of operations. The Coast Guard also continues to coordinate operations with local, state, and federal law enforcement and Defense agencies.
- **Technological Initiatives:** Coast Guard is actively addressing operational shortfalls through research, developing and fielding detection, monitoring, and non-lethal endgame technologies, such as OPERATION NEW FRONTIER (ONF), to enhance effectiveness and greatly increase the chances for success against drug traffickers.

The keys to success of Steel Web 2006 have been adherence to the concept of centralized operational planning and decentralized execution, which includes maintaining the flexibility to respond to tactical intelligence and information; pursuit of international engagement opportunities, which occur at the tactical, theater and strategic levels; partnering with law enforcement officials of other nations, which helps develop indigenous interdiction forces and enhances the cumulative impact of interdiction efforts directed at drug traffickers in the region; and maintenance and training support through exportable training teams and resident training, which improves the effectiveness of our counternarcotics partners.

Combined Operations

The Coast Guard conducted several maritime counternarcotics combined operations in 2006 in coordination and/or cooperation with military and law enforcement forces from: Colombia, Jamaica, the United Kingdom and its Overseas Territories, Netherlands and Netherlands Antilles, Belgium, and France and its Overseas Territories. In FY2006, Law Enforcement Detachments (LEDET) conducting joint operations onboard British Naval Vessels seized a total of 10,201 pounds of cocaine.

International Agreements

There are now 26 bilateral maritime Counterdrug agreements in place between the U.S. and our Central, South American and Caribbean partner nations, moving toward our goal of eliminating safe havens for drug smugglers. In FY-2006, the USCG signed a set of operational procedures with the Bureau of Coastal Navy & Merchant Affairs of Ecuador, which facilitate cooperation in cases involving Ecuadorian flagged vessels suspected of engaging in maritime drug smuggling activities. In addition, the United States, Belize and France have signed and taken the necessary steps to bring the Caribbean Regional Maritime Counterdrug Agreement (CRA) into force; however, two more countries need to take action for the CRA to come into effect.

International Cooperative Efforts

In FY 2006, the Coast Guard undertook 64 drug smuggling events, which resulted in the seizure of 23 vessels, the arrest of 200 suspected smugglers, and the seizure of 234,337 pounds of cocaine and 9,059 pounds of marijuana. A number of the 64 events involved some type of foreign support or cooperation, either through direct unit participation, exercise of bilateral agreements, granting permission to board, or logistics support.

International Training and Technical Assistance

In FY 2006, the USCG provided International Training and Technical Assistance in support of drug interdiction programs through a variety of support efforts. The USCG Cutter GENTIAN completed her final patrol as the Caribbean Support Tender (CST). The GENTIAN was decommissioned after 7 years of strengthening cooperating nations' operational and maritime interdiction capabilities through training and maintenance support. Over her career, the CST provided hands-on training for over 5,500 students, including 80 international members that trained as part of the CST's multinational crew.

During GENTIAN's final patrol, 283 students from four countries received training in a variety of technical skills designed to build capabilities in military law enforcement including patrol, interdiction and boarding techniques, navigation, search and rescue, damage control, and medical response. The CST's INL-funded program to renew seized go-fast boats provided seven foreign maritime services with 26 refurbished law enforcement vessels. In FY 06, the CST also helped four countries make repairs to their small boat platforms. A dedicated three-person Technical Assistance Field Team (TAFT) provides engineering skills, boat assessment and repair contracting services to the boats belonging to countries in the Eastern Caribbean Regional Security System. USCG ships used the service's new legislative authority "to conduct training and technical assistance in conjunction with normal operations" in several countries to continue the USCG's international engagement mission.

Students are also taught by the USCG's International Training Division's Mobile Training Teams who deliver one-to-two-week long courses to student groups in the host nation. Typical courses include Maritime Law Enforcement (MLE) Boarding and Advanced Boarding Officer, Joint MLE Boarding, Maritime Operations Planning and Management, MLE Instructor, and Port Security/Port Vulnerability and Small Boat Operations. Courses consist of formal classroom instruction with

either on-board or on-locale hands-on skill training. In FY 2006, 922 students from 45 countries from around the world received instruction.

Individual students also receive instruction in USCG resident training programs. These students develop a broad range of skills from boat handling and boat and engine repair to senior officer leadership training. In FY 2006, 125 students from 51 partner nations enrolled in resident courses at USCG training installations.

U.S. Customs and Border Protection

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

CBP is an integrated border control agency that operates at a high level of efficiency and integrity. On the average day, CBP processes 1.1 million passengers and pedestrians, 70,900 containers by land and sea, 240,737 incoming international air passengers, 71,151 passengers/crew arriving by ship, 327,042 incoming privately owned vehicles; seizes \$157,800 in undeclared or illicit currency, 1,769 pounds of narcotics; and arrests 3,000 fugitives or violators at or between ports of entry; all while facilitating commercial trade and collecting \$84,400,000 in fees, duties and tariffs. The State Department Bureau for International Narcotics and Law Enforcement Affairs and CBP promote international cooperation through interagency agreements providing training and assistance programs on a global scale. These agreements enable CBP to deliver a variety of training, high-tech tools, and management strategies for combating transnational crime, thereby promoting international law enforcement.

