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Bureau for International Narcotics and Law Enforcement Affairs

International Narcotics Control Strategy Report

Volume I

Drug and Chemical Control

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Common Abbreviations

APEC	Asia-Pacific Economic Cooperation
AFRICOM	U.S. Military Command for AFRICA
ARS	Alternative Remittance System
ASEAN	Association of Southeast Asian Nations
ATS	Amphetamine-Type Stimulants
CARICC	Central Asia Regional Information Coordination Center
CBP	Customs and Border Protection
CBRN	Caribbean Basin Radar Network
CFATF	Caribbean Financial Action Task Force
CICAD	Inter-American Drug Abuse Control Commission
DARE	Drug Abuse Resistance Education
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOJ	Department of Justice
DOS	Department of State
DTO	Drug Trafficking Organization
ECOWAS	Economic Community of West African States
ESF	Economic Support Fund
EU	European Union
EUCOM	U.S. Military Command for Europe
EXBS	The Export Control and Related Border Security Assistance (EXBS) Program
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FinCEN	Financial Crimes Enforcement Network
FIU	Financial Intelligence Unit

FSA	FREEDOM Support Act
GCC	Gulf Cooperation Council
IBC	International Business Company
ICE	Immigration and Customs Enforcement
ICITAP	International Criminal Investigative Training Assistance Program
ILEA	International Law Enforcement Academy
IMF	International Monetary Fund
INCB	International Narcotics Control Board
INCSR	International Narcotics Control Strategy Report
INM	See INL
INL	Bureau for International Narcotics Control and Law Enforcement Affairs/(Matters)
IRS	Internal Revenue Service
IRS-CID	Internal Revenue Service, Criminal Investigation Division
JICC	Joint Information Coordination Center
JIATF-S/-W	Joint Interagency Task Force South and Joint Interagency Task Force West
LEDET	Law Enforcement Detachment, frequently embarked on patrol vessels
MAOC-N	Maritime Analysis and Operations Centre-Narcotics
MLAT	Mutual Legal Assistance Treaty
MOU	Memorandum of Understanding
NAS	Narcotics Affairs Section (U.S. Embassy)
NBRF	Northern Border Response Force
NCIS	Naval Criminal Investigative Service
NIDA	National Institute of Drug Abuse
NNICC	National Narcotics Intelligence Consumers Committee
OAS	Organization of American States

OAS/CICAD	Inter-American Drug Abuse Control Commission
OFC	Offshore Financial Center
ONDCP	Office of National Drug Control Policy
OPBAT	Operation Bahamas, Turks and Caicos
OPDAT	Office of Overseas Prosecutorial Development Assistance and Training
RLA	Resident Legal Advisor
SCIBM	South Caucasus Integrated Border Management program
SECI	South East Europe Cooperative Initiative
SEED	Support for East European Democracy Act (1994)
SOCA	(British) Serious Organized Crime Agency
SOUTHCOM	U.S. Military Command for the Caribbean, Central, and South America
SUBUTEX	Brand name for Buprenorphine, used in the treatment of addictions, but also diverted and abused as an opiate drug
TI	Transparency International
TIR Truck	Trucks inspected and sealed by Customs at point of origin. (Transport International Routier)
UN Convention	1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
UNODC	United Nations Office for Drug Control and Crime
USAID	Agency for International Development
USCG	United States Coast Guard
USG	United States Government
WMD	Weapons of Mass Destruction
ha	Hectare
HCl	Hydrochloride (cocaine)
Kg	Kilogram
Mt	Metric Ton

International Agreements

1988 UN Drug Convention -- United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988

UN Single Drug Convention – United Nations Single Convention on Narcotic Drugs, 1961 as amended by the 1972 Protocol

UN Psychotropic Substances Convention – United Nations Convention on Psychotropic Substances, 1971

UNCAC - UN Convention against Corruption

UN Convention against Transnational Organized Crime – UNTOC
--- and its supplementing protocols:

Trafficking in Persons Protocol -- Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime

Migrant Smuggling Protocol -- Protocol against the Smuggling of Migrants by Land, Air and Sea, supplementing the United Nations Convention against Transnational Organized Crime

Firearms Protocol -- Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime

INTRODUCTION

Legislative Basis for the INCSR

The Department of State's International Narcotics Control Strategy Report (INCSR) has been prepared in accordance with section 489 of the Foreign Assistance Act of 1961, as amended (the "FAA," 22 U.S.C. § 2291). The 2012 INCSR, published in March 2012, covers the year January 1 to December 31, 2011 and is published in two volumes, the second of which covers money laundering and financial crimes. In addition to addressing the reporting requirements of section 489 of the FAA (as well as sections 481(d)(2) and 484(c) of the FAA and section 804 of the Narcotics Control Trade Act of 1974, as amended), the INCSR provides the factual basis for the designations contained in the President's report to Congress on the major drug-transit or major illicit drug producing countries initially set forth in section 591 of the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (P.L. 107-115) (the "FOAA"), and now made permanent pursuant to section 706 of the Foreign Relations Authorization Act, Fiscal Year 2003 (P.L. 107-228) (the "FRAA").

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

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

Several years ago, pursuant to The Combat Methamphetamine Enforcement Act (CMEA) (The USA Patriot Improvement and Reauthorization Act 2005, Title VII, P.L. 109-177), amending sections 489 and 490 of the Foreign Assistance Act (22 USC 2291h and 2291) section 722, the INCSR was expanded to include reporting on the five countries that export the largest amounts of methamphetamine precursor chemicals, as well as the five countries importing the largest amounts of these chemicals and which have the highest rate of diversion of the chemicals for methamphetamine production. This expanded reporting, which also appears in this year's INCSR and will appear in each subsequent annual INCSR report, also includes additional information on efforts to control methamphetamine precursor chemicals, as well as estimates of legitimate demand for these methamphetamine precursors, prepared by most parties to the 1988 UN Drug Convention and submitted to the International Narcotics Control Board. The CMEA also requires a Presidential determination by March 1 of each year on whether the five countries that legally exported and the five countries that legally imported the largest amount of precursor chemicals (under FAA section 490) have cooperated with the United States to prevent these substances from being used to produce methamphetamine or have taken adequate steps on their own to achieve full compliance with the 1988 UN Drug Control Convention. This determination may be exercised by the Secretary of State pursuant to Executive Order 12163 and by the Deputy Secretary of State pursuant to State Department Delegation of Authority 245.

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

In attempting to evaluate whether countries and certain entities are meeting the goals and objectives of the 1988 UN Drug Convention, the Department has used the best information it has available. The 2012 INCSR covers countries that range from major drug producing and drug-transit countries, where drug control is a critical element of national policy, to small countries or entities where drug issues or the capacity to deal with them are minimal. The reports vary in the extent of their coverage. For key drug-control countries, where considerable information is available, we have provided comprehensive reports. For some smaller countries or entities where only limited information is available, we have included whatever data the responsible post could provide.

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

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

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

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

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

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

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

(C) major money laundering countries.

These countries are identified below.

Major Illicit Drug Producing and Major Drug-Transit Countries

A major illicit drug producing country is one in which:

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

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

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

A major drug-transit country is one:

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

(B) through which are transported such drugs or substances. FAA § 481(e)(5).
The following major illicit drug producing and/or drug-transit countries were identified and notified to Congress by the President on September 15, 2011, consistent with section 706(1) of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107-228):

Afghanistan, The Bahamas, Belize Bolivia, Burma, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, India, Jamaica, Laos, Mexico, Nicaragua, Pakistan, Panama, Peru, and Venezuela.

Of these 20 countries, **Bolivia, Burma, and Venezuela** were designated by the President as having "failed demonstrably" during the previous 12 months to adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. The President determined, however, in accordance with provisions of Section 706(3)(A) of the FRAA, that continued support for bilateral programs in Bolivia and limited programs in Venezuela are vital to the national interests of the United States.

Major Precursor Chemical Source Countries

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

Argentina, Brazil, Canada, Chile, China, Germany, India, Mexico, the Netherlands, Singapore, South Korea, Taiwan, Thailand, the United Kingdom, and the United States.

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

Major Money Laundering Countries

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

Afghanistan, Argentina, Antigua and Barbuda, Australia, Austria, Bahamas, Belize, Bolivia, Brazil, British Virgin Islands, Burma, Cambodia, Canada, Cayman Islands, China, Colombia, Costa Rica, Curacao, Cyprus, Dominican Republic, France, Germany, Greece, Guatemala, Guernsey, Guinea-Bissau, Haiti, Hong Kong, India, Indonesia, Iran, Iraq, Isle of Man, Israel, Italy, Japan, Jersey, Kenya, Latvia, Lebanon, Liechtenstein, Luxembourg, Macau, Mexico, Netherlands, Nigeria, Pakistan, Panama, Paraguay, Philippines, Russia, Singapore, Somalia, Spain, St. Maarten, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Venezuela, and Zimbabwe.

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

Presidential Determination

THE WHITE HOUSE
WASHINGTON

September 15, 2011

Presidential Determination No. 2011-16

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Presidential Determination on Major Illicit Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2012

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

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

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

I have also determined; in accordance with provisions of section 706(3) (A) of the FRAA, that support for programs to aid Bolivia and Venezuela are vital to the national interests of the United States. Afghanistan remains the world's largest producer of opium poppy and a major source of heroin. Primary trafficking routes from Afghanistan, where poppy cultivation is still mostly confined to the southern and western provinces, are through Iran to Turkey and Western Europe; through Pakistan to Africa, Asia, and the Middle East; and through Central Asia to the Russian Federation.

Helmand Province remains the largest grower of opium poppy in Afghanistan, but the Provincial Government's innovative Food Zone program, which provides farmers with wheat seed and fertilizer in exchange for a pledge not to grow poppy, coupled with credible law enforcement, has reduced Helmand's poppy cultivation by a third, to 69,883 hectares in 2009 and even further to 65,043 hectares in 2010. The U.S.-funded Governor Led Eradication (GLE) program has demonstrated progress in Helmand with 2,111 hectares eradicated by the end of May 2011. To date during 2011, a total of 3,827 hectares of 'GLE has been verified in 17 provinces throughout the country, an increase of more than 45 percent in eradication over the same time last year.

Although the amount of opium poppy cultivated in Pakistan is much less than Afghanistan, the country continues to qualify as a major drug producing country, with an estimated 1,700 hectares of opium poppy under cultivation. The country also remains a major transit country for opiates and hashish for markets around the world and is a transit country for precursor chemicals illegally smuggled to Afghanistan, where they are used to process heroin. Bilateral cooperation between Pakistan and the United States continues to support Pakistan's goal of returning to poppy-free status. United States Government support focuses especially on upgrading the institutional capacity of Pakistan's law enforcement agencies.

A number of indicators qualify the addition of El Salvador and Belize to the Majors List along with the remainder of Central American countries on the isthmus connecting South America to North America.

El Salvador, located between Guatemala and Nicaragua along the Pacific coastline and sharing an eastern border with Honduras, is subject to a number of factors making it vulnerable to the drug trade flowing to the United States from South America. The International Narcotics Control Board describes El Salvador as part of the so-called "northern triangle" with Guatemala and Honduras where "national gangs are forming alliances with international criminal syndicates." According to the most recent U.S. interagency assessment of cocaine flows, the amount of this illicit substance passing through El Salvador destined directly for the United States was estimated at 4 metric tons in 2009.

The most recent U.S. assessment for Belize estimates the flow of drugs destined for the United States through this Central American country on the Caribbean coast at about 10 metric tons. Belize's vulnerability as a south-north avenue for the illegal narcotics trade is also demonstrated by recent drug and weapons seizures in Mexico along the border it shares with Belize. United States officials also report that drug control observers in Belize are increasingly concerned about the presence of drug trafficking organizations, including Los Zetas of Mexico, in the country's border areas and in coastal ports.

Considering the Central American region as a whole, the United States Government estimates that as much as 90 percent of some 700 metric tons of cocaine shipped annually from Colombia and other producing nations intended for the U.S. markets passes through the countries of Central America. This situation is an important element prompting the Central American Citizen Security Partnership, which I announced in March 2011. Through this partnership, the United States is working to refocus the impact of assistance through the Central American Regional Security Initiative (CARSI) and enhance the impact of complementary United States Government non-CARSI citizen safety and rule of law programs. Countries in the region are increasing coordination through the Central American Integration System, a combined effort to promote citizen security and economic prosperity, including programs aimed at thwarting the drug trade.

International documentation shows continued strengthening of illegal drug trafficking ties between South America and West Africa. West Africa is the closest point to South America for transatlantic purposes, and its close proximity to southern Europe provides a natural gateway to European drug markets. Porous borders, inadequate law enforcement, and corruption create a permissive environment for the illegal drug trade. West African linguistic connections among Brazil, Portugal, and Cape Verde may also contribute to narcotics trafficking. According to the U.S. assessment of cocaine movement, about a third of cocaine destined for Europe passed through West Africa in 2009. The 2011 U.N. World Drug Report also states there are reports that cocaine from Latin America is being stockpiled in some West African countries for future distribution to Europe in smaller quantities.

Despite the range of domestic challenges, including corruption, West African countries have begun to consider narcotics control as a top national security priority. For example, in 2010, Liberian law enforcement successfully uncovered and interdicted a cache of cocaine valued at $100 million. A number of U.S. projects in West Africa are aimed at improving drug interdiction and investigation capabilities.

The assistance provided by international donors and organizations to West African governments to improve their counternarcotics capability is increasingly urgent. The United States welcomes fresh impetus in 2010 and 2011 from the international community, especially the United Nations and the European Union, to make Africa a priority for drug-control assistance, to promote and protect the stability and positive growth of countries in Africa.

The stealth with which both marijuana and synthetic drugs such as MDMA (ecstasy) and methamphetamine are produced in Canada and trafficked to the United States makes it difficult to measure the overall impact of this smuggling. However, a special report prepared in May 2011 by the U.S. Drug Enforcement Administration states that the threat posed by MDMA trafficking from Canada to and within the United States is significant." For example, in April 2011, a seizure of 20 pounds of MDMA from a Canada-based trafficking group was made by U.S. law enforcement in Plattsburg, New York. The United States pledges a more robust engagement and dialogue with Canada to reduce the shared problem of illegal drug trafficking. The results of this bilateral redoubling of drug-control cooperation will be considered in the framework of next year's Presidential Determination.
You are hereby authorized and directed to submit this determination under section 706 of the FRAA, transmit it to the Congress, and publish it in the *Federal Register*.

/S/
Barack Obama

MEMORANDUM OF JUSTIFICATION FOR MAJOR ILLICIT DRUG TRANSIT OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2012

Bolivia
During the past 12 months, the Government of Bolivia has failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to uphold the counternarcotics measures set forth in Section 489 (a) (1) of the Foreign Assistance Act (FAA) of 1961, as amended.

The United States recognizes that Bolivia has taken some steps to stem illegal drug trafficking and production, and remains committed to the bilateral dialogue designed to establish the basis for a cooperative and productive relationship, especially to agree on joint actions to be taken regarding issues of mutual interest, including counternarcotics.

During the last year, the United States maintained its support for the Government of Bolivia's counternarcotics programs. The Bolivian government's efforts, particularly those supported by the United States Government, continued to achieve some goals in interdiction and eradication. However, after Peru and Colombia, Bolivia remains the world's third largest producer of coca leaf for cocaine and other illegal drug products.

Bolivia's ability to interdict drugs and major traffickers has diminished following its announcement in 2008 to expel U.S. Drug Enforcement Administration (DEA) personnel, while the country's performance in targeting and dismantling foreign drug trafficker organizations operating in Bolivia has improved marginally in recent years. This achievement is through Bolivia's national efforts and cooperation with neighboring countries, most notably Brazil. Expelling DEA has seriously harmed Bolivia's counternarcotics capability, especially in regard to interdiction. Taken as a whole, eradication and interdiction results have not been adequate to compete with the rising drug trends that have brought Bolivia back to high coca cultivation and cocaine production levels.

The 2010 United States Government coca cultivation estimate for Bolivia of 34,500 hectares was slightly lower than the 2009 estimate of 35,000 hectares. The U.N. Office of Drugs and Crime estimated 31,100 hectares of cultivation for 2010, a slight increase over its 2009 estimate of 30,900 hectares. While Bolivia has not yet reversed the increases in net coca cultivation of the past several years, it appears that production has stabilized. The latest United States Government estimate of pure cocaine potential production remained at the 2008-2009 levels of 195 metric tons. At this level, according to the 2011 U.S. International Narcotics Control Strategy Report, the latest production potential estimate is 70 percent higher than in 2006.

Moreover, Bolivia did not maintain adequate controls over licit coca markets to prevent diversion to illegal narcotics production or close illegal coca markets, and it failed to develop and execute a national drug strategy. Bolivia's efforts to amend the United Nations' 1961 Single Convention on Narcotics Drugs with the aim of removing references to traditional uses for coca leaf including coca leaf chewing were unsuccessful, and the country has since presented a denunciation to the United Nations that makes its withdrawal effective January 1, 2012. Bolivian government officials say the country will immediately apply to rejoin the Convention, with the reservation that it does not recognize the Convention ban on chewing coca leaf. Bolivia is a signatory to the 1971 and 1988 United Nations Conventions.

Bolivia has taken some narcotics control actions in the past year, but taken as a whole, the country has made a negligible contribution to the worldwide effort to control drugs, thus justifying the "failed demonstrably" finding again for the country. Government policies and actions are not in line with international drug control standards. These include what many countries, and drug control experts, consider Bolivia's promotion of the idea that coca leaf can be used generally for commercial products, as well as its de facto allowance of 20,000 hectares of legal cultivation, 8,000 more than the 12,000 limit set by the country's national law.

Unlike other coca growing countries, Bolivia has not implemented many of the U.N.-mandated controls over coca, where some cultivation is permitted for traditional use. The Bolivian government promotes a policy of "social control" of illicit and excess coca cultivation. The policy has diminished violence, but it has not yielded reductions in excess production. Bolivia does not have controls in place to strictly enforce licensing and registration for coca growers, possession of harvested crops, controls over licit markets, and ensuring "licit" products are de-alkalinized.

As a matter of policy, Bolivia does not encourage or facilitate illegal activity associated with drug trafficking, although there have been arrests of corrupt senior counternarcotics police officials, both inside and outside Bolivia, for facilitating drug shipments. In June 2011, former chief Bolivian counternarcotics officer, Rene Sanabria, pleaded guilty to U.S. Federal cocaine trafficking charges. Sanabria was the head of an elite drug intelligence unit at the time of his arrest.

Bolivia is encouraged to strengthen its efforts to achieve tighter controls over the trade in coca leaf and to stem diversion to cocaine processing, in line with international treaties; protect its citizens from the deleterious effects of drugs, corruption, and drug trafficking; and achieve net reductions in coca cultivation. For the near term, drug traffickers will continue to exploit opportunities to process abundant coca leaf available in Bolivia into cocaine base and cocaine HCL. To diminish Bolivia's appeal to drug traffickers, further government action is required to improve the legal and regulatory environment for security and justice sector efforts to effectively combat drug production and trafficking, money laundering, corruption, and other transnational crime, and bring criminal enterprises to justice through the rule of law.

Bolivia’s efforts during the past 12 months fall short of its obligations to the international community as

outlined in the United Nations conventions and bilateral agreements. In accordance with Section 481 (e) (4) of the FAA, the determination of having failed demonstrably does not result in the withholding of humanitarian and counternarcotics assistance. It is in the vital national interest of the United States to grant a waiver so that funding for other assistance programs may be allowed to continue.

MEMORANDUM OF JUSTIFICATION FOR MAJOR DRUG TRANSIT OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2012

Burma

During the past 12 months, the Government of Burma has failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to uphold the counternarcotics measures set forth in Section 489 (a) (1) of the Foreign Assistance Act of 1961 (FAA) , as amended. Although Burmese law enforcement authorities have had some successes in seizing illegal narcotics and closing down laboratories where they are produced, Burma's drug enforcement authorities have not suppressed drug production and trafficking

in the cease-fire enclaves primarily controlled by the United Wa State army and the Shan State's armies. Absent significant cooperation from the Burmese Army, other Burmese law enforcement units do not have sufficient resources to confront illegal drug trafficking organizations operating in these regions.

Opium cultivation, long on the decline in most regions of Burma, has been rising in the Shan State and to a lesser degree in Kayah State, with minimal response from the Burmese government. Moreover, Burmese production of methamphetamine-type stimulants continues to feed growing regional demand for these synthetic drugs in Thailand and China and markets much farther away. Narcotics control observers believe that many methamphetamine laboratories in Burma are co-located with opium poppy fields and heroin processing centers in cease-fire areas, not controlled by the Burmese government. Due to deficiencies in drug law enforcement, Burma has been unable to meet its international counternarcotics obligations.

The last opium yield survey in Burma was conducted in 2004. Opium yield surveys can be a useful tool in developing policies and concrete action based on facts rather than estimates. However, due to recent military unrest in Shan State between the Burmese government and ethnic armies, the Burmese government has prohibited travel to certain regions for poppy cultivation survey teams, citing concerns that the safety of such teams cannot be guaranteed.

The number of injecting drug users and consumers of amphetamines in Burma and the region continues to increase. Intravenous drug use contributes to the expansion of Burma's HIV/AIDS epidemic. Burma presents one of the most serious problems of illegal drug use in Asia. However, Burma's prevention and drug-treatment programs lack high-level government support and receive inadequate resources.

In 2009, opium poppy cultivation in Burma was 31,700 hectares, an estimated 11 percent increase over 2008 levels, according to the United Nations Office for Drugs and Crime. Poppy cultivation in 2010 was estimated to be as much as 80 percent higher than in 2009. This is in sharp contrast to most of the previous decade when opium poppy production significantly declined. According to official Burmese government statistics, law enforcement officers eradicated 4,087 hectares of opium poppy in 2009 and seized 1.77 million methamphetamine tablets between January and October 2010. Production of amphetamine type stimulants has increased dramatically, almost exclusively using precursor materials illegally shipped from India and China. The Burmese government has not responded to this development.

Despite some limited efforts to respond to narcotics production and trafficking, on balance Burma's response has been inadequate.

MEMORANDUM OF JUSTIFICATION FOR MAJOR DRUG TRANSIT OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2012

Venezuela

During the past 12 months, the Government of Venezuela has failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to uphold the counternarcotics measures set forth in Section 489(a) (1) of the Foreign Assistance Act of 1961 (FAA), as amended.

Venezuela's porous western border with Colombia, weak judicial system, inconsistent international counternarcotics cooperation, and generally permissive and corrupt environment make the country one of the preferred trafficking routes out of South America for drugs to consumer markets. As a matter of stated government policy, the Government of Venezuela does not encourage, support, or facilitate illegal activity associated with drug trafficking. However, individual members of the government and security forces were credibly reported to have engaged in or facilitated drug trafficking activities. Cocaine movement through Venezuela was estimated to be 250 metric tons in 2010. In the first 4 months of 2011, suspected narcotics trafficking flights departing from Venezuela increased approximately 28 percent over the same period in 2010.

Venezuela reported that it seized 63 metric tons of illegal marijuana and cocaine in 2010. While Venezuela publicly reports such seizures, it does not share the data or evidence needed to verify drug destruction. The country also published statistics on arrests and convictions for drug possession and trafficking, although no information was available on the nature or severity of the drug offenses. Effective prosecution of drug traffickers is hindered by corruption and a lack of judicial independence.

During the past 12 months, Venezuela transferred 3 major drug traffickers to the United States, including Jaime Alberto Marin Zamora, designated a Consolidated Priority Target in accord with the U.S. Foreign Narcotics Kingpin Act, and transferred 9 other fugitives wanted for drug trafficking to third countries.

Since ceasing formal cooperation with the U.S. Drug Enforcement Administration (DEA) in 2005, bilateral counternarcotics cooperation between Venezuela and the United States has been inadequate and conducted on a limited case-by-case basis. Cooperation has consisted mainly of informal information exchanges with remaining DEA representatives in Caracas, coordination of fugitive deportations from Venezuela to the United States, and maritime interdiction activities carried out by the U.S. Coast Guard (USCG). Venezuela continued to grant permission to the USCG to board Venezuelan-flagged vessels on the high seas suspected of being engaged in narcotics trafficking, and there were 6 such events in the past 12 months. Venezuelan authorities required that the USCG return all confiscated vessels, suspects, and contraband identified during these operations. There was no subsequent provision of information to U.S. officials regarding the drug trafficking organizations involved or the prosecution of suspects. Venezuela's limited counternarcotics cooperation with the United States draws into question the Venezuelan government's intent to uphold its international commitment to combat drug trafficking.

Despite requests from the United States, Venezuela has not signed the updated addendum to the 1978 Bilateral Counternarcotics Memorandum of Understanding that was negotiated in 2005. Venezuelan officials have stated publicly that the country will neither sign a bilateral agreement nor cooperate with the United States on counternarcotics.

The Government of Venezuela took some positive steps in the region regarding counternarcotics issues during the past year. As a part of its increased bilateral dialogue, the Venezuelan and Colombian

governments signed an anti-narcotics cooperation agreement. During the year, Venezuela captured and transferred to Colombia seven members of the Revolutionary Armed Forces of Colombia and the National Liberation Army. These groups rely heavily on drug trafficking to fund their operations and often seek safe haven in Venezuela. Media reports have alleged that some elements of Venezuela's security forces have directly assisted these organizations.

Venezuela is a party to all relevant international drug and crime control agreements, including the 1988 U.N. Convention.

A determination as having failed demonstrably does not affect funding for humanitarian and counternarcotics programs. A U.S. vital national interest waiver for Venezuela permits support for other programs critical to U.S. foreign policy interests.

POLICY AND PROGRAM DEVELOPMENTS

Overview

The 2012 U.S. Department of State International Narcotics Control Strategy Report (INCSR) underscores that political will and human determination are essential to countering the wide range of threats posed by illegal drugs and transnational organized crime.

As President Barack Obama stated in his October 2011 National Substance Abuse Proclamation, "The damage done by drugs is felt far beyond the millions of Americans with diagnosable substance abuse or dependence problems – countless families and communities also live with the pain and heartbreak it causes. Relationships are destroyed; crime and violence blight communities and dreams are shattered. Substance abuse touches every sector of society, straining our health care and criminal justice systems."

The international community has come to accept that citizen security, guided by the rule of law, is the core prerequisite to addressing the threat of illegal drugs and transnational organized crime.

The United States remains steadfast in its commitment to combat illegal drugs and transnational organized crime in partnership with willing nations around the world. U.S. policy support for drug related treaties and agreements – whether bilateral, regional or multilateral – is backed up by substantial human and financial resources; we know that worldwide commitment against transnational organized crime in all its forms ultimately lessens drug use and its consequences in our communities.

International agreements – especially the main U.N. drug, crime and corruption conventions – continue to serve as the policy framework to thwart the criminal fringes of society and sophisticated organized criminal enterprises. U.S. drug and crime control policy is integrated with – and supportive of – the broad foreign policy objectives of the United States.

Drug Demand Reduction: Individual country reports in this volume demonstrate that we have collectively deepened our understanding of how to prevent drug use and how to help those who succumb to drug abuse and dependence. Public officials and experts know, based on years of scientific study, that drug addiction is a chronic disease that is both preventable and treatable. In the United States, as in other countries worldwide, reducing drug consumption improves overall public health and safety and deprives violent international criminal organizations of income. In 2011, the U.S. Administration dedicated some $10 billion in federal funds to support drug demand reduction.

Recent studies in the United States reveal that, with the exception of marijuana, use of most illegal drugs – due in large measure to the effectiveness of drug awareness and treatment programs – has dropped dramatically. Overall, current illicit drug use in the United States has fallen by approximately one-third since the 1970s.

The Obama Administration has expanded the use of drug courts for non-violent offenders, collaborating with community coalitions, as an effective means of preventing drug use at the local level. Canada, Mexico, Argentina, Jamaica, and the United States, among others, are sharing with other countries their national drug court experiences as model alternatives to criminal incarceration for drug-involved offenders. Both the U.N. Office on Drugs and Crime (UNODC) and the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS) are supporting such international and regional collaboration for alternatives to incarceration, especially in the Caribbean and Central America.

Effectively confronting drug use is only possible with a strong understanding of each country's drug use trends. Throughout the world, unilaterally and with international support, countries are carrying out such studies, but they remain insufficient in terms of numbers, frequency and coverage. A methodical and strategic approach is necessary to address this complex issue.

Brazil, for example, has been proactive in identifying emerging drug threats. Anecdotal evidence about the alarming use of crack cocaine – even among very young children – had abounded for years, but was supported by little in the way of hard facts. Through a comprehensive national drug use survey, Brazil determined that crack cocaine use was prevalent throughout the entire country and launched a massive multi-billion dollar campaign to combat its trafficking and use. Now, other countries with crack cocaine use problems are adapting Brazil's National Plan to Combat Crack to their own national situations. Brazil's experience demonstrates the overriding importance of each country's ability to properly assess national drug use trends so that they may be addressed in timely way. To support these efforts, OAS/CICAD is helping to update old drug use studies and fostering the institution of new drug awareness programs in the western hemisphere.

Despite the absence of a definitive national drug survey for Afghanistan, the Afghan government and the international community assess that Afghanistan has one of the world's highest addiction rates. The problem is complicated by unprecedented addiction among women and children, and by the fact that Afghanistan is still in the early stages of developing a national treatment system where none previously existed.

Even so, the Afghan government is making progress on drug awareness, demand reduction and treatment. The 40 residential and outpatient drug treatment centers that have been established, with Colombo Plan technical assistance, are serving over 10,000 patients. The country has also developed numerous mosque-based outreach and aftercare centers and a pilot methadone clinic. Moreover, in six specialized clinics, Afghanistan has undertaken the world's first pilot programs to establish appropriate treatment programs for drug addicted youth, from birth to age 12. The Afghan government and the international community expect that continuing expansion of drug awareness initiatives and treatment facilities will help to reduce drug use and addiction problems in the country.

In addition to the traditional illicit drugs – cocaine, opium and heroin, and marijuana, many experts are concerned about a new drug use trend – the increasing use of synthetic drugs, especially methamphetamine and an array of heretofore unknown designer drugs. Many of these substances are manufactured using uncontrolled chemicals, giving them the veneer of legality. In November 2011, for example, the European Union (EU) reported the appearance of 38 new non-controlled psychoactive synthetic drugs and the growing popularity of poly-drug use – the habit of mixing different illegal mind-altering substances. Meanwhile, INCSR country chapters report that amphetamine-type stimulants are increasingly the drug of choice in many Asian countries. Some manufacturing occurs in the region, including in India, Iran, Burma and China, among others. However, India and China are increasingly important as sources of ephedrine and pseudo ephedrine, precursor chemicals used by drug traffickers elsewhere to produce methamphetamine.

The Americas: For decades, a central component of U.S. drug policy and foreign assistance has involved collaboration with international partners to disrupt trafficking organizations as well as the production and movement of drugs. Colombia, which successfully broke up powerful cartels bent on undermining the state itself, is an outstanding example. Colombia's National Consolidation Plan – the successor to Plan Colombia – is now focused beyond the bounds of traditional drug eradication, interdiction, demand reduction and alternative development to foster robust law enforcement capacity and effective economic development. These efforts are concentrated in regions threatened by drugs, crime

and terrorism due to their isolation from established infrastructures. Today, Colombia is sharing its lessons learned and training expertise with many other countries that are facing similar problems.

Mexico, with support from the United States under the Merida Initiative, has demonstrated its resolve to thwart brutal drug criminal enterprises operating within its borders. While the country is suffering from drug-related violence, Mexico in 2011 apprehended 22 high-profile drug traffickers. Mexico's federal law enforcement has demonstrated a commitment and increasing capacity to strike all levels of sophisticated criminal entities to break down their ability to operate. Mexican bilateral law enforcement cooperation with the United States continues to strengthen – in 2011 some 93 criminals were extradited from Mexico for prosecution in the United States, 31 were for narcotics-related offenses. In the same year, Mexico also arrested more than 11,000 Mexican nationals and 218 foreigners for drug-related charges.

In testimony before the U.S. Congress in 2011, William R. Brownfield, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs (INL), explained that "the courageous parallel efforts by President Calderon to reform Mexico's justice sector are absolutely necessary…the drug trafficking organizations today are battling one another for operational space once relatively uncontested and being squeezed by the Government of Mexico and U.S. assistance."

Both Colombia and Mexico are playing a pivotal leadership role in the seven- nation Central American Regional Security Initiative (CARSI). Drug trafficking in these Central American countries resulted in their inclusion on the annual U.S. Determination of Major Drug Trafficking and Producing Countries ("Majors List"). U. S. support for CARSI and the Caribbean Basin Security Initiative (CBSI) is aimed at supporting regional approaches to help these nations further cooperation on a range of transnational challenges.

Elsewhere in the region, the failure of Venezuela and Bolivia to comply fully with their international drug control obligations prompted President Obama to keep these countries on the U.S. drug Majors List with the notation that each failed to meet their international narcotics control obligations. Venezuela's uneven international drug control record is also plagued by documented official corruption. Meanwhile, Bolivia's government has withdrawn from the 1961 U.N. Drug Convention. In a precedent setting move, Bolivia in January 2012 informed the United Nations that it wants to re-accede to the 1961 Convention with a reservation on coca leaf. President Morales has stated Bolivia's goal of removing coca leaf from the Schedule I list of the 1988 UN Convention. State parties have twelve months to respond to the UN regarding Bolivia's proposal.

Southwest and Central Asia: Although there has been progress in combating the drug problem in Afghanistan, the country remains the number one producer and supplier worldwide of opium poppy for heroin production. UNODC reported a 7 percent increase in opium poppy cultivation in its 2011 report. U.S. Government figures showed a 3 percent decrease in opium poppy cultivation for the same period. Both sources reported a substantial increase in potential opium production. At the same time, a record 20 of Afghanistan's 34 provinces qualified for payments for alternative livelihoods through the U.S.-supported "Good Performers Initiative Fund" where opium poppy cultivation decreased by at least 10 percent. In 2011, Afghanistan successfully prosecuted hundreds of criminal cases through the UK-supported Criminal Justice Task Force project, including 39 cases that involved official corruption. However, drug-related corruption remains a significant problem.

In neighboring Pakistan, also a grower of opium poppy and a processing site for heroin production, the country's drug control results have been mixed. Despite generally strained bilateral relations in 2011, both Pakistan and the United States proclaimed steady bilateral drug control cooperation. One of

Pakistan's most difficult challenges is exerting law enforcement authority in the difficult-to-reach tribal areas of the Northwest Frontier Province.

The most important trade routes for illegal drug products coming out of Afghanistan and Pakistan are neighboring countries such as Iran, Azerbaijan, Russia and the Central Asian Republics. These drug products are primarily destined for European markets, but have been discovered all over the world by law enforcement.

The Central Asia Counternarcotics Initiative (CACI), fostered by the United States, promotes counternarcotics cooperation and intelligence sharing among countries in the region. Working with UNODC, the Central Asian Regional Information Coordination Center (CARICC), the NATO-Russian Council and the EU and in close partnership with Afghan counternarcotics authorities, CACI aims to target the criminal networks that produce and transport illegal drugs through Central Asia.

Asia: Burma is still the world's second largest cultivator of opium poppy for heroin and international authorities have documented expanding production of amphetamines in the country. Experts say that drug-related corruption in Burma remains a serious problem. In the 2011 Majors List Determination, Burma was found to have taken insufficient steps to fulfill its international narcotics control obligations. However, Burma made important political progress in late 2011 and its government expressed the desire to increase counternarcotics cooperation with the United States.

Malaysia, Indonesia, The Philippines and Cambodia are important markets for synthetic drugs, which are increasingly being produced in all of these countries. International law enforcement assessments show that India and China are primary sources for diversion of chemicals used to make synthetic drugs. China is also a source for precursor chemicals, such as acetic anhydride, used in the production of heroin. Seizures of acetic anhydride in Mexico in 2011 were traced back to China.

As China becomes more integrated into worldwide economic relationships, the INCSR China country chapter notes that there are signs that it is also becoming a transit point for Southwest Asian heroin. Diverted chemicals produced in China, which are not regulated by the 1988 UN Convention but are on the UN agreed upon surveillance list, have been discovered in countries as far away as Central America. Central American authorities have discovered that these chemicals shipped from China are being used as alternatives to U.N.-controlled chemicals for the production of illegal drugs, mostly synthetic substances. International diplomatic initiatives are underway to establish international control mechanisms to address this practice of using such chemicals for narcotics production.

West Africa: West African countries are increasingly recognizing that their region is vulnerable as a primary transshipment point for cocaine from South America destined for European markets. The transit of Afghan heroin through West Africa to the Americas is also a growing problem.

Recent analyses by the U.S. Drug Enforcement Administration (DEA) show that Mexican criminal organizations, such as the Sinaloa Cartel, are using dynamic methods to smuggle drugs to and through West Africa. Their trafficking routes for illegal drugs include multiple points in Central America, through the Caribbean and across the Atlantic before delivery to West Africa countries.

Law enforcement resources in many African countries to counter the threat of illegal drugs and crime are inadequate. Indeed, most of these nations are still working to create basic institutions to provide fundamental services to their citizens, and the increasing criminal threat complicates those efforts.

Nascent drug and crime control programs for West Africa supported by the United States, the European Union, Interpol and UNODC work at the national level and through regional multilateral groups such as

the African Union and the Economic Community of West Africa States (ECOWAS). Conferences such as the High Level Policy Committee of the West African Coast Initiative in Senegal and a meeting supported by the U.N. Economic Community in 2011 also aimed to help West African countries develop the means to stem criminal influences. The United States is working to garner donor support for its recently launched West African Citizen Security Initiative (WACSI).

The Future: This year the INCSR notes significant advances to counter illegal drugs and crime. Yet the international community is fully aware that even when plans are sound and resources are available, the challenges against criminal enterprises remain daunting.

In the United States, the White House Office of National Drug Control Policy (ONDCP) Director Gil Kerlikowske has stressed that the truth about fighting destabilizing criminal influences has never been an "all-or-nothing, either-or- choice and has always involved the combination of tools at our disposal." President Obama has often reiterated that "equal partnerships" and not just United States foreign assistance hold the key to "bringing the criminal world to its knees."

In 2011, President Obama used the economic tool of the U.S. International Emergency Powers Act (IEEPA) to freeze the financial assets of four major criminal targets (Los Zetas based in Mexico, the Yakuza of Japan, the Camorra of Italy, and the Brothers Circle of Eastern Europe). Striking at the financial heart of these groups is one of the central elements of the Obama Administration's 2011 Strategy to Combat Transnational Organized Crime.

The importance of effective judicial and law enforcement systems to undermine criminal enterprise has prompted concrete action on the part of many donor countries. The training of effective, community-based civilian police – that also contributes to the establishment of law-abiding civilian societies in emerging democracies – is a centerpiece of U.S. foreign assistance programs. Supported by the U.S. Congress, civilian police training around the world – whether Iraq, Afghanistan, Colombia or elsewhere – is a key component of U.S. foreign drug and crime control programs.

The United States works vigorously with the international community via multilateral groups such as the European Union, the G8 and the Financial Action Task Force and its regional off-springs, and other regional bodies, to amplify our efforts to combat transnational criminal activity. Moreover, just as the United States works closely with Mexico, bilateral cooperation with Canada is equally important. The new U.S. National Northern Border Strategy, developed in consultation with Canada, is a major initiative to address a broad range of criminal concerns.

Only through concerted international cooperation will we achieve the essential citizen safety and security we desire – the fundamental objective of international policies and programs aimed at achieving the common cause of like-minded nations. This is the underlying message of the 2012 INCSR.

Demand Reduction

Demand reduction has evolved as a key foreign policy tool for addressing the inter-connected threats of drugs, crime, and terrorism. More recently, it has become a critical component in efforts to stop the spread of HIV/AIDS, particularly in countries with high numbers of intravenous drug users.

Drug use and addiction have a devastating impact on individual lives, families, and communities. Drug abuse is also inextricably linked with the spread of infectious diseases such as HIV/AIDS, other Sexually Transmitted Disease (STD), tuberculosis, hepatitis C, and other bloodborne pathogens. Drug use is also associated with family disintegration, loss of employment or income, school failure, domestic violence, child abuse, and other social problems and criminal acts.

In recognition that drug use is a major public health threat, and that drug addiction is a preventable and treatable disease, many foreign countries request INL-sponsored technical assistance to enhance the development of effective policies and programs to combat drug threats. Therefore, INL continues to provide guidance to international partners on a coordinated approach in areas of drug prevention and treatment. In addition, INL promotes the sharing of critical information and evidence-based studies, in order to promote and preserve the stability of societies that are threatened by narcotics trafficking.

Our demand reduction strategy includes a wide range of initiatives to address the needs and national security threats posed by the illicit drug trade. These efforts cover strategies to prevent the onset of drug use, to intervene with drug abusers, and to improve treatment delivery. In achieving these goals, INL supports the following:

- Training and technical assistance to educate governments and public organizations on science-based best practices in drug prevention and treatment;
- Development and support of regional and international coalitions for drug-free communities, involving private/public social institutions and law enforcement;
- Research and evaluation efforts to measure the effectiveness of intended prevention and treatment programs; and
- Dissemination of science-based information and knowledge transfer through multilateral and regional organizations.

Taking into account the unique needs of women with substance use disorders, INL supports treatment, training and technical assistance that addresses gender-related drug abuse and related violence.

Significant completed and on-going INL-funded demand reduction projects for Fiscal Year 2011 included:

- **Women Drug Treatment Initiatives**: INL supports research-based prevention and treatment programs in key drug producing/using countries that improve services for addicted women and their children, a chronically under-served and stigmatized population. The program supports a model residential drug treatment program for high-risk female youth in Brazil. INL also supports the development of a training curriculum that addresses the unique needs of female addicts worldwide.

- **Child Addiction**: INL is supporting the development of the world's first protocols to treat crack-addicted children. Recent information on crack addiction in Brazil and neighboring Southern

Cone countries reports that inexpensive crack is readily available resulting in a significant increase in child addicts and lowering the age range of crack use to 5-8 years of age. This project will bring together treatment professionals from the region and leading international universities in addictions medicine to develop the world's first protocols to treat crack-addicted children.

- **Africa Rapid Assessment**: There are disturbing anecdotal reports that smoked cocaine (e.g., crack and coca paste) is now being consumed by children in West Africa (like the Southern Cone countries). Given the grave nature of smoked cocaine addiction and related health problems, INL is supporting the United Nations Office on Drugs and Crime (UNODC) to conduct a rapid assessment survey to confirm these reports and, if confirmed, plan appropriate interventions to avert a public health crisis in ECOWAS countries.

- **UNODC**: INL supports the United Nations Office on Drugs and Crime (UNODC) global *TREATNET* project that provides comprehensive treatment provider training and technical assistance to improve treatment delivery systems in Asia, Africa and Latin America. The primary emphasis of the initiative is to share drug treatment best practices with the aim to assist service providers to improve the quality of services and to guide policy makers in programming.

- **Mexico/Merida**: INL is supporting the OAS/CICAD in the Mexico/Merida initiative to establish a national-level counselor certification system for drug addiction counselors, aimed at improving the delivery of drug treatment services in Mexico. During 2011, the National Commission against Addiction (CONADIC) of Mexico and its program component, the National Center for Prevention and Control for addictions (CENADIC) developed a National Directory of 1543 federal residential drug treatment centers; and a National Assessment of Directors, Counselors, and Users of treatment centers. In addition, CENADIC have selected 600 Counselors from six federal entities: Baja California, Campeche, Chihuahua, Jalisco, Mexico State and the Federal District of Mexico for capacity training.

- **Drug-Free Communities**: INL is supporting the drug-free communities program which assists community groups in forming and sustaining effective community and anti-drug coalitions that fight illegal drugs. The goal of the coalitions is to bring citizens together to prevent and reduce drug use among youth. Membership includes youth, parents, businesses, the media, schools, youth organizations, law enforcement, religious and fraternal organizations, civic groups and local government. As a result of INL-funded training, active coalitions have been developed in several communities in Peru, Brazil, Colombia, Guatemala and Mexico. For 2012, coalition will be expanded in South Africa, several West African and Central Asian countries and in Southeast Asia (Philippines).

- **Colombo Plan**: The USG and the Colombo Plan Drug Advisory Program (DAP) established a training arm for treatment experts to prepare the process of professional certification of addiction professionals in Asia and Africa.

- **Afghanistan**: INL currently supports 30 residential treatment centers in Afghanistan. This initiative includes training female addictions counselors in counseling techniques for

women, family therapy, and support for home-based treatment. Of the 30 centers, six programs provide residential treatment for women with adjacent facilities for their children, and three centers provide residential treatment services for adolescents – two for males and one for females.

- **Afghanistan**: INL supports a comprehensive national urban drug abuse survey to assess the nature and extent of drug abuse in Afghanistan by testing hair, urine, and saliva samples from 2,000 households in 11 provinces. The survey will also include a snap shot of drug abuse in rural areas of Afghanistan. When completed, this survey will provide the first scientifically-controlled assessment of drug addiction in Afghanistan, reaching populations (women and children) that were not adequately captured by previous surveys in Afghanistan. Once completed, this survey will represent the largest substance abuse survey of its kind ever conducted in Afghanistan.

Methodology for USG Estimates of Illegal Drug Production

Introduction

Illegal narcotics are grown, refined, trafficked, and sold on the street by criminal enterprises that attempt to conceal every step of the process. Accurate estimates of such criminal activity are difficult to produce. The estimates on illicit drug production presented in the INCSR represent the United States Government's best effort to sketch the current dimensions of the international drug problem. They are based on agricultural surveys conducted with satellite imagery and scientific studies of crop yields and the likely efficiency of typical illicit refining labs. As we do every year, we publish these estimates with an important caveat: they are *estimates*. While we must express our estimates as numbers, these numbers should not be seen as precise figures. Rather, they represent the midpoint of a band of statistical probability that gets wider as additional variables are introduced and as we move from cultivation to harvest to final refined drug. Although these estimates can be useful for determining trends, even the best USG estimates are ultimately only approximations.

As needed, we revise our estimate process-and occasionally the estimates themselves-in the light of field research. The clandestine, violent nature of the illegal drug trade makes such field research difficult. Geography is also an impediment, as the harsh terrain on which many drugs are cultivated is not always easily accessible. This is particularly relevant given the tremendous geographic areas that must be covered, and the difficulty of collecting reliable information over diverse and treacherous terrain. Weather also impacts our ability to gather data, particularly in the Andes, where cloud-cover can be a major problem.

Improved technologies and analysis techniques may also produce revisions to United States Government estimates of potential drug production. This is typical of annualized figures for most other areas of statistical tracking that must be revised year to year, whether the subject of analysis is the size of the U.S. wheat crop, population figures, or the reports of the unemployment rate. When possible, we apply these new techniques to previous years' data and adjust appropriately, but often, especially in the case of new technologies, we can only apply them prospectively. For the present, these illicit drug statistics represent the state of the art. As new information becomes available and as the art and science improve, so will the accuracy of the estimates.

Cultivation Estimates

With limited personnel and technical resources, we cannot look at an entire country for any hint of illicit cultivation. Analysts must, therefore concentrate their efforts on those areas that are most *likely* to have cultivation. Each year they review eradication data, seizure data, law enforcement investigations information, the previous year's imagery, and other information to determine the areas likely to have cultivation, and revise and update the search area if possible. They then estimate cultivation in the new survey area using proven statistical techniques.

The resultant estimates meet the USG need for an annual estimate of cultivation for each country. They also help with eradication, interdiction and other law enforcement operations. As part of the effort to provide a better and more comprehensive assessment, the areas surveyed are often expanded and changed, so direct comparison with previous year estimates may not be possible.

Production Estimates

Illicit crop productivity depends upon a number of factors. Changes in weather, farming techniques, soil fertility, and disease prevalence can produce widely varying results from year to year and place to place. Although most illicit drug crop areas are not easily accessible to the United States Government, making scientific information difficult to obtain, we continually strive to improve our production estimates. The relative productivity of poppy crops can be estimated using imagery, and our confidence in coca leaf yield estimates has improved in the past few years, based upon the results of field studies conducted in Latin America. Such studies led to a reduction in our estimates of average productivity for fields that had been sprayed with herbicide, but not completely destroyed. In such fields, some, but not all of the coca bushes survive. The farmers of the illicit crop either plant new bushes among the surviving plants or let what is left grow until harvest. In either case, the average yield of such plots is considerably less than if it had not been sprayed. Multiple studies in the same growing area over several years have helped us understand the effects of eradication and have helped us to measure the changes in average yield over time.

Coca fields which are less than a year old ("new fields") produce much less leaf than mature fields. In Colombia, for example, fields might get their first small harvest at six months of age; in Bolivia fields are usually not harvested in their first year. The USG estimates include estimates for the proportion of new fields each year and adjust the estimated leaf production accordingly.

Processing Estimates

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

The USG estimates for coca leaf, cocaine, marijuana, opium, and heroin production are *potential* estimates; that is, it is assumed that all of the coca, marijuana, and poppy grown is harvested and processed into illicit drugs. This is a reasonable assumption for coca leaf in Colombia. In Bolivia and Peru, however, the USG potential cocaine production estimates are overestimated to some unknown extent since significant amounts of coca leaf are locally chewed and used in products such as coca tea. In Southwest and Southeast Asia, it is not unrealistic to assume that virtually all poppy is harvested for opium gum, but substantial amounts of the opium are consumed as opium rather than being processed into heroin. (The proportion of opium ultimately processed into heroin is unknown.)

Other International Estimates

The USG helps fund estimates done by the United Nations in some countries. These estimates use slightly different methodologies, but also use a mix of imagery and ground-based observations. The UN estimates are often used to help determine the response of the international donor community to specific countries or regions.

There have been some efforts, for Colombia in particular, for the USG and the UN to understand each other's methodologies in the hope of improving both sets of estimates. These efforts are ongoing.
This report also includes data on drug production, trafficking, seizures, and consumption that come from host governments or NGOs. Such data is attributed to the source organization, especially when we cannot independently verify it.

Worldwide Illicit Drug Cultivation

2005-2010 (all figures in hectares)

	2005	2006	2007	2008	2009	2010
Poppy						
Afghanistan	107400	172600	202000	157000	131000	119000
Burma	40000	21000	21700	22500	17000	in process
Colombia		2300	1000		1100	in process
Guatemala	100					
Laos	5600	1700	1100	1900	1000	in process
Mexico	3300	5000	6900	15000	19500	in process
Pakistan	SEE NOTE BELOW					
Total Poppy	**156400**	**202600**	**232700**	**196400**	**169600**	
Coca						
Bolivia	26500	25800	29500	32000	35000	in process
Colombia	144000	157000	167000	119000	116000	in process
Peru	34000	42000	36000	41000	40000	in process
Total Coca	**204500**	**224800**	**232500**	**192000**	**191000**	
Cannabis						
Mexico	5600	8600	8900	12000	17500	in process
Total Cannabis	**5600**	**8600**	**8900**	**12000**	**17500**	

Notes on Colombia poppy cultivation: The 2008 and 2005 surveys could not be conducted due to cloud cover. Partial survey in 2007 due to cloud cover.

Note on Laos poppy cultivation: A partial survey of only the Phongsali growing area was conducted in 2009.

Notes on Pakistan poppy cultivation: There are no USG countrywide numbers for Pakistan. Please see the Pakistan Country Chapter for government of Pakistan estimates.

Notes on Colombia coca cultivation: Survey areas were expanded greatly in 2005 and to a lesser extent in 2006 and 2007.

Notes on Peru cultivation: In the 2006 survey, the Cusco growing area could not be completed; the value for that area is an average of the 2005 and 2007 estimates The 2005 cultivation estimate was revised in 2007.

Worldwide Potential Illicit Drug Production

Worldwide Illicit Drug Cultivation 2005-2010 (all figures in hectares)

	2005	2006	2007	2008	2009	2010
Poppy						
Afghanistan	107400	172600	202000	157000	131000	119000
Burma	40000	21000	21700	22500	17000	in process
Colombia		2300	1000		1100	
Guatemala	100					
Laos	5600	1700	1100	1900	1000	in process
Mexico	3300	5100	6900	15000	19500	14000
Pakistan	SEE NOTE BELOW					
Total Poppy	156400	202700	232700	196400	169600	
Coca						
Bolivia	26500	25800	29500	32000	35000	34500
Colombia	144000	157000	167000	119000	116000	100000
Peru	34000	42000	36000	41000	40000	53000
Total Coca	204500	224800	232500	192000	191000	187500
Cannabis						
Mexico	5600	8600	8900	12000	17500	16500
Total Cannabis	5600	8600	8900	12000	17500	16500

Notes on Colombia poppy cultivation: The 2008 and 2005 surveys could not be conducted due to cloud cover.

Partial survey in 2007 due to cloud cover.

Note on Laos poppy cultivation: A partial survey of only the Phongsali growing area was conducted in 2009.

Notes on Pakistan poppy cultivation: There are no USG countrywide numbers for Pakistan.

Please see the Pakistan Country Chapter for government of Pakistan estimates.

Notes on Colombia coca cultivation: **Survey areas were expanded greatly in 2005 and to a lesser extent in 2006 and 2007.**

Notes on Peru cultivation:

In the 2006 survey, the Cusco growing area could not be completed; the value for that area is an average of the 2005 and 2007 estimates.

The 2005 cultivation estimate was revised in 2007.

Survey areas were expanded in 2005.

Parties to the 1988 UN Convention

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

Country	Date Signed	Date Became a Party
35. Chile	20 December 1988	13 March 1990
36. China	20 December 1988	25 October 1989
37. Colombia	20 December 1988	10 June 1994
38. Comoros	Accession	1 March 2000
39. Congo		3 March 2004
40. Cook Islands	Accession	22 February 2005
41. Costa Rica	25 April 1989	8 February 1991
42. Cote d'Ivoire	20 December 1988	25 November 1991
43. Croatia	Succession	26 July 1993
44. Cuba	7 April 1989	12 June 1996
45. Cyprus	20 December 1988	25 May 1990
46. Czech Republic	Succession	30 December 1993
47. Democratic People's Republic of Korea	Accession	19 March 2007
48. Democratic Republic of the Congo	20 December 1988	28 October 2005
49. Denmark	20 December 1988	19 December 1991
50. Djibouti	Accession	22 February 2001
51. Dominica	Accession	30 June 1993
52. Dominican Republic	Accession	21 September 1993
53. Ecuador	21 June 1989	23 March 1990
54. Egypt	20 December 1988	15 March 1991
55. El Salvador	Accession	21 May 1993
56. Eritrea	Accession	30 January 2002
57. Estonia	Accession	12 July 2000
58. Ethiopia	Accession	11 October 1994
59. European Union	8 June 1989	31 December 1990
60. Fiji	Accession	25 March 1993
61. Finland	8 February 1989	15 February 1994
62. France	13 February 1989	31 December 1990
63. Gabon	20 December 1989	10 July 2006
64. Gambia	Accession	23 April 1996
65. Georgia	Accession	8 January 1998
66. Germany	19 January 1989	30 November 1993
67. Ghana	20 December 1988	10 April 1990
68. Greece	23 February 1989	28 January 1992
69. Grenada	Accession	10 December 1990
70. Guatemala	20 December 1988	28 February 1991
71. Guinea	Accession	27 December 1990

Country	Date Signed	Date Became a Party
72. Guyana	Accession	19 March 1993
73. Haiti	Accession	18 September 1995
74. Honduras	20 December 1988	11 December 1991
75. Hungary	22 August 1989	15 November 1996
76. Iceland	Accession	2 September 1997
77. India	Accession	27 March 1990
78. Indonesia	27 March 1989	23 February 1999
79. Iran	20 December 1988	7 December 1992
80. Iraq	Accession	22 July 1998
81. Ireland	14 December 1989	3 September 1996
82. Israel	20 December 1988	20 May 2002
83. Italy	20 December 1988	31 December 1990
84. Jamaica	2 October 1989	29 December 1995
85. Japan	19 December 1989	12 June 1992
86. Jordan	20 December 1988	16 April 1990
87. Kazakhstan	Accession	29 April 1997
88. Kenya	Accession	19 October 1992
89. Korea, Republic of	Accession	28 December 1998
90. Kuwait	2 October 1989	3 November 2000
91. Kyrgyz Republic	Accession	7 October 1994
92. Lao Peoples Democratic Republic	Accession	1 October 2004
93. Latvia	Accession	24 February 1994
94. Lebanon	Accession	11 March 1996
95. Lesotho	Accession	28 March 1995
96. Liberia	Accession	16 September 2005
97. Libyan Arab Jamahiriya	Accession	22 July 1996
98. Liechtenstein	Accession	9 March 2007
99. Lithuania	Accession	8 June 1998
100. Luxembourg	26 September 1989	29 April 1992
101. Macedonia, Former Yugoslav Rep.	Accession	13 October 1993
102. Madagascar	Accession	12 March 1991
103. Malawi	Accession	12 October 1995
104. Malaysia	20 December 1988	11 May 1993
105. Maldives	5 December 1989	7 September 2000
106. Mali	Accession	31 October 1995
107. Malta	Accession	28 February 1996
108. Marshall Islands	Accession	5 November 2010

Country	Date Signed	Date Became a Party
109.Mauritania	20 December 1988	1 July 1993
110.Mauritius	20 December 1988	6 March 2001
111. Mexico	16 February 1989	11 April 1990
112.Micronesia, Federal States of	Accession	6 July 2004
113. Moldova, Republic of	Accession	15 February 1995
114. Monaco	24 February 1989	23 April 1991
115.Mongolia	Accession	25 June 2003
116.Montenegro		23 October 2006
117. Morocco	28 December 1988	28 October 1992
118. Mozambique	Accession	8 June 1998
119.Myanmar (Burma)	Accession	11 June 1991
120.. Namibia	Accession	6 March 2009
121. Nepal	Accession	24 July 1991
122. Netherlands	18 January 1989	8 September 1993
123. New Zealand	18 December 1989	16 December 1998
124. Nicaragua	20 December 1988	4 May 1990
125. Niger	Accession	10 November 1992
126. Nigeria	1 March 1989	1 November 1989
127. Norway	20 December 1988	14 November 1994
128. Oman	Accession	15 March 1991
129. Pakistan	20 December 1989	25 October 1991
130. Panama	20 December 1988	13 January 1994
131. Paraguay	20 December 1988	23 August 1990
132. Peru	20 December 1988	16 January 1992
133. Philippines	20 December 1988	7 June 1996
134. Poland	6 March 1989	26 May 1994
135. Portugal	13 December 1989	3 December 1991
136. Qatar	Accession	4 May 1990
137. Romania	Accession	21 January 1993
138. Russia	19 January 1989	17 December 1990
139. Rwanda	Accession	13 May 2002
140. St. Kitts and Nevis	Accession	19 April 1995
141. St. Lucia	Accession	21 August 1995
142. St. Vincent and the Grenadines	Accession	17 May 1994
143.Samoa	Accession	19 August 2005
144. San Marino	Accession	10 October 2000
145. Sao Tome and Principe	Accession	20 June 1996

Country	Date Signed	Date Became a Party
146. Senegal	20 December 1988	27 November 1989
147. Serbia		12 March 2001
148. Seychelles	Accession	27 February 1992
149. Sierra Leone	9 June 1989	6 June 1994
150. Singapore	Accession	23 October 1997
151. Slovakia	Succession	28 May 1993
152. Slovenia	Succession	6 July 1992
153. South Africa	Accession	14 December 1998
154. Spain	20 December 1988	13 August 1990
155. Sri Lanka	Accession	6 June 1991
156. Sudan	30 January 1989	19 November 1993
157. Suriname	20 December 1988	28 October 1992
158. Swaziland	Accession	3 October 1995
159. Sweden	20 December 1988	22 July 1991
160. Switzerland	16 November 1989	14 September 2005
161. Syria	Accession	3 September 1991
162. Tajikistan	Accession	6 May 1996
163. Thailand	Accession	3 May 2002
164. Tanzania	20 December 1988	17 April 1996
165. Togo	3 August 1989	1 August 1990
166. Tonga	Accession	29 April 1996
167. Trinidad and Tobago	7 December 1989	17 February 1995
168. Tunisia	19 December 1989	20 September 1990
169. Turkey	20 December 1988	2 April 1996
170. Turkmenistan	Accession	21 February 1996
171. UAE	Accession	12 April 1990
172. Uganda	Accession	20 August 1990
173. Ukraine	16 March 1989	28 August 1991
174. United Kingdom	20 December 1988	28 June 1991
175. United States	20 December 1988	20 February 1990
176. Uruguay	19 December 1989	10 March 1995
177. Uzbekistan	Accession	24 August 1995
178. Vanuatu		26 January 2006
179. Venezuela	20 December 1988	16 July 1991
180. Vietnam	Accession	4 November 1997
181. Yemen	20 December 1988	25 March 1996
182. Zambia	9 February 1989	28 May 1993

Country	Date Signed	Date Became a Party
183. Zimbabwe	Accession	30 July 1993
Signed but Pending Ratification		
Holy See	20 December 1988	
Other		
Anguilla		Not UN member
Aruba		Not UN member
Bermuda		
BVI		Not UN member
Hong Kong		Not UN member
Kosovo		
Papua New Guinea		
Somalia		
Taiwan		Not UN member
Turks & Caicos		Not UN member

USG ASSISTANCE

DEPARTMENT OF STATE (INL) BUDGET ($000)

FY 2011 - 2013 INCLE Budget Allocations ($000)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request
Africa			
Africa Regional (TSCTP)	2,500	3,500	2,500
Africa Regional (West)	2,433	16,800	13,000
Africa Regional (PREACT/EARSI)		2,050	2,000
Democratic Republic of Congo	6,000	6,000	5,250
Ghana	500	-	-
Guinea	500	-	-
Kenya	2,000	2,000	1,800
Liberia	16,000	17,000	15,662
Mozambique	500	500	500
Nigeria	1,250	-	-
Somalia	-	2,000	1,800
South Africa	2,000	3,000	2,000
South Sudan	25,000	32,000	27,404
Sudan	2,000	-	2,000
Tanzania	450	450	450
Uganda	235	600	581
Subtotal, Africa	**61,368**	**85,900**	**74,947**

East Asia and the Pacific			
China	800	800	800
East Asia and Pacific Regional	1,100	5,895	990
Indonesia	10,520	11,550	10,066
Laos	1,000	1,000	1,000
Malaysia	-	-	800
Philippines	2,065	2,450	2,450
Thailand	1,740	1,740	1,466
Timor-Leste	660	660	660
Vietnam		550	450
Subtotal, East Asia and the Pacific	**17,885**	**24,645**	**18,682**
Europe			
Albania	**-**	**-**	4,450
Armenia	-	-	2,824
Azerbaijan	-	-	1,226
Bosnia	-	-	6,735
Georgia	-	-	4,000
Kosovo	-	-	10,674
Macedonia	-	-	1,663
Moldova	-	-	3,230
Montenegro	-	-	1,826
Russia	-	-	4,182
Serbia	-	-	3,000
Ukraine			

	-	-	4,100
Eurasia Regional	-	-	323
Europe Regional	-	-	400
Subtotal, Europe	**-**	**-**	**48,633**
Near East			
Egypt	1,000	1,000	7,894
Iraq	114,560	**-**	**-**
Iraq (Overseas Contingency Operations)	-	500,000	850,000
Jordan	250	500	-
Lebanon	19,500	24,000	15,500
Morocco	750	1,500	1,500
Middle East Response Fund		25,000	-
NEA Regional (TSCTP)	1,030	1,000	1,000
Tunisia	1,500	-	8,000
West Bank/Gaza	150,000	100,000	70,000
Yemen	1,750	7,395	4,000
Yemen (Overseas Contingency Operations)	-	3,605	-
Subtotal, Near East	**290,340**	**664,000**	**957,894**
South and Central Asia			
Afghanistan	400,000	-	400,000
Afghanistan (Overseas Contingency Operations)	-	324,000	200,000
Bangladesh	350	674	674
Kazakhstan	-	-	1,471
Kyrgyzstan			

	-	-	6,156
Nepal	3,700	3,700	3,330
Pakistan	114,298	-	124,000
Pakistan (Overseas Contingency Operations)		116,000	
SCA Regional (inc. Central Asia CN Initiative)	4,210	7,000	9,000
Sri Lanka	-	1,440	1,440
Tajikistan	-	-	7,255
Turkmenistan	-	-	550
Uzbekistan	-	-	743
Subtotal - South and Central Asia	**522,558**	**452,814**	**754,619**
Western Hemisphere			
Argentina	300	300	-
Bolivia	15,000	7,500	5,000
Brazil	1,000	3,000	2,000
Caribbean Basin Regional	37,500	30,000	21,000
Colombia	204,000	160,600	142,000
Ecuador	4,500	4,500	4,500
Guatemala	3,992	5,000	2,000
Haiti	19,420	19,420	17,500
Mexico	117,000	248,500	199,000
Paraguay	500	500	150
Peru	31,500	28,950	23,300
Western Hemisphere Regional (CARSI)	71,508	60,000	60,000
Subtotal, Western Hemisphere			

	506,220	**568,270**	**476,450**
Centrally-Managed			
Criminal Youth Gangs	7,000	7,000	3,000
Demand Reduction/Drug Awareness	12,500	12,500	12,500
International Organizations	**4,500**	**5,000**	**4,500**
CICAD	1,375	1,750	1,500
UNODC	2,875	3,250	3,000
G-8 Roma Lyon Group	250	-	-
Interregional Aviation Support	57,052	53,652	46,322
Critical Flight Safety Program	16,250	16,250	12,385
Trafficking in Persons	16,233	18,720	18,720
INL Anticrime Programs	**14,650**	**16,154**	**12,500**
Alien Smuggling/Border Security	1,000	1,000	1,000
Cyber Crime and IPR	3,750	5,000	3,000
Fighting Corruption	4,750	5,004	4,000
International Organized Crime	1,000	1,000	1,000
Financial Crimes/Money Laundering/CT	4,150	4,150	3,500
International Police Peacekeeping Operations Support	-	10,000	5,000
Civilian Police Program	4,000	4,000	3,800
ILEA Operations	34,000	31,300	24,000
PD&S	29,250	34,500	32,550
Subtotal, Centrally-Managed	**195,435**	**209,076**	**175,277**
TOTAL INCLE	**1,593,806**	**2,004,705**	**2,506,502**

International Training

International counternarcotics training is managed/funded by State-INL and carried out by the DEA, FBI, Immigration and Customs Enforcement, U.S. Customs and Border Patrol, and U.S. Coast Guard. Major objectives are:

- Contributing to enhanced professionalism of the basic rule of law 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 focuses on encouraging foreign law enforcement agency self-sufficiency through development of law enforcement skills. The overarching goal of our counternarcotics efforts overseas is to support effective host country enforcement institutions, which can remove drugs from circulation before they can reach the United States. U.S. law enforcement personnel stationed overseas, working closely with TDY trainers dispatched from the U.S., help promote creation of more effective law enforcement while improving cooperation and joint efforts with the United States. U.S training can take two forms: as part of a planned bilateral assistance program in target assistance countries and as training with a regional approach. 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 supports the major U.S. and international strategies for combating narcotics trafficking worldwide. The U.S. bilateral training assistance program works closely with the training and assistance activities of international organizations, such as the UNODC and the OAS. During coordination meetings with major donors of training assistance like: the Dublin Group, UNODC and other international assistance agencies, the U.S. assures its training plans are well- understood by other training providers, and urges 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 the expertise of U,S, embassies around the world and the Department of State's Bureau of International Narcotics and Law Enforcement Affairs can contribute to success of rule of law training in foreign countries around the world.

International Law Enforcement Academies (ILEAs)

The mission of the regional International Law Enforcement Academies (ILEAs) is 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 provides high-quality training and technical assistance, supports institution building and enforcement capability development, and fosters relationships of American law enforcement agencies with their counterparts around the world. ILEAs also encourage strong partnerships among regional countries to address common problems associated with criminal activity.

The ILEA mission is the result of a combined effort by all participants—government agencies and ministries, trainers, managers, and students—to achieve the common foreign policy goal of coordinated international law enforcement around the globe. This goal is to train professionals who will shape the future of the rule of law, human dignity, personal safety and global security.

The regional ILEAs address regional law enforcement priorities to combat security threats. The regional ILEAs offer three different types of programs: the core program, specialized courses, and seminars or workshops. The core program is a 6-week series of blocks of instruction tailored to region-specific needs and emerging global threats. The core program typically includes 50 participants, normally from three or more countries. The specialized courses are one or two-week courses for law enforcement or criminal justice officials on a specific topic, comprised of about 30 participants. Lastly, regional seminars or workshops present various emerging law enforcement topics such as transnational crimes, financial crimes, and counterterrorism.

The ILEAs help to develop an extensive network of alumni who exchange information with their regional and U.S. counterparts and assist in transnational investigations. Many ILEA graduates become the leaders and decision-makers in their respective law enforcement organizations. The Department of State coordinates with the Departments of Justice (DOJ), Homeland Security (DHS) and the Treasury, and with foreign government counterparts to implement the ILEA programs. To date, the combined ILEAs have trained over 38,000 officials from over 85 countries in Africa, Asia, Europe and Latin America.

Africa. ILEA Gaborone (Botswana) opened in 2001. Its main feature is a six-week intensive professional development program – the Law Enforcement Executive Development Program (LEEDP) – designed for law enforcement mid-level managers. The LEEDP brings together approximately 40 participants from several nations for instruction in areas such as combating transnational criminal activity, supporting democracy by stressing the rule of law in international and domestic police operations, and overall professional development through enhanced leadership and management techniques. ILEA Gaborone also offers specialized courses for police and other criminal justice officials to boost their capacity to work with U.S. and regional counterparts. These courses concentrate on specific methods and techniques in a variety of subjects, such as counterterrorism, anti-corruption, financial crimes, border security, drug enforcement, firearms, explosives, wildlife investigation, gender based violence and many others.

Instruction is provided to participants from Angola, Botswana, Burundi, Cameroon, Comoros, Djibouti, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Republic of Congo, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda and

Zambia. Trainers from the United States and Botswana provide instruction. ILEA Gaborone trains approximately 500 students annually.

Asia. ILEA Bangkok (Thailand) opened in 1999. ILEA Bangkok focuses on enhancing regional cooperation against transnational crime threats in Southeast Asia, primarily illicit drug trafficking, financial crimes, and human trafficking. ILEA Bangkok provides a Core course - the Supervisory Criminal Investigator Course (SCIC) – designed to strengthen management and technical skills for supervisory criminal investigators and other criminal justice managers. In addition, it also provides over 20 specialized courses—each lasting one to two weeks—on a variety of criminal justice topics each year. 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), Timor Leste and China (including the Special Administrative Regions of Hong Kong and Macau), and the strengthening of each jurisdiction's criminal justice institutions to increase its abilities to cooperate in the suppression of transnational crime.

Instruction is provided to participants from Brunei, Cambodia, China, Hong Kong, Indonesia, Laos, Macau, Malaysia, Philippines, Singapore, Thailand, Timor Leste and Vietnam. Subject matter experts from the United States, Thailand, Japan, Philippines, Australia and Hong Kong provide course instruction. ILEA Bangkok has offered specialized courses on narcotics trafficking, and terrorist financing-related topics such as Chemical Control/Clandestine Laboratory Investigations (instructed by DEA) and Complex Financial Investigations (instructed by IRS). ILEA Bangkok trains approximately 1,400 students annually.

Europe. ILEA Budapest (Hungary) was the first ILEA, established in 1995. The mission of the ILEA 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. Instruction is provided to participants from Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Kazakhstan, Kosovo, Macedonia, Moldova, Montenegro, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkmenistan, Turkey, Ukraine and Uzbekistan.

Trainers from over 17 federal agencies and local jurisdictions from the United States, Hungary, United Kingdom, Russia, INTERPOL and the Council of Europe provide instruction. The ILEA provides advanced training for law enforcement and criminal justice officials on regional threats such as organized crime, environmental and cyber crimes and anti-money-laundering topics. ILEA Budapest trains approximately 950 students annually.

Global. ILEA Roswell (New Mexico) opened in September 2001. In 2011 INL revised and updated the Roswell program in an effort to address ever emerging global criminal threats. ILEA Roswell, through a combination of academic programs, senior policy forums and model law workshops will provide the tools necessary to enable partner countries to formulate and execute effective and responsible criminal justice public policy. The Academic program will equip participants with the knowledge and skills necessary for successful criminal justice careers with a strong focus on constructing an international network of like minded U.S. and foreign counterparts. The Criminal Policy Forum proceedings will focus on familiarizing high-level officials with what the international community believes are essential elements to counter emerging criminal threats and on encouraging partner country officials to work inter and intra regionally to establish cooperative means to counter criminal activity consistent with international standards. The Model Law programs will engage ILEA partner countries on enhancing their legal and regulatory framework, and instilling a deep-seated appreciation for the importance of implementing modern, effective criminal justice legislation. The participants are drawn from pools of ILEA graduates

from the Academies in Bangkok, Budapest, Gaborone, San Salvador and the ILEA Regional Training Center (RTC) in Lima. ILEA Roswell trains approximately 350 students annually.

Latin America. ILEA San Salvador (El Salvador) opened in 2005. Its training program is similar to the ILEAs in Bangkok, Budapest and Gaborone. It offers a six-week Law Enforcement Management Development Program (LEMDP) for law enforcement and criminal justice officials as well as specialized courses for police, prosecutors, and judicial officials. ILEA San Salvador normally delivers four LEMDP sessions and approximately 20 specialized courses annually, concentrating on attacking international terrorism, illegal trafficking in drugs, alien smuggling, terrorist financing and financial crimes investigations. Segments of the LEMDP focus on terrorist financing (presented by the FBI) and financial evidence/money laundering application (presented by DHS/FLETC and IRS). Instruction is provided to participants from: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panamá, Paraguay, Perú, St.Kitts and Nevis, St.Lucia, St.Vincent, Suriname, Trinidad and Tobago, Uruguay and Venezuela. ILEA San Salvador trains approximately 1,000 students per year.

The **ILEA Regional Training Center** in Lima (Peru) opened in 2007 to complement the mission of ILEA San Salvador. The RTC augments the delivery of region-specific training for Latin America and concentrates on specialized courses on critical topics for countries in the Southern Cone and Andean Regions. The RTC trains approximately 300 students per year.

Drug Enforcement Administration

The majority of illicit drugs distributed and consumed in America originate in foreign countries. DEA's mission is to enforce the controlled substances laws and regulations of the U.S. In furtherance of this mission, DEA targets the cultivation, production, transportation, distribution and financial operations of Drug Trafficking Organizations (DTOs) based in foreign nations and at home. In order to dismantle and disrupt DTOs, DEA and other U.S. agencies work hand in hand with our foreign law enforcement counterparts.

DEA establishes and maintains working relationships with host nations by staffing 85 DEA offices located in 65 countries. DEA's foreign offices act as conduits of information to DEA components in the U.S. and vice versa. In this manner, investigators are able to target DTOs from the source to the end user. DEA's foreign offices are tasked with the following objectives:

- Conduct bilateral investigations with foreign law enforcement;
- Coordinate counternarcotics intelligence gathering with host governments;
- Conduct training programs for host country police agencies (contingent on host nation being a recipient of US counter narcotics assistance;
- Assist in the development of host country drug law enforcement institutions and develop mutually beneficial law enforcement relationships with foreign law enforcement agencies.

The emphasis placed on each objective is determined by the host nation's unique conditions and circumstances as it relates to their infrastructure and law enforcement capabilities. DEA works side by side with host nation counterparts to develop relevant training, promote intelligence sharing, and support joint operations. The following sections highlight the assistance and joint enforcement undertaken by DEA and host nation counterparts in 2011.

Bilateral Investigative Activities

Drug Flow Attack Strategy

The primary objective of DEA's Drug Flow Attack Strategy is to cause major disruption to the flow of drugs, money, and chemicals between the source zones and the United States.

Drug Flow Attack Strategy Highlights:

During February 23-25, 2011, agents from numerous DEA offices, along with law enforcement officers from numerous other federal, state, and local agencies, arrested 676 individuals, resulting in the disruption of the operations and financing of Mexican Drug Trafficking Organizations (DTOs) in the U.S., Mexico, and elsewhere throughout the world. Operation Bombardier was designed to put pressure on Mexican cartels and Mexican poly-drug organizations as a response to the murder of U.S. Immigration and Customs Enforcement (ICE) Special Agent Jaime Zapata and wounding of ICE Special Agent Victor Avila in Mexico. In addition to the arrests, Operation Bombardier resulted in the seizure of 467 kilograms of cocaine,

21 pounds of heroin, 84 pounds of methamphetamine, 39,363 pounds of marijuana, $12.1 million in U.S. currency, and 282 firearms. This Special Operations Division (SOD)-supported operation was conducted by DEA, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Customs and Border Protection, Federal Bureau of Investigation, ICE, and the U.S. Marshals Service. Assistance was provided by approximately 3,000 federal, state, and local law enforcement officers.

In FY 2011, SOD coordinated Project Delirium, a 20-month series of nationwide investigations targeting the La Familia Michoacana cartel. On July 21, 2011, DEA Administrator Michele M. Leonhart announced the results of the largest strike against La Familia in the United States: 1,985 arrests, seizure of $62 million in U.S. currency, and approximately 2,773 pounds of methamphetamine, 2,722 kilograms of cocaine, 1,005 pounds of heroin, 14,818 pounds of marijuana and $3.8 million in other assets. More than 70 of these arrests took place over the 2-day takedown, and over 200 were arrested since June 1, 2011.

On July 26, 2011, Preet Bharara, the United States Attorney for the Southern District of New York (SDNY), and DEA Administrator Leonhart, announced the unsealing of 2 indictments resulting from 2 DEA narco-terrorism undercover operations: first, an indictment against Siavosh HENAREH, Bachar WEHBE, and Cetin AKSU for conspiring to provide various forms of support to Hezbollah; second, an indictment against Taza Gul Alizai ("GUL") for narco-terrorism conspiracy, narco-terrorism, and heroin importation related to his supplying of 15 kilograms of heroin and 6 AK-47 assault rifles to a DEA confidential source whom GUL believed represented the Taliban. HENAREH and AKSU were arrested on July 25, 2011 in Bucharest, Romania, where they were detained pending extradition to the United States. WEHBE and GUL were arrested the same day in the Republic of the Maldives, and flown to the SDNY. On November 17, 2011, HENAREH and AKSU were extradited from Romania.

"These DEA operations starkly illustrate how drug trafficking is a double threat that fuels both addiction and terrorism. We have successfully targeted, and substantially dismantled two dangerous and complex networks; stopped efforts to arm Hezbollah and Taliban terrorists; and prevented massive amounts of heroin from reaching illicit markets around the world. Those responsible for these crimes will now face trial due to the brave and talented men and women of the DEA, the skilled federal prosecutors of the Southern District of New York, and the extraordinary cooperation of our many international and federal agency partners, all whom were instrumental in the success of these DEA operations." **- Administrator Leonhart**

On August 24, 2011, based on Provisional Arrest Warrants and federal indictments issued by the Southern District of Florida, the DEA Cartagena Resident Office (RO) provided support to Colombian authorities during an enforcement operation that resulted in 19 arrests. This investigation targeted the organization led by Consolidated Priority Organization Target (CPOT) Hader NARVAEZ-Reina that specialized in the construction and deployment of self-propelled semi- and fully-submersible (SPSS/SPFS) vessels. During July 2010, the Cartagena RO and the Quito Country Office (CO), in conjunction with Colombian authorities provided information to Ecuadorian authorities that resulted in the seizure of a SPFS vessel in Lorenzo, Ecuador. As the investigation continued**,** Colombian authorities developed information that led to the seizure of another SPFS vessel along the Pacific coast of Colombia during February 2011. This

investigation also resulted in the seizure of approximately 4,243 kilograms of cocaine. In addition, the Cartagena RO and Colombian authorities determined that the NARVAEZ-Reina DTO laundered significant amounts of drug proceeds through the purchase of properties and businesses in Colombia. As a result, Colombian authorities arrested 12 members of the organization on money laundering charges in violation of Colombian laws and seized a total of 86 residences, 33 businesses, and numerous motor vehicles with an estimated value of $62 million in U.S. currency.

DEA targeted CPOT Christopher Michael COKE and his DTO. On June 22, 2010, COKE was arrested by Jamaican authorities near Kingston, Jamaica, after a- 5-week pursuit by local authorities. COKE was subsequently transferred to the custody of the DEA and U.S. Marshals Service for transport to the U.S. On August 31, 2011**,** COKE pled guilty in the SDNY to a 2 count Superseding Information charging him with racketeering conspiracy and conspiracy to commit assault with a dangerous weapon in aid of racketeering. Sentencing on these charges is scheduled for 2012 in the SDNY. COKE faces a maximum sentence of 20 years in prison on the racketeering conspiracy charge and a maximum sentence of 3 years in prison on the conspiracy to commit assault with a dangerous weapon in aid of racketeering charge. Both of these charges also provide for a maximum fine of $250,000 or twice the pecuniary gain from the offense.

On June 23, 2011, in the Southern District of Florida, retired Bolivian General Rene SANABRIA-Oropeza (from the National Counter Narcotics Police) and Marcelo FORONDA-Azero entered pleas of guilty to Conspiracy to Import Cocaine into the U.S. On September 23, 2011, SANABRIA-Oropeza was sentenced to serve 14 years of imprisonment and coconspirator FORONDA-Azero was sentenced to 9 years of imprisonment, plus 5 years of supervised release. At the time of his arrest, Rene SANABRIA-Oropeza was the Director of the Center for Intelligence and Information Generation.

On September 24, 2011, the Colombian National Police seized a SPFS vessel along the Pacific coast of Colombia. The vessel had a cargo capacity of 1,500 kilograms of cocaine and a range of 3,000 miles with the capability of descending 60 meters under water.

Drugs leaving South America destined for the U.S. are transported via various means, to include go-fast boats, shipping containers, self-propelled, semi- and fully-submersible (SPSS/SPFS) vessels, non-commercial aircraft, and to a lesser extent, commercial airlines. SPSSs/SPFSs are small, self-propelled, semi- and fully-submersible vessels that transport illegal drugs and other illicit cargo to the U.S. through the transit zone in the Eastern Pacific. There has been an increase in usage of SPSSs/SPFSs, and to date, three SPFSs have been seized; one in Ecuador in July 2010, a second in Colombia in February 2011, and a third, also in Colombia, in September 2011.

Iranian Methamphetamine Trafficking Organizations are smuggling multi-kilogram quantities of high purity methamphetamine from Iran to Southeast Asia. In January 2011, the Kuala Lumpur CO assisted the Royal Malaysian Police (RMP) in several operations which resulted in the arrest of 13 Iranian nationals and the seizure of approximately 92 kilograms of crystal meth (ICE), 2 liters of liquid meth, and a clandestine laboratory. In November 2011, the Kuala Lumpur CO assisted the RMP in the arrest of an additional 6 Iranian nationals and the seizure of 124.9

kilograms of ICE. Furthermore, in June 2011 the Dubai and Tokyo COs assisted Japanese officials in seizing 181 kilograms of liquid methamphetamine concealed inside gas tanks of 2 vehicles. The methamphetamine originated in Iran.

During 2011, the Canberra CO assisted Australian authorities with several significant seizures of cocaine. In September 2011, the Canberra CO assisted in the arrest of three individuals and the seizure of 271 kilograms of cocaine and $220,000 Australian dollars ($238,000 U.S. currency). According to Australian authorities, they estimate the value of the cocaine to be approximately $80 million Australian dollars ($87 million U.S. currency). This seizure is the fifth largest cocaine seizure in Australian history. In addition, in November 2011, the Canberra CO assisted in the arrest of 4 individuals and seizure of 300 kilograms of cocaine and $3-$5 million Australian dollars (approximately $2.8 to $4.7 million U.S. currency). To date this is the fourth largest seizure in Australian history.

Between May 15-June 15, 2011, DEA participated in Operation KAHFA KARDAN, targeting drug trafficking networks operating within the International Security Assistance Force (ISAF) Regional Command South (Kandahar) and Southwest (Helmand). The DEA Foreign-deployed Advisory and Support Team, National Interdiction Unit (NIU), and ISAF units conducted approximately 94 narcotic-nexus enforcement operations. These operations were designed to disrupt the supply of weapons, drugs, and financing of criminal networks. During the operation, NIU officers made 18 arrests. Operation KAFHA KARDAN resulted in the following seizures: 127 kilograms of heroin; 12,766 kilograms of opium; 10 kilograms of morphine; 15,911 kilograms of hashish; 2,888 kilograms of marijuana; 25,666 kilograms of precursor chemicals; 4,741 kilograms of Ammonium Nitrate; 50 pounds of homemade explosive devices, and numerous weapons and various other explosive devices.

In 2011, DEA, the Afghan NIU, and ISAF conducted drug disruption operations in Helmand Province which resulted in the destruction of several drug processing labs. One operation resulted in the destruction of a laboratory and the seizure of 2,782 kilograms of morphine base, 16,254 liters of morphine solution, 4 kilograms of heroin, 1,045 kilograms of sodium carbonate, 1,227 kilograms of ammonium chloride, and various processing equipment. The NIU arrested 9 individuals as a result of this operation. Another operation resulted in the destruction of 3 additional laboratories and the seizure of 5,935 kilograms of morphine base, 10,810 liters of morphine solution, 100 kilograms of heroin, 3,280 kilograms of sodium carbonate, 25 gallons of acetic anhydride, and 2,850 kilograms of ammonium chloride, as well as related processing equipment. This seizure is one of the largest ever made by combined forces in Afghanistan.

DEA has also targeted major shadow facilitators that support narco-terrorists around the globe:

On November 16, 2010, after more than two years of legal proceedings, alleged international arms dealer Viktor BOUT was extradited to the SDNY from Thailand to stand trial on terrorism charges. On November 2, 2011, Viktor BOUT was found guilty of conspiring to kill U.S. nationals; conspiring to kill U.S. officers and employees; conspiring to acquire and use anti-aircraft missiles; and conspiring to provide material support to a designated foreign terrorist organization. Sentencing is scheduled for February 8, 2012, and BOUT faces a maximum of life behind bars.

On February 10, 2011, DEA and the Department of the Treasury announced the identification of the Lebanese Canadian Bank SAL (LCB) together with its subsidiaries as a financial institution of primary money laundering concern under Section 311 of the USA PATRIOT Act (Section 311) for the bank's role in facilitating the money laundering activities of an international narcotics trafficking and money laundering network. This network moves illegal drugs from South America to Europe and the Middle East via West Africa and launders hundreds of millions of dollars monthly through accounts held at LCB, as well as through trade-based money laundering involving consumer goods throughout the world, including through used car dealerships in the U.S. Treasury has reason to believe that LCB managers are complicit in the network's money laundering activities. This action also exposes the terrorist organization Hezbollah's links to LCB and the international narcotics trafficking and money laundering network.

Treasury's Financial Crimes Enforcement Network also filed a Notice of Proposed Rule Making, in which it proposes prohibiting U.S. financial institutions from opening or maintaining correspondent or payable-through accounts for LCB. In addition to these regulatory measures, the Treasury Department will work with the LCB and other relevant Lebanese authorities to address the concerns highlighted by this action. This was the first time a 311 action in this manner was done in conjunction with law enforcement on a drug case.

On February 18, 2011, the U.S. Department of the Treasury designated the New Ansari Money Exchange, a major money laundering vehicle for Afghan narcotics trafficking organizations, along with 15 affiliated individuals and entities under the Foreign Narcotics Kingpin Designation Act. The New Ansari Money Exchange is at the center of an unofficial network of individuals, money exchange houses and other businesses operating throughout Afghanistan and in the United Arab Emirates. Between 2007 and 2010, the New Ansari Money Exchange used the billions of dollars it transferred in and out of Afghanistan to conceal illicit narcotics proceeds. The New Ansari Money Exchange transfers money to its Dubai subsidiaries, Green Leaf General Trading LLC and Al Adal Exchange, which then transfer money through the U.S. and international financial systems. Elements of the New Ansari network have laundered money for Haji Azizullah ALIZAI and the Haji Juma Khan Organization, both identified as Significant Foreign Narcotics Traffickers by the President in June 2007 and May 2009, respectively. Haji Azizullah ALIZAI is a major heroin trafficker and supplier in Southwest Asia and the Middle East. The Haji Juma Khan Organization is an international opium, morphine, and heroin trafficking organization based in the border regions of Iran, Pakistan and Afghanistan.

As a result of this action, U.S. persons are prohibited from conducting financial or commercial transactions with these individuals and entities, and any assets the designees may have under U.S. jurisdiction are frozen. The investigation that led to these designations was the result of collaborative efforts of Treasury, the Afghan Threat Finance Cell (ATFC), and DEA.

The individuals designated, include several who play key roles in the New Ansari Money Exchange, including Haji Abdullah Barakzai ANSARI, the founder of the New Ansari Money Exchange; Haji Mohammad KHAN, the manager of the New Ansari Money Exchange; Haji Mohammad JAN, the day-to-day manager of the New Ansari network; Haji NOORULLAH, a stakeholder and director of the New Ansari Money Exchange; Haji Mohammad NOOR, the manager of the New Ansari Money Exchange subsidiaries in Dubai; and Haji Mohammad Rafi AZIMI. Key cash couriers Eissa Jan Haji Abdul QAVOUM and Rahmatullah Mohammad AFZAL were also designated.

As a result of an investigation conducted by DEA and San Salvador CO, on May 11, 2011, Hector Antonio Martinez-GUILLEN pleaded guilty to attempting to provide material support to the FARC, a designated terrorist organization, and carrying a destructive device in relation to a crime of violence.

Martinez-GUILLEN was indicted on February 24, 2011 by a federal grand jury for terrorism and explosives charges for conduct occurring from July to November 2010, and faces a maximum penalty of life in prison. Martinez-GUILLEN admitted to selling C-4 plastic explosives, blasting caps, several automatic rifles, and ammunition to an individual whom he believed to be a member of the FARC, a Colombian paramilitary group that has been designated a foreign Terrorist Organization since 1997. The defendant admitted to believing that these weapons and explosives were to be used by the FARC in Colombia to eradicate American troops and military consultants from Colombia. The defendant was apprehended in the Eastern District of Virginia when he traveled to the District and took possession of a load of 20 kilograms of cocaine with instructions to transport it to New York City on behalf of the FARC member for whom he was working.

DEA On-Going Operations

DEA supports on-going operations in the Caribbean on one of the most important narcotics transit routes to the United States. These operations with the code names, Operation Bahamas and Turks and Caicos (OPBAT); Operation Panama Express; Operation Windjammer; and the International Judicial Telecommunications Intercept Program have operated closely with the law enforcement personnel of several Caribbean countries for years, and are responsible for literally thousands of kilograms of cocaine and marijuana seizures, and the criminal forfeiture of millions of dollars in the proceeds of narcotics crime. They have provided evidence in numerous court cases brought against narcotics criminals in the U.S. and in foreign jurisdictions and have contributed importantly to the protection of the U.S. and the Caribbean from the devastating affects of narcotics crime.

Coordinate Counternarcotics Intelligence Gathering

Centers for Drug Information (CDI) Program
The CDI Program is an internet-based network that offers foreign law enforcement counterparts a secure means to coordinate drug-related investigations and share information on drug-related events. It became operational June 2003 with 41 participating countries and protectorates located throughout the Caribbean, Mexico, Central America, and South America. The user base has since expanded to over 1000 users in 58 countries that include a South Central Asia regional center in Kabul, Afghanistan, a Southeast Asia regional center in Bangkok, Thailand, and a West Africa regional center in Accra, Ghana. An automated on-line language translation feature (English, Spanish, French, and Portuguese) serves to minimize language barriers for a majority of the participants. Discussions continue in regards to expansion to Europe and additional countries in Southeast Asia and the continent of Africa.

Conduct Training Programs for Host Nation Police Agencies
DEA provides professional training in all aspects of narcotics law enforcement at numerous locations around the world. DEA is a key participant and trainer in the ILEA-International Law Enforcement Academy Training Program. DEA's role is to provide counter narcotics course instruction and best practices for the core supervisory sessions, as well as specialized training courses at the ILEAs. DEA also offers both in-country and regional training programs conducted by mobile training teams. In-country programs are seminars conducted in a host country and only include participants from that country. Regional training is designed to bring together a combination of participants from a number of countries sharing common drug trafficking issues or routes. DEA also offers Asset Forfeiture/Money Laundering Training Programs to enhance financial investigations of international drug trafficking and narco-terrorist organizations. During FY 2011, 199 participants from 14 countries were trained.

The goal of DEA International Asset Airport Interdiction Training is to educate members of foreign law enforcement about techniques for interdiction in transportation environments, especially as they relate to

money launderers and the bulk shipment of currency. 117 participants from 6 countries were trained in FY 2011.

The North Atlantic Treaty Organization (NATO)-Russia Council Counternarcotics Training Project is implemented by the United Nations Office of Drugs and Crimes and supported by U.S. Army Central Command funds. DEA provides basic drug enforcement training, tactical training, and practical training and also conducts an Advanced Instructor Development Course, as part of this program, for approximately 20 Afghan Counter Narcotics Police Instructors. DEA is also a key participant in the Afghanistan Regional Training Team (RTT) Program, which provides specialty law enforcement training to the Counter Narcotics Police of Afghanistan (CNP-A), as well as the neighboring regional countries. The goal of this training is to develop a core of professional counter narcotics investigators throughout the Southwest Asian region. This concept was so well received that it is being used as the model for training in Central Asia.

DEA also carries out a mission to Develop Host Country Drug Law Enforcement Institutions to form effective cooperative relationships with foreign law enforcement organizations. DEA capacity-building efforts in Afghanistan are primarily focused on the CNP-A specialized units: the NIU-Narcotics Investigative Unit , the SIU-Sensitive Investigative Unit, and the Technical Investigative Unit, combining training, equipment and infrastructure with mentoring and operational interaction with DEA enforcement teams, DEA training teams, and experienced mentor/advisors. These specialized units have developed to the point where they can operate with limited coalition support and are engaged with DEA on a daily basis on joint operations and investigations. DEA also is involved with the Afghan Threat Finance Cell, which is a tactically focused, inter-agency fusion center that collects, analyzes and disseminates relevant financial intelligence on individuals and organizations involved in financing the insurgents.

The Central Asia Regional Training Team (CARTT)
DEA works with its partners to disrupt the flow of opiates that originate in Afghanistan, and that transit by land along the Northern Route through Central Asian countries to their primary markets in the Russian Federation and Europe and aims to build drug law enforcement capacity and cooperation in the Central Asian Republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan and surrounding countries. In addition, as part of the Central Asia Strategy's progressive approach, the CARTT will stand up Vetted Units, which will serve as force multipliers in the countries where the units have the greatest chance of success.

The Northern Route Working Group provides a forum for exchanging operational intelligence and initiating joint investigations on drug trafficking organizations that utilize the Northern Route to distribute Afghan opiates from Afghanistan to Russia via Central Asian countries.

Ghana Sensitive Investigative Unit's mission is to develop, train, advise, and mentor a professional counterdrug unit in Ghana that will have primary responsibility for counterdrug initiatives nationwide. The unit serves as the cornerstone in the development of a counterdrug infrastructure needed to identify, disrupt, and dismantle criminal drug trafficking and money laundering organizations operating throughout West Africa.

The Mexico City Chemical Group provides training to the Government of Mexico (GOM) counterparts regarding methamphetamine trends and skills for targeting and combating the clandestine laboratory/precursor chemical operations of DTOs.

Financial Investigative Team (FIT) is tasked with carrying out DEA's national financial initiatives, providing guidance to other DEA personnel in financial investigations, conducting the more sophisticated financial investigations, and servicing as DEA's local point of contact with the financial community.

United States Coast Guard

Overview

The Coast Guard plays a crucial role in efforts to keep dangerous narcotic drugs moving by sea from reaching market countries. Working with its DHS partners in carrying out its responsibilities within the NDCS-National Drug Control Strategy, the Coast Guard leverages its unique maritime security authorities, capabilities and partnerships to mitigate risk and improve security in our domestic ports, on the high seas, and in ports abroad. The overarching strategy is to increase maritime border security through a layered security system that begins beyond the country's physical borders. This layered approach to security begins in foreign ports where the Coast Guard conducts foreign port assessments, leveraging the International Port Security Program to assess the effectiveness of port security and antiterrorism measures. Offshore, maritime patrol aircraft provide broad surveillance capability enabling cutters to respond to potential threats, launch boats and aircraft in adverse sea states, and maintain a presence through all weather conditions. Well before vessels arrive in ports, screening and targeting operations provide critical information regarding vessels, crews, passengers, and cargo destined for the United States. To prevent and respond to potential threats approaching our coasts, Coast Guard helicopters and patrol boats provide the ability to monitor, track, interdict, and board vessels. In our ports, the DHS components, along with its federal, state, local, and tribal partners, working in concert with port stakeholders, patrol U.S. waters and critical infrastructure, conduct vessel escorts, and inspect travelers, vessels and facilities.

The Coast Guard utilizes a multi-faceted defense in depth strategy to combat illicit drug trafficking in the maritime transit zone from South America to Central America and Mexico. At the forefront of detection, monitoring, interdiction, and apprehension operations the Coast Guard leverages maritime assets against drug traffickers which include cutters, patrol aircraft, and law enforcement detachments embarked on U.S. Naval ships and Allied Nation vessels. To maximize the operational success of its organic assets, the U.S. Coast Guard uses maritime counterdrug bilateral agreements and operating procedures with partner nations to coordinate detection and monitoring (D&M) and interdiction and apprehension (I&A) endgame activities and coordinate joint operations. There are three primary elements to the Coast Guard Drug Interdiction Mission:

Detection & Monitoring

Detection of narcotics trafficking vessels occurs principally through the collection, analysis, and dissemination of tactical information and strategic intelligence combined with effective sensors operating from land, air and surface assets. The six million square mile transit zone between source nations in South America and the United States is far too expansive to randomly patrol; targeting information is necessary to focus efforts. Timely, actionable intelligence is the best force-multiplier available to the operational commander. Upon detection, the Coast Guard, and other similar U.S. and partner nation law enforcement agencies will provide monitoring, relaying data, imagery and position information until an appropriate interdiction asset arrives on scene.

Interdiction

Successful targeting and interdiction of illicit activities create a deterrent effect. Interdiction success causes Drug Trafficking Organizations (DTOs) to incur greater costs and decreased efficiency in moving their illicit product to market. In recent years the Coast Guard has been successful in interdicting foreign

flagged vessels, frequently flags of convenience, carrying multi-ton loads of contraband. A crucial element in that success was the system of agreements with many countries around the world which permit enforcement officers to stop, board, and search vessels suspected of transporting narcotics. This has caused DTOs to sharply reduce the use of flags of convenience in favor of stateless go-fast and similar style vessels, as well as investing in more technologically advanced self-propelled semi (SPSS) and fully submersible (SPFS) vessels. The result has been increased costs for DTOs to outfit their trafficking vessels and greater risk of prosecution to smugglers interdicted on stateless vessels, since stateless vessels are subject to U.S. jurisdiction. Interdiction success requires a sufficient number of air and surface assets to respond to intelligence and operational cueing. Surface and air assets equipped with robust sensor systems, endurance, range, and speed, coupled with a range of use of force options to stop non-compliant vessels, enable transit zone operations across a spectrum of weather conditions. To increase its operational law enforcement reach, the Coast Guard embarks deployable Law Enforcement Detachments (LEDETs) on U.S. Navy and Allied warships, and embarks partner nation "shipriders" aboard Coast Guard vessels, consistent with Memorandums of Understanding, bilateral agreements and other arrangements in force.

Close Working Partnerships with both Domestic and International Agencies

The Coast Guard would not be as effective in removing drugs from the transit zone without the significant interagency and international cooperation that comes together at Joint Interagency Task Force South and West (JIATF-S and JIATF-W). The Coast Guard provides staff and command cadre to both Task Forces, which have primary responsibilities for counterdrug detection and monitoring operations in the U.S. Southern Command and U.S. Pacific Command areas of responsibility. As Transnational Criminal Organizations (TCO) and DTOs in the Western Hemisphere expand their operations, the Coast Guard is also increasingly engaged with U.S. European Command and U.S. Africa Command to meet the threat in those areas. The Coast Guard contributes to international counterdrug efforts through development and active use of agreements, operational procedures, professional exchanges, sharing best practices, and deployment of mobile training teams to support Theater Security Cooperation initiatives. Engagement in joint operations and training strengthens ties with partner nations and increases maritime law enforcement competency and capability.

International Agreements: There are 44 maritime counterdrug bilateral agreements or operational procedures in place between the United States and partner nations. While these agreements greatly increase the operational reach of U.S. assets, they also enable partner nation assets to better patrol and respond to threats in their own sovereign waters. Frequent U.S. Government success in exercising these agreements has led to enhanced global governance. While individual agreements are specifically tailored for each country, each generally contains all or some of the basic provisions. These provisions are: ship boarding, shiprider, pursuit into territorial waters, entry into territorial waters to investigate, over-flight, order to land, and International Maritime Interdiction Support (IMIS). Some of the agreements are reciprocal, while others refer only to U.S. action in foreign waters or aboard foreign flag vessels.

Additionally, the Coast Guard has developed non-binding operational procedures with Mexico, Ecuador and Peru to facilitate communications between operation centers for confirmation of registry requests and for permission to stop, board, and search suspect vessels. These procedures establish a process for joint operations in lieu of a formal bilateral agreement. One example of these standard operating procedures (SOP) is the Maritime Operations Letter of Intent (LOI) signed by the Mexican Navy, Canadian Forces, U.S. Northern Command, and the Coast Guard. This LOI established a permanent working group dedicated to developing, exercising, and executing maritime security and safety SOPs in the context of coordinated bi-national maritime operations. This work is done through quarterly meetings of the North American Maritime Security Initiative (NAMSI). The LOI framework has changed the former paradigm

for maritime operations with Mexico, and is delivering by proxy a similar operational relationship typically achieved elsewhere in the region through maritime bilateral agreements or arrangements.

International Cooperative Efforts: Overall during fiscal year (FY) 2011, the Coast Guard disrupted 129 drug smuggling attempts, which resulted in the seizure of 40 vessels, the detention of 191 suspected smugglers, and the removal of 75.6 MT of cocaine and 17.8 MT of marijuana. Nearly all of these interdictions involved some type of foreign partner support or cooperation, through direct unit participation, exercise of bilateral agreements, granting permission to board, or logistics support.

To counter the cocaine flow across the Atlantic Ocean into Africa and Europe, the Coast Guard continues to work with U.S. Africa Command (AFRICOM) to expand maritime training and operations for West African countries. In FY 2011, the Coast Guard Cutter FORWARD conducted joint training, surveillance and law enforcement operations off West Africa. During these operations FORWARD embarked law enforcement teams from Sierra Leone, Senegal and Cape Verde to conduct training and assist in their efforts to suppress illicit transnational maritime activity. These efforts continue to help African nations to gain control of their jurisdictional waters through maritime domain awareness as they attempt to thwart the growing threat from DTOs and other transnational criminals.

The Coast Guard also conducts joint, combined and cooperative operations in the maritime approaches to the U.S. littorals. Two such examples are Operations BAJA OLEADA (southern California) and JAVELINA THUNDER (Gulf of Mexico). These are ongoing operations to combat the flow of illicit traffic across the southwest maritime border. Efforts include looking for weapons and money on southbound vessels and drugs and migrants northbound. The Coast Guard coordinates and maintains communication with the Mexican Navy (SEMAR) to ensure a dynamic, combined presence is maintained along the Pacific and Gulf maritime borders. These interagency operations are supported by Customs and Border Protection Air & Marine, Immigration and Customs Enforcement, and often other Federal, State, and local partners.

A previously established trilateral maritime counterdrug initiative between the United States, Colombia and Ecuador has matured into a semi-annual multilateral maritime counterdrug enforcement coordination summit, which now includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Peru. The Multilateral Maritime Counter Drug Summit gives participants the opportunity to share, exchange, and improve “best practices,” and to think creatively about employing new tactics, techniques, and procedures to counter drug trafficking organizations.

International Training and Technical Assistance: In FY 2011, the USCG provided International Training and Technical Assistance in support of drug interdiction programs through a variety of support efforts:

The USCG Technical Assistance Field Team (TAFT) provided engineering expertise, vessel assessments, and major repair contracting services to the maritime services of the countries in the Eastern Caribbean’s Regional Security System (RSS). USCG ships conducted training and technical assistance in conjunction with normal operations in several countries to encourage operational cooperation.

The USCG’s Security Assistance Program offers a program of two-week mobile training teams (MTTs) to partner nation maritime services around the world to help advance the capability of their naval and coast guard forces to patrol their territorial waters. Courses include Maritime Law Enforcement (MLE), Boarding and Advanced Boarding Officer, Joint MLE Boarding, MLE Instructor, Basic and Advanced Port Security/ Port Vulnerability, Waterside Port Security, and Small Boat Operations/Maintenance Courses. In FY 2011, the USCG deployed 91 MTTs to 41 countries.

Individual students also receive instruction in USCG resident training programs in the United States. These students develop a broad range of skills from boat handling and boat and engine repair to senior officer leadership training. In FY 2011, 72 partner nations enrolled students in 305 resident courses at USCG training installations.

U.S. Customs and Border Protection

The Department of Homeland Security's U.S. Customs and Border Protection (CBP) processes all goods, vehicles, and people entering and exiting the United States. CBP officers intercept narcotics and other contraband, improperly classified merchandise, unlicensed technology and material, weapons, ammunition, fugitives, undocumented immigrants, and unreported currency at America's 329 international ports of entry.

United States Border Patrol (USBP) agents are assigned the mission of securing the border against all threats between the POEs along the over 8,000 miles of land and coastal border. These threats include criminal/undocumented aliens, drug smugglers, potential terrorists, wanted criminals, and persons seeking to avoid inspection at the designated POEs. CBP's drug interdiction activity includes staffing 35 permanent and 140 tactical checkpoints nationwide. CBP checkpoints utilize experienced agents, canine teams, technology and shipper-CBP partnerships to detect and apprehend the above mentioned threats. Additionally, agents patrol targeted border areas that are frequent entry points for the smuggling of drugs and people into the Unites States.

Since its creation, CBP has also been charged with the border regulatory functions of passport control and agriculture inspections in order to provide comprehensive, seamless border control services. This division of responsibilities is intended to simplify border security operations and is termed: "One face at the border." CBP is the nation's first line of defense against the introduction of narcotics and dangerous drugs from foreign sources.

International Training and Assistance

As part of its efforts to extend the nation's zone of security beyond U.S. ports of entry, CBP's Office of International Affairs (INA) works with other U.S. government and foreign government components to provide a wide array of short-term and long-term technical training and assistance to countries throughout the world. These programs are designed to standardize and build the capacity of foreign organizations to implement more effective customs trade operations, border policing, and immigration inspection.

CBP coordinates and presents over 200 technical assistance programs to thousands of foreign participants each year. Training and technical assistance programs target the full range of border control and commercial operations, including: WMD training, anti-narcotics, port security, integrity, supply chain security, and commercial operations. The majority of these programs take place outside the United States, although CBP also hosts training events at specific U.S. ports of entry.

The primary areas in which training and assistance are provided are:

- International narcotics and crime control (International Law Enforcement Academy, or ILEA);
- Non-proliferation, export control and related border security (EXBS);
- Commercial operations (Trade Enforcement);
- Private sector partnership programs (WCO-World Customs Organizaton);
- Immigration programs (Fraudulent Document, Identifying Imposters); and
- Anti-corruption programs (Integrity Training, Anti-Corruption Awareness).

In 2011, INA provided technical training and assistance in support of the ILEA-International Law Enforcement Academy programs currently operating in Bangkok, Budapest, Gaborone, San Salvador, and Lima. CBP supported ILEA programs by developing and conducting core and specialized training on a variety of topics, including: Land Border Interdiction; Contraband Concealment Techniques; International Controlled Deliveries and Drug Investigations (conducted jointly with the Drug Enforcement Administration); Complex Financial Investigations (conducted jointly with Immigration and Customs Enforcement); and Customs Forensics Lab capabilities and techniques. CBP/INA provided 246 capacity building sessions in over 75 countries for foreign partners, including 19 courses at the ILEAs.

The CBP Field Operations Academy (FOA) supports International Training on two fronts: conducting Academy tours for foreign dignitaries and aiding various training missions abroad. FOA has presented training in Egypt, Iraq, Afghanistan, Georgia, Ukraine, Lithuania, Estonia, Dominican Republic, and Honduras in support of drug interdiction efforts. Additionally, the FOA has conducted numerous briefings/tours of its facilities in the U.S. for the benefit of visiting foreign Customs and Border groups. Dignitaries from Kazakhstan, Bahrain, and Saudi Arabia were recently shown a variety of venues and scenarios, which included drug interdiction instruction.

International Visitors Program: The State Department's International Visitors Program (IVP) can provide an opportunity for foreign customs officials and other foreign officials working on contraband enforcement issues to consult with their U.S. counterparts and appropriate high level managers in CBP Headquarters. International visitors can also participate in on-site tours of selected U.S. ports and field sites to observe actual CBP operations.

In FY 2011, IVP made arrangements for 536 visits for 3,168 visitors. These visits were sponsored by the Department of State, Department of Defense, Drug Enforcement Administration, U.S. Coast Guard, various State National Guard Units, U.S. Embassies, and other components of the Department of Homeland Security.

Port of Entry Interdiction Training: The correct approach to border interdiction varies with border environments, i.e., land, seaport, rail and airport. Training has been designed for the problems encountered and interdiction techniques useful for each type of operation. Each training class is normally five days in duration and is comprised of interactive classroom discussion and practical exercises using actual CBP border facilities. In addition to port of entry operations, CBP provides training in techniques used by smugglers who do not use official ports of entry to cross borders, but who attempt to smuggle contraband in lightly patrolled border crossing zones.

International Bulk Currency Smuggling Training: With an increased enforcement focus on money laundering, organized criminals and terrorists have turned to bulk cash smuggling to move valuables across borders. Bulk Currency Smuggling training assists foreign government enforcement personnel in identifying techniques used by bulk currency smugglers. Further, it helps them to design and implement programs to counter that threat, resulting in seizures of millions of dollars in the proceeds of crime.

Overseas Enforcement Training: Overseas Enforcement Training encompasses a curriculum which includes Border Enforcement Training; Supply Chain Security; Detection, Interdiction and Investigation; Concealment Methods; Bulk Currency Smuggling; False and Fraudulent Documents; Train-the-Trainer; Anti-Corruption; Targeting and Risk Management; Hazardous Materials; and X-ray Systems. These courses can also be conducted at foreign ports of entry. They include both basic training and refresher training/mentoring abroad for graduates of training at U.S. port facilities. CBP hopes that participation in this training will assist in establishing regional and global associations of border control officials who share concerns about transnational criminal networks and who will cooperate in their dismantling. In addition, at the request of the State Department's Bureau for International Narcotics and Law

Enforcement Affairs, CBP-USBP's Border Tactical Unit (BORTAC) conducts training of foreign law enforcement agencies in an effort to intervene early in the drug smuggling process. While these training operations generally focus on South and Central American countries, BORTAC also participates in training sessions for the Drug Enforcement Administration's Foreign-Deployed Advisory Support Teams bound for Afghanistan.

CBP Attachés, Representatives and Advisors and Special Customs' Programs: CBP deploys a growing network of Attachés, Representatives and Advisors who serve abroad in U.S. Embassies and consulates. These personnel work closely with CBP's foreign counterparts in the on-going effort to counter drug-smuggling. Attachés have a broad mandate, including enforcement and investigative activities on behalf of CBP. They also exchange expert information with foreign counterparts, improving the effectiveness of law enforcement activity, policies, and resources relating to border enforcement. Their efforts help to ensure that enforcement cooperation is seamless across borders and that the battle against smuggling is effective.

Customs Mutual Assistance Agreements: CBP is the lead negotiator of Customs Mutual Assistance Agreements (CMAAs). CMAAs are negotiated with foreign governments and provide for mutual assistance in the enforcement of customs-related laws. Under the provisions of U.S. CMAAs, CBP provides assistance to its foreign counterparts, and receives assistance from them in an exchange of information that facilitates the enforcement of each country's laws. The Agreements have a high level of flexibility that allows parties to quickly communicate concerns and requests to each other.

Caribbean Border Interagency Group (CBIG): CBIG was formed in July 2006 as a collaborative effort to focus and integrate collective DHS and DOJ assets and combat the illegal flow of immigrants. CBIG has expanded its joint operations to form an all threats partnership protecting the borders of the United States and its territories in the Caribbean Basin.

Shiprider: Shiprider involves the co-crewing of vessels by Royal Canadian Mounted Police (RCMP) and the United States Coast Guard (USCG). The co-crewing allows patrol vessels to cross the US/Canada border as needed in interdiction efforts. In April of 2011, USBP trained with the USCG and RCMP and future integrated operations are underway.

CHEMICAL CONTROLS

2011 Trends

Preventing diversion of precursor chemicals from legitimate trade is one key goal of the 1988 UN Convention. Specifically, state parties are required under article 12 to monitor international trade in chemicals listed under Tables I and II of the Convention. These tables are regularly updated to account for changes in the manufacture of illicit drugs, and state parties are required to share information with one another and with the International Narcotics Control Board (INCB) on international transactions. The Convention further encourages state parties to license all persons and enterprises involved in the manufacture and distribution of listed chemicals. Subsequent resolutions from the UN Commission on Narcotic Drugs (CND)—the UN's primary narcotic drug policy-making body—have provided additional guidance to states on how to implement these obligations according to specific best practices. The INCB is an independent, quasi-judicial body that monitors the implementation of the three United Nations international drug control conventions. The underlying strategy is to monitor the trade in drug precursors and prevent transactions to suspicious customers.

Chemicals play two essential roles in the production of illegal drugs: as starting chemical inputs for the production of synthetic drugs such as methamphetamine and MDMA (3,4-methylenedioxymethamphetamine more commonly known under the name of ecstasy); and as refining agents and solvents for processing plant-based materials such as coca and opium poppy into drugs such as cocaine and heroin. Chemicals used in synthetic drug production are known as "precursor" chemicals because they become incorporated into the drug product and are less likely to be substituted by other chemicals. Chemicals used to refine and process plant-based drugs are referred to as "essential" chemicals and can be readily replaced by other chemicals with similar properties. Both sets of chemicals are often referred to as "precursor" chemicals and for the sake of brevity, this term is used interchangeably for both categories throughout this report.

Stepped up cooperation by the United States and other nations in controlling precursor chemicals in 2011 has forced drug traffickers to seek new sources of supply and ways to circumvent the traditional processing and smuggling methods. Governments are sharing data on chemical shipments through the INCB. They are also following up by analyzing the data and by targeting diversion through increased monitoring, surveillance and identification of legislative loopholes. Regional and multilateral cooperative efforts continue to be critical in this regard. These efforts build on a variety of bilateral, regional and multilateral mechanisms, such as the United Nations and the Organization of American States (OAS).

Methamphetamine. Abuse of amphetamines, including methamphetamines, increased across the globe in 2011. Although methamphetamine use may have stabilized in the United States, the United Nations Office of Drugs and Crime (UNODC) has reported increased use across Asia and resurgence in Europe. Seizures took place for the first time in Belarus, Lithuania, as well as in the Netherlands, Poland, and Portugal. Moreover, production of methamphetamine continues to rise in this hemisphere as well as in Asia. The two key precursor chemicals used in methamphetamine production, ephedrine and pseudoephedrine are not under international controls. However, they are included in a special monitoring list of chemicals not included in the 1988 UN Convention, but for which substantial evidence exists of their use in illicit drug manufacture. Reporting on these non-listed chemicals is voluntary under international law, but widely implemented under INCB supervision. As a result of a 2006 UN CND resolution, governments are also encouraged to provide voluntary estimates specifically of licit ephedrine and pseudoephedrine licit requirements to allow for better tracking of the export and import of such precursors.

In 2011, the United States, the INCB and other international allies stepped up efforts to prevent diversion of ephedrine and pseudoephedrine into illicit channels. Traffickers have been increasingly forced to seek new sources of supply, find substitute chemicals and new smuggling routes and techniques. Many countries in the western hemisphere have made legislative and regulatory changes to tighten controls on ephedrine and pseudoephedrine. The result has been increased seizures and arrests, as well as stopped shipments. Many Central American nations have banned all import and export of these precursors. Australia and other Asian countries have strengthened regulations controlling these substances. These changes, combined with increased use of the INCB's pre-export notification system, are promoting increased tracing and monitoring of bulk shipments. Real–time communication of exports has further allowed a more complete and systematic reporting regime covering the international trade in synthetic drug precursors. This effort, which began in 2006, was institutionalized through a CND resolution, which mandated the INCB to collect and share information with law enforcement and regulatory agencies.

A prerequisite for communicating on chemical control matters is development of the infrastructure of commercial information and regulation—not a simple task for many countries. At the end of 2011, the INCB reported that more than 126 countries and jurisdictions (up from 100 in 2008) are now cooperating and providing voluntary reporting on their licit requirements for methamphetamine precursor chemicals. The INCB published the data collected in its annual report on precursor chemicals and updates the information regularly on its website. The data serves as a baseline for authorities in importing and exporting countries, facilitating verification of the chemicals and the quantities proposed in commercial transactions. Authorities can use the data to determine whether importation is warranted – or, if no legitimate commercial use is apparent, whether pending shipments require additional law enforcement scrutiny.

One of the largest seizures in Mexico was a 1.1 metric ton seizure of ephedrine at a large scale illicit laboratory in March 2011. In reaction to the tightened controls and increased seizures, traffickers have increased efforts to develop new routes originating in or transiting through more vulnerable nations. For instance, West Africa is now a source of methamphetamine destined for Asia and trafficking through East Africa has been reported. Pakistan has also emerged as a transit country, and trafficking from Bangladesh was also reported. Seizure statistics and law enforcement information indicates an increase in criminal efforts to take greater advantage of finished pharmaceutical products containing precursor chemicals by extracting such chemicals from them. To avoid the detection of bulk shipments, traffickers have been forced to seek pharmaceutical preparations that contain ephedrine and pseudoephedrine. Also, there are increased efforts to substitute chemicals in methamphetamine production.

To address this, the CND in 2010 voted to increase controls over phenylacetic acid—an alternate methamphetamine precursor. This followed results of an INCB task force under Project Prism that revealed increased use of phenylacetic acid and pharmaceutical preparations in methamphetamine production. The operation revealed that many of the suspicious shipments were destined for Mexico, with the leading source country shifting from China to India. This shift may be a result of new legislative and administrative efforts in China, but China remains a major source of diverted precursors around the world. Many criminal investigations highlight China's role as the source of the precursor.

In 2011, several countries including El Salvador, Guatemala and Nicaragua expanded their control measures to cover derivatives of phenylacetic acid. Canada adopted legislation to prohibit anyone from possessing and/or production of any substance that can be used in methamphetamine production.

Heroin. In 2011, the United States continued cooperative efforts to target the precursor chemicals used to produce heroin, primarily acetic anhydride. International regulatory efforts to track the commercial flow of precursor chemicals were also given a boost. Operational reporting data revealed that most acetic anhydride is diverted while passing through domestic channels of the producing country.

In 2011, the United States joined with other nations to focus on acetic anhydride. The Government of Afghanistan informed the INCB that there is no legitimate use for acetic anhydride in Afghanistan and now seeks to block all imports of the substance. Afghanistan's neighbors and donor countries continue to work with Afghanistan to address this issue. In November 2011, India hosted a meeting of the Paris Pact that included donor nations as well as Afghanistan's neighbors to develop a regional strategy to target acetic anhydride. The United States continued to step up law enforcement pressure on traffickers by increasing cooperative efforts under the INCB-led operations. These efforts build on the success of INCB Project Cohesion Task Force-led Operation Dice (Data and Intelligence Collection and Exchange) and DICE 2 that included increased seizures, stopped shipments and identification of suspicious consignments involving hundreds of tons of acetic anhydride.

In 2011, the United States joined with other nations to promote the implementation of Security Council resolution 1817/2008 that focuses on Afghanistan, and the need for countries to target acetic anhydride. Despite international efforts, the United States is keenly aware that drug trafficking organizations are adapting by splintering and expanding their operations. A niche market has formed, and specialized middlemen now seek new routes and methods for acetic anhydride smuggling and diversion as demonstrated by the results and analysis of Operation DICE-2, which lasted nine months with the support of 60 countries. The INCB reviewed 860 international shipments of acetic anhydride, which led to the seizure of over 26 tons. These cases involved large scale seizures of acetic anhydride destined for the illicit manufacture of heroin. Analysis of seizures in a range of countries in Europe, the Middle East and East Asia identified definite patterns of diversion and trafficking. For instance, traffickers are increasingly smuggling acetic anhydride through Africa, as well as seeking new distributors there or in Asia, to including Iran and Iraq, or exploiting small European non-chemical export companies to obtain acetic anhydride. Analysis also demonstrated that heroin precursors are being illegally smuggled as well as diverted from legitimate trade.

Cocaine. Potassium permanganate, an oxidizer, is the primary precursor chemical used in producing cocaine. It is used to remove the impurities from cocaine base. It has many legitimate industrial uses, including waste water treatment, disinfecting, and deodorizing. Potassium permanganate also can be combined with pseudoephedrine to produce methcathinone, a synthetic stimulant that is also a controlled substance.

In South America, the Project Cohesion Task Force focuses on monitoring the imports of potassium permanganate to cocaine processing areas. Developing an effective multilateral effort focused on potassium permanganate has proved difficult because of the vast licit uses of this chemical. However, the United States, the INCB and others are encouraging countries in South America to make this a priority in 2012. While reporting and seizures seemed to indicate that global trade in potassium permanganate was down in 2010, in 2011 it appeared to be up to previous levels. In 2008-09 Project Cohesion Task Force participants expressed concern over the paucity of information pertaining to the trade of potassium permanganate in Latin America. Despite the lack of multilateral operations focusing on potassium permanganate, Colombia continues to report large numbers of seizures and notes concern about illicitly manufactured potassium permanganate.

The Road Ahead

The United States continues to work with international partners to assist other countries to implement the provisions of the 1988 UN Convention, monitor those substances on the special surveillance list, and

identify new substitute chemicals that can be used for illicit drug production. Development of effective chemical control regimes and legislation is critical. Additionally, it is important to develop the administrative and procedural tools to successfully identify suspicious transactions, as well as to make better use of watch lists and voluntary control mechanisms.

Against this backdrop, the United States will promote efforts through Project Cohesion and Project Prism to target precursor chemicals. The United States will continue to foster the broader exchange of information and expertise pertinent to the control of methamphetamine and other synthetic drugs. The United States will also urge countries to avail themselves of the Pre-export Notification (PEN) system to provide and exchange information on legitimate commercial precursor chemical shipments and estimates on legitimate commercial needs to the INCB, and to provide the necessary support to enable the INCB to fulfill its expanding role. To promote the full implementation of the CND resolution and support ongoing INCB activities, including Project Prism, the Department of State has contributed $700,000 yearly from 2007-2011 to UNODC.

In this hemisphere, the United States works through the Inter-American Drug Abuse Control Commission (CICAD)of the Organization of American States (OAS) to further cooperation against diversion of precursor chemicals. CICAD receives U.S. support to counter the trafficking and abuse of illegal drugs, including methamphetamine. Guided at the policy level by CICAD Commissioners (delegates from the 34 Member States in the region), the Supply Reduction Unit of CICAD carries out a variety of initiatives in this important field, and is supported by its Experts Groups on Chemicals and Pharmaceuticals, which meet annually.

II. Precursors and Essential Chemicals

Plant-based drugs such as cocaine and heroin require precursor chemicals for processing, and cutting off supply of these chemicals is critical to U.S. drug control strategy. International efforts have a longer track record in targeting the illicit diversion of the most common precursors for cocaine and heroin—potassium permanganate and acetic anhydride, respectively. Diversion of less than 1 percent of worldwide licit commercial use of these chemicals is required to produce the world's supply of cocaine and heroin, and curbing supplies is an enormous challenge.

International Regulatory Framework for Chemical Control

Special Monitoring List: In 1996, the United States supported a CND resolution that added a special monitoring list of chemicals that are not included in the Convention but for which substantial evidence exists of their use in illicit drug manufacture. Reporting on these non-listed chemicals is voluntary under international law, but widely implemented under INCB supervision. The list is regularly reviewed, but it takes time to update new analogues of existing precursors. As a result, criminals vigorously exploit delays and gaps in the listings.

Regional Bodies. The regulatory framework codified by the United Nations does not exist in isolation. Regional bodies also have worked to complement the regulatory role of the UN. In 2004, the European Union (EU) enacted binding legislation to regulate chemical control monitoring among all of its member states. External trade between the European Union and international actors is also covered. This EU legislation has been subsequently enhanced by additional implementing legislation, as well as by less binding measures to promote voluntary cooperation with private industry to implement best-practices for preventing diversion. The United States and the EU have had an agreement to cooperate on chemical control issues since 1997, and annual bilateral meetings take place to coordinate efforts. The EU also has

actively collaborated with the United States on multilateral chemical control initiatives, including CND resolutions. OAS is engaged on the issue of chemical control within the western hemisphere.

Major Chemical Source Countries and Territories

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

Many other countries manufacture and trade in chemicals, but not on the same scale, or with the broad range of precursor chemicals, as the countries in this section. The next section focuses on illicit drug manufacturing. Each of these two sections is broken down by region.

The Americas

Argentina
Argentina is one of South America's largest producers of precursor chemicals and remains a source of potassium permanganate. The Government of Argentina (GOA) has banned imports or exports of ephedrine. The GOA has enhanced its precursor chemical regulatory framework and port and border controls and related criminal investigations in combating the traffic in precursor chemicals. Argentina is a party to the 1988 UN Drug Convention and has laws meeting the Convention's requirements to track chemicals. Argentina restricted the importation and exportation of ephedrine, both as a raw material and as an elaborated product, in 2008, resulting in a substantial decrease in legal ephedrine imports in both 2009 and 2010. In addition, the GOA has taken steps to implement CND resolution 49/3. In August 2010, Argentina implemented the INCB's online Pre-Export Notification (PEN) system.

Brazil
Brazil's chemical industry continues to grow as expanding exports of manufactured products and growing domestic markets have increased the demand for chemicals. One of the world's ten largest chemical producers and the leader in Latin America, Brazil is also the only country that borders all three Andean cocaine producing countries.

Brazil is a party to the 1988 United Nations Convention and passed its first chemical control law in 2001 with an updated 2003 decree imposing strict controls on 146 chemicals that could be used to produce narcotic substances. The Brazilian Federal Police (DPF) established regulatory guidelines for chemical handlers and control and monitor chemical products throughout the country. In 2011, the DPF established a Criminal Diversion Investigations unit and set up a national computer system to track chemical shipments. Strict restrictions on ether and acetone shipments have caused traffickers to use substitutes for cocaine processing, such as cement and lime. These two materials, as well as kerosene and gasoline, are controlled by Brazil for exports to Bolivia, Colombia and Peru as essential substances for cocaine production, but are not controlled domestically in Brazil.

Brazil uses the PEN to report legitimate exports. Brazil currently controls both potassium permanganate and acetic anhydride for quantities in excess of 1 kilogram/1liter and is in the process of drafting new

legislation to implement stricter controls. The DPF Chemical Diversion Investigations Unit works closely with the USG and with its neighbors to target diversion.

Canada

Canada continues to be a destination and transit country for the precursor chemicals used to produce synthetic drugs, particularly methamphetamine and ecstasy. According to the 2010 annual report of the Criminal Intelligence Service of Canada (CISC), Canadian-sourced pseudoephedrine has been found in raids of clandestine U.S. methamphetamine laboratories. Though methamphetamine use in Canada has stabilized, according to CISC, production has continued to increase to supply export markets. CISC asserts that criminals export significant quantities of methamphetamine to the United States, Japan, Australia, and New Zealand. Canadian officials find that smugglers move ecstasy precursor chemicals into Canada from source countries to include China and India. The United States works closely with Canada to target precursor chemicals and to identify and dismantle methamphetamine laboratories. Canada participates actively in a large annual conference**,** the National Methamphetamine and Pharmaceutical Initiative which brings together law enforcement officials, regulators, scientists and health professionals, prosecutors, and policy makers to focus on the diversion and illicit production and trafficking of precursor chemicals (as well as controlled prescription drugs.) Canadian officials confirm, however, that domestic production of methamphetamine and ecstasy continues to increase. U.S. officials continue to work closely with Canadian partners to identify and dismantle ecstasy and methamphetamine laboratories.

Canada is a party to the 1988 UN Convention and complies with its record-keeping requirements. Canada participates in Project Prism, targeting synthetic drug chemicals, and is a member of the North American working group. It also supports Project Cohesion.

Chile

Chile has a large petrochemical industry engaged in the manufacturing, importation, and exportation of chemical products. Although it has been a source of ephedrine for methamphetamine processing in Mexico, no ephedrine has been seized by Chilean counterparts since 2009. Chile is also a potential source of precursor chemicals used in coca processing in Peru and Bolivia.

Despite Chile's chemical control laws, monitoring of diversion and smuggling is limited by the bureaucratic structure, lack of efficient registration system, and lack of sufficient personal. The regulatory function for chemicals belongs to the Special Register of Controlled Chemical Handlers (REUSQC) under the Ministry of Interior. Chilean law enforcement entities have specialized chemical diversion units and dedicated personnel assigned with the responsibility for investigating chemical and pharmaceutical diversion cases. Customs, which is not a traditional law enforcement agency, has a risk analysis unit which profiles suspicious imports and exports, which may include chemical precursors.

Companies that import, export, or manufacture chemical precursors must register with REUSQC and maintain customer records, and are subject to inspections. Through 2011, approximately 200 importers and exporters had registered with the Government of Chile, but there are potentially many more companies who should be registered, but are not, due to inefficiency within the registration system. There is legislation pending in the Chilean Congress to expand the list of companies subject to inspection and Chilean authorities continue to work with the United States. The majority of chemical imports originate in India and China and the diversion of such chemicals is primarily directed to Bolivia, Peru, and Mexico. Chemicals destined for Peru and Bolivia are transported by land, while chemicals sent to Mexico are transported via air cargo and maritime shipments.

Mexico

Significant methamphetamine production continues in Mexico and importations of precursor chemicals are on the rise. During 2011, the quantity of precursor chemicals seized as reported by the Government of Mexico (GOM) has totaled over 527,077 kilograms or more than 527 metric tons. A strong bilateral working relationship between U.S. and Mexican authorities continues, involving information exchange and operational cooperation, including through participation in the National Methamphetamine and Pharmaceutical Initiative conference. The two governments also cooperate to convey best practices to Central American countries that have become affected by the trafficking of precursor chemicals. Mexico is a party to the 1988 UN Drug Convention and has laws and regulations that meet the Convention's chemical control requirements.

The GOM outlawed imports of pseudoephedrine, except for liquid pseudoephedrine for hospital use, in 2008. In November 2009, Mexico enhanced its regulatory laws pertaining to the import of precursor chemicals, which tightened the regulations for imports of phenyl acetic acid, its salts and derivatives, methylamine, hydriodic acid, and red phosphorous. In June of 2010, the GOM again strengthened its regulatory laws. However, potassium permanganate and acetic anhydride are not regulated in Mexico.

Mexico has several major chemical manufacturing and trade industries that produce, import, or export most of the chemicals required for illicit drug production, including potassium permanganate (for cocaine), and acetic anhydride (for heroin). While Mexico is a major supplier of methamphetamine, the country currently has no facilities or chemical plants that can synthesize or manufacture pseudoephedrine or ephedrine powder.

Imports of both precursor and essential chemicals are limited by the GOM to specific ports of entry. Mexico has a total of 49 ports of entry, of which only 17 are authorized for the importing of essential chemicals.

While pseudoephedrine and ephedrine imports are banned in Mexico, traffickers continue to smuggle these precursors into Mexico. During FY 2011, approximately 173 kilograms of pseudoephedrine was seized at the ports of Veracruz and Manzanillo. However, based on the number of clandestine laboratories that have been dismantled by the Mexican government (approximately 137) during FY 2011, phenyl-2-propanone (P-2-P) is the primary chemical used to produce methamphetamine. During FY 2011, the GOM reported the seizure of 158 metric tons of P-2-P.

Acidic anhydride has been identified at clandestine laboratories producing methamphetamine; however, the quantities are only one or two barrels (200-liter capacity).

Ephedrine destined for Mexico is supplied by China, the Czech Republic, Switzerland, Thailand, India, Bangladesh, and the United States. Drug traffickers in Mexico now substitute ephedrine and/or pseudoephedrine with phenyl acetic acid (PAA), which enters Mexico in large quantities from suppliers in the Netherlands, Bulgaria, and China. Mexican authorities have also detected shipments entering Mexico from the United States. The import, export, and trade of PAA are regulated according to an agreement issued by Mexico's Health Secretariat in 2009. In May 2010, officials seized 88 tons of ethyl phenyl acetate, a pre-precursor chemical used to make P-2-P, a precursor to methamphetamines, at the Port of Manzanillo, representing the largest single seizure of the chemical. The chemical was found in five shipping containers sent from China.

The United States

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

The basic U.S. chemical control law is the Chemical Diversion and Trafficking Act of 1988. This law and subsequent chemical control amendments were all designed as amendments to U.S. controlled substances laws, rather than stand-alone legislation. The Drug Enforcement Administration (DEA) is responsible for administering and enforcing them. The Department of Justice, primarily through its U.S. Attorneys Offices, handles criminal prosecutions and cases seeking civil penalties for regulatory violations. In addition to registration and record-keeping requirements, the legislation requires traders to file import/export declarations at least 15 days prior to shipment of regulated chemicals. DEA uses the 15-day period to determine if the consignee has a legitimate need for the chemical. Diversion investigators and special agents work closely with exporting and receiving country officials in this process. If legitimate end-use cannot be determined, the legislation gives DEA the authority to stop shipments. One of the main goals of DEA's Diversion Control Program is to ensure that U.S. registrants' (those companies registered with DEA to handle List I chemicals) products are not diverted for illicit drug manufacture.

U.S. legislation also requires chemical traders to report to DEA suspicious transactions such as those involving extraordinary quantities or unusual methods of payment. Close cooperation has developed between the U.S. chemical industry and DEA in the course of implementing the legislation. Criminal penalties for chemical diversion are strict; the penalties for some chemical trafficking offenses involving methamphetamine are tied to the quantities of drugs that could have been produced with the diverted chemicals. Persons and companies engaged in chemical diversion have been aggressively and routinely subjected to revocation of DEA registration as well as to civil and criminal prosecution as appropriate.

The United States has played a leading role in the design, promotion, and implementation of cooperative multilateral chemical control initiatives. The United States also actively works with other concerned nations, and with the UNODC, and the INCB to develop information sharing procedures to better control precursor chemicals, including pseudoephedrine and ephedrine, the principal precursors for methamphetamine production. U.S. officials participate in the task forces for both Project Cohesion and Project Prism. The United States has established close operational cooperation with counterparts in major chemical manufacturing and trading countries. This cooperation includes information sharing in support of chemical control programs and in the investigation of diversion attempts.

The Combat Methamphetamine Epidemic Act of 2005 (CMEA) mandated that DEA establish total annual requirements for these three chemicals for the U.S. and provide individual import, manufacturing and procurement quotas to registered importers and manufactures that wish to conduct import and manufacturing activities with these chemicals. Since the implementation of quotas in 2008, the United States has seen decreases in assessments of importation of some of these chemicals by over 80 percent.

Asia

China

In 2010, China was the fifth largest exporter of ephedrine and third largest exporter of pseudoephedrine. China has one of the world's largest chemical industries, producing large quantities of precursor chemicals, such as acetic anhydride, potassium permanganate, piperonylmethylketone (PMK) and pseudoephedrine and ephedrine. Organized crime groups divert legitimately manufactured chemicals, especially ephedrine and pseudoephedrine, from large chemical industries throughout China to produce illicit drugs. The diversion of precursor chemicals for the illicit production of drugs remains a problem within China. The sheer scale of China's chemical industry, with an estimated 80,000 individual chemical companies in 2009, presents widespread opportunities for chemical diversion. Effective regulatory oversight of this industry remains a major challenge for China's central authorities.

China produces and monitors all 23 of the chemicals on the tables included in the 1988 Drug convention. China continues to cooperate with the United States and other concerned countries in implementing a system of pre-export notification for dual-use precursor chemicals. China regulates the import and export of precursor chemicals covered by the 1988 UN Convention, but does not currently notify other countries of non-regulated chemicals on the INCB's surveillance list. Chinese authorities successfully investigated 234 cases of illegal trade and smuggling of precursor chemicals in 2010 and seized 869.11 tons of precursor chemicals.

In 2010, China reported to the INCB that it had produced 150,000 kg of ephedrine and 160,000 kg of pseudoephedrine. Criminal investigations and law enforcement authorities from Europe, Latin American and elsewhere in Asia have indicated that large-scale illicit methamphetamine producers in Asia and Mexico use Chinese-produced ephedrine and pseudoephedrine. In 2005, China passed new chemical regulatory and administrative laws and strengthened the export controls of 58 precursor chemicals. China cooperates in international chemical control initiatives and continues participation in ASEAN. In September 2010, China attempted to strengthen regulations on internet sales of chemicals, banning unlicensed sales. This resulted in the closing of 331 illegal websites based in China.

India

India is one of the world's largest manufacturers of precursor chemicals and in 2010 was the top exporter of both ephedrine (65,000 kilograms) and pseudoephedrine (458,000kilograms). India is a party to the 1988 UN Drug Convention, but it does not have controls on all the chemicals listed in the Convention. The Narcotic Drug and Psychotropic Substances Act requires records on all transactions of acetic anhydride, ephedrine and pseudoephedrine. Exports of ephedrine and pseudoephedrine, require a "No Objection" Certificate from the Indian Narcotics Commissioner, who issues a Pre-Export Notification to the Competent Authority in the importing country as well as the INCB. India continues to work closely with the INCB and with international partners.

India is, nevertheless, a key source of diverted precursor chemicals for methamphetamine and heroin. Seizures in South and Central America continue to indicate that traffickers are targeting India. And several large shipments of ephedrine and pseudoephedrine tablets were seized in Mexico. Large shipments of bulk pseudoephedrine from India were formed into tablets in Bangladesh and sent to countries in Central America and the Caribbean.

Singapore

In 2010, Singapore's exports and imports of both ephedrine and pseudoephedrine decreased slightly. However, in 2010, Singapore was ranked the fifth largest importer of ephedrine and the fourth largest importer of pseudoephedrine (ranked first in 2009). Authorities indicate that the amounts not re-exported are used primarily by the domestic pharmaceutical industry and by the large number of regional pharmaceutical companies served by Singapore's largest port. Singapore is one of the largest distributors of acetic anhydride in Asia. Used in film processing and the manufacture of plastics, pharmaceuticals, and industrial chemicals, acetic anhydride is also the primary acetylating agent for heroin.

Singapore participates in a multilateral precursor chemical control programs, including Operation Cohesion, and Operation Prism, and works closely with the USG. Singapore controls precursor chemicals, including pseudoephedrine and ephedrine, in accordance with the 1988 UN Drug Convention provisions, and accordingly tracks exports and works closely with industry officials.

The Republic of Korea

In 2010, South Korea was the third largest importer of ephedrine and the second largest importer of pseudoephedrine. With one of the most developed commercial infrastructures in the region, the Republic of Korea (ROK) is an attractive location for criminals to obtain precursor chemicals. As of 2011, 30

precursor chemicals were controlled by Korean authorities. Both the Korea Customs Service (KCS) and the Korean Food and Drug Administration (KFDA) participate in the INCB's Projects Cohesion and Prism and DICE. In this role, they closely monitor imports and exports of precursor chemicals, particularly acetic anhydride. Korean law enforcement authorities also cooperate with Southeast Asian nations to verify documents and confirm the existence of importing businesses and send representatives to the region to investigate. In April 2011, the National Assembly passed a new law that requires manufacturers and exporters of precursor chemicals to register with the government and provides for education to Korean businesses to prevent them from unknowingly exporting such chemicals to fraudulent importers. South Korean authorities work closely with the U.S. authorities to track suspect shipments.

Taiwan

In 2010, Taiwan was the fourth largest exporter of ephedrine and ranked as the third largest exporter of pseudoephedrine. Taiwan was also ranked the fourth largest importer of ephedrine in 2010. Taiwan law enforcement has long recognized that certain Taiwan-based chemical companies divert chemicals, which may be used to manufacture illicit substances in countries such as Cambodia, Thailand, Mexico, Honduras, and Belize. The Ministry of Economic Affairs, Industrial Development Bureau serves as the regulatory agency for chemicals, including those controlled under the 1988 UN Convention, and other non-regulated chemicals. In 2011, Taiwan exported 848 kg of acetic anhydride worldwide.

Taiwan does not have control regulations for the trade of ephedrine/pseudoephedrine combination in over-the-counter pharmaceutical preparations. However, companies engaging in their import/export must register their transactions with the Taiwan's Department of Health, which may elect to examine relevant shipping records. Taiwan does have control regulations for the export and import of ephedrine and pseudoephedrine. In 2011, Taiwan's Ministry of Economic Affairs added eight new precursor chemicals to the control list. Taiwan's law enforcement agencies work closely with U.S. law enforcement officials.

Thailand

Thailand is not a chemical manufacturer or producer, but the government imports chemicals in bulk for licit domestic requirements. Thai officials are concerned by a dramatic increase in pseudoephedrine diversion, the diversion of pseudoephedrine preparation 60 mg tablets manufactured in South Korea identified in late 2009.

Thailand has taken a proactive stance in precursor chemical control and has laws to regulate and control precursor chemicals. In 1975, the Psychotropic Substances Act was passed wherein drugs and chemicals were placed into four categories or schedules similar to the drug schedule developed in the United States. Pseudoephedrine and ephedrine, for example, are listed as Type II controlled drugs under the 1975 Psychotropic Substances Act. Drugs listed under Type II can pose serious health risks and include strict controls.

Thailand submits information to the INCB on the country's licit trade and legitimate uses of and requirements for substances in Table I and II of the 1988 Convention. The Thai government has requested pre-export notifications pursuant to article 12, paragraph 10 (a), of the 1988 Convention for most of the chemicals in Table I. Thailand submits its annual legitimate requirements for ephedrine and pseudoephedrine, which are frequently used in manufacturing of amphetamine-type stimulants, to the INCB. Thailand ranked number nine on the list of worldwide countries reporting legitimate need for these chemicals during 2009 and 2010.

During 2010, the Thai Office of Narcotics Control Board (ONCB) reported the seizure of more than 33 million pseudoephedrine tablets destined for Thailand's neighboring countries. As of June 2011, the Thai ONCB had reported the seizure of 7.5 million pseudoephedrine tablets. As a result, Thai Food and Drug

Administration (FDA) and ONCB officials are working with parliament to adopt stricter import regulations and controls for ephedrine and pseudoephedrine pharmaceutical products.

Europe

Chemical diversion control within the European Union (EU) is regulated by EU regulations binding on all 27 Member States. The regulations are updated regularly, most recently in 2005. The EU regulations meet the chemical control provisions of the 1988 UN Convention, including provisions for record-keeping on transactions in controlled chemicals, a system of permits or declarations for exports and imports of regulated chemicals, and authority for governments to suspend chemical shipments. The EU regulations are directly applicable in all Member States. Only a few aspects require further implementation through national legislation, such as law enforcement powers and sanctions.

The EU regulations govern the regulatory aspects of chemical diversion control and set up common risk management rules to counter diversion at the EU's borders. Member states are responsible for investigating and prosecuting violators of national laws and creating regulations necessary for implementing the EU regulations.

The U.S.-EU Chemical Control Agreement, signed May 28, 1997, is the formal basis for U.S. cooperation with the European Commission and EU Member States in chemical control through enhanced regulatory cooperation and mutual assistance. The agreement calls for annual meetings of a Joint Chemical Working Group to review implementation of the agreement and to coordinate positions in other areas. The annual meeting coordinates national or joint positions on chemical control matters before larger multilateral fora, including the CND.

Bilateral chemical control cooperation continues between the United States and EU member states. Many states participate in voluntary initiatives such as Project Cohesion and Project Prism. In 2007, the EU established guidelines for private sector operators involved in trading in precursor chemicals, with a view to offering practical guidance on the implementation of the main provisions of EU legislation on precursor chemicals, in particular the prevention of illegal diversion.

Germany and the Netherlands, with large chemical manufacturing or trading sectors and significant trade with drug-producing areas, are considered the major European source countries and points of departure for exported precursor chemicals. Other European countries have important chemical industries, but the level of chemical trade with drug-producing areas is not as large and broad-scale as these countries. Belgium and the United Kingdom are also included this year because of their large exports of ephedrine and pseudoephedrine.

Belgium

Belgium is not a major producer of illicit drugs or chemical precursors used for the production of illicit drugs. However Belgium has a substantial pharmaceutical product sector which manufactures ephedrine and pseudoephedrine for licit products to a very limited extent. Belgium has reporting requirements for the import and export of precursor chemicals (bulk pseudoephedrine/ephedrine). Shipments of pharmaceutical preparations containing pseudoephedrine and ephedrine are only controlled on a regulatory level by the Belgian Ministry of Safety and Public Health.

Seeking to circumvent the ban on pseudoephedrine and ephedrine by Mexico and many countries in Central America, traffickers are extracting these substances from pharmaceutical preparations, or cold medicine from Belgium for methamphetamine production. As a result, Belgium and other Western European countries have seen an increase in transshipments of ephedrine and other methamphetamine precursors embodied in uncontrolled pharmaceutical preparations. The United States continues to

coordinate with Belgian authorities to identify and investigate both suppliers and shippers of precursor chemicals.

Germany
Germany continues to be a leading manufacturer of licit pharmaceuticals. In 2010, Germany was the second largest exporter of ephedrine and pseudoephedrine worldwide. Most of the 23 scheduled substances under international control as listed in Tables I and II of the 1988 UN Drug Convention and other chemicals, which can be misused for the illicit production of narcotic drugs, are manufactured and/or sold by the German chemical and pharmaceutical industry.

Germany is a party to the 1988 UN Convention. In Germany, the National Precursor Monitoring Act complements EU regulations. Although Germany's developed chemical sector makes it susceptible to chemical diversion. National and EU regulations, law enforcement action, and voluntary industry action tightly control the movement of chemicals throughout the country. In 2010, the number of cases regarding acetic anhydride decreased from 2009. Cooperation between the chemical/ pharmaceutical industry, merchants, and investigation authorities is a key element in Germany's chemical control strategy. Germany works very closely with UNODC in the field of drug control.

The United States works closely with Germany's chemical regulatory agency, the Federal Institute for Drugs and Medical Devices, on chemical control issues, including exchanging information and cooperating both bilaterally and multilaterally, to promote transnational chemical control initiatives. Germany supports INCB precursor chemical control activities and continues to participate in significant UN projects. Germany was recognized for its contributions to Operation PAAD, a Project Prism initiative which focused on shipments of phenylacetic acid and its derivatives which are being used to illicitly product P-2-P in clandestine laboratories.

The Netherlands
Drug traffickers continue to target the Netherlands, which has a large chemical industry with large chemical storage facilities, and use Rotterdam as a major chemical shipping port. However, the Netherlands has strong legislation and regulatory controls and the police force tracks domestic shipments and works closely with its international partners. The Netherlands is a party to the 1988 UN Drug Convention and 1990 EU Regulations. Trade in precursor chemicals is governed by the 1995 Act to Prevent Abuse of Chemical Substances (WVMC). The law seeks to prevent the diversion of legal chemicals into the illegal sector. The National Crime Squad's synthetic drug unit and the Public Prosecutor's Office have strengthened cooperation with countries playing an important role in precursor chemicals used in the manufacture of ecstasy. The Netherlands signed an MOU with China concerning chemical precursor investigations. The Netherlands is an active participant in the INCB/project Prism taskforce. The Dutch continue to work closely with the United States on precursor chemical controls and investigations. In April 2009, the Netherlands established a separate Expertise Center on Synthetic Drugs and Precursors (ESDP) and a Precursors Taskforce. Trade and industry report suspect transactions of registered chemicals and in 2010 there were 82 investigations of suspicious transactions reports, up from 59 in 2009. The latest ESDP report indicated two new types of precursors: PMK-glycidate and alpha-phenylacetoacetonitrile (APAAN) used in methamphetamine production. Criminal groups use these new types of precursors and pre-precursors to circumvent national and international legislation.

The United Kingdom
In 2010 the United Kingdom (UK) was the fifth largest worldwide exporter of ephedrine. The UK strictly enforces national precursor chemical legislation in compliance with EU regulations and is a party to the 1988 UN Drug Convention. In 2008, the Controlled Drugs Regulations (Drug Precursors) (Intra and External Community Trade) were implemented, bringing UK law in line with preexisting EU regulations. Licensing and reporting obligations are requirements for those that engage in commerce of listed

substances, and failure to comply with these obligations is a criminal offense. The Home Office Drug Licensing and Compliance Unit is the regulatory body for precursor chemical control in the UK. However, the Specialized Organized Crime Agency (SOCA) and the police have the responsibility to investigate suspicious transactions. Revenue and Customs monitors imports and exports of listed chemicals. The UK implemented CND resolution 49/3 through the European Council directive 111/2005, and through the PEN system. As of October 2011, the UK Home Office reported a licit domestic need for 10,500 kg of ephedrine, 12,850 kg of pseudoephedrine, and 29,840 kg of preparations of these chemicals. U.S. and UK law enforcement continue to exchange information and training on the methamphetamine threat. In 2011, several small clandestine methamphetamine laboratories were seized in the UK.

Significant Illicit Drug Manufacturing Countries

Asia

Afghanistan
Afghanistan does not have a domestic chemical industry or a legitimate use for acetic anhydride (AA) and consequently has banned all imports and exports of acetic anhydride. The principal illicit sources are believed to be China, South Korea, Europe, the Central Asian states and India. Re-packaging and false labeling often hide the identity of the shipper. Limited police and administrative capacity hampered efforts to interdict precursor substances and processing equipment and Afghan heroin conversion laboratories tend to be small operations making the task of control and investigative authorities more difficult. Seizures of AA and other precursors have increased since 2010. In the last 12 months Afghan and Coalition Forces seized 20,000 liters of AA.

Afghanistan is a party to the 1988 UN Drug Convention and all 23 substances under international control are subject to an import/export regime in Afghanistan. This is a multi-agency body that includes the Counter Narcotics Police of Afghanistan (CNPA) and Department of Customs that is responsible for tracking shipments. MCN's limited administrative and regulatory infrastructure has inhibited its ability to comply with the Convention's record keeping and other requirements. However, the CNPA has established a Precursor Control Unit within the Intelligence Department that works closely with the UN and is beginning to establish cooperative efforts with other countries in the region.

Burma
The illicit production and export of synthetic drugs in Burma continues. Burma does not have a significant chemical industry and does not manufacture ephedrine and pseudoephedrine used in synthetic drug manufacture, or acetic anhydride. Organized criminal syndicates smuggle these precursor chemicals into Burma through the extremely porous and difficult to police borders shared with Bangladesh, China, India, and Thailand. The precursors are then transported to heroin refineries and amphetamine-type stimulants (ATS) laboratories primarily located in regions of the Shan State which are under the control of armed militia groups or in other areas that are lightly policed.

In 2011, Burmese authorities continued to fail to control the illicit import and diversion of precursor chemicals for use in production of illegal narcotics. The Burmese police made significant precursor seizures in government-controlled areas such as Mandalay, Burma's main distribution center for precursor chemicals. However, Burmese authorities have not made significant efforts to stem the illicit influx of chemicals from border areas where they have minimal controls. In 2011, Burmese authorities seized 2,853 liters of liquid chemicals, including acetic anhydride. (GOB statistics do not differentiate among precursor chemicals.) The Government of Burma has not provided estimates on the size of its licit domestic market for ephedrine, pseudoephedrine. (Note: There is a listing for "Myanmar" in this year's table, but only one chemical-ephedrine-has a numerical entry-1MT for Ephedrine-but they appear to have formally declared no legal requirements (0) for all of the others.)

Even so, official seizure statistics between January and September 2011 related to ATS production included approximately 2,373.16 kilograms of pseudoephedrine, 553 kilograms of caffeine powder and 29 kilograms of ephedrine. Burmese police also seized 2.3 million ATS tablets and 9 kilograms of methamphetamine ICE. Burma is a party to the 1988 UN Drug Convention, but has not yet instituted laws that meet all UN chemical control provisions. In 1998, Burma established a Precursor Chemical Control Committee responsible for monitoring, supervising and coordinating the sale, use, manufacture,

and transportation of imported chemicals. In 2002, the Committee identified 25 substances as precursor chemicals, and prohibited their import, sale or use in Burma.

Indonesia

Imports of ephedrine and pseudoephedrine pose significant challenges for Indonesia. While Indonesia's growing population of close to 240 million warrants a large demand for cough and flu medicines, authorities estimate that some of these medicines and their precursors are diverted for production of methamphetamine/ecstasy. China is the primary source of licit chemicals for the Indonesian pharmaceutical industry and for chemicals used to produce illicit methamphetamines. India, Taiwan, and other Asian countries are also significant sources of licit pharmaceutical drugs diverted for use to produce amphetamine type stimulants. Indonesia has adopted precursor control regulations of narcotics and precursors included in Categories I and II of the 1988 UN Convention.

The 2009 Narcotics Law gives enforcement officials authorities to monitor shipments and conduct investigations. Indonesian authorities that have responsibilities on chemical and precursor control include: the Food and Drug Administration of the Ministry of Health, the National Narcotics Board (BNN), the Indonesian National Police (INP), the Ministry of Trade and Commerce, and the Ministry of Industry. The Food and Drug Administration is responsible for the enforcement, monitoring, and authorization of import/export of narcotics and precursors, and narcotics and precursor activity for food and pharmaceutical applications, such as for medicines and food preservatives. The INP's Narcotics and Organized Crime Directorate is the lead entity to combat narcotics and precursor criminal activity.

Laos

Laos is an important transit point for Southeast Asian heroin, ATS, and precursor chemicals en route to other nations in the region. This transit drug trade involves criminal gangs with links in Africa, Latin America, Europe, and the United States, as well as in other parts of Asia. Laos is a party to the 1988 UN Drug Convention.

The Laos Penal Code has several prohibitions against the import, production, and use and misuse of chemical substances used for manufacturing illicit narcotics. The Ministry of Health and the Customs Department maintain controls over chemical substances. Laos has a small and nascent industrial base and the use of industrial chemicals subject to misuse for narcotics manufacture is relatively small. In 2008 the Lao National Assembly passed a drug law (Law on Drugs and Article 46 of the Penal Law) that defines prohibited substances and pharmaceuticals for medical use. In March 2009, the Prime Minister's Office issued a "Decree" to the revised drug law to clarify criminal liability that includes a list of 32 chemical precursors which could be used for illicit purposes.

Malaysia

Malaysia is a regional production hub for crystal methamphetamine and ecstasy. Narcotics imported to Malaysia include heroin and marijuana from the Golden Triangle area (Thailand, Burma, Laos), and other drugs such as ATS. Small quantities of cocaine are smuggled into and through Malaysia from South America. Methamphetamine, ecstasy, and ketamine, mostly from India, are smuggled through Malaysia en route to consumers in Thailand, Japan, Indonesia, Singapore, China, and Australia. Since 2006, Malaysia has been a location where significant quantities of crystal methamphetamine are produced. This trend continued in 2009, with methamphetamine laboratories seized in Kuala Lumpur and in Southern Malaysia, and frequent police reports of ethnic Chinese traffickers setting up labs in Malaysia. Nigerian and Iranian drug trafficking organizations are also increasingly using Kuala Lumpur as a hub for their illegal activities.

Latin America

Bolivia
Bolivia does not have a large chemical industry. Most of the chemicals required for illicit drug manufacture of cocaine are either smuggled from neighboring countries or imported legally and then diverted. Precursor chemicals are shipped to Bolivia from Chile, Peru, Brazil, and Argentina. The Bolivian Special Counternarcotics Police (FELCN) Chemical Control Group works with the Vice Ministry of Social Defense and Controlled Substances to control access to precursor chemicals and investigate diversion for illicit purposes.

The Chemical Substances Investigation Team is a more specialized division of the Special Operations Force (FOE) of FELCN that focuses specifically on searching for chemicals used in the cocaine manufacturing process, such as sulfuric acid, kerosene, diesel oil and limestone. In 2010, the Chemical Control Group found traffickers using new chemicals, such as electrolytes and acetone, which are not controlled under Bolivian Law 1008.

In 2010, GISUQ seized 963.8 MT of solid substances and 2,400,271 liters of precursor chemicals, surpassing 2009 results by 11 percent and 52 percent, respectively.

The GOB does not have control regimes for ephedrine and pseudoephedrine. On June 6, 2010, 49 kilograms of cocaine and 445 kilograms of ephedrine concealed in wood furntiture from Santa Cruz, Bolivia, were seized in Manzanillo, Mexico. The ephedrine was likely smuggled into Bolivia by traffickers seeking a freight-forwarding area with limited law enforcement scrutiny.

Colombia
Chemical trafficking continues to be a serious problem in Colombia. Currently, 4,500 chemical companies in Colombia are authorized to handle precursor chemicals for legitimate use. Chemical companies must have governmental permission to import or export chemicals and drugs. Pre-notification is required for chemical exports and neither ephedrine nor pseudoephedrine can be exported. Colombian companies can import these precursors to produce medications for national demand. The GOC cooperates fully with INCB and other multilateral chemical control initiatives. It provides annual estimates of licit chemical use to the INCB in accordance with international obligations.

In addition to diversion from large companies, chemicals are smuggled into Colombia. Potassium permanganate is also imported into Colombia. Increasingly, chemical traffickers and clandestine laboratories use non-controlled chemicals, such as N-propyl acetate, to replace controlled chemicals that are difficult to obtain. Traffickers are increasingly recycling chemicals as well as the chemical containers, making it difficult to trace their origin.

The Colombian National Police Chemical Sensitive Intelligence Unit (SIU) has both a regulatory component and investigative component, including dismantling large-scale chemical trafficking organizations. Colombian officials conduct on-site inspections and audits, verification of imports/exports, and develop leads for criminal prosecution purposes. SIU operations have resulted in large chemical seizures. In 2011, the SIU arrested 118 people and seized approximately 3,662 kilograms (kg) of hydrochloric acid. The Colombian officials also inspected and audited 1,770 Colombian chemical companies which resulted in the immobilization of 8.6 million kg of listed chemicals due to administrative violations.

During 2011, the Colombian chemical law was amended to make the diversion of controlled chemicals by a registered Colombian company a criminal act. The Colombia National Police (CNP) primary interdiction force, the Anti-Narcotics Directorate's (DIRAN) Jungle Commandos (Junglas) or airmobile units, are largely responsible for the significant number of HCL and coca base labs destroyed in 2011 and

also seized significant amounts of precursor chemicals during the course of their operations in 2011, including 14 MT of solid precursors and 4.5 MT of liquid precursors.

Peru

Peru continues to be a major importer of precursor chemicals used in cocaine production, including acetone and sulfuric acid. Peru is also a major importer of other essential chemicals for cocaine production. In 2011, the Peruvian National Police (PNP) Chemical Investigations Unit (DEPCIQ) continued its successful chemical enforcement and regulatory operations, leading to the seizure of significant quantities of precursor chemicals, including 20 MT of acetone, 117 MT of hydrochloric acid/muriatic acid, and 23 MT of sulfuric acid.

Many tons of these chemicals are diverted from legitimate channels to cocaine production with a major concentration in the coca valleys. Lima is the source of 90 percent of chemical precursors smuggled to cocaine production areas, where the chemicals are utilized in the cocaine manufacturing process. Drug traffickers transport precursor chemicals to cocaine labs using individuals, animals, and vehicles. PNP has identified the principal routes of precursor chemicals from Lima into the drug source areas. Consistent with the GOP's Five-Year Drug Strategy, Peru's counternarcotics police, DIRANDRO, continued Operation Chemical Choke, a bilateral chemical control program that targets acetone, hydrochloric, and sulfuric acid through a specialized enforcement/intelligence unit of PNP officers. In 2010, Operation Chemical Choke targeted those organizations that divert these chemicals to cocaine production laboratories located near coca growing areas. The results included the arrests of several chemical traffickers and the seizure of 9.5 metric tons MT of acetone, 21.8MT of hydrochloric acid, and 2.12MT of sulfuric acid.

Peru's law enforcement has reported multi-hundred-ton seizures of hydrochloric acid and acetone as well as calcium oxide, totaling 290 MT. In 2010, seizures of potassium permanganate totaled 516 kg. Peru's law enforcement organizations conducted joint chemical enforcement operations with neighboring countries and participated in enforcement strategy conferences to address chemical diversion. Peru was a major participant in the Operation Sin Fronteras Phase I held in Buenos Aires, Argentina. In 2010, Peru's efforts in Operation Sin Fronteras resulted in the seizure of 20 MT of sulfuric, acetone, and hydrochloric acid, as well as several arrests.

The GOP continues to work on developing a chemical user registry to fully implement the Precursor Chemical Control law. In November 2009, the GOP issued a new law which enforces the control of, and stipulates penalties for, trafficking in chemical precursors.

Multilateral Efforts to Target Methamphetamine Chemicals

Unprecedented levels of cooperation on methamphetamine precursors in 2011 forced traffickers to seek new sources, trafficking routes and production methods to circumvent controls and surveillance. Increasingly they are turning to substitute chemicals. The United States continues to work in close cooperation with the CND and the INCB, the two international entities that have played a critical role in fostering multilateral cooperation. Recent efforts over the past several years have included:

--in 2011 establishment of a new INCB-led operation focusing on phenylacetic acid—a methamphetamine precursor,

--in 2010 the CND vote to increase controls on phenylacetic acid. These two actions have increased surveillance, monitoring and control of phenylacetic acid and led to stopped shipments and prevented diversion.

--2007-2010 cooperation in several INCB-led operations that have revealed new trends including an upswing in increased use of pharmaceutical preparations as monitoring of bulk shipments increased.

--at the 2009 High-level meetings of the CND and a special plenary meeting at the UN General Assembly included a specific focus on ATS issues that received unparalleled support from all nations.

--continued engagement on the 2006 U.S.-sponsored CND resolution that requested governments to provide an annual estimate of licit precursor requirements and to track the export and import of such precursors;

--implementation of a resolution drafted by the United States and the European Union to strengthen controls on pseudoephedrine derivatives and other precursor alternatives.

--increased use of the INCB Secretariat's program to monitor licit shipments of precursor chemicals through its Pre-Export Notification (PEN) online system. This allows for increased availability of national licit estimates. While comparison of these licit estimates to trade statistics is not easy, the estimates do give some indication of the totals a country may be using.

--follow-up on the UN Security Council's commitment to greater action against the diversion of precursor chemicals used in production of heroin in Afghanistan.

The United States is targeting methamphetamine production in the western hemisphere through both bilateral enforcement efforts as well as multilateral cooperation, including through the UN and through CICAD. Efforts have included raising awareness of the issue to promoting internal changes to targeting diversion and smuggling efforts, as well as coordination of information sharing to facilitate operations preventing or stopping diversion and/or smuggling—primarily through the INCB-led task forces. In 2010, Mexican authorities sought to implement legislative and administrative changes enacted during the previous two years to target ephedrine and pseudoephedrine.

To help stem production, trafficking, and abuse in East and Southeast Asia, the United States supported bilateral and multilateral initiatives in 2011 that included a UNODC project to promote regional cooperation for precursor chemical control in the South East Asian region. The U.S. Department of Defense through Joint Interagency Task Force West (JIATF) supports Interagency Fusion Centers (IFCs) in various partner nations throughout Asia. The United States has provided law enforcement training to a variety of countries, including training in basic drug investigations, chemical control, and clandestine laboratory identification (and clean-up) training. These relatively low-cost programs help encourage international cooperation to pursue our common anti-drug and broader geopolitical objectives with the countries of the region, as well as to undercut illegal drug producers that could eventually turn their sights on U.S. markets.

Major Exporters and Importers of Pseudoephedrine and Ephedrine (Section 722, CMEA)

This section of the INCSR is in response to the CMEA Section 722 requirement for reporting on the five major importing and exporting countries of the identified chemicals. In meeting these requirements, the Department of State and DEA considered the chemicals involved and the available data on their export, import, worldwide production, and the known legitimate demand.

Ephedrine and pseudoephedrine are the preferred chemicals for methamphetamine production. Phenylpropanolamine, a third chemical listed in the CMEA, is not a methamphetamine precursor, although it can be used as an amphetamine precursor. In 2000, the FDA issued warnings concerning significant health risks associated with phenylpropanolamine. As a result phenylpropanolamine is no longer approved for human consumption. Phenylpropanolamine is still imported for veterinary medicines, and for the conversion to amphetamine for the legitimate manufacture of pharmaceutical products. Since phenylpropanolamine is not a methamphetamine precursor chemical, and in the absence of useful trade and production data, this section provides information only on pseudoephedrine and ephedrine.

The Global Trade Atlas (GTA), compiled by Global Trade Information Services, Inc. (WWW.GTIS.COM) provides export and import data on pseudoephedrine and ephedrine collected from major trading countries. However, 2010 is the most recent year with full-year data. Moreover, the data, including data from the previous year, is continually revised as countries review and revise their data. GTA data have been used in the tables at the end of the chapter.

Obtaining data on legitimate demand remains problematic, but it is more complete for 2010 and 2011 than in any previous years. It is still not fully sufficient to enable any accurate estimates of diversion percentages based on import data. There are significant numbers of countries which have yet to report regularly to the INCB their reasonable estimates about the trade in the end products that form the basis of legitimate demand. Many countries and regions do not report trade in ephedrine and pseudoephedrine when it is incorporated into a finished pharmaceutical product, in the form of finished dosage units such as liquids, tablets, and capsules, due to concerns that this type of information infringes on commercially sensitive information. Further challenges include governments that may not be able to ascertain this data if, for example, they do not subject pharmaceutical preparations to national control, or if a different ministry with different or less stringent means of oversight regulates preparations versus bulk chemicals.

Even in the case of the reporting on licit market requirements for ephedrine and pseudoephedrine, the governing UN resolutions are not mandatory and only request voluntary reporting trade and demand of pharmaceutical products. Even so, the trend in this direction has been positive: since the passage of the 2006 CND resolution sponsored by the United States, 123 countries and jurisdictions of the 183 signatories to the 1988 Convention have reported import requirements to the INCB for the bulk chemicals ephedrine and pseudoephedrine. Before 2006, only a nominal number of countries reported, and these rare communications were scattered and irregular.

A further challenge to analyzing the data is that most countries have not made any attempt to reconcile trade data and their own reporting of licit requirements, although this is changing. There are some signs countries are beginning to make efforts to reconcile data. For instance, some countries that noted licit

requirements, but had not reported into the Global Trade Atlas data exports or imports, have begun to do so. And the INCB has indicated that it remains concerned about the high estimates of annual legitimate requirements for certain precursors, especially in West Asian countries.

Thus far the economic analysis required by CMEA, is not possible because of insufficient and constantly changing data. Often the collection and reporting of such data requires a regulatory infrastructure that is beyond the means of some governments in question. However, more data is available in 2010 than in any previous year. The United States will continue to push in both diplomatic and operational forums – in both bilateral and multilateral settings – to urge countries to provide reporting on their licit domestic requirements for methamphetamine precursor chemicals to the INCB. We continue to work with the INCB and with authorities in the reporting countries themselves to secure explanations for any anomalies between reported imports and reported licit domestic requirements. We also will seek to support efforts to provide developing countries with the expertise and technical capacities necessary to develop such commercial estimates.

This report provides export and import figures for both ephedrine and pseudoephedrine for calendar years 2006-2010. The report illustrates the wide annual shifts that can occur in some countries, reflecting such commercial factors as demand, pricing, and inventory buildup. GTA data on U.S. exports and imports have been included to indicate the importance of the United States in international pseudoephedrine and ephedrine trade. Complete data on the worldwide production of pseudoephedrine and ephedrine are not available because the major producers will not release this proprietary data.

Top Five Global Exporters Ephedrine						
Annual Series: 2006 – 2011						
Reporting Country	**Unit**	**Thousands Quantity**				
		2006	**2007**	**2008**	**2009**	**2010**
Reporting Total	KG				141	114
India	KG	186	221	189	88	65
Germany	KG	33	31	23	13	16
Singapore	KG	15	12	14	12	9
Taiwan	KG	2	3	5	8	6
United Kingdom	KG	7	6	9	4	4
Total of Five		243	273	240	125	100
United States	KG	1	6	1	13	0

Analysis of Export Data: According to the Global Trade Atlas (GTA) data the top five exporters of ephedrine in 2010 were the same as in 2009. These include India, Germany, Singapore, Taiwan, and the United Kingdom. The aggregate amount of ephedrine exported by the top five countries continues to decline from the high of 125,000 kilograms in 2007 to 100,000 kilograms in 2010. U.S. exports have dropped below 1,000 kilograms.

The worldwide aggregate volume of ephedrine exports that was reported by the GTA dropped from a high of 519,474 kilograms in 2008 and to 141,121,000 kilograms in 2009 and further to 114,000 kilograms in 2010. Decreases in exports were noted by almost every exporter.

Top Five Exporters Pseudoephedrine						
Annual Series: 2006 - 2011						
Reporting Country	**Unit**	**Thousands Quantity**				
		2006	**2007**	**2008**	**2009**	**2010**
World Reporting Total	KG				1072	1206
India	KG	301	361	463	534	458
Germany	KG	230	546	334	305	365
Taiwan	KG	46	44	66	76	102
Slovenia	KG	0	0	0	0	100
China	KG	50	71	39	32	73
Total Top five		627	1022	902	947	1098
United States	KG	37	15	26	26	14

Analysis of Export Data: For pseudoephedrine, the aggregate volume of worldwide exports rose from 1,072,000 kilograms in 2009 to 1,206,000 kilograms in 2010. The top five exporters of pseudoephedrine were India, Germany, Taiwan, Slovenia and China. While India's exports declined, the other four countries exports increased. Slovenia had virtually no exports of pseudoephedrine previously and is now fourth worldwide with 100,000 kilograms of pseudoephedrine. Moreover, Slovenia has reported the only 100 kilograms for licit requirements to the INCB.

Top Five Global Importers of Ephedrine						
Annual Series: 2006 - 2011						
Reporting Country	**Unit**	**Thousands Quantity**				
		2006	**2007**	**2008**	**2009**	**2010**
World Reporting Total	KG				180	299
Egypt	KG	0	0	7	65	178
Nigeria	KG		8	19	15	16
South Korea	KG	17	16	25	11	16
Taiwan	KG	3	4	6	7	10
Singapore	KG	13	14	13	14	9
Total top five		33	42	70	112	229
United States	KG	90	167	81	18	22

Analysis of Import Data: The top five ephedrine importers in 2010 are Egypt, South Korea, Nigeria, Taiwan and Singapore. (2009 included Egypt, Nigeria, Singapore, the United Kingdom, and Indonesia.) Overall imports are up significantly, due to an almost doubling of Egypt's ephedrine imports. At the same time, the INCB indicates that Egypt has reported increased corresponding licit requirements due to a rise in cold medication sales on both the domestic and export market. U.S. imports of ephedrine rose from 90,000 kilograms to 167,000 kilograms in 2007 then showed a marked decline to 81,000 kilograms in 2008 and are now at 22,000. The aggregate volume also fluctuated from highest levels of 180,000 kilograms in 2008 to a total of 299,000 kilograms in 2010.

Top Five Global Importers of Pseudoephedrine						
Annual Series: 2006 – 2011						
Reporting Country	**Unit**	**Thousands Quantity**				
		2006	**2007**	**2008**	**2009**	**2010**
World Reporting Total	KG				741	1084
Egypt	KG	0	0	55	21	210
South Korea	KG	34	28	42	37	65
Switzerland	KG	39	56	55	42	62
Singapore	KG	45	51	50	58	56
France	KG	10	33	32	25	55
Total of top five		128	168	234	183	448
United States	KG	171	312	148	186	212

Analysis of Import Data: Shifts in trade of pseudoephedrine have also fluctuated dramatically in 2010 and resulted in a change in the top five importers for 2010. These include Egypt, South Korea, Switzerland, Singapore, and France. The 2009 top five importers of pseudoephedrine included Singapore, Taiwan, Switzerland, Indonesia, and Thailand. Egypt was the top importer of pseudoephedrine in 2008, but was not in the top five in 2009. However, the imports in Egypt (210,000) kilograms are four times their 2008 exports.

In contrast, however, the United States remains the top importer of pseudoephedrine with imports of 212,000 kilograms in 2010. However, this is still down from of 312 thousand kilograms in 2007. After a significant increase in 2007, the aggregate world imports increase to 1,084,000 kilograms in 2010 from 741,000 kilograms in 2009.

INCB Tables on Licit Requirements

Annual legitimate requirements (ALR) as reported by Governments for imports of ephedrine, pseudoephedrine, 3,4-methylenedioxyphenyl-2-propanone, 1-phenyl-2propanone and their preparations (Kilograms, rounded up)

Status: 21 NOVEMBER 2011

Country or territory	*Ephedrine*	*Ephedrine preparations*	*Pseudoephedrine*	*Pseudoephedrine preparations*	*3,4-MDP-2-P* [a]	*P-2-P* [b]
Afghanistan	50	50	6 000	5 000	0	0
Albania	5	0	0	0	0	0
Algeria	10	0	17 000	0	0	
Argentina	50		16 000		0	1
Ascension Island Australia	0		0	0	0	0
Austria	3	10	3 000	1 300	1	2
Azerbaijan	281	13	1	0	1	1
Bahrain	20	0	10		0	0
Bangladesh	0	0			0	
Barbados	200		49 021			
Belarus	250		160			
Belgium		25	25		0	0
	300		11 000		5	1
Belize			P	P		
Benin	2		8	10		
Bhutan	0	0	0	0	0	0
Bosnia and Herzegovina	25	0	1 500	0	0	0
Botswana	300					
Brazil	3 000 [c]		15 000 [c]		0	3 807
Bulgaria	3 000		500		0	0
Cambodia	200	50	300	900		
Canada	2 000	5	20 000		0	0
Chile	251		5 000			
China	155 000		200 000			
Hong Kong SAR of China	4 500	0	7 500	0	0	0
Macau SAR of China	1	10	1	159	0	0
Christmas Island	0	0	0	0	0	0
Cocos (Keeling) Islands	0	0	0	0	0	0
Colombia	5 [d]	4 [e]	4 000 [d]	P		
Cook Islands	0	0	0	0	0	0
Costa Rica	0	0	1 846	1 028	0	0
Cote d'Ivoire	31	7	0	2	0	0
Croatia	2		1		0	1
Cuba	200			6		
Cyprus			350			
Czech Republic	600	10	1 600	800	0	1
	Ephedrine	*Ephedrine*	*Pseudoephedrine*	*Pseudoephedrine*	*3,4-MDP-2-P* [a]	*P-2-P* [b]

Country or territory		*preparations*		*preparations*		
					0	0
Denmark						
Democratic People's Republic of Korea	2300	1 500	0	0	5	0
Democratic Republic of the Congo	250		900			
Dominican Republic	75	5	230	250	0	0
Ecuador	100		7 500		0	0
Egypt	6 000		60 000	2 500		
El Salvador	P(6) [f]	P(2) [f]	P	P	0	0
Estonia	6					
Falkland Islands (Malvinas)		1		1		
Finland	6	100		1 000		1
Gambia	0	0	0	0	0	0
Georgia	50	30	50	200		
Germany	1 000		10 000		1	3 000
Ghana	2 000		700			
Greece	26		600		0	0
Guatemala			P	P		
Guinea	36					
Guinea-Bissau	0	0	0	0	0	0
Guyana	120	50	120	30	0	0
Haiti	150		300		0	0
Honduras	P	P(1) [e]	P 1 1	P		
Hungary	600				1	2 130
Iceland	1					
Indonesia	12 058		29 452			
Iran (Islamic Republic of)	50	1	55 000	10	6	51
Iraq	3 000	100	14 000	10 000	0	0
Ireland	1	2	1	916	0	0
Israel	19	5	1 777	21		
Italy	125	0	22 800	0	0	2 000
Jamaica			300	300	0	0
Jordan	300		20 000			60 500
Kazakhstan	818		1			
Kenya	3 000		3 500			

Kyrgyzstan	0		20	32	0	0
Lao People's Democratic Republic	0	0	200	17 346	0	0
Latvia	25	0 27	41	383		
Lebanon	50	2	220	350	0	0
Lithuania	1	1	1	600	1	1
Luxembourg	1					
Madagascar	702	180	150			
Malawi	1 000					
Malaysia	50	0	4 280	264	0	0
Malta		220	220			

Country or territory	*Ephedrine*	*Ephedrine preparations*	*Pseudoephedrine*	*Pseudoephedrine preparations*	*3,4-MDP-2-P* [a]	*P-2-P* [b]
Mauritius	0	0	0	0	0	0
Mexico	P [f]	P [f]	P	P		
Monaco	0	0	0	0	0	0
Mongolia	3					
Montenegro		1		1		
Montserrat		1		1		
Morocco	41	0	3 477	0	0	0
Mozambique	3					
Myanmar	1	0	0	0	0	0
Namibia	0	0	0	0	0	0
Netherlands		0		0	0	0
New Zealand	50		700		0	300
Nicaragua	P [g]	P [g]	P	P		
Nigeria	9 650		5 823			
Norway	400	0	0	0	0	0
Pakistan	22 000		48 000			
Panama	25	30	1 000	1 000		
Papua New Guinea	1		200		0	0
Paraguay	0	0	2 500	0	0	0
Peru	54		2 409	1 192		
Philippines	138	0	110	0	0	0
Poland	130		4 200		0	2
Portugal			15			
Republic of Korea	23 316		62 901		1	1
Republic of Moldova		60		250		
Romania	10 260		8 000			
Russian Federation	1 500					
Saint Helena	0	1	0	1	0	0
Sao Tome and Principe	0	0	0	0	0	0
Senegal	0	0	0	0	0	0
Serbia	25		718			1
Singapore	0	0	0	0	0	0
Slovakia	4	2	1	0	0	0
Slovenia	2		100			
Solomon Islands	0	1	0	1	0	0
South Africa	15 000	0	10 444	0	0	0
Spain	275		5 114		0	99
Sri Lanka				0	0	0
Sweden	123	192	1	33	1	24

Switzerland	2 000		62 000		100	100
Syrian Arab Republic	1 000		50 000			
Tajikistan	38					
Thailand	41		38 540	0		
Trinidad and Tobago						0

Country or territory	*Ephedrine*	*Ephedrine preparations*	*Pseudoephedrine*	*Pseudoephedrine preparations*	*3,4-MDP-2-P* [a]	*P-2-P* [b]
Tristan da Cunha	0	0	0	0	0	0
Turkey	400		30 000			1 015
Uganda	150	20	2 000	300		
Ukraine	541	25	112	4 038		
United Arab Emirates	200	41	63	2 499		
United Kingdom	10 500	4 744	12 850	29 840	5	1
Uzbekistan	2		15			
United Republic of Tanzania	500	500	3 000	1 000		
United States of America	123 400		390 000		0	18 440
Uruguay			22			
Venezuela (Bolivarian Rep. of)	1 000		3 000			
Yemen			5 000			
Zambia	5		10			
Zimbabwe	100	1	100	0	0	0

COUNTRY REPORTS

Afghanistan

A. Introduction

Afghanistan produces roughly 90 percent of the world's illicit opium. The United Nations Office on Drugs and Crime (UNODC) estimated that Afghanistan cultivated 131,000 hectares of opium poppy in 2011, with a total yield of 5,800 metric tons (MT) of raw opium. This was a 7 percent increase in cultivation and a 61 percent increase in opium production from 2010, following a poppy blight the previous year which cut production roughly in half. Afghanistan remains involved in the full narcotics production cycle, from cultivation to finished heroin. Afghanistan is also believed to be among the world's largest producers of hashish.

According to the United States Government's (USG) 2011 assessment of the drug problem in Afghanistan, poppy cultivation dropped by 3 percent, from 119,000 ha. in 2010 to 115,000 ha. in 2011, while potential opium production rose by 38 percent, from 3,200 MT in 2010 to 4,400 MT in 2011. The USG and UNODC estimates differ due to dissimilar methodologies for estimating poppy cultivation and opium yields.

The southern and southwestern provinces of Afghanistan account for 92 percent of that country's illicit poppy cultivation. Taliban insurgents are also active in this area. Narcotics traffickers provide revenue and material support to insurgents in exchange for protection to the growers and traffickers. Insecurity continues to be a problem, but improvements in Afghanistan's infrastructure have helped to create some viable economic alternatives to poppy cultivation. While Helmand continues to be the largest poppy cultivating province, according to both UNODC and USG estimates, cultivation there was down between 3 and 19 percent this year, respectively. These reductions were the resultof improved security, a significant alternative livelihood program supported by the international community, and strong political will on the part of the governor.

The Government of the Islamic Republic of Afghanistan (GIRoA) generally relies on assistance from the international community to implement its counternarcotics strategy. Greater political will, increased institutional capacity, enhanced security, and more robust efforts at all levels of government are required to decrease cultivation, combat trafficking, and respond to a burgeoning domestic addiction problem. Afghanistan is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Ministry of Counter Narcotics (MCN) is the lead agency responsible for coordination of narcotics control efforts. The MCN has direct responsibility for implementing Afghanistan's National Drug Control Strategy (NDCS), which aims to disrupt the drug trade; develop licit agricultural livelihoods; reduce the demand for drugs; and build the capacity of GIRoA's counternarcotics institutions. Despite the strong leadership of Minister of Counter Narcotics Osmani, the MCN has few resources, no enforcement mechanism, and limited capacity. MCN depends heavily on the support of other implementing government agencies as well as the international community to execute and fund counternarcotics policy initiatives.

The Good Performers Initiative (GPI) is a U.S.-funded, MCN-implemented program launched in 2007 to reward provinces for successful counternarcotics performance. Provinces that are found to be poppy free

or where poppy cultivation has declined by at least 10 percent, receive funding for development projects proposed by Provincial Development Councils and Governors' offices. In 2011, 20 of Afghanistan's 34 provinces qualified for a share of a total of $19.2 million in GPI funds. MCN also runs the U.S.-funded Governor Led Eradication (GLE) program, which financially supports governors' eradication efforts in target areas verified by UNODC.

GIRoA's Criminal Justice Task Force (CJTF) is a self-contained unit that consists of Afghan prosecutors, criminal investigators, and judges. CJTF officials receive salary supplements from the United Kingdom. Under Afghanistan's 2010 Counternarcotics Law, the CJTF prosecutes all drug cases that reach certain threshold amounts before the Counter Narcotics Tribunal (CNT). From March 2010 to March 2011, the CJTF Primary Court handled 472 cases involving 649 suspects and more than 186.5 metric tons of illicit substances. The CJTF Primary and Appeals Court reported conviction rates of over 95 percent. Some 39 Afghan officials were convicted of involvement in narcotics trafficking by the task force in primary or secondary courts during this time period.

The Counter Narcotics Police of Afghanistan (CNPA), established within Afghanistan's Ministry of Interior (MOI) in 2003 as a specialized element of the Afghan National Police (ANP), is responsible for investigating narcotics cases and maintains offices throughout the country. The total staffing of CNPA in 2011 is approximately 2,500; however, the actual number of officers working regularly is smaller. Following basic ANP training, CNPA officers receive five weeks of specialized counternarcotics training and are deployed to the provinces, where they report to provincial and district police chiefs. Unfortunately, CNPA officers are frequently assigned duties that are unrelated to counternarcotics. The disproportionately small number of CNPA officers assigned to the leading opium producing provinces of Helmand and Kandahar is a serious deficiency.

Nevertheless, the CNPA, with Drug Enforcement Administration (DEA) training, mentoring, and support, continued to make progress in developing three specially vetted elite units that investigate high-value targets: the National Interdiction Unit (NIU), the Sensitive Investigative Unit (SIU), and the Technical Investigative Unit (TIU). The vetted units come from a wide variety of Afghan law enforcement agencies and have to pass rigorous examinations, including background checks and polygraph screenings (SIU and TIU only on polygraphs). These units are small, but provide significantly greater targeted capabilities than the larger CNPA force.

Afghan authorities made some progress in developing Afghan capacity to interdict large quantities of narcotics, and arrest and prosecute narcotics traffickers. However, counternarcotics efforts are continuously hampered by corruption within law enforcement and justice institutions, the absence of effective governance in many provinces and districts of the country, and poor security.

Afghanistan is a party to the 1988 UN Drug Convention, the 1971 UN Convention, the 1961 UN Single Convention on Psychotropic Substances, the UN Convention against Transnational Organized Crime, and the UN Convention against Corruption. The Afghan government has no formal extradition or mutual legal assistance arrangements with the United States.

2. Supply Reduction

According to UNODC data, there was a 7 percent increase in poppy cultivation in Afghanistan in 2011, from 123,000 to 131,000 hectares, and a 61 percent increase in total opium yield, from 3,600 to 5,800 MT. A USG survey of poppy cultivation and potential opium production estimates cultivation at 115,000 hectares and production at 4,400 MT. Production increases follow a 2010 poppy blight that cut actual

opium yield for a given field by one third to one half. Prices remained high as the 2011 planting season began, with the estimated farm-gate value of opium production at $1.4 billion.

Poppy eradication increased by 65 percent in 2011, going from 2,316 to 3,810 hectares, according to UNODC. This was due in part to a robust provincial outreach campaign by MCN Minister Osmani to governors. While eradication only eliminated about 3 percent of total cultivation in 2011, it serves to create a risk factor which can impact farmers' planting decisions. The impact of these eradication efforts should be evident in next year's cultivation levels.

There is also evidence of growing cannabis cultivation in Afghanistan. For Afghan farmers, cannabis is believed to produce a higher net income per hectare than opium due to lower labor costs. UNODC cannabis survey methods are still in development and estimates of total amounts of cultivation have a high range of uncertainty. According to the 2011 UNODC report, estimated production ranged from 1,200 to 3,700 MT of hashish, making Afghanistan the largest global producer of hashish. The estimated farm-gate value of Afghan hashish production varies widely from $85 to $263 million.

Primary narcotics trafficking routes out of Afghanistan are through Iran to Turkey and Western Europe; through Pakistan to Africa, Asia, the Middle East, China, and Iran; and through Central Asia to the Russian Federation. Traffickers do everything they can to increase their own profits while making it easier for farmers to supply them with raw opium gum. In some cases traffickers provide loans to farmers then purchase the raw opium directly from them, maximizing trafficker profits while eliminating the need for the farmer to transport the opium to market. In many provinces, local warlords control opium markets as well as the illicit arms trade and other criminal activities. Traders operate in the markets with little fear of legal consequences and pay remittances directly to corrupt officials and insurgent groups. Drug laboratories within Afghanistan process a large portion of the country's raw opium into heroin and morphine base. Markets and processing facilities are often clustered in areas that border Iran, Pakistan, and Tajikistan. The USG and the international community are focused on developing GIRoA's capacity to detect, interdict, classify, and confiscate narcotic drugs and illicit precursor chemicals at border crossing points and unpatrolled frontiers between borders.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

GIRoA acknowledges a growing domestic drug abuse problem, primarily related to opiates, but also increasingly related to cannabis/hashish. The most recent nationwide survey on drug use in 2009, estimated that Afghanistan has approximately 940,000 drug users including 230,000 users of opium and 140,000 users of heroin.

The 50 residential drug treatment centers throughout Afghanistan are inadequate to care for the estimated 780,000 men, women, and children who seek treatment. The residential capacity for the centers range from ten to sixty persons, with some centers providing home-based care for additional addicts. GIRoA has relied, almost exclusively, on international community funding to build, equip, and operate drug treatment centers.

4. Corruption

As a matter of government policy, GIRoA does not encourage or facilitate illicit drug production or distribution, or the laundering of proceeds from illegal drug transactions. However, many Afghan government officials are believed to directly profit from the drug trade. Corrupt practices range from facilitating drug activities to benefiting from drug trade revenue streams.

The CJTF actively investigates and prosecutes public officials who facilitate drug trafficking. The CJTF has successfully prosecuted government officials, including members of the CNPA. Despite the CJTF's efforts, impunity still remains a significant concern in Afghanistan with instances of charges being dropped for unclear reasons.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In March 2010, the U.S. Government adopted a Counternarcotics Strategy that supports the Afghan NDCS. The strategy's 10 objectives aim to help secure the Afghan populace by working with the GIRoA and coalition partners to restore Afghanistan's agriculture economy, build Afghan institutional capacity, and disrupt the nexus between drugs, insurgents, and corruption.

Renewed U.S. efforts to support Afghan counternarcotics operations have enabled Afghan law enforcement and military forces, along with their allied partners, to make significant drug seizures. In the last 12 months Afghan and coalition forces seized 13 metric tons of heroin, 18.5 metric tons of morphine, 96 metric tons of opium, 4.4 metric tons of cannabis. Overall drug seizures have increased since 2010, but heroin seizures are down. This is primarily because heroin seizure rates in 2010 were unusually high due to one very large seizure that constituted a significant percent of that year's total.

The DEA has 97 personnel in Afghanistan and continues to train and mentor specialized CNPA units. The Department of Defense/Central Command (DOD/CENTCOM) provides training to the regular CNPA and its vetted units; constructs CNPA facilities; and trains and equips the Air Interdiction Unit (AIU), an Afghan MOI unit that provides helicopter support for drug interdiction missions. The State Department's Bureau of International Narcotics and Law Enforcement Affairs (State/INL) provides operations and maintenance support for the vetted units' facilities and the CNPA Headquarters, pays salary supplements to vetted unit members, and provides additional mentors to support institutional capacity building within the CNPA. INL's Air Wing provides support for DEA and the vetted units during their operations.

The Department of Justice (DOJ) has assigned five experienced federal drug prosecutors, supported by three criminal investigative advisors, to mentor the CJTF. The goal of the DOJ mentoring effort is to develop the CJTF's capacity to investigate and prosecute mid- to high-level drug traffickers. The INL-funded Corrections System Support Program (CSSP) works closely with the INL-funded Justice Sector Support Program (JSSP), which has over 150 U.S. and Afghan justice advisors, to provide training, mentoring, and capacity-building for Afghanistan's criminal justice system.

The U.S. Embassy Agriculture Team (USAID, USDA, and National Guard Agribusiness Development Teams) implement comprehensive programming to support stabilization and development throughout Afghanistan. The combined budget for FY2011 is in excess of $1 billion. U.S. agricultural programs are closely coordinated with the Ministry of Agriculture, Irrigation, and Livestock (MAIL) and other related Afghan ministries. The programs provide training, increase farmers' access to markets, support rural enterprises, and improve infrastructure in key poppy-growing provinces. Another USAID program provides high quality vegetable seeds to farmers in Helmand and Kandahar Provinces, helping farmers in these poppy-intensive areas to grow licit crops. Farmers in Helmand Province cultivated three percent less poppy in 2011 despite very high opium prices.

The U.S. funds a multi-faceted counternarcotics public information program, in coordination with MCN, which focuses on discouraging poppy cultivation and addressing drug demand reduction. A key implementing partner is the Colombo Plan Drug Advisory Program (CPDAP), an international organization specializing in drug demand reduction that works with MCN to conduct counternarcotics outreach events and media programming.

The U.S. is the largest donor to drug addiction treatment services in Afghanistan. State/INL funds 29 of Afghanistan's 50 treatment centers. Of the 29 centers, fourteen treat adult males, six treat adult females, six treat children, two treat adolescent males, and one treats adolescent females. All but one of the centers are managed by Colombo Plan with operating assistance from local NGOs, the other center is managed by UNODC.

D. Conclusion

The overall counternarcotics effort this year was positive. GIRoA showed signs of improvement in building institutional capacity and political will. CNPA has increased its ability to conduct their own independent law enforcement investigations and operations against drug traffickers. Under the leadership of MCN and some key provincial governors, eradication efforts increased significantly. There was demonstrable success in alternative livelihood programs, with reduced poppy cultivation in Helmand province, which cultivates approximately 50 percent of Afghanistan's poppy. Increased security and an impressive display of political will on the part of Helmand's provincial governor also played a key role in these positive developments.

These gains remain fragile, however, as cultivation and trafficking levels are closely connected to broader economic opportunity, security and the ability of GIRoA to project the rule of law. As U.S. and NATO troop levels decrease, the Afghan National Security Forces (ANSF) will take on greater responsibility for security in key drug cultivation areas. Future counternarcotics efforts will be linked to ANSF success in carrying out these new responsibilities. Continued robust international assistance to the GIRoA will be required to maintain and build the institutional capacity of key ministries to address illicit narcotics cultivation and trafficking. The GIRoA's willingness to pursue politically-connected major traffickers and cultivators is also crucial to Afghanistan's future narcotics control efforts.

Albania

A. Introduction

Albania's counternarcotics efforts continue to be mixed in 2011. Drug seizures and prosecutions remained consistent at last year's rate, but the effort continues to be hampered by lack of resources, corruption and political will. Albania is primarily a transit country to Western Europe. Organized crime groups take advantage of Albania's strategic location, porous borders and uneven law enforcement. With the exception of cannabis, Albania is not a significant producer of illicit drugs. Albania is also not a producer of significant quantities of precursor chemicals or synthetic drugs. Due to other pressing issues, the GOA is unable to devote much time or resources to drug abuse. One result is that no clear picture of the extent of domestic drug abuse exists, although anecdotal evidence suggests growing usage, especially among younger Albanians.

There is some evidence that Albania is making modest progress in the counternarcotics arena. The main area of improvement is in anti-trafficking operations as better law enforcement and border controls led to an increase in arrests and seizures at points of entry through the first nine months of 2011. This can be attributable to increased use of risk analysis, community policing practiced in the target areas, and better use of donated equipment.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Albania works with its neighbors bilaterally and in regional initiatives to combat organized crime and trafficking, although progress is hampered by the factional political system and slow development of Albanian law enforcement institutions. Albania is a member of the Stability Pact and the Southeastern Europe Cooperative Initiative (SECI). Albania is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime (TOC) and its protocols against migrant smuggling and trafficking in persons. Although an extradition treaty is in force between the United States and Albania, it is severely outdated (1933) and does not cover many crimes. However, the U.S. has applied the TOC and the 1988 UN Drug Convention in a few extradition requests to Albania, which resulted in the successful return of the fugitives to the U.S.

A 2005 speedboat ban on all of Albania's territorial coastal waters continues in force, inhibiting the movement of drugs and trafficking in persons- particularly to Italy. The Inter-ministerial Maritime Operations Center (IMOC), although not operating at full capacity or efficiency due to bureaucratic in-fighting, has provided assistance in the detection of illicit activity at sea, leading to the interception of vessels transporting drugs. The Albanian Coast Guard/Navy completed construction of a 143-foot *Damen* Class patrol vessel; its second, with two more scheduled to be built. The EU donated seven 12-meter patrol vessels to the Border and Migration Police and one to the Albanian Customs Service. These new vessels, combined with increased IMOC capabilities, offer enhanced capability to detect illegal maritime activities.

Albania entered into three joint border agreements with Kosovo in an effort to increase criminal detection and facilitate border crossing. Efforts at the Morine/Vermice Crossing Point led to increased detections of wanted persons, some of whom were associated with trafficking in drugs as well as organized crime.

The agreements with Kosovo are already paying dividends and Albania is hoping to apply lessons learned with other neighboring countries.

2. Supply Reduction

In the first nine months of 2011 the Albanian State Police (ASP) is on track to roughly match last year's total seizures. The ASP seized 14.45 kilograms of heroin compared with 25 kg through ten months in 2010. Since January 2011, the ASP has arrested or detained a total of 507 persons for drug trafficking with another 168 suspects at large. 96 of these arrestees were for heroin trafficking and 357 for marijuana trafficking or cultivation. The ASP seized 4728 kg of processed marijuana, down 30 percent from 2010 as the 2010 eradication and public awareness efforts cut production significantly. The ASP also seized 1.6 kg of cocaine and arrested 38 suspects, most if not all dealing at the street or consumer level.

Cultivation of marijuana decreased noticeably over the past two years with increased enforcement action against both the traffickers and the cultivators. There is no poppy cultivation or evidence of labs for the manufacture of synthetic drugs or precursor chemicals. The trade in synthetic drugs also remains virtually non-existent.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The GOA has taken some modest steps to address demand reduction; however the topic is still not widely discussed. Although the Ministry of Health acknowledges that drug use is rising, especially among the young, no statistics exist to define the scope of the problem. Albania has few regulations on the sale of benzodiazepines, which are sold over the counter, and the domestic abuse of these medications is believed to be rising. There are two NGO's currently operating in Albania focused on drug abuse and ICITAP sponsors a Drug Awareness/Demand Reduction project in the Tirana public elementary schools co-sponsored by the New Jersey National Guards Partners for Peace initiative.