International Training and Assistance

In 2006, CBP provided technical training and assistance in support of the International Law Enforcement Academy (ILEA) programs, currently operating in Bangkok, Budapest, Gaborone, and Latin America. The mission of the ILEA is to promote social, political, and economic stability by combating crime. To achieve this goal, ILEA provides high-quality training and technical assistance, supports institution building and enforcement capability and fosters improved relationships between American law enforcement agencies and their counterparts in the region.

ILEA encourages strong partnerships among regional countries to address common problems associated with criminal activity. CBP has supported ILEA programs by developing and conducting specialized training on topics, which include Land Border Interdiction; International Controlled Deliveries and Drug Investigations (conducted jointly with the Drug Enforcement Administration); Complex Financial Investigations (conducted jointly with Immigration and Customs Enforcement); Intellectual Property Rights Investigations (conducted with the Federal Bureau of Investigation); and a Customs Forensics Lab course. In 2006, CBP provided assistance for twelve different ILEA programs.

In 2006, agents from the Border Patrol Tactical Unit (BORTAC), in coordination with the Department of State, conducted training and acted in an advisory capacity to law enforcement personnel in 2 Central American countries. Border Patrol Tactical Unit (BORTAC) is CBP's national special response team which has a mission to respond to terrorist threats of all types - anywhere in the world - in order to protect our nation's homeland.

Since its inception in 1984, BORTAC has developed and maintained a motivated and well-trained tactical cadre able to meet a constantly evolving threat. The BORTAC Strategic Plan provides a

blueprint for increasing BORTAC's capabilities, through training and personnel development, to support missions addressing various threats to national security.

BORTAC agents were deployed to Panama, to support the Panamanian Government and Law Enforcement Office at traffic checkpoints. BORTAC representatives were also deployed to remote locations to conduct, interdiction and checkpoint operations, as well as operational planning and maritime operations.

In March, April and May 2006, BORTAC provided the Government of Ecuador with a Mobile Training Team (MTT). The MTT provided basic tactical pistol and officer safety training to the Ecuadorian National Police (ENP). BORTAC agents also coordinated, developed, and implemented training sessions consisting of basic firearms skills, basic tactical weapons skills, personal protection tactics, and ground defense. Those training sessions were conducted in four geographic locations within Ecuador and the MTT successfully trained 156 ENP personnel, including members from four Ecuadorian special unit and anti-narcotics teams.

Port Security Initiatives

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

Through CSI, CBP officers work with host customs administrations to establish security criteria for identifying high-risk containers, using non-intrusive technology to quickly inspect high-risk containers before they are shipped to U.S. ports. Additional steps are taken to enhance the physical integrity of inspected containers while they are shipped to the U.S. A total of 50 foreign ports were "CSI operational" at the end of 2006, with plans to continue expansion in 2007 and beyond.

Plan Colombia

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

Customs Mutual Assistance Agreements

CBP provides a portion of U.S. support, provided to host nations under Customs Mutual Assistance Agreements (CMAAs). CMAAs provide for mutual assistance in the enforcement of customs-related laws. Under CMAA protocols, CBP provides assistance to its foreign counterparts in the collection of evidence for criminal cases. U.S. courts have ruled that evidence - gathered via these executive agreements - is fully admissible in U.S. court cases.

Training in the United States

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

Canine Training. CBP's Canine Enforcement Training Center (CETC) continues to provide training courses, designed to assist foreign countries in the proper use of detector dogs. CETC provides each country a clear and logical framework for the initial training and employment of detector dog teams for the successful interdiction of smuggled narcotics, explosives, and currency. CETC provides support to countries in the initial development and evaluation of canine training programs, as well as the enhancement of existing canine interdiction and breeding programs. Training is provided to federal police and customs officers, trainers, and supervisors on all facets of canine training and utilization. Over the past 28 years, over 500 officers - representing over 50 countries - have been trained at the CETC in Front Royal, Virginia. Recently, canine training has been provided to Peru and Brazil, with continuing support to canine programs being provided to Trinidad, Israel, Kazakhstan, and Trinidad.

Training in Host Countries

Overseas Enforcement Training. This training combines formal classroom training and field exercises for host nation border control personnel. The curriculum includes narcotics interdiction, identifying falsified/forged travel documents, effective targeting and search techniques, risk management and the identification of terrorist tools – all in a border context. In 2006, this training was provided to over 1,500 participants in 17 countries.

Short Term Advisory Training. This training allows on-site CBP experts to assist host government agencies with selected projects, such as building institutions and improving interdiction capabilities. These may focus on specific narcotics threats, port security initiatives and the counterproliferation of Weapons of Mass Destruction (WMD). CBP advisors are also deployed to help with host nation strategic planning, commercial processing, investigations, canine enforcement, automation and border/trade facilitation. In 2006, many CBP short-term advisors were fielded to various countries in Latin America and the Caribbean.

Integrity/Anti-Corruption Training. This training is designed to promote professionalism and integrity within the workforce of those agencies that are particularly vulnerable to bribery and corruption. The focus is on integrity awareness and development of internal investigation capabilities and organizations. In 2006, this training was provided to 120 participants in 3 countries.

Looking Ahead

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

In 2007, CBP's will continue its border security mission through its initiatives that secure the supply chain of international cargo destined to the U.S. CBP's international missions will also focus on evaluating and prioritizing the needs of countries seeking assistance in capacity building. CBP will place continued emphasis on evaluating the effectiveness of all its programs and CBP advisors will be deployed to assist countries in improving their border security operations and in meeting recognized international standards for security and reporting.