4. 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, judges and customs officials. In 2010, the police and prosecutors were active in investigating government officials and law enforcement personnel for corruption. Although the total number of cases investigated declined 3.9%, prosecutors succeeded in getting 17.3% more cases referred to court. During 2010, the prosecutorial system registered 534 vs. 555 cases in 2009 for corruption-related offenses, and referred 142 cases vs. 121 in 2009. Despite the increase in court cases, the number of guilty verdicts returned fell from 211 to 162, a 23% decline. Some verdicts seemed questionable, giving the evidence, suggesting that judicial independence for unbiased, transparent proceedings continues to be a problem.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The GOA continues to receive assistance from the United States and EU countries. The U.S. offers judicial sector assistance programs for law enforcement and legal reform, equipment donations and training. This aid is hindered by the deep political polarization at all levels of government resulting in the absence of a strong civil service and top down decision making. Most government employees are subject to reassignment during times of political transition.

The State Department supported U.S. Department of Justice ICITAP and OPDAT conduct programs at the Ministry of the Interior, the General Prosecutor's Office, the Serious Crimes Court and Serious Crimes Prosecution Office 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. ICITAP continued to offer the Anti-Narcotics and Special Operations Sectors full-time advisory support and advanced training (in cooperation with the FBI) in combating illicit trafficking. OPDAT continued to support the Economic Crime and Corruption Joint Investigative Units (JIU) to improve the investigation and prosecution of financial crimes, especially money laundering and corruption.

Albania extradites its nationals to the U.S. even though they are not obliged to do so under the bilateral treaty.

The United States, through State/INL, provides assistance for integrated border management, a key part of improving the security of Albania's borders, through specialized advice, equipment and installation of the Total Information Management System (TIMS) at border crossing points. TIMS is now operational in all 24 major border crossing points. In 2011, in an effort to follow through on institutional reforms achieved in 2010, Integrated Border Management initiatives focused on standing up the Office of Risk Analysis and Cross Border Crime and encouraging Regional Border and Migration Police Director accountability. These efforts led to increased drug detections at crossing points as well as at lightly patrolled areas between crossing points. The Border and Migration Police are on track to increase the number of seizures made compared to 2010.

Other U.S., EU, and international assistance programs include support for strengthening the existing witness protection program, customs reform, judicial training and reform, improving cooperation between police and prosecutors and anticorruption programs. Albanian law enforcement authorities work closely with Italian police providing intelligence that has led to the arrest of drug dealers and organized crime figures, as well as the confiscation of heroin in Italy. Recently enacted agreements also allow Italian law enforcement officials to carry out narcotics raids inside Albania.

D. Conclusion

Albania continues to make progress with its counternarcotics effort, but it is constrained by its weak political, judicial and law enforcement institutions. Albania’s primary role in the global narcotics picture is as a transit route into Western Europe, and given its geographic position, it will continue to see trafficking activity. Integrating and improving criminal justice system institutions are having an effect, but progress is still slow due to political and bureaucratic impediments. The U.S., together with the EU and other international donors, will continue to work with the GOA to fight illegal drug trafficking and to promote systemic reforms.

Algeria

Algeria is principally a transit point for drugs – especially hashish bound for Europe - rather than a center of production or consumption itself. The Government of Algeria (GOA) is actively working to address the problem with increased resources devoted to education, interdiction, and treatment. Although its security forces are primarily focused on ongoing counter-terrorism efforts, officials have become increasingly concerned about the link they say exists between al-Qa'ida in the Islamic Maghreb (AQIM) and drug traffickers.

The bulk of the drugs transiting Algeria consists of Moroccan-origin cannabis (especially cannabis resin-hashish) and a growing quantity of South American cocaine. The majority of these drugs travel by sea to Europe, while some share is smuggled overland to Middle Eastern destinations. Algeria's borders stretch 6,000 kilometers, mostly across broad and sparsely-policed swathes of the Sahara. These long and porous borders with Morocco, Western Sahara, Mauritania, Mali, Niger, Libya, and Tunisia make it difficult for Algerian security forces to detect and halt smugglers. Drug use is not generally a significant problem in Algeria, although the problem is on the rise. Marijuana is the most widely abused drug, but there is a small and growing consumption of hard drugs including cocaine and heroin. The government is expanding facilities for treating drug addiction, and this year aims to have an outpatient drug treatment facility in every province of the country. Some production of illicit drugs occurs in Algeria, principally cultivation of cannabis in the southeast and around Algiers, but not in large quantities.

The GOA has taken a number of steps to counter the drug problem, including increases in enforcement personnel, enhanced training, and the purchase of more modern equipment. The GOA is formulating a five-year strategy (2011-2015) to more effectively deal with drug problems. Algeria has tough laws against illegal drugs, with sentences of up to 2 years for use and 10 to 20 years for drug trafficking and distribution. Algeria is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime. The GOA does not, as a matter of government policy, encourage or facilitate illicit production or transport of illegal drugs. Algeria has a large and capable security apparatus hardened by almost two decades of counter-terrorism efforts against al-Qa'ida-associated Islamic militants. The National Office for the Fight Against Drugs and Addiction (Known by its French acronym, ONLCDT) coordinates the GOA's drug policies and produces its official reports on the drug problem in Algeria. The National Gendarmerie, Customs, and National Police (DGSN) are responsible for day-to-day enforcement. During the first nine months of 2011, Algerian authorities dismantled over 140 drug trafficking networks and seized over 38,141 kilograms of drugs. The statistics reported by the GOA cannot be independently verified and are occasionally at odds with open source reporting. The GOA indicated to the U.S. Drug Enforcement Administration (DEA) that in 2009 74 tons of hashish were seized along with barely more than a kilogram of cocaine and 700 grams of heroin. In 2010 hashish seizures dropped to 23 tons, while amounts of cocaine and heroin seized remained similar to 2009. Through the first nine months of 2011 the GOA reported to DEA that 31 tons of hashish were seized as well as almost two kilograms of cocaine and 200 grams of heroin.

A Mutual Legal Assistance Treaty (MLAT) between the U.S. and Algeria was signed in April 2010, and awaits U.S. Senate ratification. Algeria would benefit from stepped-up training to boost the counternarcotics capabilities of its security forces. The GOA has generally been receptive to U.S. training offers and assistance for law enforcement officers, with several successful training sessions held in the past year. In September, the Department of Justice provided an INL-funded Overseas Prosecutorial Development, Assistance, and Training (OPDAT) program course on narcotics trafficking investigations and prosecutions. The GOA would likely be receptive to additional training offered to it.

Angola

Angola produces marijuana, known locally as liamba, and is a transit point for cocaine. Alcohol, liamba and cocaine are the most abused substances in the country. Though alcohol abuse occurs nationwide, it is particularly prevalent in the provinces, where there is a serious health problem with the abuse of homemade alcoholic concoctions that are at times laced with exotic herbs or battery acid. Officials reported that the majority of marijuana users are between the ages of 18 and 48 years old and either students or unemployed. Cocaine is largely consumed in the night-clubs of Luanda by the wealthy elite.

As a matter of government policy, the Government of Angola does not encourage or facilitate illicit production or distribution of narcotics and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions. The USG is not aware of any senior officials engaged in drug trafficking. Angolan officials have demonstrated a concern for the corrosive effects of narcotics trafficking and are improving their ability to control trafficking through the Luanda International Airport. However, seaports continue to serve as entry points for narcotics from abroad and trafficking from neighboring countries via the road network remains a challenge.

There is no indication that Angola produces synthetic drugs. Angolan officials have no capacity to classify and control dual-use chemicals, which could be diverted in Angola or elsewhere for illicit drug production. Among the most pressing challenges facing authorities is providing public health services to drug addicts, and educating youth on the dangers of drug abuse and addiction. Angola is a party to the 1988 UN Drug Convention. Angola is a party to the UN Convention Against Corruption.

The National Directorate for Criminal Investigation (DNIC) reported the following drug-related crimes from January to September 2011:

- Detained for drug consumption: 1,115 individuals
- Detained for drug trafficking: 115 individuals
- Official statistics for seizures of powder cocaine: 13.5 kg
- Official statistics for seizures for crack cocaine: 2.008 kg

No data was provided for seizures of marijuana or heroin.

DNIC also reported that most detained traffickers in 2011 were Angolan, but some Brazilian, South African, Nigerian, Portuguese and Congolese (DRC) nationals were also detained for trafficking in narcotics.

The Inter-Ministerial Committee to Fight Drugs (Comité Interministerial de Luta Anti-Droga, CILAD) is charged with coordinating the activities of government ministries to suppress narcotics trafficking and to warn the population about the dangers of drug abuse. The Ministries of Interior and Justice have indicated a strong interest in upgrading their equipment, and have added new canine units to their counternarcotics strategy.

Angolan officials have made regular public statements noting their commitment to antidrug efforts. There are numerous billboards in Luanda and other towns carrying a drug awareness message, although no active, national media campaign exists. Some NGOs engage in prevention, demand reduction, and rehabilitation programs. One of the largest is the Christian Center for Help and Rehabilitation, which provides drug abuse treatment and rehabilitation services, though its capacity is far less than the demand.

Angola sends government staff to workshops and meetings in order to train officials involved in the fight against drug trafficking. Angolan authorities have established contacts with INTERPOL and now make use of the I-24/7 INTERPOL tool that allows for the exchange of real-time intelligence on drug trafficking activities. Angola's police work closely with their Brazilian and Portuguese counterparts in combating drug trafficking. Angola participates in the Southern African Regional Police Chiefs Cooperation Organization (SARPCCO), which is currently organizing a joint project with other southern African countries and South American officials to enhance cooperative efforts against drug trafficking.

Argentina

A. Introduction

While Argentina continues to be an important transit country for Andean-produced cocaine, domestic cocaine production and consumption are growing problems. Argentine officials believe there is increased transit of cocaine through Argentina as a consequence of intensive counternarcotics efforts in Mexico and Colombia, forcing drug traffickers to utilize other routes to market. Diminished drug interdiction capabilities in Bolivia also contribute significantly. In June 2011, the Security Ministry asked the U.S. Drug Enforcement Administration (DEA) to significantly curtail or suspend most activities until further notice, pending an internal review of international cooperation programs as well as the development of new centralized coordination mechanisms.

Marijuana, the bulk of which is imported from Paraguay and used for domestic consumption, continues to be the most widely abused illegal drug in Argentina. However, the prevalence of cocaine use has risen sharply and the country has the second largest internal cocaine market in South America after Brazil. Cocaine remains by far the leading drug for which Argentines seek help at treatment centers, and the use of cocaine base, known locally as "paco," is a growing problem among economically disadvantaged members of society.

Argentina is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Argentina created a new Security Ministry in December 2010, in part to increase the effectiveness of federal law enforcement agencies. While Security Minister Nilda Garre implemented numerous reforms designed to improve police performance, insufficient coordination among the various federal and provincial law enforcement agencies continues to hamper Argentina's effectiveness in combating the illegal drug trade. Garre has nonetheless begun to implement several reforms designed to address this problem, including the October 2011 creation of a 60-person special intelligence unit within the Argentine Federal Police (PFA) to fight drug trafficking and other forms of complex organized crime. Prosecution of drug traffickers remains complicated by backlogs in the judicial system. Among the reasons for these backlogs is the still incomplete move from an inquisitorial system to an accusatorial system at the national level, and the lack of specialized alternative mechanisms, such as drug courts and diversion programs.

President Cristina Fernandez de Kirchner launched a aerial detection plan called "Operation Northern Shield" in July 2011. When fully implemented, the plan could, for the first time, help to deter illegal flights and illicit drug trafficking by providing radar coverage of Argentina's northern border air space. The center-piece of the effort is the installation of seven 3-D radars, the first of which became operative in October 2011.

Despite the Supreme Court's 2009 ruling against imposing criminal penalties for the personal possession of small amounts of marijuana, Argentina's Narcotics Law 23.737 has not been modified. Some Argentine officials continue to advocate legislation to decriminalize personal possession of small quantities of marijuana, arguing that such a measure would permit the shifting of scarce police and judicial resources away from individual users and toward drug trafficking organizations, as well as free up

funds for substance abuse treatment. Six bills proposing varying formulas to decriminalize marijuana and in some cases other drugs were introduced into the lower house of the Argentine Congress in July 2011.

Argentina is a party to the 1961 UN Single Convention as amended by the 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; the UN Convention Against Transnational Organized Crime and its three Protocols; and the UN Convention Against Corruption. Argentina has bilateral narcotics cooperation agreements with many neighboring countries, as well as with Mexico, Spain, and the EU (COPOLAD). In addition, Spain, the United Kingdom, Germany, and France provide limited counternarcotics training and equipment to the Government of Argentina. The United States and Argentina are parties to an extradition treaty and a mutual legal assistance treaty. Argentina is also a party to the Inter-American Convention against Corruption, Inter-American Convention of Mutual Assistance in Criminal Matters, the Inter-American Convention against Trafficking in Illegal Firearms, and the Inter-American Convention against Terrorism, among others.

2. Supply Reduction

The Argentine Security Ministry began to publically release drug seizure statistics following Minister Garre's December 2010 appointment. The Security Ministry estimates that Argentine security forces seized approximately 5.8 metric tons (MT) of cocaine from January through October 2011. The ten-month total represents a sharp decrease from the 12.7 MT of cocaine that we estimated, absent the availability of official figures, was seized by Argentine authorities in the first nine months of 2010. The UNODC, using data provided by the Government of Argentina, estimated that Argentina seized 12.1 MT of cocain in 2008 and 12.6 MT of cocaine in 2009. Argentine government constraints on DEA operations within Argentina for much of 2011 may have contributed to the reduction in cocaine seizures.

The vast majority of Andean cocaine transiting Argentina is smuggled across the Bolivian-Argentine border with diminished drug interdiction capabilities in Bolivia adding to increased flows. Cocaine transiting Argentina is primarily destined for international markets in Europe, particularly Spain. The seizure of increasing numbers of cocaine production facilities (36 in 2010 according to the 2011 UNODC World Drug Report), as well as the widespread availability of paco, a by-product of the base to cocaine hydrochloride conversion process, suggest that domestic production of cocaine in Argentina, though small, is increasing.

The increase in maritime container-based cocaine seizures by the government of Argentina noted in 2010 did not continue into 2011. Decreased seizures may be linked to the constraints imposed on DEA activities, as well as the Government of Argentina's limited capabilities to mount complex, long-term counternarcotics investigations, rather than changes in the modus operandi of drug trafficking organizations.

The Security Ministry estimates that Argentine security forces seized over 87 MT of marijuana from January through October 2011, representing a significant increase from the estimated 66 MT seized during the first nine months of 2010. Most of the marijuana seizures occurred either in the tri-border region with Brazil and Paraguay, or along Argentina's western border with Chile.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

According to the 2011 UNODC World Drug Report, Argentina had the highest prevalence of cocaine use (2.6 percent) in South and Central America among 15 to 64 year-olds. Based on UNODC estimates, Argentina is home to 25 percent of the cocaine users in South and Central America (675,000 users), second only to Brazil. In addition, the abuse of paco appears to be increasing. Paco is readily available

on the streets, costs approximately USD $1.50 a "hit" and produces a brief, intense high when smoked in pipes or mixed with tobacco. Argentine law enforcement officials and local press report that a rise in street crime has been fueled by a corresponding increase in paco consumption. Protocols and techniques employed by Argentina's substance abuse professionals are similar to those found in the United States and Europe.

4. Corruption

As a matter of policy, the Government of Argentina does not encourage or facilitate illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, or the laundering of proceeds from illegal drug transactions, and there is no evidence to suggest senior government officials are engaged in such activity. An independent judiciary and an investigative press actively pursue allegations of corrupt practices involving government authorities. In January 2011, a town councilman in Formosa Province was arrested following the discovery of 700 kilos of cocaine on one of his properties. In October 2011, a town councilman in Salta Province was arrested in connection with a 357 kilo cocaine shipment bound for Portugal. At the time of this report, both prosecutions were underway.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In the aftermath of local polemics aired by Argentine officials about U.S. training courses for Argentine public security personnel and the February 2011 seizure by Argentine Customs of sensitive U.S. military cargo at the Buenos Aires international airport, the Government of Argentina moved to systematically reduce counternarcotics and security cooperation with the United States. The participation of Argentine officials in U.S. sponsored counternarcotics training was reduced significantly. The DEA and INL-funded Northern Border Task Force (NBTF), a joint law enforcement group comprising federal and provincial elements which operated along the Bolivian border, and the Eastern Border Task Force (EBTF), which acted against illicit drug smuggling activities in the tri-border area with Paraguay and Brazil, were shut down in March 2011. Their closure, and the Government of Argentina's inability to immediately replace the counternarcotics resources, may have limited Argentina's capabilities to interdict cross-border cocaine and marijuana shipments. The reduction of bilateral counter-narcotics cooperation also limited the U.S. Government's ability to help facilitate Argentina's counternarcotics coordination with neighboring countries. Several previously scheduled U.S. Government supported counternarcotics joint trainings and seminars in the region were cancelled during in 2011.

D. Conclusion

Though the newly created Ministry of Security has worked to improve aspects of Argentina's drug control effort, the slow process of implementing operational reforms and re-allocating sufficient domestic resources, combined with the reduction of counternarcotics cooperation with the United States likely eroded Argentina's narcotics interdiction capabilities in 2011. The reduction of cocaine seizures in containerized cargo may be linked to the constraints imposed on DEA information-sharing activities in Argentina. The Government of Argentina could focus its port-based and other interdiction efforts on targeted investigations supported by increased personnel levels and enhanced use of technology, such as x-ray scanning equipment, in order to reduce the amount of drug traffic currently escaping detection. Likewise, the Argentine government could complement its recent deployment of additional radars in the northern border areas with additional equipment and human resources to ensure that increased detection of air shipments of narcotics crossing the Bolivian and Paraguayan borders results in increased interdiction on the ground. In addition, the Security Ministry could continue its efforts to optimize cooperation among the various federal and provincial law enforcement entities in order to enhance

Argentina's effectiveness in combating the illegal drug trade. It could be particularly useful to further improve judicial efficiency in case processing of narcotics-related investigations and prosecutions.

Chemical Controls Section

Argentina is one of South America's largest producers of precursor chemicals. The Government of Argentina (GOVERNEMENT OF ARGENTINA) has enhanced its precursor chemical regulatory framework as well as the effectiveness of its port and border controls and related criminal investigations in combating the traffic in precursor chemicals.

Argentina is a party to the 1988 UN Drug Convention and has laws meeting the Convention's requirements for record keeping, import and export licensing, and the authority to suspend shipments. Argentine law 26045 placed controls on precursor and essential chemicals, requiring that all manufacturers, importers or exporters, transporters, and distributors of these chemicals be registered with the Secretariat of Planning for the Prevention of Drug Addiction and Drug Trafficking (SEDRONAR). Argentine law prohibits the transport of nonregistered precursor chemicals.

SEDRONAR employs a three pillar precursor chemical control system. First, all commercial entities that utilize these chemicals must register them in a National Precursor Chemical Register. Second, all entities must submit quarterly reports regarding the status/movement of registered chemicals. Finally, all registered chemicals are subject to audits by SEDRONAR's Precursor Chemical Diversion Control and Prosecution Unit. SEDRONAR performed 481 audits between January and November 2011, resulting in the imposition of 319 administrative sanctions and 19 criminal prosecutions. In 2011, for the first time ever, audits were conducted in all 24 provinces of Argentina.

In March 2011, the Argentine judicial system obtained its first ever conviction for the diversion of non-ephedrine precursor chemicals for narcotics trafficking. SEDRONAR attributes the increase in precursor chemical-related prosecutions to its 2011 efforts to train over 400 judges and judicial system staff on Argentina's precursor chemical control regime. SEDRONAR also reports that the prices of precursor chemicals as well as the production of counterfeit chemicals increased significantly during the course of 2011 and attributes both developments to its successes in limiting the diversion of such chemicals.

Argentina restricted the importation and exportation of ephedrine, both as a raw material and as an elaborated product, in 2008, resulting in a substantial decrease in legal ephedrine imports from 2009-11. In addition, the Government of Argentina took steps to implement United Nations Commission on Narcotic Drugs Resolution 49/3. In August 2010, Argentina launched the International Narcotics Control Board's online Pre-Export Notification (PEN) system. SEDRONAR is responsible for data input on precursor chemicals into the PEN system, but also inputs data on pharmaceutical preparations at the request of the Health Ministry, which does not have a PEN system terminal.

Argentina could more effectively combat the traffic in precursor chemicals by fostering greater inter-ministerial cooperation to improve the Government of Argentina's understanding of the overall legitimate demand for such chemicals, thus facilitating efforts to isolate shipments being diverted for illegal narcotics production

Armenia

A. Introduction

Armenia is not a major drug-producing country, and because of conservative social mores domestic abuse of drugs continues to be relatively modest. Because it lies along smuggling routes between Asia and Europe, Armenia continues to experience some use as a transit country for drug trafficking. However, since Armenia is landlocked and the two longest of its four borders remain closed, the resulting limited transport options make the country a secondary route for drug trafficking.

The Armenian Police have accumulated significant intelligence on drug trafficking sources, including routes and people engaged in trafficking. Scarce financial and human resources, however, limit the police's effectiveness. The Armenian government continues to reform its border control system, which falls primarily under the purview of the Border Guards (a unit of the National Security Service), Customs Service (a unit of the State Revenue Committee), and Police. With U.S. assistance, Armenia continues to develop and implement an integrated border management regime that should improve its ability to detect shipments of illegal drugs and other types of contraband.

Resources for treatment of drug addicts have increased in recent years, but the number of registered addicts has also increased, partly due to legislative changes that allowed abusers to seek help without fear of prosecution. Armenia is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Domestic abuse of drugs continues to be modest with the majority of drug users using hashish or other forms of cannabis. Opiates, especially opium, are the second most abused drug group. Over the last decade there has been an increase in the abuse of heroin, but overall demand for both heroin and cocaine remains low. Anecdotal reports suggest that abuse of synthetic drugs is probably growing, primarily among the young. According to official information, 65 percent of registered drug addicts are age 35 or older while 26 percent are between the ages of 25 and 35. The vast majority of registered drug addicts are unemployed.

Drugs are smuggled into Armenia primarily from Iran (heroin and opiates) and Georgia (opiates, cannabis and hashish). Small amounts of opiates and heroin are smuggled from Turkey via Georgia. There have also been cases of small-scale importation from other countries, mostly by mail or by arriving airline passengers. Should Armenia's closed borders reopen, Police predict drug transit will increase significantly.

The financial, material, and human resources of the Police's Anti-Drug Department remain minimal and have not increased proportionally to the growing caseload. This is a systemic problem for law enforcement in general, but even within the Police, its Anti-Drug Department appears less well funded than some other departments.

In 2009, Armenia implemented new legislation to bring its drug laws closer into line with EU standards and focus enforcement efforts on trafficking while emphasizing prevention and treatment for drug users. These changes decriminalized the use of illegal drugs and the transfer of small amounts of drugs without

purpose of sale. Previously, a person convicted of using drugs could be jailed up to two months for a first offense, a sanction which international experts found discouraged addicts from seeking treatment. Under the revised system, a first-offense user became subject to a fine up to 200,000 Armenian drams (approximately $540 U.S.), but that fine is waived for a user who voluntarily seeks treatment. In 2009, Armenia adopted a three-year national drug strategy and in 2010 created an interagency commission to oversee its implementation. In October 2011, as part of the national strategy, the Monitoring Center for Narcotic Drugs and Drug Addiction was established under the National Institute of Health. Armenia is a party to the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

2. Supply Reduction

Supply reduction efforts primarily focus on interdiction of shipments and the investigation and arrest of drug dealers. Seizures are often made at border crossing points, but some drugs are also seized from street-level dealers. Prosecutions against drug dealers are almost always successful.

The amount of drugs seized has continued to increase in recent years, with 33 percent more illegal drugs being seized in the first nine months of 2011 compared to the same period in 2010. Additional research is needed to better assess the extent of this problem, however, since there is inadequate statistical data to gauge what approximate fraction of illegal drugs is being seized. Out of the total 108 kg of illegal drugs seized in the first nine months of 2011, a single seizure of heroin accounted for 89 kg. In contrast to 2010, seizure of methamphetamines decreased considerably, with 4 kg seized in the first nine months of 2011 in comparison with approximately 22 kg seized overall in 2010. It remains difficult to determine whether the amount of drugs seized reflects improved law enforcement or more drugs transiting Armenia. As for the number of criminal cases, they remain relatively small, having registered a 27 percent drop in the first nine months of 2011 compared with 2010.

Hemp and opium poppy grow wild in Armenia. There is some small-scale illegal cultivation of these crops, which police seek to locate and destroy, but this represents a fairly small part of Armenia's anti-drug efforts.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Armenia continues drug abuse prevention through awareness campaigns and treatment of abusers. The Drug Detoxification Center funded by the Health Ministry provides short-term treatment, and two new facilities which opened in 2009 helped augment long-term assistance to abusers. From mid-2010 to mid-2011, the Drug Detoxification Center provided methadone substitution treatment to approximately 120 registered addicts and plans to expand this treatment to Armenia's prison system in the future.

4. Corruption

While corruption remains a serious problem in Armenia, there is no evidence to suggest high-level corruption occurs in drug trafficking. Armenia does not encourage or facilitate illicit production or distribution of narcotic drugs and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions. No senior officials have been reported to engage in these activities. The main form of drug-related corruption is alleged to occur when individuals found with drugs in their possession resort to bribes to avoid arrest. During the year, one prison employee was sentenced to six years of imprisonment for selling illegal drugs to prisoners.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The USG continues to work with Armenia to increase its law enforcement capacities. Current programs include the strengthening of the police's Anti-Drug, Cyber Crime, Irregular Migration, and Anti-Trafficking Departments, as well as the development of an independent forensic laboratory and enhancement of the Central Bank's counter-money laundering unit. Additionally, USDOJ's Resident Legal Advisor continues to instruct officials on how to conduct narcotics investigations and prosecutions at Armenia's Procuracy School. The USG also assists Armenia through the Export Control and Related Border Security program, where training and assistance efforts help enhance Armenia's ability to control its borders and to interdict all contraband, including narcotics. The Defense Threat Reduction Agency is likewise helping the Border Guards improve their "green border" management capabilities. In addition, the USG helped fund a project that expanded Armenia's Border Management Information System to all border crossing points in 2008, centralizing immigration data and giving law enforcement agencies timely access to information to better assist drug interdiction efforts at Armenia's borders.

D. Conclusion

Government authorities appear genuinely committed to combating illegal drugs, and given the strong stigma attached to drug abuse, it remains a rare occurrence when officials engage in drug trafficking. The relatively low level of drug use and trafficking likely owes more to Armenia's strong social mores, its geography, and closed borders than to effective law enforcement. While police and border authorities are steadily improving their capabilities, they still suffer from structural deficiencies in personnel, training, equipment, intelligence collection, and interagency and international coordination. In order for Armenia to win the upper-hand in combating drug abuse and trafficking, law enforcement will need greater resources, more training and improved coordination. The Armenian government will also need to expand its awareness and treatment efforts.

The USG will continue aiding Armenia in its counternarcotics efforts through law enforcement capacity building and cooperation on operational drug trafficking issues. The USG works to promote reconciliation between Armenia and its neighbors, and pursues the re-opening of closed borders in the region. Continued assistance would help Armenia secure re-opened borders against narcotics trafficking as well as other forms of transnational crime.

Azerbaijan

A. Introduction

Azerbaijan is frequently used as a transit country along major drug trafficking routes from Afghanistan and Iran to Europe due to its location. Portions of Azerbaijan's border are also uncontrolled due to regional conflict. The quantity of drugs seized by the authorities in Azerbaijan, as well as the number of reported crimes related to drugs, have increased over the last decade. The Ministry of Interior leads domestic counternarcotics efforts while the Ministry of National Security leads international counternarcotics operations. The State Border Service and State Customs Committee also play significant counternarcotics roles.

Domestic drug cultivation includes both cannabis and opium poppy, but is not widespread, and is mostly for regional consumption. Few government-sponsored programs exist in Azerbaijan to address domestic drug use.

Azerbaijan was one of the first countries in the South Caucasus to become a party to the 1988 UN Drug Convention in 1993. Azerbaijan also started one of the first police units that specifically targeted drug trafficking in the region.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

During the past year, Azerbaijan has sought to develop and implement a regional approach to addressing drug trafficking by actively participating in multilateral organizations and bilateral agreements. The government of Azerbaijan (GOAJ) continues an active role in the Central Asian Regional Information and Coordination Center (CARICC), which enhances the abilities of member states to combat the flow of illicit substances across the region. Azerbaijan continued its participation in the South Caucasus Integrated Border Management (SCIBM) program, primarily funded and implemented by the European Union and the United Nations Development Program (UNDP). In October 2011, the State Customs Committee hosted an International Counternarcotics Conference which included representatives from the United Nations Office on Drugs and Crime (UNODC), CARICC, the World Customs Organization (WCO), and over two dozen country representatives. The event demonstrated high level GOAJ interest in counternarcotics and provided an opportunity for the DEA representatives in Ankara with responsibility for Azerbaijan to discuss cooperation with GOAJ counterparts.

Also during 2011, Azerbaijan began participating in the joint UNODC-WCO Container Control Program, the aim of which is to develop a network of border control cooperation units at various land and sea ports to stem the flow of drugs, precursors and other illegal goods. This program is significant in Azerbaijan as it encourages Azerbaijani interagency cooperation, an area where greater progress is needed.

Azerbaijan is party to the 1988 UN Drug Convention. Azerbaijan also is a party to the UN Convention against Corruption, and to the UN Convention against Transnational Organized Crime and its three protocols.

2. Supply Reduction

Afghan opiates transit Azerbaijan by three primary routes: from Central Asia and across the Caspian Sea; from Iran through the south of the country; and through uncontrolled territories of Azerbaijan. While international attention is focused on the Iran-Azerbaijan border and Caspian routes, GOAJ officials regularly identify the uncontrolled territories as a more significant threat.
According to the UNODC, approximately 11 tons of heroin enter the Caucasus annually; 4 tons of that is either consumed or seized annually within the region. Deputy Prime Minister and Chair of the State Committee for Anti-Narcotics Ali Hasanov stated to the press that in 2010, the Government seized 1,859 kg of illegal narcotics (1,200 kg by the Ministry of National Security, 359 kg by the State Border Service, and 300 kg by the State Customs Committee). In August 2011, Azerbaijani State Border Service Chief Elchin Guliyev expressed satisfaction that Azerbaijani border control has seen improved results despite the growth of attempts to traffic drugs through Azerbaijan in recent years. The infrastructure for border protection in Azerbaijan has been significantly improved by GOA efforts and by the U.S. Export Control and Related Border Security (EXBS) program.

3. Demand Reduction

The annual prevalence rate for opiate use for persons aged 15 to 64 in Azerbaijan decreased from 0.3% in 2004 to 0.2% in 2008. The most recent data suggests that the prevalence rate for marijuana usage for that same age group was 3.5% in 2008. Current figures from an Azerbaijani NGO indicate that there are 25,489 drug addicts in Azerbaijan, with 4554 of those 29 years old or younger. In 2009, the GOAJ discontinued its anti-narcotics public service announcement program that used kiosks and billboards in downtown Baku to inform citizens about the dangers of drug abuse. The government has replaced this program with one designed to focus primarily on students. Azerbaijan has also funded NGOs to provide anti-drug training and advertisements on university campuses, as well as provide drug specialists to meet with college students.

Treatment centers for addicts in Azerbaijan are inadequate to meet the demand. Sensitivities in Azerbaijani society on the subject of drug addiction, and an overall lack of experience of policymakers and health professionals in dealing with the problems associated with drug addiction account in part for inadequate investment in drug treatment facilities. Though the GOAJ has expressed its desire to address substance abuse and drug addiction, the response so far has been inadequate.

4. Corruption

Azerbaijan does not encourage or facilitate the production or distribution of illicit substances, nor the laundering of proceeds from illegal drug transactions. Unfortunately, corruption of government and law enforcement officials remains a serious concern.
Through its participation in the Organization for Democracy and Economic Development-GUAM, Azerbaijan has participated in discussions on assistance programs sponsored by the U.S. Department of Justice (DOJ) aimed at detecting and prosecuting corruption. These assistance efforts, promoted law enforcement coordination and cooperation within the Black and Caspian Sea corridor and assist Azerbaijan in addressing government corruption problems. In 2011, a U.S. State Department funded Resident Legal Advisor from the Department of Justice arrived in Baku. The advisor is expected to increase U.S./GOAJ cooperation in the field of anti-corruption. Also in 2011, the Financial Monitoring Service under the Central Bank of Azerbaijan signed an agreement with UNODC to use new software designed to enhance Azerbaijan's ability to track money laundering related to corruption and drug trafficking.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The GOAJ has demonstrated sustained interest in enhanced border control through joint initiatives with the U.S. and other international partners. Azerbaijan has worked closely with U.S. agencies to deploy new technology and to train and equip the appropriate government personnel to better secure its land and sea borders.

The State Border Service Coast Guard (SBS-CG) and the Navy of Azerbaijan continue to improve their ability to control Azerbaijani territorial waters through surveillance and interdiction assistance provided by the U.S. Defense Threat Reduction Agency (DTRA). Most significantly, during 2011, SBS-CG took delivery of a decommissioned U.S. Coast Guard Cutter for operational uses. The GOAJ also continued its work with the U.S. EXBS Assistance Program to increase its ability to monitor the flow of goods and persons across its borders through enhancing border security infrastructure. With the arrival of the DOJ RLA and increased interaction with DEA Attachés in Ankara, even closer U.S.-Azerbaijani cooperation on counternarcotics issues is likely.

D. Conclusion

Opiate production in Afghanistan, Azerbaijan's long border with Iran, and the instability and lack-of-control across some portions of Azerbaijan's borders combine to make Azerbaijan an attractive conduit for the illicit flow of narcotics and other controlled substances. While more progress is necessary, GOAJ continues to develop and implement measures, both unilaterally and with international partners, designed to secure its borders. Many of these measures – such as those implemented with the assistance of DTRA, EXBS and other U.S. agencies – are not specifically designed to stem the smuggling of drugs across the border, but these programs targeted on WMD enhance the ability of Azerbaijan to secure its borders and hinder international smuggling operations. Azerbaijan's continued active participation in the CARICC and SCIBM programs further helps address regional narcotics trafficking activities.

The Bahamas

A. Introduction

The Bahamas archipelago, covering an area about the size of California, is home to several transit points for South American cocaine and marijuana and (mostly) Jamaican marijuana bound for the United States. The population of The Bahamas, estimated at about 350,000, enjoys a relatively high standard of living but is threatened by spillover issues from their southern neighbors, particularly those issues of narcotics smuggling and related criminal activity. The Government of the Commonwealth of The Bahamas has been a stalwart ally against illegal narcotics trafficking, primarily through Operation Bahamas, Turks and Caicos (OPBAT), a Drug Enforcement Agency (DEA) led multiagency and international drug interdiction effort established in 1982 to stop the flow of cocaine and marijuana through The Bahamas to the United States. The Government of the Commonwealth of The Bahamas also cooperates to target Bahamian drug trafficking organizations and to reduce the Bahamian domestic demand for drugs.

Cocaine and marijuana are transshipped through The Bahamas' many islands and cays. Drug Trafficking Organizations take advantage of the vast geography and many hidden inlets by utilizing small commercial and private conveyances, both marine and aerial, to avoid detection. The vigilance of U.S. and Bahamian law enforcement has served as an effective deterrent. An estimated 80 percent of cocaine smuggled into the United States that passed through The Bahamas during the 1980s has diminished to current estimates of approximately 5 percent through the entire Caribbean.

Bahamian law enforcement organizations continue to evolve and build their capacity. Improvements in the justice sector, particularly improved prosecution and extradition practices, would help the Government of the Commonwealth of The Bahamas to more effectively disrupt and dismantle narcotics trafficking networks and address the rise in drug and gang-related crime.

The Bahamas is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Royal Bahamian Police Force (RBPF) and the Royal Bahamian Defense Force (RBDF), as well as law enforcement personnel in the Turks and Caicos Islands participate in counter narcotics operations through the OPBAT partnership. These institutions partner with counterpart U.S. agencies for training, intelligence gathering, and operations that lead to the seizure of contraband and to the arrest of traffickers.

The Bahamian law enforcement bodies use their small but capable fleet of vessels prepositioned in strategic locations to conduct patrols and interdictions throughout the roughly 100,000 square miles of Bahamian land and waters. The RBDF operates a fleet of 14 vessels and various small boats out of New Providence, Grand Bahama, and Great Inagua. This fleet includes six interceptor "fast boats" donated under U.S. Southern Command's Enduring Friendship program and two 60-meter vessels operated out of Nassau. The RBPF manages a fleet of 11 short-range vessels based in New Providence, Grand Bahama, Bimini, Andros, and other islands depending on need. This fleet includes three "fast boats" donated under the Department of State Bureau of International Narcotics and Law Enforcement Affairs (INL) bilateral assistance program. The fleet is capably managed and maintained and is frequently utilized for interdictions and patrols. Given the Bahamas' large geographic area and relatively small population, U.S. surface vessels and air support are vital for effective operations.

The Bahamas is a party to the 1961 UN Single Convention, as amended by the 1972 Protocol; the 1971 Convention on Psychotropic Substances; the 1988 UN Drug Convention; the 1990 U.S.-Bahamas-Turks and Caicos Island Memorandum of Understanding concerning Cooperation in the Fight against Illicit Trafficking of Narcotic Drugs; and the Inter-American Convention against Trafficking in Illegal Firearms. The Government of the Commonwealth of The Bahamas is also a party to the Inter-American Convention against Corruption; the UN Convention against Corruption; and the UN Convention against Transnational Organized Crime and its three protocols.

The United States and The Bahamas have both a Mutual Legal Assistance Treaty (MLAT) and an Extradition Treaty. The United States and The Bahamas have an excellent mutual assistance relationship. The MLAT facilitates the bilateral exchange of information and evidence for use in criminal proceedings. DEA joint activities with the Government of the Commonwealth of The Bahamas have resulted in evidence from The Bahamas being used to prosecute traffickers in the United States. Government of the Commonwealth of The Bahamas prosecutors seek to fulfill U.S. extradition requests in the Bahamian justice system. Delays and legal hurdles, however, prevent a regular flow of extraditions. Defendants can appeal a magistrate's decision and then continue appeals all the way up to Committee of the Privy Council in London. This process often adds years to an extradition proceeding. Some subjects of U.S. extradition requests are known to continue illegal drug smuggling activities while on bail awaiting the resolution of their cases.

The United States has a Comprehensive Maritime Agreement (CMA) with The Bahamas, which went into effect in 2004, replacing a patchwork of disparate safety, security, and law enforcement agreements. Among its provisions, the CMA permits cooperation in counternarcotics and migrant interdiction operations in and around Bahamian territorial waters, including the use of "ship riders" and expedited boarding approval and procedures.
As a response to a record murder rate and rising crime, the legislature is finalizing a new set of laws that target drug-related crime and illegal firearms. These measures will reinforce magistrates' authority to hand down tougher sentences. The legislation will also permit an additional 200 police to be added to the force, particularly notable given the fiscal discipline the current government has demonstrated in its most recent budget. To reduce the number of illegal weapons on the street, the RBPF initiated a gun take-back program in October that included amnesty for the voluntary surrender of weapons. The program resulted in the removal of 74 weapons and various kinds of ammunition.

The National Drug Council (NDC) and the National Anti-Drug Secretariat (NADS) is currently revising the country's expired National Drug Strategy, last released for the 2004-09 period.

2. Supply Reduction

The Bahamas is primarily a transit country for illegal drugs, though there is some local cultivation of marijuana. The Drug Enforcement Unit (DEU), the primary drug fighting institution in the Bahamas, cooperated closely with the United States and other foreign law enforcement agencies on drug investigations. Including OPBAT seizures, Bahamian authorities seized 176 kilograms (kg) of cocaine and 24 metric tons of marijuana. There are no official estimates of hectares of marijuana under cultivation in The Bahamas. Host country law enforcement, however, eradicated over 20,000 marijuana plants during 2011, a decrease from last year's number but still nearly double the 2009 level. The DEU arrested over 80 people on drug-related offenses and seized over $938,521 in cash.

Contraband is smuggled through a variety of vessels, employing myriad strategies. Larger vessels are known to offload drugs on to small vessels before checking in with Bahamian Customs, and many vessels

do not register at all when entering Bahamian waters. The DEU, in conjunction with the DEA, continued a program in Great Inagua to enforce Government of the Commonwealth of The Bahamas requirements that vessels entering Bahamian territorial waters report to Bahamian Customs.

Cocaine continues to transit The Bahamas via go-fast boats, small commercial freighters, containers, and small aircraft. Small sport fishing vessels and pleasure crafts move cocaine from The Bahamas to Florida by blending in with legitimate traffic that transit these areas. Larger "go-fast" and sport fishing vessels transport marijuana from Jamaica through The Bahamas and into Florida in the same manner as cocaine. Traffickers also skirt along the loosely monitored Cuban coast line, looking for opportune moments to break for Florida through Bahamian waters. During 2011, The Bahamas and U.S. law enforcement assets worked together on over 35 successful interdictions. U.S. antidrug-related agencies estimate that there are 12 to 15 significant drug trafficking organizations operating in The Bahamas.

Haitian and Haitian-Bahamian drug trafficking organizations continue to play a major role in the movement of cocaine from Hispaniola through The Bahamas. Investigations of these organizations are hindered by an enduring lack of Creole speakers within the DEU. Bahamian law enforcement regularly discovers drugs during inspections of Haitian sloops that continue to enter Bahamian waters despite being officially prohibited from doing so. Information acquired by host country law enforcement suggests that drug trafficking organizations have utilized air drops and remote airfields to deliver large cocaine shipments to the Turks and Caicos Islands and to The Bahamas from Venezuela and Colombia. Recent investigations reveal that Bahamian drug trafficking organizations are using the Turks and Caicos Islands as a transshipment point.

Although maritime means remain a significant method of drug transit through The Bahamas, the majority of cocaine seized in recent years has been concealed in containerized cargo transiting the Freeport Container Port on the island of Grand Bahamas. DEA believes that Colombian traffickers are utilizing containerized cargo as a means to thwart the efforts of law enforcement officials in The Bahamas. Approximately three metric tons of cocaine have been seized at the Freeport Container Port since 2007. Nevertheless, the amounts seized from containers have diminished in recent years, including 2011.

3. Demand Reduction

NADS coordinates the demand reduction programs of various governmental entities, such as Sandilands Rehabilitation Center, and of NGO's such as the Drug Action Service and The Bahamas Association for Social Health. To increase effectiveness and avoid redundancy, the Government of the Commonwealth of The Bahamas will consolidate the NDC currently under the Ministry of Health, with NADS into one institution under the Ministry of National Security. The NDC and NADS will continue to focus on drug prevention efforts in schools and youth organizations on New Providence, Grand Bahama, and other population centers. They have also begun a civil society strengthening effort to build grass roots, sustainable activism for demand reduction efforts. DEA also participates in demand reduction programs targeting local schools and church groups.

4. Corruption

The Government of the Commonwealth of The Bahamas does not encourage or facilitate illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances. It also does not support the laundering of proceeds from illegal drug transactions. No senior official in the Government of the Commonwealth of The Bahamas was investigated for drug-related offenses in 2011. The RBPF uses an internal committee to investigate allegations of corruption involving police officers instead of an independent entity.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The Bahamas is partnering with the other nations of the Caribbean and the United States to combat the drug trade and other transnational crime. This shared security partnership has gained new momentum through the Caribbean Basin Security Initiative (CBSI), a multi-year USG assistance program that focuses on supporting citizen safety programs and regional security institutions. The goals of CBSI relative to The Bahamas are to: stem the flow of illegal drugs through The Bahamas and into the United States; dismantle drug trafficking organizations; and strengthen Bahamian law enforcement and judicial institutions to make them more effective and self-sufficient in combating drug trafficking and money laundering activities.

During this reporting period, INL funded numerous tactical and intelligence-related training events as well as a new 41-foot aluminum interceptor that will enable DEU personnel to conduct operations farther, faster, and more safely. Funding will also support repairs for RBPF boats based in several other locations in The Bahamas; repairs which will dramatically improve the RBPF's interdiction "end game" capabilities.

Computers and other equipment were procured to improve Bahamian law enforcement's capacity to target trafficking organizations through better intelligence collection and more efficient interdiction operations. INL funds also provided tactical equipment and training to the RBPF; and supported the Government of the Commonwealth of The Bahamas' "Drug Free Schools" initiative and demand reduction program.

The USCG is moving forward with its plans to rebuild the OPBAT hangar on the island of Great Inagua. This two-year construction project will allow USCG to base helicopters flying in support of OPBAT on Great Inagua. Since Hurricane Ike destroyed the original Great Inagua hangar in 2008, USCG helicopters temporarily operate out of the Turks and Caicos Islands, the neighboring British Overseas Territory, as part of its participation in OPBAT.

In order to build regional safety and security capacity, the USCG utilized DoD and DOS funds to provide resident, mobile and on-the job training in maritime law enforcement, small boats operations, port security, engineering and maintenance, and professional development for the RBDF's officer and enlisted corps. The DoD also provided two additional high speed interceptor boats to the RBDF under SOUTHCOM's Enduring Friendship program.

The U.S. interagency team has identified and delivered the training needed by RBPF counterparts to combat organized crime and criminal violence in The Bahamas. These trainings have been formulated to systematically build skill sets. For example, members of the RBPF were trained by DEA in arrest techniques which provide the basic skills to conduct safe enforcement operations. The RBPF has also received training in combat life-saving to deal with situations that arise during high risk arrests. All these skills are in critical need based on the recent trends in criminal activity encountered by the RBPF.

D. Conclusion

The United States and The Bahamas remain steadfast partners in the fight against drug traffickers, and the strong working relationship between U.S. and Bahamian law enforcement agencies serves as an example for other joint operations in the region. The recently-launched CBSI framework will further improve this relationship.

Reducing the long delays in extradition requests will help transition the success of operations through to prosecutions and address the continuation of traffickers' activities when they are out on bail. The overburdened Bahamian legal system may receive a reprieve once a newly announced expansion of the Prosecutors Office takes effect. More aggressive investigation and prosecution of money laundering will weaken drug trafficking networks and defend against the corrosive influence of drug money.

The Government of the Commonwealth of The Bahamas will bolster their ability to fight smuggling from Haitian groups by more actively addressing the institutional barriers to integrating Creole speakers into the DEU and fostering appropriate information sharing between the RBPF, RBDF and the Haitian National Police. This approach would further develop an understanding of Haitian drug trafficking organizations operating in The Bahamas and prevent smugglers from exploiting information gaps as they pass between national jurisdictions.

Bangladesh

Bangladesh was not a significant cultivator or producer of narcotics in 2011. Government of Bangladesh (GOB) officials charged with controlling and preventing illegal substance trafficking lack sufficient training, and equipment to address the growing precursor chemical trafficking situation and the influx of "yaba" (methamphetamine pills) from Burma. Law enforcement agencies nevertheless interdicted narcotics, from the Golden Crescent in South Asia and the Golden Triangle in Southeast Asia, smuggled into Bangladesh along its porous borders. GOB law enforcement agencies also continue to assist DEA in providing critical information related to (express parcel) shipments containing ephedrine and pseudoephedrine that are sent to Mexican based methamphetamine trafficking organizations. There is no direct evidence that corruption in law enforcement agencies is hampering the country's drug interdiction efforts in targeting significant precursor chemicals or yaba traffickers. Bangladesh is a party to 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 Corruption. On July 13, 2011, Bangladesh acceded to the UN Convention against Transnational Organized Crime

Assessments conducted by several U.S. agencies in 2009 and 2010 confirmed numerous land, sea and air border security vulnerabilities in Bangladesh that could be easily exploited by narcotics traffickers. The Bangladesh Department of Narcotics Control (DNC) said it was unable to estimate the number of drug addicts in the country. The NGO community also does not have reliable numbers, with estimates ranging wildly between 100,000 to 1.7 million addicts out of a population of 160 million. Among classes of drug users where better estimates are possible, NGO sources estimate 20,000-25,000 injecting drug users and 45,000 heroin smokers. Other drugs used in Bangladesh were methamphetamines, marijuana, and the codeine-based cough syrup phensidyl. Most of the yaba circulating in Bangladesh is smuggled from neighboring countries such as Burma. The GOB considers the smuggling, diversion and abuse of pharmaceuticals originating from India one of the largest drug problems in Bangladesh. Poor, uneducated, unemployed youth are the group most under threat of drug abuse in Bangladesh. More than 20 percent of recent drug arrestees are under the age of 16. Street children, who sometimes come from a drug abusing milieu with close relatives abusing drugs, and who are lured into selling drugs, are under especially great risk of debilitating drug abuse. Among street children who inject drugs, high percentages (65 percent) share needles, and similarly high percentages engage in either risky sexual behavior or are abused sexually themselves. The resultant risk of HIV/AIDS transmission in this vulnerable group is obvious.

The International Narcotics Control Board estimated that small quantities of cannabis are cultivated in Bangladesh for local use. The DNC acknowledged that cannabis is cultivated in the hill tracts near Chittagong, in the southern silt islands, and in the northeastern region. The DNC also reported DNC officers, in coordination with other law enforcement officials, eradicated cannabis crops as soon as crops were located. According to Central American and United States law enforcement agencies, Pseudoephedrine shipped from Bangladesh was diverted to Central America for production of methamphetamine destined primarily for the United States.

The most frequently abused drugs in Bangladesh are low quality heroin, phensidyl (illegally smuggled from India) and cannabis. Heroin was smuggled into Bangladesh by couriers from Pakistan, by commercial vehicles or trains from India, by trucks or public transport from Burma and by sea via the Bay of Bengal. The Chittagong port appeared to be the main exit point for narcotics leaving Bangladesh. One report from the U.S. Department of Homeland Security described a chaotic situation at Benapole, the

main land border crossing between India and Bangladesh, which could easily be exploited by narcotics traffickers. The report noted examination of luggage items was cursory at best.

Bangladesh law enforcement officials believe that drug abuse, while previously a problem among the ultra-poor, is becoming a major problem among the wealthy and well-educated youth as well. The DNC ran treatment centers in Dhaka, Chittagong, Rajshahi, Khulna, Jessore and Comilla. A drug addicts' rehabilitation organization, Ashokti Punorbashon Nibash (APON), Bengali for the NGO, operates six long-term residential rehabilitation centers, including the first centers in Bangladesh for the rehabilitation of female addicts. APON says it is the only organization that includes street children in its drug rehabilitation program.

Drug trafficking to Bangladesh and diversion of medicine for abuse have contributed to a growing addiction problem, especially among the most vulnerable in society. Problems at Bangladesh's ports make drug trafficking more difficult to control. The GOB and donors, including the USG, will need to focus on these problems to bring about improvements.

Belize

A. Introduction

In 2011, the United States added Belize to the list of Major Illicit Drug Transit or Major Illicit Drug Producing Countries. Belize was susceptible to the transshipment of illegal drugs due to its position along the Central American isthmus between the United States, Mexico, and the drug-producing countries of South America. Large stretches of unpopulated jungles on its borders with Guatemala and Mexico, and a relatively unpatrolled coastline that includes hundreds of small islands and atolls, made controlling the territory difficult in 2011. The remote jungles of Belize provided a hospitable environment for growing cannabis. Drug trafficking and related crimes increasingly threatened the stability of Belize.

Belize generally tolerated the use of cannabis. Drug possession penalties included a $5,000 fine for first-time offenses and, albeit infrequently, a three-year prison sentence for second offenses. Crack cocaine was the second most abused drug in Belize according to a 2008 Central American Integration System (SICA) study, a finding re-validated by the National Drug Abuse Council in 2011. Synthetic drugs were not widely used or manufactured in Belize, although precursor chemicals transited Belize en-route to Mexico.

Despite enhanced efforts to monitor coastal waters, limited funds, equipment, and personnel hampered the Belize Coast Guard (BCG) and the Anti-Drug Unit (ADU). Belize's counternarcotics efforts were limited by corruption and deficiencies in intelligence gathering and analysis, the judicial sector, and political will. Belize is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In an effort to provide greater security for its citizens, Belize instituted several legislative reforms in 2011. The government expanded its control of firearms by increasing the penalties for firearms offenses, increasing the minimum age for application for firearm and ammunition licenses from 16 to 21, and mandating the registration of bulletproof vests. Belize also passed the Interception of Communications Act to allow judicially-authorized wiretaps of telephones and other forms of communication. Following the passing of that legislation, the government required mandatory registration of all existing, prepaid cellular phones by March 15, 2012. Thereafter, all unregistered numbers will be deactivated.

In 2011, Belize launched an institutional reform of its police academy and police institutions. This project – responsible for the training of over 300 police officers in 2011 – will continue in 2012. Much of the training consisted of instruction in community policing philosophies and techniques.

The government readily assisted in the capture and repatriation of U.S. citizen fugitives. In 2011, 14 U.S. citizen fugitives have been repatriated back to the United States through mechanisms other than extradition. Although the United States and Belize have an extradition treaty, Belize's response to formal U.S. extradition requests has been very slow, in part due to limited resources in its criminal justice system. Currently, there are two narcotics related extradition requests from 2006 pending with Belize.

The United States assisted the government of Belize in developing a protocol for the destruction of methamphetamine precursor chemicals, including criminalizing the trafficking of phenyl-acetic acid (PAA). Belize is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotic

Drugs as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Belize is one of six countries (along with Costa Rica, the Dominican Republic, France, Guatemala and the United States) that ratified the Caribbean Regional Agreement on Maritime Counter Narcotics, which is now in force. Belize passed the Money Laundering and Terrorism (Prevention) Act in 2008, establishing money laundering as an autonomous offense. Belize is a party to the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling.

In 2011, the Inter-American Drug Abuse Control Commission (CICAD) representatives assisted government personnel in mapping out an action plan to begin implementation of a national drug information system, which will share data with CICAD on the demand, use, and supply of drugs in Belize. Belize became a member state of the Inter-American Observatory on Drugs (OID) in May 2009, and CICAD provided training for Belize's national project coordinator.

Bilateral agreements between the United States and Belize include a protocol to the Maritime Counterdrug Agreement that entered into force in April 2000, a bilateral Extradition Treaty that entered into force in March 2001, and the Inter-American Convention on Serving Criminal Sentences Abroad that entered into force in 2005. The Mutual Legal Assistance Treaty (MLAT) entered into force in 2003. In 2011, the Belize Coast Guard for the first time participated in the Multilateral Maritime Counterdrug Summit, which also included participants from Colombia, Ecuador, Mexico, Peru and most Central American countries.

2. Supply Reduction

The Belize Police Department's (BPD) Anti-Drug Unit (ADU) maintains its headquarters in Belize City. The unit was often unable to promptly respond to unauthorized air traffic in remote parts of the country. Belize in turn used ADU to counter the spiraling violence in Belize City whose elevated murder rate contributed to the 5.8 percent increase nation-wide.

In 2011, Belizean authorities seized and eradicated 72 metric tons (MT) of cannabis. This is an estimate based on actual seizures of dried cannabis, and the number of plants removed from the ground. There were no seizures of heroin, but the government confiscated 14,981 doses of pseudoephedrine and 300 kilograms (kg) of cocaine. The cocaine seized in 2011 represents a small increase from the 28.3 kg seized in 2009. In November of 2010, a single joint United States-Belize operation seized 2.6 MT of cocaine. Belize did not produce cocaine, heroin or precursor chemicals. The government seized limited amounts of bulk cash in 2011.

There were no successful prosecutions related to large seizures of illicit drugs in 2011, though small scale drug possession convictions were relatively common. Many police prosecutors – responsible for prosecuting minor offenses – still lacked strong investigative and prosecutorial training, and a scarcity of staff and resources did not allow the Office of the Director of Public Prosecutions (DPP) to manage each case efficiently. For example, three customs officers – arrested and charged in 2008 for facilitating the disappearance of a container of pseudoephedrine – went to trial in 2011, and two of the customs officers had their case dismissed due to lack of evidence. A second jury acquitted the third officer on two counts of forgery.

The government's cases frequently relied on witness testimony instead of forensic evidence, or a combination thereof. Widespread victim and witness intimidation and lack of forensic analytical capacity prevented successful prosecutions. System wide, the conviction rate in Belize hovered around five to seven percent.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

In 2011, Belize updated its three-year National Anti-Drug Strategy to cover 2011 to 2014. The central coordinating authority in charge of demand reduction, supply reduction, and drug control measures remained the National Drug Abuse Control Council (NDACC). Belize's Ministry of Health provided funding for the NDACC. The council had 21 regular employees and a budget of approximately $150,000 USD for the year.

Belize operated two drug rehabilitation centers for its own citizens. The primary facility operated within the Belize Central Prison. It was run by a non-governmental organization, the Kolbe Foundation, which also managed the prison. The 120-day residence program, started in 2006, was open to inmates and members of the public willing to overcome addiction. A total of 163 persons graduated from the program in 2011, including 19 women. The second rehabilitation center – named Remar – was run by a religious organization and had approximately 35 patients in treatment at any given time.

In 2011, the Ministry of Health personnel from the Schools and Community Programs Unit conducted demand reduction education when invited by a specific school. NDACC worked with the Ministry of Education to implement prevention programs in the school curriculum.

4. Corruption

The Belizean government did not, as a matter of government policy, encourage or facilitate illicit drug production or distribution. The government of Belize was not involved in laundering proceeds of illicit drug sales. Combined with a lack of resources and weak law enforcement institutions, Belize's ineffective judicial system and inadequate compensation for civil service employees and public safety officials allowed illegal activities to continue at various levels within the government. Belize lacked laws that specifically address narcotics-related corruption. Its Prevention of Corruption Act – passed in the year 2000 – includes measures to combat corruption related to illicit monetary gains and the misuse of public funds while holding public office and it also provides a code of conduct for civil servants. Belize is the only country in Central America that is not a party to the UN Convention against Corruption. While some low-level government officials were arrested for corruption, no senior or high-level officials were arrested or charged with corruption-related offenses in 2011.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Through equipment, training, and technical assistance, the United States bolstered Belize's own efforts to combat drug trafficking organizations (DTOs) and narcotics trafficking. Through the Central American Citizen Security Partnership, the United States worked with Belize to disrupt and decrease the flow of narcotics, weapons, and illicit proceeds generated by sales of illegal drugs, and to confront gangs and criminal organizations. U.S. support included infrastructure upgrades, training, and the provision of equipment for the Belize Defense Force (BDF). This included the donation of four new maritime vessels to boost the government's counternarcotics interdiction capacity. Other support from the United States helped to modernize and enhance law enforcement capacity, support police academy reform, improve prison management, and assist in anti-gang initiatives. In an effort to improve the Belize Coast Guard's (BCG) capacity to deny drug traffickers the use of its territory, the United States Coast Guard continued to provide the BCG with training in maritime law enforcement, engineering and maintenance, leadership and management, port security, and incident command systems. The United States worked with the governments of Belize, Mexico, and Guatemala to develop a strategy to strengthen security along their shared borders in order to inhibit the trafficking of illicit substances.

In 2011, Belize created an official strategy plan, called the Restore Belize Strategic Plan 2011-2015, to improve civil society and Belize's overall citizen security situation.

D. Conclusion

In 2011, Belize took incremental steps to address the growing threat of narcotics-related crime within its borders. It must make greater strides toward improving citizen security and disrupting the flow of illegal drugs if it is to reverse the new wave of corrosive criminal activity. Without action and redress, Belize's security environment will continue to deteriorate. Reports indicate that drug trafficking and drug-related violence rose in Belize, and that those figures will continue on an upward trend. The United States encourages Belize to strengthen its public security and law enforcement institutions through more effective anti-corruption legislation, comprehensive background checks and vetting for new and existing personnel, and better training and continuing education programs. Belize should strengthen its border security through better management and leadership, increased training, and augmenting the border management staff. Belize's criminal justice system will be more effective when the government provides adequate funding and training for prosecutors in the DPP's office, as well as police prosecutors. Belize will be more capable of successfully confronting illegal drug trafficking by placing a greater emphasis on institution and capacity building. The United States will maintain its strong partnership with Belize, and assist in its fight against DTOs and other criminal organizations.

Benin

Benin is a transit country for drugs, including cannabis, cocaine, methamphetamine, and heroin, with related laundering of trafficking proceeds. The volume of drugs transiting Benin is unclear, but cocaine and heroin transit West African countries, including Benin, en route to Europe. Cannabis is cultivated in central Benin for local consumption and regional sale.

There are indications that large cocaine shipments originating from South America and heroin from Southwest Asia enter Benin via maritime vessels and cargo containers for further distribution in West Africa and to Europe.

In April 2011, U.S. government officials assisted local law enforcement to seize a shipping container filled with used clothes that concealed 200 kilograms of heroin. The shipping container originated in Pakistan and was destined for Europe. On June 7, French law enforcement separately assisted in the seizure of 400 kilograms of cocaine originating from South America destined for Niger; the cocaine was concealed inside large irrigation system valves. Methamphetamine has been seized in Belgium, Japan, Malaysia, Thailand and Vietnam from couriers and in air cargo originating in Cotonou. In November 2011, methamphetamine secreted in motor parts was seized at Liege Airport in Belgium. The drugs originated in Benin, with a final destination of Malaysia. Drug traffickers reportedly launder drug proceeds through purchase and import of second-hand vehicles from the United States and Europe.

The Government of Benin (GOB) Central Office for Repression of Illicit Trafficking of Drugs and Precursors (OCERTID) is the national lead agency for combating narcotics trafficking. OCERTID supports and coordinates anti-drug activities of the police, Gendarmerie, customs, forestry service and other offices. However, the effectiveness of this coordination is limited since many positions in OCERTID remain unfilled. OCERTID responds to reports of illicit drug trafficking and maintains enforcement offices in the city of Cotonou, including Benin's international airport and the Port of Cotonou. The airport has been used as an entry point to bring drugs into and through Benin. President Boni Yayi visited the Cotonou airport in late 2011 to ensure that proper security measures are put in place to combat drug trafficking. Recent drug seizures have primarily included cannabis, cocaine, and heroin. OCERTID's reported seizures from January to September 2011 were: 246.5 kilograms of cannabis; 424.4 kilograms of cocaine; and 200.2 kilograms of heroin. As a matter of policy, the Government of Benin 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.

Benin's Law on Control of Drugs and Precursors, the Criminal Code, and the Code of Criminal Procedure criminalizes narcotics-related money laundering, and provides penalties of up to 20 years in prison and fines up to CFA 5 million ($10,000, at current exchange rates) for trafficking of drugs and psychotropic substances. Benin is a party to the 1988 UN Drug Convention, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. The GOB has established an Inter-ministerial Committee for Control of Drugs and Psychotropic Substances (CILAS) and drafted a National Anti-Drug Policy (POLUDRO) to address drug abuse and trafficking.

The UNODC is assisting the GOB to draft an Integrated National Program to curb drug abuse and trafficking. UNODC and other development partners, including the Millennium Challenge Corporation, are assisting the GOB to increase security at the Port of Cotonou, including improving shipping container inspections. The GOB coordinated a nationwide drugs awareness campaign as a key activity of its observance of the 2011 International Day against Drug Abuse and Illicit Trafficking. In May and June 2011, CILAS conducted drug awareness training with students and local government in eight departments

of Benin. The GOB continues to address drug abuse and trafficking through education and enforcement of anti-drug legislation.

Bolivia

A. Introduction

Bolivia is the world's third largest cocaine producer and a significant transit zone for Peruvian-origin cocaine. Existing reports indicate that most Bolivian-origin cocaine exports flow to other Latin American countries, especially Brazil, for domestic consumption or onward transit to West Africa and Europe. U. S. government surveys estimate that approximately one percent of the cocaine seized in the United States and submitted for testing originates from Bolivia.

On September 15, 2011, the President of the United States determined for the fourth consecutive year that the Government of Bolivia "failed demonstrably" to make sufficient efforts to meet its obligations under counternarcotics (CN) conventions. This Presidential determination was based, in part, on evidence that Bolivia had yet to reverse the increases in net coca cultivation of the past several years, although in 2010 it appeared that production had stabilized; however, without the ability to conduct yield studies previously conducted by the Drug enforcement Administration (DEA), there is no assurance that production has not risen. The 2010 U.S. government estimate of pure cocaine production potential remained at the 2008-2009 levels of 195 metric tons, 70 percent higher than in 2006, and potential export quality cocaine production at 240 metric tons

The National Drug Control Council, chaired by the Ministry of Government, is the Bolivian government's central policymaking body for CN. The mandate of Vice Ministry for Social Defense's (VMSD) is to combat drug trafficking, regulate coca production, and advance coca eradication and drug prevention and rehabilitation. The Special Counternarcotics Police Force (FELCN) comprised of approximately 1,700 personnel, an increase from 1,500 personnel in 2010, reports to the VMSD. The Joint Eradication Task Force conducts coca eradication with approximately 2,300 military, police and civilian personnel, an increase of 300 since 2010.

Bolivian President Evo Morales remains the president of the coca growers' federation in the Chapare region of Bolivia, one of the two major coca growing areas in Bolivia. His administration maintains a "social control" policy for illicit coca eradication in which the Bolivian government negotiates with coca growers to obtain their consent for eradication. In 2011, Bolivia intensified coca eradication efforts, reporting the eradication of more than 10,000 hectares for the first time since 2002, even as eradication forces continued to meet resistance from coca growers. However, illegal coca cultivation for drug production remains high, and the Bolivian government maintains inadequate controls to prevent diversion of licit coca to illicit cocaine production.

The Government of Bolivia's ability to identify, investigate and dismantle drug trafficking organizations (DTOs) and follow actionable law enforcement leads developed in Bolivia remains diminished following the expulsion of all U.S. Drug Enforcement Administration (DEA) personnel from Bolivia in January 2008. Colombian, Brazilian, Peruvian and other foreign nationals in Bolivia engage in financing, producing and exporting drugs and laundering drug proceeds. The Bolivian government denies that foreign drug cartels are present on Bolivian soil.
According to the Latin American Center of Scientific Investigation (CELIN), illegal drug use is a growing problem in Bolivia.

B. Drug Control Accomplishments. Policies, and Trends

1. Institutional Development.

Bolivia's 2011-2015 counternarcotics plan is unpublished. Felipe Caceres, the Vice Minister of Social Defense stated that the plan will enact new legislation to increase licit national coca cultivation levels from 12,000 to 20,000 hectares. (The Government of Bolivia passed Law 1008 in 1988 permitting coca cultivation on 12,000 hectares in the traditional coca growing area of the Yungas). The recently proposed legislation was delayed throughout 2011 pending release of a European Union-funded study on traditional coca consumption originally scheduled for completion in 2005.

In 2010, the Government of Bolivia prepared legislation to replace existing laws affecting wiretaps, money laundering and asset forfeitures, drawing on technical assistance provided by the United States in 2008. These bills remained under review in a Bolivian congressional committee and were not enacted in 2011.

The Bolivian government budgeted $20 million in 2011 for the second consecutive year for CN operations through the Executing Unit for the Fight against Narcotics (UELICN) under the Ministry of Government. UELICN took over responsibility for some expenses as routine operational support was reduced in 2011.

FELCN's Director General stated that its 2011 operations focused on money laundering cases and leads from law enforcement counterparts from neighboring countries. Bolivia continued to seek counternarcotics support from other countries, including law enforcement cooperation, especially with Brazil, Argentina, and Chile. In 2011, Bolivia and Brazil signed the third two-year law enforcement cooperation agreement and an agreement between their defense ministries on border security. Bolivia and Brazil's multiagency commission on drugs met for the seventh time to continue work on implementing its plan of action.

The United States, Bolivia and Brazil continued negotiations on a pilot project that will enable Bolivia to eradicate illegal coca more efficiently, detect the re-planting of eradicated coca, and improve the credibility of Bolivia's reported eradication results. Approval of the pilot project is expected in 2012.

Agreements and Treaties. Bolivia's efforts in 2011 to amend the United Nations' 1961 Single Convention on Narcotics Drugs through removal of references to traditional uses for coca leaf including coca leaf chewing. Based on a denunciation presented to the United Nations Bolivia will withdraw from the Convention effective January 1, 2012. Bolivian government officials say Bolivia will immediately rejoin the Convention, with the reservation that it does not recognize the Convention ban on chewing coca leaf. United Nations Office on Drugs and Crimes (UNODC) officials indicate that Bolivia will effectively remain outside the Convention through the end of January 2013.

Bolivia is a signatory to the 1988 UN Drug Convention and the 1971 UN Convention on Psychotropic Substances. Bolivia is also a party to the UN Convention Against Transnational Organized Crime and its Protocols on Trafficking in Persons and Migrant Smuggling, UN Convention Against Corruption, and Inter-American Convention against Corruption; however, Bolivia lacks many of the legal and enforcement mechanisms necessary to fully implement these agreements. Bolivia signed, but has not yet ratified, the Inter-American Convention on Extradition, and although ratified the Inter-American Convention on Mutual Assistance to Criminal Matters remains unsigned.

The Government of Bolivia and the United States signed a bilateral extradition treaty in 1995, that went into effect in 1996, permitting the extradition of nationals for most serious offenses, including drug trafficking.

2. Supply Reduction.

The 2010 U. S. government coca cultivation estimate for Bolivia of 34,500 hectares was slightly lower than the 2009 estimate of 35,000 hectares. UNODC surveys estimated 31,000 hectares of cultivation for 2010, a slight increase over its 2009 estimate of 30,900 hectares. The Government of Bolivia, expected the results to show a net decrease in coca cultivation after increased eradication at the end of 2010, and delayed publication of the UNODC's 2010 coca survey for several months to review the data. The Bolivian government has stated its intention to reduce net coca cultivation to 20,000 hectares by 2015 or earlier.

The Bolivian government reported eradication of over 10,509 hectares of coca in 2011, a significant increase over the 8,200 the government reported eradicated in 2010, and meeting President Morales' goal of 10,000 hectares. Success was due, in part to strict adherence to weekly targets and accepting U. S. government recommendations aimed at greater efficiency.

During 2011, there was evidence of decreased governmental tolerance of illegal coca cultivation, in particular in the national parks, but also in the traditional coca growing regions of the Yungas and the Chapare. The government took significant steps to control coca production in the Chapare. Under an agreement with the Bolivian government, Chapare federations of coca growers began implementing a "coca zero" policy which pressured growers to comply with the one-cato rule. In October 2003, the Government of Bolivia and Chapare coca producers signed an agreement legalizing a "cato" (40 x 40 sqm) of cultivation per family in the Chapare. Because many farmers were growing two or more catos, the Federations have since implemented an "auto-control" policy whereby growers voluntarily eradicate coca in excess of one cato. The Bolivian government began eradicating replanted coca immediately rather than waiting two to three years to eradicate in the same areas. The European Union-funded Social Control Project completed a biometric registration of Coca Grower Federation members in the Chapare, adding impetus to social control efforts there.

USAID's Integrated Alternative Development (IAD) program provided support to help diversify the economies of Bolivia's coca growing regions, reduce communities' dependency on coca, and complement the Bolivian government's coca eradication efforts. USAID provided assistance in communities selected jointly with the Bolivians and focused in the Yungas region. In Fiscal Year 2011, assistance provided to farm communities and businesses helped generate nearly 2,000 new jobs and $12.5 million in sales of USAID products that directly benefited 30,144 families.

The FELCN achieved numerous high-profile successes during 2011, including the shutdown of a large Colombian cocaine laboratory in the Isiboro Sécure National Park. While the lack of DEA or other international law enforcement personnel working with FELCN in the field made it difficult to independently verify figures, according to the Bolivian government, FELCN seized 28.35 metric tons of cocaine base and 5.61 metric tons of cocaine hydrochloride (HCL) in 2011. FELCN also destroyed 25 large scale cocaine HCL processing labs, one more than in 2010, and 5,252 cocaine processing labs, 11 percent decrease from 2010 levels.

The Bolivian government arrested and charged 3,930 persons on narcotics-related offenses during 2011, an increase of 5 percent over 2010. Prosecutors won 430 CN convictions in the first none months of 2011, more than double the 185 convictions in all of 2010. (Prosecutors recorded 326 successful CN convictions in 2009). In Bolivia, after making initial charges, prosecutors have six months to move most cases to trial. The CN conviction rate from 2008-2011 was approximately 20 percent

3. Drug Abuse Awareness, Demand Reduction, and Treatment.

The CELIN study entitled "Drug Use in Bolivia 1992-2010" showed a steady increase in drug use among the population throughout the country. Urban marijuana consumers increased from 0.2% in 1992 to 2.54% in 2010, cocaine HCl consumers rose from 0.1% in 1992 to 1.59% in 2010, and cocaine base users grew from 0.2% in 1992 to 1.44% in 2010. CELIN also released a study in 2011 on student drug use that showed an increase in marijuana consumption from 0.8% in 1993 to 4.4% in 2011, in cocaine HCl consumption from 0.2% in 1993 to 0.9% in 2011, and in cocaine base consumption from 0.3% in 1993 to 2.9% in 2011.

4. Corruption.

The Government of Bolivia enacted an Anti-Corruption Law on March 31, 2010, that applied to all public officials retroactively with no statute of limitations. However, the law does not specifically refer to narcotics-related corruption. The new law was used in 2011 by government prosecutors to bring corruption charges and to indict some judges for dismissing charges in CN and other criminal cases.

As a matter of policy, the Bolivian government does not encourage or facilitate illegal activity associated with drug trafficking. Nevertheless, there were arrests of corrupt senior CN officials, both inside and outside Bolivia, for facilitating drug shipments. For example, Rene Sanabria, who was then head of the Information and Intelligence Generating Center (CIGEIN) and former Bolivian Police Commander pled guilty to U.S. Federal cocaine trafficking charges in June 2011. CIGEIN, a CN intelligence organization under the Ministry of Government, was disbanded after Sanabria's arrest. In 2010, the FELCN Director General launched an initiative to deter corruption that included polygraph exams for all of its CN officers.

In 2011, the Bolivian National Police (BNP) Office of Professional Responsibility (OPR) for internal investigations absorbed FELCN's independent OPR. The OPR investigates all cases and may sanction law enforcement for minor infractions. The BP's Disciplinary Tribunal is responsible for reviewing cases and determining punishment, if appropriate, for police officers involved in misconduct and other integrity-related violations. Cases involving violation of Bolivian law are referred to the Attorney General's Office for prosecution.

C. National Goals, Bilateral Cooperation and U.S. Policy Initiatives

Under a 2006 bilateral Letter of Agreement, U. S. government programs seek to enhance the capabilities of the Bolivian government to reduce coca cultivation; arrest and bring traffickers to justice, promote integrated alternative development; disrupt the production of cocaine within Bolivia, interdict and destroy illicit drugs and precursor chemical moving within and through the country, reduce domestic abuse of cocaine and other illicit drugs, institutionalize a professional law enforcement system, and improve the Bolivian population's awareness of the dangers of illicit drugs. To achieve these aims, the U. S. government provides administrative, logistical, financial and training support to Bolivian CN programs and to work productively with the Bolivians at the policy implementation and technical level.

In 2011, the United States supported the training of 4,424 police officers, prosecutors and other Bolivian government and NGO officials through 63 training courses, seminars and conferences. This included training for Bolivian police officers in Peru, Colombia and Argentina.

During 2011, the U. S. government funded six drug abuse prevention and rehabilitation projects. These included family-based drug prevention programs in Cochabamba and Tarija and drug prevention education programs with Bolivia's most renowned youth soccer academy.

D. Conclusion

Although Bolivia's eradication program is meeting its stated targets, when taken as a whole, Bolivia's eradication and interdiction results have not been sufficient to adequately reverse high coca cultivation and cocaine production levels. Bolivia's policy to consider 20,000 hectares of coca cultivation as licit, its intention to enact legislation to legalize the entire 20,000 hectares, and its withdrawal from the 1961 Convention contribute to the international view that Bolivia's efforts to meet its international CN obligations were insufficient.

The Bolivian public, media, and experts widely perceive that the challenge to Bolivian institutions from designated terrorist organizations (DTOs), corruption, and citizen insecurity from drug trafficking and other crimes, increased during 2011. For the near- term, drug traffickers will continue to exploit opportunities to process abundant coca leaf into cocaine, suborn more Bolivian institutions and increase their influence in Bolivian communities.

The Government of Bolivia is encouraged to strengthen efforts to achieve tighter controls over the trade in coca leaf in order to stem diversion to cocaine processing in line with international treaties, achieve net reductions in coca cultivation, and protect its citizens from the deleterious effects of drug trafficking. To diminish Bolivia's appeal to drug traffickers, further action is required to improve security and through the justice sector effectively combat drug production and trafficking, money laundering, corruption, and other transnational crime, and bring criminal enterprises to justice through the rule of law. Bolivia is encouraged to provide more of its own resources for this effort as the USG transitions from providing direct operational support for the mature CN assistance program in Bolivia, to focusing on training and law enforcement capacity building. Enacting new asset forfeiture legislation and other CN measures would provide Bolivian law enforcement agencies with necessary resources. Members of the international community most directly affected by Bolivian cocaine exports are encouraged to share more responsibility and increase their support to Bolivia.

Chemical Controls

The FELCN Chemical Substances Investigation Group (GISUQ) searches for chemicals used in the traditional cocaine process, such as sulfuric acid, kerosene, diesel oil and limestone. Beginning in 2011, GISUQ found traffickers using new chemicals, such as isopropyl alcohol, liquid ethyl acetate and sodium bisulphate, and cement to produce cocaine. These chemicals are not among the precursor chemicals controlled under the Bolivian CN law. In 2011, GISUQ seized 747 metric tons T of solid substances and 2,634,906 liters of precursor chemicals, a 23 percent decrease and 10 percent increase respectively, over 2010.

The Bolivian government does not have control regimes for ephedrine and pseudoephedrine.

Bosnia and Herzegovina

Bosnia is not a major narcotics cultivator nor a significant narcotics producer, consumer, or producer of precursor chemicals. Bosnia is still considered primarily a transit country for drug trafficking due to its strategic location along historic Balkan smuggling routes and its strategic position between drug production and processing centers in Southwest Asia and markets in Western Europe. Bosnian authorities at the state, entity, cantonal, and municipal levels require further capacity to combat the transit of illegal migrants, black market commodities, and narcotics, but state-level institutions have improved their ability to stop the flow of illicit narcotics in the country. Bosnia is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime. A 1902 extradition treaty between the U.S. and the Kingdom of Serbia applies to Bosnia and Herzegovina as a successor state.

Weak state institutions, lack of personnel in counternarcotics units, and imperfect cooperation among the responsible authorities also contribute to Bosnia's vulnerability to narcotics trafficking. Cooperation among law enforcement agencies and prosecutors is primarily informal and ad hoc, and serious legal and bureaucratic obstacles exist to the effective prosecution of criminals remain. The political will to improve narcotics control performance exists in many quarters of the Bosnian government, at the state, entity and district levels. However, faced with competing demands, the government has focused its limited law enforcement resources more on such problems as investigating and prosecuting war crimes, counterterrorism, and combating trafficking in persons. It has not developed comprehensive antinarcotics intelligence and enforcement capabilities.

Bosnia has a state-level counternarcotics coordination body and a commission for the destruction of illegal narcotics. The counternarcotics coordination body adopted a counter-narcotics strategy and action plan. Bosnia has limited financial resources, but with USG and EU assistance, it is attempting to improve its ability to combat narcotics trafficking and organized crime and to achieve compliance with relevant international conventions. Bosnia has increased its cooperation with regional and international law enforcement agencies. The Border Police (BP), the Indirect Taxation Authority (the Bosnian customs service), and the State Investigative and Protection Agency (SIPA) have improved counternarcotics efforts, but continued underfunding, lack of staffing, and an ill-equipped BP and SIPA remain a challenge. Telephone hotlines, local press coverage, and public relations efforts have focused public attention on smuggling and black-marketeering, encouraging an enforcement response and improvements.

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.

The BP is responsible for controlling the country's three international airports, as well as Bosnia's 55 international border crossings covering 1,551 kilometers. The BP has been considered one of the more effective border services in Southeast Europe and is one of the best functioning multi-ethnic state-level institutions in Bosnia. However, there are sustained personnel shortages in the BP. There are still a large number of illegal crossing points, including rural roads and river fords, which the BP lacks capacity to patrol. In-ground sensors have been deployed to close some of these gaps, but response times to sensor alerts are also affected by lack of equipment such as vehicles. Moreover, many official checkpoints and crossings remain understaffed. SIPA is supposed to be a conduit for information and evidence between local, state, and international law enforcement agencies. However, cooperation between local law enforcement agencies and SIPA is often less than optimal.

Despite structural challenges, law enforcement agencies, often in cooperation with neighboring countries, have succeeded in making narcotic-related arrests and seizures. Through September 2011 (latest available statistics), law enforcement agencies in Bosnia and Herzegovina (including the State Investigation and Protection Agency, the Border Police, Federation Ministry of Interior, Republika Srpska Ministry of Interior, and Brcko District Police) report having seized 1.3 kg of heroin, 26 g of cocaine, 113.5 kg of marijuana, 2,298 cannabis plants, and 3,357 cannabis seeds.

While most drugs entering Bosnia are being trafficked to other destinations, primarily to Western Europe, indigenous or regional organized crime groups are engaged in the local distribution of narcotics to the estimated 105,000 drug users in the country. There is evidence of links and conflict among Bosnian criminal elements and organized crime operations in Russia, Albania, Serbia, Montenegro, Croatia, Austria, Germany, Italy, and increasingly from South America. Organized crime, working with a few corrupt government officials according to anecdotal evidence, uses the narcotics trade to generate revenue. There is no credible evidence linking senior government officials to the illicit narcotics trade.

Strengthening state-level law enforcement and judicial institutions, promoting 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 program on related subjects such as public sector corruption and improved border controls. The USG will continue to work closely with Bosnian authorities and the international community to encourage Bosnia to proceed with the full implementation of its national counternarcotics strategy. Bosnia recognizes the 1902 extradition treaty between the U.S. and the Kingdom of Serbia; the level of cooperation between the parties is good even in the absence of a formal mutual legal assistance treaty.

Brazil

A. Introduction

As the largest nation in South America, with over 16,000 kilometers of land borders, over half of which are shared by the region's major cocaine and marijuana producing countries, Brazil recognizes drug trafficking, border security, and drug prevention matters of national concern. Brazil is the world's second largest consumer of cocaine and a major consumer of marijuana, produced both domestically as well in Paraguay. As such, Brazil places significant emphasis on drug abuse awareness, demand reduction and treatment polices. It is also a primary trafficking and transit country for cocaine destined for international markets, primarily in Europe.

Brazil's federal law enforcement and narcotics institutions are highly professional and committed to combating the illegal drug trade. However, the scale of the drug problem and the size of the border present special challenges to law enforcement efforts to combat drug trafficking.

Brazil is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Government of Brazil's lead agency for counternarcotics is the Federal Police (DPF), a multi-mission agency with responsibilities ranging from investigating federal crimes and countering international drug trafficking to providing border control and immigration services. The DPF is a highly professional law enforcement organization and reports to the Ministry of Justice (MOJ). However, with less than 8,000 agents possessing arrest powers, the DPF is vastly under-resourced to police a continent sized country of nearly 200 million people that also borders 10 of 12 South American countries. The DPF suffers from a severe shortage of criminal investigators and, considering the Brazilian government's 2011 hiring freeze, it does not appear the situation will improve in the near term. In addition, 40% of DPF employees will be eligible for retirement by 2015.

The DPF's lack of manpower underscores the importance of inter-agency cooperation, which the Brazilian government made a priority in 2011. The DPF successfully partnered with the National Secretariat of Public Security's (SENASP) National Force, the Secretariat of Federal Revenue, the armed forces, and state police forces in border security operations leading to multi-ton seizures of marijuana and cocaine.

Brazil has signed bilateral narcotics control agreements with the United States and every country in the region. The agreements provide a framework for exchanges of intelligence on criminal organizations, chemical diversion, capacity improvement, joint investigations, enforcement operations, and maintaining secure channels of communications. Brazil has also signed counternarcotics agreements with countries outside the Western Hemisphere, such as Italy, Japan, Lebanon, Portugal, and Spain. Brazil maintains formal alliances with UNODC, OAS/CICAD, and INTERPOL and is a signatory to the main UN and regional drug, corruption, and transnational crime conventions. In addition, the DPF has increased its overseas offices to 14 countries and maintains Liaison Officers in another dozen.

In 2011, the National Drug Policy Secretariat (SENAD) was relocated from the President's cabinet to the Ministry of Justice (MOJ) in order to better implement Brazil's 2010 Plan to Confront Crack and Other Drugs. The MOJ now houses the DPF, SENASP, and SENAD, providing a more consolidated and coordinated platform from which to fight narcotics, organized crime, and address drug consumption. Additionally, the Brazilian Congress' Chamber of Deputies created the Special Committee for Public Policies to Combat Crack & Other Illicit Drugs. The Committee is charged with developing new public policies aimed at preventing the use of crack and other drugs, treatment and social reintegration of drug users, and revision of current legislation.

As a federal republic, Brazil's state police forces also contribute to the fight against illegal narcotics; civil police units investigate local crimes, and patrolling military police units which utilize a military organizational structure but are not members of the armed forces, also aid in the fight against drug trafficking. As the first line of defense against crime, these local forces play an integral role in the effort against illegal narcotics. For example, Rio de Janeiro's Pacifying Police Units (UPPs), elements of the state police, have been successful in reducing drug trafficking and gang presence in seventeen of the city's "favela" (shanty town) communities. However, professionalism and capacity vary widely among state agencies.

In addition to the 1988 UN Drug Convention, Brazil is also a party to the 1971 UN Convention Against Psychotropic Substances, and the 1961 UN Single Convention and its 1972 Protocol; the UN Convention Against Transnational Organized Crime and its three protocols; the UN Convention Against Corruption; the Inter-American Convention against Corruption; the Inter-American Convention on Mutual Assistance in Criminal Matters and its Optional Protocol; the Inter-American Convention against Terrorism; Inter-American Convention On International Traffic In Minors and the Inter-American Convention against Trafficking in Illegal Firearms. The United States and Brazil are parties to a mutual legal assistance treaty and a mutual assistance agreement on customs matters. Brazil cooperates with the United States in the extraditions of non-Brazilians. The United States and Brazil cooperate in extradition matters under a 1961 extradition treaty. Brazil's constitution prohibits extradition of Brazilian nationals, but allows for extradition of naturalized Brazilians for certain drug-related crimes committed prior to naturalization. The Brazilian Supreme Court will agree to extraditions only if the MOJ receives assurance that extradited individuals will not be subject to sentences longer than 30 years.

2. Supply Reduction

Brazil continues to be a major conduit to world markets for illegal drugs produced in the Andean region. Bolivian cocaine has historically dominated the domestic market, especially in heavily populated urban centers. It enters Brazil across a 3,423-kilometer border on commercial trucks using cover loads, privately owned vehicles, and commercial buses. Small aircraft loaded with multi-hundred kilogram quantities of cocaine transport the drug into Brazil and either conduct air drops to awaiting ground teams, or simply off-load after landing on privately owned or clandestine airstrips. The DPF estimates that 75% of the cocaine entering from Bolivia is transported by air. Bolivian cocaine also enters Brazil via Argentina and Paraguay's tri-border area and northern Uruguay. Once within Brazil, cocaine is transported in cargo or passenger vehicles to urban centers, primarily Rio de Janeiro and São Paulo, and prepared for consumption and/or international shipment, primarily to Africa and Europe. Some Peruvian cocaine also enters Brazil via Bolivia using similar methods. The DPF reports that during 2011, 15 crude cocaine laboratories used to convert cocaine base into crack were found in Brazil. State military police units seized five crack labs in the State of São Paulo, finding in one lab alone, 660 kilograms of cocaine base, eight kilograms of crack, 1,100 kilograms of marijuana, and various solvents and equipment used to manufacture crack.

Colombian and Peruvian cocaine is smuggled into Brazil via the vast Amazonian river system which serves as the primary route for cocaine bound for the ports of Manaus and Belem. Once in these Amazonian port cities, it is consolidated into multi-ton shipments are then containerized and shipped to Africa and Europe via commercial freighters. Smaller pleasure crafts are also used to rendezvous with cargo freighters to transfer large quantities of cocaine for export.

Colombian and Peruvian cocaine is frequently off-loaded in the many river towns in the Amazon region and taken inland to Brazil's international airports for courier transport to Africa and Europe. Couriers use luggage, body-carry, and ingestion as means of transporting illegal narcotics. At São Paulo's international airport in July and August 2011, the DPF arrested 46 Nigerians who were carrying ingested cocaine capsules.

The majority of DPF drug interdiction resources are focused on the state of São Paulo, the largest drug consuming and transit state in the country. Additionally, the states of Amazonas, Acre, Rondônia, Mato Grosso, Mato Grosso do Sul, and Parana, which border Brazil's cocaine and marijuana producing neighbors, are focal points for law enforcement. These seven states are responsible for 76% of the cocaine seized in Brazil by the DPF and 78% of all marijuana seizures.

On June 8, 2011, the Brazilian government introduced the Strategic Border Plan, a permanent multi-agency initiative involving the DPF, SENASP's National Force, the Secretariat of Federal Revenue, the armed forces, and state police forces. The plan prioritizes strengthening security at 34 highest-risk locations along 7,363 kilometers of land border and 9,523 kilometers of land along rivers, lakes, and canals. The strategy aims to facilitate greater enforcement of laws against drugs, arms, and human trafficking, financial crimes, environmental crimes, and homicides. The chief elements of the plan are Operation Sentinela, a DPF intelligence based initiative with federal, state and military involvement, and Operation Agata, a similar multi-agency effort coordinated by Brazil's armed forces. These two operations resulted in the combined seizures of 62 tons of marijuana and cocaine from June to September 2011, more than eight times the amount seized in the preceding five months. The two operations also resulted in the destruction of various clandestine airstrips.

The DPF conducts quarterly marijuana eradication campaigns in the Northeastern states of Bahia and Pernambuco. In 2011, the DPF destroyed 380 plantations and over one million plants. Brazil's domestically cultivated marijuana is considered to be of a lower grade than the preferred Paraguayan marijuana smuggled into Brazil. The Paraguayan and Brazilian bilateral agreement allows for security forces of both countries to conduct joint marijuana eradication operations in Paraguay called Operation Nova Aliança IV. The DPF provides intelligence, helicopters, and advisory assistance on the ground during eradication operations. An estimated 80% of marijuana production in Paraguay is destined for the Brazilian market.

Synthetic drugs, ecstasy/MDMA and LSD are shipped to Brazil through the postal system or by air cargo and are generally consumed by upper and middle-class youth. Often, European couriers transport synthetic drugs into Brazil and return to Europe carrying cocaine. In June 2011, the DPF dismantled a courier organization that transported cocaine to the Netherlands and synthetic drugs to Brazil, arresting a Dutch citizen and 14 Brazilians. Methamphetamine trafficking and consumption is uncommon in Brazil, but is believed to be on the rise. As of October 2011, there have been four airport seizures of methamphetamine and one in São Paulo. In a June 2011 seizure, a Brazilian male arriving from Brussels was arrested at São Paulo's International airport in possession of 9 kilograms of methamphetamine, 27,000 LSD dotted stamps, and a kilogram and a half of hashish. No methamphetamine labs were discovered in Brazil this year.

The Brazilian government's focus on inter-agency cooperation and border security resulted in significantly improved interdiction efforts in 2011. As of October 2011, the DPF reported overall seizures of 15.2 metric tons (MTs) of cocaine, 87.4 MTs of marijuana, 194,776 dosage units (DUs) of Ecstasy, 72,492 DUs of LSD, and 42,000 DUs of methamphetamine. During this period, there were 3,018 arrests and/or indictments on drug related charges as well as $21.5 million dollars in asset seizures.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Brazil is considered to be second only to the United States in terms of the gross number of users of cocaine and its various forms including crack and unrefined cocaine base products. Brazil's major cities have serious problems with crack users consuming the drug openly in "cracolandias" (cracklands), areas with corresponding high incidences of user-related crime.

The Brazilian Government recognizes the scope of the substance abuse problem, especially with respect to crack consumption. Accordingly, as part of the 2010 Integrated Plan to Confront Crack and Other Drugs, President Rousseff announced in February 2011 a plan to place 49 Reference Centers on Crack and Other Drugs in federal universities in 19 states to train health professionals and social workers to help drug users and their families.

SENAD has invested significantly on distance learning in partnership with other ministries and public universities. Several on-line drug prevention and drug related courses were given to government and private sector professionals in 2011, including 25,000 educators and 15,000 municipal officials from various sectors such as health, education and social assistance. SENAD plans to continue emphasizing distance learning by providing additional on-line courses to community therapists. Distance learning will also be offered to legal professionals and those working in Special Criminal Courts and Childhood and Youth Court Divisions.

In 2011, the Brazilian Government expanded its drug prevention and assistance projects for drug users and their families by financing 985 positions in 78 communities in 13 states. Successful programs were expanded to additional cities, such as Project "Lua Nova" (New Moon) which served addicted pregnant women with children, and project "Consultório de Rua" (Street Office) which provides psychological and medical assistance to homeless adults and children. In addition, Collaboration Centers were opened in Sao Paulo and Porto Alegre in 2011, providing 80 new beds for adult treatment, 24 new beds for children, and capacity for 200 daily outpatients.

Despite the new emphasis on drug abuse awareness, demand reduction, and treatment, Brazil's programs as currently structured are not yet commensurate with the size of the addict population. A promising sign is the December 2011 announcement that the Brazilian government, through the Ministry of Health will invest more than $2.2 billion dollars into a program to curb the spread of crack use. This program will include the expansion of health networks dedicated to treating addiction, creating some 300 medical treatment facilities in mostly urban areas.

4. Corruption

As a matter of policy, the Government of Brazil does not encourage or facilitate illegal activity associated with drug trafficking and there has been no evidence to suggest that senior government officials are engaged in such activity. Narcotics related corruption is not considered to be a severe problem in Brazil. However, other forms of government corruption, such as misuse of public funds, are widely reported in the national media, and in 2011 President Rousseff removed six of her ministers amidst allegations of corruption.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The Memorandum of Understanding (MOU) between the United States and Brazil on Narcotics Control and Law Enforcement established various projects designed to enhance the capacity of Brazilian federal and state agencies to address illicit drug trafficking, chemical diversion, organized crime, and drug abuse awareness and demand reduction. The MOU serves as the foundation to pursue the shared U.S.-Brazilian goals of combating drug trafficking and disrupting the flow of illicit profits that enrich and empower transnational criminal enterprises. Brazilian partners under the MOU include the DPF, SENASP, the National Prison Department, SENAD, and the Council for Financial Activities Control.

In 2011 the United States completed twenty training courses for Brazilian law enforcement personnel, including Incident Command Systems, Emergency Command Center & Incident Response, Canine Explosives Detection, Undercover Tactics and Informant Handling, and Interviewing and Interrogation techniques. These courses were well received and contributed to the U.S. goal of increasing the capacity of Brazilian law enforcement.

U.S. support to DPF Special Investigation Units (GISEs) facilitates the agency's collection and sharing of intelligence throughout DPF offices nationwide. In particular, this support facilitates the production and analysis of tactical intelligence that drives enforcement actions carried out by DPF drug units as well as Operations Sentinela and Agata. The GISEs, in coordination with the DEA, conduct complex criminal investigations intended to lead to major seizures of illegal drugs, such as the 2011 dismantling of an international trafficking organization and 34 arrests, including Croatian, Montenegrin, and Serbian nationals that annually smuggled multi-ton quantities of cocaine from Brazil to Italy and Croatia. Assets valued in excess of $10.6 million USD, three metric tons of cocaine, and $1.6 million USD in cash were seized during this operation.

The DPF is responsible for passenger control at ports of entry, interdiction of narcotics and other contraband, and security at each of Brazil's 67 commercial airports. In 2011, the United States donated six Body-Scan x-ray detection machines to augment four previously donated units. These units continue to prove instrumental at airports in the detection of drug couriers who ingest cocaine filled capsules, including the 46 Nigerians arrested by the DPF in July and August.

In 2011, the United States donated 28 detection dogs to the DPF Canine Program raising the total number of dogs donated to 47. Canine units seized more narcotics in the first seven months of 2011, 1620.6 kilograms, than the 924.2 kilograms seized by canine units in all of 2010.

A 2010 law aimed at strengthening Brazil's capacity to fight drug trafficking granted enforcement authority to each of Brazil's three military services. The military is now authorized to detain persons, vessels, vehicles, and aircraft suspected of criminal activity. The Brazilian Navy (BRANAV) is engaged in a substantive dialogue with the U.S. Coast Guard on ways to develop its maritime law enforcement capability. In 2011, the USCG conducted 12 trainings in incident command systems, emergency operations center procedures, and maritime law enforcement. Additionally, the USCG conducted a subject matter exchange with BRANAV and several law enforcement entities to aid in the development of the legal framework for BRANAV's newly acquired law enforcement authority.

Brazil currently serves as the deputy chair of the OAS/CICAD Demand Reduction Expert's Group and in that role has been instrumental in the creation a program to produce guidance for the nations of the hemisphere on four key issues: community-based prevention, drugged driving, prescription drug abuse, and demand-related data collection. Brazil will assume the chair of the Experts Group in 2013.

D. Conclusion

Brazil's commitment to all phases of the drug control effort is impressive, especially when compared with the scope of the challenges. Brazil's efforts in 2011 demonstrate positive returns both in terms of capacity building and supply and demand reduction. However, the physical size of Brazil, and especially the large Amazon basin with its extensive river system, provides an ideal environment within which drug trafficking organizations can operate and elude law enforcement. Brazil is moving forward to confront these challenges with the Strategic Border Plan, but without significantly increased law enforcement capacity, especially in the Amazon basin area, Brazil will remain highly attractive to drug traffickers and criminal organizations.

Chemical Controls. Brazil's chemical industry has grown for the past several years. Increased exports of manufactured products and the growing domestic market have both increased the demand for chemicals. The Brazilian government recognizes that the chemical industry is interrelated to various sectors of the licit economy, as well as to the illicit drug trade. As one of the world's ten largest chemical manufacturers, the leader in Latin America, and the only country that borders all three Andean cocaine producing countries, chemical controls represent a particular challenge.

Brazil is a member state of the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and related protocols and aggressively works with other countries to foster international cooperation for the control of chemicals. Brazil passed its first chemical control law in December of 2001 (Law 10.357/2001), which established norms for the licensing, control and inspection of essential and precursor chemical products that directly or indirectly may be destined for the illegal production of narcotic substances. The Brazilian Justice Ministry issued a decree in 2003 imposing strict control on 146 chemicals that could be used for illegal production of narcotic substances.

The Brazilian Federal Police (DPF) established regulatory guidelines for all chemical handlers in the country. The DPF Chemical Control Division (CCD) controls and monitors chemical products in conjunction with 27 DPF regional divisions and 54 satellite offices. The CCD originally had both regulatory responsibilities as well as mandate to investigate the criminal diversion of controlled chemicals. In 2011, the CCD was divided into two units; the Chemical Control Division, which is subordinate to the DPF Executive Directorate, and the Criminal Diversion Investigations Unit which now falls under the Organized Crime Division.

Regulatory guidelines require all companies handling chemicals to register with authorities and receive a license to engage in commercial activities such as manufacturing, storing, transporting, commercializing and distributing chemicals. Yearly licensing fees are levied for all registered handlers. As of September, 2011, authorities collected $13.6 million reais (US$ 8 million) in both fees and fines for regulatory infractions. There are 19,303 companies actively registered in 2011, 9,242 of which are licensed to import and export chemicals.

The DPF implemented the National Computerized System of Chemical Control (SIPROQUIM) in 2008, which is used to monitor all movements of chemicals in the country, including imports/exports, and licensing. This system requires all companies to use an on-line system for registration and to report all activity being conducted, including the submission of mandatory monthly reports of all chemical related movements. Based on analysis of activity reports, the DPF conducted inspections of suspect companies, and in 2011, seized 35.5 kilograms of chemical products for administrative irregularities.

According to the DPF, strict restrictions on ether and acetone shipments have caused traffickers to use substitutes for cocaine processing, such as cement and lime. Exports of ether, acetone, kerosene, and gasoline to Bolivia, Colombia and Peru, considered essential for cocaine production, are controlled by Brazil. However, these same substances are not controlled by Brazil for domestic usage.

The DPF adheres to the UN Commission on Narcotic Drugs - Resolution 49/3 on strengthening systems for the control of precursor chemicals used in the manufacturing of synthetic drugs. Brazil reports its annual estimates of legitimate requirements for ephedrine, pseudoephedrine, and phenyl-2-propanone (P2P). This is done through the UN automated Pre-Export Notification System (PEN-Online). The DPF routinely uses PEN in coordination with member states to alert importing countries with details of export transactions. The PEN Online System enables easy electronic exchanges of information between member states on international shipments (export and import) of chemicals used to manufacture illegal drugs. Such coordination and exchange strengthens the ability of law enforcement to raise alerts and interdict suspect shipments prior to their reaching illicit drug manufacturers.

Potassium permanganate, an oxidizer that has widespread legitimate uses, is imported by Brazil; none is produced domestically. Brazil controls potassium permanganate as well as acetic anhydride. Currently, controls on both allow for the commercialization of either product without restrictions on quantities of up to one kilogram for potassium permanganate and one liter of acetic anhydride. Brazil is currently in the process of drafting new regulations whereby both potassium permanganate and acetic anhydride will be more strictly controlled for any quantity that is for commercial use.

The DPF Chemical Diversion Investigations Unit participates in the multilateral chemical control initiative “Operação Sem Fronteiras,” (Operation Without Borders); a regional program to combat illegal chemical diversion through border planning meetings and interdiction operations. Law enforcement personnel from the United States, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, and Venezuela participate in pre-scheduled enforcement operations.

Bulgaria

A. Introduction

Bulgaria is a transit country for heroin, as well as a minor producer of illicit synthetic narcotics. Bulgaria's location astride Balkan heroin transit routes makes it vulnerable to international trafficking organizations transporting narcotics into the European Union. Organized crime groups operating in Bulgaria have increased their influence and involvement in the international narcotics trade. These groups are sophisticated, well-financed, and entrenched within Bulgarian society. Bulgaria's Black Sea ports continue to be exploited by drug traffickers to smuggle cocaine from South America to Europe and heroin from Turkey and Iran to Europe.

The only illicit drug crop known to be cultivated in Bulgaria is cannabis, primarily for domestic consumption. Bulgaria continues to be a source of some synthetic drugs, though production has declined in recent years.

Counternarcotics efforts are primarily the responsibility of several specialized police services within the Ministry of Interior (MOI), and the Customs Agency under the Ministry of Finance (MOF). The MOI continues to strengthen institutional capacity, with its General Directorate for Combating Organized Crime (GDBOP) taking an increasingly effective lead in counternarcotics investigations and operations. The Customs Agency continues to implement reforms and registered a slight increase in drug seizures over last year.

Bulgaria is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In June, Parliament passed legislation delegating the authority to modify the list of controlled substances to the Council of Ministers. This greatly increased the ability of the Government of Bulgaria (GOB) to effectively combat the increasing presence of designer drugs. This year the GOB added 40 unique substances to the list. Parliament also established a specialized criminal court to hear cases involving organized crime, including drugs. A lack of effective asset forfeiture legislation complicates government action against organized crime and narcotics distributors. Recent efforts to strengthen forfeiture legislation failed.

Over the past year Customs has continued to implement reforms, which appear to place an increased priority on the search for taxable contraband (i.e., cigarettes) at Bulgaria's borders and reduce the priority for narcotics. This trend is illustrated by two years of historically low narcotics seizures and an updated Customs Mission Strategy which no longer includes counternarcotics as a goal.

Bulgaria is a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime and its three Protocols. A 2007 U.S.-Bulgarian Extradition Treaty allows the extradition of Bulgarian nationals to the U.S. for a variety of offenses, including drug trafficking charges.

2. Supply Reduction

The MOI continues to aggressively combat domestic narcotic production and from January to November closed eight synthetic laboratories, two deemed significant. On October 21, the MOI seized 5,600 cannabis plants in what is believed to be one of the largest indoor cannabis operations in Europe. The efforts of Bulgarian law enforcement have led to significant narcotics seizures and arrests both in Bulgaria and outside the country. Of special note is GDBOP's assistance in developing a case that led to the seizure of 460 kg of cocaine in France and 290 kg in Greece.

Overall MOI seizures of heroin registered only a slight increase from last year. This is due to a number of factors including less heroin moving towards Europe as a result of a poor poppy crop in Afghanistan, the increasing use of alternative trafficking routes, and the economic crisis. Significant gains were made in seizures of marijuana. From January to November MOI seized 129 kg of heroin, 4.6 kg of cocaine, 228 kg of amphetamine substance, 6,506 tablets of ecstasy, 173 kg of marijuana, 1,018 kg of dry cannabis, and 4,903 kg of green cannabis.

Bulgarian Customs seizures increased slightly over last year, but are still historically low. From January to November, the Customs Agency seized 246 kg of heroin, 0.6 kg of cocaine, 17 kg of synthetic drugs, 15.6 kg or marijuana, 2.5 kg of opium, and 16.8 kg of hashish.

The only illicit drug crop known to be cultivated in Bulgaria is cannabis, primarily for domestic consumption. Historically a small portion of the crop has been exported to Greece. MOI's October seizure was the first large domestic cannabis clearly destined for export to Western Europe. Domestic cannabis cultivation has spread from its traditional base in the southwest to include most of the country. Bulgarian law enforcement report that the domestic manufacture of synthetic stimulants continues to decrease as illegal laboratories relocate to Serbia, eastern Turkey, Armenia, and the Levant.

Bulgaria's membership in the European Union makes it a desired target for drug trafficking organizations supplying narcotics to consumer markets in Western Europe. In terms of heroin trafficking, Bulgaria remains a transit country along the Balkan route between the golden crescent and European consumer markets. Chemicals used for making heroin move through Bulgaria to Turkey en route to Afghanistan. Bulgarian law enforcement reports a surge in the import and use of "designer drugs," which are often shipped from China disguised as innocuous chemical products. These drugs are difficult to combat due to the ease with which their chemical structures can be modified to a nearly identical, but not yet controlled substance. Bulgaria has introduced one of the best control mechanisms in Europe for rapidly responding to such modifications.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

According to the Bulgarian Institute for Addictions, there are approximately 300,000 drug addicts in Bulgaria, of which 30,000 are heroin addicts. Marijuana continues to be the most widely used narcotic with statistics from the National Center for Addictions (NCA) suggesting 22 percent of teenagers try marijuana at least once.

The Bulgarian national healthcare system includes methadone maintenance as a heroin treatment option. In 2011 there were 31 program centers with the capacity to treat 5,310 patients, 1,200 of which are cost-free to the addict. There are also inpatient clinics capable of treating 5,000 patients with psychological conditions, of which 170 spaces are expressly reserved for drug addicts. None of these facilities have separate units for juvenile patients. There are 11 social rehabilitation programs, with a capacity for 240 participants. The NCA conducts drug prevention campaigns. National drug prevention policy is implemented by 26 regional councils at the local level.

4. Corruption

Corruption remains a serious problem in the police, customs, and judiciary. Despite reforms, the judiciary (which includes prosecutors and judges) consistently receives poor scores in public confidence and opinion polls. Complicated judicial procedures and legal loopholes result in excessive case delays which make it difficult to effectively prosecute high-profile organized crime and corruption cases. Often, officials discovered to be corrupt are reassigned or pressured to quit, rather than fired and prosecuted. As a matter of government policy, Bulgaria 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.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

U.S. DEA operations in Bulgaria are currently managed from the U.S. Consulate General in Istanbul, however, DEA has been authorized by congress to open a country office in Sofia. DEA serves as the primary liaison with the GOB on counternarcotics matters. DEA's current emphasis in Bulgaria is on conducting and coordinating joint international investigations with MOI counterparts and providing technical and legal expertise. DEA also arranges counternarcotics training for select Bulgarian law enforcement personnel.

In the past year, the U.S. Embassy provided State-INL-funded equipment and training to a Joint Organized Crime taskforce, which investigates and prosecutes many of the high profile drug cases in Bulgaria. The goal of U.S. funding is to increase the operational capabilities and effectiveness of these specially-vetted units.

D. Conclusion.

The GOB should continue efforts to strengthen its anti-corruption laws and should consider reintroducing legislation to implement some form of Non Criminal-Based confiscation. The GOB continues to make significant gains in counter narcotics enforcement against drug production and trafficking. Bulgaria's law enforcement has actively contributed to international investigations resulting in considerable seizures and arrests in both Bulgaria and the region.

The GOB should continue efforts to strengthen its asset forfeiture legislation and anti-corruption laws. While some progress has been made, further reform of the police and judiciary is necessary. The opening of the new specialized court for organized crime, if implemented properly, should be an effective tool in addressing administrative issues hampering the prosecution and sentencing of high-profile drug traffickers. Continued improvements to Customs Agency reforms are needed to ensure that counternarcotics efforts remain a priority.

Burkina Faso

Cannabis, amphetamines, and diverted licit medications remain the three principal drugs abused in Burkina Faso. There are also a very limited number of cocaine and heroin addicts. Toxic inhalants are used by the poorest drug addicts, especially street kids. Natural herbs with reported psychoactive effects are utilized in some traditional ceremonies. Illicit drug production in Burkina Faso is limited to cannabis cultivation. Cannabis cultivation has been reported across Burkina Faso, but is more prevalent along the southern borders, the outskirts of Ouagadougou, near Bobo Dioulasso, and close to Boromo.

Burkina Faso borders six countries, making it a natural transit point for drugs moving from coastal West Africa across the Sahel to Europe. Its porous, largely unmonitored borders and lack of trained border control personnel and inspection equipment make it hard for Burkina Faso enforcement to counter all types of trafficking. Burkinabe officials, however, believe that Burkina is not a West African drug hub and that there are no established networks or distribution centers in Burkina Faso. The interdiction of drugs remains a low priority for the Government of Burkina Faso when compared with other economic, social, and political issues.

Hard drugs are not imported into Burkina for local consumption, and Burkina Faso does not manufacture any hard drugs to export to other markets. The Ouagadougou airport is neither known to be a hub for drug couriers nor an important drug transshipment point. Although some Burkinabe citizens are employed in the drug industry and profit indirectly from the transiting drug trade, they are not producers, organizers, financiers, or major players. Instead, they are organized, frequently as drug mules or small-scale street pushers, by criminals from Nigeria, Togo, Ghana, Côte d'Ivoire, and Guinea Bissau.

Drug shipments and couriers in Burkina Faso are sometimes intercepted by the national police, gendarmerie, and customs officials. Interdiction of these couriers is the source of most of Burkina enforcement's drug seizures. Over the last two years, a number of drug traffickers intercepted in Burkina Faso have ingested drug-filled pellets or have had cocaine or cannabis hidden on their bodies. Ouagadougou airport security officials have limited technical equipment and training to detect and interdict the drugs, but they have received basic training in drug courier profiling and know how to look for particular passenger behavior such as nervousness and late, hasty check-ins. France provided drug scanning equipment in 2011, although the materials have not been fully integrated into the airports operations due to ongoing construction. AFRICOM provided drug testing kits in 2011. Airport security officials are particularly vigilant with passengers on those airlines that have historically been favored by traffickers in Africa.

The National Gendarmerie was successful in intercepting a number of significant cannabis and Indian hemp shipments in 2011. In March the Gendarmerie seized nearly 800 kilograms of hemp and cannabis, and another 1,055 kilograms in July, both near the economic capital of Bobo Dioulasso. The shipments were transported by numerous couriers on bicycles and are thought to have originated in Ghana and destined for Mali. In July, 145 kilograms of hemp were seized on the Burkina Faso-Mali border. From January to June the Customs office in Nako (10 kilometers from the Ghana border) reported they had seized 6.8 metric tons of drugs, up from 4 tons in all of 2010. In September, police intercepted more than 100 kilograms of cannabis in Houndé, not from from Bobo-Dioulasso. All drugs seized are catalogued, photographed then destroyed.

Although customs officials at border posts and airports are financially rewarded for detecting and seizing undeclared goods, receiving 25 percent of the overall value of undeclared goods, this is not the case for drugs, which are considered "unproductive goods." While funding to provide customs officials with

bonuses for drug seizures has been used in the past, budget shortfalls have stymied these efforts. Drug seizures declined in parallel with the loss of these bonuses. Predictably, customs officials prefer to focus on interdicting the smuggling of non-narcotic goods since it brings them financial rewards.

Burkina Faso's overall drug policy is directed by the National Committee to Combat Drugs. The Committee has asked for additional resources, and for its transformation into a National Drug Office; this proposed reorganization has yet to be addressed by the Government of Burkina Faso. All laws applicable to drugs are included in the "Code des Drogues." Burkina Faso has received funding and technical assistance from the United Nations Office on Drug and Crime (UNODC) and in-country drug experts are occasionally invited to attend European Union or ECOWAS conferences. France has provided drug/chemical detection kits as well as training, as has AFRICOM.

As a matter of government policy, Burkina Faso 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.

Burkina Faso is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

Burma

A. Introduction

Burma continues to be a major source of opium and also produces and exports heroin, in large quantities, second only to Afghanistan. Since 1996, Burma has also become a regional source for amphetamine type stimulants (ATS). Production of these narcotics is often co-located and occurs primarily along Burma's eastern borders in areas controlled by ethnic armed groups beyond Government of Burma (GOB) immediate jurisdiction. The 2011 Joint Burma-UN Office of Drugs and Crime (UNODC) illicit crop survey reported that for the fifth year in a row, opium poppy cultivation increased. The total area under opium poppy cultivation was estimated at 43,600 hectares, an increase of 14% compared to 2010 (38,100 hectares). Opium production is now at its highest level since 2004. In addition, UNODC estimated that during 2011 the potential production of opium increased by 5% to 610 metric tons. Methamphetamine production in Burma is also a major concern with estimates of production and trafficking increasing, though there is no reliable method to determine the levels of methamphetamine production. The last U.S. government joint opium yield survey occurred in 2004, though the GOB agreed in December 2011 to restart this survey shortly before the Secretary of State's visit to Burma.

Officers from the Central Committee for Drug Abuse Control (CCDAC) remained ready to enforce Burma's narcotics laws, though lack of training, resources and obstacles such as coordination with the Burmese Army (BA) and ethnic Border Guard Forces (BGFs) prevented many significant anti-trafficking actions. The GOB underfunds its police force, including the CCDAC. The GOB considers drug enforcement secondary to security and is willing to allow narcotics trafficking in border areas in exchange for cooperation from ethnic armed groups. The GOB policy of folding ethnic armed groups into quasi GOB-controlled BGFs complicates anti-narcotics efforts as BGFs are often complicit, if not active protectors, of illicit drug production and trafficking. Loosely-controlled remote territories and GOB bureaucracy forces CCDAC officers to work with the BA and BGF; in this process actionable intelligence is often leaked by the BA or BGF to the targeted traffickers.

Further, conflicts with ethnic armed groups such as the United Wa State Army (UWSA), Shan State Army (SSA), and the Kachin Independence Army (KIA) have put vast swaths of territory beyond GOB control. Despite recent reforms by the GOB and its calls for a negotiated settlement to conflicts along Burma's borders, GOB negotiators fail to reach meaningful solutions and ceasefires are constantly broken and renegotiated. Ceasefires when reached, such as the August 2011 renewed ceasefire with the UWSA perpetuate the status quo of large tracts of land of this notorious trafficking group remaining beyond GOB control.

Burma was once again judged by the U.S. government in 2011 as one of three countries to have "failed demonstrably" to meet its international counternarcotics obligations.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Burma's official 15-year counternarcotics plan, launched in 1999, called for the eradication of all narcotics production and trafficking by the year 2014, one year ahead of an ASEAN-wide plan of action to make the entire region drug-free by 2015. In pursuit of this goal, the CCDAC, under the control of the Ministry of Home Affairs, led all drug-enforcement efforts in Burma, including the operation of 26 anti-narcotics task forces throughout Burma, most located in major cities and along key trafficking routes.

With opium and methamphetamine production on the rise since 2006, Burma is not on track to meet its goal to be narcotics-free by 2014 and, as is the case with most Burmese government entities, the CCDAC suffered from a crippling lack of funding, equipment, and training to support its law-enforcement mission. The BA and Burmese Customs Department support the police in drug enforcement, though that support is uneven, especially when strategic considerations related to ethnic insurgent groups conflict with drug enforcement priorities. Burma cooperated with its neighbors on drug control with varying levels of interaction. This ranged from regular positive cooperation with China and Thailand, to infrequent contact with India and Bangladesh. U.S.' policies limit direct assistance to the Government of Burma.

Burma is a party to all of the UN drug conventions and the 1972 Protocol. Burma is also a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling and has signed, but has not ratified the UN Convention against Corruption.

Burma did not begin any major policy or operational initiatives during 2010; the applicable legislation remained unchanged and enforcement efforts followed longstanding patterns.

2. Supply Reduction

Aggressive domestic efforts over the past 15 years accompanied by some international assistance have yielded a generally downward trend in Burma's opium cultivation from a 1996 estimated apex of 163,000 hectares. However, since 2006, Burmese farmers have increased opium poppy cultivation each year through 2011 with a significant increase from 2010 to 2011. The December 15, 2011 joint UNODC-GOB survey estimated 43,600 hectares were devoted to opium cultivation. This represents a 14 percent increase from 2010 levels (38,100 hectares). UNODC estimated that during 2011 the potential production of opium increased 5 percent from 2010 levels to 610 metric tons due to increased hectares under cultivation. During 2011, the opium yield was estimated at 14.0kg/ha compared to 15.1 kg/ha in 2010 and 10.4 kg/ha in 2009. UNODC estimates that the average farm-gate price of opium, weighted by the estimate of the area under cultivation was approximately $450/Kilogram in 2011 compared to $305/Kilogram in 2010. This translated into an overall potential value of $275 million for Burma's opium crop in 2011, a 55 percent increase over 2010. According to the UNODC, the large increase in opium prices from 2010 is due to strong demand for opium from neighboring countries as well as the appreciation of the Kyat against the US$ (by some 14% over the past year). According to GOB statistics, law enforcement officers destroyed 7,058 hectares of opium poppies in 2011 compared to 8,268 hectares in 2010 and 4,087 hectares in 2009.

The GOB again failed to provide sufficient suitable alternative development opportunities targeted at opium cultivators, though in December 2011 the CCDAC outlined an alternative development plan. This coupled with decades of economic mismanagement by Burma's military regime left some rural farmers with few options other than continued opium cultivation. Shan State continued to be the center of opium poppy cultivation in 2011, accounting for 91 percent of Burma's opium cultivation, with approximately half occurring in southern Shan State. Kachin state accounted for most of the remaining land used to grow opium poppies, approximately nine percent. During 2011, UNODC estimated the annual income of a poppy-cultivating household at approximately $1,030, a 24 percent increase from 2010. UNODC attributes this increase to an increase in yields and hectares under cultivation. During 2011, UNODC estimated the annual income of a non-poppy cultivating household at approximately $1,180, a 39 percent increase from 2010.

There has been a sharp increase in production, consumption, and export of synthetic drugs, especially amphetamine-type stimulants (ATS) since 1996. A 2011 UNODC ATS survey reports that South-East Asia has experienced significant increases in the seizures of methamphetamine pills originating from

Burma. Seizures of ATS are estimated to be ten percent of production levels; and the quantity of methamphetamine pills seized in Southeast Asia increased drastically from 32 million pills in 2008 to 94 million pills in 2009 and 133 million pills in 2010. UNODC reports that ATS are manufactured in the Shan State and are trafficked along new routes to Thailand, China and Lao People's Democratic Republic. The Mekong River is a vital trafficking route, due to Thailand's stricter controls aimed at suppressing drug trafficking and use. The report also cites growing signs of new routes to the western part of Burma and for onward trafficking to South Asia. Reports from India, Nepal and Bangladesh in 2010 and 2011 indicate that South Asia is also increasingly affected by the trafficking of methamphetamine pills.

Though under-resourced and hampered by political constraints, the CCDAC continued drug interdiction efforts during 2011, though seizures lagged far behind estimated levels of production. Overall, seizure numbers significantly decreased during this reporting period for the second year in a row for reasons which remain unclear.

In 2011, Burmese police seized 5.89million ATS tablets and 33 kilograms of crystal methamphetamine "ice". During the same period, Burmese authorities seized over 828 kilograms of high-quality opium, approximately 282 kilograms of low-quality opium, and over 52 kilograms of opium oil. Heroin seizures totaled 42 kilograms. Marijuana seizures totaled 196 kilograms. Seizures of Specosia, a form of hallucinogenic mushroom, totaled almost 969 kilograms. During the reporting period Burmese law enforcement made two notable seizures, not so much in terms of quantity, but due to CCDAC efforts to continue investigations past the initial seizure with positive results:

On September 8th, 2011, police discovered 140,600 methamphetamine pills on a 10 wheel truck at an established checkpoint. When the driver of the truck called his boss to "solve the problem," the boss arrived and a search of his vehicle resulted in the seizure of approximately one million Thai Baht. Police then searched the boss's residence and discovered 8 kilograms of methamphetamine/"ice", 515 kilograms of caffeine powder (used as an adulterant in meth pills), 2 firearms with ammunition and 24.8 Million Thai Baht among other illegal items. Officers then searched the home of the boss' brother and seized 9,900 methamphetamine tablets and a firearm; officers then searched a rubber plantation owned by the boss and confiscated 39 kilograms of caffeine powder, a large amount of laboratory equipment used in the manufacture of methamphetamine and three more firearms.

Burma police utilized intelligence gathered from communications infrastructure as well as legitimate and underground banking systems to conduct five separate seizures totaling over 700,000 methamphetamine tabs from that single narcotics trafficking group.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The overall level of drug abuse is low in Burma compared with neighboring countries, in part because most Burmese are too poor to be able to support a drug habit. Traditionally, farmers use opium as a painkiller and an antidepressant because they lack access to other medicine or adequate healthcare. There has been a shift in Burma away from opium smoking toward injecting heroin, which has contributed to Burma having one of the highest rates in the world of HIV infection attributable to intravenous drug use. Extremely difficult economic conditions will likely continue to stifle substantial growth in overall drug consumption. However, an increasing incidence of injecting drug and ATS use was a cause for concern.

The GOB maintains that there are only about 65,000 registered addicts in Burma. This number cannot be confirmed and, while considerably higher than the number of registered addicts reported by GOB sponsored rehabilitation clinics, surveys conducted by UNODC, as well as Non Governmental

Organizations (NGO), suggest that the addict population could be as high as 300,000. NGOs and community leaders report increasing use of heroin and synthetic drugs, particularly among disaffected youth in urban areas and by workers in mining communities in ethnic minority regions. If there are indeed 300,000 addicts in Burma, they would represent roughly one-half of one percent (.005) of the Burmese population.

Burmese demand reduction programs are in part coercive and in part voluntary. Addicts are required to register with the GOB and could be imprisoned from three to five years if they failed to register and accept treatment. Demand reduction programs and facilities are limited. There were six major drug treatment centers under the Ministry of Health, 49 other smaller detoxification centers, and eight rehabilitation centers. The Ministry of Health in 2006 began to treat heroin addicts with Methadone Maintenance Therapy (MMT) in four drug treatment centers.

In 2011, UNODC continued to support over 15 drop-in centers that provided support and counseling to drug users. The GOB conducted narcotics awareness programs through the public school system and limited public awareness campaigns. The activities of several international NGOs, working in collaboration with the GOB, focused on addressing injected drug use as a key factor in halting the spread of HIV/AIDS.

4. Corruption

Burma has signed but not ratified the UN Corruption Convention; the nation has no laws targeted at corruption. Many inside Burma assume some senior GOB officials benefit financially from narcotics trafficking, but these assumptions have never been confirmed through arrests, convictions, or other public revelations. There were credible reports that mid-level military officers and government officials were engaged in drug-related corruption, however, no military officer above the rank of colonel has ever been charged with drug-related corruption.

The Burmese government often monitors the travel, communications, and activities of its citizens to maintain tight control of the population. GOB officials are likely aware of the cultivation, production, and trafficking of illegal narcotics in areas they control. The government of Burma does not, as a matter of policy, encourage or facilitate the illicit production or distribution of drugs, or the laundering of proceeds from illegal drug transactions.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

n 1988 direct State-INL-funded U.S. counternarcotics assistance to Burma was suspended. However, the USG maintained limited engagement with the Burmese government through the U.S. DEA attaché office in the U.S. Embassy Rangoon. Through this mechanism, DEA continues to share drug-related intelligence with the GOB and conducts joint drug-enforcement investigations with Burmese counternarcotics authorities. In 2009, 2010, and 2011 these joint investigations led to several seizures, arrests, and convictions of drug traffickers and producers. In December 2011, the GOB agreed in principle to a restart of the joint opium yield survey.

There are no longer any U.S. funded or supported alternative development programs aimed at opium poppy growers. No U.S. counternarcotics funding directly benefited or passed through the GOB. The GOB has not taken direct action against seven UWSA leaders indicted by U.S. district court in January 2005.

D. Conclusion

Burma's transition in 2011 from a military led junta to a civilian government has led to a series of positive political reforms and reengagement with the United States culminating in the visit of the Secretary of State in December 2011 and the subsequent announcement on January 13, 2012 that the United States would restore full diplomatic relations with Burma and exchange Ambassadors. Since the last INSCR report was published, the GOB has made a concerted effort to be more open and transparent. The GOB has also demonstrated a strong desire to cooperate with the United States as part of its reform process. This regengagement has also extended to the fight against drugs. Prior to the visit of the Secretary of State, the GOB agreed to a restart the U.S.-led joint opium survey. During a meeting in December 2011, for the first time, CCDAC invited foreign participation. During this meeting, CCDAC outlined an alternative development plan to combat the cultivation of opium poppy and directly requested financial and material assistance from the United States. While it is clear that the GOB must do more to meet its counternarcotics obligations, it is also evident that without international assistance the GOB lacks sufficient resources to be fully effective in its counternarcotics efforts. As a result both opium crop production and ATS production have continued to increase. In order to combat this issue, the GOB must continue its focus on obtaining ceasefires with its ethinic minorities. In particular, the GOB must directly address the prolific narcotics trafficking activities of the United Wa State Army whose leadership is under U.S. indictment. Furthermore, the GOB must, address official corruption and dedicate more resources to the enforcement of their existing counternarcotics laws. However, as we continue U.S. engagement with Burma, our narcotics policy should also reflect our broader policy of reciprocal action in response to sustained GOB reform.

Cambodia

A. Introduction

Cambodia has a significant problem with narcotics consumption, trafficking, and production. Cambodia continues to be targeted by drug criminals as a location for synthetic drug production and as a transshipment point due to its porous land, maritime, and air borders.

Asian and West African traffickers transship Ecstasy (MDMA), methamphetamine, heroin, precursor chemicals, and cocaine to international markets via Cambodia. Drugs produced in Cambodia are both consumed locally and exported to other markets. Criminal networks use Cambodia to illegally produce and export natural sassafras oil, which can be used as a precursor for MDMA.

The Royal Government of Cambodia (RGC) declared narcotics to be the country's top law enforcement priority in 2011 and committed to increasing drug seizures. Corruption, limited resources, and lack of capacity and coordination, however, hampered government efforts. The availability and quality of drug treatment centers is inadequate to cope with demand, and government rehabilitation centers lack trained professionals, resources, and standards of care.

Cambodia is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Cambodian government is concerned about the rise of drug trafficking, manufacturing, and abuse, and remains dedicated to eliminating narcotics-related crime. Corruption, low education levels, low salaries, limited budgets, hierarchical decision-making processes, and limited information sharing between agencies, however, all contribute to poor institutional law enforcement capacity.

The current drug law provides for a maximum penalty of a $25,000 fine and life imprisonment for drug traffickers and allows proceeds from the sale of seized assets to be used towards law enforcement and drug awareness and prevention efforts, but it has been criticized as too complex to be used effectively by Cambodia's judiciary. In 2011, the RGC released two drafts of an amended drug law, in a joint RGC-UN Office on Drugs and Crime (UNODC) effort to strengthen penalties and eliminate procedural loopholes in the current law. Observers expect the RGC to enact the amended legislation in late 2011 or early 2012.

Border officers are asked to implement a modern system of border controls but must do so with poor facilities, insufficient training and preparation, and limited budgets. Criminal networks take advantage of these weaknesses to smuggle drugs and dangerous chemicals as well as human beings and wildlife products. In response, the RGC collaborated with the UNODC to establish 12 Border Liaison Offices (BLOs) along Cambodia's land borders. The program provides communication and transportation equipment in addition to skills training to border officers.

Cambodia 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. Cambodia is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and illegal firearms manufacturing and trafficking. Cambodia is also a party to the UN

Convention against Corruption. Cambodian counter-narcotics authorities cooperate closely with the U.S. Drug Enforcement Administration (DEA), regional counterparts, and the UNODC.

2. Supply Reduction

Drug seizures and arrests increased in the first eight months of 2011 compared to 2010. Drugs seized during the first eight months of 2011 included 217,475 methamphetamine tablets, 14.4 kg of methamphetamine powder, 2.1 kg of heroin, 1,378 ecstasy tablets, 565 grams of cocaine, 600 liters (557 kg equivalent) of sassafras oil, 3.1 kg of ephedrine, and 6.2 kg of pseudoephedrine. Authorities destroyed 9.81 kg of dried cannabis and 206 cannabis plants. The National Authority for Combating Drugs (NACD) reported 754 criminal cases resulting in 1,820 arrests during the first eight months of 2011. The majority of the arrests were for abuse of amphetamine-type stimulants (ATS) and often involved foreigners.

3. Demand Reduction

Although the exact number of drug users in Cambodia is not known, the NACD estimates 6,000 users. According to NGOs and law enforcement experts working in the field, the actual figures are likely much higher – the UN estimates that there may be 500,000 drug users in Cambodia (ca. 4 percent of Cambodia's population), spreading from Phnom Penh into the rural areas, with the highest usage in the provinces bordering Laos and Thailand.

ATS is the most prevalent narcotic in Cambodia, accounting for nearly 85 percent of drug use. Both ATS tablets, known locally as yama, and crystal methamphetamine are widely available. Heroin addiction remains limited to a small number of users concentrated in Phnom Penh. Cocaine, ketamine, and opium are also available. It is a common practice among the homeless population to sniff glue or similar inhalant products, particularly among minors.

Drug addicts have historically been treated as criminals. Consequently, there has been an over-reliance on law enforcement and prosecution at the expense of demand reduction efforts. Cambodia has 14 treatment centers (11 state-owned, 3 private) treating 1,274 users as of October 5, 2011. Given the number of drug users in Cambodia, the need for drug treatment services far outstrips the available supply. There are no separate treatment centers for women, although some allow both sexes. Government drug treatment centers are run by several different ministries with no single unified standard of care. They are primarily compulsory military-style boot camps that emphasize detention and control, providing very little in the way of addiction programming, with the exception of one community-based pilot treatment center in Banteay Meanchey. The UNODC designed the pilot center to deliver drug treatment services at a low cost through a referral system at provincial health centers. According to the UNODC, the center had a successful first year and may serve as a model for an expanded treatment program.

The World Health Organization (WHO) piloted a methadone maintenance program for heroin users in Phnom Penh in 2010, which continued to operate throughout 2011.

In partnership with international donors and NGOs, the NACD attempts to raise awareness about the dangers of drug abuse among Cambodians through the use of community outreach, pamphlets, posters, and public service announcements. The government relies on NGOs to provide a range of services for high-risk and vulnerable populations, including health services related to drug use, outreach/peer education, and HIV prevention. Most of these NGOs do not specifically target drug users but identify drug use as a significant risk factor for the populations they serve, such as street children, youth, and sex workers.

4. Corruption

The Cambodian government does not as a matter of government policy encourage or facilitate illegal activity associated with drug trafficking, but senior government officials are suspected of being engaged in such activity. On January 12, Moek Dara, the Secretary General of the NACD, was dismissed and charged with receiving $70,000 in bribes from drug dealers in exchange for their release. The charges remain pending.

The Penal Code includes penalties for offenses such as misappropriation of public funds, bribery of civil servants, willful destruction and fraudulent embezzlement, and witness tampering. On August 1, the RGC amended the Anti-Corruption Law to empower the National Council Against Corruption to establish the structure of the Anti-Corruption Institution and to fund it with an independent budget and resources.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The goal of U.S. narcotics and crime control engagement in Cambodia is to improve Cambodian law enforcement's capacity to disrupt and reduce international narcotics trafficking. In the first eight months of 2011, 87 law enforcement officials received investigative and drug-related training at the International Law Enforcement Academy (ILEA) in Bangkok. Bangkok-based DEA agents provided investigative leads, technical assistance, training, and limited equipment resources to the Cambodian National Police Anti-Drugs Department. The Joint Interagency Task Force-West (JIATF-West) conducted four training missions for a total of 155 police and gendarmerie officials on financial crimes, evidence and crime scene management, and interview techniques.
The U.S. Coast Guard continued to provide U.S. Department of Defense funded maritime law enforcement training by conducting Joint Boarding Officer and Curriculum Development courses for 25 students and instructors from the Royal Cambodian Navy, further developing their interdiction and instructional capabilities.

D. Conclusion

Cambodia is making progress toward more effective law enforcement against narcotics trafficking. Its capacity to implement a satisfactory, systematic approach to counter-narcotics operations remains low, however. Instruction for mid-level Cambodian law enforcement officers at ILEA and for police and gendarmerie officials by JIATF-West has partially addressed Cambodia's dire training needs. After training, however, these officers return to an environment of scarce resources and pervasive corruption.

Recommendations for Cambodia include expanding cooperation with UNODC, specifically its community-based treatment program for demand reduction; expanding the WHO-piloted methadone treatment program; continuing to raise awareness of the dangers of drug abuse, particularly in schools; continuing to prioritize counter-narcotics in law enforcement and prosecution; continuing to actively participate in USG and other donor-provided training; and passing an updated Law on Drug Control in a transparent manner in full cooperation with UNODC.

Canada

A. Introduction

In 2011, the Canadian government continued its robust efforts to combat the production, distribution, and consumption of various illicit drugs. Canada is a substantial producer of ecstasy (MDMA) for domestic use and is the primary supplier of ecstasy to the United States. Canada is also a significant producer of marijuana, most of which is intended for domestic markets. Marijuana and cocaine are the most widely used illicit drugs in Canada and Canadians are among the top illicit users of pharmaceutical opiates worldwide.

Canada is in the fourth year of its five-year National Anti-Drug Strategy (NADS), which aims to prevent illegal drug use, treat those with drug dependencies, and combat the production and distribution of illicit drugs. As part of the NADS, Canada has recently rolled out new initiatives specifically intended to fight the trafficking of marijuana and synthetic drugs.

In September, the Supreme Court of Canada held that a supervised injection site in Vancouver could continue operating, despite the federal government's previous refusal to grant it a permit to operate. The Quebec government has since announced that it will also allow safe injection sites to open in its major cities.

Canada and the United States cooperate extensively in counternarcotics efforts by sharing information and conducting joint operations. Canada, a resolute partner with the United States in international counternarcotics policy fora, is a member of the UN Commission on Narcotic Drugs and a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In September, the Government of Canada (GOC) introduced the Safe Streets and Communities Act (C-10), which would increase the penalties for serious drug crimes. The proposed legislation would amend the Controlled Drugs and Substances Act (CDSA) to include mandatory prison terms for drugs listed in Schedule I, such as heroin, cocaine and methamphetamine and in Schedule II, such as marijuana. In general, mandatory minimum sentences would apply where there is an aggravating factor, including where the production of the drug constitutes a potential security, health, or safety hazard. Currently, there are no mandatory minimum penalties under the CDSA. Also, the maximum penalty for production of Schedule II drugs, including marijuana, would be increased from seven to 14 years.

The bill also calls for gamma-hydroxybutyric acid (GHB), flunitrazepam, and amphetamines to move from Schedule III to Schedule I, which would trigger higher maximum penalties for crimes involving these drugs. The GOC says it proposed C-10 to combat illicit drug production and distribution and to help disrupt criminal enterprises by targeting drug suppliers, consistent with the NADS. Introduced in 2007, the NADS involves 12 federal agencies and departments led by the Department of Justice. NADS has three action plans: preventing illicit drug use; treating those with illicit drug dependencies; and combating the production and distribution of illicit drugs. The strategy has a five-year, C$578 million budget.

On September 21, the Royal Canadian Mounted Police (RCMP) launched the Marijuana Grow Initiative (MGI). The MGI renews the RCMP's commitment to combating marijuana production by organized crime groups. The initiative has three key components: awareness, deterrence, and enforcement. The first component, awareness, focuses on partnering with other governmental and nongovernmental organizations, as well as the public, to inform Canadians about the deleterious effects that the marijuana industry has on Canada's society and its economy. The second component, deterrence, promotes and supports legislative changes that discourage illegal production, sale, and use of marijuana. The third component, enforcement, calls for enhanced collaboration between law enforcement agencies and other governmental organizations while also developing intelligence capacities through training, technology, and other resources. Finally, the MGI also introduced, on the RCMP's website, a centralized database of residences where marijuana cultivation operations or clandestine labs were dismantled under the authority of a search warrant.

In March, Parliament enacted Bill C-475, "Tackling Crystal Meth and Ecstasy." The legislation prohibits a person from possessing, producing, selling, or importing anything with the knowledge that it will be used to produce or traffic in methamphetamine or ecstasy.
Canada is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Canada is a party to the UN Convention against Corruption and to the UN Convention against Transnational Organized Crime. Canada is also a party to the Inter-American Convention on Mutual Legal Assistance in Criminal Matters, the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials, and the Inter-American Convention against Corruption.

2. Supply Reduction

Canada is the primary foreign source of ecstasy to the United States with production occurring primarily in British Columbia, and to a lesser extent in Ontario and Quebec. Canada also supplies ecstasy to Japan, Australia, and New Zealand. Precursor chemicals for the production of ecstasy are smuggled into Canada from source countries such as China and India. Ethnic Chinese, Vietnamese, Indian, Eastern European, and outlaw motorcycle groups are involved in ecstasy manufacturing and trafficking to the United States.

Marijuana is the most widely used drug in Canada. Cultivation of cannabis is extensive in Canada, mostly in the form of high-potency, indoor-grown marijuana destined for domestic consumption or export to the United States. Significant cultivation has been identified primarily in British Columbia, Ontario, and Quebec. Similar to ecstasy production, Asian criminal groups and motorcycle gangs like Hells Angels are involved in the cultivation of marijuana. Most exported Canadian marijuana is destined for the United States.

The centralized database of marijuana seizures posted on the RCMP's website as a part of the MGI (see above) lists 221 marijuana grow operations or clandestine labs that were dismantled by the RCMP pursuant to a search warrant in 2011. A clear majority of these operations were in British Columbia.

Cocaine remains one of the most significant illicit drug markets in Canada. Although most cocaine destined for Canada originates in South America, the United States is the predominant transit point for cocaine smuggled into Canada. However, recent smuggling patterns suggest that traffickers may be increasing their efforts to ship cocaine directly to Canada via air and maritime conveyances. Crack cocaine remains relatively concentrated in urban centers across Canada.

In Canada, the shrinking heroin market has partially given way to the use of pharmaceutical opiates. Canadians are among the heaviest consumers of pharmaceutical opiates globally, according to Canadian government reports, but organized crime involvement in this market remains small when compared with other drugs. The most commonly trafficked pharmaceuticals are: Valium, Klonopin, Ativan, Ritalin, Talwin, OxyContin, and steroids.

Domestic production of methamphetamine remains steady, but it continues to be exported to the United States and other countries. Methamphetamine is also used in Canadian-produced ecstasy as it is cheaper to produce and increases the profit margin. Canada remains a transit country for the precursor chemicals used to produce methamphetamine. Canadian-sourced pseudoephedrine has been discovered in some clandestine United States methamphetamine labs.

While there were no overall drug seizure statistics available from the GOC for 2011, Canadian law enforcement seized a total of 34,391 kilograms (kg) of marijuana and 1,845,734 marijuana plants in 2009. Domestic cocaine seizures for 2009 included 2,373 kg of cocaine and 15.6 kg of crack. Nationwide seizures of MDMA in 2009 totaled an estimated 955,000 tablets and 166 kilograms.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

According to Health Canada's Canadian Alcohol and Drug Use Monitoring Survey (CADUMS 2010), the prevalence of past-year cannabis use among Canadians (15 years and older) decreased from 14.1 percent in 2004 to 10.7 percent in 2010, the year for which the most current data is available. The prevalence of past-year cocaine or crack use decreased from 1.9 percent in 2004 to 1.2 percent in 2010 while ecstasy (0.9 percent), methamphetamine (0.4 percent), and hallucinogen (0.7 percent) use was comparable to the rates of use reported in 2004.

For Canadian youth (ages 15 to 24 years), the prevalence of marijuana use in the past year decreased from 37.0 percent in 2004 to 25.1 percent in 2010. The same study reported that, among youth, past-year use of at least one of five illicit drugs (cocaine or crack, methamphetamine, hallucinogens, ecstasy, and heroin) decreased from 11.3 percent in 2004 to 7.0 percent in 2010.

The rate of drug use by Canadian youth remains much higher than that reported by adults 25 years and older: three times higher for cannabis use (25.1 percent versus 7.9 percent), and almost nine times higher for use of any drug excluding cannabis (7.9 percent versus 0.8 percent).

The rates of psychoactive pharmaceutical use and abuse in 2010 remain comparable to the rates reported in 2009: 26.0 percent of respondents aged 15 years and older indicated that they had used an opioid pain reliever, stimulant, sedative, or tranquilizer in the past year while 0.3 percent reported that they used any one of these drugs to "get high" in the past year.

Canada has six drug treatment courts (DTC) in operation: Toronto (started in 1998), Vancouver (2001), Edmonton (2005), Winnipeg (2006), Ottawa (2006), and Regina (2006). According to government officials, DTCs encourage the offender to deal with the addiction that motivates his or her criminal behavior. If the offender completes the program, the court generally suspends or reduces the sentence. The GOC says DTCs "aim to reduce crime committed as a result of drug dependency through court-monitored treatment and community service support for offenders with drug addictions."

On September 30, the Supreme Court of Canada ruled that the federal Minister of Health must grant the supervised injection site, Insite, in Vancouver, British Columbia "an extended exemption" from the application of federal criminal laws in the CDSA. Insite, part of Vancouver's "harm reduction" drug

strategy, allows users, ages 16 and over, to bring narcotics on site where clean injection equipment is provided for their use. Nurses and other staff monitor injections and provide medical attention if necessary. Because federal law prohibits possession and distribution of controlled substances, Insite requires an exemption from Canada's drug laws to operate legally. The federal government, after previously granting an exemption, refused to extend it in 2008. In the ensuing litigation, the Court found that the federal government's withholding of the exemption, which would force Insite to close, infringed upon the rights of both the staff and clients of Insite under the Charter of Rights and Freedoms, which guarantees all Canadians the right to life, liberty and security of the person. Authorities in Quebec have announced that they will also permit the operation of safe injection sites in Quebec City and Montreal.

There have been no changes in policy since the UN International Narcotics Control Board's (INCB) 2007 Report noted that the Vancouver Island Health Authority's approval of "safer crack kits" contravened Article 13 of the 1988 UN Drug Convention, to which Canada is a party. The INCB called upon the GOC to eliminate drug injection sites and drug paraphernalia distribution programs, stating that they violate international drug control treaties.

4. Corruption

In December 2011, Transparency International ranked Canada as the tenth least corrupt country in the world, based on its annual ranking of international perceptions of corruption. The GOC has strong anti-corruption controls and holds its officials, including law enforcement personnel, to a high standard of conduct. The GOC zealously pursues malfeasant civil servants and subjects them to prosecution. Investigations into accusations of wrongdoing and corruption by civil servants are thorough and credible. Government policy and law prohibit, and no senior government officials are known to engage in, encourage, or facilitate illegal activity associated with drug trafficking.

C. National Goals, Bilateral Cooperation and U.S. Policy Initiatives

Canada cooperates actively with international partners. The United States and Canada exchange forfeited assets through a bilateral asset-sharing agreement and exchange information to prevent, investigate, and prosecute any offense against U.S. or Canadian customs laws through a Customs Mutual Assistance Agreement. Canada has ratified 50 bilateral mutual legal assistance treaties and 66 extradition treaties, including with the United States. Judicial assistance and extradition matters between the United States and Canada operate under a mutual legal assistance treaty (MLAT), an extradition treaty, and related law-enforcement protocols.

As in past years, Canada and the United States focused their bilateral cooperation through the Cross-Border Crime Forum (CBCF) and other fora. During the November 2010 CBCF, led by the Attorney General and Secretary of Homeland Security and their Canadian counterparts, Canada and the United States signed a memorandum of understanding on currency seizures at the border that will assist both countries in fighting money laundering and terrorist financing.

In 2010, the United States and Canada furthered their joint efforts to combat illicit drugs by signing an agreement to allow U.S. Coast Guard (USCG) law enforcement personnel to embark on Canadian forces aircraft and ships. This agreement will serve as a force multiplier for countering drug smuggling in the maritime transit zone. Additionally, Canada joined the North American Maritime Security Initiative (NAMSI) through the signing of a new tri-lateral Letter of Intent with Mexico and the United States. NAMSI provides a forum to review cases and to identify areas where the maritime forces of Mexico, Canada and the United States may be able to improve cooperation through standard operating procedures and sharing best practices.

In 2009, the United States and Canada signed the Framework Agreement on Integrated Cross-Border Maritime Law Enforcement Operations (ICMLEO). If Canada passes implementing legislation, the ICMLEO ShipRider program will enable the RCMP, U.S. Immigration and Customs Enforcement (ICE), U.S. Customs and Border Protection (CBP), USCG, and other law enforcement agencies to cross-train personnel, share resources and capabilities, foster information sharing, and utilize each other's vessels within the territorial waters of both countries. ICMLEO ShipRider will diminish the ability of drug traffickers to use the international border as a way to evade pursuit by either U.S. or Canadian law enforcement officers.

Canada and the United States also cooperate through the Integrated Border Enforcement Teams (IBET) and Border Enforcement Security Task Forces (BEST) on integrated cross border law enforcement. IBETs operate in 24 locations along the border, including four locations where Canadian and American intelligence analysts are co-located. The BEST is an investigative task force model that incorporates personnel from ICE, CBP, USCG, Canadian Border Services Agency (CBSA), RCMP and other key U.S. and Canadian Federal, state, provincial, local, and tribal agencies to identify, disrupt, and dismantle transnational criminal organizations.

In general, the DEA, CBP, ICE, USCG, and representatives from U.S. state, local, and tribal entities interact cooperatively and effectively in the field and at the management level with CBSA, RCMP, and Canadian provincial authorities to ensure that our two countries meet shared objectives in combating illegal drugs.

D. Conclusion

Canada's continued role as a source country for ecstasy and marijuana to U.S. markets highlights the need for greater bilateral engagement. The United States will continue to engage with Canadian officials to enhance both enforcement capacity to stop the two-way flow of narcotics at the border and regulatory frameworks to prevent the diversion of precursor chemicals and lab equipment for criminal use.

The United States acknowledges the extensive bilateral efforts as well as the strong and consistent anti-drug message from Canada's federal government. The United States is concerned, however, that drug injection sites and drug paraphernalia distribution programs undermine that message and violate international drug control conventions. The United States also believes that joint programs, like a fully implemented ShipRider agreement, could not only help combat drug trafficking across our shared border, but also serve as models for cooperative enforcement for other hemispheric partners

Cape Verde

A. Introduction

Cape Verde is an important transit country for narcotics headed for Europe from South America by way of Africa. Narcotics enter Cape Verde by commercial aircraft and maritime vessels, including yachts. Cape Verde is not a significant producer of narcotics. There is some illegal drug use in Cape Verde although there are no reliable statistics on the number of people consuming or the overall trends. Cape Verde has two separate law enforcement agencies that fight narcotics trafficking: the Judicial Police (PJ) and the National Police (PN). Cape Verde is party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends:

1. Institutional Development

The drug problem in Cape Verde can be traced to the country's strategic position astride major commercial and illicit shipping routes. The country is seen by European law enforcement agencies as one hub in the trafficking of cocaine from Latin America to Europe. The ratio of sea borders to land area is among the highest in the world, adding to the challenges of border control and law enforcement in territorial waters.

While local production is believed to be a relatively minor problem, the trafficking of drugs through Cape Verde has had a great impact. Local partners are sometimes paid by international traffickers in "product," which has been seen to contribute to the growth of the local market in illegal narcotics and the growing development of a domestic market. The local institutions are thereby primarily focused on the issue of transit/trafficking but are also designed to address local production and abuse of drugs.

The National Commission for Combating Drugs (CCCD), under the Ministry of Justice, is responsible for coordination of Cape Verde's counternarcotics programs. The CCCD gathers statistics, disseminates information on narcotics issues, and manages government treatment programs for narcotics addiction. In addition, El Shaddai, a local NGO, runs a drug rehabilitation shelter located on Santiago Island.

Since 2006, the United Nations Office on Drugs and Crime (UNODC) and the European Commission have maintained a partnership with the Government of Cape Verde to administer the Cape Verde Integrated Crime and Narcotic Program.

The two main law enforcement institutions in Cape Verde, referenced above, are the Judicial Police (PJ) and the National Police (PN). The PJ is a unit of the Ministry of Justice and is primarily responsible for major crimes but also controls sea and air borders.

Cape Verde's national drug control strategy, in place from 2006 to 2010, was due to be updated by the end of 2011 with a new 4 year strategy being developed in conjunction with the UNODC. Revision consultations continued into 2012. The Financial Information Unit (FIU) in place is deficient in terms of its regulatory framework, without the money and adequate staff to function effectively. This diminishes the country's ability to fully comply with its AML responsibilities, and is the reason why the government has proposed new legislation to restructure the FIU which should be approved by Parliament before the end of the year.

Cape Verde is a party to the 1988 UN Drug Convention Cape Verde is also a party to the UN Convention against Transnational Organized Crime and its three protocols and the UN Convention against Corruption.

Because of its small size and relative importance in combating international drug trafficking, Cape Verde receives considerable attention from many international partners, including the United States, Brazil, France, the Netherlands, Portugal and Spain.

2. Supply Reduction

Cape Verde's numerous beaches, extensive territorial waters, and an inadequately-monitored economic zone allow drugs to pass through and enter the country. Cocaine is the most trafficked narcotic, mainly coming from Colombia and Brazil, but crack cocaine, "cocktail" (a mixture of cannabis and crack, called "cochada" in Cape Verde), and locally-cultivated marijuana are also trafficked. There are also reports that hashish and ecstasy are trafficked through Cape Verde from Europe. Cape Verdean authorities are concerned about drug abuse within the prison system, as well as drug-related crime like assaults and robberies.

Since the start of the 2011 calendar year, the PJ has detained 76 individuals for drug possession, from several countries including Cape Verde, Senegal, Nigeria, the Netherlands, and Portugal. As of the end of October 2011, authorities had seized 1,541.6 kilograms (kg) of cocaine, 13.5 kg of cannabis, and 53.9 kg of hashish. Most of the cocaine was seized on October 8 in waters off Praia, when the PN made the largest single seizure of narcotics in the country's history, seizing a ton and a half of cocaine. Police apprehended a "go-fast" boat, a coastal vessel carrying product off-loaded from a freighter that had come from South America. Three Cape Verdean-Dutch dual nationals were arrested. In addition, police later seized weapons and several luxury cars in an affluent neighborhood in Praia. Local news media carried extensive coverage of the seizure.

3. Demand Reduction

On average, the consumption use of illicit drugs in Cape Verde has been low, concentrated in urban areas, and augmented, albeit slightly, by narcotics trafficking through Cape Verde. Statistical tracking mechanisms are nascent and reliable data are not yet available. However, anecdotal evidence indicates that drug abuse among the prison population is relatively high and growing.

There is one government-run drug treatment facility in the archipelago, as well as El Shaddai, the previously mentioned NGO that coordinates a drug treatment shelter on the island of Santiago. International religious organizations, such as the Protestant and the Evangelic churches, have expressed concern about the population of untreated drug addicts in the country and are reportedly seeking to develop new drug treatment facilities.

The most recent data available are from a study done in 2011 by the CCCD, a part of the Ministry of Justice. Of the 896 drug users surveyed, 84.5 percent were males, 66 percent were under 29 years old, and 33 percent were in prison. The study shows that the most consumed drugs are: cannabis (94 percent); cocaine (55 percent); hashish (19.3 percent); and heroin (12.5 percent). The most common introduction to drugs is at age 17. The study recommended that a national campaign of prevention and education be carried out in schools, prisons, and within families.

4. Corruption

The government of Cape Verde neither encourages nor facilitates the production or distribution of illicit drugs, nor the laundering of proceeds from illegal drug transactions. However, as in other countries, instances of official corruption do occur.

In June 2011, for example, four NP officers suspected of diverting over 3 kilograms of cocaine seized in a drug bust were immediately suspended from duty. Both the NP and the PJ have conducted internal investigations and charges are expected against the four.

Cape Verde is considered among the three best-governed countries in Africa, according to the Ibrahim Corruption Index. Former President Pires won the 2011 Mo Ibrahim Prize for Achievement in African Leadership. He was awarded a 5 million dollar prize for his contribution to Cape Verde as a "model of democracy, stability and increased prosperity."

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Bilateral cooperation with partner countries in 2011 was marked by several initiatives designed to build Cape Verdean capacity, increase information sharing, and enhance the rule of law.

In August 2011, the U.S. Coast Guard (USCG) sent a 10-day African Maritime Law Enforcement Partnership mission to conduct joint training, surveillance, and law enforcement operations. A law enforcement team from Cape Verde utilized a USCG cutter during the mission. Although there were no seizures, the cooperative operations improved the maritime domain awareness for Cape Verde and their ability to conduct law enforcement boardings.

In 2010, the United States and Cape Verde inaugurated a Counter Narcotics Maritime Security and Interagency Fusion Center (CMIC) on the island of Santiago. The $2.5 million facility was donated by the United States to help coordinate maritime security and law enforcement efforts among various Cape Verdean agencies and international partners. The United States also provided a new $1 million interdiction vessel to the Cape Verdean Coast Guard. Also in 2010, the United States and Cape Verde signed a Letter of Agreement on Narcotics Control and Law Enforcement to support projects designed to strengthen the rule of law.

Other partner country efforts in 2011 included:

- French authorities participation in joint search and rescue exercises with their Tribauquet aircraft in March;
- Portuguese joint P-3 Orion surveillance operations in June, and ship-board training on the naval vessel "Sagres" in July;
- A Spanish Naval joint operation in December.

D. Conclusion

Cape Verde's narcotics problems stem from its location and extensive maritime borders. International trafficking through the country remains the primary concern. Corruption levels remain low, law enforcement is improving. Cape Verdean courts have convicted several drug traffickers and the state has effectively confiscated drug-funded assets.

Cape Verdean authorities acknowledge the problems they are facing and proactively seek international assistance to combat drug trafficking. Although progress continues to be made, vigilance is still needed in the areas of maritime monitoring and judicial efficiency. The domestic authorities generally lack the

capability to effectively control the entirety of their territorial waters. The judicial process is relatively slow. The growing caseload in the courts hampers enforcement, and effective prosecution of drug cases remains an area of concern.

While the government of Cape Verde demonstrated a strong political commitment to combat both money laundering and terrorist financing, more needs to be done to investigate and prosecute cases in a timely, consistent manner. The main government entities watching for money laundering and terrorist financing are understaffed and could not respond if Cape Verde were to become a true destination for money laundering and terrorist finance.

Chad

Chad is not a significant producer of organic or synthetic drugs. However, due to extremely porous borders, Chad's territory is susceptible to exploitation by drug traffickers. Most drugs entering Chad arrive from Cameroon, Niger, Nigeria, and the Central African Republic, and transit the country en route to Sudan, Egypt, and Libya. Chad is a party to the 1988 UN Drug Convention. Chad is also a party to the UN Convention against Transnational Organized Crime.

Chad imposes significant penalties for the illegal use or trafficking of illicit narcotics. In May 2010, the GOC created the Directorate of National Drug Control within the Chadian National Police to oversee all anti-drug operations. This unit's mandate includes reducing illegal production, trafficking, and use of drugs. A key challenge for the Directorate in curbing the trafficking of drugs is controlling Chad's porous and poorly controlled borders. A secondary challenge is inadequate funding for training and equipping the unit's staff. A lack of effective communication among law enforcement and security agencies also hinders reporting and tracking of drugs trafficking through Chad. Due to lack of communication among its various law enforcement and security elements and/or formal reporting mechanisms on seizures, specific data on overall drug seizures is impossible to obtain. Occasional seizures have been reported during 2011 at more than 100 kg for cocaine. Total seizures of cocaine and other drugs are likely to have been even higher. Large shipments of hashish and other drugs, for example, have been seized in the northern Chadian region of Bourkou, Ennedi and Tibesti (B.E.T). The drugs transiting this area follow centuries old trade and smuggling routes traversing northern Sudan and into Egypt. Seizures in this area are a result of Chadian military efforts to monitor the most commonly travelled paths through the B.E.T. These drug shipments are mostly destined for Egypt for eventual transit to the Middle East.

In late 2011, the government of Chad (GOC) prohibited the sale of pharmaceutical products in local markets as a measure against diversion and licit drug abuse. Subsequently, the National Police conducted an operation against pharmaceuticals being sold openly and illegally in three of the capital's main markets. Pharmaceuticals being offered for sale were confiscated by the police and destroyed. This resulted in a skirmish in one market between law enforcement officials and merchants, which ended in the death of at least one Chadian law enforcement official.

The Director General of the Pharmaceuticals Department, under the Ministry of Health, is responsible for ensuring that hospitals, pharmacies etc., make use of appropriate safeguards to control the storage and dispensing of all licit narcotic medicines. Abuse of synthetic licit and illicit pharmaceuticals such as tranquilizers and stimulants occurs mostly among the young adult community. Inhalants are also abused to some degree as they provide a cheaper form of intoxication for some. Counterfeit pharmaceuticals are widespread; most counterfeit pharmaceuticals are illegally manufactured in Nigeria and smuggled into Chad; other pharmaceutical preparations are legally imported into Chad, but then diverted and sold on the black market.

Many seizures, both large and small, are a result of vehicle accident investigations. Police report that they often discover the root cause of automobile or motorcycle accidents to be drivers trying to operate vehicles under the influence of drugs.

Some Chadian schools participate in anti-drug campaigns, with primary and secondary school students receiving annual anti-drug education. Additionally, all Chadian National Police, Gendarmes, and Army recruits receive drug awareness training as part of their basic induction courses. While Chadian society generally condemns drug abuse, society supports government efforts to provide treatment programs for

those who become addicted. Near the capital city of N'Djamena, the GOC operates a hospital for the treatment of addicted persons. The program is rudimentary, but those participating voluntarily are not prosecuted for narcotic offenses by the authorities.

The GOC makes a serious effort to control drug production, reduce trafficking, and curb illegal use of drugs. The most positive element of this campaign has been the creation of the Directorate of National Drug Control within the police system specifically tasked to tackle these issues. The system for regulation of legitimate drugs dispensed by hospitals and pharmacies is also well-designed and administered, but in a poor country with few doctors, it is hard to keep dangerous drugs under prescription control. Government-funded drug treatment and drug awareness programs, while basic, are available.

In order to more effectively stem the flow of drugs trafficked through Chad, the GOC must better equip the anti-drug Directorate and other enforcement units such as customs and border inspection, as well as ensure more standardized and coordinated reporting of seizures, so progress can be measured, and enforcement resources used to best effect. Officers inspecting vehicles entering Chad from Cameroon do not have basic narcotic detection tools, such as field test kits or drug-detection dogs, to help identify and test suspicious substances-a clear need for them to be effective. Additional constraints include a limited number of officers to control vast and sparsely populated border areas, and insufficient professional training and equipment. As a matter of government policy, the government of Chad 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.

Chile

A. Introduction

Chile is not a major producer of organic or synthetic drugs. It is, however, a significant transit country for Andean cocaine shipments destined for elsewhere, particularly Europe. Chile is a source country for precursor chemicals used for cocaine production in Peru and Bolivia, as well as a source for Mexico-bound ephedrine, a critical ingredient used in the production of methamphetamine. According to the 2011 UN World Drug Report, Chile is the second largest consumer of marijuana and cocaine per capita in South America.

Due to its long and difficult-to-monitor borders with Peru, Bolivia, and Argentina, Chile faces a special challenge in combating drug trafficking. Furthermore, inspection restrictions established by the treaty ending the War of the Pacific require Chilean authorities to seek permission from the Government of Bolivia to inspect cargo originating in that country and transiting Chile. These inspection restrictions impede efforts to interdict shipments of illegal narcotics, allowing some cargo to pass through Chilean ports without inspection.

The Government of Chile considers counternarcotics one of its top priorities and has a national strategy for combating narcotics trafficking and demand reduction. The Ministry of Interior is responsible for Chile's institutional drug control efforts, overseeing the Carabineros (uniformed police), Policia de Investigaciones (investigative police, known as the PDI), and SENDA (Chile's national drug control commission, formerly CONACE).

Chile is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Chile recognizes the threat posed by illicit narcotics and has 1,215 officers dedicated exclusively to anti-narcotics units nationwide. This includes personnel from all public agencies commissioned to investigate drug crimes or seize narcotics. In May, the Piñera government launched a three-year national strategy with the goal of reducing marijuana and cocaine use among students and vulnerable population groups. The plan includes a focus on prevention programs in schools and the community, treatment and rehabilitation, and ultimately reintegration into society.

On October 4, the Interior Minister launched Plan Frontera Norte ("Northern Border Plan"), a three-year plan with a budget of over $70 million to combat narcotics trafficking in Chile's northern border and coastal regions. The program, which incorporates land, air, and maritime elements, focuses on control and observation, mobility and reaction, and intelligence. It also calls for the use of new technologies such as high-resolution cameras, surveillance antennae, and specially-equipped vehicles. Plan Frontera Norte furthers the efforts of Plan Secure Chile, Chile's public security initiative launched in 2010, which itself includes a drug control strategy developed in consultation with international law enforcement organizations.

Chile is a party to the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. Chile is also a party to the UN Convention Against Transnational Organized Crime and its protocols against trafficking

in persons and migrant smuggling, as well as the UN Convention Against Corruption. The U.S. - Chile Extradition Treaty of 1900 is still in force. However, a new treaty was signed in January 2010 and awaits ratification by both countries. Chile has also signed, but not yet ratified, the Inter-American Convention on Extradition.

2. Supply Reduction

Through June 2011, Chilean government officials seized approximately 1,467 kilograms (kg) of cocaine; 3,776 kg of cocaine paste; 6,127 kg of processed marijuana; and 211 marijuana plants. Statistics were not available for heroin, ecstasy, or LSD. According to host-nation counterparts, there was a 12% increase in seizures of cocaine and a 48% increase in seizures of marijuana from January – June 2011 as compared with this same period in 2010.

According to Chilean counterparts, the most significant trend is the increase in Bolivian cocaine production and the influx of Bolivian drug trafficking organizations operating within Chile. There has been an increase in containerized shipments of cocaine transiting Chile from Bolivia. Many of these shipments employ extremely sophisticated concealment methods, such as disguising narcotics in ceramic tiles, machine equipment and even scrap metal. However, wood products such as flooring and furniture, were the concealment methods most commonly used.

Between January and July 2011, there were 12 documented cocaine seizures totaling approximately 1.9 metric tons, seized either in Chile proper or while transiting Chilean territory en route to an international destination. With the exception of two seizures, all of the containerized cargo involved originated in Santa Cruz, Bolivia and transited Arica, Chile. Eight of these 12 seizures involved cocaine embedded in wood products in a sophisticated fashion. An additional trend is concealing cocaine within a very small percentage of a large volume of cargo, making detection by law enforcement authorities extremely difficult.

3. Drug Abuse Awareness Demand Reduction and Treatment

Chile is the second largest consumer of marijuana and cocaine per capita in South America, according to the 2011 United Nations Report on Drugs and Crime. SENDA's latest report on drug consumption, published in July, covers the period of 2008 to 2010. The report shows that marijuana consumption in the total population was down from 6.4% to 4.6%, with a drop of nearly 4% among the teenage population. Cocaine consumption was also down, from 1.8% to 0.7%.

In May the government launched a three-year national strategy aimed at reducing marijuana and cocaine use among students and vulnerable population groups. This strategy builds upon the many prevention and treatment programs already in operation. SENDA has offices across the country and offers a wide variety of drug prevention and treatment programs for the general population, including programs targeting adolescents, women and their children, and prisoners. It also has an extensive website with online resources to support its mission. Together with the Ministry of Education, SENDA offers four anti-drug programs in schools, each targeting a specific age range.

Chile offers free drug abuse treatment for citizens who are part of the public health insurance system (FONASA). There are nearly 200 drug treatment facilities in Chile which have agreements with SENDA. Additionally, special treatment programs exist for mothers and juveniles convicted of other legal infractions, and prisoners.

4. Corruption

The Government of Chile 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 transactions. Narcotics-related corruption among police officers and other government officials is not considered a major problem in Chile, and no current Chilean senior officials have been accused of such activities. Swift action is taken in cases where police are discovered to be involved in drug trafficking. Chile is traditionally considered one of the least corrupt countries in the Western Hemisphere and ranked as the least corrupt country in South America in the 2010 Corruption Perception Index Survey released by Transparency International.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The United States works closely with Chile to strengthen Chilean institutions' capacity to confront drug trafficking, and the Piñera administration has been very active in fostering bilateral cooperation with the United States. Two Letters of Agreement (LOA) were signed in September between the United States and Chile addressing various bilateral and trilateral law enforcement initiatives. Specific U.S. goals include: enhanced interagency cooperation among Chilean law enforcement agencies, an increase in Chile's ability to conduct international drug investigations, and an increased allocation of resources to anti-narcotics efforts in northern Chile. The majority of U.S. assistance supports law enforcement training, specifically in the areas of container inspection and advanced drug interdiction techniques. Additionally, the United States provides funding for Chilean officials to travel to the United States to observe first-hand methods used by U.S. law enforcement entities to conduct counternarcotics operations. In October 2011, for example, U.S. funding supported a trip to El Paso, Texas for Chilean officials to observe best practices for patrolling and securing expansive borders. In November 2011, with U.S. assistance, Chile hosted an international seminar concentrating on maritime investigations and the value of multidisciplinary task forces in combating maritime threats. In FY11, the U.S. Coast Guard conducted one training related to maritime security and one resident course in law enforcement, professional development, port security and command and control.

D. Conclusion

While not a source country, Chile's vast coastline, shared borders with Bolivia and Peru, and free transit agreement with Bolivia continue to make it vulnerable to narcotics traffickers. The Piñera administration has worked to address all phases of the drug control effort, including Chile's domestic consumption problems. In May the government launched a national drug strategy aimed at reducing marijuana and cocaine use among students and vulnerable population groups and in October, the Interior Ministry launched Plan Frontera Norte to combat drug trafficking in Chile's northern border areas.

Chile should continue its work to increase the capacity of its anti-narcotics units, especially with respect to their efforts to interdict containerized cargo shipments transiting Chile's port cities. Also, Chile must work to commit sustained resources, financial as well as human, to support interdiction efforts. Additionally, more advanced equipment like x-ray scanners, canine units, and more sophisticated radar should be employed to combat drug trafficking organizations infiltrating Chile's northern borders with Bolivia and Peru. The United States stands ready to continue its partnership with Chile as it continues to undertake efforts to combat narcotics trafficking.

China

A. Introduction

China is a growing transit and destination country for illicit drugs, and a major producer of precursor chemicals. Heroin from Southeast and Southwest Asian countries bound for international markets transits China, including heroin entering northwestern China from Afghanistan, Pakistan, and Tajikistan. Southeast Asian heroin that enters China from Burma transits southern China to various international markets by maritime transport.

Precursor chemicals produced for legitimate use are frequently diverted by organized crime syndicates to manufacture illicit substances such as cocaine, heroin and crystal methamphetamine. The country's close proximity to the Golden Triangle, and its numerous coastal cities with large and modern port facilities, such as Qingdao, Shanghai, Tianjin, Guangzhou, and Hong Kong, make it an attractive transit venue for illicit drugs.

As the Chinese economy has become more integrated in the world economy, drug crimes and drug users in China have increased. In 2010, 611 cases were uncovered with the seizure of more than 1,500 kg of drugs, representing a 50% increase compared with 2009. Large-scale organized criminal groups traffic drugs to certain major cities in northern and southeastern China.

Chinese authorities continue to take steps to integrate China into regional and global counternarcotics efforts. However, corruption in drug-producing and drug transit regions of China and lack of transparent regulations limit what dedicated law enforcement officials can accomplish. China is party to the 1988 UN Drug Convention

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The National Narcotics Control Commission (NNCC) through the Ministry of Public Security (MPS) implements China's national drug control strategy called, "The People's War Against Drugs." This comprehensive strategy focuses on prevention, education, illicit crop eradication, interdiction, rehabilitation, commercial regulation and tough law enforcement.
The Narcotics Control Bureau (NCB), within the MPS, headquartered in Beijing, is the primary national narcotics enforcement entity and works in conjunction with provincial public security bureau officials. The General Administration of Customs' Anti-Smuggling Bureau is responsible for the enforcement of narcotic control laws that traffic in drugs using China's seaports, airports and other border points of entry/exit. The State Administration of Industry and Commerce (SAIC), the State Administration of Work Safety (SAWS) and the State Food and Drug Administration (SDA) share regulatory responsibilities, which impact narcotics control. The MPS Border Control Department (BCD) is also tasked with interdicting narcotics shipments crossing China's maritime and land borders. The US Coast Guard coordinates with DEA and the BCD to provide information, targeting shipments of cocaine from South America.

As part of the "The People's War Against Drugs," the MPS directed all regions to coordinate their drug control efforts with the provinces and municipalities such as Guangdong, Yunnan, Sichuan, and Chongqing, targeting high risk groups such as migrant workers, the unemployed, university students, and entertainment industry employees. Efforts range from mobilizing the public through educational

campaigns raising awareness of the harmful effects of drug abuse to regulating the manufacture and sale of precursor chemicals to curb diversion of a licit chemical for illicit use.

China continues to build on Memoranda of Understanding (MOU) currently in place with Laos, Cambodia, Thailand, Vietnam, Burma, and the United Nations Drug Control Program and regularly participates in a variety of drug conferences and bilateral meetings, including the annual International Drug Enforcement Conference (IDEC) and regional targeting meetings. In response to the growing trend of South American cocaine transshipment to China, the Chinese have begun to establish closer cooperation with South and Central American law enforcement officials as well as the U.S. DEA based in Beijing.

2. Supply Reduction

According to NNCC statistics for 2010, 234 precursor chemical cases were investigated resulting in the seizure of 869 metric tons of precursor chemicals. In Meishan and Sichuan provinces, four drug laboratories were dismantled, 71 suspects arrested, 12 tons of ephedrine and 68kgs of methamphetamine (powder, tablets and liquid form) were seized.

Also, in 2010, the MPS and the Ministry of Industry and Information technology (MIIT) along with the State Administration of Industry and Commerce (SAIC), the State Administration of Work Safety (SAWS) and the State Food and Drug Administration (SFDA) jointly regulated online sales of precursor chemicals, resulting in 331 illegal websites being shut down, more than 100 cases investigated, 46 drug syndicates dismantled, and 580 suspects arrested. Inspections were conducted on 200 manufacturers, 10,000 wholesalers and 10,000 retailers of ephedrine compound preparations in an effort to deter diversion of licit precursor chemicals for illicit use. Introduction of the online application and certification processes for precursor chemicals and dissemination of information via internet on the harmful effects of illicit drugs raised drug abuse consciousness among chemical industry managers the issuance of 674 pre-export notifications indicated enhanced compliance with anti-diversion regulations. Of these, 78,000 tons of precursor chemicals passed international checks and 27 shipments were suspended. Through use of satellite remote sensing and field surveys, experts estimate that China recorded a 17.7% increase in illicit poppy cultivation in tribal areas north of Burma.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

By the end of 2010, the number of registered drug users had reached 1.545 million, which included 1.065 million heroin addicts. The number of registered synthetic drug users reached 432,000 amongst which 119,400 were new drug users mostly under age 25. Illicit drug abuse and drug-related crime was detected mostly in entertainment venues, and in some instances at restaurants, hotels and private property.

The NNCC, Ministry of Culture, and the General Administration of Industry and Commerce organized a number of education and training programs for managers and employees in entertainment venues to help increase awareness of drug activity. To help promote drug prevention in schools, communities, workplaces, at public places, and villages, the Film Bureau of the State Administration, the Ministries of Public Security, Public Health and Justice jointly launched a national education campaign. The Ministry of Education continues to conduct drug prevention programs targeting primary and high school children.

Mandatory detoxification centers were set up jointly by the Ministry of Health and the Ministry of Justice to support HIV-positive patients in an effort to prevent the spread of HIV/AIDS. Community-based drug rehabilitation programs developed in Yunnan Province to treat addiction and help former addicts

reintegrate into society were replicated nationwide. More than 700 treatment clinics and mobile van clinics were set up in regions with a large number of drug users.

4. Corruption

Despite central government efforts to stem corruption and punish corrupt officials, illicit drugs continue to be trafficked in and out of China, and organized drug-related criminal networks continue to operate in certain regions of China. In addition, China's continued support of the United Wa State Army (UWSA) in Burma which engages in narcotics-related criminal activities, sends a mixed message to drug law enforcement officials and emboldens criminal networks.

No senior official of the PRC government is known to engage in, encourage, or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances. Similarly, no senior official is known to launder proceeds from drug transactions. MPS takes allegations of drug-related corruption seriously, launching investigations when it deems appropriate. Most cases appear to involve lower-level district and county officials. Currently, the U.S. government is not aware of any specific evidence indicating senior-level drug-related corruption.

At the recently concluded 9th U.S.-China bilateral Joint Liaison Group (JLG) for Law Enforcement Cooperation under which there is an Anti-corruption Working Group (ACWG) meeting, both sides agreed to share information on ways to combat domestic corruption and stated that government-industry interaction on foreign bribery and compliance programs is a priority.

A centralized procurement system approved by the different government agencies helped limit the incidence of commercial bribery during official drug procurement processes. Under this system, provincial level officials procured drugs on behalf of the hospitals from the most suitable pharmaceutical supplier.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Chinese President Hu Jintao has acknowledged the importance of drug control, emphasizing that it is a long term task requiring consistent efforts in the areas of publicity and education, strict law enforcement, treatment, rehabilitation and international cooperation.

The United States and China are parties to a Mutual Legal Assistance Agreement and Customs Mutual Assistance Agreement. The U.S. Department of Justice and Drug Enforcement Administration (DEA) and their Chinese counterparts participate in the Counternarcotics discussion group of the China-U.S. Joint Liaison Group on Law Enforcement Cooperation. The DEA and the NNCC are parties to a memorandum to establish a bilateral drug intelligence working group (BDIWG) to enhance cooperation and the exchange of information. The U.S. Office of National Drug Control Policy (ONDCP) and NNCC are parties to a memorandum to increase cooperation in combating drug trafficking and abuse.

China is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention and its 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the UN Convention against Corruption. China is a party to UN Convention against Transnational Organized Crime and has signed but not yet ratified its protocol on trafficking in firearms. On February 8, 2010, China acceded to its protocol on trafficking in persons.

D. Conclusion

Over the last several years, the Chinese government has intensified its campaign against drugs and drug-related crimes at home and abroad. Despite these efforts, trafficking of illegal narcotics and drug precursors remains at very high levels, and China will need to make further strides in enforcement efforts in order to adequately address the growing drug problem.

For 2011, U.S.- China drug enforcement cooperation is on a positive track. DEA's relations with NCB counterparts are improving, and there is an increased level of cooperation and information-sharing related to cocaine smuggling into China. As a means to move U.S.-China - drug enforcement cooperation forward, DEA would like to be provided greater access to suspects, reporting, witnesses, evidence, financial institutions, and businesses in drug investigations where drugs are smuggled out of China and where there is a direct U.S. interest.

Colombia

A. Introduction

Colombia remains one of the world's largest producers and exporters of cocaine, as well as a source country for heroin and marijuana. According to the U.S. Department of Justice's 2010 Cocaine Signature Program, 95.5 percent of the cocaine seized in the United States in their sampling system originates in Colombia. Colombia's marijuana is typically not sent to the United States, but feeds internal and Latin American consumption. The Government of Colombia (GOC) continues to make significant progress in its fight against the production and trafficking of illicit drugs. The United States Government (USG) found that the area devoted to coca cultivation in 2010 was down 14 percent compared to 2009, from 116,000 to 100,000 hectares (ha). Crediting sustained aerial and manual eradication operations and aggressive enforcement activity in 2010, the USG also reported a decline in potential pure cocaine production of 7.4 percent, from 290 metric tons (MT) in 2009 to 270 MT in 2010 – and a 61.4 percent drop from the 700 MT estimated pure cocaine production potential in 2001.

The United Nation's (UN) 2010 assessment of the drug problem in Colombia reflected a similar trend from 2009 to 2010. The UN Office for Drug Control (UNODC) estimates that in 2010, coca area under cultivation fell 15 percent to 62,000 from 73,000 ha, and cocaine production potential dropped 19 percent to 330 MT from 410 MT. Although estimates differ due to dissimilar methodologies, both reflect a similar declining trend in coca cultivation and cocaine production potential.

In 2011, the GOC continued its aggressive interdiction and eradication programs, and maintained a strong extradition record for persons charged with crimes in the United States. The GOC extradited 119 fugitives to the United States in 2011, the vast majority of which were wanted for drug crimes. According to the GOC, authorities seized over 186 MT of cocaine and cocaine base and eliminated hundreds of tons of additional potential cocaine through the combined aerial and manual eradication of 137,794 ha of coca. The GOC also continued to address increasing domestic drug consumption, and raised the profile of drug prevention and treatment efforts.

The GOC continued to apply pressure to the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), which maintain considerable control in areas with high concentrations of coca and opium poppy cultivation. In 2011, Colombian security forces captured or killed many high value targets, including the FARC supreme commander Guillermo León Sáenz Vargas, alias Alfonso Cano, the leader of the FARC since 2008, FARC 48th Front finance chief Olidem Romel Solarte Ceron, alias Oliver Solarte, the drug trafficking kingpin of southern Colombia, and FARC 30th Front commander Jorge Naphtali Umenza Velasco, alias "Mincho," the drug trafficking kingpin of Colombia's Pacific coast.

Colombia continues to see a rise in criminal organizations known as "bandas criminales" or BACRIMs, which have become a major law enforcement challenge. These groups include members of former paramilitary groups and are active throughout much of the country -- competing and sometimes cooperating with the FARC in the drug trade. For example, the largest BACRIM organization, "los Rastrojos," has traceable cooperative agreements with both the ELN and the FARC in southern Colombia. The violence associated with the BACRIMs has spilled over into many of Colombia's major cities, leading to an increase in the murder rates within some urban centers and the mass displacement of thousands of rural citizens in 2011. In 2011, President Juan Manuel Santos announced a comprehensive strategy to combat the increasingly powerful BACRIM. The strategy identified overarching themes to

attack the BACRIM and detailed how various government agencies would coordinate efforts, but it did not designate additional resources to confront the problem.

Colombia is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Over the past decade, Colombia has developed a robust institutional capacity to combat narcotics trafficking, mostly controlled by and financed through the activities of three Foreign Terrorist Organizations (FTO) – the FARC, the ELN, and the now demobilized United Self-Defense Forces (AUC). These FTOs use drug cultivation and trafficking proceeds to attack military and police forces and to protect their activities, resulting in high levels of violence, displacement, economic stagnation, and insecurity.

To address the complexity and inter-connections of security, counternarcotics programs and economic development, the GOC launched the National Consolidation Plan (PNC) in 2009 that focused on selected priority areas where violence, drug trafficking and social marginalization have historically converged. The PNC seeks to increase state capacity to provide security for communities; achieve lasting eradication; transfer security responsibilities from the national military to the police; and provide a wide range of social and economic services. Regional Coordination Centers staffed by civilian, police, and military personnel coordinate this comprehensive approach. U.S. Government programs increasingly support these efforts through the Embassy's Colombia Strategic Development Initiative (CSDI).

The PNC pilot project began in 2007 in the Macarena region of the country's central Department of Meta, and continues to demonstrate encouraging results. The Macarena region, once the primary cocaine source for the U.S. market, now shows the lowest cultivation levels in over a decade according to the USG. The UN reports that coca cultivation in the area continues to decline and was reduced by 83 percent from its high of 9,530 ha in 2005 down to 1,595 ha in 2010. Replanting rates remain low and coca farmers are taking part in licit agricultural projects, as shown by the doubling in the amount of legal crops in the Macarena between 2007 and 2009.

PNC efforts continued in 2011 as the GOC conducted a strategic review of the policy throughout the year to draw lessons from the past and improve future implementation. As part of this review, the GOC cut the number of high priority municipalities in half (to 51) so as to better focus and implement the consolidation strategy. The PNC now has greater acceptance across the various ministries as demonstrated by $1.6 billion in additional funding for the PNC committed to 30 civilian agencies during the strategic review process. President Santos also directed that PNC link with his other highest priority initiatives, namely land reform and formalization, victims' restitution, and rural development, so as to increase the potentially transformative impact on populations emerging from conflict. Santos' priority initiatives are critical to ensure that communities making the decision to align with the licit economy are rewarded with viable livelihoods and incomes.

On October 4, 2011, President Santos formally launched his strategy to reduce rising urban crime, calling for $2 billion in additional government expenditures to increase the size and capabilities of the Colombian National Police (CNP) by 20,000 officers over the next four years. He has submitted legislation to Congress for an economic stimulus package of approximately $165 million focused on job creation programs. This plan aims to reduce the unemployment rate among high school graduates, 25 percent in some parts of the country, a rate that leads many to the drug trade.

Judicial impunity remains a major impediment to deterring violence. President Santos acknowledged that less than 10 percent of arrested BACRIM members actually serve jail time. One former municipal security advisor estimated Bogota's conviction rate for homicide at less than 10 percent; other major cities appear to rank similarly. Lower conviction rates in rural areas are likely due to more limited investigative capacity and lack of protection for judges, investigators, and witnesses. In June, the news media widely reported on a perceived deterioration in public security while the Santos government defended its efforts to rein in violent crime more effectively.

President Santos established a new National Security Council (NSC) to improve interagency coordination on cross-cutting issues such as consolidation planning, border security, eradication, and land reforms. The NSC, modeled after its U.S. and British counterparts, adopted the comprehensive strategy against the BACRIM during its inaugural meeting in February 2011. A principal challenge for this nascent entity to unify government efforts to simultaneously combat insurgent groups and organized crime.

In September 2011, Colombia's National Directorate on Dangerous Drugs (DNE) was officially dismantled and its role as coordinator of national drug policy was transferred the Ministry of Justice (MOJ).

The GOC is a party to the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; 1988 UN Drug Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances; the Organization of American States (OAS) Convention on Mutual Legal Assistance; the UN Convention against Transnational Organized Crime, and its Protocol on Trafficking in Persons; and the UN Convention against Corruption. Colombia participated in the Regional Summit on the World Drug Problem, Security, and Cooperation, which promotes information sharing, training and technical assistance under the UN counterdrug conventions. Separately, the Colombian Minister of Defense participates in a tri-party group with the U.S. Drug Enforcement Administration (DEA), and the Mexican Attorney General to discuss counternarcotics and other issues of mutual interest. More working group and executive level meetings are planned for 2011. The GOC's 2003 National Security Strategy (Plan de Seguridad Democratica) meets the strategic requirements of the 1988 UN Drug Convention.

The 1997 U.S.-Colombian Maritime Ship Boarding Agreement facilitates timely permission to board Colombian-flagged ships in international waters and is the foundation for productive counternarcotics cooperation between the Colombian Navy (COLNAV) and the U.S. Coast Guard (USCG). Colombia is an active participant in the USCG-sponsored Multilateral Summits on maritime interdiction, which also include Ecuador, Peru, most of Central America and Mexico. In 2011, COLNAV reported that it seized 59.2 MT of cocaine, 3.2 MT of marijuana, and 34 kilograms (kg) of heroin. COLNAV also seized six self-propelled semi submersibles (SPSS), two fully submersible vessels (FSV), and arrested 258 persons on narcotics trafficking charges. Colombia's 1999 Customs Mutual Assistance Agreement (CMAA) provides for the exchange of information to prevent and investigate customs violations in the United States and Colombia and led the U.S. Immigration and Customs Enforcement (ICE) agency to create a Colombian-based Trade Transparency Unit to analyze, identify and investigate companies and individuals involved in trade-based money laundering activities between Colombia and the United States.

In 2004, Colombia and the United States signed an agreement establishing the Bilateral Narcotics Control Program, providing the general framework for specific counternarcotics project collaborations with various Colombian implementing agencies. This agreement has been amended annually and is a key vehicle for the delivery of a majority of U.S. counternarcotics assistance.

In 2011, Colombian and Honduran Air Force representatives signed a bilateral agreement to combat drug trafficking from Colombia through Honduras. The agreement will allow Colombian Air Force (FAC) to follow planes into Honduras until the moment of landing, enabling the countries to work together to identify landing sites and cooperate on interdiction. Colombian security personnel will also assist in the development of the Honduran security forces to enable them to more efficiently combat organized crime.

2. Supply Reduction

Eradication: While differing methodologies led to different final estimates, both the United States and UN reported continued declines in coca cultivation and cocaine production potential in Colombia in 2010. The United States reports that cultivation in 2010 was down 14 percent compared to 2009, from 116,000 to 100,000 ha. The United States also reported a seven percent decline in potential pure cocaine production to 270 MT in 2010, from a revised 290 MT in 2009.

These reports also indicate that existing coca fields continue to be less productive, less dense, and in smaller plots, than when eradication operations began in the late 1990s. Nevertheless, illicit cultivation continues and is a growing problem in Colombia's national parks, indigenous reserves, the Pacific coast, and along its borders with Ecuador, where aerial eradication is prohibited. (NOTE: The GOC does not conduct aerial spraying within 10 kilometers of its border with Ecuador. Manual eradication is ongoing in border areas, yet is hampered by the often rugged and isolated terrain and the presence of illegal armed groups, whether FTOs or BACRIMs.)

Under the auspices of the President's Agency for Social Action, over 3,500 civilian eradicators, with support from the Colombian national security forces, conducted manual eradication throughout the country. The manual eradication goal for 2011 was 40,000 ha but, as in prior years, security concerns, budget issues and the dispersion of coca to smaller fields, prevented the GOC from reaching that goal, eradicating just over 34,000 ha in 2011. Meanwhile, the aerial eradication program sprayed over 100,000 ha in 2011, exceeding its goal. Also in 2011, the GOC manually eradicated 302 ha of poppy, compared to 696 ha in 2010 and 546 ha in 2009. During 2011, seven police, one military, and one civilian eradicator were killed during manual operations, compared to 32 in 2010. Those nine fatalities and injuries to 32 others are attributed to improvised explosive devices, sniper fire, and other attacks from traffickers and illegal armed groups such as the FARC.

Interdiction: Colombian police forces reported seizures of 186 MT of cocaine and cocaine base, 69,000 kilograms (kg) of marijuana, 360 kg of heroin – 230 kg of which was seized in Costa Rica in a joint Colombian/Costa Rican operation – and approximately one million gallons of liquid and 9.2 million kilos of solid precursor chemicals. In addition, they destroyed 190 cocaine hydrochloride (HCL) labs, two heroin labs, and seven potassium permanganate labs.

The CNP's primary interdiction force, the Anti-Narcotics Directorate's (DIRAN) Jungle Commandos (Junglas), are largely responsible for the significant number of HCL and coca base labs destroyed in 2011, accounting for 901 cocaine base labs, 111 HCL labs and one heroin lab. Additionally, the Junglas destroyed 12 clandestine runways and seized 14 MT of solid precursors and 4.5 MT of liquid precursors.

The CNP's Mobile Rural Police Squadrons (Carabineros) are charged with expanding and maintaining police presence in rural and conflict areas. In 2011, they captured over 800 kilograms of cocaine, 1.5 MT of cocaine paste, and destroyed 80 base labs. The Carabineros are also increasingly involved in combating illegal mining – a criminal activity that has surpassed narco-trafficking in some rural areas of the country – making 422 arrests in 2011 as compared to the 49 arrests in 2010.

The transport of drugs via Colombia's extensive rivers and coastal ports remains a major concern. Drug seizures in Colombia's ports have decreased in comparison to previous years, which may be the result of the Colombian Government and private seaport operators' improvements in port security. In 2011, approximately 5 MT of cocaine were seized by DIRAN in ports across the country. DIRAN units confiscated approximately 470 kg of cocaine, 16 kg of heroin, and 12 kg of marijuana at Colombia's international airports. At both air and seaports, DIRAN has arrested 331 people on drug-related charges (206 Colombians and 125 foreign).

Captures/Arrests: The GOC continued to attack terrorist organizations and succeeded in capturing or killing a number of high-level FARC and BACRIM commanders in 2011. In March, Colombian Armed Forces killed FARC 48th Front finance chief Olidem Romel Solarte Ceron, alias Oliver Solarte, a drug trafficking kingpin of southern Colombia. In July, Ecuadoran police captured FARC 48th Front deputy commander Andres Guaje Chala, alias "Danilo" in Quito. In October, Colombian Navy and Air Force killed FARC 30th Front commander Jorge Naphtali Umenza Velasco, alias "Mincho," the drug trafficking kingpin of Colombia's Pacific coast. The most important blow struck against the FARC was on November 4, 2011, when the Colombian Air Force bombed the camp of FARC Supreme Leader Alfonso Cano (AKA Guillermo Leon Saenz) in the southwestern state of Cauca. After Colombian government forces bombed the jungle hideout, troops rappelled down from helicopters to search the area, and within hours Cano was reportedly killed in a gun battle. According to Defense Minister Pinzon, there were seven computers and 39 thumb drives in Cano's bunker, as well as cash in various currencies, including U.S. dollars, Euros and Colombian pesos. The 63-year-old Cano, whose body was purportedly identified by his fingerprints, had been the top target of Colombian authorities since September 2010, when the FARC's military chief, Mono Jojoy (AKA Jorge Briceno), was killed.

In 2011, the CNP and Colombian military also aggressively pursued BACRIM traffickers. In January, the CNP arrested BACRIM organization "Los Paisas" financial chief Luis Fernando Jaramillo Arroyave, alias "Nan." In April, the CNP captured BACRIM organization "Los Machos" overall leader Hilber Nover Urindola Perea, alias "Don H." In July, Colombian Marines arrested BACRIM organization "Los Rastrojos" chief Nulver Sarria García, alias "Apache 5," who was responsible for the southern department of Nariño. In August, the CNP arrested BACRIM organization "Alta Guajira" overall leader Johan Alberto Caldera, alias "Cobra," and the organization's second-in-command Luis Ignacio Suárez Rosario, alias "Pantera."

3. Demand Reduction

The GOC continues to increase its commitment to drug demand reduction. "Colombia: Free of Drugs," a nation-wide campaign launched in 2010, continues to provide information and heighten social awareness regarding drug demand. The CNP, with USG assistance, continues its Drug Abuse Resistance Education (DARE) program in all 32 departments of Colombia. Additionally, with UN and USG support, the GOC continues with its 2008 National Drug Consumption Reduction Plan focusing on demand prevention, mitigation and treatment. The Ministry of Social Protection (MSP) also increased its budget for these three areas from $5 million in 2010 to $6 million in 2011.

In December 2009, the GOC approved a law that prohibited the possession and consumption of small, "personal," amounts of illegal drugs. However, in August 2011, the Colombian Supreme Court overturned this law, finding that Legislative Act No. 2, 2009, which banned the personal use of drugs, "implies the nullification of fundamental rights, and it represses and sanctions with the severest punishments (imprisonment) the personal decision to abandon one's personal health, a choice that corresponds to their own decision and does not infringe on the rights of other members of society." The Supreme Court then set the "personal amount" of drugs at 20 grams of marijuana and 1 gram of cocaine.

In 2010, the government began drafting treatment regulations for drug addicts. However, these regulations are not yet finalized as the MSP continues to review how the Colombian health insurance system will cover drug addiction as a medical condition. Drug treatment services in Colombia are provided primarily by private organizations. According to the national consumption study, there are nearly 300,000 people with drug dependency problems needing treatment, and only 20,000 available spaces in facilities. To service the drug dependent population, the GOC has identified 104 inpatient or residential treatment centers, 88 outpatient centers, 58 drug treatment facilities in general hospitals, 34 toxicology services, and 5 methadone programs available to drug addicts.

For the first time since 2005, the GOC conducted a national study in 2011 to determine the level of drug use among youth between 11 and 18 years old. The 2011 study was conducted in all 32 departments of the country and in 160 municipalities with some 92,000 surveys completed. The results of the study are still pending.

4. Corruption

Colombia is party to both the Inter-American Convention against Corruption and the UN Convention against Corruption. Colombian government policy strongly discourages, and works to minimize the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, the laundering of proceeds from illegal drug transactions and corrupt acts that facilitate drug trafficking. Despite this commitment, corruption of some GOC officials occurs, often instigated by drug trafficking organizations. In February 2010, the Colombian government arrested Ramiro Anturi Larrahondo, a lawyer in the Attorney General's Office assigned to military criminal investigations, for receiving thousands of dollars from the Rastrojos BACRIM in return for intercepting security agencies' telephone calls and feeding information back to narcotics traffickers. In January 2011, Anturi was extradited to the United States to face narcotics trafficking charges. The National Anti-Narcotics Agency (DNE) – the body in charge of handling assets seized from drug traffickers – was dismantled amid investigations into 14 high-level politicians including Congressmen and a former president of the Senate for irregularities in administering seized properties. The Attorney General announced in September 2011 that it will bring embezzlement, fraud and conspiracy charges against former DNE Director Omar Figueroa and 10 other former DNE officials for their role in mishandling seized assets.

Drug-related corruption remains a problem within the public security forces. The CNP Criminal Investigative Chief of Caquetá was arrested in January for transporting over 100 kilograms of cocaine, and in June, 23 police officers were arrested in two separate anti-drug sting operations in Bogota, Bucaramanga, Cali, San Andres, and Villavicencio. Eight of the officers were charged with stealing a cocaine shipment that belonged to a former BACRIM leader. In May, seven police officers, two Navy officers, and two Prosecutor General's Corps of Technical investigators (CTI) agents based in Chocó department were arrested for their ties to a BACRIM organization. That same month, another three CNP officers were arrested in Valle de Cauca for collaborating with the Rastrojos BACRIM. In August 2011, seven police officers and three army soldiers were arrested for allegedly being on the payroll of a deceased BACRIM leader in the Lower Cauca region of Antioquia. Former Defense Minister Rodrigo Rivera subsequently announced that 100 policemen were under investigation for their ties to the Rastrojos BACRIM.

In July 2011, President Santos signed an anti-corruption statute that regulates lobbying, creates an anti-corruption council, and establishes new penalties for corruption. The bill aims to close the "revolving door," as public officials will no longer be able to work in the same area of expertise in the private sector. Additionally, it bars campaign donors from being government contractors during the elected period of the

benefactor. The public health sector, which has been a significant source of graft, will be more tightly regulated and individuals convicted of corruption will no longer be able to receive lax house arrest. The bill also allows authorities to conduct covert operations to uncover and punish corrupt individuals.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The United States recognizes that it has a "shared responsibility" to assist nations struggling with drug production and trafficking. In Colombia, the USG provides a range of assistance to the CNP and Colombian military, as well as to judicial institutions that investigate and prosecute drug traffickers and human rights offenders. Counternarcotics assistance to the CNP and military includes support for a range of interdiction and eradication operations, as well as programs designed to develop rural policing capabilities. Interdiction support encompasses land, sea and air operations, and efforts are underway to expand the GOC's interdiction capabilities along its Pacific coast. Eradication uses both manual and aerial operations and focuses on strategic coca-growing zones. To support Colombia's National Consolidation Plan, the USG is providing equipment and training to rural security forces in order to help them establish a permanent presence in former conflict and coca growing areas.

The USG also provides alternative development assistance in support of the National Consolidation Plan (PNC). In transition zones where the GOC has only recently established minimum security, the USG works with government actors to support immediate, short-term activities to meet urgent economic and social needs. This includes meeting basic food security needs as well as quick impact priority community projects such as road improvement, bridges, health posts and electrification to demonstrate the benefits of state presence and accelerate the areas' recovery from the effects of conflict and eradication. Medium- and longer-term assistance include strengthening producer associations, increasing market opportunities for licit crops, and technical assistance to civilian agencies of the state to ensure permanent presence at the local level.

In 2008, the United States and Colombia began working closely to transfer operational and financial responsibility ("nationalization") for selected counternarcotics programs to Colombian management and funding. Since that time, Colombia has successfully nationalized several programs, including the Air Bridge Denial program and taking title and support responsibility for 72 fixed and rotary-wing aircraft. Alternative development programs have leveraged approximately $8 of outside funding for every $1 of USG funding from local governments, beneficiary groups, and private sector actors. Reflecting Colombia's increasing capability, the GOC has taken an important and active role in training police and justice officials from many Latin American and African countries, including Haiti, Mexico, Honduras, and Panama.

Moving beyond strictly counternarcotics issues, the USCG conducted three resident courses in search and rescue, law enforcement, port security and professional development in 2011.

D. Conclusion

Colombia continues to make important advances in combating the production, exportation, and consumption of illicit drugs. These efforts have kept several hundred metric tons of drugs each year from reaching the United States and other world markets, and have helped stabilize Colombia. As noted above, Colombia is also now a partner in exporting security and stability throughout the Western Hemisphere. Although these advances are significant, the progress is not irreversible and continued USG support in Colombia is needed. To solidify the gains made over the past decade, the Colombian government will need to devote additional resources to its National Consolidation Plan (PNC) to improve security, increase public service provision, build infrastructure, and generate additional economic opportunities in

regions that have historically been heavily influenced by terrorist and criminal elements. Encouragingly, the new Santos Administration is linking its consolidation plans with initiatives to speed land reform and create economic prosperity in the same high priority municipalities.

There are a number of steps the GOC can consider to improve ongoing programs. Ensuring the timely disbursement of funds and efficient contracting for manual eradication so that operations can take place throughout the calendar year without interruption or delay is important to ensuring a continued decline in cocaine production and coca cultivation, especially in areas where aerial eradication is not permitted resulting in a marked increase of coca cultivation.

The principal lesson learned from the massive reductions in coca cultivation, cocaine production, and general insecurity throughout Colombia is that long-term success in counternarcotics strategies and operations requires an integrated, broad-based approach. Government-led security, economic development and drug demand programs all need to work in coordination. Maintaining pressure on coca farmers, narcotics producers, and traffickers through eradication and interdiction reduces cultivation and production, and keeps drugs out of the United States and volatile transit zones. At the same time, programs that expand the presence of the State and improve the rule of law and economic prosperity can lead communities to choose democratic values, licit economic activity and support for state institutions, which in turn promotes more permanent eradication results.

Colombia Statistics (2001-2011)

	2011	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Coca										
Net Cultivation[1](ha)	n/a	100,000	116,000	119,000	167,000	157,000	144,000	114,100	113,850	144,450
Aerial Eradication[1](ha)	102,248	101,939	104,772	133,496	153,133	171,613	138,775	136,555	132,817	122,695
Manual Eradication (ha)	34,592	44,775	60,500	95,732	66,396	42,111	31,258	10,991		
HCL(cocaine): Potential [1.2](MT)	n/a	270	290	280 (adj)	485	515	500	410	445	585
Opium Poppy										
Net Cultivation[1 (ha)]	n/a	n/a	1,100	n/a	1,000[3]	2,300	N/A[4]	2,100	4,400	4,900
Aerial Eradication(ha)[5]	n/a	n/a				232	1,624	3,060	2,994	3,371
Manual Eradication (ha)	302	545	148	361	375	1.697	709	803		
Heroin:Potential[1] (MT)	n/a	n/a	2.1		1.9	4.6		3.8	7.8	8.5
Seizures										
Coca Base/Paste (MT)	61	57.84	49.85	41	60.6	48.1	43.8	28.3	31.1	30.0
Cocaine HC1(MT)	125	160.1	156	182.8	130.7	130.2	179.0	138.6	114.0	94.0
Combined HC1 &	186	225.9	205.8	223.8	191.3	178.3	222.8	166.9	145.1	124.0

Base (MT)			5							
Heroin (MT)	0.36	0.367	0.74	0.64	0.6	0.5	0.7	0.7	0.5	0.8
Arrests/Detentions			61,021	54,041	59,652	64,123	82,236	63,791		15,868
Labs Destroyed										
Cocaine HC1		2586	285	301	240	205	137	150	83	129
Base		2,283	2,795	3,238	2,875	1,952				
Heroin	2	2	0	4	1	9	6	8	3	3

Costa Rica

A. Introduction

For the second year, President Obama designated Costa Rica as a major transit country in the 2011 Report to Congress on Major Illicit Drug Producing and Drug Transit Countries. Various factors contributed to Costa Rica's status as a drug transshipment point for cocaine and heroin destined for the United States, including its geographic location on the isthmus linking narcotics producing countries in South America with the United States, its extensive Caribbean and Pacific coastlines, and the vulnerable Costa Rican Coco Island in the Pacific Ocean. The Government of Costa Rica expressed concern regarding the rising consumption of illicit narcotics, levels of drug-related violence, and the presence of the Sinaloa Cartel. The Chinchilla Administration emphasized security as its top priority and, in cooperation with the Judiciary, initiated efforts to address security in 2011, including an initiative to improve police training. The government obtained legislative approval for fiscal reform that will enable it to make greater investments in citizen security. Costa Rica is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In 2011, President Chinchilla and her Administration pressed the legislature to increase tax revenue for security expenditures through measures on the gaming sector and corporations. On December 27, 2011, the President signed into law a new security tax on corporations, but the legislature did not pass the other measure due to its unpopularity with the business community. In 2010, the Administration proposed a bill that would limit the amount of fuel a vessel may carry to prevent fishing vessels from resupplying drug running go-fast boats. This bill was not approved by the end of the year due to opposition from regions with significant fishing operations.

Costa Rica continued to take steps towards establishing a supervisory and regulatory regime to prevent and detect money laundering. In 2011, the Attorney General's Office and Judicial Police showed their commitment to investigating and prosecuting money laundering cases when they cooperated with U.S. officials to arrest a high-profile professional soccer team owner on charges of money laundering and other financial crimes.

In 2010, the Government of Costa Rica announced a plan to add 4,000 officers to the national police by 2014 and in 2011, 1,460 new officers joined the police force. Taking into account attrition, over the past two years Costa Rica achieved a net increase of 650 new police officers.

In 2011, Costa Rica took steps to improve its law enforcement capabilities. The Ministry of Public Security, with the assistance of the U.S. government, revamped its police academy curriculum and lengthened basic training for new police officers. With support from the United States and other donors, the Costa Rican government launched a container analysis and inspection program. However internal wrangling between Costa Rican government agencies over their respective authorities stymied effective container inspections and investigations.

Costa Rica is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by its 1972 Protocol and the 1971 Convention on Psychotropic Substances. Costa Rica is also a party to the UN Convention against Transnational Organized Crime and its three protocols, the UN Convention against Corruption, the Inter-American Convention against Corruption, the Inter-American Convention on

Extradition, the Inter-American Convention against Terrorism and the Inter-American Convention against Trafficking in Illegal Firearms. The 1999 bilateral Maritime Counter Drug Cooperation Agreement is in effect, but not fully utilized. The agreement authorizes law enforcement vessels of the United States to moor in Costa Rican national ports, but not all U.S. vessels have been permitted to utilize this provision. While the Legislative Assembly allowed all U.S. Coast Guard ships to dock in 2011, it permitted only two U.S. Navy ships with embarked U.S. Coast Guard law enforcement detachments to dock since December 2010.

In 2011, pursuant to the 1991 United States-Costa Rican extradition treaty, Costa Rica extradited five fugitives wanted by the U.S. government. Seven fugitives were deported by Costa Rica to the United States and five petitions seeking the extradition of fugitives from Costa Rica remain pending with the Government of Costa Rica. Costa Rican law does not permit the extradition of nationals.

Costa Rica and the United States are parties to bilateral drug information and intelligence sharing agreements from 1975 and 1976. Costa Rica is a member of the Egmont Group and was admitted to the Financial Action Task Force of South America (GAFISUD) in 2010. In 2009, Costa Rica enacted a terrorist financing law and additional regulations to combat money laundering in the financial sectors. The country is also a member of the Inter-American Drug Abuse Control Commission of the Organization of American States (OAS/CICAD). Costa Rica signed the Caribbean regional maritime counternarcotics agreement in 2003 and took steps to bring the agreement into force in 2011. In 2011, the Costa Rican Coast Guard participated in the Multilateral Maritime Counterdrug Summit for the first time and will host the event in the spring of 2012.

2. Supply Reduction

The Costa Rican Coast Guard remained under-resourced and with limited operational capacity. The dearth of enforcement capacity made the Costa Rican coastline an attractive landing zone for smugglers. Traffickers exploited Costa Rican-flagged fishing boats to smuggle multi-ton shipments of drugs through the littorals, while primarily foreign flagged boats provide fuel for go-fast boats for Pacific routes. In addition, the southern Golfito region became a commonplace destination for traffickers to off-load cocaine for transport north via the Pan-American Highway. Traffickers smuggled drugs through the postal system, international courier services and via individual passengers on international flights, and used Costa Rica as a “warehouse” to store narcotics temporarily. Drugs were often brought ashore from go-fasts boats and stored until further land or air-based travel could be arranged. Drug traffickers paid for services rendered to local contacts with drugs resulting in increases of domestic drug use, especially crack cocaine, street crime and domestic insecurity.

Costa Rica was one of the world’s leading eradicators of marijuana in 2011. During 2011, the Costa Rican Drug Police (Policia Contra Drogas or PCD) seized and destroyed 2,252,728 plants, setting a world record for marijuana eradication in one year. The substantial increase in eradication suggested that total production exceeded domestic consumption, with the excess supply destined for exports market. Authorities also seized 9,609 kilograms (kg) of cocaine, of which 47 percent was seized at sea. In 2011, cocaine seizures declined 35.1 percent from the 14,808 kg seized in 2010. The GOCR seized 115,132 doses of crack cocaine, 19,191 doses of ecstasy and 241 kg of heroin, of which 230 kg were from one seizure. The total represents a 240 percent increase from seizures in 2009. Costa Rican authorities confiscated $2.3 million in narcotics-related cash and assets, a 24 percent decrease from 2010. Confiscated bulk cash is believed to be bound for command and control structures of drug trafficking organizations within Costa Rica, rather than transit through the country. The more than 47,549 drug-related arrests represented a roughly 40 percent increase from 2010, putting arrests in 2011 more in line with the arrests in 2009.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The Costa Rican Institute on Drugs (ICD) oversees drug prevention efforts and education programs throughout the country. ICD is also responsible for maintaining custody and disposition of most seized and forfeited assets, whether real property or currency. ICD produced and distributed demand reduction materials, including anti-drug abuse materials for schools. According to the most recent consumption statistics from 2006 collected by the Government's Alcohol and Drug Abuse Institute, there are an estimated 250,000 marijuana users in the country. Experts in the field report, however, that the actual numbers are much higher. According to the United Nations' best estimate, 0.4 percent of the Costa Rican population aged 12-70 abuse cocaine. In 2011, the U.S. government supported six non-governmental organizations working to combat drug use and reduce trafficking in Costa Rica by working with at-risk youth. In addition, the United States, ICD, Fuerza Publica, and Costa Rica's Drug Abuse Resistance Education (DARE) program, assisted with an anniversary Red Ribbon Week event for several thousand children.

4. Corruption

As a matter of policy, the Costa Rican government did not encourage or facilitate the illicit production or distribution of narcotics or psychotropic drugs or other controlled substances or the laundering of proceeds from illegal drug transactions in 2011. A 2006 law provides criminal penalties for official corruption and the government generally enforced these laws. There were reports of low- to mid-level government corruption.

In 2011, the criminal court sentenced a former president to five years in prison for instigating aggravated corruption and barred him from public office for 12 years. The Prosecutor's Office investigated credible reports of corruption in at least 10 municipal governments. The Ministry of Public Security suspended more than 1,000 uniformed police officers in 15 months; just over eight percent of the 12,000 officer force. Most suspensions stemmed from investigations into the misuse of resources, abuse of authority and domestic violence. There were several high profile cases in which uniformed police officers were arrested and given pre-trial detention for involvement in drug trafficking or other organized criminal activity. Despite the measures taken to investigate and address corruption, government institutions, particularly the Ministry of Public Security, lacked adequate internal controls and procedures to prevent and detect corruption among low-level officials. Moreover, the public continued to perceive that corruption was common among the uniformed police.

Despite successful prosecutions of high ranking officials in 2011, the Ministry of Finance disbanded the internal affairs office tasked with the investigation of corruption cases within the Fiscal Police, an agency notorious for corruption. The internal affairs unit was established several years prior at the request of a former minister and received technical assistance from the United States.

In the justice sector, there were allegations that intimidation and bribery influenced judicial decisions. The Supreme Court investigated the allegations and, while no cases of corruption were discovered, some procedural errors were uncovered. For example, the judicial inspection tribunal investigated an instance of placing foreign citizens awaiting trial on charges of drug trafficking under house arrest instead of holding them at the maximum-security prison. The inspection tribunal referred the case to the Supreme Court to determine possible sanctions and in November 2011, the Supreme Court suspended the judge for one month without pay.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Costa Rica and the United States are focused on programs that will not only enhance the Costa Rican interdiction capabilities, but also help disrupt and dismantle drug trafficking organizations. U.S. programs are also focused on enhancing prosecutions, promoting secure borders and fostering citizen security and safe communities. Costa Rican laws and regulations restricted the use and conversion of confiscated assets, such as go-fast boats, to combat crime, due to cumbersome, multi-year legal proceedings.

In 2011, the U.S. government continued assistance to the justice sector, including the launch of a case management system intended to increase efficiencies for anti-narcotics prosecutors and streamline seized asset tracking. The United States supported several trainings on investigative techniques in areas such as narcotics trafficking and money laundering, and continued assistance for restructuring the Prosecutor's office to expedite case processing. The United States and Costa Rica also initiated dialogue on establishment of a judicial wire intercept platform. The U.S. government supported a United Nations Office of Drugs and Crime program with Costa Rica's judicial school to improve trial presentation techniques.

United States assistance on border security focused on improving Costa Rican maritime interdiction capabilities, enhanced use of targeted intelligence for containerized cargo, and establishment of a new Costa Rican border police force. The United States and Costa Rican government broke ground on the construction of a state-of-the-art inspection station on the Pan-American Highway, a natural chokepoint of roads running north from Panama. In support of Costa Rica's maritime interdiction capacity, the United States completed construction of a Coast Guard station and delivered two 33-foot patrol boats in June 2011. The Ministry of Public Security purchased additional maritime assets to augment the Costa Rican Coast Guard's fleet, marking a shift in priorities. The United States provided mobile training to the Costa Rican Coast Guard in the areas of Maritime Law Enforcement Boarding Officer and Coastal Response Boat Operator.

The U.S. government continued its effort to increase the professionalism and strengthen the capacity of the uniformed police. In 2011, the second year of a four-year police professionalization program was completed and included provisions of ballistic vests and new computers. The United States also conducted an assessment of the law enforcement capabilities at Costa Rica's borders. This assessment will be used to plan an assistance program for a special branch of the uniformed police focused on border security.

D. Conclusion

The United States and Costa Rica cooperate on efforts to combat narcotics trafficking. Inadequate resources for citizen security and a convoluted bureaucracy hinder Costa Rica's efforts to battle narcotics-related violence and organized crime. As Costa Rican authorities note, in order for Costa Rica to achieve lower crime rates and dismantle drug trafficking organizations, more resources must be allocated for citizen security. Costa Rica could enhance its efforts to combat crime by implementing organizational and legislative reforms designed to give law enforcement actors more tools to pursue criminal organizations and their financial flows, including the effective use of asset forfeiture regimes. The United States encourages Costa Rica to continue its efforts to implement a judicial wire intercept program, improve systems for preventing and addressing corruption, and increase investments to improve interdiction in its littoral areas. Costa Rica created new regional partnerships in 2011 and will benefit from expanding collaboration with neighbors to share and receive experiences and best practices.

Croatia

The Republic of Croatia is a transit point through which narcotics are smuggled from production countries to consumer countries. Croatia has a strong legal and institutional framework to control and suppress narcotics related crimes. All available indicators suggested that heroin availability was down on the domestic market, part of a pan-European trend. Nevertheless, heroin smuggling over the "Balkan route" as well as maritime cocaine trafficked through seaports remain formidable challenges. Croatia is primarily a transit country for cannabis, with its negligible production primarily for personal use or domestic sale. The central precepts of Croatia's drug policy have remained consistent throughout 2010 and 2011 as the country continued to implement its 2006-2012 National Strategy on Combating Narcotic Drugs Abuse and the 2009-2012 Action Plan on Combating Narcotic Drugs Abuse.

Croatia is a party to the 1988 UN Drug Convention. Croatia is also a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime and its three protocols. Extradition between Croatia and the United States is governed by the 1902 Extradition Treaty between the United States and the Kingdom of Serbia, which applies to Croatia as a successor state. Under the latter agreement, Croatia is not obligated to extradite its nationals. Croatia has provided mutual legal assistance in a narcotics investigation based on reciprocity.

Croatian laws are generally sufficient to combat narcotics trafficking and drug use. Per the Act on Combating Drugs Abuse, seized illicit drugs are destroyed in the presence of the Committee for Destruction of Seized Illicit Drugs. Two planned drug destructions occurred in 2010 (May and December) when almost 569 kg of illicit drugs and more than 1 ton of precursors were destroyed. During 2010, mephedrone was added to the list of drugs under legal control as a psychoactive substance inline with EU standards.

The USG is not aware of any allegations of senior government or other government officials participating in narcotics-related corruption activities. Croatia is a party to the UN Convention Against Corruption.

During 2010, 7,550 persons were treated for drug abuse, 6,175 (81.8%) of which were treated for opiate addiction, with 1,375 (18.2%) for an addiction to other psychotropic substances, primarily cannabinoids (11.4%). Cocaine abuse is found among 1.6% of cases, a majority of which (60.4%) are repeat patients. Of this overall group, 82.9% was male; a male to female ratio of almost 5-1. In 2010, therapeutic communities offered treatment to a total of 939 persons, 45.3% received treatment for the first time. In therapeutic communities, opiate addicts made up (93.9%) of those seeking care, with males making up (80.5%). Psychosocial treatment included 2,020 families of drug addicts. There are reportedly no drug treatment waiting lists or any cost for patients, which Croatian doctors cite for low rates of hepatitis and HIV infections.

In 2010, police reported 7,784 criminal offences for narcotic drugs abuse (a 10.2% increase over 2009), accounting for 10.6% of all crime in the Republic of Croatia. 5,423 persons were taken into custody for the above-cited 7,784 offenses. This is an 8% increase over last year when 5,019 were held. In 2010, there were 5,982 drug seizures, a 14% increase over the previous year, reversing three consecutive years of reduced seizures. During 2010, the following narcotics were seized: 98kg-heroin, 15kg-cocaine, 422kg-marijuana, 3.4kg-hashish, 7kg-amphetamine, 2,159-ecstasy tablets, 100-LSD doses and 3,448-methadone tablets. During the first 6 months of 2011, the following seizures occurred: 1.34kg-heroin, 1.263kg-cocaine, 117.75kg-marijuana, 455g- hashish, 1,112-cannabis plants, 16.75 kg-amphetamines, 1655-ecstasy tablets, 104-LSD doses, 2,639-methadone tablets. Drug seizures increased 35% during the first six months in 2011 over the same period in 2010. Operating on Croatian supplied intelligence the

Brazilian federal police seized 180kg of cocaine and discovered a hidden laboratory for cocaine production in October 2010. In March 2011, Brazilian federal police seized 121.8 kg of cocaine and arrested 5 suspects based on cooperation with the Croatian authorities. In April 2011, Croatian cooperation with Austrian police resulted in the arrest of several suspects and the seizure of 105kg of cocaine. In May 2011, Croatian authorities cooperated with the Spanish police who seized 368kg of cocaine and arrested several individuals.

Croatia has a well-developed institutional and legal framework to suppress narcotics-related crime and to implement preventive and educational programs. Treatment programs for drug abuse have improved thanks to early detection, rehabilitation and social reintegration of drug addicts as well as robust prosecution for illicit activity. The Croatian police continued to partner with regional neighbors as well as U.S. agencies and the EU. Joint operations between the US Drug Enforcement Administration and the Interior Ministry's Drug Division occur regularly and Croatian authorities are regular attendees at operational meetings and conferences in the region. Croatia is a popular, mostly peaceful, family holiday destination and the country is not known for drug-related tourism; however, raves (fast-paced electronic music and light show mass gatherings typically held in warehouses) can attract some 'drug-tourists.'

Cuba

A. Introduction

uba is located between some of the largest exporters of illegal drugs in the hemisphere and the U.S. market. Drug trafficking organizations (DTOs) frequently attempt to avoid Government of Cuba and U.S. Government counter drug patrol vessels and aircraft by skirting Cuba's territorial waters. Bilateral interdiction efforts and GOC intensive police presence on the ground have limited the opportunities in or around Cuba for regional traffickers.

The goals of Cuba's counternarcotics enforcement effort are to reduce the available supply of narcotics on the island and to prevent traffickers from establishing a foothold. The Cuban Border Guard (TGF) maintains an active presence along Cuba's coastal perimeter, primarily to deter illegal emigration, but also to conduct maritime counter-drug operations and coastal patrols. Cuba's domestic drug production remains negligible as a result of active policing, stiff sentencing for drug offenses, very low consumer disposable income and limited opportunities to produce illegal drugs, either synthetic or organic, in quantity. Cuba's counternarcotics efforts have prevented illegal narcotics trafficking from having a significant impact on the island.

Cuba is party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In 2011, Cuba continued "Operation Hatchet," their multi-agency counternarcotics strategy. Led by the Ministry of Interior, "Operation Hatchet" includes the efforts of Cuba's ministries of Armed Forces, Judicial, Investigations, Public Health, Education and Culture, and the Border Guard. The combination of forces is intended to reduce supply through vigilant coastal observation, detection and interdiction, and reduce demand through education and legislation. The Cuban government's extensive domestic security apparatus and tough sentencing guidelines have kept Cuba from becoming a major drug consuming country. The Government of Cuba did not publicize new counternarcotics legislation policy initiatives or related budget increases supporting such measures in 2011.

Cuba continues to demonstrate a commitment to fulfilling its responsibilities as a signatory to the 1988 United Nations Convention based on adherence to the Convention's Articles. Cuba criminalized drug related offenses as outlined in Article Three; including 39 judicial agreements with partner nations regarding judicial proceedings and extradition. Furthermore, in accordance with Article Nine, the Government of Cuba continued to exhibit counternarcotics cooperation with partner nations. The Cuban government reports having 32 counterdrug bilateral agreements and two memoranda of understanding (MOU) for counterdrug cooperation. Cuba regularly participates in international counternarcotics conferences, such as the United Nations' Heads of National drug Law Enforcement Agencies (HONLEA), and submits quarterly statistics on drug interdictions and seizures to the United Nation's International Narcotics Control Board.

The Cuban government is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, the 1988 UN Drug Convention, the UN Convention against Corruption, the UN Convention against Transnational Organized Crime, and its Protocol Against Illicit Manufacturing of Trafficking in Firearms and The Barbados Plan of Action of

1996. Cuba is not party to the Caribbean Regional Maritime Agreement which opened for signature in 2003. The 1905 extradition treaty between the United States and Cuba and an extradition agreement from 1926 remain in effect. In 2011, these agreements were not employed to hand over fugitives. Instead, bilateral arrangements were made to have the fugitives detained and deported from Cuba and directly placed in the custody of the receiving nation for further prosecution.

2. Supply Reduction

Major transshipment trends did not change from 2010. During calendar year 2011, the GOC reported a total of 9.01 metric tons of illegal narcotics interdicted (including 8.3 MT in wash-up events), a 360% increase from the previous year's 2.5 (MT). Government anti-drug forces reported disrupting three smuggling events and captured six traffickers (3 from the Bahamas and 3 from Jamaica). Statistics on arrests or prosecutions were not made available.

There were no significant changes in Cuba's overall counternarcotics strategy or operations in 2011. Domestic production and consumption of illegal drugs remained very limited, and Cuba concentrated its counternarcotics supply reduction efforts by preventing illegal smuggling through Cuban territorial waters, rapidly collecting reported narcotic wash-ups, and preventing tourists from smuggling smaller amounts of narcotics into the country. The Ministry of Armed Forces and Ministry of Interior's combination of fixed and mobile radars, coupled with visual and coastal vessel reporting procedures make up an effective network for detecting illegal incursions of territorial air and sea by narcotics traffickers. The Cuban government attempts to interdict vessels or aircraft suspected of narcotics trafficking with Cuban assets. At sea, Cuba has had increasing success. Cuba continues to share go-fast vessel information with neighboring countries, including the United States, and has had increasing success in interdicting go-fast vessels. In 2011, Cuba reported 45 real-time reports of "go-fast" narcotics trafficking events to the U.S. Coast Guard (USCG). TGF's email and phone notifications of maritime smuggling to the U.S. have increased in quantity and quality, and have occasionally included photographs of the vessels suspected of narcotrafficking while being pursued.

Overseas arrivals continue to bring in small quantities of illegal drugs mostly for personal use, although the extent of this problem remains unknown. The Ministry of Interior conducts thorough entry searches using x-rays and trained counternarcotics detection canines at major airports. Government officials detained 20 tourists, compared to 123 in 2010, for attempting to smuggle small quantities of narcotics into Cuba.
To combat the limited domestic production of marihuana, Cuba set up "Operation Popular Shield" in 2003 to prevent any domestic development of narcotics consumption or distribution of drugs, remained in effect and netted over 9,830 marijuana plants and 1.5 kilograms of cocaine, compared to 9,000 marijuana plants and 26 kilograms of cocaine in 2010.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The combination of extensive policing, low incomes, low supply, and strict drug laws (involving up to 15-year prison sentences) have resulted in very low illicit drug use in Cuba. There are nationwide campaigns aimed at preventing drug abuse, and the quantity of existing programs for the general population appears adequate given the very low estimated numbers of persons addicted to drugs in Cuba. The National Drug Commission, headed by the Minister of Justice, with representatives from the Attorney General's office and National Sports Institute, remains responsible for drug abuse prevention, rehabilitation and drug policy issues in Cuba.

According to the Cuban government, the Ministry of Health operates special drug clinics, offering services ranging from emergency care to psychological evaluation and counseling to treat individuals with drug dependencies. There are no programs specializing in drug addiction for women and children. The Government runs three substance abuse clinics that cater to foreigners, and the Catholic Church runs a center to treat addiction in Havana.

The Cuban government occasionally broadcasts anti-drug messages on state run media and operates an anonymous 24-hour helpline. In addition, Cuba reports the dangers of drug abuse are a part of the educational curriculum at all levels of primary and secondary schools.

4. Corruption

Cuba has strong policies in place against illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, and laundering of proceeds from illegal drug transactions. Cuba reports a zero tolerance for narcotics-related corruption by government officials and claims there have been no such corruption occurrences in 2011.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Cuba and the United States share a mutual interest in reducing drug flows in the vicinity of the island, and in 2011, Cuba maintained a significant level of cooperation with U.S. counternarcotics efforts. Although the United States does not maintain formal diplomatic relations with Cuba, there are respective Interests Sections in Havana and Washington, DC. In Havana, the U.S. Interests Section (USINT) has a USCG Drug Interdiction Specialist (DIS) to manage and coordinate counternarcotics efforts with Cuban law enforcement officials. The United States does not provide any narcotics-related funding or assistance to Cuba.

On a case-by-case basis, the USCG shares tactical information related to narcotics trafficking and responds to Cuban narcotics related information on vessels transiting through Cuban territorial seas suspected of smuggling, or tactical information on drugs interdicted within Cuban territory. Cuba also shares real-time tactical information with the Bahamas, Mexico and Jamaica. Bilateral cooperation in 2011 led to multiple at-sea interdictions.

The Cuban government presented the United States with a draft bilateral accord for counternarcotics cooperation, which is still under review. Structured appropriately, such an accord could advance the counternarcotics efforts undertaken by both countries.

D. Conclusion

Cuba continues to dedicate significant resources to preventing illegal drugs and illegal drug use from spreading on the island, so far successfully. The technical skill of Cuba's Border Guard, Armed Forces and police give Cuba a marked advantage against DTO's attempting to gain access to the Caribbean's largest island. Greater communication and cooperation among the U.S., its international partners and Cuba, particularly in the area of real-time tactical information-sharing and improved tactics, techniques and procedures, would likely lead to increased interdictions and disruptions of illegal trafficking.of illegal trafficking.

Democratic People's Republic of Korea

There is insufficient evidence to say that state-sponsored trafficking by the Democratic People's Republic of Korea (DPRK or North Korea) has stopped entirely in 2011. North Korean defectors have published an increasing number of reports about the rise of drug use in North Korea. Chinese and South Korean media also reported transactions between DPRK traffickers and large-scale, organized Chinese criminal groups in locations along the DPRK-PRC border such as Dandong (Liaoning Province) and Yanji (Jilin Province) and as far away as Changchun (Jilin Provincial Capital). Although trafficking of methamphetamine (also known as meth or "ice") along the DPRK-PRC border and other criminal activity involving the DPRK territory, such as the counterfeiting of cigarettes, continued, the lack of public reports of drug trafficking with an official DPRK connection suggests that high-profile state-sponsored drug trafficking may have ceased or been sharply reduced.

The Chinese provinces bordering North Korea (Liaoning and Jilin) suffer from a serious drug problem. In contrast to the majority of regions in China, the drug of abuse in this region is overwhelmingly crystal methamphetamine. There are regular press reports of Chinese police enforcement targeting drugs entering China from the DPRK (e.g. enhanced drug patrols, periodic apprehensions and drug seizures, etc.) but the media rarely identifies the DPRK as the source.

While drug trafficking appears regular and widespread along the DPRK-PRC border, there is no indication of an official connection or involvement. The DPRK government does appear to coordinate with the PRC government to try to stop the trafficking. However, enforcement in the DPRK appears lax. It is likely that some official corruption in both countries facilitates trafficking, as it does generally around the world, but the drugs seem to be manufactured and trafficked by individual DPRK criminal elements, not state-sponsored. While the reason for the wider availability of meth in the DPRK is unclear, it is likely that the proximity and availability of precursor chemicals from China is a main contributing factor.

Despite efforts by China to more closely control pseudoephedrine and other precursor chemicals that are necessary to produce meth, diversion of these chemicals continues to be problematic. Since a relatively large investment in precursor chemicals is necessary to produce methamphetamine, it is not clear how individual criminals could make that investment and arrange for sufficient meth production in the DPRK to produce the drugs which they traffic. Therefore, DPRK official involvement in drug production and trafficking cannot be ruled out entirely.

From the mid-1990s through 2003, numerous instances of narcotics trafficking involving DPRK persons and important state assets, such as sea-going vessels and military patrol boats, were recorded in Taiwan and Japan. Although there have been more media reports of drug trafficking in 2011 than in recent years, there have been no confirmed reports of large-scale drug trafficking involving the DPRK state or its nationals in 2011. No large-scale DPRK-seizures have been reported since 2004. This will be the ninth consecutive year that there were no known instances of large-scale methamphetamine or heroin trafficking to either Japan or Taiwan with direct DPRK state institution involvement. The absence of any seizures linked directly to DPRK state institutions, especially after a period in which seizures of very large quantities of drugs regularly occurred, suggests that there may be considerably less state-sponsored trafficking.

By contrast, press reports of continuing seizures of methamphetamine trafficked to organized Chinese criminals from DPRK territory, and reports of the use and availability of meth in the DPRK itself (e.g., reports of anti-drug posters in Pyongyang, interviews with travelers to North Korea, DPRK refugees in China, etc.) indicate continuing production of meth inside the DPRK and the sale of meth into China. For

these reasons, the Department of State has insufficient information to confirm that the DPRK state is no longer involved in the manufacture and trafficking of illicit drugs. If such activity persists, it is likely on a smaller scale than in the past. The DPRK is a party to the 1988 UN Drug Convention.

Dominican Republic

A. Introduction

The Dominican Republic is an important transit country for illicit drugs from South America which are destined for North America and Europe. The U.S. government estimates that the bulk of the four per-cent of the cocaine through Hispaniola transships through the Dominican Republic. The United States and Dominican Republic analysts assess that maritime routes are now the primary method of smuggling drugs into and out of the country and recent successful maritime interdiction operations are validating this assessment. Drug Trafficking Organizations (DTOs) are using Go-Fast boats and commercial containers to smuggle drugs into and out of the Dominican Republic. Plus, the country is experiencing an increase in narcotics related violence, partially attributable to DTOs' practice of paying local partners in narcotics rather than in cash.

In order to combat the influence of DTOs, the Dominican Republic continued its cooperation with the U.S. government in efforts to interdict illicit drugs, and extradite criminals charged with narcotics-related crimes. The Dominicans conducted their own public outreach efforts to warn youth about the dangers of narcotics. The United States is actively working with Dominican counterparts to plan and conduct international operations to seize illicit drugs, and conduct investigations to dismantle DTOs; however, corruption continues to interfere with these efforts.

The Dominican Republic is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The cooperation between the Government of the Dominican Republic and the United States Government to control narcotics trafficking and related transnational crime remains strong. The U.S. government's primary partners are the National Directorate for the Control of Drugs (DNCD), Dominican National Police (DNP), the National Council on Drugs (CND) and the Office of the Attorney General. The DNCD and DNP enhanced their joint cooperation in 2011 with a focus on money laundering activities, and drug seizures. Dominican law enforcement and military units coordinated effectively, which was a contributing factor to increased drug seizures, but room for improvement remains. The Dominican Specialized Corps for Port Security (CESEP), working in conjunction with representatives from the U.S. Coast Guard, U.S. Department of State, U.S. Immigration and Customs Enforcement and private port operators initiated efforts to improve security at several ports. The government of the Dominican Republic's participation in the Cooperating Nations Information Exchange System (CNIES), and the Caribbean Basin Security Initiative (CBSI) enhanced relations with the United States and regional Caribbean partners. Additionally, joint efforts with Haitian National Police continued to combat drug trafficking by increasing law enforcement cooperation and provide training.

The Dominican Republic is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, the UN Convention against Transnational Organized Crime (UNTOC) and its three protocols, the UN Convention against Corruption (UNCAC), and the Inter-American Convention against Corruption. In 1985, the USG and the Dominican Republic signed an agreement on international narcotics control cooperation. The Dominican Republic signed and ratified the Caribbean Regional Maritime Agreement and has a maritime counter-drug agreement with the USG that entered into force in 1995. Additionally, the United States-

Dominican Extradition Treaty dates from 1909. In 2005, the Dominican Republic augmented this treaty to include judicial review for more transparency.

The United States continues to receive excellent cooperation from the DNCD's Fugitive Surveillance/Apprehension Unit and other Dominican authorities. The Dominican Republic is not party to the Organization of American States Mutual Legal Assistance Treaty and does not have a bilateral mutual legal assistance treaty with the United States. Requests for judicial cooperation are made through formal and informal channels, including diplomatic notes and formal legal assistance requests between "Central Authorities" related to the multilateral law enforcement cooperation treaties and conventions to which the United States and the Dominican Republic are parties. The Dominican Republic processes U.S. requests for legal and judicial assistance in a timely manner.

2. Supply Reduction

The Dominican Republic's efforts resulted in an increase in the amount of narcotics seized as compared to 2010. Narcotics are seized throughout the country, but the majority of seizures are made at the country's six international air and sea ports. Dominican authorities seized approximately 6.7 metric tons of cocaine, 42 kilograms (kg) of heroin, 845 kg of marijuana and 5551 (tablets) of MDMA (Ecstasy). This is in an increase in comparison with 2010 data in which Dominican authorities seized 4.85 metric tons (MT) of cocaine, 30 kg of heroin, 642 kg of marijuana, and 138 (tablets) of MDMA. Marijuana is cultivated in the Dominican Republic for local consumption. Recently police discovered and destroyed a large marijuana plantation; and, marijuana seizures are concentrated in the northwest and southwest provinces that border Haiti.

There was one suspected drug flight from South America to the Dominican Republic in 2011, compared to 11 suspected flights in 2010. However, illicit drugs remain available for local consumption and transshipment to the U.S and Europe. Experts assess that DTOs increasingly used maritime routes as the preferred method of smuggling illicit narcotics into the Dominican Republic for transshipment onward to the United States and Europe. Dominican authorities began to focus their interdiction efforts on maritime routes that exploit Dominican territorial waters while maintaining their ability to prevent inland air drops. The DNCD and Dominican military officials cooperated with U.S. agencies, and international partners in planning and conducting operations to interdict "Go-Fast" vessels attempting to deliver illicit narcotics to remote areas of the southern coast, and drugs exiting the Dominican Republic en route to the United States and other international destinations. Tactics employed include more effective use of U.S. donated naval patrol craft, and the use of Dominican Air Force (FAD) helicopters to transport DNCD Tactical Response Unit (URT) to intercept narcotics shipments. One Dominican port, Caucedo, is operating in compliance with the Container Security Initiative (CSI). However, the other 15 Dominican ports, including Rio Haina, which handles 80 percent of container traffic destined for the United States, are not CSI compliant. The DNCD is attempting to place more narcotics detecting dog teams at ports and is seeking to acquire scanners to check containers entering and exiting the country.

3. Drug Awareness, Demand Reduction, and Treatment

Local drug use is concentrated in tourist and major metropolitan areas, although drug use and associated violence in the larger provincial towns increased. The National Council on Drugs (CND) continued their effective demand reduction effort by conducting a wide range of sporting, cultural, and educational events and seminars designed to warn Dominican youth of the negative effects of drug use. Additionally, the CND placed numerous billboards and multimedia advertisements throughout the nation warning youth against the use of illicit drugs. The CND and Ministry of Education developed the Strategic National University Plan on the Prevention and Use of Drugs (PLANUD), which the OAS/CICAD noted could be

used by other nations as a model program. DNP Community-based policing (CBP) efforts experienced some set-backs due to leadership changes; however, the DNP continues to promote CBP as an effective way to deal with crime in local neighborhoods. Community Policing events were well received and demonstrated a public desire for expansion of this program and prompted the DNP to develop a strategy to expand CBP efforts.

4. Corruption

As a matter of policy, the Dominican Government does not encourage or facilitate the illicit production, processing, or distribution of narcotics, psychotropic drugs and other controlled substances, or condone drug related money laundering activities; however, corruption remains endemic in all levels of Dominican society. Dominican law enforcement, military, and government officials are often accused of a range of corrupt activities including narcotics trafficking, money laundering, extrajudicial killing and other crimes. The Dominicans pursued efforts to reduce corruption in several areas, including continued focus on developing internal affairs units, and changing the venue of judicial proceedings when necessary. The Dominican law enforcement internal affairs units continue their efforts to investigate officers accused of corruption, incompetence and abuse of authority. The DNP Internal Affairs Office's investigations led to the dismissal of 360 police officers. In 2011, the DNCD removed 84 members for "bad conduct" including criminal activities related to narcotics.

Recognizing that corruption in the Dominican Republic adversely affects programs ranging from promoting economic growth to combating drug and other forms of illicit trafficking, President Leonel Fernandez asked multilateral organizations, the United States, and other donor nations to help address the "perception" of corruption in the Dominican Republic. After organizing a multi-sector dialogue, the Participatory Anticorruption Initiative (IPAC) presented 30 recommendations for the Dominican government's consideration on November 17, 2010. The Dominican Republic government's efforts to implement these recommendations have produced modest tangible results.

C. National Goals, Bilateral Cooperation, and U. S. Policy Initiatives

The United States supports a wide range of efforts designed to address crime and violence affecting the security of Dominican citizens. In combination with bilateral programs, the Caribbean Basin Security Initiative (CBSI), a security partnership between the United States and other Caribbean nations, will increase citizen safety throughout the Caribbean. CBSI policy objectives are to substantially reduce illicit trafficking, advance public safety and citizen security, and promote social justice. The objectives will be met by working to establish corruption- resistant, sustainable Dominican institutions capable of enforcing Dominican law; support international partners; protect human rights; and prevent crime. The United States government implements programs which are designed to enhance existing Dominican law enforcement capabilities by improving technical and professional abilities to conduct investigations, to enable effective prosecution, and to coordinate and participate in counternarcotics efforts with the United States and neighboring countries' law enforcement agencies. The United States also works with Dominican officials to develop an effective anti-money laundering agency.

The United States government provided equipment and training to increase the capabilities of various Dominican law enforcement entities including support for the DNCD drug detection canine units, and other specialized DNCD investigative and reactive units. The United States also enhanced DNCD's computer training, database expansion, and systems maintenance support. This improved infrastructure enhanced the DNCD's ability to detect illicit drugs smuggled through airports and to enhance the Dominican Republic's anti-money laundering capacity. In 2011, the United States supported training for 1,799 DNCD personnel in 46 training courses.

The U.S. continues to assist the DNP with its transformation into a professional, civilian-oriented organization. In 2011, 1,032 new personnel, received training. The United States also supported several critically needed infrastructure development projects at DNP training facilities. The Dominican government amended the seized asset sharing law by expanding the number of agencies able to benefit from these assets. Assets seized under counter narcotic or money laundering statutes will now be shared by: DNP (10 percent); Attorney General Office (25 percent); DNCD (25 percent); CND (25 percent); and NGOs carrying out drug rehabilitation (15 percent). The Dominican Republic will be in a position to use these revenues to augment support to their law enforcement institutions rather than rely solely on government funding and donor contributions.

The United States Agency for International Development (USAID) continues to support the Dominican Republic's efforts to establish a transparent and effective justice sector. USAID promotes justice sector reforms by strengthening Dominican government capacity to manage and prosecute complex money laundering, fraud, public corruption and illicit trafficking cases; establish internal controls to prevent corruption; and promote a new system of institutional ethics. USAID works with the Offices of the Attorney General, Prosecutorial Training School, Judiciary, Public Ministry, Public Defense and Supreme Court of Justice. USAID, in partnership with the Dominican Republic, improves service delivery at the district level by strengthening coordination between prosecutors, judges, public defenders and the DNP in processing cases and resolution of obstacles to effective caseload management. USAID's partners in the justice sector advanced the implementation of the Institutional Integrity System (SII) to promote transparency and control corruption within the justice sector. The Judiciary, Public Ministry and Public Defense also progressed in the adoption of the USAID-sponsored SII to promote ethical behavior, and strengthen financial management and human resource systems across key justice institutions. USAID will continue to support and remain engaged in the implementation of the IPAC recommendations, which continue to serve as a framework for donor coordination and harmonization efforts with the Dominican Republic in the fight to combat corruption in the country.

D. Conclusion

Combating endemic corruption, restoring public confidence in the law enforcement entities and the judiciary, addressing emerging maritime illicit narcotics smuggling and combating rising levels of narcotics threats fueled violence, remain among the challenges the Dominican Republic faces. Polls continue to show that a significant portion of Dominicans believe that the nation's overall situation is "bad" and that 67 percent believe corruption is worse now than in earlier years. Polls also reveal that 75.6 percent of the people believe that the judicial system has the highest level of corruption. The Dominican government must improve its efforts to build a coherent, multifaceted counter-narcotics program that can interdict narcotics that enter the country and increase cooperation between the DNP, DNCD and military units. Cooperation with neighboring countries, notably the United States and Colombia, has dramatically reduced the number of illicit drug flights from South America.

Dutch Caribbean

A. Introduction

The Dutch Caribbean consists of Aruba, Curaçao, Dutch St. Maarten , and the islands of Bonaire, St. Eustatius, and Saba (known as the BES islands). Since October 2010, Curaçao and Dutch St. Maarten have acquired the same semi-autonomous status within the Kingdom of the Netherlands that Aruba has had since 1986. The BES islands have become part of the Netherlands, similar to the Dutch municipalities, and now constitute the Caribbean part of the Netherlands. The Netherlands Antilles no longer exists as a political entity.

Aruba, Curaçao, and Bonaire, located off the coast of Venezuela, continue to serve as northbound transshipment points for cocaine and heroin coming from Colombia and Venezuela and primarily destined for the Netherlands and elsewhere in Europe. Dutch St. Maarten, on the other hand, which is located in the Eastern Caribbean, is a transshipment hub for cocaine and heroin destined for Puerto Rico and the U.S. Virgin Islands. Typically, drugs are transported by "go-fast" boats, although the use of fishing boats, freighters, and cruise ships is also common.

The Dutch Caribbean Coast Guard (DCCG) has air and surface resources available to conduct counter narcotics operations and is considered by the Drug Enforcement Administration (DEA) to be an important partner in the Caribbean Region in the fight against narcotics trafficking.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Aruba, Curaçao, and Dutch St. Maarten have a high degree of autonomy over their internal affairs, with the right to exercise independent decision making in a number of counternarcotics areas. The Kingdom of the Netherlands is responsible for the defense and foreign affairs of all the constituent countries, including the Caribbean parts of the Kingdom, and assists the Governments of Aruba, Curaçao, Dutch St. Maarten, and the BES islands in their efforts to combat narcotics trafficking.

The Dutch Caribbean did not adopt any new laws or initiate any new counternarcotics programs in 2011. The Kingdom of the Netherlands has notified the United Nations as well as the United States that the modification of the structure of the Kingdom on October 10, 2010 (when the Netherlands Antilles ceased to exist) would not affect the validity of international agreements ratified by the Kingdom before that date and as described below.

The Netherlands extended the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances ("Vienna Convention") to the former Netherlands Antilles and Aruba in March 1999, with the limitation that its obligations under certain provisions would only be applicable in so far as they were in accordance with former Netherlands Antilles and Aruba criminal legislation and policy on criminal matters. The obligations of the Netherlands as a party to the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, applied to the former Netherlands Antilles and Aruba upon accession. The Netherlands extended the UN Convention against Transnational Organized Crime and its three Protocols to Aruba in 2007 and extended the 1971 UN Convention on Psychotropic Substances to the former Netherlands Antilles in 1999.

The Netherlands' 1981 Mutual Legal Assistance Treaty (MLAT) with the United States applied to the former Netherlands Antilles and Aruba, although the new United States-Netherlands Mutual Legal Assistance Agreement does not. Both Aruba and the former Netherlands Antilles have routinely honored requests made under the MLAT and cooperate extensively with the United States on law enforcement matters at less formal levels. The 2004 United States-Netherlands Extradition Agreement and its Annex does apply to the Dutch Caribbean; and both the former Netherlands Antilles and Aruba have been extremely cooperative in extraditing drug traffickers to the United States. In addition, the former Netherlands Antilles and Aruba adopted the Agreement Regarding Mutual Cooperation in the Tracing, Freezing, Seizure and Forfeiture of the Proceeds and Instrumentalities of Crime and the Sharing of Forfeited Assets, which was signed by the Government of the Netherlands in 1994.

Aruba

The DEA's Curaçao Country Office considers the Korps Politie Aruba (KPA) to be one of the most effective regional partners in the fight against narcotics trafficking. The KPA is a highly professional and motivated police agency that conducted several successful drug trafficking investigations in 2011 targeting trafficking organizations that were receiving multi-kilogram quantities of cocaine from supply sources located on the north coast of Colombia.

Curaçao

The Special Police Task Force, "Recherche Samenwerkingsteam (RST)," a temporary Dutch government-supported task force, is headquartered in Curaçao and maintains its largest presence there. In 2011, RST units conducted several successful operations to thwart organized crime groups.

Because of Curaçao's new semi-autonomous status, the RST is trying to take a less prominent role in law enforcement thus allowing the Korps Politie Curacao (KPC) to become the lead agency for drug trafficking investigations. The KPC's Bureau of Narcotics (BNO) most high profile investigation was operation "Bermuda" that targeted trafficking at the Curaçao Hato Airport and resulted in several drug seizures and arrests. In 2011, the KPC was the primary law enforcement agency in Curaçao to handle treaty requests from the United States. Despite its successes, however, police sources have also reported a lack of leadership within the KPC, which has been without a permanent police chief since Curaçao became a semi-autonomous country in 2010. This has led to lower morale among KPC personnel.

The Dutch Military Police or "Koninklijke Marechausse (KMAR)" - the intelligence arm of the DCCG - also maintains a large presence in Curaçao. In recent years, the DEA and KMAR have detected an increase in illicit drug flights utilizing Aruba, Bonaire, and Curaçao as stopover points. In an effort to combat these flights, DEA and KMAR jointly sponsored training at the DEA El Paso Intelligence Center (EPIC) for airport officials in Aruba, Bonaire, and Curaçao.

Dutch St. Maarten

Law Enforcement agencies in Dutch St. Maarten are overwhelmed by the crime situation on the island, and they lack both training and personnel to properly investigate serious crimes. The RST has stepped in to fill this void, expanding its traditional role of performing only international investigations to include investigating homicides and other violent crimes.

Bonaire, St. Eustatius, Saba

The National Office for the Caribbean in the Netherlands assumes the responsibilities of law enforcement, security, and other administrative functions on behalf of the Government of the Netherlands for Bonaire, St. Eustatius, and Saba islands.

2. Supply Reduction

Approximately 4,890 kg of cocaine were seized in the entire Dutch Caribbean in 2011.

3. Demand Reduction

The Department of State, in coordination with the DEA Country Office in Curaçao, continues to manage demand reduction programs with the International School of Curaçao, the Girl Scouts of Curaçao, and the Curaçao Baseball City Foundation.

4. Corruption

No part of the Dutch Caribbean encourages or facilitates illicit drug production or is involved in laundering the proceeds of the sale of illicit drugs. Certain improvements are needed, however, to address a lack of public integrity standards in many governmental agencies. For example, the local police departments on all the islands could improve screening of law enforcement applicants and enforce background checks of law enforcement officials who hold sensitive positions.
The Government of Curaçao, specifically, is struggling with public allegations of corruption, which provoked an investigation by a special Dutch investigator who produced the "Rosenmoller Report." The Dutch Government asked Curaçao to follow up on this Dutch-initiated investigation, citing possible wrongdoing by various Curaçao cabinet members. The Curaçao Government, however, refused to investigate and was of the opinion that the report contained unfounded accusations. It is still unknown how these corruption allegations will be resolved.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The objectives of U.S. policy in the Dutch Caribbean are to reduce illicit trafficking, advance public safety and security, and promote social justice. In particular, U.S. officials working with their island counterparts strive to take actions which allow DEA domestic offices to advance their investigations.

The Dutch St. Maarten Prosecutor's Office has been slow to respond to Mutual Law Enforcement Treaty Requests from the United States regarding ongoing drug investigations. Organized criminal groups are aware of this weakness and utilize Dutch St. Maarten as a safe haven for drug trafficking.

Aruban authorities were very cooperative in 2011 with the execution of treaty requests submitted by the United States requesting assistance in narcotics investigations.

The Kingdom of the Netherlands demonstrated its commitment to counternarcotics efforts by continuing to support a U.S. Forward Operating Location (FOL) at the Curaçao Hato International Airport. U.S. military aircraft conduct counternarcotics detection and monitoring flights over both the source and transit zones. The agreement also includes a smaller FOL at the Reina Beatrix International Airport in Aruba.

In addition, the Dutch Navy regularly operates in the region for security purposes, and, at times, supports counternarcotics efforts of the Joint Inter Agency Task Force (JIATF) South including the embarkation of USCG Law Enforcement Detachments on their warships.

D. Conclusion

The United States encourages the Dutch Caribbean and the Kingdom of the Netherlands to continue their efforts to support the region through proactive counternarcotics activities and improved law enforcement intelligence sharing. The use of technical investigative equipment to confront major drug traffickers has proven to be successful. The United States also encourages Dutch Navy participation in offshore patrolling of the region, as it provides an important contribution to interdiction efforts and combined operations with U.S. counternarcotics agencies.

Eastern Caribbean

A. Introduction

The Eastern Caribbean (EC), encompassing the seven independent countries of Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, is situated directly in the corridor for illicit narcotics transshipment primarily from Venezuela to North America, Europe, and domestic Caribbean markets. A 2011 UN report found violent crime, much of which is linked to the drug trade, reaching epidemic proportions in the region. Marijuana is a staple crop in the region and cultivated primarily for local use.

Police in the region do not have the equipment or training they need to be effective. Outmoded criminal codes hinder a strong response to organized crime groups. The Regional Security System (RSS), a treaty-based international body to which all seven nations belong, has begun a regional polygraph vetting program, but corruption remains a stubborn problem in some countries, undermining trust within and between EC law enforcement organizations. Collectively, the EC nations communicate and coordinate poorly in attacking transnational crime. The EC islands and the RSS participate in the U.S. led Caribbean Basin Security Initiative (CBSI). CBSI-funded law enforcement training began in the first half of 2011. CBSI funded equipment deliveries will begin in the first half of 2012. All EC countries are signatories to the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

B. Country Sections: Drug Control Accomplishments, Policies, and Trends

Antigua and Barbuda

The Government of Antigua and Barbuda has three drug enforcement agencies, the Royal Antigua and Barbuda Police Force (RABPF), the Coast Guard, and the Office of National Drug and Money Laundering Control Policy (ONDCP). ONDCP works with the police and the Coast Guard to interdict drugs and share information regionally. The Royal Government of Antigua and Barbuda Defense Force also has a mandate to interdict drug smuggling. The Ministry of Health has specific record keeping requirements on the importation of pseudoephredrine and ephedrine chemicals. The Government of Antigua and Barbuda has civil forfeiture legislation, but has yet to put it to practice.

The Government of Antigua and Barbuda is a party to the 1961 UN Single Convention as amended by the 1972 Protocol (the 1961 UN Convention), and the 1971 UN Convention on Psychotropic Substances (the 1971 UN Convention) and the 1988 UN Convention (collectively, the three UN Drug Conventions). It is a party to the Inter-American Convention Against Corruption the Inter-American Convention on Extradition the Inter-American Convention on Mutual Assistance in Criminal Matters the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (Inter-American Firearms Convention), the UN Convention Against Transnational Organized Crime and its three Protocols and the UN Convention against Corruption. Lastly, the Government of Antigua and Barbuda has a comprehensive maritime counterdrug bilateral agreement, an extradition treaty and a Mutual Legal Assistance Treaty in force with the U.S.

Government officials estimate both cocaine shipments and marijuana cultivation increased in 2011 compared to previous calendar year. In 2011, law enforcement officials eradicated two acres of cultivated marijuana in multiple locations, a similar result compared to 2010. In 2011, the following drug totals were reported as seized: 177 kilograms (kg) of cocaine, 99 kg of marijuana, and 6,860 cannabis plants.

Government of Antigua and Barbuda authorities filed charges in 140 drug related cases, 33 of which went to trial. The government prosecuted no major drug traffickers during 2011.

The Government of Antigua and Barbuda continues to struggle with a lack of maritime patrol platforms. Irregular joint police-coast guard patrols remain unable to deter traffickers. The counternarcotics effectiveness continues to be hindered by a legal system that does not reflect the needs of modern law enforcement. Law enforcement lacks the capacity and the resources to undertake systematic counternarcotics operations.

Antigua and Barbuda has a Drug Abuse and Resistance Education (DARE) program in schools. The Cross Roads Centre, a drug and alcohol addiction treatment center provides free treatment. The Government of Antigua and Barbuda estimates 70% of locally grown marijuana is consumed domestically.

Barbados

The Royal Barbados Police Force (RBPF) has a drug squad that is guided by the Barbados National Anti-Drug Plan. The National Plan outlines the policies, goals, strategies and legislation to combat narcotics trafficking. The government says it is considering updating the plan in 2012. The drug squad focuses on major traffickers and is the focal point for international cooperation. It works closely with the Regional Security Systems (RSS) Air Wing, the RBPF Marine Unit, and the Barbados Coast Guard.

Barbados has a coastal radar system (Inter Coastal Surveillance Systems Radar) that has yet to achieve 360-degree coverage of the island. RSS aircraft, the RBPF Marine Unit patrol vessel, and the Barbados Coast Guard patrol vessels are the main enforcement assets used by law enforcement to monitor seaborne illegal narcotics movements.

The government introduced no new legislation or additional funding to assist drug enforcement during 2011. Legislation requires record keeping on precursor chemicals and the importation of pseudoephredrine, ephedrine and pharmaceutical products containing those two chemicals. Sustained high unemployment has brought new players into drug trafficking, according to police officials.

Barbados is a party to the three UN Drug Conventions. Barbados has signed, but not yet ratified, the UN Convention against Transnational Organized Crime and its three Protocols, and the UN Convention against Corruption. Although Barbados has not signed the Inter-American Convention on Extradition or the Inter-American Convention on Mutual Assistance in Criminal Matters, its Mutual Assistance in Criminal Matters Act allows it to provide mutual legal assistance to countries with which it has a bilateral mutual legal assistance treaty, Commonwealth countries, and state-parties to the 1988 UN Drug Convention. Barbados is a party to the Inter-American Firearms Convention. Lastly, Barbados has a comprehensive maritime counterdrug bilateral agreement (excluding ship rider provision), an extradition treaty and a Mutual Legal Assistance Treaty in force with the U.S.

Law enforcement officials report an increasing number of drug couriers arriving via air, notably on flights from Jamaica, smuggling drugs in their stomachs. On a single flight in August, ten passengers were found to have swallowed drugs. In 2011, cannabis was the only drug found under cultivation. Police seized 16,121 plants, mostly during eradication. They do not measure acreage. As in 2010, police encountered no drug laboratories. From January 1 until October 13, total drug seizures in Barbados were: 5 metric tons (MT) of cannabis; 64 kg of cocaine and one ecstasy tablet, seized from an incoming air passenger. Eighty nine percent of total cannabis seizures and ten percent of total cocaine seizures were

made at sea. In 2011, 186 persons were arrested and prosecuted for drug related offenses. Statistics on convictions were not available as of November. Five major drug traffickers were prosecuted during 2011.

Barbados has the Drug Abuse and Resistance program in schools. There are other drug demand reduction programs sponsored by the National Council on Substance Abuse and the National Committee for the Prevention of Alcoholism and Drug Dependency. Police contacts assess these entities need to revise their strategy, pointing to continued high levels of cannabis consumption among the populations and increased youth drug. There are four drug rehabilitation clinics in Barbados, one of which is specifically for youth.

Dominica

The Commonwealth of Dominica Police Force (CDPF) has a drug squad which is mandated to lead on drug enforcement. Drug squad operations focus on major traffickers. The Dominican Coast Guard has drug interdiction authority, and a vessel acquired in 2009 permits routine patrols. Dominica is particularly concerned with cannabis cultivation in the mountainous zones which are often impenetrable except by foot patrols. The Financial Intelligence Unit is operational and is assisting in identifying Proceeds of Crime Act violations in drug trafficking cases.

The FIU referred the first major money laundering and Proceeds of Crime Act case to the Director of Public Prosecutions in 2010.Although the investigation is ongoing, charges have been filed against several individuals and a trial is expected in 2012. Legislation requires record-keeping and reporting on precursor chemicals and the importation of pseudoephredrine, ephedrine and pharmaceutical products containing those two chemicals.

Dominica is a party to the three UN Drug Conventions and the UN Convention against Corruption. Its bilateral maritime agreement with the United States does not include over-flight provisions. It is a party to the Inter-American Convention Against Corruption, the Inter-American Convention on Mutual Assistance in Criminal Matters., the Inter-American Firearms Convention, and the Inter-American Convention Against Terrorism. Lastly, Dominica has a limited maritime counterdrug bilateral agreement, an extradition treaty and a Mutual Legal Assistance Treaty in force with the U.S.

Dominica estimates 210 acres of cannabis is cultivated annually, primarily for local consumption. During the year, Dominican police eradicated 15 separate cultivations over 13 acres and 120,574 cannabis plants. Dominica officials made 496 drug seizures which included 1.7 MT of cannabis, and 62 kg of cocaine. They encountered no drug laboratories. During 2011 Dominica reported 327 drug related arrests, 347 prosecutions—including nine major drug traffickers, and 187 convictions.

Dominica has a Drug Prevention Unit engaging youth and officials say it is moderately effective. Dominica does not have a drug rehabilitation clinic. Dominica reported 90 percent of the drugs transiting the country go to Guadeloupe, Antigua, and St. Martin. Dominica officials estimate 10% of the cocaine and 25% of the cannabis transiting the country are consumed locally.

Grenada

Grenada's strategic location in the drug transit corridor makes it a prime refueling stop for traffickers, who exploit the remote cays and uninhabited islands. Grenada has a multi-dimensional plan to target major traffickers through enhanced regional and international cooperation. A special drug squad targets major traffickers, along with joint initiatives with the Financial Intelligence Unit.

Grenada uses border-control data, searches, profiling at ports of entry, and regional and international assistance in identifying traffickers. Legislation requires record-keeping and reporting on precursor chemicals, and also on the importation of pseudoephredrine, ephedrine and pharmaceutical products containing those two chemicals.

Grenada is a party to the three UN Drug Conventions As well as the Inter-American Convention Against Corruption, the Inter-American Convention on Mutual Assistance in Criminal Matters, the Inter-American Firearms Convention, the UN Convention against Transnational Organized Crime and its three Protocols, and the Inter-American Convention Against Terrorism. Lastly, Grenada has a comprehensive maritime counterdrug bilateral agreement, an extradition treaty and a Mutual Legal Assistance Treaty in force with the United States.

Farmers grow cannabis on small plots in mountainous areas, accessible only on foot. In 2011, Grenada seized 3,390 cannabis plants in 25 eradication exercises. Grenadian officials seized 175 kg of cannabis, 1,478 cannabis cigarettes, 12 kg of cocaine, and 513 crack balls. They encountered no drug laboratories. Grenadian officials arrested 350 persons for drug related offenses. Officials did not provide information on prosecutions and convictions this year. Cocaine seizures are lower than previous years. Drug squad operational effectiveness is hampered by the lack of marine support, vehicles, and equipment support, especially computers.

Substance abuse treatment is provided at Mt. Gay Mental Hospital. Cannabis is the most prevalent drug used in Grenada. A small percentage of drug abusers use crack cocaine. The National Council on Drug Control conducts school and media demand reduction programs.

St. Kitts and Nevis

A dedicated drug unit operates on St. Kitts and a smaller unit operates on Nevis. All programs are coordinated in St. Kitts. According to their officials, the drug unit manpower and budget are inadequate. The Government of St. Kitts and Nevis Defense Force also work with the drug unit. Currently, the Government of St. Kitts and Nevis has only a limited ability to patrol its maritime borders.

There were no significant changes in the structure, responsibilities, budget, or manpower from 2010. Legislation requires record keeping and reporting on the use of precursor chemicals, as well as importation of pseudoephredrine, ephedrine and pharmaceutical products containing those two chemicals.

The Government of St. Kitts and Nevis has proposed new legislation to provide law enforcement with wire intercept authority. This proposed legislation was under consideration in Parliament as of November.

St. Kitts and Nevis is a party to the three UN Drug Conventions as well as the Inter-American Convention Against Corruption, the Inter-American Firearms Convention, and the UN Convention against Transnational Organized Crime and its three Protocols. Lastly, St. Kitts and Nevis has a comprehensive maritime counterdrug bilateral agreement, an extradition treaty and a Mutual Legal Assistance Treaty in force with the United States.

Government officials say global economic problems have caused decreased drug imports and increased local cannabis production, leading them to predict a rise in exports. Cannabis is cultivated predominantly in the mountainous regions. A lesser but significant amount is also grown in areas previously used for sugar production. Government officials have no estimate for cannabis acreage under cultivation. In 2011, officials eradicated 37 acres and destroyed 105,730 plants.

Seizures in St. Kitts and Nevis for 2011 were: 5 kg of cocaine, 443 kg of cannabis and, 525 grams of crack cocaine. There were 178 drug related arrests, over 100 prosecutions, and 97 convictions. A number of cases are still before the court. The Government of St. Kitts and Nevis prosecuted no major traffickers during 2011, however law enforcement officials report two major traffickers were murdered and one died of natural causes. They encountered no drug laboratories.

The DARE program is dormant, despite the availability of trained officers. The National Drug Council conducts a similar program, Operation Future. Government officials estimate 90% of domestic drug abusers use cannabis while 10% use cocaine. St. Kitts and Nevis does not have any rehabilitation clinics. Citizens in need are sent to St. Lucia.

St. Lucia

Organized crime linked drug violence continues to plague St Lucia. The Royal St. Lucia Police Force (RSLPF) announced a reorganization to improve its intelligence capabilities. USG law enforcement agencies have expressed serious concerns over RSLPF personnel changes associated with the reorganization, which have disrupted and, in certain instances, undermined drug enforcement. U.S. agencies are closely scrutinizing the full effect of these changes. The RSLPF also wants to augment the drug squad and reprioritize its focus. Other than the personnel changes and reorganization of the police department, there were no significant changes in structure, centralization responsibilities, or budget from the previous year's reporting. In collaboration with the Financial Investigations Authority, St. Lucian authorities report it is in the process of preparing for trial with its first financial investigations case against a major cocaine and cannabis dealer in 2011.

Government officials did not report whether there is any legislation in place that imposes record keeping and reporting on the use of precursor chemicals, and importation of pseudoephedrine, ephedrine and pharmaceutical products containing those two chemicals. Parliament passed an amendment to the Money Laundering Act that makes it mandatory for financial institutions to report to the FIA deposits of ECD 25,000 (US$ 9,259) and to the Proceeds of Crime Act that allows for civil forfeiture.

St. Lucia is a party to the three UN Drugs Conventions as well as the Inter-American Convention Against Corruption, the Inter-American Firearms Convention, the Inter-American Convention on Extradition, and the Inter-American Convention Against Terrorism. It has signed but not yet ratified the UN Convention against Transnational Organized Crime. Lastly, St. Lucia has a comprehensive maritime counterdrug bilateral agreement, an extradition treaty and a Mutual Legal Assistance Treaty in force with the United States.

St. Lucian officials reported they had eradicated 23 of an estimated 25 acres of marijuana, destroying approximately 400,000 grown plants. St. Lucia reported total seizures in 2011 that included 438 kg of cannabis, 199 kg of cocaine, with three seizures made at sea. St. Lucia reported that more than 80 percent of all arrests made on the island were drug related; to date 228 persons have been arrested for drug offenses out of which 62 percent have been prosecuted with 65 percent convicted. A prominent businessman and suspected trafficker and money launderer and his wife were arrested for possession and intent to distribute narcotics.

St. Lucian police fatally shot twelve people in 2011. Opposition contacts and civil society leaders allege some of these killings may be extrajudicial executions of known criminals. At year's end, the Director of Public Prosecutions (DPP) reported the cases were in various stages of internal review and investigation.

St. Lucia has several government sponsored demand reduction programs. However, police officials believe these programs are too small in scale and lack coordination to be effective. St. Lucia has one official drug rehabilitation clinic, Turning Point.

St. Vincent and the Grenadines

The Government of St. Vincent and the Grenadines is drafting a National Drug Plan with assistance from the Organization of American States. The government has set up a new Forensic Drug Laboratory in Kingstown. The Financial Intelligence Unit works closely with the narcotics unit in the police department. Recently, the police established a Rapid Response Unit (RRU) to target drug and firearms offenses.

A narcotics unit targets major traffickers. Significant developments during 2011 included the arrest of a trafficker with four kg of cocaine and money laundering charges against a previously identified target. The narcotics unit, the RRU and Coast Guard jointly perform maritime interdiction operations with new domain awareness gained from the use of two radar sites installed in 2010. The radar system has improved operational effectiveness, according to government officials.

No new drug enforcement-related legislation passed or was pending in 2011. No laws require specific record keeping on the importation of pseudoephredrine, ephedrine and pharmaceutical products containing those two chemicals.

The Government of St. Vincent and the Grenadines is a party to the three UN Drug Conventions. On October 29, 2010, it became a party to the UN Convention against Transnational Organized Crime and its three Protocols. It is a party to the Inter-American Convention Against Corruption, and has signed but not ratified the Inter-American Firearms Convention, the Inter-American Convention Against Terrorism, and the Inter-American Convention Against Transnational Organized Crime. Lastly, the Government of St. Vincent and the Grenadines has a limited maritime counterdrug bilateral agreement, an extradition treaty and a Mutual Legal Assistance Treaty in force with the U.S.
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The archipelagic nation continues to be the source for the majority of cannabis in the region. According to officials, marijuana producers have recently started labeling their product for export. Police have also observed a trend of younger nationals entering the trade.

Regional trade has also increased with Trinidad and Tobago sending drugs and guns in exchange for cannabis. Officials describe a “marked increase” in remittance flows. According to local officials, St. Vincent has over 300 acres under marijuana cultivation. During 2011, government officials encountered no drug laboratories, yet eradicated 70 acres of marijuana, destroyed 1,696,021 plants and seized 10.2 MT of cannabis, 39 kg of cocaine and 180 cocaine rocks.

During 2011, Government of St. Vincent and the Grenadines authorities reported 522 drug related prosecutions, 322 convictions, and 432 persons arrested for drug offenses. Police officials say they need more vehicles, equipment, training and logistical support for their operations to be effective. Narcotics play a major role in the economy, causing a dependence on cannabis in large population segments. The government officials have stated they cannot combat the long terms effects of the drug trade solely through enforcement.

DARE programs are employed in schools, but does not have rehabilitation clinics. Officials estimate 30% of domestic drug abusers use cannabis while 2% use cocaine.

Regional Security System (RSS)

Established by a 1996 treaty between the above islands, the RSS seeks to promote co-operation among the member states in the interdiction of illegal narcotic drugs, in national emergencies, immigration control, fisheries protection, customs and excise control, maritime policing duties, combating threats to national security, and other vital issues that require a combined effort.

A key component of the RSS is the Air Wing. The USG continued to provide operational support for flight hours and upgrades and maintenance on key equipment during 2011, including a one-time appropriation of $8.25 million to rehabilitate the airframes and upgrade the sensors on the two C-26 aircraft. The RSS also coordinates training for member nation personnel. During 2011, the RSS began a polygraph vetting and drug testing program for national law enforcement members to address pervasive integrity issues throughout the region.

Corruption

As a matter of policy, the governments of the Eastern Caribbean do 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. No senior government officials in the Eastern Caribbean were prosecuted in 2011 for engaging in or facilitating the illicit production or distribution of controlled drugs or laundering of proceeds from illegal drug transactions. News media, however, routinely report on instances of corruption reaching high levels of government that are not investigated or go unpunished. USG analysts believe drug trafficking organizations continue to elude law enforcement agencies through bribery, influence or coercion.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The objectives of U.S. policy in the Eastern Caribbean as outlined in the Caribbean Basin Security Initiative (CBSI) are to reduce illicit trafficking, advance citizen security, and promote social justice. CBSI supports these objectives by strengthening the capacity of regional defense, law enforcement, and justice sector institutions to detect, interdict, and prosecute organized crime in the region. CBSI addresses rising crime through demand reduction and crime prevention programs while developing national and regional capacities to provide greater socio-economic alternatives for vulnerable populations. CBSI supports information sharing networks, joint interagency operations and regional training initiatives to promote interoperability and build regional capacity. Since 2010, the USG has appropriated more than $11 million under CBSI to support law enforcement in the region, the majority of which is targeted toward counternarcotics. Initial deliveries of equipment and training will begin in the final quarter of 2011 and the first quarter of 2012.

D. Conclusion

The U.S. encourages the seven nations of the Eastern Caribbean to participate proactively in CBSI and to fulfill their monetary commitments to sustain the RSS. The U.S. encourages the region's governments to make full use of the RSS vetting program to ensure the integrity of personnel in sensitive positions and promote confidence in information sharing. The U.S. encourages the seven nations to pass legislation in their parliaments to implement modernized criminal codes that makes use of regional best practices in fighting transnational organized crime. The U.S. draws special attention to the need to implement civil forfeiture provisions to turn the proceeds of crime into a weapon against traffickers. The U.S. is also encouraged by the commitment of the Government of Barbados in securing resources to complete the

integrated coastal radar system and invest in both maritime and air assets to achieve a new level of domain awareness that will benefit the entire region.

Ecuador

A. Introduction

Situated between two of the world's largest illicit drug producing countries, Ecuador is a major transit country for illegal narcotics. Cocaine and heroin from Colombia and Peru are trafficked through sparsely populated, porous land borders and via maritime routes to Ecuador where weak internal controls allow for international distribution via air and sea routes to the United States and Europe. Ecuador is also a major transit country for chemical precursors to process illegal narcotics. Ecuador is vulnerable to organized crime due to weak public institutions, porous borders, and corruption. The Ecuadorian National Police (ENP), military forces, and the judiciary do not have sufficient resources to confront the transnational criminal challenges they face. The increasing problems of domestic drug consumption and the associated rise in crime is a growing concern. Ecuador is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Government of Ecuador continues to focus on the narcotics trafficking threat. The country is increasingly aware of the negative effects of transnational criminal organizations and concerned about the increase in crime throughout Ecuador. The government benefits from U.S.-funded counternarcotics assistance to support police operations, military operations on Ecuador's northern border, construct and maintain police and military facilities, and provide logistical assistance, equipment and training for counternarcotics police and military. Unfortunately, the failure of the government of Ecuador to sign an amendment to the bilateral Letter of Agreement for FY 2010 Department of State International Narcotics Control and Law Enforcement (INCLE) funding resulted in a significant loss of U.S. counternarcotics resources. Ecuador is attempting to increase police capacity and professionalization. The government plans to hire an additional 12,000 police officers and the force grew from 38,000 to more than 40,000 over the last year. Additionally, they raised the monthly salary for enlisted policemen significantly and made a concerted effort to ensure that all police officers have hand guns and protective vests.

Legislatively in 2011, the government of Ecuador introduced draft laws reorganizing the police forces and changing its penal code. One article in the draft penal law will decriminalize the possession of some amounts of illegal narcotics for personal use. The draft laws have been submitted to the National Assembly and it is anticipated that some form of both laws will pass in 2012. In May 2011, a 10-question national referendum passed which amended the 2008 constitution. One of the referendum questions established a Transitional Judicial Council consisting of three members (one from the Executive, Legislative and the Transparency Council). The Council has an 18-month mandate to restructure the judicial branch and has the authority to evaluate and terminate judges, prosecutors and defense attorneys. The Council plans to terminate 2000 judges, prosecutors, and defense attorneys who failed the newly established performance and psychological exams.

Concurrently, the Ministry of Justice continued its justice sector reform efforts to strengthen prosecutorial capacity through U.S.-sponsored training to over 3600 prosecutors, judges, defense attorneys, and other judicial operators in support of the transition from an inquisitorial to an adversarial legal system. Training focused on basic trial skills and advanced courses in complex and transnational crimes, such as human trafficking, money laundering and narcotics trafficking.

The United States and Ecuador are parties to an extradition treaty which entered into force in 1873 and a supplement to that treaty which entered into force in 1941. However, Ecuador's constitution prohibits the extradition of Ecuadorian citizens and the United States and Ecuador do not have a significant extradition relationship.

Ecuador is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention of Psychotropic Substances, the 1988 UN Drug Convention, the 1992 Inter-American Convention on Mutual Assistance in Criminal Matters, the UN Convention Against Corruption, and the UN Convention Against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling. The Government of Ecuador has signed bilateral counternarcotics agreements with Argentina, Brazil, Chile, Colombia, Cuba, the European Union, Guatemala, Mexico, Paraguay, Peru, Uruguay, Russia, Spain, the United Kingdom, Venezuela, and the United States, the Summit of the Americas anti-money laundering initiative, and the OAS/CICAD document on Anti-Drug Hemispheric Strategy. Ecuador and the United States have agreements on measures to prevent the diversion of chemical substances; on the sharing of information for currency transactions over $10,000, smuggling and trafficking, and a Customs Mutual Assistance Agreement. The Ecuadorian and U.S. Coast Guard also exercise Maritime Operational Procedures that facilitate the boarding of Ecuadorian flag vessels in international waters.

2. Supply Reduction

Ecuador remains a major transit country for cocaine shipments by air, land and sea. According to U.S. estimates, 120 MT of cocaine transit Ecuador annually. Mexican, Colombian, Russian, and Chinese transnational criminal organizations are present and actively working in Ecuador. These organizations, including Los Zetas, the Sinaloa, Gulf cartels, and the FARC, aggressively and successfully move narcotics through Ecuador. Cocaine and heroin from Colombia, as well as cocaine from Peru and Bolivia, transit Ecuador for international distribution in shipments ranging from a few hundred grams to multi-ton loads. Shipment methods for illicit drugs and other contraband continued to diversify, including use of small fishing boats, self-propelled semi-submersibles, high-speed go-fast boats, and containerized cargo.

Counternarcotics efforts in 2011 were primarily focused on land-based cocaine interdictions and identifying and destroying five processing laboratories. Official police statistics indicate an increase in cocaine seizures in 2011 compared with 2010, but an overall decrease since the closure of the Manta Forward Operating Location (FOL) in 2009. Cocaine seizures in 2011 totaled 21.1 metric tons (MT) compared to 14.8 MT in 2010. Cocaine production along the borders of Colombia and Peru is common and appears to be on the rise, with Ecuadorian officials seizing more processing laboratories in 2011 than in 2010. Heroin seizures in 2011 were 152 kilograms compared with 266 kilograms in 2010. Ecuador also seized 4.5 MT of marijuana in 2011.

Due to a lack of central government presence and a deteriorating security environment where the Ecuadorian National Police cannot effectively operate, the Ecuadorian military is the only stable security presence in many northern border areas. In addition to providing logistical and operational support for police along the northern border, the Ecuadorian military conducted 25 operations at the brigade level, and 133 operations at the battalion level. They seized 18 buildings related to illicit narcotics, detained 21 individuals and seized and destroyed 40,000 coca plants.

Other successful Ecuadorian counternarcotics operations included a U.S.- supported Ecuadorian police operation which seized a total of 6.52 metric tons of cocaine over a six month period in late 2010 and early 2011. The operation was part of a longer-term money laundering investigation into the Mexican

Sinaloa Cartel. This operation directly led to the arrest of top Sinaloa Cartel lieutenant Victor Felix in Mexico and nine additional Sinaloa Cartel cell members in Ecuador.

Maritime seizures continue to suffer following the 2009 closure of the Manta FOL. The Ecuadorian Navy lacks resources and continues to be ineffective at interdiction efforts with no maritime seizures in 2011. Maritime cooperation between Ecuador and the United States declined in 2011; due to logistical and planning issues within both governments, they were unable to carry out any joint counternarcotics exercises.

The use of cargo and shipping containers to smuggle drugs out of Ecuador (primarily to Europe) continues to increase. Drug traffickers conceal drugs in a variety of licit cargo, including fruit, wood, and other common exports. Additionally, traffickers continued to ship white gas and other precursor chemicals in large quantities from Ecuador to Colombia and Peru for cocaine processing.

Generally, Ecuador continues to be free of illicit drug crops. A 2011 United Nations Office of Drugs and Crime (UNODC) report on coca cultivation in Ecuador found no significant coca crop cultivation in Ecuador's northern border region. Elsewhere, when small-scale poppy or coca cultivation was detected, Ecuadorian police or military immediately eradicated the fields. In 2011, the government eradicated 50,950 coca plants; 22,149 opium poppy plants; and 553 cannabis plants.

3. Drug Awareness, Demand Reduction, and Treatment

Ecuador has an increasing problem with domestic drug abuse. According to UNODC data, the average age of first-time drug users in Ecuador dropped from 14.5 in 1998 to 13.7 in 2010. Local data regarding trends in drug abuse is limited. All drug offenders are entitled to drug treatment under Ecuadorian law, but the country does not have a plan to implement this law and lacks adequate resources and facilities to treat addicts. There are 25 out-patient drug treatment facilities and only one public in-patient drug treatment facility in Ecuador. One-hundred seventy private facilities provide treatment alternatives, but at $500-$2000 per month, are often cost prohibitive for addicts. Meanwhile, in 2011, Ecuador made plans to launch a pilot drug court program that hopes to reduce congestion in the court by removing minor drug offenses from the court backlog while providing tightly supervised treatment and monitoring to prevent recidivism.

Coordination of abuse-prevention programs is the responsibility of the *Consejo Nacional de Control de Sustancias Estupefacientes y Psicotropicas* (CONSEP), which leads a multi-agency national prevention campaign in schools. The campaign consists of nationwide workshops focused on the school-aged population and community outreach. CONSEP and the *Direccion Nacional Antinarcoticos* (DNA) also supported anti-drug concerts for youth and a media campaign.

The UNODC conducts a demand reduction and drug prevention program in Ecuador with some U.S. funding.

4. Corruption

As a matter of policy, the Government of Ecuador does not encourage or facilitate the illicit production or distribution of narcotic or other controlled substances, or the laundering of proceeds from illegal drug transactions. The 1990 drug law (Law 108) provides for prosecution of any government official who deliberately impedes prosecution of anyone charged under that law. There were no successfully-prosecuted cases of government officials, police, or military involved in narcotics trafficking-related corruption in 2011. Some aspects of official corruption are criminalized, but there is no comprehensive

anti-corruption law. Several government entities are charged with receiving and investigating corruption complaints, but resource constraints and political pressure generally thwart prosecutions. A 2010 USAID-sponsored study indicated 73% of the population perceived public sector corruption to be "somewhat widespread" and 21% of the respondents reported paying a bribe in the last 12 months. In response to public perceptions of the police, the government of Ecuador announced an anti-corruption initiative that will include polygraph examinations for the entire force, permission for commanders to permanently dismiss officers for corruption, and a revival of the internal affairs bureau.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The United States supports Ecuador's efforts to strengthen institutional capacity. U.S. counternarcotics assistance improves the professional capabilities, equipment, and integrity of Ecuador's police, military, and judicial agencies, enabling them to more effectively combat criminal organizations involved in narcotics trafficking and money laundering.

Along Ecuador's northern border region endemic poverty, isolation, and proximity to FARC-controlled Colombian territory combine to make the region unstable. Recognizing this, the U.S. continues to support programs that improve good governance and create opportunities for licit activities in areas along the northern border. In 2011, U.S. Agency for International Development (USAID) support financed 42 infrastructure projects that benefited some 34,500 people; helped generate jobs and increased the average incomes of nearly 6,200 families by strengthening value chains in cacao, coffee, and other products; and strengthened 21 local governments in the northern border. The United States also supports Ecuadorian police and military presence in the northern border region and police presence in other strategically important locations throughout the country. In 2011, Ecuador opened a $2 million U.S.-funded police facility which will increase the police presence along the southern border, an area with significant criminal activity.

The DNA remains the primary recipient of U.S. counternarcotics assistance, which includes the provision of vehicles, equipment, and training, as well as the construction of installations at ports and border areas. The DNA includes special nationwide units, such as the Mobile Anti-Narcotics Teams, a drug detection canine program, and a money laundering unit. In 2011, the U.S. continued to provide support to the military to facilitate their mobility and communications for narcotics interdiction activities along the northern border.

Ecuador is an active participant in the U.S. Coast Guard-sponsored Multilateral Counterdrug Summit, which also includes Panama, Peru, Colombia, Costa Rica, Guatemala, Honduras, Nicaragua, El Salvador, and Mexico. The goal of these summits is to identify and implement cooperative measures to combat maritime drug trafficking. Also in 2011, the U.S Coast Guard conducted one mobile training team and two resident courses in law enforcement, search and rescue, port security and professional development.

Meanwhile, the United States supports prevention programs in coordination with the Ministry of Education, CONSEP, and other governmental entities that address drug abuse awareness.

D. Conclusion

The United States supports Ecuador's efforts and encourages Ecuador to continue to place a high priority on the interdiction of illicit drugs, chemical precursors, eradication of coca and poppy cultivation, and destruction of cocaine-production labs. As traffickers continue to take advantage of Ecuador's vast maritime area, increased port security and maritime patrols are necessary. The Correa administration has recognized the need to increase interdiction efforts on the rivers and waterways throughout the country

and has tasked the Ecuadorian Special Forces (GIR) to augment the Navy's interdiction efforts. Additionally, the government reported the Navy will receive an increase to their operating budget in order to better confront maritime-based illicit trafficking. In support of this, the U.S. will work with the Ecuadorian Coast Guard, Navy, and Customs officials to increase their interdiction capacity at sea and port facilities. Strengthened coordination between military and police forces would facilitate the government's ability to gather evidence and prosecute cases related to these activities. Additionally, we encourage the Ecuador to give high priority to the prosecution of money laundering and official corruption cases, and to increase its focus on justice sector reform and strengthening the rule of law.

Egypt

The Arab Republic of Egypt is not a major producer, supplier, or consumer of narcotics. Egypt is, however, one of the world's largest importers of the two most important precursor chemicals for methamphetamine, but which have an entirely licit use in Egypt. Cannabis is grown year round in northern and southern Sinai and in Upper Egypt, while opium poppy is grown in southern Sinai from November through March. Egypt is a transit point for illicit shipments of narcotics from Africa to Europe due to Egypt's mostly uninhabited borders with Libya and Sudan. The high level of trade shipping through the Suez Canal Zone also makes Egypt prone to the transshipment of Afghan heroin and narcotics from other countries.

Egypt is a party to the 1988 UN Drug Convention. Egypt is also a party to the UN Convention against Transnational Organized Crime and to the UN Convention against Corruption.

The Anti-Narcotics General Administration (ANGA) oversees most of the counternarcotics operations in Egypt, and cooperates fully with the Drug Enforcement Administration (DEA) office in Cairo to identify, detect disrupt and dismantle national as well as international drug trafficking organizations operating in Egypt. ANGA investigates and targets significant drug traffickers, intercepts narcotics shipments via land and sea, and detects and eradicates illegal marijuana and opium crops. Large-scale seizures and arrests related to cocaine, heroin and methamphetamine are rare, but there are very large scale seizures of hashish, marijuana and psychotropic pills.

ANGA's operating equipment, including vehicles and safety equipment, is updated periodically and on a systematic basis. ANGA's communication system for operating in remote areas of the Egyptian deserts and border areas is capable and functional. ANGA routinely enhances and maintains its communication systems. Cooperation between Egyptian Special Forces, Frontier Guards, and ANGA remains good, even in post Mubarak Egypt. As a result, the three agencies have collaborated on some very successful seizures during the past year.

ANGA's drug seizures for 2011 remain reasonably consistent compared to years past with some minor differences. The following are drug seizure statistics for ANGA from January – October 2011: cannabis - 52,468 kg; cannabis fields destroyed – 65 feddan (ca. 67 acres); psychotropic pills – 45,315,162; psychotropic (C3) – 2,574; hashish – 16,098 kg; heroin – 41.36 kg; opium – 9.45 kg; cocaine – 1.50 kg.

As a matter of government policy, the GOE does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal transactions. The GOE has strict laws and harsh penalties for government officials convicted of involvement in narcotics trafficking or related activities. No widespread corruption exists within ANGA because all service members selected are among the highest qualified. However, individuals will be arrested if corruption is detected and ANGA officers are involved.

Government and private sector demand reduction efforts exist, but are hampered by financial constraints and logistical challenges. As of 2011, the National Council for Combating and Treating Addiction (NCCTA), created in 1986, continues to be the GOE's focal point for domestic demand reduction programs. While the Council enjoys high-level, Ministerial, leadership, its actual capabilities and influence within Egypt are minimal. The Council primarily funds training for drug addiction workers and drug awareness prevention campaigns, but is not actively involved in rehabilitation programs. In 2003 ANGA became more involved in demand reduction by establishing a unit that works cooperatively and directly with the NCCTA. The Ministry of Health (MOH) has an annual budget of 150 million Egyptian

pounds for the treatment of all mental health diseases, including addiction related conditions, and MOH state hospitals provide free treatment for drug addicts.

Imports of ephedrine and pseudoephedrine, precursor chemicals for methamphetamine during 2011 placed Egypt among the world's largest importers of these chemicals. Egypt is a regional producer of cold and flu medicine for Northern Africa. GOE authorities assert that in the past two years there have been no seizures of these chemicals as a result of any suspected drug trafficking or violation of local laws preventing their diversion and misuse. Furthermore, the GOE states there are no reports indicating a large scale diversion of these chemicals to markets abroad. However, existing control regimes place great weight on the documentation accompanying chemical imports. If the paperwork is in order the chemicals are almost always cleared for import. The GOE provides no follow-up to detect possible diversion or misuse of the manufactured medicines in Egypt or elsewhere.

El Salvador

A. Introduction

Although levels of narcotic flows are difficult to assess, El Salvador is a transit country for illegal drugs headed to the United States from production countries in South America. The United States estimates that approximately 95 percent of the cocaine leaving South America for the United States moves through the Mexico and Central America corridor. Of this, an increasing amount – nearly 80 percent – stops first in a Central American country before onward shipment to Mexico. El Salvador was named a major transit country for the first time in the President's September 2011 report to congress on Major Illicit Drug Producing and Drug Transit Countries.

Traffickers in El Salvador used go-fast boats and commercial vessels to smuggle illegal drugs along the coastline. Land transit primarily occurred along the Pan-American Highway, with drugs hidden in the luggage of bus passengers or in containers on commercial tractor-trailers. The Cooperative Security Location at El Salvador's international airport in Comalapa was essential to regional detection and interception efforts along both routes. Transnational street gangs were involved in street-level drug sales but not major trafficking as part of the logistics supply chain for Mexican, Colombian, and other drug trafficking organizations.

The Anti-Narcotics Division (DAN) of the National Civilian Police (PNC) remained the primary law enforcement agency responsible for combating illegal drug activity. The vetted special antinarcotics group (GEAN) within the DAN handled the most complicated and time-consuming investigations. The DAN was hampered by a lack of equipment, a shortage of officers, and recurring funding gaps.

The Government of El Salvador reported the trafficking of precursor chemicals used to manufacture synthetic drugs such as methamphetamine. In 2011, the DAN seized 157 metric tons (MT) of methamphetamine precursor chemicals and .17 kilograms (kg) of methamphetamines. Local growers cultivated small quantities of marijuana for domestic consumption. El Salvador is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In 2010, the Government of El Salvador passed an amendment to the Salvadoran constitution that enabled legislation related to wiretapping and electronic intercepts.

The United States collaborated with the Government of El Salvador to establish a National Electronic Monitoring Center. Once the center is functioning in 2012, it will provide a steady stream of evidence suitable for use in court regarding illegal drug operations and organized criminal gang activity, as well as improve interagency cooperation within the government. By the end of 2011, the PNC entered more than 300,000 names into the Advanced Fingerprint Information System (AFIS) and planned to create a national database to include the majority of Salvadoran citizens. The United States continued to support El Salvador's anti-gang efforts through specialized law enforcement training; prevention efforts, such as the Gang Resistance Education Program (GREAT) implemented with PNC officers; and the Transnational Anti-Gang unit, a vetted unit within the PNC. In 2011, 15 PNC officers were trained and certified as trainers for the GREAT program; 1,300 youth completed the course.

El Salvador is a party to the 1988 UN Drug Convention, the Central American Convention for the Prevention of Money Laundering Related to Drug-Trafficking and Similar Crimes, the UN Convention against Transnational Organized Crime and its three protocols, and the UN Convention against Corruption. El Salvador is a party to the Inter-American Convention against Corruption, the Inter-American Convention on Extradition, and the Inter-American Convention on Mutual Assistance in Criminal Matters. The 1911 extradition treaty between the United States and El Salvador is limited in scope, and the constitutional prohibition on life imprisonment is an obstacle to negotiating a new bilateral extradition treaty. Narcotics offenses are extraditable crimes by virtue of El Salvador's ratification of the 1988 UN Drug Convention. Only one person, a naturalized U.S. citizen born in El Salvador, was extradited to the United States under this treaty, in early 2010, despite many requests. There were no extraditions in 2011. El Salvador signed an agreement of cooperation with the United States in 2000, permitting access to and use of facilities at the international airport of El Salvador (Comalapa) for aerial counternarcotics activities. The agreement was renewed in 2009 for an additional five years and will expire in 2015.

2. Supply Reduction

In 2011, the PNC seized 1,079 kg of marijuana, 649 kg of cocaine, 2.5 kg of heroin, 1.7 kg of crack cocaine, 67 vehicles and 71 weapons. Seizure data reflected comparable levels to 2010. The DAN arrested 2,052 persons on drug-related charges and 20 persons for money laundering. On December 14 the Salvadoran Navy, working with the DEA and TAT offices in El Salvador, intercepted a go-fast boat in the Gulf of Fonseca. The boat was transporting 500 kg of cocaine at 98% purity. This is the largest drug seizure in El Salvador in 2011.

Traffickers used go-fast boats and commercial vessels to transit illegal narcotics to the country. Some land transit occurred via vehicles going through the country on the Pan-American Highway, including buses and tractor-trailers. Traffickers also utilized the major commercial airport, Comalapa, to move narcotics and large amounts of cash. In 2011, the PNC Anti Narcotics Unit Office seized over $1,800,000 at the airport and land borders.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Drug use among Salvadorans was a growing concern, particularly among youth, although reliable statistics for illegal consumption were not kept by the government. The United Nations Office on Drugs and Crime reported that 0.4 percent of the population aged 15-64 abused cocaine. Few government programs existed for the rehabilitation of drug addiction.

The Ministry of Education provided lifestyle and drug prevention courses in public schools and sponsored after-school activities in 2011. The Ministries of Governance and Transportation supported units that advocate drug-free lifestyles, and the PNC operated a Drug Abuse Resistance Education (DARE) program, but it was unclear if these programs reduced drug demand.

After an initial launch in 2010, the PNC continued the Gang Resistance Education and Training (GREAT) program in targeted schools. The program is expected to be replicated throughout the country in 2012. The Public Security Council sponsored a substance abuse prevention program aimed at El Salvador's gang population. The United States supported FUNDASALVA, a Salvadoran non-governmental organization that provided prevention, substance abuse awareness, counseling, and rehabilitation services. Local faith-based demand reduction programs offered counseling programs administered by recovering addicts.

4. Corruption

The Government of El Salvador did not encourage or facilitate illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, nor did it launder proceeds from illegal drug transactions. No senior Salvadoran government official was known to engage in, encourage, or facilitate the illicit production or distribution of drugs, nor the laundering of proceeds from illicit drug transactions. El Salvador took steps to address alleged corruption cases announced in 2009. In 2011, the former leader of the DAN was cleared of allegations of corruption following a two-year investigation. Salvadoran law penalizes abuse of an official position in relation to the commission of a drug offense, including accepting or receiving money or other benefits in exchange for an act of commission or omission relating to official duties.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The United States and El Salvador partnered to confront organized criminal and narcotics trafficking organizations and advance programs that strengthen institutional capabilities to investigate, sanction, and prevent corruption. The government continued to provide prompt responses to U.S. requests regarding maritime drug interdiction cases.

U.S. assistance focused on enhancing the operational capacity of Salvadoran law enforcement agencies to interdict narcotics shipments and combat money laundering and public corruption. Assistance also promoted transparency, efficiency, and institutional respect for human and civil rights within law enforcement and the criminal justice system. The U.S. government supported Salvadoran efforts to combat transnational gangs, particularly the 18th Street and Mara Salvatrucha gangs.

In 2011, the United States provided specialized vehicles, cargo inspection equipment, bullet-resistant vests, radios, computers and other basic law enforcement equipment to the GEAN and other DAN constituent units. The United States funded tactical training in such areas as vehicle stops, roadway interdiction, and emergency responder first aid. The International Law Enforcement Academy (ILEA) provided management and specialized training for criminal justice sector personnel in the region. ILEA trained 226 PNC officers and law enforcement officials in 2011. The U.S. government provided training in maritime law enforcement, small boat engineering and maintenance, and leadership and management.

A U.S. anti-gang advisor coordinated anti-gang policy and project initiatives for El Salvador, and the region. Assistance included specialized training for 218 regional officers in intelligence-led policing, homicide reduction, and basic and advanced community policing. In addition, the U.S. provided in-service training for 1,519 Salvadoran police officers. Gang involvement in the drug trade appeared to remain confined to local distribution, rather than the large-scale trafficking typically associated with Mexican and Colombian cartels. In 2011, the United States collaborated with the DAN to develop two mobile inspection teams capable of deployment to highway choke points adjacent to El Salvador's land borders with Guatemala and Honduras, and worked with the specialized container cargo inspection unit at the port of Acajutla. Among other support, the units received basic equipment and specialized training on conducting vehicle stops and roadway interdiction.

D. Conclusion

El Salvador cooperated on combating narcotics trafficking and gang activity and addressing citizen security. However, El Salvador faces rising security and rule of law challenges. Small successes can only be sustained through leadership by the Government of El Salvador, including investments in crime prevention programs, security, and the rule of law. El Salvador demonstrated its will to address security

as a constraint to its economic growth. In the Joint Country Action Plan of the Partnership for Growth, El Salvador and the United States agreed to address crime and insecurity. However, further steps, such as providing additional manpower, resources, and equipment to the PNC, ensuring adequate pay to combat corruption, reforming corrections management, and holding security and justice sector actors accountable for their actions, will improve Salvadoran citizen safety. El Salvador can increase its efforts to combat drug trafficking, especially land transit of narcotics and cash via the Pan American highway. As remittances are an important part of the Salvadoran economy, the United States encourages El Salvador to carefully monitor the activity to ensure that money laundering is not taking place.

Estonia

Estonia's domestic anti-narcotics legal framework is in full compliance with UN drug conventions and European Union narcotics regulations. The Estonian Narcotic Drugs, Psychotropic Substance and Precursor Act has been in force since 1997. Except for a higher HIV-infection rate among intravenous drug users (IDUs) in Estonia, the drug situation in Estonia is similar to that in other European countries. Estonia is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

A new extradition treaty between the United States and Estonia entered into force on April 7, 2009, replacing the 1924 agreement. The new agreement is in compliance with agreements previously signed between the EU and the United States, as well as with a 2002 decision of the EU Council concerning arrest warrants and transfer procedures. The United States and Estonia are parties to a mutual legal assistance agreement which entered into force on October 20, 2000. Both governments have also ratified and exchanged instruments regarding a Protocol to the MLAT. These instruments form the basis for a modern law enforcement regime and implement obligations under the U.S.-EU extradition and mutual legal assistance agreements.

The Government of Estonia (GOE) does not encourage or facilitate illicit production or distribution of narcotic drugs and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions. Combating the trade, production and domestic consumption of narcotics continued to be high priorities for all Estonian Law enforcement agencies and for key government ministries in 2010-11. The GOE has excellent cooperation on counter narcotics efforts with all neighboring countries. The Estonian Tax and Customs Board (ETCB) and the Estonian Police and Border Guard Board maintain good international cooperation through liaison officers with Finnish, Swedish, German, and UK customs and police authorities and with DEA. In March after a high-level meeting the chiefs of Estonian and Finnish police, border guard and customs renewed the cooperation agreement focusing on cross-border organized crime, drug trafficking and illegal immigration.

Approximately 80 police officers from the Estonian Police and Boarder Guard Board (EPBGB) specialize solely in narcotic-related crime. Relations between Estonian police, tax and customs authorities and the regional DEA office in Copenhagen have been outstanding and productive. In Estonia the DEA has been able to work jointly with Estonian authorities on cases of mutual interest and share criminal intelligence. Cooperation with DEA continued to be smooth and mutually beneficial in 2011.

Fifteen Estonian traffickers were arrested around the world in the first ten months of 2011, down from 29 in 2010. The Estonian police successfully investigated and charged several persons suspected of recruiting drug smugglers and credit these efforts with the decrease of arrests of Estonian drug traffickers abroad. Further, according to the police, their continuous law enforcement efforts have resulted in the number of seizures of narcotic substances decreasing.

Approximately 420 ETCB officers perform narcotics control on a daily basis. About 50 officers work in mobile units and 30 officers from the Investigation Department are specialized in narcotics-related crimes. On the European Union's easternmost border customs control is performed 24/7. All customs border points are equipped with X-ray machines and equipment to disassemble vehicles. Both border points and mobile units are equipped with rapid drug test kits, endoscopes, fuel pumps and densimeters to discover secreted drug caches. All customs investigation and information officers have received special training in narcotics control. The ETCB also has 17 drug sniffing dogs working on the EU external border, in Tallinn airport, and in Tallinn harbor trained to detect cocaine, heroin, amphetamine, cannabis,

marihuana, hashish, ecstasy, phentanyl and other dangerous drugs. The ETCB also utilizes automated license plate surveillance systems to gather additional information at border crossings.

Staff of NGOs providing services to IDUs report that most kinds of common narcotics can also be found in Estonia. However, opiates, synthetic drugs, and heroin are the most popular illegal substances used domestically. According to GOE and NGO estimates, there are about 14,000 IDUs in Estonia.

Estonia continues to implement its 2004-2012 National Strategy on the Prevention of Drug Dependency. There are more than 60 governmental, non-governmental and private entities working with IDUs to provide services to decrease demand and reduce harm from drug abuse. In Estonia, there are ten drug rehabilitation centers: two for adolescents, two for adults, six therapeutic communities for adults and one daycare center for double diagnosis patients. Six organizations in eight cities provide out-patient counseling services that include psychotherapy, psychological, social and peer-counseling services. Methadone substitution treatment is provided by six clinics at nine different sites. One program specializes in providing integrated methadone substitution and Anti-AIDS Retroviral treatment for HIV - infected IDUs. In total, nine organizations operate at 36 syringe exchange sites including outreach teams and mobile units. According to the National Institute for Health Development, the estimated coverage on syringe exchange is 52 per cent of targeted IDUs as the exchange points have about 7400 regular clients. There are no precursor chemical control issues in Estonia.

Ethiopia

Ethiopia does not play a major role in the production, trafficking, or consumption of illicit narcotics or precursor chemicals associated with the drug trade. The country is, however, strategically located along major narcotics transit routes connecting Middle Eastern, Asian, and West African markets. The amount of drugs transiting Ethiopia continues to increase. Ethiopia's numerous airline connections also contribute to the increase in drugs transiting through the country. Ethiopia has witnessed an increase in illegal narcotics seizures (primarily heroin, cocaine, and cannabis) in recent years. Officials have also noted increased illegal drug consumption in Ethiopia, as well as drug exports originating from within the country. If domestic narcotics production, trafficking, and consumption continue to increase, Ethiopia risks becoming a larger player in the regional and intercontinental narcotics scene.

Cannabis is produced in rural areas throughout Ethiopia. An increasing amount of cannabis production is for export, primarily to neighboring countries, but with rising amounts trafficked abroad. Traffickers use the Ethiopian postal system and international courier services to move these drugs. Khat, a chewable leaf with a mild narcotic effect, is legal in Ethiopia and is the country's fourth-largest export, up from seventh-largest export only a few years ago. Khat is an illegal drug in the United States. Small, localized quantities of poppy are grown in the southwest of Ethiopia (around Tepi) for local consumption of poppy seeds. Upon discovery of illicit narcotic crop cultivation, police typically eradicate the fields and provide several days of training for the farmer. On the second instance, the farmer is arrested.

West African traffickers use Ethiopia as a transit point on a limited, but increasing basis. Apprehended traffickers have cited convenient flight routes and short layovers as their reasons for flying through Addis Ababa. Bole International Airport's Interdiction Unit continues to improve its ability to identify male Nigerian and Tanzanian drug mules who typically smuggle drugs through ingestion. Ethiopian authorities routinely pass information on suspected transiting drug traffickers to Nigerian authorities. At present, the Interdiction Unit is mostly dependent on tips from other countries to identify drug mules and has limited capabilities to identify suspects themselves.

Although it is not yet a major exporter of cannabis, Ethiopian cannabis exports continue to rise. Most seizures made by the Federal Police involved cannabis destined for the United Kingdom. Many of these seizures involved cannabis hidden inside typical souvenir items.

Drug abuse in Ethiopia is also increasing. Legal khat distribution networks simply add illegal marijuana and other narcotics available in Ethiopia to their shipments. Cannabis consumption is spreading outside the traditional Rastafarian demographic toward the general population. Hard drug use in Ethiopia remains limited, but DCD continues to see increases in heroin abuse.

Ethiopia is a party to the 1988 UN Drug Convention. Ethiopia is also a party to the UN Convention against Transnational Organized Crime, and the UN Convention against Corruption. The Ethiopian Federal Police maintains a dedicated police investigation unit for human trafficking and organized crime. The unit, established in 2009, also covers drug trafficking. Penalties for narcotics offenses are severe: five years in prison and a 100,000 Ethiopian birr (approximately $5,800) fines for convicted illegal drug users and dealers. The Ethiopian Federal High Court has established a separate drug court; an action the Federal Police's DCD applauds and calls a strong mechanism to deter repeat traffickers.

The Ethiopian Federal Police trains postal service employees and courier services in drug detection and makes weekly visits to post offices and courier services to monitor their performance.

The United Nations Office on Drugs and Crime (UNODC) is collaborating with the Ethiopian Government on the implementation of a multi-sector National Drug Control Master Plan for Ethiopia (2009-2013), as well as support for drug and HIV prevention and control. A major component of this joint plan is to curb drug trafficking activities at Bole International Airport and to build the investigative capacity of Ethiopian drug law enforcement.

The Federal Police DCD's ranks number fifty-five individuals targeted on drug enforcement. Approximately half of these personnel work at Bole Airport's interdiction team, which also includes one aging and increasingly ineffective drug-sniffing German Shepherd dog. The unit also continues to suffer a high turnover of senior officers. The DCD hopes for assistance in procuring and training additional sniffer dogs, as well as securing new vehicles. Lack of dedicated vehicular transport has forced officers to take intercity busses out into the countryside on recent raids, limiting their mobility and effectiveness. The DCD stated the intention of increasing public awareness of the drug problems in Ethiopia by partnering with anti-drug clubs in high schools had to be abandoned for lack of funds. The Government of Ethiopia does not encourage or facilitate illicit production or distribution of narcotic drugs and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions.

The Ethiopian law enforcement community remains aware of its budding drug problem and maintains a desire to curb the narcotics threat at an early stage. UNODC is collaborating with Ethiopia to create and implement a National Drug Control Master Plan. However, Ethiopia's counternarcotics capacity and resources remain limited.

French Caribbean

French Guyana and the islands of Martinique, Guadeloupe, the French side of Saint Martin, and St. Barthelemy are all overseas departments of France and therefore subject to French law. The French Judiciary Police, Gendarmerie, and Customs Service play a major role in narcotics law enforcement in France's overseas departments. They are also subject to all international and bilateral conventions signed by France, including the 1988 UN Drug Convention, and participate in regional cooperation programs initiated and sponsored by the European Union.

The governments of these territories are able to request additional resources from the French government in their fight against illegal drug smuggling. Officials in the area are drawn from and trained by the French Civil Service. There have been no accusations of corruption within the French government or of high ranking senior officials in regards to the French Caribbean within the past year.

In 2011, the French Inter-ministerial Drug Control Training Center (CIFAD) in Fort-de-France, Martinique offered training in French, Spanish, and English to law enforcement officials in the Caribbean and Central and South America, covering subjects such as money laundering, precursor chemicals, mutual legal assistance, international legal cooperation, coast guard training, customs valuation, and drug control in airports. CIFAD coordinated its training activities with the United Nations Office on Drugs and Crime (UNODC), Organization of American States (OAS), and individual donor nations. U.S. Customs officials periodically provided training at the CIFAD. With funding from OAS, French Customs held training seminars aimed at Customs and Coast Guard Officers from those member states. The French Navy also hosted "Operation Carib Royale," an ongoing French and Eastern Caribbean counternarcotics operation, which Joint Interagency Task Force – South (JIATF-S) supports with available air and maritime assets.

There does not appear to be a large amount of drug production in the French Caribbean, rather these French holdings are recognized mainly as transshipment points by air and sea vessels transporting drugs from elsewhere in South and Central America to Europe and, to a lesser extent, the United States. The geography of the Caribbean Sea and the proximity of French Caribbean departments to other nations with relatively lax law enforcement and endemic corruption all act to facilitate the trafficking of illicit substances through the area. Specifically, Martinique and Guadeloupe are both known to be transshipment points for drugs moving through the region, primarily internationally produced cocaine, cannabis, and Ecstasy. Official statistics for 2011 were not available at the time this report was published. On June 26, however, the French Central Office for Combating Drug Trafficking, in conjunction with the French Navy and the Caribbean Central Office for Combating Illegal Drug Trafficking, seized 870 kilograms of cocaine from a sailboat flying the French flag, 170 nautical miles northeast of Martinique. The drugs originated in Venezuela where they were transported by a fishing boat, transferred to the sailboat in the Caribbean, and then expected to pass to another fishing boat before landing in southern Europe. Ten people, originating from France, Spain, Portugal, and Corsica, were arrested in connection with the trafficking. The seizure was part of a several month-long investigation into a criminal network trafficking drugs throughout Europe. On November 21 French officials seized 272 kilograms of cocaine in Guadeloupe, in conjunction with another seizure of 231 kilograms of cocaine in a suburb outside of Paris. This double seizure was connected to the same French criminal network carrying on trafficking activities in both areas. This seizure was unprecedented in that it was the first confirmed case of seized cocaine destined for France, rather than a more general transit activity.

In 2011, U.S. law enforcement agents traveled to the region pursuant to Mutual Legal Assistance Requests in connection with boat seizures by French authorities. U.S. law enforcement officials were

allowed to interview witnesses (including the defendants) and to obtain samples of the seized cocaine for use in U.S. prosecutions. In both cases, the French seizures appear to have resulted from intelligence provided by U.S. law enforcement sources. Since 2001, the French Navy has operated continuously in the region and seized over 15 metric tons of drugs in the Caribbean. Often, these naval assets take part in JIATF-S operations in cooperation with the United States and are normally based in Fort de France, Martinique.

Although some cannabis is grown locally in these French territories, this production appears to be mainly for individual consumption and does not have a significant impact on the availability of drugs in the area. The region is an active participant in all French policies and programs regarding the treatment of drug addiction and lessening of domestic demand.

The United States encourages continued French support to these Caribbean departments on all counternarcotics fronts, including multilateral efforts such as the Dublin Group, a regional and global forum that consults on drug issues in more than 40 capitals; the Caribbean Financial Action Task Force, a group that reviews peers, consults and co-ordinates information on money laundering; the Inter-American Drug Abuse Control Commission (CICAD) - the drug-fighting body of the Organization of American States - and the UNODC.

Georgia

A. Introduction

Georgia produces no narcotic drugs apart from small-scale production of ATS. However, because of its location bridging Asia and Europe, Georgia is a transit corridor for drugs of abuse produced elsewhere. One major drug route runs from Afghanistan and Iran through Azerbaijan and on to Western Europe and Russia. TIR long-haul trucks sometimes carry narcotics on this route. These trucks are supposed to be inspected for contraband at their place of origination, and then sealed for their trip onward. However, many observers believe that they represent a major corridor for drug smuggling. The separatist territories of South Ossetia and Abkhazia remain beyond the control of Georgian law enforcement, and there is speculation that drugs flow through these areas. This information cannot be verified as there is little or no exchange of information on drug trafficking between the Russian occupying forces or the de facto authorities of these territories and the Government of Georgia.

Georgia has a domestic drug problem. A newly emerged home-made stimulant nicknamed "Krokodil" – desomorphine originally viewed as a potential alternative to morphine – is gaining popularity. Among other drugs, heroin, Subutex, methadone and marijuana are available on the domestic market. Domestic production and use of methamphetamines, pseudo-ephedrine derived drugs and abuse of other pharmaceutical drugs, especially in urban areas, is also on the rise.

The Georgian Government has allocated increased funds for treatment centers for psychiatric patients and drug users, both in the capital and regional centers. In 2011, Georgia's Ministry of Justice pushed forward implementation of an Anti-Narcotics Action Plan. A working group has been created from coordinating agencies to draft the plan. Reforms undertaken at the Special Operations Department, the main law enforcement agency combating illegal drugs, resulted in a significant improvement in drug-related crime suppression. The government continues random drug testing programs for high level government officials and made the testing available to the private sector as well.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Georgia's Anti-Narcotics National Strategy, established by the Parliament in 2007, only outlined main priorities, one of which was the establishment of an Anti-Narcotics Action Plan. In 2011, the Government finally commenced work by creating an interagency task force to draft this plan. There is still lack of systemic drug preventive measures, even though treatment and social rehabilitation programs have become more active. Psycho-social rehabilitation programs are planned for all prisons throughout the country. The State university and public schools are developing course materials which discuss the harmful impact of drug use and associated criminal liability. Public information about dangerous drugs remains inadequate, and statistics about drug use are limited and unreliable. The Government of Georgia intends to integrate the database of drug users under one agency to improve drug statistics. Current national legislation does not conform to the 1988 UN Drug Convention's requirements.

The emphasis on Georgia's borders is on trade facilitation, and less on control and inspection. As a result, drug seizures at the border vary significantly from year to year and do not give a reliable indication of the amount of contraband transiting the country. Border officials are also hampered in their duties by personal liability for their enforcement actions.

Georgia is a party to the 1988 UN Drug Convention. Georgia is also a party to the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling and to the UN Convention against Corruption. In addition, the Government of Georgia has signed counternarcotics agreements with the Black Sea basin countries, the GUAM organization (Georgia-Ukraine-Azerbaijan-Moldova), Iran, and Austria.

2. Supply Reduction

In 2011, the most visible drug-related case was a Subutex seizure close to Tbilisi. Police seized 534 pills containing 4272mg of buprenorphine, produced throughout Europe for the treatment of opiate addiction. These drugs were smuggled in a long-haul TIR truck and were seized at the Georgia-Turkey border. The street price for a pill is high; Subutex is abused for its opiate content.

The breakdown of criminal cases and drug seizures according to Ministry of Internal Affairs statistics are:

	2008	**2009**	**2010**	**(Jan-Sep)**
Total Drug-related cases	8,699	6,336	5465	1843
Felonies	2,103	2,477	2316	887
Contraband	102	100	116	43
Dealing	79	131	167	53
Cultivation	70	113	121	29
Heroin seizure	8.332 kg	2 .358 Kg	1 .272 Kg	352 g
Marijuana seizure	3.867kg	46.5 g	7 .531 kg	5 kg
Opium seizure	47.5 g	37.2492 g	8,36 g	87.6 g
Cocaine seizure	0.02 g	0.78 g	0.099 g	0
Subutex seizure	72 g	40.5 g	13.12 g	13.27 g
Methadone seizure	179 g	73.8 g	13.66 g	3.6 g
Poppy seeds				1 kg 529 g
Morphine				2.4 g

The Special Operations Department (SOD) counternarcotics unit remains the main agency combating drug-related crimes. The Ministry of Internal Affairs equipped the anti-drug unit with surveillance equipment though they still lack appropriate drug detection and testing equipment.

“Classic” drugs such as heroin, cocaine, crack and barbiturates are in limited demand in Georgia due to their high price and effective interdiction by the Ministry of Internal Affairs. Consequently, most of these drugs are rarely found on the black market.

Physicians and analysts have expressed concern about the increase in use of home-made synthetic drugs such as “Jeff” and “Vint” – street names in Georgia for injected, artificial stimulant drugs. Desomorphine is also popular as “China White” or “Krokodil.” Numerous analysts point to the increase in abuse of home-made synthetic drugs as an indicator of the Government’s success in controlling traditional illegal drugs. The Government has not yet developed a comprehensive mechanism for combating home-made

stimulants other than trying to limit the issuance of certain medications only to those with a doctor's prescription.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Domestic drug abuse remains a problem for Georgia. The total number of multiple drug users ranges from 40,000 to 80,000, according to local researchers. Over the past year, methamphetamines and desomorphine have been replacing opiates, as the prices of heroin and Subutex increased significantly. A large number of the drug using population has reportedly moved to home-made synthetic drugs. These drugs are extremely dangerous, and after only six months, drug users will face a severe degradation in their health.

The Georgia Research Institute on Drug Addiction and Drug Treatment estimates the intravenous drug abuser (IDU) population in Georgia is approximately 40,000 out of a total population of 4.5 million. Researchers estimate that about three percent of the population may be using drugs at any given point in time, yielding a total of approximately 138,000. Local drug treatment experts cite figures of upwards of 200,000 drug abusers, including one-time experimenters. According to the database administered by the National Forensic Bureau, the number of all types of registered drug users is 140,000. Intravenous drug usage is very low both among the youth and female populations.

In 2011 the Georgian Government increased funding for drug treatment and prevention. Newly added methadone treatment centers and increased funding for infrastructure improvements resulted in a decreased number of patients on waiting lists. Substitution therapy programs have been successfully implemented in three prisons and will be institutionalized to cover prisons across the country. The HIV Global Fund fully covers treatment of HIV/TB infected patients. In 2011, regional psycho-social rehabilitation centers will be open, fully funded by the State budget. There is nevertheless a continuing lack of trained human resources in this field, and there is a lack of institutions to provide proper relevant training.

4. Corruption

The Georgian Government has made significant steps in the elimination of corruption in law enforcement agencies since the 2003 Rose Revolution and it remains committed to this effort. The Georgian government continues to implement civil service, tax and law enforcement reforms aimed at deterring corruption and prosecuting it when detected. Despite these efforts, however, allegations of some high-level corruption still surface and a small number of civil servants are prosecuted each year on corruption charges. There have been no serious allegations against the new counter narcotics unit in the Ministry of Internal Affairs. The government of Georgia does not, as a matter of policy, encourage or facilitate trafficking in narcotics nor do any of its senior civil servants.

C. National Goals, Bilateral Cooperation, and U.S. Policy

The U.S. Government continues providing direct counternarcotics assistance on demand reduction and treatment, and enhancing law enforcement's capacity to detect and interdict illegal narcotics. The United States supported the establishment of a criminal database for the Ministry of Internal Affairs and an improved communications network for the police, renovation of methadone treatment centers and a canine program. The United States is also providing additional training for counter narcotics units, including case management, improved port security/drug interdiction, drug-trafficking financial investigations, and train-the-trainer sessions for basic narcotics officer courses.

Additionally, the United States continues to work on better prosecution of narcotics crimes, money laundering, assisting to develop trial skills in an adversarial system, provision of training and equipment for Georgia's forensics laboratories, assisting the laboratories in establishing administrative policies and procedures to achieve international accreditation of its results, building new facilities for law enforcement units and providing training at the police academy, and providing training in fighting human trafficking, all of which will strengthen institutions crucial to the battle against drugs.

Training and equipment assistance programs for Border Police and Customs officers continued in 2011 and focused on the identification and detention of violators and criminals at the border. The U.S. Coast Guard provides training to Georgian officials in maritime law enforcement. With the basic police force increasingly being tasked with border security responsibilities, the United States has also been ensuring that police receive appropriate training and equipment to manage the ports of entry.

D. Conclusion

Improved coordination among the agencies and bodies involved in drug-related issues has improved Georgia's ability to combat drug-related crime. The establishment of an interagency task force model in order to develop and implement an integrated action plan is a logical and important first step. The U.S. government is encouraging inter-agency cooperation. The U.S. Government will continue to support Georgia's efforts with equipment and advice

Germany

A. Introduction

Germany is a consumer and transit country for narcotics. The German government actively combats drug-related crimes and places particular emphasis on prevention programs and assistance to victims of drug abuse. Germany continues to implement its 2003 Action Plan on Drugs and Addiction. Cannabis remains the most commonly-consumed illicit drug in Germany. Organized crime continues to engage in narcotics trafficking. Germany is a party to the 1988 UN Drug Convention.

Germany is not a significant drug cultivation or production country. The Federal Criminal Police (BKA) statistics reported seizure of 16 small-scale synthetic drug labs in Germany in 2010. Germany is not a significant producer of hashish or marijuana. In 2010, German police reported the discovery and seizure of 46 outdoor marijuana "plantations," a 31% decrease compared to 2009. In addition, German police seized 348 indoor plantations – a 2% increase compared to 2009. Germany is a major manufacturer of legal pharmaceuticals, making it a potential source of precursor chemicals used in the production of illicit narcotics, although Germany strictly controls precursor chemicals.

Germany's central location in Europe and its well-developed infrastructure make it a major transit hub for commerce. Traffickers smuggle cocaine from South America (in particular by air via Brazil and Argentina) to Germany for German domestic use, as well as through Germany to other European countries such as Spain and the UK. The origin of larger seizures of heroin in Germany in most cases could not be traced back further than the Netherlands. Overland smuggling occurs through Belgium, Austria, Poland, or the Balkans. Cannabis is trafficked to Germany mainly from the Netherlands, but also from Morocco via Spain and Portugal as well as through Belgium, France, and Austria. Smaller amounts of marijuana are smuggled with high frequency from Switzerland, Austria, and the Czech Republic to Germany. Amphetamines are trafficked mainly from the Netherlands and in lesser quantities from Belgium, Austria, and the Czech Republic.

Per the Federal Health Ministry, around 600,000 individuals in Germany consume cannabis and around 200,000 individuals consume other illegal drugs, such as heroin and amphetamines, through injection. The number of drug-related deaths in Germany continued to decrease in 2010. A total of 1,237 people died as a result of consuming illegal drugs in 2010, down from 1,331 in 2009. The most frequent cause of death was from an overdose of heroin, sometimes in connection with other drug abuse. 18,621 hard drug users were newly recorded in 2010, a 2.7% increase compared to 2009. First-time use of heroin (-10.9%), cocaine (-10.6%) and ecstasy (-38%) decreased in 2010, while the first-time use of crack cocaine (+71.8%) and amphetamines (+12.8%) increased. The first-time use of crystal methamphetamines increased by 76.4%.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Germany continues to implement its "Action Plan on Drugs and Addiction" adopted by the Federal 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. The German government is currently coordinating a new drug strategy that will be brought forward for adoption in early 2012. The National Interagency Drug and Addiction Council, composed of Federal and State government officials and civil

society organizations, advises the government on combating drugs and addiction. The government continued efforts to reduce demand, focusing on young people and cannabis consumption and offering a variety of treatment prevention programs. Germany is involved in bilateral cooperative arrangements and European and international counter-narcotics fora. Germany also implements the EU Drugs Strategy 2005-2012 and its Action Plans.

A 1978 extradition treaty and 1986 supplemental extradition treaty are in force between the U.S. and Germany. A bilateral Mutual Legal Assistance Treaty in Criminal Matters (MLAT) entered into force on October 18, 2009. Germany has ratified a bilateral protocol with the United States that implements the 2003 U.S.-EU Extradition and Mutual Legal Assistance Agreements. The mutual legal assistance protocol with Germany entered into force, along with the MLAT, on October 18, 2009. The extradition protocol entered into force on February 1, 2010. There is a Customs Mutual Legal Assistance Agreement (CMAA) between the U.S. and Germany. In addition, Germany is party to the UN Convention against Transnational Organized Crime and has signed but has not yet ratified the UN Corruption Convention.

2. Supply Reduction

Counternarcotics law enforcement remains a high priority for the Federal Office of Criminal Investigation (BKA) and the Federal Office of Customs Investigation (ZKA). German federal and state law enforcement agencies scored numerous successes in seizing illicit narcotics and arresting suspected drug dealers. Notably, on March 10, 2011, a German-Lebanese criminal group was sentenced for laundering money from narcotics sales throughout Europe by bulk cash smuggling to Lebanon. Assets amounting to $11.8 million were forfeited. In 2010, the latest year for which statistics are available, Germany seized 474 kilograms of heroin in 5,645 different cases – 9% fewer seizures and 38% less heroin compared to 2009. In 2010, German law enforcement agencies seized 3,031 kilograms of cocaine, a 78% increase over the previous year. In addition to cocaine hydrochloride, a total of 3.2 kilograms of crack cocaine was seized in Germany during 2010, a 30 percent decrease from the previous year. Ecstasy seizures were lower this past year, with 230,367 tablets seized in 2010, a decrease of 56% in volume and 31% in cases. In 2010, there were 24,710 reported marijuana seizures, resulting in the seizure of 4,875 kilograms, an increase of 2% in the number of seizures but a 13% larger amount of drugs seized than the previous year. There were 7,427 cases involving the seizure of 2,144 kilograms of hashish, a 20% reduction of cases and a 3% reduction in the number of kilograms seized from 2009. Overall in 2010, 30 tons of the drug khat were seized, compared to 24 tons in 2009. In 2010, the majority of narcotics traffickers apprehended continued to be German nationals, followed by Turkish nationals, with organized criminal groups (mostly Turkish and German groups) continuing to expand their involvement in narcotics trafficking.

Seizures of illicit drugs moving by sea comprise a small proportion of overall narcotic drug seizures. However, the German ports of Hamburg and Bremerhaven are strategically located for the development of smuggling routes between South American source countries and the Baltic Sea region, as maritime traffic routes converge at these major transshipment ports.

3. 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. Policies stress prevention through education. The Ministry and federal states fund numerous research and prevention programs. Addiction therapy programs focus on drug-free treatment, psychological counseling, and substitution therapy.

The Federal Ministry of Health also supports the German Center for Addiction Issues (GCAI), which provides a platform for associations and charities active in helping addicts and their families throughout Germany. With few exceptions, all bodies in Germany involved in out-patient counseling and treatment, inpatient provision, and self-help are represented in the GCAI. Since the mid-1980s, Germany considers substitution therapy an important pillar in the treatment of opiate abuse. Approximately 77,400 patients undergo substitution therapy in Germany, the most widely used medication being methadone, with an increased use of buprenorphine and levomethadone in recent years. In 2009 Germany passed a law allowing diamorphine-based substitution treatment under strict legal conditions.

4. Corruption

As a matter of government policy, Germany 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. The U.S. is not aware of any cases of corruption by senior officials.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

German law enforcement agencies work effectively with their U.S. counterparts on narcotics-related cases. Close cooperation to curb drug trafficking continues among DEA, FBI, DHS/ICE (Immigration and Customs Enforcement), DHS/CBP (Customs and Border Protection) and their German counterparts, including the BKA, the State Offices for Criminal Investigation (LKAs), and the Federal Office of Customs Investigation (ZKA). German agencies cooperate closely with their U.S. counterparts in joint investigations to stop chemical precursor diversion for illegal purposes. A DEA Diversion Investigator is assigned to the BKA headquarters in Wiesbaden. The DEA Frankfurt Country Office facilitates information exchanges and operational support between German and U.S. law enforcement agencies. DHS/CBP in cooperation with German authorities operates two Container Security Initiative (CSI) locations at the ports of Hamburg and Bremerhaven where CBP Officers work with German authorities to identify maritime cargo containers destined for shipment to the U.S. that may pose a threat to national security. The program's targeting abilities can also identify and track containers used in transnational shipping of high risk cargo in support of global maritime security.

D. Conclusion

The U.S. anticipates that Germany will continue to cooperate closely on counter-narcotics, including at the law enforcement level. This comprises law enforcement information exchange as well as the pursuit of narcotics traffickers and international organized criminal entities involved in the manufacture and distribution of narcotics.

Ghana

A. Introduction

Ghana continues to be a transshipment point for illegal drugs, particularly cocaine from South America, as well as heroin from Afghanistan and Pakistan. Europe is the major destination, but drugs also flow to South Africa and to North America. Accra's Kotoka International Airport (KIA) is a focus for traffickers. Ports at Tema and Takoradi are also used, and border posts at Aflao (Togo) and Elubo and Sampa (Cote d'Ivoire) have seen significant drug trafficking activity. Gangs trafficking South American cocaine have increased their foothold in Ghana, establishing distribution networks run by Nigerian and Ghanaian criminals. Ghana's interest in attracting investment provides good cover for foreign drug barons to enter the country under the guise of legitimate business. However, South American traffickers limit their personal involvement in Ghana by relying on local partners, thus insulating themselves from possible arrest by local authorities.

Trafficking has fueled increasing domestic drug consumption of methamphetamine. Government regulation and oversight of precursor chemicals are inadequate.

President John Atta Mills remains committed to combating narco-trafficking in Ghana, most recently speaking against the illicit drug trade before the 66th session of the U.N. General Assembly in September 2011. He has promised to re-examine two high-profile narcotics cases from the previous administration and has continued to provide material support to law enforcement.

Corruption, a lack of resources, and porous borders seriously impede interdiction efforts. While law enforcement authorities continue to arrest low-level narcotics traffickers, Ghana has had relatively less success pursuing the so-called drug barons. Narcotics-related cases and others involving serious crimes can sometimes take years to prosecute, due to lack of expertise for prosecutors and judges, overbooked attorneys and the failure of witnesses to appear in court. Interagency coordination among law enforcement agencies remains a challenge. Ghana is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development:

The government took several significant steps in 2010 to increase its capacity to fight narco-trafficking and to uphold the rule of law in Ghana by creating: 1) the Economic and Organised Crime Office (EOCO) to investigate organized crime, narco-trafficking, and other serious crimes, and 2) the Financial Intelligence Center (FIC) to analyze and report on suspicious financial transactions. The Narcotics Control Board (NACOB) also worked with the U.S. Drug Enforcement Administration (DEA) to establish a Special Investigative Unit (SIU), the first of its kind in Africa. The SIU has already achieved some tangible successes. In 2011, Parliament passed anti-money laundering regulations. Parliament is considering a Freedom of Information Act that will facilitate greater transparency in government. The government is also developing a ten-year anti-corruption action plan and an interagency national integrated program to fight transnational organized crime.
Ghana is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the African Union Convention on Preventing and Combating Corruption. U.S.-Ghana extradition relations are governed by the 1931 U.S.-U.K. Extradition Treaty. In 2003, Ghana signed a bilateral Customs Mutual Assistance Agreement with the United States. Ghana is not yet a party to the UN Convention Against Transnational Organized Crime.

2. Supply Reduction

Cocaine and heroin are the main drugs that transit Ghana. Cocaine is sourced mainly from South America and is destined for Europe, while Afghan heroin comes mainly by way of Southwest Asia on its way to Europe and North America. Cannabis is shipped primarily to Europe. Shipping and production of methamphetamine is in its nascent stages. Law enforcement officials report that traffickers are increasingly exploiting Ghana's relatively unguarded and porous maritime border, offloading large shipments at sea onto small fishing vessels, which carry the drugs to shore undetected. Some narcotics enter Ghana from other locations in West Africa. Narcotics are often repackaged in Ghana for transshipment, hidden in shipping containers or secreted in air cargo. Large shipments are often broken up into smaller amounts to be hidden on individuals traveling by passenger aircraft through Kotoka International Airport. The most common individual concealment methods involve false bottom suitcases or body cavity concealment.

Through June 2011, NACOB seized approximately 20 kilograms of cocaine, over four kilograms of heroin, and 86.5 kilograms of cannabis. NACOB arrested 28 individuals and convicted 15 in that time period. Notable cases in 2011 include the following:

- On July 14, the DEA and NACOB jointly dismantled a heroin trafficking ring in the U.S. and Ghana, arresting eight individuals, including the ringleader. The five individuals arrested in Ghana are to be extradited to the U.S. for prosecution.
- As a follow-up to those investigations, eight government officials from the security services were arrested in August, charged with assisting drug traffickers to transport drugs through Kotoka International Airport.
- Also in July, the Bureau of National Investigations (BNI) separately arrested three individuals assisting narco-traffickers at the airport. The case caused a controversy when a magistrate judge granted the individuals bail, leading to a confrontation outside the courthouse, and BNI re-arresting the accused.

As of late October 2011, the approximate street prices of one kilogram of drugs were as follows: cocaine - $38,000; heroin - $21,000, methamphetamine - $13,500; and cannabis - $32. A local abuse method for cannabis involves mixing the drug with liquor/spirits. Various pubs sell this cannabis cocktail upon special request from knowledgeable customers.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Illicit drug use is growing in Ghana. Cannabis is the most abused illicit drug, but the use of hard drugs is on the rise. According to NACOB, there has been an increase in reported cocaine and heroin usage as evidenced by increased requests for treatment in 2011 compared to 2010. Up to June 2011, there were 887 illicit drug users being treated at four psychiatric hospitals, with 7 percent being treated for cocaine abuse, and 4 percent for heroin abuse, the remainder for marijuana, and some few for synthetic drugs.

NACOB has a small office that handles drug abuse awareness and demand reduction programs. It works with local chief executives to educate them on the ill effects of drugs and to encourage them to educate their employees. Officials have appeared on radio and TV stations for sensitization programs, and sponsored essay and quiz competitions to promote drug awareness. In addition, NACOB's Counseling Unit works with different psychiatric hospitals around the country, providing drug education programs and counseling sessions, as well as monitoring drug use and treatment.

4. Corruption

Corruption continues to be an issue in Ghana and is widely perceived to be endemic in the police force, as well as other government institutions. An investigative journalist released an undercover video showing numerous agency officials taking bribes at Tema harbor in February. To date, no arrests or prosecutions of those individuals are known to have occurred. Ghana does not have laws that specifically target narcotics-related public sector corruption. NACOB and BNI arrested members of their own ranks who were allegedly assisting narco-traffickers at the airport. The courts convicted a former police officer in March for selling narcotics he seized from a suspect. As a matter of government policy, Ghana does not encourage or facilitate illegal activity associated with drug trafficking. There is no evidence linking senior government officials to such activity.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

USG and Ghanaian law enforcement continue to enjoy excellent cooperation on counternarcotics. A USG-provided full body scanner has detected and deterred drug swallowers at Kotoka International Airport, and a second scanner is currently being installed. AFRICOM is building a ship maintenance and docking facility to assist with maritime drug interdiction, and is also building the Navy a maritime territorial waters monitoring center. Embassy Accra formed an interagency group to examine maritime security issues, including narcotics landings along the Ghanaian coast and port interdiction. NACOB and the Ministry of Justice are currently cooperating with DEA to extradite five narcotics traffickers to the U.S. for prosecution. Theses traffickers were arrested in a joint operation between DEA and Ghanaian law enforcement agencies in July.

The USG continues to provide technical assistance on narcotics issues to Ghana within its ministries and offices. A U.S. Treasury advisor is embedded at Ghana's Financial Intelligence Centre (FIC). A U.S. Department of Justice intermittent legal advisor is providing technical assistance to the Ministry of Justice, EOCO, and NACOB to handle narcotics prosecutions and complex transnational organized crime. DEA continues to provide technical assistance and equipment to NACOB, and the Naval Criminal Investigative Service (NCIS) provides support to the Ghana Police Service.

The U.S. Department of State's Office of Counter Narcotics and Terrorism program (CNT) continues to fund United States Coast Guard training missions focusing on maritime security for the Ghanaian Navy. The training topics range from Maritime Law Enforcement to Outboard Motor Maintenance. For 2012, a training event is scheduled to train Ghanaian Navy members in the operation and maneuvering of small boats, which will aid in the maritime service's capability to prevent drug trafficking.

D. Conclusion

Ghana remains committed to combating narcotics trafficking and maintaining excellent cooperation with international partners, including the U.S., on counter narcotics. Corruption and related scandals were in Ghanaian headlines, and the government took a strong anti-corruption stand, arresting several suspects in their law enforcement agencies. However, Ghana's law enforcement and judicial institutions continue to face a number of challenges that hinder the country's ability to make greater strides against narco-trafficking. Ghana should endeavor to continue providing needed technical, human, and financial resources to law enforcement and judicial institutions, and take further steps to combat corruption, and improve interagency coordination among law enforcement agencies.

Guatemala

A. Introduction

Guatemala's location between the Andean drug producing countries and the U.S. market made it an ideal transshipment point easily accessible to drug-trafficking organizations (DTO). The United States estimates that approximately 95 percent of the cocaine leaving South America for the United States moves through the Mexico and Central America corridor. Of this, an increasing amount – nearly 80 percent – stops first in a Central American country before onward shipment to Mexico. As a result of the country's weak public institutions, pervasive corruption, and vast under-governed area along its borders, the United States estimates that approximately 15 percent of the primary flow of cocaine entering the United States transited Guatemala. In addition to marijuana for domestic consumption, Guatemala produced opium poppy for export.

The United States and Guatemala partnered to strengthen Guatemalan institutions and develop technical capacity, but the security situation continued to deteriorate. Mexican DTOs, including the Sinaloa cartel and Los Zetas drug organization, continued to conduct operations in the country. Guatemala was beset with transnational crime, including trafficking in persons and arms, and an upsurge in powerful gangs who engaged in armed robbery, murder-for-hire, and extortion activities.

Guatemala's tax collection rates, among the lowest in the hemisphere, limited the government's ability to dedicate the necessary resources to confront citizen security challenges. Drug seizures and eradication of opium poppy increased in 2011. Impunity rates persisted at 96.5 percent for murder, with similarly high numbers for other crimes, including organized crime. While the number of homicides declined from 2010 levels, Guatemala's per capita murder rate roughly doubled over the last ten years. Guatemala is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Law enforcement and criminal justice institutions remained hampered by an environment of pervasive corruption. The frequent replacement of top officials inhibited the development of coherent and consistent strategic approaches towards improving rule of law. Government officials were also challenged by intimidation, constrained budgets, and limited training. Taxes comprise 10.5 percent of Gross Domestic Product, leaving state institutions chronically underfunded. Despite calls from international and civil society leaders to increase effective tax rates and collection, as well as transparency in government spending, the Guatemalan Congress did not approve a fiscal reform measure in 2011, in part due to opposition from the private sector. These factors fostered an environment that not only facilitated the operation of organized crime in Guatemala but also encouraged further encroachment upon national territory and consolidation of control over trafficking networks by Mexican drug cartels.

Guatemala established the Police Reform Commission in 2010, led by noted human rights advocate Helen Mack. In 2011, the Commission encountered difficulties in implementing reforms, in part due to a lack of coordination between the Ministry of Government (MOG), the police, and the Commission. To facilitate transition into the next administration led by President Otto Perez Molina, the Commission presented a Continuity Plan that included police reform recommendations and estimated budget requirements for the Commission. The United States provided the Commission with technical assistance, equipment, and law enforcement advisors.

The government utilized judicially-authorized wiretaps to obtain evidence in several high-profile cases, and augmented the wiretap unit's personnel and operating capacity. In 2011, such Guatemalan narcotics traffickers as Waldemar Lorenzana-Lima, Byron Linares-Cordon, and Juan Ortiz-Lopez were captured by authorities.

The United States assisted Guatemala in developing implementing regulations for a seized asset law passed in 2010 and helped create a secretariat to oversee seized assets. The United States also deployed a regional expert who provided training to prosecutors and judges working on asset forfeiture.

The special anti-gang unit expanded to cover western Guatemala, the border region with Mexico, and the eastern part of the country, including the borders with El Salvador and Honduras. This expansion provided greater geographic law enforcement resulting in a doubling of the number of gang member arrests from 130 in 2010 to 399 in 2011.

Guatemala is a party to the 1961 UN Single Convention and 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; the 1988 UN Drug Convention; the Central American Commission for the Eradication of Production, Traffic, Consumption and Illicit Use of Psychotropic Drugs and Substances; and the Central American Treaty on Joint Legal Assistance for Penal Issues. It is also a party to the UN Convention against Corruption, the UN Convention against Transnational Organized Crime and its three protocols, the Inter-American Convention against Corruption, and the Inter-American Convention on Mutual Assistance in Criminal Matters. A maritime counternarcotics agreement with the United States is fully implemented. Guatemala ratified the Inter-American Mutual Legal Assistance Convention, and is a party to the OAS Inter-American Drug Abuse Control Commission (an entity of the OAS). A 1903 extradition treaty between Guatemala and the United States is in effect which allows for the extradition of Guatemalan nationals. Guatemala adopted a supplemental extradition treaty adding narcotics offenses to the list of extraditable offenses in 1940. As a result of laws passed in 2008, all U.S. requests for extradition in drug cases are expected to be consolidated and expedited in specialized courts located in Guatemala City. In 2011, the Guatemalan Navy for the first time participated in the Multilateral Maritime Counterdrug Summit.

2. Supply Reduction

Guatemala's geographic location, large, sparsely-patrolled border with Mexico, and limited maritime law enforcement presence made Guatemala an ideal venue for the transit of drugs across its territory and through its coastal waters. The United States maintained an aviation support program to assist Guatemala in deterring illicit flights from the Andean production zone and expanding capacity to control territory.

The United States provided training and assistance to specialized military and police units to strengthen their interdiction capabilities, including for activities intended to enhance security along the Mexico-Guatemala border. The United States also provided training to Guatemalan law enforcement entities to improve investigative skills at Guatemala City's international airport and main seaports, leading to increased seizures of money and arrests of drug couriers.

According to the government, Guatemala seized 3.96 metric tons (MT) of cocaine, compared to 1.4 MT in 2010. Guatemala seized 95.36 kilograms (kg) of pseudoephedrine and 550,310 pseudoephedrine tablets, compared to 1.5 million pseudoephedrine tablets in 2010. The government also seized 23.39 MT of methamphetamine, methamphetamine precursors and by-products and nearly $4 million in narcotics-related currency.

Guatemala continued to be a minor – but rising – producer and exporter of opium poppy. Low-quality marijuana is grown for the domestic market. According to Government of Guatemala, 1,490 hectares of opium poppy were eradicated as of September 2011, a 60% increase over 2010 levels.

The United States believes poppy cultivation continued to increase in 2011, especially in the area of San Marcos near Guatemala's border with Mexico. Guatemala may be a net poppy cultivator of over 1,000 hectares.

Guatemala dismantled four clandestine methamphetamine laboratories in 2011. The continued presence of Mexican DTOs in Guatemala and their capacity to produce and export opium derivatives and synthetic drugs to Mexico and the United States remained a concern throughout the year.

Guatemala adopted strict controls on precursor chemicals in 2003, augmented them in 2009 to include pseudoephedrine, and developed new regulations to control additional precursor chemicals in 2010. Stricter regulations contributed to an increase in seized precursor chemicals, especially at the ports. According to the government, there are more than 7,900 barrels of precursor chemicals prepared for destruction, but the government lacks proper storage facilities and infrastructure for destruction. The United States, Guatemala, and the private sector collaborated on plans to safely destroy the precursors.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Guatemala lacked current information and data to accurately assess the breadth of illicit drug abuse in Guatemala. A 2005 household survey estimated a life-time prevalence of illicit drug use at 3.16 percent. According to a school survey conducted in 2003, this contrasts with a 40 percent increase in cocaine use; 55 percent increase in marijuana use; 230 percent increase in use of stimulants; and 380 percent increase in use of tranquilizers. Data suggest increased drug use in transshipment countries – such as Guatemala – in part due to drug availability and payment by traffickers for transportation services with illicit drugs rather than cash. The United Nations Office on Drugs and Crime reported that 0.2 percent of the population aged 15-64 abused cocaine.

In 2011, the Commission against Addictions and Drug Trafficking (SECCATID) remained underfunded. However, by working with NGOs and other Guatemalan institutions, it implemented a number of prevention projects and a small outpatient treatment program. SECCATID worked with the United States and the Ministry of Education to implement a creative pilot program named *Mis Primeros Pasos*. This pre-school based prevention program incorporated a series of activities to build social and emotional competence. SECCATID supported a year-long youth-at-risk prevention program entitled Youth in Action for a Safe Life, funded through U.S. assistance. SECCATID also supported the implementation of U.S. Drug Abuse Resistance Education (DARE), Gang Resistance Education and Training program (GREAT), and Police Athletic League (PAL) programs in high-crime areas of Guatemala.

4. Corruption

The GOG did not, as a matter of policy, encourage or facilitate illicit production and distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Guatemala supported the UN-led International Commission Against Impunity in Guatemala (CICIG) to investigate organized criminal groups with links to public institutions and to strengthen the Guatemalan justice system.

Nonetheless, corruption remained pervasive in public institutions and society as a whole. In 2011, the government formally charged Salvador Gandara, former Minister of Government and the mayor of Villa

Nueva, with corruption and money laundering. On November 15, 2011, Guatemalan President Alvaro Colom signed the final extradition order to extradite former President Alfonso Portillo on money laundering charges. This is the first time in Guatemala's history that a former president faced extradition.

The United States focused anti-corruption assistance on developing vetted and specialized units to counter the threat of corruption. While the vetting process is not a cure-all, experience shows that working with and training vetted officers builds public and internal confidence in the police. The United States and Guatemala took steps to combat corruption in the MOG and MP, including providing an ethics seminar with wide participation from Guatemalan authorities. Additionally, the United States provided technical assistance to Guatemalan institutions charged with developing and implementing ethics codes and managing internal affairs units.

C. National Policy, Bilateral Cooperation, and U.S. Policy Initiatives

The United States and Guatemala cooperated on citizen safety, counternarcotics, law enforcement, and rule of law programs focused on building Guatemalan leadership and institutions to provide a stable and secure citizen safety environment. Individual programs focused on training, equipping and developing partner capacity to detect and interdict drug trafficking; investigating and building criminal cases to prosecute towards successful resolution of cases; and improving police capacity for modern law enforcement techniques.

U.S. assistance supported Civilian National Police (PNC) efforts to become a professionalized force that is an integral pillar of the criminal justice system. Assistance supported the PNC's investigative, analytical, preventive, and patrolling capacity through the Police Reform Commission, the Model Precincts Program, and the Center for Collection, Analysis and Dissemination of Criminal Information (CRADIC), the PNC's Total Information Management System, the PNC Academy, the prison system, and the Inspector General/Office of Professional Responsibility (Internal Affairs) Unit. The United States also supported the vetting process of PNC special units, a Special Methods Unit (UME), the Sensitive Investigative Unit (SIU), the Airport Task Force, the Financial Investigative Unit (FIU), and a confidential tip hotline.

The United States provided support to an inter-agency anti-gang unit that brought together the PNC, MP, and analysts from CRADIC to investigate and dismantle local gang organizations. Sustained aviation support for joint Air Force-PNC activities enhanced the Guatemalan government's ability to interdict drugs, advance eradication, transport law enforcement agents and detainees/evidence to and from remote areas of Guatemala, and respond to natural disasters.

Through U.S. support for rule of law activities, Guatemala increased its capacity to prosecute narcotics traffickers, organized crime leaders, money launderers and anti-corruption law violators. Efforts included provision of financial and technical support to three special prosecutorial units for criminal cases and a special task force for investigation and preparation of high-impact narcotics cases. A lack of resources, including well-trained staff and funds for equipment and maintenance, prevented the units from reaching their full potential. The seized assets law, if fully implemented, should be an effective tool to deprive drug traffickers of illicit proceeds and provide needed resources to the law enforcement and justice sector.

D. Conclusion

The United States enjoyed productive relations with Guatemala and worked to improve the government's technical and organizational capacity in the security and justice sectors. Improved citizen security and the

success of Guatemalan efforts – in partnership with the United States and the international donor community – depend on the political will and leadership of the Government of Guatemala and its ability to provide the resources necessary to replicate and sustain investments.

Despite the availability of enhanced tools, such as aviation capacity, interdiction results remained low in comparison to the flow of narcotics through the country. Changes in key government personnel continued to be a problem; lack of continuity complicates efforts to develop long-term strategies and fully implement programs. While the total number of police officers increased by 50 percent between 2008 and 2010, the MOG's budget increased only 28 percent in 2009 and stayed at that level in 2010. In 2011, budget transfers by the MOG – which took funds away from the police and gave them to other public institutions – limited the operational capacity of existing units and raised doubts about the prospects of replicating impactful projects such as the Model Precinct Program, on a national scale. Corruption and intimidation of law enforcement and justice sector officials continue to reduce overall efficacy of security and justice sector activities.

By fully implementing the organized crime law and establishing and training operational units to use key investigative tools such as controlled deliveries and undercover operations, Guatemala will be more capable to combat the infusion of narcotics-related crimes in the country. The government is encouraged to strengthen implementation of the seized assets law, pass a law against crimes related to corruption, and make reforms to the injunction law to deprive criminals of their gains and channel resources to counternarcotics efforts. Guatemala's efforts to fight corruption will be more effective by fully implementing PNC reforms, including provision of sufficient salaries to law enforcement and creating career paths, as well as reorganizing the office of the Inspector General and the Office of Professional Responsibility. Continued police reform, with appropriate budgetary support, is necessary for sustained progress in Guatemala.

Guinea

A. Introduction

Despite some genuine efforts by the GoG to combat the narcotics trade, the issue remains a secondary priority. It remains to be seen if newly elected President Alpha Conde will take efficacious action in combating the narcotics trade during his term of office. So far, Conde has focused more on other priorities. During the past two decades, Guinea has experienced a series of dramatic events that have tended to produce two distinctly separate and diametrically opposed approaches towards narcotics issues- either the Government of Guinea (GoG) focused attention on narcotics with unprecedented and (ostensibly) earnest interest, or the GoG relegated the issue to insignificance. The direction taken by the GoG at any given point in time was generally dependent on the prevailing political climate and the agenda of the president holding power. In some cases, the intent of the government's focus on the narcotics issue seemed to be manipulative- i.e.; to convince foreign observers that more effective action was being taken than was actually the case. In other instances, the GoG demonstrated the best of intentions to attempt to address narcotics issues, but enforcement of drug laws was left to the country's under-resourced and inadequately trained police and military, which did their best to carry out their responsibilities, but were ultimately ineffective. Guinea is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The period since the recent election of President Alpha Conde (November 2010) has witnessed little improvement of Guinea's troubled counternarcotics programs, as a long list of other problems (i.e.; inflation, unemployment, civil works projects, communication improvements, etc.) have trumped the narcotics issue in priority. Since his investiture, Conde has revamped a pre-existing agency now referred to as the Office of the Secretariat-General to Fight Against Drug-Trafficking and Organized Crime and Repression of Financial and Economic Crime, which was originally created by former military ruler Captain Moussa Dadis Camara. That office falls directly under President Conde's control in the chain of command. There is little tangible evidence of any recent progress made by that office to combat narcotics issues, other than the occasional seizure of marijuana. In addition, there is a lack of clarity over questions of jurisdiction, as multiple agencies (such as Customs) are also involved in drug enforcement activities.

2. Supply Reduction

Guinea has increasingly become a major transshipment point for tons of cocaine from South America. The cocaine is being smuggled into Guinea via sea and air by Colombian DTOs. Cocaine transiting Guinea is usually destined for European markets. Onward shipment to Europe occurs via overland routes, private aircraft, commercial air couriers, vessels and container cargo. There are credible allegations that Guinean military officials are facilitating drug trafficking through Guinea. Local authorities indicated that in 2008 they seized 573 kg of cannabis and 422 kg of cocaine; and in 2009, 244 kg of cannabis and 25 kg of cocaine were seized.

In 2009, the GoG under the leadership of then-military ruler Captain Moussa Dadis Camara announced that its counter-narcotics unit had discovered drug labs in and around the capital city of Conakry. However, investigation of one of those labs at Gbessia airport by U.S. Embassy personnel led to significant doubts about the authenticity of the GoG's claims. The U.S. Drug Enforcement Administration (DEA) was set to dispatch two agents from its Paris office to investigate the GoG's claims

in late September 2009; however, before the inquiry could begin, the infamous September 28 massacre at Conakry's football stadium took place, which virtually erased any and all international support for the Dadis regime. Consequently, due to the loss of international confidence in the Dadis regime and the unstable security situation that followed the stadium massacre, the DEA postponed its trip. DEA has only recently begun to reengage in Guinea, making one trip in June 2011.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Illicit drug use in Guinea is difficult to quantify; not only is local law enforcement and prosecution lax, but the absence of any rehabilitation clinics or other treatment options means no empirical data is available. General observation suggests proliferation of illicit drug usage throughout the country. Marijuana is widely consumed, cocaine and heroin consumed to a much lesser degree.

4. Corruption

Official corruption is endemic and generally accepted as a fact of life in West Africa. The highly evident corruption in past regimes in Guinea likely played a role in the country's emergence as a transit center for narcotics. It is uncertain whether the newly elected President Alpha Conde and the current GoG will take serious action to attack the corruption that impedes progress in counternarcotics efforts.

Guinea is party to the 1988 UN Drug Convention, but not to the UN Convention against Transnational Organized Crime, and has signed, but not yet ratified the UN Convention against Corruption. As a matter of policy the government of Guinea does not encourage or facilitate the illicit production or distribution of narcotics or launder proceeds from illegal drug transactions. There is no evidence that any senior civilian government officials engage in, encourage, or facilitate the illicit production or distribution of drugs.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The Guinean National Gendarmerie has enthusiastically participated in and benefitted from "use of force training" offered by the U.S. and EU. The gendarmerie has implemented new policies and practices in accord with that training with a high degree of success. The Guinean military has also shown that it can deploy to the streets of Conakry during civil unrest without usurping police authority, limiting itself to a supporting role similar to a U.S. National Guard unit. Effective leadership, clearly defined parameters, and the opportunities to employ its newly acquired "use of force" principles have contributed to success in application clearly exceeding expectations.

Nevertheless, the fact remains that the Guinean police and armed forces still have a long way to go. They both will require more use of force training and intense training and organizational reform to achieve improvements on fighting corruption. Clearly, success in fighting corruption will have direct bearing on the GoG's effort to combat narcotics trafficking.

D. Conclusion

Guinea's recent unprecedented democratic presidential elections have paved the way for the current period of relative stability. Aggressive substantial reformation and training of the Guinean National Police over the medium term could eventually provide the foundation for the implementation of a solid counter-narcotics strategy. Guinean police forces have demonstrated enthusiasm to receive any and all types of training. This enthusiasm for progressive training and modernization are a clear indicator that future law enforcement training programs provided by international organizations/agencies will be well-received and will ultimately be greatly beneficial to Guinean law enforcement and to the success of

counternarcotics efforts. Existing training opportunities such as at the International Law Enforcement Academy (ILEA) training sessions are coveted opportunities, and the expansion of these opportunities will further aid in the professional development of future leaders in the Guinean law enforcement hierarchy. The successes of American and European police officers providing a very modest amount of on-site training in Guinea was followed by virtually textbook execution of training principles during recent election-related violence and political protests. Guineans have also responded well to "Train-the-Trainer" programs. With successes such as these, there is cause for optimism.

In discussing Guinea's future, however, one cannot discount the recent past of civil unrest, military dictatorship and rampant corruption- and one can only hope that there will not be a return to the discouraging state of affairs that preceded the recent democratic elections.

Currently, Guinea's newly established democracy is still in its nascent, fledgling stages- the government still has to hold legislative elections in order to form a fully-functional government congruent with the principles of representative democracy. Political tensions between rival tribal ethnic groups hangs heavy in the air. Guineans are also becoming increasingly frustrated with inflation and the rise in the cost of living. All of these problems tend to deflect attention from counternarcotics efforts and long-term reform efforts of the police and the military.

Yet, Guinea has repeatedly shown an unflappable ability to move forward. While one should be cautious about facile optimism, recent events and the current relative stability in Guinea suggests that with future training opportunities and continued support from the international community, Guinea could eventually move forward to successfully address narcotics issues. However, if the military is indeed facilitating narcotics trafficking, that issue would have to be taken on and dealt with before real progress could be realized.

Guinea-Bissau

A. Introduction

Guinea-Bissau, a tiny impoverished country in West Africa, is a major transit hub for narcotics trafficking from South America to Europe. The country provides an opportune environment for traffickers because of its lack of law enforcement capabilities, its demonstrated susceptibility to corruption, its porous borders, its location in relation to Europe, South America and neighboring West African transit points, and its linguistic connections to Brazil, Portugal and Cape Verde. The un-policed islands off the coast of Bissau are hubs for major drug trafficking from Latin America. Corruption, specifically the complicity of government officials at all levels in this criminal activity, inhibits both a complete assessment and resolution of the problem. Guinea-Bissau has degenerated into a narco-state despite the international community's efforts to avoid such a troubling development.

Guinea-Bissau has a population of 1.82 million persons. The country is one of the poorest in the world, placing 176 out of 187 countries on the United Nation's 2011 Human Development Index. Security forces lack the most basic resources, and civil servants are often not paid for months at a time. Until September 2010, the country possessed no adequate criminal detention facilities. Guinea-Bissau's history since independence from Portugal in 1974 has been characterized by political instability, civil war, and continuous unrest. The U.S. Embassy in Bissau suspended operations in June 1998 due to civil unrest. Relations and cooperation between Guinea-Bissau and the United States are conducted from the U.S. Embassy in Dakar Senegal.

President Malam Bacai Sanha was elected in July 2009 following the assassination of President Joao Bernardo Vieira by the military. International observers declared the 2009 elections to be free and fair. On April 1, 2010 ex-Navy Chief of Staff Jose Americo Bubo Na Tchuto and soldiers loyal to Deputy Defense Chief of Staff Antonio Indjai detained Defense Chief of Staff Jose Zamora Induta and Prime Minister Carlos Gomes. Gomes was released several days later, but Induta remained in military detention without being formally charged until his release on December 23. Na Tchuto was listed as a drug kingpin in April 2010 by the U.S. Department of Treasury due to his significant involvement in international narcotics trafficking. In June 2010, Indjai was appointed to the position of Defense Chief of Staff. In October 2010, Na Tchuto was re-appointed as Chief of Staff of the Bissau-Guinean Navy. Guinea-Bissau is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Developments

The Government of Guinea-Bissau (GOGB) is in the process of reforming the country's security services. UNODC and the UN Integrated Peace-Building Office in Guinea-Bissau (UNIOGBIS) both play a large part in Security Sector Reform (SSR) efforts and have worked to coordinate the international community's assistance programs. The governments of Brazil and Portugal provide military and police training. The Government of Angola also provides military and police training through a bilateral agreement. It is thought that future Angolan assistance will be increasingly directed towards the police and SSR and less towards the military.

In 2011, the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) funded two positions dedicated to Guinea-Bissau: a Regional Law Enforcement Advisor and a Justice Sector Advisor. The Regional Law Enforcement Advisor is based in Benin. The Advisor

developed a long-term law enforcement training strategy and coordinated USG assistance to GOGB law enforcement agencies. In FY 2011, the Law Enforcement Advisor had several successes in the 'training received' category, including training in Senegal hosted by Senegalese law enforcement. This low cost effort proved to be highly successful in developing relations between GOGB law enforcement authorities, American law enforcement officials, and Senegalese law enforcement officials.

The Justice Sector Advisor position has carried out a similar function. The Justice Sector Advisor initially assessed the needs of the country's law enforcement and judicial sectors and used that assessment to begin developing a training strategy. The Justice Sector Advisor has worked with other donor governments and international organizations to coordinate assistance in an effort to eliminate wasteful duplication of effort. In November 2011, INL and UNIOGBIS collaborated on Guinea-Bissau's first "National Forum on Criminal Justice." The Forum issued a report in which it recommended a substantial restructuring of the GOGB criminal justice system and changes to the criminal code. There is a growing awareness among donors and GOGB officials that some of the judicial and law enforcement training being offered under a 2006 national security strategy is above the level that the largely uneducated and illiterate police force can absorb. The Justice Sector Advisor has taken the lead in ensuring the training offered by the USG is at an appropriate level, and is well-positioned to monitor how USG funds are spent and whether they could be better used in other areas. Cooperation with other governments and organizations is at a high level.

A cabinet re-shuffle in late 2011 included the appointment of a new Justice Minister, Adelino Mano Queta, and a new Attorney General, Edmundo Mendes. A new Chief of the Judicial Police, João Biague, was appointed after his predecessor resigned, citing death threats and systematic barriers to effective law enforcement in Guinea-Bissau. A new Commissioner for the Public Order Police (the national police), Antero Correia, was also appointed.

2. Supply Reduction

Inadequate civilian control of the Bissau-Guinean military remains a problem and has hampered efforts to seize drug shipments and investigate drug trafficking. Law enforcement and judicial officers are not able to investigate allegations of military involvement in drug trafficking. The lack of effective civilian control over the military and the lack of law enforcement and judicial resources make it difficult to predict or estimate the quantity of drugs which pass through Guinea-Bissau en route to Europe or to effectively gauge the quantity of drugs consumed locally. The borders are porous and poorly controlled. The Port of Bissau has no meaningful security and containers routinely leave the country without inspection.

In February 2011, the Judicial Police destroyed the following drugs seized over the past three years in front of observers from the diplomatic community: canabis (798 kg), crack cocaine (71 kg (76 packages and 6 small bags)), and powder cocaine (16.714 kg (766 capsules)).

3. Drug Abuse Awareness, Demand Reduction, and Treatment

UNODC reports drug abuse is a growing problem in Guinea-Bissau. The government's response has been inadequate, and hampered by a lack of resources and overall capacity. For example, there has not been a systematic study of the problem to determine its scope – all assessments are based on anecdotal evidence. There are no government-funded treatment centers in Guinea-Bissau. The few operational centers are privately funded.

4. Corruption

Corruption is endemic at all levels of government. Members of the customs service take money to allow passengers and articles to pass through the airport and other border posts without inspection. Police routinely accept bribes during traffic stops. Government salaries are inadequate, and many officials live beyond what they could afford on their salaries. Due to government budget shortfalls, officials sometimes go without their pay for months. The low salaries of police officers, prosecutors, and judges ensure corruption.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The U.S. Embassy in Bissau suspended operations in June 1998. The U.S. Ambassador to Senegal is accredited to Guinea-Bissau and one U.S. officer assigned to the Embassy in Dakar monitors events there. The U.S. Embassy liaison office opened in Bissau in 2008 and is staffed by three Local Employed Staff. Representatives from Diplomatic Security, INL, DEA, AFRICOM and the FBI made frequent visits to Bissau in 2011 to provide technical assistance and to conduct needs assessments. Guinea-Bissau is a USAID non-presence country. A Memorandum of Agreement between the United States and Guinea-Bissau allows the U.S. to assign a Justice Sector Advisor to Guinea-Bissau on a full-time basis. The Advisor arrived in February 2011, and has been working to develop and implement a strategic plan for USG training and assistance to the Bissau-Guinean judicial system.

D. Conclusion

Due to lack of law enforcement capacity, susceptibility to corruption, porous borders, and opportune location, Guinea-Bissau remains a significant hub of narcotics trafficking and has developed into a narco-state. While many officials within the Bissau-Guinean government recognize the extent of the drug problem and express a willingness to address it, a crippling lack of resources and capacity to address the problem remain a hindrance to real progress in combating drug trafficking.

The USG will continue to work closely with the government of Guinea-Bissau to improve the capacity of its narcotics law enforcement officers to investigate and prosecute narcotics crimes. In recognition of the importance of strengthening broader institutional capacity, the USG will continue to support judicial reform efforts, and will seek to strengthen the legislative and oversight capacity of the National Assembly. Furthermore, given the broad role that socio-economic factors play in narcotics trafficking, the USG will seek to promote economic development and political stability.

Guyana

A. Introduction

Guyana continues to be a transit country for cocaine destined for the United States, Canada, the Caribbean, Europe and West Africa. Cocaine originating in Colombia is smuggled to Venezuela and onward to Guyana by sea (fishing vessels, bulk cargo vessels and tug vessels) or air. Because of Guyana's porous borders, smuggling is also conducted by land from Brazil and Suriname into Guyana. Once cocaine arrives in Guyana, it is often concealed in legitimate commodities and smuggled via commercial maritime vessels, air shipments, human couriers, or the postal services.

Guyana has seen its political and judicial infrastructure impacted by narco-influence, while its economy has become increasingly affected by narco-dollars. Drug trafficking organizations based in Guyana are beginning to use neighboring Suriname as a major distribution hub. The cocaine is smuggled into Guyana and then transported to Suriname for safekeeping and distribution. In these instances, Suriname is used as a stash location and distribution country for drugs entering Guyana. In other cases, drugs depart directly from Guyana.

Both locally grown and imported marijuana (usually from Jamaica, St. Vincent and the Grenadines, and Venezuela) is mostly used for domestic consumption and is the most commonly abused drug in Guyana, followed closely by cocaine. Marijuana is sold and consumed openly in Guyana despite frequent arrests for possession. Ecstasy/MDMA is becoming more prominent, although availability and use is still low. Drug abuse treatment in Guyana is hindered by insufficient government funding and a lack of public awareness.

Guyana is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Anti-Money Laundering and Countering the Financing of Terrorism Act (AMLCFTA), the Interception of Communications Bill, and the Criminal Procedure Bill were designed to enhance both the investigative capability of law enforcement authorities and prosecutors' ability to obtain convictions in drug related cases. In 2011, however, there have been no convictions under these laws, and there is an apparent lack of political will to investigate and prosecute drug trafficking organizations.

Guyana has a drug enforcement presence at its international airport, at post offices, and to a lesser extent at the port of Georgetown. Three major agencies involved in anti-drug efforts are the Guyana Police Force (GPF), the Customs Anti-Narcotics Unit (CANU), and the Guyana Defense Force (GDF). Of those three, CANU has the most drug enforcement experience.

Guyana is a party to the Inter-American Convention on Mutual Assistance in Criminal Matters; the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; and the 1988 UN Drug Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. Guyana is also a party to the UN Convention against Transnational Organized Crime and its three Protocols.

The 1931 Extradition Treaty between the United States and the United Kingdom is also applicable to the United States and Guyana. This is a treaty that permits extradition only for offenses listed. Recent rulings in extradition hearings have severely challenged this treaty. For example, in 2008, a Guyanese court first made provisional arrests of fugitives very difficult and a second court held that the treaty was invalid because it lacked a re-extradition clause. The latter issue has been addressed by a recently enacted amendment to the Guyanese Fugitive Offenders Act. The United States has not sought any extraditions since its enactment.

In 2008, Guyana acceded to, and has filed information requests under the Inter-American Convention on Mutual Assistance in Criminal Matters, to which the United States, also a party to the Convention, has responded positively. Guyana has bilateral agreements to cooperate on drug trafficking issues with its neighbors and with the United Kingdom. Guyana is also a member of the Organization of American States' Inter-American Drug Abuse Control Commission (OAS/CICAD). In April, the United States and Guyana signed a Letter of Agreement to cooperate in the implementation of the Caribbean Basin Security Initiative (CBSI).

The government of Guyana signed a maritime counter-drug bilateral agreement with the USG in 2001, but has yet to take the necessary domestic action to bring the agreement into effect.

2. Supply Reduction

In general, the Guyana Defense Force (GDF), with approximately 2,500 members, supports law enforcement agencies and their operations with boats, aircraft, and personnel but has a limited capacity and lacks law enforcement authority. The Guyana Coast Guard (GCG), a GDF component and key partner in maritime interdiction, has approximately 250 members, and its primary missions are to patrol the territorial waters of Guyana and conduct humanitarian search and rescue.

Approximately 352 kg of cocaine and 393 kg of marijuana were seized in 2011. As a result of these seizures, Guyanese authorities have cases pending prosecution against 16 mid-level and senior drug traffickers. Also during 2011, Guyanese authorities seized 2,500 marijuana plants, which led to the arrest of three individuals whose cases are also pending prosecution. Cocaine seizures totaled 105 kg in 2010.

3. Drug Awareness, Demand Reduction, and Treatment

Guyana's ability to handle drug abuse is impeded by its modest financial resources available to support rehabilitation programs. Guyana has only two residential facilities that treat substance abuse: the Salvation Army and the Phoenix Recovery Center. Both are partially funded by the government, but they have budgetary constraints and often rely on donations from addicts' families to stay open. Since 2007, the Ministry of Health has provided outpatient talk-therapy treatment and has run several modest demand reduction programs in schools, prisons, and through the media. Awareness efforts are inconsistent and lack material results due to budgetary shortfalls. There is little by way of non-governmental organization (NGO) support in demand reduction.

4. Corruption

As a matter of policy, the Government of Guyana 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. News media, however, report on allegations of corruption; some reports have implicated police personally in stealing drugs from seizures, while others point to high government officials who are not investigated and thus go unpunished.

Guyana is a party to the Inter-American Convention against Corruption, but has yet to fully implement its provisions, such as seizure of property obtained through corruption. Guyana is also a party to the UN Convention against Corruption.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Although Guyana's 2005-2009 National Drug Strategy Master Plan expired in 2009, the Ministry of Home Affairs in August announced that it would still continue to pursue a number of the goals under the expired plan, including enhancing forensic laboratory capabilities, and expanding drug treatment and rehabilitation programs.

CBSI is now an umbrella program under which U.S. policy in Guyana focuses on building capacity in security and law enforcement institutions, and encouraging positive livelihoods for at-risk youth and other populations. The USG has facilitated subject matter expert exchanges and trainings for the GDF, CANU, GPF, and has also engaged the Department of Public Prosecution and financial institutions to enhance the capacity of the court system to manage narcotics and money laundering cases.

The U.S. Coast Guard conducted 1 Mobile Training Team (MTT) and 1 resident course in small boat operations, professional development and port security.

While the Drug Enforcement Administration's (DEA) Port of Spain, Trinidad and Tobago, Office collaborates with Guyana on counternarcotics-related activities, the Embassy continues to support the establishment of a DEA office in Georgetown.

D. Conclusion

The Government of Guyana has shown strong interest in furthering collaboration under CBSI, and the United States encourages the Government of Guyana to deepen these mutual efforts. U.S. agencies look forward to tangible progress on extraditions, security sector and judicial capacity enhancement, the engagement of at-risk communities, and enforcement of laws against money laundering and financial crimes.

Haiti

A. Introduction

Haiti remains a transit point for cocaine originating in South America for transshipment to the United States, Canada, Europe, and elsewhere in the Caribbean. Narcotics arrive via both sea and air and depart in the same manner. Drugs are also transported over the land border to the Dominican Republic. Marijuana transshipments originating in Jamaica bound for The Bahamas and the United States are also a concern. However, Haiti is not a significant producer of illicit drugs for export, though cultivation of marijuana for local consumption does occur on a modest scale. As the poorest country in the hemisphere, Haiti's largely subsistence-level standard of living is not fertile ground for widespread domestic drug consumption.

Haiti faces challenges in combating the drug trafficking threat. Security and judicial institutions, including the national police force, are still in the early stages of professional development. Like many governmental functions in the country, they suffer from lack of transparency, resources and insufficient attention from the political levels of the Haitian government. This year was particularly unsettled on the political front as there were delays in both the first and second round of presidential voting, with the election cycle finally coming to an end on April 4. The Parliament then rejected President Martelly's first two Prime Minister candidates, with the third ultimately securing approval on October 5. These delays resulted in virtual policy paralysis in most Haitian governmental ministries, including the Ministry of Justice.

Haiti is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, And Trends

1. Institutional Development

The Haitian Government is committed to combating drug trafficking. "La Commission Nationale de Lutte Contre la Drogue" (CONALD), under the Minister of Interior, has policy and legislation to support the Government of Haiti's commitment to combat drug trafficking, narco-terrorism, and money laundering in Haiti.
The increased capacity of the Haitian National Police (HNP) to carry out its mission as the sole domestic security force in the country is evident in its growth in raw staffing numbers. The HNP has co-drafted a five-year development plan, with the assistance of the UN Stabilization Mission in Haiti (MINUSTAH). The key goals include expanding the HNP force to 15,000 officers by 2016 and adding mid- and advanced- level training opportunities.

The HNP is making steady progress and graduated its twenty-second class of police cadets in May 2011, bringing the total official strength to 10,814. HNP officers are still overwhelmingly concentrated in the capital of Port-au-Prince, with only 2,175 officers assigned to the nine outlying provinces. The problem of under-staffing the provinces is particularly acute in the two southern departments of Sud and Sud-Est, which are the principal entry points for drug transshipments. Logistics and material deficiencies across the country, combined with the degradation of key infrastructure, exacerbate the effects of these staffing shortages.

The HNP's dedicated counternarcotics unit, *la Brigade de Lutte contre le Trafic de Stupéfiants* (BLTS), received an additional 93 officers from the 2011 police cadet class, bringing its total strength to 136. BLTS is limited in operational reach because its sole operating base is in Port-au-Prince. BLTS works in concert with a financial crimes unit, the Bureau des Affaires Financieres et Economiques (BAFE), with a staff of 18. BAFE is instrumental in the seizure of drug trafficking resources that the Government of Haiti (GOH) can then convert into counterdrug assets.

The Haitian Coast Guard (HCG), a subdivision of the HNP, has a total strength of 148 with operating bases in Cap Haitien in the north and in the vicinity of Port-au-Prince. Haitian Coast Guard vessels currently do not have the range and endurance to cover more than a fraction of Haiti's coastline. Patrols are concentrated in coastal areas within the Gulf of Gonave. With no permanent base of operations in the southern claw, the HCG does not regularly patrol the 200 miles of coast from Jeremie to the Haiti-Dominican border. Canada is constructing an additional base on the southern coast at Les Cayes to help address this issue.

The Haitian Coast Guard's lack of functional support systems and clearly defined mission authorities hampers its operational capacity. The Haitian Coast Guard has historically concentrated on search and rescue/repatriation missions and has not had an appreciable counternarcotics focus.

Haiti is a party to the 1961 Single Convention as amended by the 1972 Protocol, the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the Inter-American Convention against Corruption, the Inter-American Convention against Trafficking in Illegal Arms, and the UN Convention against Corruption. Haiti remains the only member of the Organization of American States (OAS) not a party to the 1971 UN Convention on Psychotropic Substances. On April 19, 2011, Haiti ratified the UN Convention against Transnational Organized Crime and its three protocols. A U.S.-Haiti bilateral letter of agreement signed in October 1997 concerning Cooperation to Suppress Illicit Maritime Drug Traffic allows U.S. law enforcement agencies to enter Haitian territorial waters and airspace to investigate suspicious activity or when in pursuit of suspect vessels or aircraft, to board and search suspect vessels, and to carry members of the Haitian Coast Guard as ship riders. A Mutual Legal Assistance Treaty exists between Haiti and the United States, and the Haitian government has cooperated on many cases within the limits of Haitian law. The bilateral extradition treaty entered into force in 1905 and, although the Haitian Constitution prohibits extradition of Haitian nationals, the GOH has willingly surrendered Haitian nationals under indictment in the United States to U.S. law enforcement agencies.

2. Supply Reduction

HNP enforcement actions in 2011 were not of a sufficient scale to have a meaningful impact. Official counts cite only six suspected drug air drops in the country over the past year. No records are kept of suspected incoming sea shipments. This gap, resulting from insufficient capacity, compounds the lack of scrutiny of ship traffic into ports on the southern coast, especially in the vicinity of Jacmel. The total number of reported arrests associated with narcotics activity in Haiti in 2011 was 29; an equal number of suspects were indicted in the Haitian judicial system.

Seizures were insubstantial. GOH authorities reported 33.7 kilograms of cocaine and 958.5 pounds of marijuana were intercepted in 2011. However, joint HNP and DEA action in July did destroy approximately 11,000 mature marijuana plants in the Artibonite department in central Haiti. Cash seized as part of these cases totaled $6,750 USD; HNP officers also seized four firearms during drug operations.

Haitian authorities deported one suspect under indictment in the United States during 2011.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

There are no Haitian Government-sponsored drug abuse awareness or treatment programs, nor are we aware of non-government organizations (NGOs) providing such services. The extreme poverty of the population leaves little discretionary income, and the daily preoccupation with finding adequate food, water, and shelter for survival thus far has kept drug abuse from becoming widespread.

4. Corruption

As a matter of policy, the GOH 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. No senior-level Haitian Government officials are known to be engaged in illegal activity associated with drug trafficking.

The expressed commitment of senior officials to combat drug trafficking, however, has not yet generated meaningful action on Haiti's part to deal with endemic corruption. U.S. government officials and contractors continue to receive unsubstantiated reports of HNP officers providing security at clandestine landing strips for traffickers. The HNP arrested one of its own officers for corruption in July. Another officer was arrested earlier in the year for involvement with a Port-au-Prince marijuana ring. In other instances, HNP officers simply ignore reports of corruption, resulting in an environment that hampers counternarcotics efforts.

The HNP Inspector General, like the rest of the force, does not possess sufficient resources, especially when charged with conducting internal affairs activities for a force of over 10,000 officers. The Inspector General (IG) resigned in September 2011 once it became apparent that he was investigating human rights abuses committed by members of the HNP. There were reports that his resignation was politically driven. A temporary IG has been named.

The Haitian constitution grants blanket immunity from prosecution to members of Parliament. This immunity is a point of concern for law enforcement officials because of an inability to properly investigate allegations that some members of Parliament may be involved in illicit activities linked to their official duties.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The Government of Haiti and the HNP espouse combating drug trafficking as a primary concern. The effective tripling of the BLTS' numerical strength demonstrates political will to address this issue. However, operational outcomes have not kept pace with rhetoric, despite positive relationships with U.S. government partners in the Narcotics Affairs Section, Drug Enforcement Administration, and Military Liaison Office of the Embassy. This indicates an area that requires further strengthening and the Narcotics Affairs Section in the Embassy has a dedicated counternarcotics advisor on staff to assist the HNP in that effort.

Building the overall operational capacity and professionalism of the HNP is indispensable to successful counternarcotics activity in Haiti. The U.S. government supports each police cadet class with food, training supplies, uniforms, and equipment. Additional activities in support of HNP capacity building include efforts to ensure a full recruiting pipeline via a Narcotics Affairs Section-supported public relations campaign and the provision of professional advisors to the HNP. In addition, INL partners with the New York City Police Department (NYPD) via a Memorandum of Understanding to deploy rotating six-member teams of NYPD officers to Haiti to serve as technical advisors to the HNP, including on

counternarcotics. NYPD funds the deployed officers' salaries with INL furnishing per diem, housing, and other in-country support.

The Embassy' Narcotics Affairs Section manages the Haiti Stabilization Initiative (HSI), a program launched in 2007 aimed to empower community residents and improve the local security situation. In 2011, activities were focused in the Port-au-Prince neighborhood of Martissant where HSI funds refurbished two police stations, and plans are underway to refurbish an additional two stations in 2012. Activities in Martissant were in addition to HSI efforts already completed in the high-crime district of Cite Soleil. In addition to construction activities, the U.S. provided non-lethal protective equipment, communications gear, and training and mentoring in community-oriented policing for existing police officers and those to be assigned to the impact area. HSI activities target areas known for the presence of criminal gangs reportedly engaged in kidnapping and drug trafficking.

During 2011, INL and DEA funded enforcement operations with the HNP. DEA coordinated a series of operations in Haiti, including the seizure of a drug trafficker property near Thiote, in the Sud-Est province, in August with an estimated value of USD 2.2 million. DEA and INL also supported six additional months of supplementary investigative and operational instruction at the HNP Academy for 100 new BLTS officers.

U.S. support for BLTS is multifaceted. In December 2011, INL completed renovations on a new operating base for the unit at a seized drug property in the Tabarre area of Port-au-Prince. Other sites in Carrefour Dufort, Malpasse, and Port de Paix are under study for construction and rehabilitation to enable BLTS to permanently deploy to areas outside the capital. INL has funded the purchase of16 new BLTS vehicles, including six SUVs for canine unit use.

The six handlers and six dogs that comprise the BLTS canine unit represent a tripling of the canine unit's strength. INL funded the purchase of the dogs and training for both the dogs and the handlers in both Colombia and the Dominican Republic. . The canine teams are active at ports of entry in Port-au-Prince, including the airport, the waterfront, and the Malpasse border crossing.

Department of Defense Foreign Military Funding (FMF) is being used for an equipment and training package to support the operation of five new vessels purchased for the Haitian Coast Guard by the Government of Canada. The project also will outfit the Canadian-built Coast Guard base in Les Cayes to provide a badly-needed operating base for the Haitian Coast Guard on the south coast. INL provides ongoing support to provision the small Coast Guard unit located on the North Coast at Cap Haitien, and also funds fuel to run equipment and generators at the central Coast Guard base at Killick. In FY 2011, the U.S. Coast Guard provided engineering and small boat handling training to the Haitian Coast Guard.

D. Conclusion

The new Martelly administration has demonstrated a willingness to work with the U.S. government on improving structural weaknesses in the HNP that impact its effectiveness on the counternarcotics front. The presence of new leadership at the BLTS is also a positive step, as U.S. officials have pressed the HNP to be more proactive and independent regarding drug enforcement. Another positive development is the presidential appointment and parliamentary approval of a new Supreme Court President -- a step that could energize Haiti's chronically stressed judicial sector and result in a greater number of convictions of those accused of trafficking and other narcotic related crimes. Other institutional challenges will require considerable time, effort, and resources to resolve.

Honduras

A. Introduction

Honduras remained a primary transshipment point for cocaine destined for the United States in 2011. The United States estimates that approximately 95 percent of the cocaine leaving South America for the United States moves through the Mexico and Central America corridor. Of this, an increasing amount – nearly 80 percent – stops first in a Central American country before onward shipment to Mexico. The United States estimated that 79 percent of all cocaine smuggling flights departing South America first land in Honduras.

The La Mosquitia region of eastern Honduras remained vulnerable due to its remoteness, limited infrastructure, lack of state presence and weak law enforcement institutions. La Mosquitia was a primary landing zone for drug-carrying flights and transshipment was facilitated by subsequent flights, maritime vessels, riverine traffic, and land movement on the Pan-American Highway and secondary roads. Honduran government institutions attacked narcotics trafficking, though lack of resources limited their net effect on narcotics transshipment.

Honduras suffered from violence and severe homicide rates in 2011. The United Nations Office on Drugs and Crime's (UNODC) Global Homicide Survey ranked Honduras as the country with the highest murder rate in the world, with an official murder rate of 82 per 100,000 inhabitants in 2010.

Honduras ratified the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances on December 11, 1991, and is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In 2011, the United States and the Government of Honduras worked closely to build Honduran institutional capacity to investigate, prosecute, and adjudicate crime, particularly organized criminal activity, including drug trafficking. Honduras has taken several important steps this year to increase their capacity to deal with drug trafficking.

For example, on June 22, 2011 the government passed a security tax, despite private sector opposition, which showed that they are willing to impose fiscal discipline in support of its security goals. The regulation did not outline how proceeds would be distributed to Honduran institutions and no funds were distributed by the end of 2011.

The July 2010 asset forfeiture law also established a new revenue stream to provide increased self-sustainability for security projects. Under the auspices of an emergency seized asset provision, the Honduran Office of the Administrator of Captured Goods (OABI) utilized its seized assets legislation to transfer $12.9 million to five government agencies – the largest one-time disbursement of seized assets in Honduran history. The Secretariat of Security, the Secretariat of Defense, and the Public Ministry each received approximately $3.45 million. Funded activities included a $1.3 million scholarship program and a $1.3 million supplemental income program for rural and marginalized urban communities. We are encouraging the Honduran government to use more seized assets to supplement security institutions.

Honduras established a Financial Crimes Task Force that received logistical support and technical assistance from a U.S. advisor. By the end of the year, the task force submitted 22 cases to the National Asset Forfeiture Judge for consideration.

On December 8, the National Congress approved a landmark law allowing the interception of electronic communications (wiretapping). The law creates a special Communications Intervention Unit (UIC) that, with the permission of a competent judge, will be allowed to intercept phone calls, text messages, emails, and other forms of electronic communication.

To strengthen investigative capacity, U.S.-sponsored programs trained 952 police, prosecutors, and judges in 2011 on such topics as basic criminal investigation, anti-money laundering, and passport fraud prevention. The United States also provided support to the National Police Investigative School, which graduated over 450 students from the Basic Criminal Investigation (BCI) course since its opening in May 2011.

Honduras has counternarcotics agreements with the United States, Belize, Colombia, Jamaica, Mexico, Venezuela, and Spain. Honduras is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. Honduras is a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime and its three protocols. A United States-Honduras maritime counternarcotics agreement entered into force in 2001 and a bilateral extradition treaty remained in force, though the Honduran Constitution prohibited the extradition of its nationals. Honduras signed the Caribbean Regional Maritime Counter Drug Agreement, but did not ratify it. A Declaration of Principles signed between the United States and Honduras on December 15, 2005 for the Container Security Initiative covers the inspection of maritime cargo destined for the United States. The United States submitted one extradition request to Honduras in 2011, which was granted in December.

2. Supply Reduction

Mexican and other drug traffickers exploited Honduras for their illicit activities, including transshipment of drugs across Honduran air, land, and maritime domain. With limited state presence and weak institutional development, the Caribbean coast of Honduras was particularly vulnerable to illicit activities. In addition to narcotics-related crime, Honduras experienced other criminality throughout the country, including transnational and local gang activity from such groups as the 18th Street gang and *Mara Salvatrucha*. These gangs participated in local distribution of drugs and other illicit activity, such as extortion and pirated goods. Limited information is available on the nexus between Honduran gangs and international drug trafficking organizations.

The Government of Honduras actively engaged in narcotics interdiction operations, while also working to develop institutions capable of preparing criminal cases, bringing them before a judge, and remanding convicted criminals to prison facilities.

With help from the United States, the Honduran government interdicted over 22 metric tons (MT) of cocaine in Honduras and adjacent waters, nearly four times more than seizures in 2010. For example, on July 13, 2011, the United States and the Honduran Navy collaborated to intercept a self propelled semi-submersible (SPSS) smuggling vessel in international waters approximately 17 miles off the coast of La Mosquitia in eastern Honduras. The vessel, carrying approximately 5.9 MT of cocaine, is the first-ever SPSS encountered operating off the coast of Honduras, and represents the single largest cocaine seizure in Honduran history. On September 17, 2011, a second SPSS with an equally substantial cargo of cocaine was intercepted 130 miles off the coast of La Mosquitia. In another example, on August 15, a special

Honduran drug enforcement unit responded to the landing area of a suspicious aircraft. Upon arrival, the unit seized approximately 470 kilograms (kg) of cocaine and one rocket propelled grenade from a truck. The United States and Honduras also conducted investigations into local and transnational gangs, including disruption of drugs and other illicit activities in Honduran prisons.

Honduras reported seizing approximately $21.6 in drug-related cash and assets, 8 kg of heroin, and 299,000 pseudoephedrine tablets. Honduras did not report dismantlement of any drug trafficking organizations, but arrested over 84 individuals on drug-related crimes.

While Honduras was not generally considered a production center for drugs, except for marijuana for domestic consumption, on March 9, 2011, the Honduran government discovered a cocaine processing laboratory in northwestern Honduras. The lab was the first of its kind found in Central America in recent years. The lab relied on smuggling less-expensive coca paste from Colombia for final processing in Honduras.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

In a 2011 United Nations Development Program (UNDP) survey, 66 percent of Hondurans identified drug consumption as the primary security problem at the neighborhood level. Nineteen percent pointed to intoxicated individuals disturbing the peace as the major issue, and only three percent of respondents indicated that street gangs were their primary concern. Alcohol and inhalants remained the most common abused substances, followed by marijuana and cocaine. According to the governmental Honduran Institute for the Prevention of Alcoholism and Drug Addiction and Dependency (IHADFA), drug use was on the rise, and a majority of Hondurans between the ages of 15 and 19 tried illegal drugs, especially cocaine. The United Nations Office on Drugs and Crime reported that 0.9 percent of the Honduran population aged 15-64 used cocaine.

To combat drug use and gang activity, the U.S.-supported Honduran National Police Community Policing division trained 344 police and 4,167 students, teachers, and parents on drug use prevention (D.A.R.E.) and the Gang Resistance Education and Training (G.R.E.A.T.).

4. Corruption

Honduras historically struggled with social, economic, and political impacts of corruption in the public and private sectors. In 2011, corruption continued to negatively impact the country's investment climate and citizens' confidence in the integrity of government institutions. Honduras received a score of 2.4 out of 10 on Transparency International's Corruption Perceptions Index, ranking 134 out of 178 countries. The World Economic Forum's Global Competitiveness Report for 2011-2012 listed corruption as the number two most problematic factor for doing business in Honduras, ranking the country 88 out of 142 in the prevalence of irregular payments and bribes.

To help address corruption, the Honduran government announced a comprehensive inter-institutional Transparency and Anticorruption Plan for 2011-2014. Implementing stakeholders include the National Anticorruption Commission (CNA), a civil society organization mandated to support the government and civil society's efforts to increase transparency; the Institute for Access to Public Information (IAIP), a semi-autonomous government entity responsible for facilitating citizens' access to public information; the Office of Norms for Procurement and Contracts (ONCAE), a government entity under the Office of the Presidency responsible for strengthening national procurement and contracting processes; and the National Office for Internal Development and Control (ONADICI), the government office responsible for developing norms for internal controls and audits for institutions under the executive branch.

Honduras embraced utilization of law enforcement vetting and background checks to address widespread corruption, including establishment of specialized units and task forces for anti-crime issues. By the end of 2011, the Honduran drug enforcement vetted unit grew to 42 members, the Honduran immigration and customs enforcement vetted unit expanded to 18 members, and the GOH established its first anti-gang vetted unit.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

With input from the United States and UNDP, the Government of Honduras presented an *Integrated Policy for Social Harmony and Citizen Safety* on September 7, 2011. The document outlines three focal points: violence prevention with an emphasis on human rights; police capacity building; and community and business involvement in localized security plans.

The United States provided assistance to Honduras for citizen security, counternarcotics, law enforcement, and the rule of law initiatives that build the capacity of Honduran law enforcement, military, development, and justice sector institutions. The United States focused on building partnerships between governments, civil society, the private sector, and the international community.

Among other items, United States program activities included provision of technical assistance, training, equipment, and logistics support for counternarcotics units, such as provision of cell phones for vetted units; training and equipment to combat gang activities; technical assistance and equipment to improve prison management; support for the Honduran police investigative school; and mentoring by U.S. advisors for improved prosecution of crimes.

The United States counters the inroads of gangs and drug traffickers including a mix of policy initiatives, municipal crime prevention efforts, and community services for youth at risk. For example, the United States established 25 Outreach Centers in urban high-crime neighborhoods. The centers are safe places to play and learn vocational skills; 400 local volunteers mentor 7,500 youth and children. Honduras managed its activities in close cooperation with the United States through a cabinet-level Central America Regional Security Initiative (CARSI) Bilateral Task Force, co-chaired by the Ambassador and the President of Honduras, which convened quarterly.

B. Conclusion

Honduras is at a crossroads. Criminal organizations operating in Honduras are ruthless, well-armed, well-funded, and logistically adept. In response, Honduras made tough decisions in support of citizen safety. Viewing narcotics trafficking as an infringement upon national sovereignty, the Honduran government asserted itself against criminal organizations, resulting in larger narcotics seizure totals than in 2010. While the Honduran government demonstrated improvements, it lacked the expertise, resources, and a complete legal framework to effectively counter the threat.

Honduras is encouraged to continue its investments in building effective security and justice institutions that are capable of repelling and bringing to justice criminal organizations while adhering to the rule of law. Further efforts to address corrections management and police reform will be needed to sustain near-term successes. To combat corruption within Honduran security institutions, officers should receive sufficient salaries, be provided promotional and professional development opportunities, and be held accountable through effective internal affairs units. The Honduran government will have a greater capacity to bring criminals to justice if it amends its laws and strengthens its institutions to facilitate swift extradition proceedings, including of Honduran nationals.

Hong Kong Special Administrative Region

Hong Kong remains attractive for loosely affiliated international drug trafficking organizations to pursue opportunistic criminal activity, owing to its status as a high-volume and highly efficient financial and transportation center. Poppy and coca cultivation is non-existent in Hong Kong, but authorities have uncovered indoor-grown marijuana operations. While illicit manufacturing of drugs is rare, local authorities in 2010 dismantled a sophisticated methamphetamine lab uncovered in one of the city's industrial buildings. However, energetic and highly efficient local enforcement efforts and alternative regional air and sea ports militate against Hong Kong becoming a major transshipment point. Record quantity cocaine seizures, including two record seizures of 290 and 567 kilograms in December 2010 and September 2011 respectively, were credited to law enforcement's determined efforts and above-average regional capacity. Trafficking by non-ethnic Chinese dealers and couriers with Hong Kong as final destination or staging ground points to a rising regional demand for drugs, particularly for cocaine coming from South America and heroin from the Golden Crescent.

Ketamine poses the greatest threat to Hong Kong, with its use predominantly associated with young people. Heroin is the second greatest drug threat, but is most popular among older abusers. Cocaine is fast becoming Hong Kong's third greatest drug threat. Arrests for trafficking and possession of both small and large quantities of cocaine have increased steadily.

Hong Kong Police Force/Narcotics Bureau and Hong Kong Customs and Excise Department/ Drug Investigation Bureau are the primary drug law enforcement agencies with a mission to suppress drug trafficking and control precursor chemicals. These agencies collaborate with Hong Kong-based U.S. law enforcement personnel, and routinely conduct joint operations with PRC counterparts to combat cross-border illicit drug smuggling. Local legislation for trafficking and abuse is robust. In 2011, the Hong Kong Government added three synthetic substances to the Dangerous Drugs Ordinance and one chemical to the Control of Chemicals Ordinance, namely, derivatives of piperazine (party pills), synthetic cannabinoids (spice), derivatives of cathinone (bath salts), as well as ketamine precursor chemical 1-[(2-Chlorophenyl)-N-(methylimino)methyl]cyclopentanol and its salts.

Latest available data indicate that Hong Kong authorities in the first half of 2011 seized 156.83 kilograms of ketamine, 175.45 kilograms of cocaine, 82.97 kilograms of heroin, 19.66 kilograms of methamphetamine and 4.83 kilograms of cannabis, compared to 96.28 kilograms of ketamine, 498.16 kilograms of cocaine, 39.24 kilograms of heroin, 3.37 kilograms of methamphetamine and 1.87 kilograms of cannabis seized during the same period in 2010.

Hong Kong participates in the World Health Organization, Financial Action Task Force, Interpol, and the World Customs Organization, improving Hong Kong's ability to combat narcotics trafficking and related money laundering. Upon resuming exercise of sovereignty over Hong Kong, the PRC advised the UN Secretary General that the 1961 Single Convention, as amended by the 1972 Protocol, the 1971 Convention on Psychotropic Substances, and the 1988 UN Drug Convention applied to Hong Kong.

Through the "Beat Drugs Fund," a government initiative established in 1996 with an initial government outlay of US $4.5 million and an additional injection in 2010 of US $390 million to support anti-drug community efforts, education, and treatment, the Hong Kong Government continued its anti-drug use outreach campaign. In 2011, it funded anti-drug use programs by non-government organizations (NGOs) and schools, including US $1.8 million for health programs at 43 schools that included a drug testing component. Since 2004, the Hong Kong Narcotics Division has disseminated its anti-drug message

through the Hong Kong Jockey Club Charities Trust-funded Drug Information Centre, via TV and radio broadcasts, internet films, and widely-disseminated posters and printed materials.

The Hong Kong Government neither encourages nor facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, nor the laundering of related proceeds. There were no reports of official involvement in narcotics trafficking or related money laundering in 2011. Hong Kong's Independent Commission Against Corruption combats public and private sector corruption.

Three agreements bolster U.S.-Hong Kong bilateral law enforcement cooperation: a Mutual Legal Assistance in Criminal Matters Agreement (MLAA), an Agreement for the Surrender of Fugitive Offenders, and an Agreement for the Transfer of Sentenced Persons. Hong Kong law enforcement entities, among the most effective in the region, continue to collaborate closely with the U.S. Drug Enforcement Administration in day-to-day enforcement, intelligence sharing, and training. Proceeds from joint U.S.-Hong Kong counter-drug investigations are routinely shared.

The Hong Kong Government remains committed against drug trafficking. Evidence of this commitment includes renewed pledges by senior Hong Kong officials, including from the Chief Executive and cabinet members, to work together with the community to combat drug problems and foster a drug-free culture; committing very significant resources to education and outreach through the "Beat Drugs Fund;" a determination to prevent drug use through school drug testing; and vigorous law enforcement and collaboration with international partners.

India

A. Introduction

India is strategically located between Southwest Asia (the Golden Crescent) and Southeast Asia (the Golden Triangle), the two main sources of illicit opium. The country's geographic location makes it an attractive transshipment area for heroin bound for Europe, Africa, Southeast Asia and North America. In addition, India is authorized by the international community to produce licit opium for pharmaceutical uses. Licit opium is grown in the states of Madhya Pradesh, Rajasthan and Uttar Pradesh. India is also a major chemical precursor producer, including acetic anhydride (AA), ephedrine, and pseudoephedrine. India has become one of the main sources of ketamine. Ketamine, a veterinary anesthesia, is not under international control, and the number of significant ketamine seizures at major airports, in sea containers and in parcels continues to increase. India also manufactures organic and synthetic licit opiate/psychotropic pharmaceuticals (LOPPS). Destined for licit sales in markets around the world, these items (raw opium, chemical precursors, ketamine, LOPPS) are vulnerable to diversion, including through illegally operating Internet pharmacies. Licit and illicit manufactured opiate/psychotropic pharmaceuticals are often diverted in small quantities to the U.S. as illegal "personal use" shipments. There is also evidence that opium is grown illicitly in India, especially in the northeastern regions.

India continues to be a main source of illicitly manufactured amphetamines and methaqualone. Seizures of amphetamines by law enforcement authorities continue to increase; seizures of methaqualone have varied widely, from 2,382 kilograms in 2008, 33 kilograms in 2009, and zero kilograms in 2010. India is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

India’s stringent Narcotic Drugs and Psychotropic Substances Act (NDPSA) was last amended in October, 2001 and is designed to fulfill India's treaty obligations under the 1988 United Nations (UN) Drug Convention. An amendment to India’s NDPSA was introduced to Parliament in September, but has not been passed. India is a party to the 1961 UN Single Convention as amended by its 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. In May, India ratified both the UN Convention against Corruption, and the UN Convention against Transnational Organized Crime and its three protocols (also called the Palermo Convention). The United States and India operate under both an extradition treaty and a mutual legal assistance treaty.

While the GOI continues to tighten licit opium diversion controls, the capacity of India's drug law enforcement personnel to collect and analyze intelligence data and to initiate and conduct complex investigations of criminal drug trafficking and other sophisticated/organized crimes remains limited by lack of training, lack of modern equipment, and inadequate coordination with foreign law enforcement agencies. In addition, India’s lack of infrastructure in the northeast and challenging terrain provides exploitable opportunities for illegal cultivation and production. The Central Bureau of Narcotics (CBN) has a mandate to monitor India's licit opium production and prevent diversion. The Narcotics Control Bureau (NCB) is the National Nodal drug control agency, mandated to prevent and combat the abuse of narcotic drugs and psychotropic substances.

Licit opium poppy cultivation in India is a labor-intensive and geographically dispersed industry, with inherent control challenges. Both the CBN and the Narcotics Control Bureau (NCB) stress the strictness

of the Indian licensing and control system. India is the only country that uses the incising method to produce raw opium rather than poppy straw concentrate, which is less prone to diversion. The CBN organizes and supervises the licit cultivation of opium poppy, deciding on the quantity of opium it intends to purchase and makes a careful estimate of the expected yield per hectare. After the harvest, the CBN collects opium gum from farmers and operates two processing centers (in Neemuch, Madhya Pradesh and Ghazipur, Uttar Pradesh) where the opium is purified, dried, weighed and packaged for export or partially refined to supply to Indian pharmaceutical companies.

The possibility for diversion exists if properly licensed and harvested fields yield more opium than the Minimum Qualifying Yield (MQY) set by the CBN and the unreported excess is sold into the illicit market. Cultivators may also falsely claim their licensed fields are not harvestable and then sell their harvests illicitly. While farmers who submit opium above the MQY are paid a premium by the government, sales made on the illicit market often have a much higher profit margin than sales made to the government CBN.

India makes a serious effort to control precursor chemicals produced in its large chemical industry. India actively participates in such precursor control arrangements as Project Cohesion and Project Prism. India issues pre-export notifications for export of precursors using an online system developed by the International Narcotics Control Board (INCB), and has an elaborate licensing regime to control dual use (licit/illicit) pharmaceutical products. India is clearly in compliance with international control requirements for these products.

2. Supply Reduction

Smuggling of heroin into India from Afghanistan via Pakistan continues to increase. Drug-trafficking organizations in India use human couriers and commercial package services to send illicit drugs overseas, both to Europe and the Americas. India continues to be targeted by traffickers as a primary source for ephedrine and pseudoephedrine. Despite GOI control efforts, India has been identified in some law enforcement cases as a source of such precursors destined for illicit methamphetamine labs in Mexico. The INCB reports pseudoephedrine from India is formed into tablets in Bangladesh and then sent to countries in Central America and the Caribbean. To circumvent existing diversion control measures, drug trafficking organizations have also begun smuggling uncontrolled pharmaceutical preparations containing those chemicals, instead of the highly controlled basic precursors. There have also been increasing numbers of ketamine seizures, a substance not under international control. INCB reports that over 1 ton of ketamine was seized in India in 2009, at major airports, in sea containers, and in courier and postal service parcels.

The GOI estimates that half of India's heroin consumption and all of India's opium consumption (70 tons) were met by domestic supply; the GOI notes that to produce these amounts of heroin and opium in 2009, India would have needed to have a minimum of 7,500 hectares (18,533 acres) of illegal opium cultivation. Informed observers of the Indian scene downplay the role of diversion of opium from licit production to the illicit domestic market. The 2011 United Nations Office of Drugs and Crime (UNODC) report, "The Global Afghan Opium Trade: A Threat Assessment," states the estimated quantity of licitly produced opium diverted from licit to illicit use is very limited, or maybe even non-existent. UNODC reporting suggests that some 15 tons of heroin- or 3 percent of global supply- are illicitly produced in India. The International Narcotics Control Board (INCB) 2010 notes India eradicated 2,448 hectares (6,049 acres) of illicitly cultivated opium poppy in 2009. Thus, illicit production in India seems to be the main domestic source of illicit opiates, not diversion from licit production, but nobody really knows for sure, since both illicit production and diversion are crimes with stiff punishments.

The table below outlines total drug seizures made in India during the period of 2004 through December 2010. (Note: The reporting period for 2004-2007 was equivalent to the calendar year. The reporting period for 2009 was April 2008 through March 2009. The reporting period for 2009 and 2010 was April through December of the respective year).

Name of Drug	Total kg seized in India 2004	Total kg seized in India 2005	Total kg seized in India 2006	Total kg seized in India 2007	Total kg seized in India 2008	Total kg seized in India 2009	Total kg seized in India 2010
Heroin	468	259	246	900	1,155	561	550
Hashish	394	430	955	3,766	4,347	2,321	2987
Opium	20	0	787	1,758	1,334	1,102	1282
Ganja (Marijuana)	10,502	5,572	14,919	75,407	113,025	135,922	144,487
Cocaine	n/r	.63	200	5	13	11	11
Methaqualone	n/r	330	19	1	2, 382	33	0
Acetic Anhydride (ltrs)	2,370	51	n/a	n/a	1,200	478	27
Ephedrine	71	7	n/r	295	38,479	606	2,100
Amphetamines	n/r	n/r	n/r	n/r	22	11	47

n/r = not reported

The NCB also destroyed illicit cultivation of poppy and cannabis in situ. The MHA 2010-2011 report notes the NCB coordinated the destruction of 8,392 acres of illicit poppy cultivation in Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Manipur, Arunachal Pradesh, Bihar, Jharkhand, Orissa and West Bengal; NCB detected and destroyed an additional 762 acres. UNODC reports that in 2009, illicit poppy cultivation totaling 6,049 acres was eradicated across India, up from 1, 542 acres eradicated in 2008 through a series of joint law enforcement eradication operations. The INCB reports law enforcement eradicated 12,066 acres of illicitly cultivated cannabis plants in 2009, about three times more than in 2008.

(Note: The amount of drugs destroyed does not accurately reflect the amount of drugs seized in the same time period. India's legal system is overburdened and understaffed. In 2010, an Andhra Pradesh high court justice estimated it would take 320 years for the courts to clear the existing backlog of approximately 32 million pending cases.)

The NCB reported the following notable seizures/lab destructions: In 2010, between May and September, the NCB seized 2,899,426 pseudoephedrine tablets and 293.50 kg of bulk pseudoephedrine in the forest near a highway connecting Imphal, India to Burma. The cumulative value of the seized drugs was estimated at approximately 4,397,448 rupees (about $99,942). One Burmese national was arrested.

In August 2010, the NCB busted a methamphetamine manufacturing laboratory in Maharasthra, India, seizing 8.45 kg of methamphetamine, 60 kg of ephedrine, 10 liters of liquid methamphetamine and additional chemicals. Six Iranian nationals and one Dutch national were arrested. A subsequent search of a residence in Mumbai yielded 13 kg of ephedrine and 1 kg of amphetamine. One Indian national was arrested.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

India has not conducted a national household survey on substance abuse since 2000-2001; more recent information on the national prevalence of drug abuse is not available. Pilot work on a national survey of

drug abuse began in early 2010. Information from the National Drug Dependence Treatment Centre (NDDTC) at the All India Institute of Medical Sciences (AIIMS) indicates drug abuse in India is on the rise.

The Ministry of Social Justice and Empowerment (MSJE) has a three-pronged strategy for demand reduction, including drug abuse awareness building and education, counseling and treatment programs, and training volunteers to work in the field of demand reduction. India has a National Consultative Committee on De-addiction (i.e., detoxification) and Rehabilitation (NCCDR), which provides training, research and documentation for use in drug abuse prevention. The MSJE continues to work on a national policy on prevention of substance abuse, which will include more awareness training in medical colleges and schools, periodic surveys on drug abuse, increased monitoring of pharmacists, drug demand reduction as a public health policy, a shift in treatment from detoxification and rehabilitation to longer-term substitution therapy, and more sensitive treatment of patients in de-addiction centers. Treatment and rehabilitation services from drug abuse are mainly provided by non-governmental organizations, which operate 376 treatment and rehabilitation centers and 68 counseling and awareness-raising centers. The GOI also runs 100 treatment centers at its hospitals and Primary Health Centers for those who need long-term rehabilitation.

4. Corruption

Since 1964, India has had an independent statutory body, Central Vigilance Commission (CVC), which issues guidelines and conducts inquiries to address government corruption. The CVC reports to the President of India through the parliament. Despite this, 50 percent or more of Indian respondents in a reliable survey reported paying bribes.

Corruption is pervasive across police forces at all levels of government, with officers rarely being held accountable for illegal actions. Officers found to have participated in such illegal activity as bribe solicitation are often simply transferred to a new post. While the law provides criminal penalties for official corruption, in practice many officials frequently engage in corrupt practices with impunity. This undermines the effectiveness of even the most elaborate control regimes for dangerous drugs. The GOI neither encourages nor facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, nor the laundering of related proceeds.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Law enforcement agencies in India continue their extensive cooperation with the U.S. Drug Enforcement Administration (DEA) at the U.S. Embassy in New Delhi. India has conducted a number of joint operations against illicit internet pharmacies with DEA, and numerous significant large-scale conspiracies were detected and dismantled from 2006-2011.

D. Conclusion

India remains a drug transit country due to its strategic location in proximity to the two main sources (Afghanistan and the Golden Triangle) of illicit opium. India is one of the world's largest manufacturers of precursor chemicals, and, despite the government's control efforts and cooperation with global partners in chemical control, has been identified in cases as the source of diverted precursor chemicals for numerous drugs. In addition to precursor chemicals, other controlled substances are also diverted, including licit pharmaceutical preparations and prescription drugs containing psychotropic substances. Licit drugs produced in India are sold through illegal Internet pharmacies and trafficked through the misuse of courier services, despite government's efforts to combat this sort of crime. Opium is also

illicitly grown in India in quantities sufficient to supply much of India's own domestic demand. A strict control system seems to limit diversion of licitly produced opium. India is increasing its efforts at training of its national enforcement officers, and is vigorously exploiting opportunities for international cooperation in an effort to improve the effectiveness of both its demand and supply control efforts. Unfortunately, unpunished corruption limits the effectiveness of India's efforts.

Indonesia

A. Introduction

Indonesia faces continuing challenges in combating drug production, trafficking, and internal drug use. Provisions of Indonesia's new National Narcotics Law approved in October 2009 have provided the Indonesian National Narcotics Board (BNN) with increased resources and new mandates in the areas of enforcement, demand reduction, and treatment of drug users. However, the Government of Indonesia (GOI) still faces major future challenges, especially in combating a growing use of methamphetamines by Indonesian youth.

As of mid-2011, Indonesia had a population of approximately 4.1 million drug abusers (ca. 2 percent of Indonesia's population), an increase of roughly 500,000 since 2009. During a September 2011 International Drug Enforcement Conference in Bali, the BNN Director stated that crime associated with drugs increased by 67 percent during the first six months of 2011 compared to the previous six months. The BNN Director added that, while drug usage has typically been associated with the country's larger cities, it is now spreading to smaller villages in many parts of the archipelago. He also commented that 80 percent of the country's drug addicts are between the ages of 15 and 39 years, reflecting the growing use of methamphetamines by young Indonesians.

The growing demand for methamphetamines, ecstasy, heroin, and ketamine is reflected in higher seizure rates and higher street prices in Indonesia than in most other Southeast Asian countries. Most methamphetamine, heroin, and associated precursors still come from Iran, Afghanistan, Pakistan, China, Thailand, Taiwan, and India. However, small domestic laboratories, often located in residences, produce a significant and growing amount of methamphetamine and ecstasy. Typically the labs are run by Indonesian drug syndicates or have an ethnic Chinese connection.

Most foreign drug smugglers caught with methamphetamine are associated with Iranian, West African/Nigerian, or Malaysian drug syndicates. Because Indonesian drug prices are high relative to other Southeast Asian countries, the Indonesian market offers a high profit margin as an added incentive to increase smuggling operations into the country. For example, methamphetamine can command a street value more than 10 times its cost in Iran.

Drugs smuggled into Indonesia typically transit Malaysia, Singapore, Thailand, or arrive directly on flights originating from Iran, Turkey, and other travel hubs in South Asia and the Middle East. Methamphetamine and associated precursors originating from China, Hong Kong, or Taiwan are brought in via ship. The April 2011 seizure of 17.9 kilograms of Iranian-sourced methamphetamine concealed in a shipping container in Jakarta's port of Tanjung Priok and the increased frequency of air cargo shipments containing narcotics represent two of the more significant drug trends during the past year. There has also been a tangible increase in illegal ketamine importation over the past year. Most of the ketamine originates in India, but small amounts from China have also been detected. Cannabis seizures have been gradually declining.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

This past year saw the first real effects of Indonesia's 2009 National Narcotics Law, as BNN's expanded authorities under the legislation led to the year's more significant drug control accomplishments. The law

provided BNN with broader authorities and increased both staff and budget, which improved the effectiveness of its enforcement activities and demand reduction programs.

BNN implemented new community and interagency programs designed to improve provincial drug awareness and interagency cooperation between BNN, the Indonesian National Police (INP), Customs and Excise, Immigration, the Judiciary, the Military, and a number of other ministries. Examples of improved interagency cooperation include rural alternative development programs in Aceh, judicial and telecommunications intercept programs targeting drug trafficking syndicates operating out of prisons, and improved cooperation with GOI Customs, INP/Maritime Security, and military units in North Sumatra and Riau provinces.

The GOI has also increased its number of international judicial and law enforcement agreements—which include bilateral accords with India, Vietnam, China, Nigeria, Iran, Pakistan, Mexico, and the United States.

The new narcotics law also imposes harsher penalties for drug trafficking. The law grants BNN new enforcement authority, specifically authorizing BNN investigators to initiate and conduct investigations, subpoena witnesses in court, and arrest and prosecute suspects in drug cases. BNN is still required to coordinate with the INP in drug investigations.

The new law also introduces the concept of mitigating circumstances, notably for minors and first time drug offenders. It allows Indonesian courts to order minors and first time drug offenders to mandatory drug rehabilitation instead of prison, a policy strengthened in June 2011 by a Supreme Court circular that directed lower courts to order rehabilitation instead of prison for non-violent drug users not convicted of drug trafficking or other felony charges.

In order to fulfill its new statutory mandate, BNN plans to increase its personnel from the current 300 officers to 5,000 located in all 32 provinces by 2015. To meet these demands, BNN, with support from DEA and U.S. Pacific Command's Joint Interagency Task Force-West, is working to develop its information technology, infrastructure, training, and human resources through a variety of programs.

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

2. Supply Reduction

In its 2011 Progress Report on Drug Control, the GOI cited the following drug supply reduction goals:

- Dismantling of narcotics syndicate networks
- Dismantling of clandestine laboratories
- Interdiction of illicit trafficking
- Elimination of illicit narcotics distribution
- Control of precursor chemicals
- Cooperation with pharmaceutical and chemical industries
- Countering money laundering activities related to narcotics

BNN has reported the following major supply reduction accomplishments over the past year:

- Established seven outstations for data and intelligence collection at airports and seaports.
- Apprehended members of narcotics syndicates from Iran, Pakistan, Malaysia, Taiwan, Nigeria, and India, as well as based in the Indonesian prisons, on both narcotics trafficking and money laundering charges.
- Dismantled 14 clandestine methamphetamine labs and 11 ecstasy labs.

- Seized assets from narcotics traffickers equivalent to $2.106M and narcotics with a value of $31.76M.
- In collaboration with the domestic pharmaceutical and chemical industries, formulated and disseminated guidelines for preventing the diversion of precursor chemicals.
- Established a code of ethics related to precursor chemicals for the national pharmaceutical and chemical industries.
- Trained 250 BNN investigators: 140 in basic training and 110 in advanced training courses.
- Implemented the Indonesia National Single Window (INSW) to control the import/export of goods, including precursor chemicals, thereby increasing security related to customs clearances.

Current supply reduction efforts focus on methamphetamine, ecstasy, heroin, ketamine, cocaine, and cannabis—with a concentration on enhanced interdiction of drugs entering via air, land, and sea ports. Despite much progress, the BNN Director acknowledged that only 25-30% of narcotics smuggling was being discovered by authorities.

The majority of Iranian and West African drug syndicate couriers are caught at the airports in Jakarta and Denpasar, Bali. An increasing number of couriers, however, are apprehended at smaller provincial airports and at various seaports, mostly in the areas bordering the Strait of Malacca and the Sunda Strait. In 2011, 36 drug couriers were arrested at Bakauheni seaport in Lampung, South Sumatra alone. This port is situated at the convergence of several trans-Sumatra land routes. Large shipments of marijuana smuggled via truck from Aceh are often seized in South Lampung and West Java.

The use of small clandestine labs to produce methamphetamines in residential areas in large urban cities is a growing problem. These labs are hard to detect without specific intelligence, and are often run by Indonesian, Malaysian or Chinese/Taiwanese drug syndicates. In September 2011, DEA, BNN, and Taiwanese law enforcement conducted a joint operation that led to the dismantlement of a Taiwanese drug syndicate with meth labs in a residential area south of Jakarta and two additional locations in northwestern Jakarta adjacent to an oceanfront residential community and a commercial dock facility.

Ketamine, ecstasy, and other hallucinogens continue to grow in popularity, and their availability is on the rise. Ketamine, a veterinary anesthesia that induces LSD-like hallucinations, is used most often by young people and is increasingly popular on the nightclub circuit. Ketamine is legal in India for veterinary use and is being increasingly diverted into Indonesia for the illicit market—as illustrated by the increased frequency and higher volume of seizures in 2011. As recently as 2007, Indonesian authorities did not report on ketamine abuse, underscoring its rapid penetration of the domestic consumer market over the past three years. Ecstasy continues to be the third most commonly consumed and seized drug and is particularly popular with Indonesian young adults.

Cocaine remains a minor niche drug, trafficked in small quantities, and is most often associated with Western expatriates or tourists and wealthy Indonesians with foreign connections. BNN officials, however, are concerned that Indonesia may experience increased cocaine trafficking in the years ahead.

Increased seizures of heroin over the past two years are a growing concern to BNN. Most heroin seized in Indonesia originates from the Golden Crescent (Afghanistan, Pakistan) and is trafficked to Indonesia by Iranian, West African, Malaysian, and Pakistani drug syndicates.

Cannabis is cultivated mainly in the Aceh region of Indonesia and transported in bulk by heavy trucks via Sumatra's main highways and ferries to West Java. The overall amount of processed marijuana and hectares of plants under cultivation have been on a downward trend for the past five years.

During the past year BNN focused heavily on rooting out prison-based drug trafficking syndicates and administrative corruption in the prison system. During the first seven months of 2011, BNN broke up 15 drug trafficking syndicates associated with prisons in Sumatra, Riau, Sulawesi, and Java, —many of which have connections to major international drug rings—resulting in the arrest of numerous corrupt GOI officials and corrections officers. BNN continues to target prisons-based drug trafficking organizatons. The former head of Nusakambangan Narcotics Prison, in central Java, stood trial for corruption and various narcotics offences, including acting as a facilitator for prisoners trafficking drugs and laundering billions of rupiah. He was sentenced to 13 years' imprisonment.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Indonesia's 2009 National Narcotics Law has had a major impact on the GOI's ability to deal with drug demand reduction. BNN, as noted above, is concerned about an increase in the use of methamphetamine, ketamine, and ecstasy, due to the often complicating effects of these drugs on treatment and rehabilitation.

Indonesia's 2009 National Narcotics Law provided BNN with its own budget, direct access to the president, and new operational authorities. This has enabled BNN to:

- Hire qualified medical staff to advise on drug treatment and prevention programs
- Establish BNN-run treatment/rehabilitation units, which are comprised of community-based units and outreach centers throughout the country
- Begin a media and outreach campaign advising on the dangers of drug addiction
- Work with the Ministry of Education to include anti-drug material in school curricula
- Provide special treatment and rehabilitation programs at six prisons for drug offenders

Significant regulatory developments over the past year include:

- Supreme Court Circular Letter No. 4 of 2010 which counseled lower courts to send convicted drug offenders to rehabilitation.
- GOI Regulation No. 25 of 2011 which mandated reporting of drug dependence, leading to increased reporting of addiction cases. 30 percent of Indonesia's prison population is incarcerated on drug possession, drug-trafficking, or drug-related violence charges.

BNN estimates total drug users in Indonesia in 2011 to be approximately 4.1 million—less than 2 percent of the population. BNN estimates the amount of money spent every year in Indonesia for the consumption of narcotics and dangerous substances to be more than $2.2 billion.

4. Corruption

Indonesia has made some progress in combating official corruption, primarily through the efforts of its Corruption Eradication Commission (KPK). However, corruption at all levels of government, including law enforcement organizations, the penal system, and the judiciary, is common, which poses a significant threat to the country's counternarcotics strategy.

Even when narcotics offenders receive stringent prison sentences, corruption within the prison enables inmates to use and traffic illicit substances. Even maximum security facilities are susceptible to drug trafficking, and Indonesian law enforcement in September 2010 conducted operations that led to the dismantling of an organized narcotics ring in a high-security prison often referred to as the "Alcatraz of Indonesia." Investigators implicated three suspects on charges of methamphetamine distribution. All of

the suspects had been sentenced to life imprisonment for prior narcotics offenses. Investigators believe the ring had been in operation for at least six months before it was detected.

BNN has traditionally enjoyed a good reputation among regional law enforcement agencies for being well led, well managed, and corruption free. However, corruption may become a more problematic issue as its ranks expand rapidly and are spread more widely across the country. Two BNN employees were arrested in October 2011 on drug trafficking charges with 68 grams of meth, 11 ecstasy pills, and an illegal firearm in their possession. They likely obtained their narcotics from the BNN evidence office.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In March 2011, DEA opened the DEA Jakarta Country Office. DEA Agents from the Singapore, Hong Kong, and Indonesia Country Offices conducted a week-long land-sea border interdiction operation with counterparts from the Indonesian Customs Narcotics Team (CNT) and BNN. The United States has provided equipment and technical assistance that has significantly increased Indonesia's interdiction capability. During 2011, U.S. assistance focused on the Indonesian CNT's K-9 drug detection program. The United States also provided several vehicles for BNN, as well as training in precursor control and narcotics investigations. This training focused on advanced/specialized investigative techniques, including money-laundering investigations.

BNN will co-host the 2012 International Drug Enforcement Conference (IDEC) in Bali. IDEC is the world's largest international drug enforcement meeting. Approximately 90 countries send delegates. 2012 will be the first time any Asian country has hosted the event.
Indonesia does not have an Extradition or Mutual Legal Assistance Treaty with the United States, but the Indonesians have accepted past mutual legal assistance requests, and there is a practice of informal evidence sharing on a police-to-police basis.

D. Conclusion

Indonesia's commitment to strong drug-control institutions, evidenced by the 2009 National Narcotics Law and subsequent regulations, has clearly advanced its efforts against narcotics. The BNN's recently demonstrated administrative capability and enhanced budgetary resources, along with its willingness to collaborate with other ministries, bodes well for the future.

On the law enforcement side, BNN's recent focus on improving its information systems, especially those efforts to link the headquarters in Jakarta with 33 province offices is particularly notable. Maritime security remains a concern, however. The Malacca and Sunda Straits, and the traditional harbor and port facilities northwest of Jakarta, are especially vulnerable. BNN does not have the resources or mandate to secure these waterways on its own. As a result, collaboration between BNN, the maritime police, and various military entities will be necessary, along with closer cooperation among the littoral states of Indonesia, Malaysia, and Singapore.

BNN has also made progress on demand reduction, but drug usage is still increasing, albeit at a slower rate than general population growth. Increasing use of methamphetamines is a major concern. BNN now has medical staff at six prisons housing drug offenders. This staff provides withdrawal and rehabilitation services to drug abusers. According to the Deputy Director for Prevention, BNN plans to increase the number of these prison treatment services over the next few years.

Iran

A. Introduction

The Islamic Republic of Iran is a major transit route for opiates smuggled from Afghanistan and Pakistan to the Persian Gulf, Turkey, Russia, and Europe. A large share of opiates leaving Afghanistan transit Iran for consumers in Central Asia, and Europe; a much smaller share ends up in Russia. Knowledgeable observers estimate that at least 40 percent of Afghan opium production enters Iran, with a large share of that 40 percent remaining for Iran's own consumption.

In most years, Iran, according to Iranian statistics, seizes more illicit opium-based drugs than any other country in the world. Iran's reported seizures of opium –the most abused drug in Iran – amounted to eight-times more than all other countries' opium seizures combined in 2010. Since 2007, Iran has seized roughly one-third of all heroin seized in the world, and more recently Iran's heroin seizures make up almost half of the heroin seized in the world. Iran's opium and morphine seizures were down in the first eight months of 2011, while seizures of heroin were at nearly the same level as in 2010. Hashish seizures fell sharply (-26 %) in the first eight months of 2011 from the same period in 2010.

Iranian traffickers continued to play a major role in trafficking amphetamine-type stimulants (ATS) to countries in Southeast Asia. These amphetamines are likely manufactured in Iran, as numerous labs and large amounts of ATS have been seized inside Iran, and significant seizures are made in Turkey, in addition to other countries bordering Iran. Seizure statistics for amphetamines in Iran demonstrate the emergence of a new drug threat. In 2011, reported seizures of amphetamine in Iran increased ten-times from figures reported in 2008. Treatment professionals in Iran are expressing concern that widespread amphetamine abuse may overwhelm already limited treatment resources.

Iran has one of the most serious opiate addiction problems in the world. Recent statistics on opiate abuse place Iran second in the world by share of population using opiates, exceeded only by Afghanistan. Not all opium users in Iran are addicts. Many Iranians smoke opium casually in social circumstances or use it as a medicine, in small quantities. However, highly addictive high-potency heroin is increasingly taken intravenously, especially by young people. The amount of high-potency heroin seized in Iran is on the rise.

Drug use has driven the spread of HIV/AIDS in the country. By mid 2011, there were 23,125 people registered with HIV/AIDS infections. Injecting drug use was a factor in contracting the disease in nearly 70 percent of these cases. The average HIV prevalence among injecting drug users in Iran is 14.3 percent. The total number of infected persons may be up to 80,000, according to the Iranian Ministry of Health.

Recently, Iran's drug officials demonstrated a sharp reversal of their former policies to incarcerate drug abusers; they now claim to emphasize treatment over punishment. In addition to treatment clinics, free needle programs and the distribution of condoms have been used to curb HIV and other blood-borne disease infection rates in Iran. Methadone and Buprenorpine are used to maintain addicts during withdrawal treatment. Despite this new approach to dealing with addicts, the penalties for drug related crimes in Iran remain high. International human rights organizations condemn numerous executions for drug-related crimes in Iran.

Iran is a party to the 1988 UN Drug Convention, but its laws do not bring it into full compliance with the Convention. The UNODC is working with Iran to modify laws, train the judiciary, and improve Iran's court system.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Iran's Drug Control Headquarters leads all aspects of drug control policy. The Secretary General of the Headquarters and the Deputy report to the President of Iran. Other members of the Drug Control Headquarters include six Ministers: Minister of the Interior, Intelligence, Health, Education, Islamic Guidance and Research. The Chief of Police, Prosecutor General, Head of the Revolutionary Courts, Head of Prisons and the Commander of the Basij militia also have a role in the Drug Control Headquarters.

2. Supply Reduction

Iran pursues an aggressive border interdiction effort along its eastern frontier with Afghanistan. Iran claims it has dug 688 kilometers of trenches, constructed 477 kilometers of embankments, built a concrete wall 85 kilometers in length and installed 120 kilometers of barbed wire fencing to deter drug smugglers. Iran has also constructed new roads, numerous observation towers, and installed increasingly sophisticated electronic detection measures along its eastern borders. Iranian officials claimed to have seized more than 745 MT of opiates (opium equivalent) during 2010, and an additional 443.8 MT of opiates (opium equivalent) in the first eight months of 2011. Reported opiate seizures in 2010 were down by 25 percent in comparison to 2009, perhaps reflecting the decline in opium production in Afghanistan in 2010. The decline in seizures continued during the first eight months of 2011. Iran and Pakistan frequently alternate as the countries with the highest volume of opiate seizures in the world, and Iran is likely to lead in opiate seizures once again in both 2010 and 2011.

Iran-Seizure Statistics (in kg) 2010

Year	Opium	Heroin	Hi-potency Heroin	All Heroin	Morphine	Total Opiates*	Meth.	Hash
2010	393,210	3261	23,880	27,141	8098	745,600	1371	60378
2009	579,400	7319	17,607	24,926	16,139	990,050	891	69222
% Ch.	-32	-55	+36	+9	-50	-25	+54	-13

* **NB.** To compare the total weight of opiates seized in Iran, morphine and heroin products are converted into opium equivalents by multiplying the seized weight by a factor of ten. This is a convention used to compare drugs by weight, and is just an estimate of the actual conversion factor of opium into morphine/heroin.

Seizures of synthetic drugs in Iran continued to increase in 2010 and 2011. In the first eight months of 2011, synthetic drug seizures exceeded levels for the whole of 2010 by 22 percent. Knowledgeable observers in Turkey, where 70 kg of what was likely Iranian methamphetamine were seized during 2011, commented that the high purity level of the Iranian-based methamphetamine is indicative of Iran's sophisticated methamphetamine labs and their access to bulk precursor chemicals. With increasing availability of methamphetamine in both Turkey and Iran, it is feared that drug addicts will turn to this inexpensive drug.

3 Drug Abuse Awareness, Demand Reduction, and Treatment

Although China is estimated to have the largest number of opiate abusers in the world, Iran has one of the highest percentages of its population abusing opiates. Based on the information Iran provided to the World Drug Report in 2011, the prevalence rate of opiate use as a percentage of the population aged 15-64 in the country is 2.26 percent. Iran ranks second in the world by share of population abusing opiates. Many observers, including Iranian practitioners in the treatment community, believe that opiate abuse in Iran may be even higher than reported.

Significant seizures of opium by Iranian enforcement confirm that opium continues to be the drug of choice in Iran by a wide margin. UNODC and diplomatic observers in Iran note that young people have turned aggressively to drug abuse (more than two-thirds of Iran's population is under the age of 30). This same group is now at great risk for abuse of synthetic drugs, as they are less expensive and are becoming more common in Iran.

4. Corruption

It is difficult to assess the role corruption plays in narcotics trafficking in Iran. In other countries in the region, corrupt enforcement authorities accept bribes to allow drug smuggling, and fail to enforce laws that prohibit street sales of narcotics and other contraband. Higher level officials are sometimes convicted of protecting narcotics traffickers. Given the scale of narcotics trafficking in Iran, it is possible that similar conditions may also exist in Iran. Iran does not, as a matter of official government policy, encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The U.S. Government continues to encourage regional cooperation against narcotics trafficking and has worked effectively on narcotics issues with Iranian diplomats in international organizations like the UN Commission on Narcotic Drugs (CND). The United States has also approved licenses that allow U.S. NGOs to work on drug issues in Iran. Iran is a party to the UN Convention against Corruption, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Iran has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime.

D. Conclusion

The Iranian Government has taken strong measures against illicit narcotics smuggling, including cooperation with the international community and interdiction of drugs moving into and through its territory. The sudden emergence of large-scale domestic manufacturing of methamphetamine drugs and methamphetamine trafficking from Iran to countries in the Near East, Central Asia, and Southeast Asia poses a new significant and growing threat. The United States anticipates that Iran will continue to pursue policies and actions in support of efforts to combat drug production, trafficking and abuse.

Iraq

In Iraq, drug production, trafficking, and use are negligible by international standards. Little more than anecdotal evidence exists of drug production or cultivation. Iraq is more of a transit country than a destination for drugs. Abuse of licit prescription drugs is the only significant abuse problem, although several studies from the last two to five years note a rise in illicit drug abuse. The Government of Iraq (GOI) does not devote significant resources to counternarcotics efforts, and only a few dedicated drug rehabilitation facilities exist. State-INL has funded a "Center of Excellence" at the Baghdad Medical City hospital, the only facility that addresses drug abuse comprehensively. Iraq is a party to the 1988 UN Drug Convention.

Iraq's role in illicit drug production appears minor. However, there have been increased attempts to divert precursor chemicals for drug production in Afghanistan. In Iraq, it is illegal to traffic in and sell illicit drugs as well as to use them. The GOI maintains that the country has no drug problem, but some Iraqis abuse opiate products, hashish (mostly limited to areas near trafficking routes), and prescription drugs. Laws restricting their use are rarely enforced. Prescription drugs are available in Iraqi pharmacies without prescription. Much drug abuse results from living in a society wracked by instability. Steroid use is not illegal or controlled, and has risen among bodybuilders and athletes. There are concerns that insurgents use steroids to enhance combat capabilities. Reports indicate that among police personnel, steroids are the most widely abused drug, but drug and alcohol abuse have increased in the last two years, particularly among the army and police engaged in high stress deployments.

More drugs transit Iraq than remain in the country. Amphetamines (Captagon) move from Syria through Iraq to Saudi Arabia. Hashish moves from Iran to Kuwait, and Afghan-origin heroin shipped from Iran destined for Turkey or Syria passes through the Kurdish region of Iraq. Drugs moving from Iran to Saudi Arabia also transit Iraq. In September, Saudi Arabian officials discovered a glider near the Iraqi border with 700,000 Captagon tablets. Terrorists, militias, and large criminal gangs generate revenue from drug trafficking activities.

Iraq has not invested adequately in the counternarcotics control personnel and capacity required to effectively control drug trafficking. Iraqi forces in charge of border control and interdiction face serious challenges detecting contraband due to limited training, manpower, and equipment. State-INL's Police Development Program (PDP) includes a counter-narcotics advisor. In addition, PDP advisors from Immigration and Customs Enforcement, Customs and Border Protection, and the Coast Guard work with the Iraqi Department of Border Enforcement to improve border controls and consult with the Iraqi Coastal Border Guard on patrolling the coastline and enforcing laws along the maritime border areas. The DHS advisors also work with the Iraqi Navy, which enforces the majority of Iraq's maritime sovereignty regimes.

Drug policing falls under various local law enforcement jurisdictions. No central authority specifically targets drugs. Borders are porous with little or no communication among the agencies involved. Corruption frequently undermines border enforcement efforts and a high rate of illiteracy among border enforcement personnel further limits their effectiveness. As a matter of government policy, Iraq 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. Iraq is a party to the UN Convention against Corruption and is also a party to the UN Convention against Transnational Organized Crime.

Iraq's drug laws are in need of reform. The vast majority of laws dates from the 1960s, and they often include overly severe, impractical penalties. Personal use can carry sentences from three to 15 years incarceration and trafficking can draw a life sentence or the death penalty. One trafficker arrested and convicted in Mosul in May for growing and selling marijuana received a sentence of 150 years in prison.

Extradition between the United States and Iraq is governed by the 1934 U.S.-Iraq Extradition Treaty, which remains in force. Although there is no mutual legal assistance treaty in force between the United States and Iraq, mutual legal assistance is provided on a reciprocal basis through letters of request.

No functioning full-spectrum drug rehabilitation programs exist in Iraq. The Iraqi Ministry of Health is working with the U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration to establish a Center of Excellence on Substance Abuse Services at Baghdad's Medical City. This project can help Iraq develop a baseline against which it can measure and model future progress.

Israel

Israel is not a major narcotics producing or trafficking country, but has a significant domestic demand for illegal drugs. Drug offenses linked to other crimes such as human trafficking, illegal labor and money laundering continue to be issues for law enforcement; a growing youth population is a concern for future drug use. Money laundering legislation and scrutiny of money laundering has increased significantly in recent years, with a focus on drug money and its ties to terror financing and human trafficking. In addition to young people, members of minority groups and an increasing number of illegal immigrants, particularly from Africa, are targets for drug trafficking investigations. Many Israelis hold multiple passports, technically giving them an advantage in drug smuggling and trafficking. Abuse of cannabis, hard drugs, *hagigat* (a *qat* derivative) and illegal prescription medications continues to be a problem in Israel. In addition, *yaba*, a caffeine/methamphetamine pill associated with Thailand is abused particularly by third-country national laborers and synthetic cannabinoids, which are not illegal in Israel, are a growing concern for law enforcement officials. Medical marijuana is legal in Israel, but-production and distribution are tightly controlled.

From January thru September 2011, Israeli enforcement seized:

- Marijuana - 639 kg (mostly from the Egyptian border)
- Hashish - 671 kg (mostly from the Egyptian border)
- Cocaine - 255 kg
- Heroin - 15 kg
- MDMA (Ecstasy) - 13,446 tablets
- Yabba - 38,264 tablets

Israel's Dangerous Drugs Ordinance (DDO) provides the legislative basis for drug definition, penalties and related enforcement authorities. The Knesset amended the Hazardous Substances Law, which specifically defines illegal narcotics, to include cathinone (a.k.a. *hagigat*), methcathinone, amphetamines and methamphetamines (Yaba) in 2010. Israel is a party to the 1988 UN Drug Convention. Israel and the United States have a customs mutual assistance agreement, a mutual legal assistance treaty and an extradition treaty. Israel is a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime, and has been a member of the Commission on Narcotic Drugs in the UN Office on Drugs and Crime (UNODC) since 2003.

The DDO created the Israel Anti-Drug Authority (IADA) under the auspices of the Prime Minister's Office. The IADA coordinates cross-ministerial development, management and implementation of all anti-drug activity on the part of the GOI, including raising awareness, reducing demand via design and implementation of targeted anti-drug programs, and supporting treatment facilities. In 2011, the IADA was placed under administrative control of the Ministry of Public Security, but remained under the PMO's technical control. The IADA maintains a useful and comprehensive website in Hebrew, Arabic, Russian, and English (http://www.antidrugs.gov.il).

There are currently 150 community treatment programs for substance abuse throughout Israel. By law, all drug treatment facilities must be licensed by the State and are subject to approval by government committee, plus regular audits by government-appointed inspectors. In the past the IADA conducted a comprehensive survey of drug usage every four years, the last one was completed in 2009. These surveys, according to IADA, will become more frequent under the leadership of a new Chief Scientist that plans to complete the comprehensive surveys every two years and intermittent surveys every six months

to track the results of both drug intervention programs and various law enforcement actions. In addition, IADA plans to develop a drug monitoring center, modeled on the European Monitoring Centre for Drugs and Drug Addiction to collect and maintain data from all relevant agencies and organizations in Israel.

Excellent bilateral cooperation on illicit drug enforcement and interdiction continues between U.S. and Israeli authorities, with efforts spearheaded by the DEA regional office in Nicosia as well as the DHS/ICE office in Tel Aviv. U.S. DEA Nicosia expanded the already close relationship with the Israeli National Police (INP) on international investigations during this past year. In 2011, two INP delegates attended the DEA-hosted International Drug Enforcement Conference (IDEC) in Cancun, Mexico. According to DEA, the Israeli police made lasting contacts with their Egyptian counterparts, which has increased optimism for expanding cooperation in joint investigations on the Israeli-Egyptian border. Notable was a record cocaine seizure at an Israeli port as a result of DHS/ICE, DEA, and Israeli officials working together. Also, following Israeli Supreme Court decisions in 2010, the Israel extradited important Israeli organized crime figures to the United States. Furthermore, DEA Cyprus maintains outstanding relations with the Israeli Ministry of Health‘s Pharmaceutical Crimes Unit and works with the Head of the Drug Lab in Israel on a wide range of issues pertaining to drug identification as well as the identification of new trends in drug production. Multiple bilateral projects, training programs, and joint investigations are currently in various planning stages.

Italy

A. Introduction

Italy remains an important European transit country for illegal drugs, owing to its location and powerful criminal organizations. Southwest Asian heroin arrives in Italy from the Middle East and the Balkans, while cocaine reaches Italy from South and Central America. Italy is also Europe's second largest consumer of opiates and third largest consumer of cocaine. Synthetic drugs, hashish and marijuana are also concerns for the Italian government. While the majority of the narcotics trafficking is managed by traditional Italian organized criminal groups -- Cosa Nostra, 'Ndrangheta, Camorra, and Sacra Corona -- foreign organized criminal groups have significant presence in Italy as well.

The majority of the heroin entering into Italy is routed through the transit countries of Greece, Turkey and Albania. Italian law enforcement agencies maintain liaison offices in Turkey, Iran, Afghanistan and Uzbekistan to assist foreign counterparts in interdicting narcotics from source zones destined for Italy. Foreign nationals most significantly involved in heroin related offences within Italy include Tunisians, Moroccans, Albanians, Nigerians, and Algerians.

The Italian cocaine market is supplied primarily by Colombian sources with cocaine destined for Italy transiting several countries including Ecuador, Brazil, Peru, Venezuela, the Dominican Republic, Spain and the Netherlands. Multi-hundred kilogram shipments enter Italy via seaports concealed in commercial cargo as well as private vessels. In 2010, bilateral investigations in Italy revealed South American cocaine trafficking groups were using Italy as a transit point for the repatriation of drug proceeds, via bulk currency shipments, to Colombia and Mexico.

In most cases, the synthetic drugs found in Italy like Ecstasy, K2, and Spice originate in the Netherlands. The Italian Ministry of Health is active in identifying new substances and aggressive legislation has been implemented to control them.

Hashish importation to Italy continues to come predominately from Morocco through Spain as the principal transit country; the Netherlands is also a transit country. Marijuana into Italy generally comes from the Middle East with Albania and Montenegro being principal transit countries. Marijuana cultivation in Italy is usually for local consumption. Italy is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The GOI is committed to the fight against drug trafficking domestically and internationally. Italian law enforcement officials focus their efforts on heroin, cocaine, synthetic drugs, hashish and marijuana. It is unclear whether current austerity measures being implemented by the GOI will affect current and future counter narcotics efforts. In August 2010, the GOI passed legislation to authorize expanded undercover activities in furtherance of drug trafficking and money laundering investigations. While it was hoped that this new legislation would enhance the capacity of Italian law enforcement entities to infiltrate and dismantle major drug trafficking organizations, the application of the more expansive legislation has, to date, been somewhat limited.

In 2010, Italy contributed $1.6 million to the UN Office on Drugs and Crime programs. Italy has supported key U.S. objectives at the UN Commission on Narcotic Drugs and chairs the Dublin Group of countries coordinating narcotics assistance projects for Central Asia.

Italy is a party to the 1988 UN Drug Convention. Italy is a party to the UN Convention against Corruption and 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 February 2010, a U.S.-Italy protocol implementing the 2003 U.S.-EU Extradition and Mutual Legal Assistance Agreements entered into force.

On October 29, 2010, the Italian government approved a Counter Narcotics National Action Plan 2010-2013. The plan seeks to improve coordination of national level policies that are implemented by regional governments, and provide an integrated approach among Italian stakeholders as well as the EU, the UN, and the international community. GOI earmarked $34.4 million for the plan (it is unclear whether the funds are actually available).

2. Supply Reduction

The fight against drugs is a priority for the National Police, Carabinieri, and Guardia di Finanza counternarcotic units. The Italian Central Directorate for Anti-Drug Services (DCSA) coordinates the counternarcotics units of the national police services and directs liaison activities with the United States Drug Enforcement Administration and other foreign law enforcement agencies. DCSA has 20 drug liaison officers in 20 foreign countries that focus on major traffickers and their organizations.

Italy actively participates in the European Union's FRONTEX agency, which is a coordination body for improving border control at the EU's external borders. FRONTEX has standing maritime patrol operations in the Mediterranean Sea to prevent transnational crime from coming north from Africa.

Investigations of international narcotics often overlap with the investigations of Italy's traditional organized crime groups. Additional narcotic trafficking groups include African and Balkan organized crime groups. Italian law enforcement agencies employ the same narcotics investigative techniques used by other western countries. Adequate financial resources, money laundering laws, and asset seizure/forfeiture laws help ensure the effectiveness of these efforts.

During 2010, Italian authorities seized 3,841 kilograms of cocaine (-5.87% with respect to 2009); 944 kilograms of heroin (- 18.32%); 20,141 kilograms of hashish (-0.84%); 5,337 kilograms of marijuana (-34.09%); 71,988 marijuana plants; and 74,606 doses of synthetic drugs. The single largest drug seizures during the same period were: 1,000 kilograms of cocaine at the Italian seaport of Gioia Tauro in November; 105 kilograms of heroin in Bari in March; 7,233 kilograms of hashish at the Italian seaport of Genova in August; 717 kilograms of marijuana in Brindisi in April and 42,000 dosage tablets of synthetic drugs in Arezzo in February. The most relevant drug trafficking activities were conducted by the following organized crime groups:

- **Cocaine:** 'Ndrangheta, Camorra, Albanian, Colombian, Dominican, Moroccan, and Spanish;
- **Heroin:** Sicilian, Puglia and Campania based crime groups together with Albanian, Tunisian, and Moroccan.
- **Cannabis**: Lazio, Puglia, Sicilian working with Moroccan, Tunisian, Spanish and Albanian.

Also during 2010, 29,076 individuals were arrested in Italy on drug-related charges (Art. 73), 4,068 of which were arrested for the more serious drug trafficking / conspiracy violations (Art. 74). Sixty-nine

(69) percent were Italian nationals, while the remaining 31 percent were foreign nationals, primarily Moroccan, Tunisian, Albanian and Nigerian nationals.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

GOI promotes drug prevention programs using abstinence messages and treatment aimed at the rehabilitation of drug addicts. The Italian Ministry of Health funds 533 public health offices that operate at the regional level; the government identified 1,108 private centers of which 65 percent are residential, 19 percent semi-residential facilities, and 16 percent walk-in facilities. Of 500,000 (estimated) drug addicts, about 393,000 are eligible for treatment in Italy, and 161,000 receive services at public agencies. The government continues to promote responsible use of methadone at the public treatment facilities. Regional and local governments spent about $49.3 million for drug prevention programs and a total of $26.2 million were spent for social and professional rehabilitation.

4. Corruption

As a matter of government policy, Italy 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.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In April 2011, DCSA Director met with DEA's Administrator at the International Drug Enforcement Conference in Cancun, Mexico in furtherance of bilateral cooperation and operations. In September 2010, the DCSA Director visited the DEA offices in Miami and New York, as well as DEA Headquarters. DEA and DCSA personnel continue to conduct intelligence-sharing and coordinate joint criminal investigations on a daily basis.

In July 2011, the Naples-based Camorra organized crime network was added to the U.S. Treasury Department Office of Foreign Asset Control Transnational Organized Crime list (the Calabria-based 'Ndrangheta organized crime group was placed on the list under the Foreign Drug Kingpin program in 2008). During 2010, DEA provided training to Italian counterparts on asset forfeiture and drug law enforcement operations. In 2011 DEA also provided training to counterparts on Tactical Foreign Drug Enforcement Operations and Undercover Financial Investigations.

D. Conclusion

The USG will continue to work closely with Italian officials to disrupt and dismantle transnational criminal groups impacting Italy and the United States as well as to enhance both countries' ability to apply effective demand reduction policies. The USG will also continue to work with Italy in multilateral settings such as the Dublin Group of countries that coordinate counternarcotics and UNODC policies. The USG (via DHS) is exploring increased cooperation with FRONTEX, an organization in which Italy plays a large role.

Jamaica

A.Introduction

Jamaica continues to be the largest Caribbean supplier of marijuana to the United States. Although cocaine and synthetic drugs are not produced locally, Jamaica is a transit point for drugs trafficked from South America to North America. Drug production and trafficking are both enabled and accompanied by organized crime, domestic and international gang activity, and police and government corruption. The gun trade for illicit drugs exacerbates the problem as undocumented handguns are moved into the country in exchange for drugs.

Drugs flow into, through and from Jamaica in small boats and large vessels (both inside the vessel and in parasite containers attached to the hull), as contraband carried by ship and aircraft passengers, within shipping containers, and to a limited degree by private aircraft. Most drugs leaving Jamaica are bound for North America. However, some amounts of marijuana and cocaine are smuggled from Jamaica into England, Belgium, Germany and the Netherlands, either using personal couriers, cargo on commercial aircraft, or by inserting the drugs into shipping containers that pass through Kingston's busy container terminal and continue onto Europe.

Factors that contribute to drug trafficking are the country's convenient position as a point for narcotics being trafficked from Latin America; its lengthy, rugged and difficult-to-patrol coastline; a high volume of tourist travel by individuals and private boats; its status as a major transshipment point for shipping containers between Asia, Latin America, Europe and Africa; and, a struggling economy that encourages cultivation of marijuana in remote swamps and mountain areas.

Law enforcement authorities are moderately effective in combating illicit trafficking with competent and dedicated leadership, but their efforts are undercut by a slow and marginally-effective criminal justice system, a lack of sufficient resources, and corruption. Jamaican law stipulates that possession or use of cocaine; heroin, marijuana, and ecstasy are illegal and subject to criminal and civil penalties. The illegitimate possession of precursor chemicals is also prohibited by law.

Jamaica is a signatory to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Cooperation remains strong between the Governments of Jamaica and the United States in an effort to curb narcotics and related transnational crime. The United States' primary partners are the Jamaica Constabulary Force (JCF), the Jamaica Defence Force (JDF), Jamaica Customs, and the Ministry of Finance's Financial Investigation Division.

The Jamaican government and the United States have a Mutual Legal Assistance Treaty (MLAT) that assists in evidence sharing. Both governments have a reciprocal asset sharing agreement and a bilateral law enforcement agreement governing cooperation to stop the maritime flow of illegal drugs. Jamaica is a party to the Inter-American Convention on Mutual Legal Assistance in Criminal Matters, the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, the 1988 UN Drug Convention, the 1996 Inter-American Convention Against Corruption, the UN Convention Against Transnational Organized Crime and its three protocols, and the UN Convention

Against Corruption. The Jamaican government has signed, but has not ratified, the Caribbean Regional Maritime Counterdrug Agreement.

The 1991 extradition treaty between the United States and Jamaica is actively and successfully used by the United States to extradite suspected criminals from Jamaica. Extradition requests are normally processed in a routine and efficient manner by Jamaican political and judicial authorities.

Realizing that fighting gangs, drugs, and transnational crime begins at the community level, the JCF increased community-based policing (CBP) efforts with U.S. support. CBP is now the official policy of the JCF and is incorporated into pre-service training for all police recruits. The CBP program spread from three pilot communities in 2008 to 360 communities in 2011. Of the JCF's 8,444 front line officers, 5,609 received training in CBP practices with the remainder scheduled for training. Civilian acceptance of CBP is facilitated through programs such as a safe schools program and youth civic engagement.

The Commissioner of Police faces internal, judicial, and political roadblocks that hinder reforms mandated by Jamaica's 2007 Police Strategic Review Implementation Plan. The Commissioner has taken a strong public stance against corruption, is continuing to implement and expand the plan, and has made steady progress toward institutional reform. However, it is unclear whether the Commissioner will secure continued legislative and executive support, both in funding and political backing, to make significant and enduring progress in combating police corruption and transforming the institution.

2. Supply Reduction

Marijuana is grown in all fourteen parishes of Jamaica. An estimated 15,000 hectares (37,000 acres) of marijuana is generally found in areas inaccessible to vehicular traffic on small plots in mountainous areas and along the tributaries of the Black River in Saint Elizabeth parish. The JCF and JDF employ teams of civilian cutters to cut growing plants and who are escorted by the military or police. Teams seize seedlings and cured marijuana and burn them in the field. Jamaican law prohibits the use of herbicides, and only manual eradication is conducted.

Eradication of marijuana (cannabis, seedlings, seeds, and nurseries) increased from 2010: 707 hectares of cannabis were eradicated; 1,900,630 seedlings destroyed and 480 kilos of seeds destroyed in 2011 when compared to 447 hectares, 956,300 seedlings and 255 kilos of seeds in 2010. Additional progress in eradication efforts is hindered by the Jamaican government's fiscal constraints and the unavailability of JDF aircraft to locate marijuana fields and transport personnel to the remote areas where the crops are grown.

Jamaica prohibits the manufacture, sale, transport, and possession of ecstasy, methamphetamine, and regulates the precursor chemicals used to produce them. Jamaica does not produce precursor chemicals or other chemical substances and, relies on countries exporting goods to conform to international standards governing export verification. The importation and sale of pharmaceutical products and chemical substances are regulated and reinforced with fines or imprisonment. Other controls exist to monitor the usage of pharmaceutical products and chemical substances including register controls, inspections, and audits.

Smugglers continued to use maritime shipping containers, ships, small boats, aircraft and couriers to move drugs from and through Jamaica to the United States. Seizures of marijuana-related products improved in 2011, with 47,691 kilos of cannabis and 170 kilos of hash oil in 2011, compared to 39,291 kilos and 121 kilos in 2010, respectively, although hashish decreased to 9 kilos in 2011 from 13 in 2010.

Seizures of cocaine increased to 552 kilos in 2011 from 176 kilos in 2010, though crack cocaine dropped to 1.3 kilos in 2011 from 5.98 in 2010.

High- profile organized crime gangs continued to successfully operate within Jamaica. Gang leaders are often afforded community and, in some cases, police protection. Nevertheless, drug-related arrests increased to 20,216 in 2011, compared to 10,255 in 2010.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The JCF reports that marijuana is used by nine percent of the population, making it the most abused illicit drug among Jamaicans, while cocaine abuse reached a plateau of less than 0.1 percent of the population over the last 10 years. There is evidence that new drugs, such as heroin and ecstasy, entered the Jamaican domestic market in small amounts.

To combat the use of illicit drugs, the Ministry of Health's National Council on Drug Abuse (NCDA) was established by statute in 1982. NCDA field officers provide support to the primary care system through the assessment of substance abusers in the mental health system. Also, the Jamaican government's National Health Fund (NHF) established and funded 18 community medical clinics across the island, primarily through faith- based institutions, that provide primary treatment services with referrals to hospitals, clinics, physicians, psychologists, and psychiatrists. The clinics provide drug-related counseling and trauma services.

The Jamaican government operates one detoxification center located at the University Hospital of the West Indies in Kingston. In collaboration with the Organization of American States Inter-American Drug Abuse Control Commission (CICAD), Jamaica offers a university-level certificate program in drug addiction and drug prevention. The United Nations Office on Drugs and Crime (UNODC) works directly with the Jamaican government and NGOs on demand reduction; however, due to limited resources, these programs have little impact.

The Ministry of Health (MOH) regulates pharmaceuticals, including the importation of pseudoephedrine, both in powder and final product forms. The NCDA, the Pharmacy Council, and the MOH work to expand awareness among health professionals about the potential danger of pseudoephedrine and ephedrine when they are diverted to produce methamphetamine. The NCDA collaborates with other non-profit organizations to provide non-residential drug counseling services.

4. Corruption

As a matter of policy, the Jamaican government does not encourage or facilitate illegal activity associated with drug trafficking; nor are any senior Jamaican officials known to engage in such activity. Nevertheless, corruption of public officials continues to be a major concern to the Jamaican and U.S. governments as well as most Jamaicans. The law penalizes official corruption; however, corruption is entrenched, widespread, and compounded by a judicial system that is poorly equipped to handle complex criminal prosecutions in a timely manner.

Corruption undermines efforts against drug and other major crimes and is a major factor in allowing the passage of drugs and drug proceeds through Jamaica. An improving anti-corruption stance within Jamaican customs enforcement, the JCF, the Jamaica Tax Administration, and the Office of the Contractor General has shown encouraging signs. Additionally, the USAID-supported National Integrity Action Forum helped focus increased public and government attention on anti-corruption reforms.

The Anti-Corruption Branch (ACB) of the JCF has shown success in identifying and removing officers engaged in corruption. Since the ACB's inception in 2008, 319 JCF personnel have been dismissed for unethical or corrupt behavior, with 69 of those dismissed in 2011. Another 44 officers faced criminal corruption charges during the year. The JCF's success is due partly to mechanisms that allow it to dismiss corrupt or unethical officers when evidence is insufficient to justify criminal prosecution. For example, the JCF requires high level police officers to sign employment contracts that improve accountability and facilitate speedy dismissal for corrupt or unethical behavior. Vetting and a polygraph examination are also required for promotions into key positions.

The JDF has been effective in identifying and responding to corruption within its ranks. The JDF, while not immune from corruption, takes swift disciplinary action when warranted in furtherance of its zero tolerance policy.

A bill creating an Anti-Corruption Special Prosecutor is being considered by Parliament, but no action is expected soon. Efforts by legislators from both political parties to dilute the effectiveness of the measure threaten its prospective impact on curbing government corruption. There has not been legislative action to create a National Anti-corruption Agency, which is required by the Inter-American Convention against Corruption to which Jamaica is a signatory.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Supporting Jamaica's transformation into a more secure, democratic, and prosperous partner represents a major U.S. policy goal. Narcotics trafficking, corruption, and crime undermine the rule of law, democratic governance, economic growth, and the quality of life for all Jamaicans. In response, the United States is working to enhance the effectiveness and capacity of Jamaica's law enforcement and criminal justice system. Within the fabric of all U.S. aid to Jamaica, beyond that relating only to law enforcement and justice, is the acknowledgement that success depends on a comprehensive approach that recognizes the link between drugs, gangs, organized crime, poverty, unemployment, lack of educational opportunities and government corruption.

The U.S. support to combat narcotics production and trafficking in Jamaica includes training, equipment and logistical assistance to the JCF and JDF. For example, funding supports continued marijuana eradication operations, logistical support to the JDF Coast Guard and JCF Marine Division for interdiction of narcotics trafficking in coastal waters, and enhancement of border security at air and sea ports for Jamaica Customs. Additional support focuses on specialized JCF units that target narcotics and gangs, on JCF crime scene investigative and forensic analysis capacity, and on training for prosecutors involved in prosecuting narcotics, corruption and financial crimes. Indirect support for counternarcotics efforts is furnished through the development of effective community-police relations, improvement of JCF training facilities, and anti-corruption initiatives within the JCF, plus education and workforce development programs targeting at-risk youth who are susceptible to narcotics and gang influence.

The primary source of U.S. funding in support of law enforcement and justice reform is through the Caribbean Basin Security Initiative (CBSI), which contains both bilateral and regional funding mechanisms. The programming of regional funds is guided by technical working groups comprised of representatives from participating Caribbean countries. The regional component of CBSI is instrumental in achieving U.S. goals in Jamaica because the challenges it faces are largely shared by Caribbean neighbors.

D. Conclusion

Through essentially solid democratic institutions and the efforts of strong leaders within the government, Jamaica is making slow, but steady progress in combating the criminal scourges that plague the country's political, economic and social well-being, namely the illicit trafficking of narcotics and firearms, violent crime, corruption, gangs and organized crime. Carefully targeted U.S. support, combined with efforts from other international partners – in particular Canada, the United Kingdom and the European Union – is helping to make a difference in that battle.

Success stories can be found in JCF efforts to root out corruption through its ACB, by its initiative to inoculate communities from crime and gang influence using community -based policing, and with specialized JCF vetted units attacking narcotics and gangs. Successes are also found within the offices of INDECOM, the Financial Investigation Division and the Contractor General, where competent, dedicated and vetted personnel are struggling with limited resources to turn the tide against police killings, financial crime and government corruption.

Despite encouraging signs within Jamaica's law enforcement agencies, progress is less evident within Jamaica's criminal justice system as a whole. The judicial branch remains ill-equipped to handle a large number of criminal cases and prosecutorial efficacy is also lacking. As a result, there are a large number of government corruption cases for awaiting prosecution, and convictions are few as the cases may be put off for years without result.

Future U.S. efforts should continue to sustain the momentum gained within Jamaica's law enforcement agencies, particularly in the areas of maritime security, corruption, gangs and organized crime. The United States should focus enhanced support and pressure for demonstrable progress by prosecutors and the courts in moving criminal suspects through the criminal justice system.

Japan

Drug control in Japan is primarily a problem of domestic drug consumption; illicit narcotics do not transit Japan, nor are they generally manufactured in Japan for markets abroad. Powder methamphetamine and stimulant abuse remains the biggest challenge to Japanese counternarcotics efforts; over 80 percent of all drug arrests in Japan involve methamphetamine or amphetamine-type stimulants (ATS). Marijuana continues to be popular and other drugs such as MDMA (ecstasy) and heroin are available, but much less prevalent. Cocaine use is increasing. According to Japanese authorities, almost all illegal drugs consumed in Japan are imported from overseas, usually by Japanese and/or foreign organized crime organizations.

Japan is one of the largest and most lucrative markets in Asia for methamphetamine. Methamphetamine is smuggled primarily by way of Central and South America, the Middle East, Southeast Asia, and Africa. There were several seizures of liquid methamphetamine solution at some of Japan's international airports and seaports during 2010, and two clandestine laboratories were found in the Tokyo area, indicating that refining of methamphetamine is also occurring in Japan. Cocaine smuggling in Japan is on the rise, as demonstrated by several seizures of cocaine from couriers at Japanese airports this year. Methamphetamine and cocaine shipments from Central and South America pose an emerging threat, comprising an increasing proportion of the methamphetamine and cocaine seized in Japan. Eight American citizens were arrested for attempted methamphetamine smuggling through October, more than in all of 2010.

From January to October 2011, Japanese law enforcement agencies seized 431.6 kilograms of methamphetamine; 51.6 kilograms of marijuana; 25.7 kilograms of cocaine 23.1 kilograms of hashish; 892 dosage units of MDMA; 3.4 kilograms of heroin; and 11.6 kilograms of opium.

While Japanese law enforcement officers are well-trained and equipped, proactive law enforcement efforts are at times hindered by customary practices and bureaucratic obstacles. Despite these problems, authorities continue to conduct complex drug investigations both independently and in cooperation with United States counterparts such as the U.S. Drug Enforcement Administration (DEA), Federal Bureau of Investigation, U.S. Immigration and Customs Enforcement (ICE), and other U.S. federal law enforcement agencies.

Japan Customs has been effective in identifying inbound drug shipments and made numerous significant seizures at international airports and seaports. Japan Customs has been very receptive to and acted on investigative leads provided by the international law enforcement community. In addition, the Ministry of Health, Labor and Welfare's Narcotics Control Department has taken a proactive approach to drug law enforcement and is conducting longer-term and more complex drug investigations. Japanese authorities have recently coordinated enforcement operations with international liaison officers in Japan on several investigations resulting in large methamphetamine seizures. This level of coordination and cooperation is an emerging trend, but unfortunately still remains rare. In some instances, past inaction by Japanese law enforcement in response to U.S.-provided intelligence on drug-trafficking and money-laundering activities may have contributed to criminal organizations' ability to establish a strong presence in Japan.

There were no reported cases of Japanese officials being involved in drug-related corruption in Japan in 2010. The government does not encourage or facilitate the illicit production or distribution of drugs, or the laundering of illicit proceeds.

Drug treatment in Japan is currently handled mostly by small, privately-run programs which operate without nationwide treatment criteria. While the government provides support services for addicts at prefectural consultation centers, it does not directly operate treatment or rehabilitation programs except within correctional institutions. More than 5,000 prisoners participated in prison-based programs in 2010. Government-funded drug education campaigns for schoolchildren continued to increase in 2010, reaching nearly 80 percent of middle and high school students and more than 60 percent of elementary school students in the country.

Japan 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, and has signed, but not yet ratified, the UN Convention against Corruption. Japan has also signed the UN Convention against Transnational Organized Crime (UNTOC) and its three protocols but, as it lacks an anti-conspiracy law, cannot ratify the UNTOC. An extradition treaty and a mutual legal assistance treaty are in force between the United States and Japan.

Jordan

Jordan's geographical location in a region of drug producing and drug consuming countries continues to make it a transit point for illicit drugs. There are currently no indications that Jordan will move from a predominantly drug transit country to a drug producing country. Statistics produced by Jordan's Public Security Directorate (PSD) confirm this assessment, and show that almost all major drug seizures were from foreign nationals with shipments bound for other countries. Jordan's vast desert borders make it vulnerable to illicit drug smuggling operations. Jordanian authorities do not believe that internal drug distribution is substantial; they estimate that 85 percent of drugs entering Jordan are moving to markets elsewhere. Jordan is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

Jordan remains primarily a narcotics transit country. The narcotics transiting Jordan are not believed to be destined for the United States. Jordan's main challenge in stemming the flow of illicit drugs through the country remains its vast and open desert borders, which are difficult to effectively patrol because the stationary posts along them lack the equipment and infrastructure to fully monitor traffic. While law enforcement contacts confirm continued excellent cooperation with Jordan's neighbors, the desolate border regions and various tribes, with their centuries-old traditions of smuggling as a principal source of income, make interdiction outside of the ports of entry difficult.

Drugs moving through Jordan include: cannabis, perhaps Lebanese or Afghan in origin, entering from Lebanon, Syria, and Iraq; Afghan heroin entering through Syria on its way to Israel; and captagon tablets from Bulgaria and Turkey entering through Syria on the way to the Gulf. "Captagon" is an amphetamine-type stimulus that is popular in Gulf countries. The majority of Jordan's drug seizures take place at the Jaber border crossing point between Jordan and Syria. Cooperative efforts between the PSD and the Israeli National Police have led to heroin seizures along the Israeli border.

Historically, Jordanians do not consume significant quantities of illegal drugs. Recently, there have been anecdotal reports suggesting possible increases in drug use in Jordan. According to PSD statistics, the number of people involved in drug cases and the number of abusers both rose by over 10 percent between 2010 and 2011. The PSD attributes the higher volume of drug cases in Jordan to more effective border interdiction operations, better intelligence gathering, and stronger cooperation between Jordan and neighboring countries.

The drugs of choice among users arrested for drug possession in Jordan continue to be cannabis and heroin, and to a lesser degree, captagon. People arrested for drug-related crimes in Jordan are mostly between 18 and 35 years old and are predominantly foreign nationals. While the PSD continues to see increased drug trafficking across Jordan's land borders, especially its borders with Iraq and Syria, there is a continuing decrease in drugs transiting Queen Alia International Airport. During the first nine months of 2011, there was an annualized 40 percent decrease in the amount of cocaine seized by the PSD compared to 2010, with only 1.4kg seized. During the same period, there was a similar decrease in the amount of heroin seized. Captagon seizures, however, rose significantly over the first nine months of 2011, with annualized totals doubling from those of past years. Sixteen million tablets were seized. PSD reports show that interdicted captagon tablets were predominantly bound for Saudi Arabia. When compared to historical figures for the past five years, drug enforcement apprehensions continue to rise. Nevertheless, the increase should not be considered a notable trend in trafficking through Jordan, but rather the result of better enforcement.

Jordan's PSD maintains an active counternarcotics bureau and has excellent relations with the U.S. Drug Enforcement Administration's Nicosia Country Office (CO) in Cyprus. It also has increasingly productive relations with narcotics enforcement officials from neighboring countries. As a result of these ties, the PSD conducted 12 international controlled deliveries with law enforcement counterparts in Syria, Saudi Arabia, and Israel during the first nine months of 2011. According to the PSD, there are no known illicit production operations in the country.

The DEA Nicosia CO, Regional Security Office Amman, and the U.S. Immigration and Customs Enforcement Office in Amman have excellent working relationships with the PSD. In January 2011, the DEA Office of Training provided a one week Drug Unit Commander Course to two Jordanian Police Anti-Narcotics Unit Officials in Cairo, Egypt. In addition, two PSD officials attended the 2011 International Drug Enforcement Conference in Cancun, Mexico. Members of the DEA Nicosia CO visited Jordan six times during the first nine months of 2011 in furtherance of ongoing criminal drug investigations and continue to enjoy a professional rapport and cordial working relationship with the PSD.

Kazakhstan

A. Introduction

Kazakhstan is primarily a transit country for Afghan heroin and opiates. Marijuana also grows wild on approximately 100,000 hectares in the Zhambyl oblast in southern Kazakhstan. During the past year, use of desomorphine has become very popular in Kazakhstan. Kazakhstan has taken aggressive steps to combat drug trafficking, and its president has declared drug enforcement a high priority for his government. Kazakhstan is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Kazakhstan's Customs Union with Russia and Belarus eliminated customs controls on its border with Russia from mid- 2011. The government of Kazakhstan allocated about USD 268 million in its 2009-2011 Program on Combating Drug Abuse and Drug Trafficking, primarily to strengthen the southern border. The funding covered purchases of engineering systems, technical control systems, vehicles and communications equipment.

The Ministry of Interior (MVD) 2012-2016 draft program on Combating Drug Addiction and Drug Trafficking is currently in the interagency review process. It is intended to continue strengthening Kazakhstan's southern border and also fund drug demand reduction and law enforcement activities. The government has asserted that implementation of the program will substantially improve the drug control situation in the country, facilitate cooperation among the law enforcement agencies and increase the volume of drug seizures. The program also foresees further development and extension of civil society-implemented anti-drug projects, and improved treatment and reintegration programs for drug addicts.

Kazakhstan actively cooperates with surrounding countries to improve the effort against drugs. In 2011, the government of Kazakhstan approved an agreement with Afghanistan and signed an Agreement "On the Procedure on Transfer of Samples of Drugs, Psychotropic Substances and Precursors among CIS countries."

Kazakhstan hosts the Almaty-based Central Asia Regional Information Coordination Center (CARICC), which brings together counterdrug law enforcement representatives from the Central Asian states, Russia, and Azerbaijan. In November 2011, CARICC completed its two-year pilot phase, and claimed several successes in coordinating operations, hosting training sessions, and its own establishment as a reliable analytical center. The USG, as a formal observer, regularly cooperates and interacts with CARICC via the Drug Enforcement Administration (DEA) office in Almaty. Distrust and lack of intelligence sharing between the member states continues to hamper more significant achievements.

Kazakhstan chaired the Shanghai Cooperation Organization (SCO) from June 2010 to June 2011. In June 2011, the SCO adopted an Anti-Drug Strategy for 2011-2016 that outlines an approach to improved countering of drug trafficking, prevention of drug addiction, treatment and rehabilitation of drug addicts.

2006 and 2008 amendments to counternarcotics legislation introduced definitions of various drugs and toughened criminal liability for large-scale possession/sale of drugs, involvement of minors in consumption of drugs and distribution of drugs in educational institutes. Kazakhstan also adopted a Law

on Establishing Liability for Illicit Trafficking of Herbal Mixtures containing Synthetic Cannabinoids. A total of 27 such substances have been entered into the list subject to state control.

Kazakhstan is a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

2. Supply Reduction

In the first nine months of 2011, law enforcement agencies registered 3,561 drug-related crimes, down from 7,189 during the same period in 2010. This decline follows changes in drug laws that decriminalized certain minor drug-related offenses. 2011 figures included 1,970 cases of sales and 150 cross-border narcotics trafficking cases. Law enforcement agencies seized a combined 32.9 tons of drugs, including 265 kilograms of heroin and 26.3 tons of marijuana. They arrested 1,950 individuals for drug-related crimes and charged 4,063 with administrative infractions. 2,255 criminal prosecutions resulted in 1,873 convictions. The number of foreigners arrested for trafficking fell 49% (from 259 to 131) between 2010 and 2011.

	2010 (first nine months)	**2011 (first nine months)**	**Change**
Total seizures of drugs and psychotropic substances (in kg)	24,602	32,891	33.7%
Heroin	252.6	265.0	4.9%
Marijuana	23,694.9	26,351.7	11.2%
Hashish	347.8	314.5	- 9.6%
Opium	165.8	9.6	-94%

From June 1 to October 31, under the annual Operation "Kendir" (Poppy) that seeks to interdict trafficking of wild-grown cannabis from the Chu Valley, eradicate drug crops and prevent other drug trafficking crimes, Kazakhstani law enforcement agencies documented 1,547 drug-related crimes (45% fewer than last year), including 875 cases of drug sales and 75 cases of illicit cultivation.

Since November 2011, a prescription is required for medicines that contain codeine due to an increasing number of cases of licit medicines diverted for abuse. Desomorphine -- street name: "Krokodil" -- is the second most popular drug in Russia after heroin. Its consumption causes immediate exhaustion, purulent skin lesions and damage to internal organs. Police found two labs manufacturing "desomorphine" in the northern Kazakhstani cities of Pavlodar and Petropavlovsk.

2. Drug Abuse Awareness, Demand Reduction, and Treatment

Officially 47,833 drug addicts are registered in Kazakhstan. Unofficial estimates place the number of addicts at four times greater.

State agencies implement a number of activities aimed at the combat of drug trafficking and demand, including the Program on Combating Drug Addiction and Drug Business (2009-2011), State Program for Development of Healthcare (2011-2015) and "Healthy Lifestyles" (2008-2016). The MVD Counternarcotics Committee coordinates the activities of the various agencies involved in these initiatives.

The Ministry of Education and Science and Ministry of Interior is coordinating with State-INL to sponsor the Drug Abuse Resistance Education (DARE) program in Kazakhstan. In June 2011, 25 school-based police inspectors in Astana completed the DARE Officer Training Course, and a pilot school program is expected to begin in January 2012.

The Ministry of Health is responsible for the diagnosis, treatment and rehabilitation of individuals addicted to drugs and psychotropic substances. It also operates drug demand reduction programs. The Ministry of Education and Science works to counter the spread of alcoholism, as well as drug addiction and associated HIV/AIDS, and operates rehabilitation programs for young people. The Ministry of Communications and Information organizes media campaigns to discourage drug consumption. The government also is working to improve treatment and rehabilitation of drug addicts, including by developing new standards for treatment intervention, protocols of treatment and rehabilitation of drug addicts in jails.

The MVD Counternarcotics Committee (CN Committee) and its field divisions work with representatives of non-governmental and youth associations to prevent drug addiction among children and youth as part of its Program on Combating Drug Addiction and Drug Trafficking. They conducted 1,339 such events in the first nine months of 2011 (up 2% from 2010).

The CN Committee regularly updates its website www.narcopost.kz with information on demand reduction activities and success stories in the battle against drug trafficking. The Commission on Coordinating Demand Reduction Activities and Combat Against Drug Trafficking, established by the government in 2003, monitors the work of all relevant agencies and provides recommendations for further activities. The MVD also publishes the magazines *Narcopost* and *Future without Drugs*.

4. Corruption

As a matter of government policy, the government of Kazakhstan does not encourage or facilitate the illicit production or distribution of narcotics, psychotropic drugs or other controlled substances. It also is taking steps to prevent money laundering. The MVD actively fights narco-corruption in its ranks, vets its recruits and has an internal affairs division to investigate crimes committed by police. In 1998, Kazakhstan adopted a specific law on combating internal corruption.

C. **National Goals, Bilateral Cooperation, and U.S. Policy Initiatives**

In September 2011, State- INL signed its ninth Amended Letter of Agreement with the Ministry of Interior. The government of Kazakhstan has responded favorably to INL's proposed Central Asia Counternarcotics Initiative.

The U.S. Department of Defense (Office of Military Cooperation – OMC), Department of Justice Drug Enforcement Administration (DEA) and INL support counternarcotics programs in Kazakhstan. In 2011, INL and DEA organized interagency workshops for counternarcotics officers in the detection of drug-related and money-laundering crimes; these workshops included instruction from DEA's new Central Asia Regional Training Team. INL also provided office equipment and vehicles to the CN Committee. INL continued its successful program to train dogs to search for drugs – with participants from all of Kazakhstan's law enforcement agencies -- while OMC provided funding to construct canine facilities.

D. Conclusion

Kazakhstan's law enforcement agencies are committed to proactive counternarcotics policies, and existing legislation is sufficient to the task. Law enforcement agencies are eager to receive training and resources in order to strengthen their capacity to cover a territory the size of Western Europe. The USG will continue to support the training of Kazakhstani law enforcement officers in countering drug trafficking, investigating drug-related crimes and strengthening anti-money laundering and drug demand reduction efforts.

Kenya

A. Introduction

The trafficking of narcotics in and through Kenya is a major and growing problem that has permeated all strata of the society. Narcotics usage is spreading throughout the country from its original hubs in Nairobi and along the coast. According to a 2011 estimate, the number of injecting drug users in Coast Province alone is reportedly between 40,000 and 60,000. The drug menace has serious ramifications for the nation's health, security, and stability.

Kenya is a significant transit country for a host of illegal narcotics, including heroin and cocaine, with an increasing portion of the trade being consumed domestically. Imports of precursor chemicals are on the increase, both for transshipment and local production of narcotics and psychotropic substances. Cannabis and miraa (khat) are grown domestically for both local use and export.

Stemming this flow of narcotics is an enormous challenge. Narcotics-trafficking is tied directly to the prevailing culture of impunity that has pervaded the senior political and business classes in Kenya since independence. Kenya's leaders profess strong support for counternarcotics efforts, but this rhetoric has not translated into robust interdiction and prosecution of drug kingpins. Kenya's law enforcement authorities at best lack the institutional capacity to successfully investigate and prosecute serious narcotics cases. At worst, its officers are complicit in the trade.

Kenya is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Ministry for Provincial Administration and Internal Security has oversight for the government's two main narcotics supply and demand reduction agencies: the *Anti-Narcotics Unit* (ANU) of the Kenya Police Service which is the lead law enforcement agency responsible for combating drug trafficking; and the *National Campaign Against Drug Abuse* (NACADA), which co-ordinates public education, prevention, and rehabilitation services.

The 1931 U.S.-U.K. Extradition Treaty remains in force between the United States and Kenya through a 1965 exchange of notes. Kenya is a party to the UN Convention against Corruption and to the UN Convention against Transnational Organized Crime and its three protocols.

2. Supply Reduction

Kenya's geographical location presents considerable challenges to supply reduction strategies. Traffickers exploit Kenya's long Indian Ocean coastline, its bustling port of Mombasa—which serves as the port of entry for east and central Africa—and its porous northern border with Somalia.

Heroin and cocaine transit Kenya bound for Europe, the United States, Indian Ocean island nations, as well as other parts of western and southern Africa. Over the past few years newer trans-Saharan drugs routes have developed between East and West Africa with heroin from South and Southwest Asia moving west and cocaine from South America moving east.

Seizures of drugs represent a tiny fraction of what is believed to transit in and through Kenya. Due to a lack of both political will and institutional capacity, there has never been a successful prosecution of a senior-level drug trafficker in Kenya. Early in 2011, the Government announced a major operation to bring senior drug traffickers to justice. The investigation, which lasted less than two months, was insufficient to bring charges against suspected drug barons. The alleged drug barons seized upon a preliminary report that indicated there was insufficient evidence to charge them to argue that they had been exonerated. In fact, the report called for additional investigations of the suspects, but those efforts have since petered out.

3. Drug Awareness, Demand Reduction, and Treatment

There are over 200,000 heroin addicts in the country, according to government and UN statistics. It is estimated that about 10 percent or more of them are in Coast Province. This is more than any other country in Africa besides South Africa. Religious leaders have spoken out strongly against drug abuse and argue that every family on the coast has been touched by addiction.

According to the 2010 NACADA report, miraa (i.e., khat), marijuana, heroin and cocaine are the most commonly consumed drugs in descending order. Nearly 4.5 percent of Mombasa residents had consumed heroin at least once; most of those were between the ages of 18 and 28. Mombasa leads Coast Province in drug use for most categories except marijuana, which is more prevalent in Lamu. Fourteen percent of respondents said it was “easy to access” heroin or cocaine in Mombasa. Some heroin addicts have even resorted to “blood flashing” in which blood from one user who has just injected is collected and then injected into a second user. The age at which people are beginning to use drugs has also decreased, and women are an increasing percentage of users. The threat of the spread of HIV/AIDS is obvious in many of the practices of intravenous drug abusers.

The supply of heroin on the coast at the beginning of the year dropped precipitously due to the high-level calls for a crackdown on drug barons. The Government of Kenya, in cooperation with the UN Office of Drugs and Crime, responded by providing a scientifically uncertain outpatient detoxification protocol. The program was designed to reduce the symptoms of withdrawal among addicts but lacked the necessary counseling regimes to aid recovery. A Government-supported rehabilitation facility was opened at Coast General Hospital to mixed reviews. These efforts, while made in good faith, were grossly insufficient to meet the demand for rehabilitation and counseling services.

Private rehabilitation facilities are too expensive for most Kenyans to access, and the few low-cost community run centers are unable to satisfy the demand for services.

4. Corruption

Corruption remains an enormous barrier to effective narcotics enforcement. The prevailing culture of impunity is not limited to narcotics trafficking but pervades the government and society. Drug barons use proceeds to contribute to political campaigns and to buy influence with government officials, law enforcement officers, politicians, and the media.

Religious and civil society groups are increasingly demanding that the government address the issues of drug trafficking and drug abuse. Members of Parliament consider the drug abuse problem significant enough to have requested a declaration of national emergency.

As a matter of policy, however, the Government of Kenya 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 March 2010 NACADA includes reports of drugs being seized by law enforcement officers and resurfacing for sale with the help of corrupt officials. There are also reports of the police arresting individuals to obtain bribes and suspects paying bribes after being arrested to avoid prosecution.

The ANU's maritime interdiction capabilities are limited. Inspection personnel turnover at the ports is high, contributing to Kenya's limited capability for maritime interdiction, and corruption continues to thwart the success of long-term port security training.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

U.S. bilateral cooperation with Kenya on counternarcotics matters is continuing. The principal U.S. counternarcotics objective in Kenya is to interdict the flow of narcotics to the United States. A related objective is to limit the corrosive effects of narcotics-related corruption in law enforcement, the judiciary, and political institutions, and in the public at large. The United States seeks to accomplish these objectives through law enforcement cooperation, the encouragement of a strong Kenyan government commitment to narcotics interdiction, and the strengthening of Kenyan counternarcotics and overall judicial capabilities.

In 2011, the U.S. Drug Enforcement Administration opened an office in Nairobi with regional responsibilities. It has begun the process of working with Kenyan authorities to build cases against major traffickers operating in and through Kenya.

The U.S. Department of State's Office of Antiterrorism Assistance continues to train and equip maritime security patrol units through the U.S. Coast Guard. Graduates of this training are credited with a number of interdictions of boats which were transporting illegal narcotics.

The U.S. Department of Homeland Security, Customs and Border Protection (CBP) has provided the Kenyan authorities, including the Kenya Wildlife Service and the Administration Police, with guidance, direction, and subject matter expertise in their efforts to create a Rural Border Patrol.

The U.S. Government is partnering with religious and civil society organizations to aid communities in their struggle against the scourge of drug abuse. In partnership with the Supreme Council of Kenya Muslims, the Embassy sponsored the Third Annual International Conference of Islamic Scholars in Drug Demand Reduction in Mombasa in July 2011. The conference brought together over 150 international and Kenyan scholars, community leaders, and government officials to promote drug demand reduction as part of normal religious practice.

D. Conclusion

Narcotics trafficking is inextricably bound up with corruption. To effectively counter these scourges will require reform of the police, judiciary, and public prosecutor. The passage of a new constitution offers the possibility of such reforms, but this will be a long process.

Kosovo

Kosovo is primarily a transit country for drugs destined for Europe and is not a significant narcotics producer, nor have police found domestic narcotics refining or production labs. The Government of Kosovo (GOK) faces challenges in combating narcotics trafficking due to uncontrolled border areas and possible corruption. The GOK adopted its national counternarcotics strategy in July 2009, which ends in June 2012. A new strategy for July 2012-June 2015 is currently under development.

Kosovo made progress on counternarcotics initiatives in 2011, particularly by improving coordination among agencies involved in counternarcotics. Following centralization of narcotics units under the Kosovo Police (KP) Directorate for Investigation of Narcotics Trafficking and re-election of unit leadership in July 2011, the Deputy Minister for Internal Affairs instituted interagency, bi-monthly working group meetings to review implementation of the national strategy. In addition, the Ministry of Internal Affairs (MOIA) doubled the number of narcotics investigators, drawing from existing police investigators, and training them in counternarcotics operations.

Heroin and other drugs enter Kosovo primarily from Afghanistan, by way of Turkey and the Middle East, and via Macedonia, while cocaine and marijuana primarily enter through Albania and Montenegro. KP statistics show that, from January through September 2011, marijuana constituted the bulk of seizures (96.8 kg), followed by heroin (33.1 kg) and cocaine (2.6 kg). Challenges to KP in reducing supply include limited resources, tight-knit family and clan structures that impede criminal investigations, and a general lack of prosecutors dedicated to narcotics crimes. Statistics on seizures, arrests, and prosecutions are largely unreliable and inconsistent, making assessment of supply reduction efforts difficult.

Figures on drug users in Kosovo are also unreliable, though an NGO named “Labyrinth,” says the most frequently cited number is 10,000 to 15,000. KP officers speculate that demand for drugs is low because drug use runs against cultural norms and controlled substances are prohibitively expensive for most Kosovars. Labyrinth reports that over two-thirds of its drug rehab patients are unemployed, however, so poverty does not seem to be a significant barrier to drug use. The Ministries of Health and Education conduct drug education programs, community police officers educate students about risks of drug use, and NGOs, such as Labyrinth, assist with anti-drug education and drug treatment. However, lack of social services, such as follow-up treatment, as well as cultural taboos against drug use, complicate efforts to rehabilitate addicts.

As a matter of government policy, Kosovo does not encourage drug trafficking and no senior officials are known to engage in such activities. While laws prohibit corruption that facilitates narcotics trafficking or discourages investigation and prosecution of drug offenses, allegations persist that narcotics move across Kosovo’s borders by truck, bus, and private vehicle, often with the permission of customs officers who accept bribes to turn a blind eye. To fight corruption, KP increased border officer salaries by 40% and instituted anti-corruption training. In addition, closed-circuit TVs are due to be installed at border stations in early 2012, which should help deter and detect corrupt practices.

Kosovo is not yet a UN member-state and is effectively limited to agreements with the 85 countries that have recognized it. Thus, it is party to relatively few international conventions and protocols or bilateral agreements relating to counternarcotics. Kosovo cooperates and exchanges information with neighbors through informal bilateral and multilateral meetings. KP reports that data sharing with Albania and Macedonia is good. Negotiations are underway to sign a data sharing agreement with Montenegro as well.

Kosovo cooperates with the U.S. on counternarcotics issues. Kosovo officials receive technical assistance and training from the State Department-funded Department of Justice Office of Overseas Prosecutorial Development and Training (OPDAT) and International Criminal Investigative Training Assistance Program (ICITAP) assistance programs in Kosovo. In 2011, OPDAT and ICITAP trained police and prosecutors on search warrant fundamentals, electronic surveillance, building a conspiracy case, financial investigations, asset forfeiture, and handling informants. OPDAT and ICITAP promote police-prosecutor task forces and plea bargaining as tools to identify narcotics trafficking organizations. As one of the successor states, Kosovo recognizes the extradition treaty between the United States and the Kingdom of Serbia, which entered into force in 1902. However, two denials of extradition requests by Kosovo's courts – one, on territoriality and the other on nationality – have called into question its effectiveness. There is no bilateral treaty on mutual legal assistance.

Another State Department managed program, Export Control and Related Border Security (EXBS) has donated equipment and training which also improved the capabilities of customs officers and led, as a spin-off benefit, to increased seizure of narcotics in 2011. Full implementation of Kosovo's 2010 anti-money laundering law, drafted with significant assistance from the USG, should further hamper the activities of narcotics traffickers.

The GOK made efforts in 2011 to advance its counternarcotics strategy. The GOK must continue to provide training and funding to counternarcotics programs to reduce trafficking. In addition, KP and prosecutors must increase their capacity to conduct thorough investigations and prosecutions of narcotics trafficking, organized crime, and money laundering to get at the roots of illegal trafficking. This may require higher prioritization of counternarcotics in a criminal justice system already stretched thin by competing demands and limited resources. Continued international support, combined with the appropriate level of attention from and coordination by the GOK, would go far toward advancing Kosovo's counternarcotics objectives.

Kyrgyz Republic

A. Introduction

The Kyrgyz Republic is a key transit country for the trafficking of Afghan opiates to Europe, the Russian Federation, and China. Afghan opiates pass through its borders with Tajikistan, Uzbekistan, and Kazakhstan. The Kyrgyz Republic faces serious problems in monitoring its borders due to the topography of the country, of which 94 percent is mountainous. The drug abuse situation in the Kyrgyz Republic is also cause for serious concern. One hundred thousand hectares of wild-growing cannabis in the country serve as a raw product source for local criminals for production of marijuana and hashish. There is also evidence of more intensive cultivation of cannabis for profit by criminal elements. There is a moderately high level of drug addiction in the country, which amounts to more than 1 percent of the population. Given the government's limited financial resources and recent political upheaval, the drug and crime situation in the Kyrgyz Republic has the potential to affect the stability not only of the country, but also of the region.

The Government of the Kyrgyz Republic recognizes that the drug trade is a serious threat to its own stability and is continuing efforts to focus on secondary and tertiary drug-related issues such as money laundering, drug-related street crime, and corruption within its own ranks. In 2010, the government re-established the Drug Control Agency (renamed the State Drug Control Service) as the sole government body responsible for fighting narcotics trafficking. The Kyrgyz Republic is a party to the 1988 UN Drug Convention. The Kyrgyz Republic is also a party to the UN Convention against Transnational Organized Crime and to the UN Convention against Corruption.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In August 2010, a presidential decree created the State Drug Control Service (SDCS). This decree re-established the service as a specialized law enforcement body in the area of illicit drug trafficking, psychotropic substances, and precursors control with 262 certified and 33 civil, non-uniform and support personnel. In late 2009, the SDCS predecessor, the Drug Control Agency (DCA), was subsumed by the Ministry of Internal Affairs. A September 2010 presidential decree confirmed the SDCS as a legal successor of the DCA.

At the request of the Chairman of the SDCS, the U.S. Drug Enforcement Administration (DEA) has assigned temporary duty agents to work in the SDCS headquarters. With the construction of a new U.S. Embassy compound scheduled to be completed in 2012, DEA is planning to assign a country attaché and two support personnel to the new embassy.

2. Supply Reduction

In the first eight months of 2011, law enforcement agencies, including the SDCS, made 1,262 drug-related seizures, an increase of 26.9% over the same period in 2010. The Kyrgyz government reported that opium seizures were up 27.8%, heroin seizures were up 84.1%, hashish seizures were up 31.3%, and marijuana seizures were up 198.7%.

3. Drug Awareness, Demand Reduction, and Treatment

USAID is currently funding the "Dialogue on HIV and TB" project (2009–2014), implemented by Population Science International, which works with local NGOs to provide outreach services to infected Kyrgyz citizens with the goal of reducing the spread of HIV/AIDS and tuberculosis.

In 2010, according to UNODC data, there were 570 new HIV cases reported in the Kyrgyz Republic. In total, there are 3,288 HIV infected citizens, 62% of whom are intravenous drug users (IDU). 134 new cases of HIV were reported in Kyrgyz prisons. Currently there are a reported 7,474 registered IDUs in Kyrgyzstan.

The UNODC reported that in 2011 the drug-related crime rate was 28 per 100,000 population (down from 34 per 100,000 in 2010). The conviction rate for those crimes, however, was reported at 21 per 100,000 population, down from 25 per 100,000 in 2010.

4. Corruption

As a matter of government policy, the Government of the Kyrgyz Republic 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. Corruption, as it pertains to narcotics control, remains a serious problem in the Kyrgyz Republic. Laws that cover narcotics-related corruption are not well enforced and in 2011 there were no arrests of government officials for corruption. Narcotics-related corruption is likely widespread, especially in the poorer areas of the country.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

State-INL does not currently have any bilateral programs directly assisting counternarcotics efforts. INL is funding the United States portion of a joint project implemented by the UNODC entitled "Strengthening the State Service on Drug Control of the Kyrgyz Republic" that is also supported by the Russian Federation and Kazakhstan.

D. Conclusion

Based on its geography, the Kyrgyz Republic is likely to remain a key transit country for drugs from Afghanistan. The Chairman of the SDCS has stated that the government is currently developing a national counternarcotics strategy. With this new strategy, the government and the SDCS will hopefully demonstrate increased resolve to combat drug trafficking and prosecute offenders.

Laos

A. Introduction

The Lao People's Democratic Republic (Lao PDR) is a major transport hub for opium, heroin and amphetamine-type stimulants (ATS) and a major producer of opium. Geographically, Laos sits at the heart of the regional drug trade in mainland Southeast Asia and shares remote and poorly-controlled borders with Burma, Thailand, Cambodia, Vietnam and China. Long isolated, landlocked Laos currently has the highest economic growth rate in the Association of South-East Asian Nations (ASEAN) and the 10th-largest in the world. However, economic development and the improvement of Laos' road, bridge and communications networks have created opportunities for the illicit drug trade to grow.

The Lao government (GOL) recognizes the threat posed by illegal narcotics production and trafficking and has taken some actions to address it, especially in the areas of demand reduction and alternative development. However, the GOL possesses little ability to act independently of international donor support. Eighty-one percent of the GOL budget currently comes from donor aid. Lao law enforcement suffers from a lack of training and resources to combat internal drug crime. Additionally, Laos must police 5,000 km of mountain and riverine borders across which illegal narcotics flow.

From 1998 to 2008, due to aggressive government action and international cooperation, opium cultivation was reduced by 95%. However, opium cultivation has rebounded recently, rising from a low of an estimated 1,500 hectares in 2007 to an estimated 4,100 hectares in 2011. Although domestic ATS production has not been publicly confirmed, drug seizures indicate that ATS tablets are moving through Laos in increasing quantities.

The incidence of HIV in Laos is related to drug use. A rapid assessment and response survey carried out in 2010 by UNODC found a 17% prevalence of HIV among 46 injecting drug users (IDUs) surveyed in the remote border regions of Houaphan and Phongsaly provinces. Laos is surrounded by countries with a high IDU and HIV prevalence. In Dien Bien Phu, Vietnam just 40 kms from Phongsaly, there are a reported 6,000 IDUs with a 70% HIV prevalence rate.

Lao law enforcement experienced some successes in the past year, but violence as a result of the drug trade continued in 2011. In October, two Chinese commercial vessels carrying drugs were attacked on the Mekong River in Thailand across the border from Laos' Bokeo Province. Thirteen Chinese crewmembers were killed during the encounter.

Laos is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishment, Policies, and Trends

1. Institutional Development

The National Drug Control Master Plan, 2009-2013, written with international assistance, remains the guiding document for the GOL drug control strategy. The LCDC's Comprehensive National Drug Control Strategy, as part of the Master Plan, includes nine elements:

1) Trend analysis and risk assessment
2) Alternative development and poverty reduction (opium crop and income substitution)
3) Drug demand reduction and HIV/AIDS prevention, including drug treatment

4) Civic awareness and community mobilization
5) Law enforcement
6) Criminal justice and the rule of law
7) Chemical precursor control and forensics capacity
8) International and national cooperation (cross-cutting)
9) Institutional capacity-building (cross-cutting)

This national strategy calls for a budget of $72 million for the Lao National Commission for Drug Control and Supervision (LCDC) over the course of the plan, largely funded by international donors and the United Nations Office on Drugs and Crime (UNODC). As of November, 2011, $10.8 million had been funded.

Since FY 2005, the United States has provided Laos with $8.4 million in narcotics-related assistance. A notable success story in our cooperation has been the elimination of opium cultivation from some areas of Laos through crop substitution programs. As recently as 1998, Laos had over 28,000 hectares of opium production. That number was reduced to 1,500 hectares in 2007, but is now on the rise; opium cultivation in 2011 is estimated to have been 4,100 hectares.

The LCDC is responsible for managing efforts to combat the trafficking and abuse of illegal drugs. It works in three areas: demand reduction, crop control, and law enforcement.

The top policy-making body for counternarcotics is the National Steering Committee to Combat Drugs (NSCCD), chaired by the Prime Minister. The head of LCDC and the Minister of Public Security (MOPS) are co-chairs. The NSCCD helps to integrate the domestic law enforcement activities of MOPS with the broader coordinating functions of LCDC.

Lao drug police are organized into 17 provincial Counter Narcotics Units, or CNUs, of which the U.S. supports ten. Although the GOL participates in regional conferences on counternarcotics cooperation, it rarely shares operational information.

Laos is a party to the 1988 UN Drug Convention, but has not yet achieved all objectives of the Convention. Laos has no bilateral extradition or mutual legal assistance agreements with the United States. Laos is also a party to the UN Convention against Transnational Organized Crime and its three protocols, and the UN Convention against Corruption.

2. Supply Reduction

From January to July 2011, the GOL reports seizing 16.9 kilograms (kg) of heroin, 19.3 kg of opium, 1,464 kg of marijuana, and 1,287,148 methamphetamine tablets. (The dramatic drop in methamphetamine seizures, from over 24 million in 2010, results from a single seizure in 2010 of 21,312,600 tablets). Major seizures by Lao law enforcement authorities included an operation in Muang Sing in April, 2011, that resulted in the seizure of 75.8 kg of methamphetamine and seven arrests. In September, authorities in Bokeo Province seized 800,000 amphetamine tablets and 700 grams of heroin.

Also in 2011, U.S. postal authorities seized several hundred kg of opium gum and other narcotics that had been shipped to Minnesota, California, Wisconsin, and other states with resident Lao immigrant communities. Most drug-related arrests in Laos in 2011 were for methamphetamine trafficking and use.

Drug Statistics: January-July 2011
Following are national statistics on drug seizures by type and quantity:

Drug Type	Quantity
Methamphetamine	1,287,148 Tablets
Marijuana	1464 Kilograms
Heroin	16.9 Kilograms
Opium	19.3 Kilograms

Narcotics Case Statistics: January-July 2011

Number of Cases	Number of Suspects Arrested		
	Male	Female	Foreign suspects
494	637	175	34

Laos continues to struggle against an upward trend in the supply of opium and ATS. Opium poppy continues to be the major illegal organic narcotic produced in the country. Opium cultivation was banned in 1972 by the Royal Lao Government, and this nominal ban continues under the current régime. However, with an area under opium cultivation of 4,100 hectares (above), a reduction in the number of poppy hectares planted or harvested to less than 1,000 hectares (the U.S. "Majors List" criterion) is unlikely to be achieved anytime soon. Addicts in the remote highlands continue to demand opium, and that demand is supplemented by an export demand to such near-by markets as China and Thailand.

Opium cultivation occurs in areas bordering China, Vietnam, and Burma. Lao farmers are likely producing opium on a contract basis for traffickers in adjacent countries with stronger domestic enforcement measures against illegal crops than Laos. Most poppy is grown in areas that have received little or no development assistance.

Heroin is trafficked from Burma through Laos to markets to the north and east in China and Vietnam. During 2011, the Lao press also reported seizures of methamphetamine and heroin in Bokeo province on the border with Burma and Thailand. Marijuana is also produced in Laos; commercial quantities for regional export are grown in large plantation-type plots, sometimes financed by foreign customers, primarily in Thailand.

There has been an increase in the availability of a range of synthetic drugs, and domestic production of synthetics in Laos is likely. Synthetic drugs such as "ecstasy" and "crystal methamphetamine," known as "ice," are available in the capital and major tourist destinations. The overwhelming majority of synthetics are imported from Burma, but some production likely occurs in Laos as well.

Methamphetamine is the cheapest and most common illegal drug in Laos. Supply is plentiful and demand high, reflecting low street prices for the drug. Profit margins for traffickers are higher than for any other illegal drug due to high volume and low expenses in production.

The Lao government seeks international support for supply reduction. The government's supply-reduction budget in 2011 included $162,500 of public funds and $560,000 from non-U.S. donors.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The LCDC's budget for demand reduction in 2011 included $200,000 of public funds for drug-treatment centers. Among non-U.S. donors, Chinese companies gave assistance valued at $30,000, Singapore

provided funds to open a vocational skills program at the Somsanga Drug Treatment Center, and Germany provided technical assistance. Australia continued a large-scale program for containing the spread of HIV/AIDS among drug addicts.

Laos is estimated to have 42,000 methamphetamine addicts and 14,000 opium addicts out of a population of just over 6.4 million. Methamphetamine addicts frequently turn to crime as a means to support their addiction. The treatment capacity of drug addiction treatment facilities remains inadequate to meet addicts' needs, being deficient in human resources and post-discharge follow-up. The U.S. provides assistance to the two principal treatment facilities in Laos, one near Vientiane and one in Savannakhet.

The Lao public is receptive to educational materials that use music, dance and various media to reach youth at risk from illegal narcotics. The U.S. continued to support a drug awareness effort using hip hop music in 2011. However, effective school and community-based drug education programs are lacking. Teachers generally remain untrained in drug addiction education.
U.S. - funded UNODC programs in the northern part of the country remain the only treatment and rehabilitation activities there for opium addicts.

4. Corruption

Corruption in Laos continues to plague law enforcement and government. Salaries for police, military and civil servants are low, leading officials to augment their incomes through corrupt means. The 2010 international Corruption Perceptions Index issued by Transparency International continued to indicate a poor situation, with Laos listed as 154 worldwide after having been at 158 in 2009 and 151 in 2008.

The State Inspection Authority (SIA) is the GOL organization charged with fighting corruption. The UNODC and UNDP continue to assist the GOL in building the capacity to implement the United Nations Convention Against Corruption (UNCAC), which Laos ratified in 2009. Lao law explicitly prohibits official corruption. In February 2011, the GOL approved an anti-corruption strategy for the period 2011-2020. To date, there have been no reported arrests, prosecutions or convictions of officials for drug-related corruption in Laos. It is likely that corruption in the security forces and government plays a role in narcotics trafficking in Laos.

As a matter of government policy, the government of Laos does not encourage the illicit production or distribution of narcotic drugs, psychotropic or other controlled substances, or the laundering of the proceeds of illegal drug transactions. No senior official of the Lao PDR has been shown to engage in, encourage, or facilitate the illicit production or distribution of illegal drugs or substances, or the laundering of proceeds of illegal drug transactions.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The USG signed initial agreements to provide international narcotics control assistance in Laos in 1989, and has signed further Letters of Agreement (LOAs) and amendments to LOAs (ALOAs) to provide additional assistance for crop control, drug demand reduction, and law enforcement cooperation annually since then.

In 2011, the USG agreed to two new $100,000 programs with the GOL, signing a new LOA with the Ministry of Finance for training and equipment for customs officials and provided funding to the UNODC to implement legal sector reform in cooperation with the Ministry of Justice.

Most U.S. counter narcotics assistance to Laos over the past two decades has supported the effort to reduce poppy cultivation and, more recently, to bring about demand reduction. In 2011, U.S. crop control assistance programs continued winding down in favor of justice-sector and law-enforcement reform, consistent with the current priorities of the State Department's Bureau of International Narcotics and Law Enforcement. Law enforcement assistance continues to support operations, training and equipment for the Drug Control Division of MOPS, provincial CNUs, and Lao Customs.

The Law Enforcement and Narcotics Section (LENS) of the U.S. Embassy in Vientiane, the U.S. Treasury Department and UNODC continued efforts to raise the profile of money laundering and terrorist financing in Laos in 2011. Laos is currently receiving assistance from the Asia/Pacific Group on Money Laundering (APG) to improve its weak anti-money laundering (AML) regime. In July, the APG found the Lao AML framework seriously deficient in many areas. In October, the U.S. Treasury's Office of Technical Assistance and the UNODC conducted training in Suspicious Transaction Reporting for Bank of Laos and private banking officers.

In 2011, 26 Lao officials participated in INL-funded regional training at the International Law Enforcement Academy in Bangkok.

D. Conclusion

U.S. – Lao cooperation in counternarcotics continues to evolve, building on the success of the opium poppy eradication/crop substitution programs of the 1990s and 2000s. However, the gains made in countering opium cultivation are increasingly at risk due to factors that include high prices for opium in the region.

Also troublesome is the increase in ATS trafficking, usage and, most likely, production that is occurring in the Lao PDR. ATS addictions are exceedingly hard to cure and are straining Laos' limited treatment resources. ATS also figures prominently in the rise in violence along Laos' borders with Burma, Thailand and China in the Golden Triangle area.

Laos' justice, law enforcement and security systems are lacking in the resources necessary to counter the rise in narcotics-related crime that has accompanied the country's increasing economic development.

Institution-building within the GOL and basic law enforcement training are needed, emphasizing interdiction, investigation, prosecution and, for the guilty, incarceration. Increased material assistance would improve law enforcement agencies' communications and transportation capacity. Regional law enforcement cooperation among Vietnam, China, Burma, Thailand, and Cambodia is also vital to Laos' fight against drug trafficking.

The U.S will continue to work on improving cooperation with the GOL as it seeks to address these problems.

Lebanon

Lebanon is neither a major producer nor a major transit country for illicit drugs. The Lebanese government reported some ongoing cultivation of illicit drugs in 2011, but much of that cultivation was eradicated before it could be harvested. At least six types of drugs are available in Lebanon: marijuana, hashish, heroin, cocaine, amphetamine, and other synthetics, such as MDMA (ecstasy). The illicit use of legal pharmaceuticals is also a problem. Drug use, particularly among youth, remains a concern, with hashish and increasingly heroin as the drugs of choice. There are no reliable estimates of the number of drug users. Through September, the Internal Security Forces (ISF) arrested 274 heroin users, 292 cocaine users, 607 hashish users, and 100 synthetic drug users. Through the end of September 2011, Lebanese authorities had seized 130 kg of cannabis and 57 kg of cocaine, with 53 kg of that cocaine coming from a single seizure along the Lebanese-Syrian border.

According to the U.S. Drug Enforcement Administration (DEA), Lebanon is a transit country for cocaine and heroin, with Lebanese nationals operating in concert with drug traffickers across South America. An indictment unsealed in the United States in December 2011 alleged that the Lebanese Canadian Bank had been used by a U.S.-designated Lebanese drug kingpin, Ayman Joumaa, and his drug trafficking and money laundering network to launder as much as $200 million per month in narcotics proceeds. The indictment alleged further that Joumaa was responsible for massive shipments of cocaine to the United States, and that the U.S.-designated foreign terrorist organization, Hizballah, had benefitted from the money laundering activity.

In 2011, Lebanon conducted narcotic drug crop eradication efforts in the Bekaa Valley. According to the Drug Repression Office of the ISF's Judiciary Police, all identified illicit cannabis and hashish (8,648 acres) and poppy (10 acres) production was eradicated. With regular, high-profile eradication campaigns, the ISF estimates that yearly illicit drug production continues to decline from the 2002 eradication total of 27,705 acres of cannabis and 2,110 acres of opium poppy. Nevertheless, illicit crop cultivation in small family plots remains a historically common and economically attractive option for some farmers. Another factor complicating anti-drug campaigns is the social acceptance of cannabis use in tribal areas of the Bekaa.

Although eradication efforts have diminished the supply of marijuana and hashish, the drugs are still relatively easy to obtain and are readily available to users. Heroin use is small but increasing according to Lebanese officials, who also reported an increase in the smuggling of heroin from Lebanon to Africa. Other official contacts believe that the focus of heroin smuggling from Lebanon has shifted to Persian Gulf states. There is practically no illicit drug refining in Lebanon. There also is very minimal production, trading, or transit of precursor chemicals.

Synthetic drugs, including Captagon, are available; Lebanese officials report that they are smuggled into Lebanon primarily from Eastern Europe both for sale to high-income recreational users in Lebanon and for transit to the Gulf States.

The Ministry of Interior considers the fight against counternarcotics to be a priority. Through September 2011, the ISF had arrested a total of over 521 suspected drug dealers and traffickers, and 1273 suspected drug users. The Government of Lebanon also continued its ongoing drug demand reduction efforts through public service messages and awareness campaigns. There are several detoxification and rehabilitation programs, some of which receive support from the Ministries of Social Affairs and Public Health and the United National Office of Drugs and Crime (UNODC).

Lebanon is a party to the 1988 UN Drug Convention. Lebanon is also 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. As a matter of government policy, the Lebanese government does not encourage or facilitate drug trafficking, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions. No senior member of the government of Lebanon is known to condone or be involved in such activity.

Liberia

Liberia is a transit country for cocaine and heroin destined for Europe. There is already some evidence of narcotics for local consumption entering Liberia via commercial aircraft and maritime vessels. Several Liberian law enforcement agencies work in concert to fight narcotics trafficking in Liberia, including the Liberian National Police (LNP), the Coast Guard (CG), the National Security Agency (NSA), and the Drug Enforcement Agency (Liberian DEA).

Abuse of marijuana occurs in Liberia and is a larger problem than previously thought. Extreme poverty, high unemployment, endemic conflict, and a large population who were exposed to drug use during the civil war are key factors exacerbating the drug demand situation. Cannabis is locally cultivated in Liberia on farms in northern Nimba and Bong Counties and is mostly destined for local consumption. Current abuse involves cooking the substance in food products, although smoking also occurs. Drugs such as cocaine and heroin are increasingly present in Liberia, but far less so than marijuana. Price is still a deterrent for greater use of cocaine and heroin.

Drug abuse is strongly linked to Liberia's history of civil conflict from 1989-2003, which left behind more than 100,000 ex-combatants. Many of the combatants abused drugs during the war and remain the majority of Liberia's current drug users. Another factor behind potential substance abuse is the high percentage of Liberians, civilian and ex-military, suffering from Post Traumatic Stress Syndrome from the country's civil war. Liberia's unemployment rate also plays a role in its drug abuse problem, with 85 percent underemployed in the informal sector and only 15 percent of Liberians employed in the formal sector. Drug rehabilitation and treatment facilities are non-existent, with addicts being referred to the only psychiatric hospital in Liberia. "Liberians United Against Drug Abuse", an NGO founded in 1993, provides limited drug awareness education through workshops and radio announcements. Christian Children's Fund lists forty active NGO youth organizations, with more than one fourth dealing with HIV/AIDS prevention/treatment and general health awareness training/advice. Only three of these NGOs target drug abuse issues.

The UN Mission in Liberia (UNMIL) and donor governments including the United States are working with the Government of Liberia to understand and respond better to the local drug threat. The United States requested that the United Nations Office on Drugs and Crime (UNODC) conduct an assessment of drug use, treatment, prevention, and needs in Liberia. That assessment has provided valuable information in U.S. efforts to plan demand reduction work. In addition, UNMIL is soliciting UNODC to perform a separate assessment of the Liberian DEA.

As part of the West Africa Coast Initiative (WACI), UNODC is establishing a new Transnational Crime Unit (TCU), located in the Ministry of Justice, to help coordinate counternarcotics efforts in Liberia. The Ministry of Justice, with support from UNODC legal experts, is undertaking a review of current legislation related to drugs and organized crime in Liberia to create a stronger foundation for more effective law enforcement activities.

The USG launched the West Africa Cooperative Security Initiative (WACSI) in 2011, which is a five-year whole of government approach to increase global security by addressing transnational organized crime, particularly drug trafficking, in West Africa. Liberia has been identified as a future WACSI partner where USG assistance will focus on establishing functional and accountable institutions and building basic operational capacity.

Liberia is a party to the 1988 UN Drug Convention. Liberia is also a party to the UN Convention against Transnational Organized Crime and its three protocols and has ratified the UN Convention against Corruption. The United States has had an extradition treaty in effect with Liberia since 1939.

As a matter of government policy, the government of Liberia neither encourages nor facilitates the production or distribution of illicit drugs, nor the laundering of proceeds from illegal drug transactions. To our knowledge no senior government officials are engaged in such activity.

The Government of Liberia is concerned about the possible use of its country by transnational criminal organizations and is seeking training and assistance in the investigation and prosecution of counternarcotics and financial crimes. As the capacity of neighboring countries increases through assistance programs such as WACI and WACSI, regional organizations and Government of Liberia will have to pay special attention so that sophisticated crime networks do not seek Liberia as an easy target. The Government of Liberia is not currently ready to respond to the threat of transnational crime; however, U.S. DEA has cooperated with the Liberian NSA, and anticipates future cooperation with them should appropriate cases arise.

Macedonia

Macedonia is neither a major producer nor a major regional transit point for illicit drugs. GOM officials reported a drop in volume of narcotics seizures while criminal narcotic cases remained at about the same level as 2010. Macedonia is a party to the 1988 UN Drug Convention. The 1901 Extradition Treaty between the United States and Serbia applies to Macedonia as a successor state of the former Yugoslavia. Macedonia is a party to the UN Convention against Corruption and to the UN Convention against Transnational Organized Crime and its three protocols.

Macedonia's National Anti-drug Strategy (2006-2012) sets out two general aims: (1) to prevent new and reduce current drug use, dependence, and drug related harms to health and society and (2) to take action against drug production and cross-border drug trafficking while preventing drug-related crimes. The two main aims are complemented by three cross-cutting themes: coordination, international cooperation, and monitoring and evaluation. The government has been implementing the plan steadily, and its goals are now 90 percent accomplished with one year remaining.

Macedonia lies on the Balkan route, used to deliver Afghan heroin to Western Europe. Hashish and marijuana produced in Albania also travel through Macedonia, but in the opposite direction to Turkey and Greece. Synthetic drugs on the Macedonian market are smuggled in from neighboring Bulgaria and Serbia and also from the Netherlands. These trafficking routes, however, seem to be less utilized than in the past, given a significant drop in heroin seizures. The drop in heroin seizures is a regional trend, and may be a result of a reduction in opium production in Afghanistan in 2010, which caused a significant shortage of heroin throughout Europe. Other factors included more air delivery of drugs, more frequent use of different smuggling routes, drug smuggling by way of Africa, and the shifting trend to cigarette smuggling. The market price of heroin has increased to 17,000 to 20,000 Euros per kilo, depending on the quality. In the first nine months of 2011, criminal narcotics-related charges were brought against 495 people. This represents a decrease of about 154 people charged compared with 2010 and a total of around 408 criminal narcotics cases. Of these, 412 people were charged with illegal production of narcotics and psychotropic substances. There were 73 cases for trafficking in narcotics committed by 83 people. These cases resulted in the seizure of 140 kilograms of marijuana, 22 kilograms of heroin, 1.5 kilograms of cocaine, 1.5 liters of liquid cocaine, 1,040 cannabis plants, 637 tablets of amphetamine, and 126 grams of methamphetamine. The number of cases reported is less than the number of defendants, since in some cases multiple defendants are associated with a single narcotics case.

Enforcement cooperation with Macedonia's new neighbor, Kosovo, continued to improve. A case coordinated by the U.S. Drug Enforcement Administration (DEA) in which Macedonia cooperated with Serbia, and Greece led to the seizure of 170 kilograms of cocaine in Greece. Macedonian work with drug enforcement agencies in Bulgaria resulted in the arrest of "Gecov", the biggest drug lord in the region.

Ministry of Health officials estimate that there are approximately 10,000 problematic drug users in Macedonia. The most frequently used drug is marijuana, followed by heroin. Treatment and rehabilitation activities are carried out in 12 state-run outpatient medical clinics. These clinics supervise methadone maintenance therapy for registered heroin addicts. In addition, the Clinic for Toxicology at the University Clinical Center in Skopje treats patients with buprenorphine. All Macedonian prisons offer methadone treatment for drug addicts. Macedonia's two largest prisons, with over 60 percent of the country's total prison population, have residential programs in special prison wards. The funding for these clinics and their treatment medications comes from the national budget.

Of the 1500 prisoners in the country's main prison, an estimated one quarter were identified as drug addicts, mainly addicted to heroin. Macedonian health officials acknowledged that rehabilitation centers are overcrowded. In-patient treatment in specialized facilities consists of detoxification accompanied by medicinal/vitamin therapy, as well as limited family therapy, counseling, and social work. Follow-up services after detoxification and social reintegration programs for treated drug abusers are inadequate. There are only three centers for social reintegration and rehabilitation in Macedonia.

The Macedonian Ministry of Education, with NGO and international support, successfully implemented three pilot prevention programs in three different cities in Macedonia, each of which included significant teacher training and other "train the trainer" programs. Educational prevention materials, such as fliers and posters, were also distributed in the pilot schools.

Corruption is common throughout the government in Macedonia. 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. Going forward, the United States Government, through State Department-funded law enforcement training programs implemented by DOJ and DEA, will continue to work to strengthen the ability of Macedonian police, prosecutors, and judges to more efficiently enforce Macedonia's laws against narcotics traffickers.

Malaysia

A. Introduction

Malaysia is neither a significant source country nor a major transit point for U.S.-bound illegal drugs. Nevertheless, regional and domestic drug-trafficking remains a problem, and international drug syndicates are increasingly turning to Malaysia as a production site for crystal methamphetamine and ecstasy (MDMA). Illicit drugs smuggled into Malaysia include heroin and amphetamine-type stimulants (ATS) from the Golden Triangle area (Thailand, Burma, Laos), as well as ecstasy, cocaine, erimin-5 (Nimetazepam), and crystal methamphetamine from several countries, particularly Iran. In 2011, one clandestine methamphetamine lab operated by Iranians was seized in Kuala Lumpur. There is no notable cultivation of U.S.-listed drug crops in Malaysia.

Drugs transiting Malaysia do not appear to make a significant impact on the U.S. market. However, Malaysia's proximity to the heroin production areas and methamphetamine labs of the Golden Triangle leads to smuggling across Malaysia's northern border. Most heroin and ATS is destined for Taiwan, Singapore, Indonesia, and other markets in the region. Smaller amounts of ecstasy from Amsterdam are flown into Kuala Lumpur International Airport (KLIA) for domestic use and for distribution to Thailand, Singapore, and Australia. Large quantities of ketamine come from Chennai or Tamil Nadu, India, and are exported to several countries in the region. Nigerian trafficking organizations continue to mail quantities of cocaine from South America to Kuala Lumpur. Nigerian and Iranian drug trafficking organizations continue to use Kuala Lumpur as a hub for illegal trafficking. From January to October 2011, Royal Malaysian Police Narcotics Criminal Investigations Division arrested 53 Iranians who were attempting to smuggle methamphetamine into Malaysia through airports, and seized over 245 kilograms of methamphetamine during these investigations. This number does not include the couriers from Turkey, Bulgaria, Uzbekistan, Georgia, and other countries who were also arrested and who worked for Iranian trafficking syndicates. Iranians continue to appear in large numbers as traffickers and as domestic drug refiners in Malaysia.

Local demand and consumption of drugs is limited in Malaysia, but police officials have expressed concern about the increased use of methamphetamine. Ketamine from India and erimin-5 also remain very popular drugs on the local market.

The government continues promoting ASEAN's "Drug-Free by 2015" policy. Malaysia's counter-narcotics officials and police officers have the full support of senior government officials, but systemic problems with the legal system hinder the overall effectiveness of enforcement and interdiction efforts. Malaysia is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Malaysia continues a long-term effort launched in 2003 to reduce domestic drug use to negligible levels by 2015. Senior officials, including the Prime Minister, speak out strongly and frequently against drug abuse. The Prime Minister chairs the Cabinet Committee on Eradication of Drugs, composed of 20 government ministers. The National Anti-Drugs Agency (NADA) is the policy arm of Malaysia's counter-narcotics strategy, coordinating demand reduction efforts with various cabinet ministries. Malaysian law stipulates a mandatory death penalty for subjects convicted of "trafficking," with harsh mandatory sentences also applied for possession and use of smaller quantities. In practice, many minor

offenders are placed into treatment programs instead of prison, and major traffickers are often arrested and held in preventive detention, as there is insufficient evidence to charge and prosecute them with "trafficking." In many cases, subjects charged with trafficking may have their charge reduced to a lesser charge, or, if convicted of drug trafficking, have their sentence commuted upon appeal.

2. Supply Reduction

The Royal Malaysia Police (RMP) and Royal Malaysia Customs (RMC) arrested 111,186 people for drug-related offenses and investigated 2,075 drug-related cases between January and August 2011. The RMP, and to a lesser extent, RMC have been extremely effective at seizing crystal methamphetamine smuggled into Malaysia from Iran and Africa in 2011. The RMP seized more than 618 kilograms of methamphetamine and more than 54,500 liters of liquid methamphetamine from January through August 2011 (as compared to seizing approximately 760 KG and 20 liters of methamphetamine overall in 2010). The RMP aggressively seizes narcotics assets: the police seized RM 49 million (approximately $15.5 million) in drug-related property from January through August 2011. From January to August the RMP arrested a total of 79 Iranian nationals for drug charges and detained an additional 18 Iranian nationals under the Special Preventative Measures Act (SPMA).

The Royal Malaysia Police is effective in arresting smugglers and low-level drug offenders, but has had less success in investigating, arresting, and prosecuting higher-level syndicate members due to systemic legal and procedural limitations placed upon police and prosecutors. Malaysian law requires that a subject charged and convicted of trafficking be sentenced to death. As a result there is an extremely high burden of proof required of both police and prosecutors. The RMP therefore frequently uses the SPMA to arrest and detain drug traffickers. The SPMA allows for the RMP to detain suspects when there are reasonable grounds to believe a person is associated with any activity relating to or involving the trafficking in dangerous drugs. The Police are charged with ensuring the detention is in compliance with the law. Based on the police inquiry, the Minister of Home Affairs then has the ultimate authority and responsibility under the SPMA to detain subjects for up to two (2) years, subject to extension as deemed necessary by the Minister. The frequent use of the SPMA to arrest drug traffickers in Malaysia is a result of investigative, enforcement, and/or prosecutorial limitations, which include the lack of alternate sentencing guidelines, a very high-burden of proof for a death penalty conviction, and the lack of an effective conspiracy law. These systemic problems, in turn, determine police investigative and forensic procedures, as well as prosecutorial decisions. Use of the SPMA decreased in 2011; from January to August, 622 persons were arrested under the SPMA, as compared with 1,548 over all of 2010.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Since 1988 the Malaysian Government cumulatively has identified more than 300,000 drug addicts, and the government-linked Malaysia Crime Prevention Foundation and other NGOs estimate that there are currently some 900,000 to 1.2 million drug addicts in Malaysia. Statistics continue to show that the majority of the nation's drug addicts are between 19 and 39 years of age and have not completed high school. The NADA targets its demand reduction efforts toward youth, parents, students, teachers, and workers, with extensive efforts to engage schools, student leaders, parent-teacher associations, community leaders, religious institutions, and workplaces.

4. Corruption

Malaysian and foreign media organizations continued to highlight corruption, both specific cases and more generally as a factor impacting law enforcement effectiveness in Malaysia. The Government of Malaysia does not, as a matter of government policy, encourage or facilitate illicit drug production or

distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs. The potential for drugs to be smuggled into Malaysia with the cooperation or assistance of Customs or Immigration officials at ports of entry and/or airports remains a problem, although the overall scope and scale of this form of corruption remains difficult to quantify.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Overall cooperation with DEA on drug investigations is very good, with frequent exchanges of information.

The U.S. Coast Guard continued its U.S. State Department funded maritime law enforcement training program with the Malaysian Maritime Enforcement Agency (MMEA) by conducting Joint Boarding Officer and curriculum development courses to further develop the MMEA's organic instructional capabilities.

U. S. goals and objectives for the year 2012 are to continue coordination and communication between Malaysian and U.S. law enforcement authorities in counter-narcotics efforts, including assisting in interdiction efforts, sharing intelligence, funding counter-narcotics training for Malaysian law enforcement officers, and working to improve Malaysia's investigative and prosecutorial processes. DEA will conduct an asset forfeiture and money laundering conference for Malaysian law enforcement officers, prosecutors and central bank officials.

Malaysia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by its 1972 Protocol, and the 1971 UN Convention Against Psychotropic Substances. The U.S.-Malaysian MLAT went into effect in January 2009. The U.S.-Malaysia Extradition treaty has been in effect since 1997.

D. Conclusion

Malaysia's overall performance in the area of drug control is good. Malaysian law enforcement effectively responds to changes in trafficking patterns and appropriately dedicates significant resources to interdicting drugs, reducing supply, and investigating criminal syndicates, although systemic legal and procedural limitations limit the effectiveness of prosecution against high-level syndicate members. The RMP and other elements coordinate and cooperate regularly with law enforcement counterparts in the region, to include the United States, and Malaysian authorities host or participate in a variety of bilateral drug control seminars and coordination meetings. With regard to demand reduction and treatment, the National Anti-Drug Agency has an outstanding drug awareness program and proactively conducts operations to identify drug users and treat addiction.

Systemic legal issues discussed above continue to affect overall effectiveness of the police and prosecutors to investigate, charge, and prosecute higher level drug traffickers and organized crime. Areas for improvement relative to the 1988 UN convention are the strengthening of Malaysia's criminal conspiracy statute (recommended under Article 3, Section 1 C IV of the UN convention), as well as the development of a plea bargaining and an alternate sentencing system. If implemented, such changes would almost certainly reduce use of preventive detention, increase judicial oversight, streamline court cases, and provide an alternative to lengthy prosecution of drug cases.

Mali

The extremely limited resources of the government and the sheer size of Mali's three northern regions – whose sparsely populated desert is larger than the state of Texas – makes it a challenge to interdict drug smugglers. Historically, illicit drugs in Mali were limited to cannabis in both herb and resin form, most of which was consumed locally. In recent years, however, foreign smugglers have begun to engage in trafficking of cocaine from South America through Mali to Western Europe. In 2009, a Boeing 727 aircraft crash-landed in northern Mali, where an undisclosed but by all accounts significant quantity of cocaine is purported to have been offloaded before the plane was abandoned. Half a dozen arrests followed over a year after the incident occurred; as yet, there have been no convictions. Mali has been authoritatively identified as one of the West African transit countries through which up to 80 percent of cocaine seized in Western Europe can be traced. It is only recently that information has been developed which indicates unpopulated areas in the North of Mali may be being used for the reception of clandestine air shipments of cocaine as well as for the land transportation of quantities of cocaine and hashish across northern Mali. Some of the subjects facilitating this activity are believed to be associated with ethnic militias and/or extremist elements such as AQIM(al-Qaeda in the Islamic Maghreb).

Mali is a party to the 1988 UN Drug Convention, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. There is no extradition treaty or mutual legal assistance treaty in force between the United States and Mali. Legal assistance, however, has been sought and afforded through letters of request.

The Malian National Police Counterdrug Brigade is the primary law enforcement body for combating drugs. Malian police seized over 900 kg of illegal substances during 2011 to date, of which three kilos were cocaine, five kilos were amphetamine-type stimulants, 837 kilos were cannabis herb or resin, and 97 kilos were other controlled substances, mainly prescription drugs.

Mali's chief policy organization for addressing drug issues is the Inter-ministerial Drug Committee, chaired by the Ministry of Justice. The committee includes members from eight ministries, with the commander of the Counterdrug Brigade serving as secretary. This committee is the focal point for implementation of Mali's five-year National Integrated Program (NIP) on Narcotics, adopted in 2009, whose goals include increasing law enforcement capacity, deterring transnational criminal operations, and controlling and minimizing the spread of drug consumption. The NIP resulted from the ECOWAS Regional Action Plan as well as the ECOWAS Political Declaration on the Prevention of Drug Abuse, Illicit Drug Trafficking, and Organized Crime in West Africa (both signed in 2008). Shortages of basic communications and police vehicle support suggest that new initiatives or programs to expand counterdrug operations in Mali during the coming year are unlikely.

Mali is not considered to have a serious drug consumption or dependence problem. Most hard drugs which transit the country are destined for markets in Europe, and local society is culturally resistant to drug abuse. Few official statistics on drug abuse exist. One of the NIPs goals is a comprehensive assessment of the drug abuse situation in Mali.

As a matter of government policy, Mali 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.

Mali will continue to serve as a transit country for drugs headed to Western Europe. Its involvement in the drug trade is buoyed by high cocaine prices in foreign markets, the difficulty of patrolling northern Mali, and Mali's fundamental lack of law enforcement resources.

Mauritania

The Islamic Republic of Mauritania, a small and under-developed country, suffers from a combination of weak government oversight, lax financial auditing standards, a large informal trade sector, porous borders, and corruption in government and the private sector. Following the election of President Mohamed Ould Abdel Aziz in July 2009 and increasing terrorist and illicit trafficking activities along the long and porous borders with Algeria and Mali, the Government of the Islamic Republic of Mauritania (GIRM) began an aggressive campaign against corruption and the terrorist network of Al-Qaeda in the Islamic Maghreb (AQIM).

There is little, if any, domestic production of drugs in Mauritania. Mauritania's location makes it an attractive destination for drugs coming via air from South America or via land after arriving at sea ports in Guinea-Bissau, Guinea, and Sierra Leone. The Mauritanian economy is based almost entirely on informal trade, therefore detecting and combating drug trafficking in Mauritania is extremely difficult.

Consumption of drugs in Mauritania is not common. There is occasional use of drugs among the class of Mauritanians with the means available to purchase them, but there are concerns that consumption could increase, following a pattern in other transit countries, if larger quantities of drugs transit through Mauritania.

The GIRM enacted its anti-money laundering and terrorist financing law (2005-0048) on July 27, 2005 and updated it in 2009. However, these laws have not been fully implemented. Drug traffickers and elements of AQIM often operate in the same isolated areas of Mauritania. Presently, there is evidence that the recent increase in the Mauritanian military presence along the borders with Algeria and Mali limited the ability of drug traffickers to easily cross Mauritanian borders. Local media reported that, in December 2010, the Mauritanian army successfully attacked a convoy of drug traffickers escorted by AQIM along the border with Mali. Many traffickers were killed and some of them were arrested by the Mauritanian army.

Mauritania has two offices primarily responsible for combating the traffic of drugs: The Police Office to Combat Trafficking in Illicit and Psychotropic Substances (POCTIPS), established in 2005, and "La Commission d'Analyse des Informations Financieres" (CANIF), established in 2005 but began operations in 2008, which is the equivalent of a financial intelligence unit. Both organizations have received funding and technical assistance from the international community. From November 28-December 4, 2010, the Federal Deposit Insurance Corporation (FDIC) held an Advanced Counter-Financing of Terrorism Financial Regulatory training course at the FDIC Training Facilities in Arlington, Virginia, attended by Four CANIF employees. This training helped them improve their abilities to combat terrorism financing through illicit trafficking.

According to the director of the POCTIPS, the GIRM arrested 174 individuals on drug trafficking charges between January and October 2011. Also during this timeframe, Mauritania seized more than 1.7 kilograms of cocaine, 638 kg of cannabis, 33 kg of cannabis resin, more than $8,000 in cash, five cars, one truck and one boat during 82 different counternarcotics operations. Earlier, in 2010, the GIRM arrested 309 traffickers, and seized 31 kg of cocaine, 1.125 tons of cannabis, 10.345 tons of cannabis resin, more than $43,000 in cash, 38 cars and two trucks. The director of POCTIPS assesses that the decreases from 2010 to 2011 are a result of the GIRM's aggressive campaign against illicit trafficking.

In July 2011, 36 accused drug traffickers were tried. Among them 32 were acquitted and four were sentenced to 15 years in prison, but were eventually acquitted by the Criminal Court. The Supreme Court

subsequently overruled these decisions, annulled the acquittals, and fired several judges who were in charge of this case. Three judges fled Mauritania before the GIRM publicly announced the decision, suggesting the possibility that corrupt payments might have affected their decision.

Mauritania is a party to the 1988 UN Drug Convention. Mauritania is also a party to the UN Convention Against Transnational Organized Crime and the UN Convention Against Corruption. There currently is no extradition treaty or mutual legal assistance treaty between the United States and Mauritania. Notably, Mauritania does not provide formal mutual legal assistance in the absence of a bilateral treaty.

Mauritius

Mauritius is not a major producer or exporter of illegal drugs, or a transit route for drug trafficking. Marijuana is the only illicit drug that is locally cultivated in large quantities, primarily by small groups or individuals. It is consumed locally and is not exported. Other illicit drugs, primarily: heroin and the prescription drug, Subutex (a brand name for buprenorphine, an opiate used to treat heroin dependence; Subutex is illegal in Mauritius), are brought into Mauritius for consumption with a small amount going for transshipment to other markets. Subutex is seen as being more profitable per unit weight than heroin on the illicit market. Mauritius has problems controlling access as a result of limited resources to patrol its shores and territorial waterways.

Mauritius's Anti Drug Smuggling Unit (ADSU) of the Mauritius Police Force works closely with other law enforcement and health agencies on drug control and treatment programs throughout the country, and cooperates with U.S. Government agencies. The ADSU continues to look for ways to improve its resources and capacity. Mauritius is a party to the 1988 UN Drug Convention.

The ADSU appears, based on data through October 2010, to be on track to record a similar or slight increase in seizures and cases involving illegal drugs. The ADSU credits the increase in illicit drug seizures and arrests in recent years to its ongoing operations with various intelligence units of the police force and its proactive approach to regional co-operation and profiling.

Mauritius has several agencies working on drug control issues, from law enforcement, to public health initiatives. NGOs also are engaged in treatment and prevention efforts as well. The Mauritian Government collaborates with the U.S. Drug Enforcement Administration, United Nations Office of Drugs and Crime, and the International Narcotics Control Board.

Based on narcotic seizures, arrests, and rehabilitation program participation, heroin and Subutex are the most commonly abused drugs in Mauritius. Treatment NGO's report approximately 20,000 abusers but the figures are disputed by the police as being nearer 12,000. Mauritius does have dedicated drug treatment facilities and has in recent years introduced methadone maintenance for addicts in treatment and a needle exchange program. NGO's provide counseling and treatment and government health facilities, managed by health professionals, are also available for drug treatment cases.

The Government of Mauritius (GOM) has clearly indicated that drug traffickers and those involved in drug trafficking at all levels will not be tolerated. At the launch of the National Policing Strategic Framework in February 2010, the Prime Minister called for the reintroduction of the death penalty for those involved in drug trafficking. The present policies have not completely stopped the flow of illegal drugs, but the forfeiture of assets applied to narcotics offenders is just beginning to take effect. The GOM does not encourage or facilitate illicit production or distribution of narcotic drugs and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions. No evidence has emerged to suggest that current government officials are involved in the production or trafficking of drugs.

It is U.S. policy to help Mauritius increase its capacity to enforce its narcotics laws and to work with Mauritian law enforcement to resolve cases where there is a U.S. nexus to drug trafficking. The U.S. Government provides training assistance to Mauritian law enforcement agencies, including the ADSU, through the International Law Enforcement Academies in Gaborone, Botswana and Roswell, New Mexico, and Africa Command (AFRICOM). The extradition treaty between Mauritius and the United States is the 1931 United States-United Kingdom list treaty.

Mexico

A. Introduction

Mexico is both a major transit and source country for illicit drugs reaching the United States. Approximately 95 percent of the cocaine flow to the United States transits the Mexico-Central America corridor from its origins in South America. Mexico continues to aggressively combat drug trafficking, apprehending key transnational criminal organization (TCO) leaders and associates and seizing narcotics, weapons, and bulk cash. The Government of Mexico's effort to capture or kill TCO leadership has resulted in multiple fractured organizations that fight over lucrative trade routes and seek to intimidate or control communities by killing or torturing security personnel, journalists, and government officials.

As government successes continue to affect the TCO's narcotics-driven profits and drain their resources, they are increasingly turning to traditional criminal activities such as kidnapping, extortion, trafficking-in-persons, and domestic retail drug sales. As of October 2011, Mexico was on track to surpass 13,000 drug-related murders for the year, a 20 percent rise over the 11,583 committed in 2010. Notable declines in violence in the city of Ciudad Juarez were countered by increases in the states of Nuevo Leon, Tamaulipas, Veracruz, and Guerrero.

Mexico is also a major supplier of heroin, marijuana, and methamphetamine to the United States. Mexico is also a source and destination for money laundering activity and the U.S. Attorney General estimates that 64,000 of the 94,000 weapons recovered in Mexico over the last five years were traced from origins in the United States. Complementing the Government of Mexico's effort, Merida Initiative implementation accelerated in calendar year 2011 with major deliveries of equipment and training of just over $500 million dollars to help transform Mexico's judicial and security institutions.

Mexico is party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Developments

The Government of Mexico continued to strengthen its institutional capacity to confront TCOs and their illegal activities. The Secretariat of Public Security (SSP) continued to restructure its Federal Police force and tripled its size, from 11,000 in 2006 to over 35,000 presently. At the state level, the Government of Mexico created Model Police Units (MPUs). The standard constituencies of the units are 422 vetted officers and are comprised of investigators, analysts, and operations personnel. To date, 24 of 31 states and the Federal District are participating in the program, and over 1,300 investigators, 450 analysts, and 1,900 operations personnel have received training. Individual states may modify the size and composition of the MPUs to meet their needs. Mexican Customs, part of Mexico's Tax Administration Service (SAT), complemented its traditional focus on revenue collection by implementing new law enforcement capabilities such as investigating sources of contraband and intellectual property violations. The Office of the Attorney General (PGR) restructured key divisions, dismissed numerous employees who could not pass internal vetting, and continued efforts to increase prosecution rates.

Budget. The Government of Mexico's 2012 security budget for all security-related secretariats is $12 billion, an increase of 10.7 percent from 2011 budget levels. Funding will be used to combat organized crime, expand crime prevention programs, improve interagency coordination, consolidate police forces,

support justice reforms, and strengthen the "social fabric" by encouraging citizens to be more active stewards of neighborhoods' security conditions through cooperation with local authorities.

Judicial Reforms. Federal and state-level justice sector reform remains uneven throughout Mexico, with only 11 of 31 states and the Federal District amending their constitution and fewer implementing necessary judicial code reform in order to transition to an oral, adversarial justice system by the 2016 deadline. In September, the Calderon Administration proposed federal criminal procedure code legislation to Congress. The Government of Mexico's Technical Secretary for the Coordination and Implementation of Judicial Reform (SETEC) has the legal mandate to coordinate justice sector reforms nationwide and is working across the justice sector including law schools and bar associations to train personnel from various agencies. The reforms should establish a justice system that promotes due process, transparency, alternative case resolution methods, and improved skills throughout the judicial sector.

Money Laundering. As part of the Government of Mexico's National Strategy for Anti-Money Laundering, a new anti-money laundering law was passed by the Senate on April 28, and is currently pending approval by the lower house. This law will impose harsher sanctions against individuals involved in money laundering, create a specialized unit within PGR to investigate and prosecute money laundering cases, and restrict the amount of physical cash (banknotes and coins) denominated in U.S. dollars that Mexican banks may receive. The regulations are intended to mitigate risks of laundering proceeds tied to narcotics trafficking and organized crime.

Agreements and Treaties. Mexico is party to the 1961 UN Single Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Mexico also subscribes to the 1996 Anti-Drug Strategy in the Hemisphere and the 1990 Declaration of Ixtapa. Mexico is party to the UN Convention against Corruption, the UN Convention against Transnational Organized Crime and its three protocols, and the Inter-American Convention Against Corruption. The current U.S.-Mexico bilateral extradition treaty has been in force since 1980. The 2001 Protocol to this Treaty allows for the temporary surrender for trial of fugitives serving a sentence in one country but wanted on criminal charges in another. Finally, Mexico is a party to the Inter-American Convention on Mutual Assistance in Criminal Matters.

Mexico, the United States, and Colombia participate in a tri-party group that meets at least twice a year to discuss counternarcotics and other issues of mutual interest.

Mexico is taking a leading role with the Central American Integration System (SICA) and Central American countries to reverse the deteriorating security environment in the region. In April, Mexico hosted the 28th International Drug Enforcement Conference (IDEC), a global forum where senior drug law enforcement officials meet and identify strategies to defeat criminal drug trafficking organizations. Mexico participates in the semi-annual Multilateral Maritime Counterdrug Summit, which includes the United States, Colombia, Ecuador, Peru, and most Central American countries. The last Multilateral Summit held in September had 11 countries participating. The U.S. and Mexican governments also use the North American Maritime Security Initiative (NAMSI) Standard Operating Procedures (SOP) for maritime interdiction operations. U.S., Canadian, and Mexican officials meet quarterly during NAMSI workgroup meetings to develop, exercise, and execute coordinated maritime security and safety operations.

2. Supply Reduction

In 2011, the Government of Mexico seized 6 metric tons (MT) of cocaine, 909 MT of marijuana, 93 kilograms (kg) of opium gum, 268 kg of heroin, and 13 MT of methamphetamine, eradicated 7,478 hectares (ha) of marijuana and 4,124 ha of poppy, and dismantled 137 drug-processing labs. Additionally, it arrested 10,979 Mexican nationals and 218 foreigners on drug-related charges, including 22 high-profile drug traffickers. A few notable examples are:

(June 21, 2011) **Jesus Mendez-Vargas (aka "El Chango")** – One of the co-leaders of La Familia Michoacána.

(July 3, 2011) **Jesus Enrique Rejon-Aguilar (aka "Mamito")** – One of the top leaders within the Los Zetas TCO.

(July 29, 2011) **Jose Antonio Acosta-Hernandez (aka "El Diego")** – Among the key leaders of "La Linea," a hit squad of the Vicente Carillo Fuentes Organization.

Cultivation and Production Trends. Estimates for marijuana and opium poppy cultivation and heroin production decreased from 2009-2010 as a result of severe drought in key growing regions and small gains in eradication. Prolonged drought conditions, record cold temperatures, and widespread wildfires in spring and early summer 2011 expect to result in a decrease for 2011. Rural areas in the northwest comprising the states of Sinaloa, Sonora, Chihuahua, and Durango are the primary locations for marijuana and opium poppy cultivation.

Mexico accounts for approximately seven percent of the world's heroin supply. Mexico mostly produces black tar and brown powder heroin. An unknown quantity of white heroin is also produced domestically as well as imported from South America. While most heroin is exported to the United States, Mexico is experiencing an increase in domestic heroin abuse.

As of August 2011, the Government of Mexico dismantled 137 methamphetamine labs, compared to 213 and 157 dismantled in 2009 and 2010 respectively. The lower numbers do not represent a decline in methamphetamine production or interdiction activity. The Government of Mexico aggressively searches and destroys labs; on June 15, it dismantled an industrial-sized methamphetamine lab in the state of Queretaro with the capability of producing hundreds of kilograms of methamphetamine per month. Also in June, PGR's special investigative unit reported a record seizure of 3 MT of methamphetamines and additional precursor chemicals to manufacture approximately 750 MT more.

Trafficking Trends. Since 2008, Mexican smugglers have significantly expanded their presence in Central America. Land corridors through Central America and Mexico are now the most significant transit routes for cocaine from South America. While the United States remains the primary destination for illicit drugs trafficked via Mexico, Mexican TCOs are expanding their operations in Latin America, the Caribbean, and Europe. Trafficking routes continue to evolve due to increased government interdiction and the TCOs' efforts to supply these growing markets.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

According to the Mexico's National Council Against Addiction (CONADIC), the use of marijuana, cocaine, and methamphetamine in Mexico increased steadily from 2002 to 2008. Northern states are disproportionately impacted by the increased availability of drugs resulting from failed smuggling attempts and TCOs' use of drugs as payments. CONADIC, in close coordination with the office of the Mexican President, is responsible for sponsoring demand reduction programs. The Government of Mexico's priorities include standardizing drug counseling curricula, increasing the availability of

rehabilitation services in the penitentiary system, and linking the 330 government-supported New Life Center prevention and treatment referral resource clinics.

In 2011, the Office of the Mexican First Lady sponsored the first "Mexican-developed" methodology for drug awareness in the form of an informational tool kit. Bilaterally, Mexico established a drug treatment partnership with the U.S. National Institute on Drug Abuse's Clinical Trials Network (CTN) in order to improve the effectiveness and availability of drug abuse treatment. Centros de Integracion Juvenil (CIJ), a primary care provider for drug addicted youths, expanded its inpatient treatment centers in underserved areas of Ciudad Juarez. CONADIC is coordinating with the United Nations Office of Drugs and Crime (UNODC) to open a Center of Excellence for drug demand reduction. In the final quarter of 2011, 600 new counselors will be trained in a world-class, standardized curriculum developed with the Organization of American States' Inter-American Drug Abuse Control Commission (CICAD) to treat and rehabilitate drug addicts.

4. Corruption

As a matter of law, the Government of Mexico does not permit the production or distribution of illegal narcotics, nor the laundering of money derived from illicit drug transactions. The Calderon administration has taken unprecedented steps to reduce corruption in law enforcement, and has designated the National System for Public Security (SNSP) as the agency responsible for overseeing new laws requiring stronger vetting processes for law enforcement officials, including the increased use of polygraph and background checks. To increase transparency and accountability, the Government of Mexico restructured and augmented their Internal Affairs offices through implementing programs/centers in all law enforcement agencies called "The Center for Evaluation and Control of Trust," or more commonly known as "Control de Confianza." Moreover, new labor laws constrain judges from reinstating police officers fired for corruption. These efforts, combined with leadership changes in the PGR, have had a positive impact; in 2011, over 40 high ranking officials and hundreds more employees were dismissed from service due to allegations of corruption.

While federal law enforcement standards continue to improve, state and municipal law enforcement officials remain vulnerable to corruption. State and municipal police have been implicated in the press and social media for facilitating the movement of drugs or contraband, as well as impeding federal or military enforcement operations. The Calderon administration has acknowledged these challenges, and demonstrated a willingness to conduct large-scale sweeps of municipal police forces where corruption is prevalent. In 2011, municipal police forces in the states of Chihuahua, Nuevo Leon, and Veracruz were subject to federal enforcement efforts aimed at eliminating widespread corruption. While public sentiment in Mexico is mixed about these efforts, on the one hand appreciating the focus on the elimination of corruption but on the other apprehensive about the high rates of turnover, minimal interaction with citizens and allegations of human rights abuses, corruption remains an impediment to counternarcotics efforts within Mexico.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Since 2008, the Merida Initiative has been the cornerstone of U.S.-Mexico security cooperation. The Merida Initiative is built around four pillars: 1) disrupt organized criminal groups; 2) strengthen institutions; 3) build a twenty-first century border; and 4) build strong and resilient communities. Merida Initiative assistance complements the Government of Mexico's institution building efforts. Merida funding has been used to train over 55,000 law enforcement and justice sector officials, including 7,200 Federal police officers. In calendar year 2011, the United States delivered over $500 million under Merida, for a total of over $900 million in assistance since the inception of the Merida Initiative.

Arms Trafficking. Through the use of the Spanish-language version of e-Trace, a program that determines the origins of suspect weapons, Mexican law enforcement increased the number of investigations and seizures of illegal weapons. Information from these traces and investigations are routinely exchanged at monthly bilateral working group meetings called GC Armas, which includes members of the U.S. and Mexican law enforcement communities.

Mexico and the United States cooperate in judicial assistance matters under a bilateral mutual legal assistance treaty (MLAT). In 2011, Mexico extradited 93 people to the United States (31 for narcotics-related offenses) including several high-profile fugitives.

D. Conclusion

The Government of Mexico faces significant challenges to reduce drug trafficking, stem violence, build institutional capacity, and strengthen the rule of law. The Government of Mexico continues to make progress in its efforts to dismantle TCOs and their leadership. New laws and policies to prevent corruption, arms trafficking, and money laundering, and new strategies to support law enforcement institutions at the state and local levels, such as the Model Police Units, represent significant steps forward. These efforts are fortifying government institutions while fracturing the TCOs. Despite these efforts, violence continues, domestic production and consumption of illegal narcotics increases, and illicit narcotics from South America pass through Mexico en route to markets in the United States.

Future bilateral actions should emphasize institutional capacity building, promote the expansion of programs from the federal to state and local levels, and continue to focus on priority areas as defined in the Merida Initiative strategy. Implementation of judicial reforms would complement law enforcement initiatives to combat drug trafficking.

For its part, the United States continues to enhance programs on its side of the border to curb U.S. domestic drug demand and inhibit the flow of arms and cash across the border into Mexico. The battle against organized crime requires a holistic approach, and the United States remains committed to working with the Government of Mexico to strengthen the rule of law and the capacity of Mexican governmental institutions.

Moldova

A. Introduction

Moldova is neither a major drug trafficking nor drug producing country, but Moldova is a regular transit point for drugs destined for Western Europe. Moldova's proximity to the European Union, limited law enforcement capacity, and its lack of control of the Transnistria territory (on the east bank of the Dniester River adjoining the Ukrainian border) where Moldovan law and by extension, national drug policy, are not applicable, have complicated drug control efforts. This has resulted in an increased importation of synthetic drugs and psychotropic substances into Moldova, both for local use and external distribution. Moldova is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

On July 4, 2011, the Government of Moldova (GOM) established a National Anti-Drug Commission, chaired by the Deputy Prime Minister with representation from all governmental institutions involved in drug policy. The Commission strives to bring Moldova into conformity with all requirements set forth by UN drug conventions, coordinates interagency cooperation among governmental institutions, and liaises with non-governmental institutions and civil society on all matters relating to drug policy. The Moldovan Ministry of Health Permanent Committee on Drug Control continued to manage governmental policies on drug control and addiction matters, and proposed several amendments to the 1999 law on narcotics, psychotropic substances and precursors.

Police, customs and border officials cooperated in counter-narcotics activities, but with limited effectiveness. The Moldovan Ministry of Internal Affairs (MoIA) has a specialized sixteen-person police unit responsible for the prevention and combating of drug-related crime nationwide. In addition to these full-time specialized counter-narcotics officers, there are 65 other regional police officers responsible for minor drug crimes. Anti-drug activities overall are hampered by the lack of a sufficient number of specialized police officers, along with a lack of funding and adequate technical equipment, including vehicles and analytical resources. Internal, administrative personnel issues in the police force itself, such as the lack of objective promotion criteria, also undermine narcotics enforcement effectiveness.

The GOM is a party to the the UN Convention against Corruption. There is no bilateral extradition or mutual legal assistance treaty between the GOM and the United States. The Moldovan constitution does not permit extradition of its nationals. The Prosecutor General's Office (PGO) of Moldova is responsible for handling requests for international legal assistance in the pre-trial phase, whereas the Ministry of Justice (MOJ) handles the in-trial and correctional phases.

The GOM has concluded many bilateral and multilateral treaties in the field of combating crime, largely deriving from its participation or membership in such organizations as the Council of Europe, the Commonwealth of Independent States (CIS), the GUAM (Georgia, Ukraine, Azerbaijan and Moldova) initiative, and others. In September and October, 2011, Moldova's law enforcement agencies, in cooperation with their counterparts from GUAM, participated in joint operation "NARCOSTOP-2011," which focused on combating drug trafficking among GUAM member states. On March 24, 2011, the GOM and Romania signed a cooperative agreement on combating crime, enhancing bilateral cooperation in combating the illicit trafficking of narcotics, psychotropic substances, and chemical precursors.

2. Supply Reduction

Moldovan authorities registered 1,243 drug-related cases in the first nine months of 2011 with 59% proceeding to prosecution. During that time, authorities dismantled two drug trafficking networks.

Drug seizures in the first nine months of 2011 netted increases in the following substances: Ecstasy (MDMA) – 873 tablets (65 tablets in 2010); opium – 6,832 ml. (1,078 ml. in 2010); hashish oil – 108 ml. (26 ml. in 2010). There was a decrease in seized heroin – 1,467 grams (2,679 grams in 2010); liquid heroin – 52 ml. (189 ml. in 2010); and amphetamine – 192 grams (1,711 grams in 2010). There were no cocaine seizures, compared to 4 grams in 2010.

There are three major drug trafficking routes through Moldova:

- The "Balkan" route (Turkey- Bulgaria-Romania-Moldova-Ukraine-Russia) for heroin.
- The "Black Sea Northeastern" route (Tajikistan-Uzbekistan-Georgia-Ukraine-Moldova – Western Europe) for heroin.
- The "West European" route (Germany, The Netherlands, Belgium – Moldova – Ukraine, Russia, other CIS countries) for synthetic drugs.

Moldovan authorities have also reported cases of trafficking domestically cultivated marijuana and poppy plants into Ukraine and the Russian Federation.

On May 30, 2011, Moldovan and Romanian authorities jointly dismantled a criminal network of drug dealers that had been trafficking Indian-made methamphetamine into Romania through Moldova. The culprits had been using DHL to smuggle the drugs from Mumbai to Chisinau, transiting DHL facilities in Germany, Great Britain, and Russia. The case was transferred to Romania for further investigation and prosecution. In September 2011, Moldovan police dismantled a criminal group involved in illicit trafficking of psychotropic substances. Police confiscated 7,549 tablets of a new substance named "Taren," containing a controlled substance aprophen.

3. **Drug Abuse Awareness, Demand Reduction, and Treatment**

Through October 2011, the Moldovan Ministry of Health registered 8,960 drug users/addicts, an increase of 296 over 2010. According to the National Drug Dependency Clinic, the official figure is an underestimate by as much as a factor of 10 because data is only collected on those who contact relevant public institutions.

Through October 2011, the MoIA has conducted 1,148 drug abuse awareness lectures and meetings at high schools and universities, organized 2,182 meetings with vulnerable groups and citizens, and published 36 articles in the media aimed at educating the population regarding drugs.

Rehabilitation programs continue to suffer from lack of financial resources and older, inadequate facilities, which burden the GOM's efforts to treat drug addiction.

4. Corruption

Moldovan national legislation does not distinguish between drug corruption and corruption related to other types of crime. As a matter of governmental policy, Moldova does not encourage or facilitate the production, shipment, or distribution of illicit drugs or the laundering of illegal drug proceeds. There is no credible evidence available indicating that any current senior Moldovan government official is engaged in

illegal activity associated with drug trafficking. However, corruption is seen as a serious problem within both the Moldovan government and society and legal cases have been prosecuted where heads of ministries have been seemingly complicit with drug trafficking.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The GOM and the USG cooperate on law enforcement and counter-narcotics issues under the terms of the Letter of Agreement on Narcotics Control and Law Enforcement signed on August 28, 2001. Amendments to this agreement provide funding to support activities designed to create sustainable improvement in the rule of law and in the operational capability of Moldova's law enforcement agencies.

In January 2011, the USG, at the request of the Moldovan MoIA, funded a comprehensive assessment of Moldova’s counternarcotics institutions conducted by a UNODC expert. The assessment evaluated Moldova's progress in developing its legislation and institutions to more efficiently combat and prevent drug trafficking, and concluded that although its laws are in closer conformity to UN conventions, the GOM still needs to implement further reforms.

USG-provided training and equipment help improve the ability of the Moldovan police to investigate and dismantle organized crime and narcotics enterprises. The U.S. Drug Enforcement Administration’s office in Vienna is responsible for case-work cooperation with members of Moldova's specialized anti-drug unit within the MoIA and enjoys support from Moldovan counterparts in several ongoing investigations.

D. Conclusion

The USG and the GOM have worked together successfully to improve the ability of Moldovan law enforcement to operate effectively while respecting the rule of law. The GOM has also had a positive and cooperative relationship with the EU, which has placed senior level advisors at the MoIA and the MOJ to assist in the reform efforts of these organizations and to help coordinate the contributions of international donors. The GOM should increase its own efforts to better train and equip its justice sector entities, including those engaged in combating illicit narcotics trafficking. Additionally, the GOM should look to develop and foster a more comprehensive and active relationship with regional authorities to address border control concerns, especially in the southern and eastern portions of the country.

Montenegro

Montenegro is an important transit country for illegal drugs moving to Central and Western Europe along the "Balkan Route." Skunk, a selection of selectively bred marijuana, from Albania and heroin from Afghanistan are the most prevalent drugs trafficked. Cocaine is smuggled by sea and air from South America to Montenegro with the increased involvement of Montenegrin citizens, either as organizers or couriers. While a small portion of the smuggled cocaine is used for domestic consumption, the majority is shipped to Western and Central Europe. Synthetic drugs are not commonly used, but the summer influx of tourists along Montenegro's coast leads to an increase in use.

Even though Montenegro is a major route for drug smuggling, the amount of seized drugs remained low. In the 2011 reporting period, 563.6 kg of marijuana, 3.1 kg of heroin, 0.355 kg of cocaine, 0.139 kg of synthetic drugs, 0.109 kg of hashish and 0.105 kg of psilocybin and psilocin were seized. The majority of drugs were seized at land crossings, but there were also seizures at ports and airports.

Montenegro is a party to the 1988 UN Drug Convention. Montenegro is also a party to the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling and to the UN Convention against Corruption. The Law on Precursors and Narcotics has been in force since December 2009. To complete the national anti-narcotics legislation framework, Montenegro adopted the Law on Prevention and Misuse of Drugs in 2011. Montenegrin law enforcement officials are becoming more proactive in combating the operations of illegal drug distribution networks. Border police and customs officers perform narcotics control operations on a daily basis. Within the police system, there are departments specialized in narcotics-related crimes. The Border police also have 10 drug-sniffing dogs working at border crossings, as well as equipment for drug testing.

Drug related crimes continued to constitute a significant percentage of the overall crimes committed in the country. During the first ten months of 2011, police filed charges against 189 persons in 123 cases involving the production and distribution of narcotics. Several important counternarcotics police operations were also launched. According to the police, there were no reported cases of synthetic drug lab operations or synthetic drug production.

Drug use began to spread more widely in Montenegro in the mid-1990s and has become a significant public health issue. Reliable statistics on drug use from the Ministry of Health are still lacking. Authorities estimate that Montenegro has between 2,500-3,000 drug addicts, but the actual number may be higher. According to the most recent EU survey of high school-age respondents on the use of alcohol and other drugs, the most frequently-used illicit drugs were marijuana and inhalants, followed by tranquilizers and sedatives. The Criminal Procedure Code (CPC) and Criminal Code (CC) call for mandatory treatment of drug addicts. They also permit temporary and permanent seizure of assets derived from illicit drug trafficking, and authorize the use of secret surveillance measures in the pre-trial and investigation process. Permanent confiscation of assets can also be applied if the offender was sentenced by a final decision for a crime involving the unauthorized manufacture, possession, or distribution of narcotic drugs. The penalty for producing and selling drugs ranges from two to 15 years in prison.

In accordance with the "National Response to Drugs 2008-2012" initiative, the GoM through its Office on Drug Prevention is implementing activities in four key areas: prevention, treatment and rehabilitation, reduction of harm, and police and customs interventions. In March 2010, the National Council for the Prevention of Drug Abuse, with the President at the helm, was established to treat, rehabilitate, re-socialize, and reduce the number of drug addicts. However, the civil sector has criticized this Council for being unmotivated and ineffective.

During the last year, the Ministry of Health established a network of 21 municipal drug prevention offices across the country. The offices are the major tool for implementing preventive and educational activities covering all primary and secondary schools nationwide. Schools, health centers, police stations, social centers and NGOs all supplement the activities of the municipal drug prevention offices. Preventative medical treatment is free of charge within the public health system. Although the Spuz Prison hospital contains a department for treating drug addicts, prisoners, along with mentally ill prisoners, were often treated in the Kotor psychiatric hospital, which lacks facilities and personnel to house drug addicts and mentally ill patients.

Montenegro views the U.S. as a strategic partner and generally supports U.S. goals in the Balkans, including drug control initiatives. The Montenegro Special Prosecutor's Office cooperates with the DEA regional office in Rome on matters of mutual concern. The DEA maintains an active liaison with the National Police Directorate's Narcotics Division. At the International Drug Enforcement Conference (IDEC) organized by the DEA in April in Mexico, Montenegro was admitted as a full-fledged member of the IDEC. Montenegro recognizes the 1902 U.S. – Kingdom of Serbia extradition treaty as valid. As a matter of government policy, Montenegro 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.

Morocco

A. Introduction

Morocco is one of two countries – along with Afghanistan – identified by the United Nations Office on Drugs and Crime (UNODC) as a leading source for cannabis cultivation and production. The country is also consistently cited as a primary origin for cannabis seizures made in Europe, and several seizures of multi-ton loads of cannabis in Morocco during 2011 underscore its continued role in cannabis production and trafficking.

However, Morocco has made impressive inroads in reducing overall cannabis cultivation, a traditional and lucrative, albeit illegal, cash crop. According to the Government of Morocco (GOM), the amount of land devoted to cannabis cultivation has fallen by 65 percent from 2003 to 2010. No additional land was targeted for crop substitution during 2011, with the GOM citing several reasons for this policy, including the effectiveness of ongoing surveillance of illicit crops.

Morocco's centuries-old trade routes serve as a crossroads of two continents, and have been exploited by narcotics traffickers for the movement of cannabis, cocaine and other drug trafficking from Africa to Europe.

Illicit drug use has generally not been a major concern for the GOM in previous years, as narcotics consumption was viewed primarily as a European problem. However, following a pattern in other transit countries the GOM has reported an increase in the domestic use of cocaine and ecstasy, and is taking more proactive measures in drug treatment and demand reduction.

Morocco is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Morocco has made significant efforts to combat the production and trafficking of narcotics. The GOM employs a multi-faceted strategy that couples law enforcement, crop eradication/replacement, and demand reduction/treatment efforts with economic development measures to erode the cannabis growing culture that has historically existed in northern Morocco.

In 2009, the GOM established an integrated alternative development program in the cannabis growing regions of the country, devoting more than $70 million U.S. dollars and targeting 74 rural communities. While the GOM has had success encouraging the cultivation of alternative crops, some farmers have resisted this policy.

Most large shipments of illicit cannabis bound for Europe are transported via speedboats and other small non-commercial vessels. Smugglers continue to ship cannabis through the Spanish enclaves of Ceuta and Melilla and the Moroccan port of Tangier, crossing the Strait of Gibraltar by ferry. The Royal Moroccan Navy and the Royal Gendarmerie maintain an aggressive maritime interdiction effort against smuggling activity, with multiple accounts of seizures reported in the Moroccan media.

When fully completed in 2015, the commercial port at Tangier Med will be the largest maritime container facility on the African continent. The potential for narcotics smuggling by commercial conveyance is

significant, and the GOM has worked closely with the U.S. Government to acquire equipment and training needed to increase detection and interdiction of illegal shipments.

Cocaine traffickers are increasingly attempting to smuggle cocaine to Europe through Morocco. Cocaine is shipped from South America to sub-Saharan Africa and the Sahel region and then on to Morocco. Morocco's law enforcement agencies do not completely stem the flow of cocaine moving through the country, given Morocco's porous borders and proximity to Europe.

Morocco is a party to the UN Convention against Transnational Organized Crime, but has not signed any of its protocols. Morocco is also a party to the UN Convention Against Corruption. Morocco and the U.S. cooperate in law enforcement under a Mutual Legal Assistance Treaty.

2. Supply Reduction

The GOM reports that land dedicated to cannabis cultivation has decreased from 134,000 hectares in 2003 to 47,500 hectares in 2010. However, according to the International Narcotics Control Board (INCB), a cannabis cultivation survey to confirm this reduction that was to be conducted by the GOM in cooperation with the UNODC in 2010 had to be postponed.

More than 118 tons of cannabis resin were seized in 2010, the most recent period reported by the GOM, and over 400 foreigners were arrested and charged with drug trafficking offenses. Multi-ton seizures of cannabis continue to occur in Morocco on a regular basis, including a 5.5 metric ton seizure made in October.

The GOM collaborates with European counterparts, in particular French and Spanish authorities, to combat drug trafficking. Since 2008, Morocco and Spain have participated in a joint commission to fight drug trafficking and illegal migration. Spain's 1999 deployment of SIVE (the Integrated System of External Vigilance), a network of fixed and modular radar, infrared, and video sensors around the Strait of Gibraltar, continues to force smugglers to utilize longer, more exposed and vulnerable routes.

Moroccan law provides a maximum allowable prison sentence for drug offenses of 30 years, as well as fines for illegal drug violations ranging from $20,000 to $80,000 U.S. dollars. Eight to ten years imprisonment remains the typical sentence for major drug traffickers convicted in Morocco.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The GOM launched a methadone substitution therapy program in 2010 as part of a comprehensive package of services for the treatment of heroin dependence. According to the INCB, Morocco is the first country in North Africa (and in the Arab world) to adopt legislation allowing the use of methadone in the treatment of drug dependence.

The GOM does not have a program to measure the extent of domestic drug abuse. There is also no effective, standardized system to monitor and evaluate drug-related crime; however, the GOM reports that approximately 29 percent of the 2010 prison population has been convicted of drug-related offenses ranging from personal consumption to trafficking.

In order to discourage drug abuse among Moroccan youth, the GOM Ministry of Health developed a counternarcotics awareness campaign targeting school children and created drug-free school zones, patrolled by police and the Auxiliary Forces. Moroccan civil society and some schools are active in promoting counternarcotics education.

4. Corruption

As a matter of government policy, the GOM neither encourages nor facilitates the production or trafficking of narcotics or controlled substances, or the laundering of proceeds from illegal drug transactions. However, corruption and tacit non-enforcement remain serious issues in Morocco. Narcotics-related corruption among governmental, judicial, military and law enforcement officials has been an issue in the past, and the GOM has taken steps to hold officials complicit in drug trafficking accountable for their actions. In 2010, for example, the GOM sentenced 92 people – 55 of whom were members of the security services – to a maximum of ten years in prison for participating in a drug trafficking ring that reportedly shipped 30 tons of cannabis resin to Europe over several years.

In late 2008, the GOM formed the Central Authority for the Prevention of Corruption (ICPC), charged with anti-corruption advocacy and prevention. In 2010, the GOM established a two-year program intended to reinforce public administration integrity and transparency, strengthen internal administrative control, and reform anti-corruption legislation. In 2011, Morocco adopted a new constitution with a number of significant changes, including providing for an increased role of the ICPC in combating corruption in the country by making it an independent agency with enhanced investigative authority.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

GOM officials seek to build upon their already strong existing relationships with international organizations such as the UNODC, the INCB, and INTERPOL. This cooperation has been strong on the law enforcement side, but less robust in terms of demand reduction efforts.

The GOM works closely with USG agencies on law enforcement issues and related training, including the Federal Bureau of Investigation, the Drug Enforcement Administration, the Department of Homeland Security (DHS), the Department of Defense, and the Department of Treasury. In addition, the Department of State, via both the Bureau of International Narcotics and Law Enforcement Affairs, and the Bureau of Diplomatic Security, maintain a very close and productive working relationship with a wide array of GOM counterparts.

The USG is working to enhance Morocco's counternarcotics capabilities through training in law enforcement and border control techniques. For example, the U.S. Coast Guard provided training in 2011 on maritime law enforcement boarding operations, and DHS trained Moroccan police units on border patrol search, trauma and rescue techniques. Moreover, the U.S. Treasury's ongoing efforts to strengthen the GOM's vigilance on the financial sector by solidifying its measures against money laundering, terrorist financing, and other financial crimes may also contribute to the GOM's ability to track and stop the flow of drug trafficking money.

D. Conclusion

Although cannabis cultivation persists in Morocco, and the country may be increasingly used as a transit zone for cocaine shipments, the GOM consistently demonstrates a strong commitment to addressing narcotics trafficking issues. Cannabis eradication programs have had significant success, Morocco's capability to interdict narcotics shipments is improving, and demand reduction and treatment programs are increasing. The GOM has also effectively sought out and cultivated counternarcotics partnerships with countries in Europe and Africa, and continues to work closely with the USG on ways to improve Moroccan law enforcement capabilities.

Mozambique

Mozambique is not a significant producer of illegal drugs or chemical precursors. It is, however, a transit point for drugs moving to consumer markets in South Africa and Europe. Domestic drug consumption is limited primarily to cannabis and is difficult to reduce because it is engrained in rural, cultural practices. Designer drug abuse is not prevalent in Mozambique and is not a major concern of Government of the Republic of Mozambique (GRM) officials.

Mozambique is a party to the 1988 UN Drug Convention, and the UN Convention against Transnational Organized Crime and its three protocols and the UN Convention Against Corruption.

Long porous borders, an extensive coastline, weak security infrastructure, and inadequately trained and equipped law enforcement personnel hamper Mozambique's enforcement and interdiction efforts.

Mozambique's coastline (1,550 miles) and international borders (2,800 miles, five countries) are extremely porous and poorly patrolled by the GRM making drug trafficking easier. Drug production in Mozambique is limited and mainly involves small scale production of marijuana and hashish. Mozambique lacks the technical and industrial expertise necessary for the large-scale production of synthetic drugs. There are media reports of small scale mandrax production.

The Office to Combat and Prevent Drug Use (GCPCD) reported for all of 2010, the seizure of 10 kilos of hashish, 3,252 kilos of marijuana (up 24 percent from 2009), 3.8 kilos of cocaine, and 5 kilos of heroin.

Arrests at airports rose significantly in 2010 and continue to rise; the exact number of arrests is unknown due to poor GRM recordkeeping. Media regularly report on drug arrests at Maputo airport; most traffickers arrive on Ethiopian Airlines flights. As examples, on October 17, 2011, a South African with 13 kilos of cocaine, arriving on an Ethiopian Airlines flight to Maputo, was arrested, and on December 25, two South Africans and one Zimbabwean arriving on Ethiopian Airlines flights were arrested with cocaine.

Despite the increase in seizures, corruption is a concern at the country's ports. On October 24, 2011 eight policemen and customs officials at Maputo International Airport were immediately suspended for facilitating the entry of illegal drugs into the country in exchange for bribes.
The GRM's unified counternarcotics plan is weakly enforced and its institutional human and financial resources are weak. However, the GCPCD does annually report and analyze trends and enforcement/treatment efforts of the GRM and civil society. GCPCD domestic drug abuse statistics underestimate the actual number of drug addicts; only about half as many addicts as exist in the capital area are actually registered.

The GCPCD relies on civil society support to convey its anti-drug message. In 2010, 35,523 anti-drug activists were trained. There were 3,721 anti-drug lectures given, mainly to school-age youth, reaching an audience of 755,312. Mozambique lacks dedicated drug treatment facilities; most drug addicts are treated at home by the family. Given the correlation between HIV and drug use, some HIV clinics offer drug dependency programs too, but lack sufficient resources.

Twelve Mozambican National Police attended drug interdiction-training at the International Law Enforcement Academy in Botswana in 2011. U.S. Immigration and Customs Enforcement will be providing a comprehensive border security training program for immigration, police investigators, customs officers, and prosecutors during 2012 and 2013. Additional training programs are planed for

customs, police and border guards in FY2012. Further assistance to the Attorney General's Office is also under consideration. Coordination with other narcotics assistance donors occurs during "Mini-Dublin" group meetings of appropriate embassy officers. The Department of Defense (DoD) has supplied 17 rigid hull inflatable boats to the Mozambican Navy since 2006 and will continue this engagement with operation and maintenance instruction. DoD's program to provide maritime radar and Automatic Marine Identification Systems is ongoing and will improve maritime domain awareness.

The Mozambican government does not as a matter of policy encourage or facilitate the illicit production or distribution of narcotics and in public statements takes a strong anti-drug and anti-corruption stance. Despite having strong laws in place, corruption remains widespread and some government officials are widely suspected of facilitating or condoning drug trafficking. The GRM is finalizing a new multi-year anti-drug strategy, in a process led by the GCPCD, and overseen by the Office of the Prime Minister.

In September 2011, the GRM completed its investigation of prominent businessman, Mohamed Bachir Suleman, who was placed on the Department of Treasury's Drug Kingpin list in 2010. While the GRM found insufficient evidence of drug trafficking to prosecute on that charge, it found extensive tax, customs and foreign exchange violations, and commenced administrative action against him for payment of back taxes and fines.

Because of weak border controls, Mozambique remains a transit point for drugs passing to more lucrative consumer markets. The GRM's counternarcotics fight is hampered by weak political will, high levels of corruption and few resources. The U.S. government will continue to work with those elements of the GRM committed to combating illegal narcotics.

Nepal

Although Nepal is neither a significant producer of, nor a major transit route for narcotic drugs, some hashish, heroin, and domestically produced cannabis and opium are trafficked to and through Nepal every year. Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) reports that more Nepalis are investing and taking a larger role in managing trafficking operations. Customs and border controls in Nepal remain weak, but international cooperation has resulted in increased narcotics-related apprehensions in Nepal and abroad. Officials claim law enforcement efforts have improved in 2011 over previous years, but limited resources still hinder the development of a robust counternarcotics program. Narcotics-related legislation has been pending for several years.

Police confirm the cultivation of cannabis is on the rise in the southern areas of Nepal, most destined for the Indian market. Abuse of locally grown and wild cannabis and locally produced hashish, which are marketed in freelance operations, remains widespread. Heroin from Southwest and Southeast Asia is smuggled into Nepal across the porous border with India and through Kathmandu's international airport. Legal, medicinal drugs continue to be diverted and abused. Nepal is not a producer of chemical precursors, but serves as a transit route for precursor traffic between India and China. The GON has committed to enhance overall law enforcement; however, the GON has given little attention to narcotics-specific initiatives.

Nepal's basic drug law is the Narcotic Drugs Control Act, 2033 (1976, last amended in 1993), making the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs illegal. The government plans to amend the Act to incorporate provisions for psychotropic substances, demand reduction, treatment and rehabilitation. In 2006, the GON updated its Narcotics Control National Policy. The policy consists of five strategies to control drug production, abuse and trafficking: (1) supply control, (2) demand reduction through treatment, rehabilitation, and prevention, (3) risk reduction, (4) research and development, and (5) collaboration and resource mobilization.

To coordinate narcotics control activities, the 2006 policy called for the creation of a Narcotics Control Bureau, but the GON has not decided when or how to implement this planned new bureau. The policy also called for restructuring a high-level Narcotics Control National Guidance and Coordination Committee and a Narcotics Control Executive Committee to oversee all narcotics control programs, law enforcement activities, and legal reforms. However, the committees appear to exist more on paper than in fact.

NDCLEU has the lead in law enforcement efforts and is focused on supply control. It improved its capacity in recent years, and made quality arrests and seizures, particularly through stationing more personnel at the Tribhuvan International Airport (TIA). NDCLEU also regularly conducts drug investigation training programs for various law enforcement groups – sometimes in collaboration with the UN Office for Drugs and Crime. However, it is still handicapped by technology and resource shortages.

In 2011, the overall number of police arrests decreased, while drug seizures overall rose. From January to September 2011, police arrested 112 individuals (83 Nepalis and 29 foreigners) on the basis of drug trafficking charges. The non-Nepalis arrested were primarily Indian nationals. The seizure of hashish in 2011 was at an all-time high with 1,923.4 kilograms (150 percent increase from 2010). The government seized 5.8 grams of heroin (down 27 percent from 2010), and 32,859 vials of diverted pharmaceutical drugs (an increase of 31 percent over 2010). Trafficking of hashish via TIA decreased due to the deterrent affect of frequent seizures and arrests. No seizures of chemical precursors have been recorded

by police in 2011. There have been no reports of the illicit use of licensed, imported, dual-use precursor chemicals, but Nepal is used as a transit route to move precursor chemicals between India and China.

According to NDCLEU, evidence from narcotics seizures suggests that narcotics transit Nepal from India, Pakistan, and Afghanistan to China, Iran, Europe, the United States, Australia, Canada, and other countries in Asia. Drugs are typically routed through Thailand, China, Indonesia, Spain, Denmark, and Sweden. Media reports claim that most narcotics are bound for India and most seizures occur at the porous India/Nepal border, where customs and border controls are weak. Recent case investigations conducted by the DEA New Delhi County Office established that a small percentage of narcotics, especially hashish is sent to the United States by individuals involved in trafficking through the use of the international express parcel services.

U.S. policy is to strengthen Nepal's law enforcement capacity to combat narcotics trafficking and related crimes, to maintain positive bilateral cooperation, and to encourage Nepal to enact and implement appropriate laws and regulations to meet all objectives of the 1988 UN Drug Convention. The United States is committed to working with the Nepali government to provide expertise and training in law enforcement, particularly to border and customs services. The United States continues to provide support to various parts of the justice sector to combat corruption and improve the rule of law. The United States also encourages Nepal to enact drug legislation. Nepal does not have any extradition or mutual legal assistance treaties with the United States. The Government of Nepal does not encourage or facilitate illicit production or distribution of narcotics and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions. The USG is not aware of any senior officials engaged in drug trafficking.

The Netherlands

A. Introduction

The Netherlands is a significant transit country for narcotics and has traditionally been a producer of synthetic drugs, such as MDMA (ecstasy). The Dutch Opium Act prohibits the possession, commercial distribution, production, import and export of all illicit drugs. The Dutch government places a high priority on combating the illegal drug trade, and it has seen considerable success. The Netherlands is a party to the 1988 UN Drug Convention.

Production. The government has made the fight against organized cannabis cultivation a top priority. In addition to the National Taskforce on Organized Hemp Cultivation established in July 2008, the Justice and Security Minister in December 2010 set up a special taskforce to combat drug-related organized crime, particularly illegal cannabis cultivation, in Brabant province, where the country's cannabis plantations are concentrated.

The country has traditionally been a major producer of ecstasy, although a sizeable amount of production appears to have shifted to other countries. During 2010 Dutch Police (KLPD) reporting indicated an increase in ecstasy production in the Netherlands. Although there were no reports of ecstasy laboratory seizures in 2010, there have been numerous indications of lab activity. These include significant seizures of "pre-precursor chemicals," which can be converted easily into the traditional precursors needed for production. In January 2011 the Trimbos Institute reported that more and better quality ecstasy had emerged on the Dutch market. There is also production of amphetamines and other synthetic drugs. The Netherlands has a large (legal) chemical sector, making it a convenient location for criminals to obtain or produce precursor chemicals used to manufacture illicit drugs.

Trafficking/Transit. 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 sizeable percentage of the cocaine consumed in Europe enters through the Netherlands. Cocaine trafficking is combated through the 100-percent checks on inbound flights from the Netherlands Antilles, Suriname, and West African countries. 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).

Illegal Drug Use. The Dutch Opium Act distinguishes between "hard" drugs that have "unacceptable" risks (e.g., heroin, cocaine, ecstasy), and "soft" drugs (cannabis products). Sales of small amounts of cannabis products (under five grams) are "tolerated" (i.e., not prosecuted, even though technically illegal) in "coffeeshops" operating under regulated conditions (no minors on premises, no alcohol sales, no hard drug sales, no advertising, and no creating a public nuisance).

The Health Ministry coordinates drug policy, while the Ministry of Security and Justice is responsible for law enforcement, including the police. Matters relating to local government 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.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In May 2011, the Dutch Cabinet agreed to measures to reduce drug-related nuisance and drug tourism as proposed by the previous government. Under the plans, coffeeshops are to become private clubs for the local markets, only accessible to Dutch citizens upon display of valid proof of identity. Coffeeshops must be at least 350 meters away from schools or face closure. According to a study by Statistics Netherlands (CBS), this would lead to closure of 58 of the 650 coffeeshops in the Netherlands.

The measure to turn coffeeshops into private clubs has been criticized by a number of local governments and drug experts fearing the plan will lead to more illegal street dealing and more public nuisance. Moreover, a study by the Amsterdam city council showed that 70 percent of cannabis users in Amsterdam do not want to be registered as club members. Meanwhile, coffeeshops in Maastricht started banning all foreign customers, except for Germans and Belgians, in September. The action is a strategic initiative by coffeeshop operators who want to see whether the measure will lead to more public nuisance, illegal street sales, and crime.

In June 2011, the Cabinet submitted a bill to parliament penalizing all preparations by persons and companies that facilitate illegal cannabis cultivation, even if they do not grow the plants themselves. The bill not only targets legal "grow shops," which sell seeds, lamps, fertilizers, and other supplies, but transport and distribution companies and landlords and electricians who help with illegal cannabis production. The offense will carry a maximum prison term of three years.

In August the Cabinet presented a bill to ban driving under the influence of cannabis.

In September, the Health Ministry announced that the GHB party drug will be placed on Schedule I of the Dutch Opium Act, which means that it will become a "hard" drug like cocaine and heroin. A recent assessment by the Coordination Center on the Assessment and Monitoring of New Drugs (CAM) determined that GHB may pose serious health risks, particularly when used in combination with alcohol or other drugs.

In October, the Cabinet agreed to categorize cannabis with a THC content of 15 percent or more as a "hard" drug and to place it on Schedule I of the Dutch Opium Act. Penalties on trade, import and export of high-THC cannabis will also be raised. If Parliament accepts the plan, a large part of "Nederwiet" (Dutch-grown cannabis) will be banned. The Trimbos Institute for Mental Health and Addiction recently concluded that 74 percent of Dutch cannabis contains more than 15 percent THC. In 2010 the average THC content in "Nederwiet" was 17.8 percent. The Cabinet also decided to keep the current drug classification system (Schedule I "hard" drugs such as cocaine, ecstasy and heroin, and Schedule II "soft" drugs) in place.

The Netherlands is party to all of the UN Drug Conventions, and the 1972 Protocol. It is party to the UN Convention against Corruption and to the UN Convention on Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling. The U.S. and the Netherlands have fully operational extradition and mutual legal assistance (MLAT) agreements, including the 2004 U.S.-Netherlands Mutual Legal Assistance and Extradition Agreements, which entered into force in 2010.

Operational cooperation between U.S. and Dutch law enforcement agencies is excellent, despite some differences in approach and tactics. In August 2010 the Kingdom of the Netherlands acceded to the Caribbean Regional Maritime Agreement, a treaty that enhances cooperation in combating drug trafficking in the region. They are also a member of the Maritime Analysis and Operation Centre-Narcotics (MAOC-N), which is an intelligence exchange and coordination platform for maritime operations among European countries.

2. Supply Reduction

The Netherlands is a major producer of cannabis. The 2008 National Threat Assessment (NDB) estimates there are between 30,000 and 40,000 hemp plantations in the Netherlands. More than 80 percent of Dutch-grown cannabis is exported, with illegal revenues of between 2.5 billion to 5 billion Euros. In December 2010 the Security and Justice Minister set up a special taskforce to combat organized crime in Brabant province. Between December 2010 and October 2011, the taskforce arrested more than 1,200 suspects, dismantled 800 cannabis plantations and seized more than four million Euros in criminal assets.

According to the 2010 report by the ESDP, the amount of amphetamine (powder, paste and oil) seized in the Netherlands in 2010 dropped 67 percent from 2009 to 544 kilos. A total of 1,734 kilos of Dutch amphetamine was seized abroad, which was 10 percent up from 2009. Most Dutch amphetamine is exported to the UK, the Scandinavian countries, Spain, and Germany. MDMA seizures in the Netherlands rose significantly in 2010, but the number of Dutch MDMA tablets seized abroad dropped slightly. According to the ESDP, no reports of MDMA tablet seizures in the U.S. linked to the Netherlands were received in 2010. Most Dutch MDMA tablets were seized in France. The number of dismantled synthetic drug production sites dropped to 19 in 2010 from 24 in 2009. Of these 19 sites, 9 were involved in amphetamine production. Mephedrone, or "Miaow Miaow," and GHB are becoming increasingly popular in the Dutch party scene.

Drug Seizures in the Netherlands	**2008**	**2009**	**2010**
Heroin (kg)	803	596	-
Cocaine (kg)	6,757	4,934	-
Ecstasy (tablets)	249,761	172,845	555,401
Ecstasy (powder)(kg)	84	3.4	66
Synthetic drug labs	21	24	19
Amphetamine powder (kg)	1,106	1,946	66
Amphetamine paste (kg)	121	466	546
Methamphetamine (kg)	0.02	0	44.6
LSD (trips)	17,825	0	6,430
Methadone (tablets)	4,562	113	-
Cannabis resin (kg)	24,443	4,633	-
Marijuana/"Nederwiet" (kg)	42,359	5,942	-
Hemp plants	1,053,368	863,343	-
Dismantled hemp plantations	4,731	4,727	-
MCPP (tablets)	7,764	361,600	5,200
2-PEA (tablets)	0	0	4,000
Ketamine (kg)	0	0	5
BMK (liter)	231	258	334
PMK (liter)	0	40	0
PMK-glycidate (kg)	0	0	1,200.5
Safrol(kg)	0	20	85
Ephedrine/pseudo-ephedrine (kg)	317	587	508
Chemical waste dumps	36	34	35

(Source: KLPD National Police Services Force)

The number of drug crime suspects registered by the police in 2009 (latest available statistics) was more than 16,000. In 2009 more than 17,000 drug-related offenses were registered with the public prosecutor's office. Drug-related offenses constituted 7.6 percent of the total number of criminal cases handled by

Dutch courts in 2009. The average unconditional prison sentence for a drug offense in 2009 was 305 days.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The Ministry of Health, Welfare and Sport continues to be the agency responsible for coordinating Dutch drug policy and implementation. Demand reduction and treatment policies aim to reduce the risks to drug users, their immediate surroundings, and society. In meeting these goals, the Netherlands has been reasonably successful. Despite a reputation for tolerance, the share of the population abusing drugs in the country is on a par with the rest of Europe. The rate of drug-related deaths is the lowest in Europe: 2.4 per million inhabitants.

Drug prevention programs are organized through a network of local, regional and national institutions. Programs target schools in order to discourage drug use among students, 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 Trimbos Institute each year carries out drug information campaigns, and its 24-hour national Drug Info Line has become very popular.

Below are the 2009 (latest available) statistics on percent among the general population ages 15-64 reporting lifetime (ever) use and last-month (current) use. (Note that, because of differences in research methods, statistics about drug use in 2005 and 2009 are no longer comparable.)

	Lifetime use	**Last-month use**
	2009	**2009**
Cannabis	7.0	4.2
Cocaine	1.2	0.5
Heroin	0.1	0.1
Ecstasy	1.4	0.4
Amphetamine	0.4	0.2

(Source: National Drug Monitor (NDM) 2010, Trimbos Institute)

The Health Ministry administers a wide variety of demand and harm-reduction programs, reaching about 75 percent of the country's addicts. According to the 2010 NDM, in 2009 outpatient treatment centers registered 8,863 clients seeking treatment for their (primary) cannabis addiction; 9,993 for cocaine; 12,466 for opiates; 154 for ecstasy; and 1,504 for amphetamines. The number of hard-core opiate addicts has declined dramatically over the past 10 years to about 18,000; their average age has risen to 48; and the number of overdose deaths related to opiates has stabilized at between 30 and 50 a year.

Needle supply and exchange programs have kept the incidence of HIV infection among intravenous drug users relatively low. Of the addicts known to the addiction care organizations, 75 percent regularly use methadone. There are 17 clinics where heroin is distributed to approximately 700 hard-core addicts, for whom all other forms of assistance have failed. As apparent results of this program, both the crime rate among addicts has dropped and their health has improved.

4. 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 has been found 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. Press reports of low-level law enforcement corruption appear from time to time, but the problem is not believed to be widespread or systemic.

C. National Goals, Bilateral Cooperation and U.S. Policy Initiatives

U.S. and Dutch law enforcement agencies maintained excellent operational cooperation, with principal attention given to South American cocaine trafficking organizations and the production of synthetic drugs. Dutch regulations continue to restrict the use of criminal informants in drug trafficking investigations. In addition, the Dutch do not use their asset forfeiture laws in conjunction with drug related investigations to the same extent as the U.S. DEA The Hague has noted improved and expedited handling of drug-related extradition requests. The U.S. is also working with the Netherlands to assist the Caribbean part of the Kingdom in countering narcotics trafficking.

The U.S. Coast Guard (USCG) signed a Memorandum of Understanding (MOU) with the Netherlands in 2011 that formalizes a previous exchange of letters from 1994 allowing USCG law enforcement detachments (LEDET) to deploy onboard Netherland Naval vessels. The MOU is a more comprehensive agreement that allows the USCG to leverage Netherland Naval vessels as a force multiplier to enhance presence and expand maritime drug trafficking interdiction opportunities in the Western Hemisphere Transit Zone.

Both DEA and the National Crime Squad (NR) recognize the importance of money laundering investigations and joint initiatives concerning drug related "bulk" money smuggling operations.

In December 2006 the Royal military police (KMar) was instructed by the Justice Ministry to stop sharing the Schiphol “black list” of couriers intercepted at the airport with DEA The Hague for privacy reasons. The Ministry indicated that, since Dutch policy requires the names to be removed from the list after three years, entering the names into a U.S. government database without a sunset provision would be contrary to Dutch law. This issue has not yet been resolved, and the suspension continues. DEA The Hague continues to supply the KMar at Schiphol airport with international trend information on routes being utilized by drug couriers.

All foreign law enforcement assistance requests continue to be sent to the International Network Service (IPOL), a division of the KLPD. IPOL has assigned two liaison officers to assist DEA and other U.S. law enforcement agencies. In coordination with IPOL, DEA and other liaison officers may contact the Regional Police and NR offices for requests and intelligence sharing. This policy has continued to permit better coordination during ongoing enforcement actions. Under Dutch law enforcement policy, prosecutors control most aspects of an investigation. Dutch police officers must get prosecutor concurrence to share information directly with foreign liaison officers even on a police-to-police basis. Dutch regulations regarding police-to-police information sharing are nebulous and often subject to interpretation, which can hamper the quick sharing of information; however, the pace is improving as a result of the increased access for DEA agents with NR units. Additionally, DEA has worked with Dutch counterparts at the KLPD and the National Prosecutor’s Office, resulting in a reduction of the amount of time it takes to obtain approval for money pickup operations via MLAT requests. This reduction in approval time has resulted in multiple successful operations.

The use of confidential sources is heavily restricted under Dutch law. Since many DEA investigations outside of the Netherlands utilize cooperating source information, this poses a unique challenge when attempting to initiate or coordinate cases with Dutch counterparts. All matters concerning confidential sources are closely coordinated with KLPD's Criminal Intelligence Division and the National Prosecutors Office.

D. Conclusion

Despite the reality of toleration of soft drug use, the Dutch government takes the fight against drug trafficking very seriously. In particular, the fight against organized cannabis cultivation has been made a priority issue. Although the Netherlands is hampered to some degree by domestic legal restrictions on the extent to which it can cooperate bilaterally, close bilateral cooperation with the U.S. on counter-narcotics efforts has been fruitful in the past and will continue.

Nicaragua

A. Introduction

Nicaragua continued to be a major drug transshipment point for South American cocaine flowing to the United States in 2011. Nicaragua's limited law enforcement capabilities and sparsely populated regions provide an enabling environment for drug trafficking organizations (DTOs) to move drugs, weapons and cash, and establish clandestine labs and warehouse facilities. DTOs were increasingly reliant on local populations for logistical support, including refueling and security, and used women and children as "mules" to transport contraband. Nicaragua is a producer of crack cocaine, methamphetamines and marijuana. There was no reliable data on the size of the export market for these illicit drugs or on the quantities consumed domestically. Indications existed, however, that domestic use of these drugs was rising, particularly on the Caribbean coast. Over the past year the police targeted smaller gangs and DTOs operating in and around the capital of Managua.

Despite difficult conditions and limited resources, in 2011 Nicaragua's civilian and military law enforcement units disrupted 18 DTO operations throughout the country, including operations in the strategically important autonomous regions of the Caribbean coast. Security forces dismantled DTO logistical structures; seized drugs, currency and small arms; destroyed clandestine airstrips; and confiscated vehicles, aircraft, vessels and livestock. Nicaragua protected its territory as best it could with limited resources and while able to deter some DTOs from Nicaraguan littoral waters, many continue to use these maritime routes.

The Government of Nicaragua routinely announced its commitment to fight illicit drug trafficking and organized crime, including efforts to coordinate with other Central American countries to combat the drug trade. In April 2011, a delegation from Costa Rica and Nicaragua met on their common border to coordinate efforts to counter DTOs operating in the porous border area. The Nicaraguan National Police (NNP) enhanced their efforts by participating in regional law enforcement forums; the Nicaragua National Police (NNP) Chief represented the government at several Central American Integration System (SICA) meetings. Nicaragua is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In 2011 Nicaraguan authorities started to enforce Law 735, approved by the Nicaraguan National Assembly in November 2010, which regulates the prevention, investigation and prosecution of organized crime, as well as the administration of seized, forfeited and abandoned assets. In April 2011, Nicaragua enacted an administrative regulation restricting production, importation and distribution of the chemical phenyl acetic acid (PAA), a methamphetamine precursor, in its raw form or any products derived from the chemical, and banned all uses of PAA – commercial and domestic. A violation of the administrative regulation will result in a fine and/or prison time. In November 2010, the National Assembly approved a national budget increase to strengthen the counternarcotics capacity of the military and national police.

In March 2011, the Nicaraguan National Assembly ratified the Central American Simplified Extradition Treaty to facilitate the prosecution of third-country nationals for organized crime and similar offenses. The ratification of this treaty will allow Nicaragua to streamline arrests and the extradition of prisoners from Central American nations. The United States – Nicaragua extradition treaty dating from 1907does

not apply to Nicaraguan citizens, as the Nicaraguan Constitution bars their extradition from national territory.

The government built new NNP facilities in municipalities around the country and five sub-stations in Managua. The NNP added 1,300 new officers to its rolls, setting a new record for a single-year increase in new officers. Additionally, the NNP added to its vehicle fleet, bringing the quantity of new or seized assets added since 2007 to approximately 600 motorcycles and 120 motor vehicles. The NNP seized, modified and equipped six large transport trucks to serve as mobile command centers for the Mobile Inspection Unit's (MIU) periodic roadblock operations along the Pan America Highway.

In March 2011, the NNP and the European Union signed a cooperation agreement for 5.9 million euro to fund a central criminal forensic laboratory for the police to receive and process physical evidence collected at crime scenes. Once fully opened in early 2012, the laboratory will conduct genetic studies, fingerprinting, and ballistic and voice analysis.

The United States and Nicaragua signed a Maritime Counterdrug Bilateral agreement in November 2001. Nicaragua is a party to the UN Convention against Transnational Organized Crime and its three protocols, and is a member of the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS). Nicaragua is a party to the UN Convention against Corruption (UNCAC), the UN International Convention for the Suppression of the Financing of Terrorism, the Inter-American Convention on Mutual Assistance in Criminal Matters, and the Inter-American Convention against Corruption. Nicaragua also ratified the Inter-American Mutual Legal Assistance Convention in 2002, an agreement that facilitates sharing of legal information between countries and improves cooperation with U.S. requests for evidence sharing or transfer. In 2002 Nicaragua ratified the Inter-American Convention against Terrorism, and signed but not ratified the Caribbean Regional Maritime Counternarcotics Agreement in 2003. In 2004, the United States and Nicaragua signed the Cooperating Nation Information Exchange System (CNIES), which allows greater law enforcement information sharing among nations. Nicaragua is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. Nicaragua participated in the U.S. Coast Guard sponsored Multilateral Maritime Counterdrug Summit, which included participants from Columbia, Ecuador, Peru, Mexico and most Central American countries.

2. Supply Reduction

DTO transshipment methods include numerous land, sea and air routes. Maritime smuggling via go-fast boats on the littoral waters of the Pacific and Atlantic coasts, the San Juan River, and Lake Nicaragua remained prevalent, though routes changed routinely. According to the government, DTOs appeared to increase use of self-propelled fully-submersible submarines to transport cocaine in the Pacific region. Traffickers constructed and used clandestine airstrips in the Caribbean coastal areas, the Northern Atlantic Autonomous Region (RAAN) and the Southern Atlantic Autonomous Region (RAAS). Nicaragua's limited capacity for tactical communications between surface and air assets impeded interdiction coordination.

In 2011, Nicaraguan authorities reported a decrease in the previous year's cocaine seizures and an increase in cash and property seizures, including 50 vehicles, six airplanes, 15 boats, 79 illegal firearms and 19 farming operations (fronts for illicit trade) with over $900,000 worth of livestock. Nicaragua seized over $5 million in bulk cash currency in addition to assets worth approximately $11 million. Drug seizures included 8.80 (MT) of cocaine, 31 liters of liquid cocaine, 86 kilograms (kg) of heroin and 342 (kg) of marijuana. Nicaragua also arrested 168 individuals for drug-related crimes. Nicaragua did not report the dismantlement of any high-level drug trafficking organizations.

Border security remained a concern. Border police officials blamed a decrease in seizures on the lack of personnel, poor working conditions and low morale at the border. Corruption also likely contributed to the underreporting of seizures. The marshy region along the southern shore of Lake Nicaragua, which comprises much of the Nicaragua-Costa Rica border, is difficult to monitor. DTOs used the Pan-American Highway as a route for northbound cocaine, heroin and marijuana and a southbound route for weapons and currency. The port of entry at Peñas Blancas, on the Nicaragua-Costa Rica border, was the most successful and aggressive Nicaraguan border checkpoint in 2011. It remains the last overland chokepoint for northbound contraband and southbound currency entering or leaving the Central America customs area. However, the seizures for 2011 dropped dramatically at Penas Blancas.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Drug consumption in Nicaragua rose in 2011, particularly on the Atlantic coast where the transshipment of drugs is highest. Nicaraguan community leaders and law enforcement officials reported rising domestic use of crack cocaine, methamphetamines and marijuana, particularly among 16 to 35 year olds. The United Nations Office on Drugs and Crime reported that 0.7 percent of the population aged 12-65 abused cocaine. The limited education and law enforcement resources dedicated to addressing domestic drug use were largely focused on the Hispanic Pacific Coast regions of Nicaragua, rather than the Creole and Indigenous Atlantic Coast.

The NNP's Drug Abuse Resistance Education (DARE) program celebrated its 10 year anniversary as Nicaragua's premier youth demand reduction program in all regions of the country. Since 2001, more than 70,000 students in 800 schools participated in the DARE programs in English, Spanish or Miskito. In 2011, 41 NNP officers received training on demand reduction strategies, violence prevention and gang resistance education. The DARE program expanded into 148 new public schools, reaching nearly 18,000 new students, a 35 percent increase from 2010.

The NNP's Second Step (Segundo Paso) drug awareness and prevention program for teachers and police officers dealing with preschool level children, continued in Managua, the RAAS, and the RAAN. Twenty-seven preschool teachers and three NNP officers received Second Step Monitoring and Project Evaluation training. In addition, the NNP Juvenile Affairs Division's anti-drug message reached 280 students in 15 schools in the Pacific and Atlantic Coast regions.

In 2011, the Gang Resistance Education and Training (GREAT) program, initiated in 2010 with the support from the NNP, expanded to all regions of the country. The program graduated more than 3,000 students from 20 public elementary and high schools in Nicaragua, including more than 10 percent of students in the capital of the RAAS.

In July 2011, the NNP inaugurated a new youth development center designed to give former gang members and their families vocational skills and alternatives to gang membership. The center focused on the reintegration of youth and families who show a willingness to be key players in the development of their communities. According to the NNP, the youth received personalized attention to promote confidence and self-esteem, as well as vocational training and job placement assistance.

There were no private sector initiatives to promote national drug abuse awareness or prevent drug addiction in 2011, although various international non-governmental organizations (NGO) provided treatment and services to drug users. The New Self Foundation opened a rehabilitation center for individuals addicted to narcotics with the intent to provide treatment to 1,500 addicts. The Foundation

received training support from the National Council to Combat Drugs, Institute of Alcoholism and Drug Abuse, the NNP and the Nicaraguan military.

4. Corruption

As a matter of policy, the GON neither encouraged nor facilitated illegal activity associated with drug trafficking and no senior government officials were accused of being engaged in such activity. Nevertheless, corruption remained a serious problem in Nicaragua. Many factors made corruption difficult to combat, including low salaries for police and judges and a poor law enforcement infrastructure. Cash-rich criminals acquired a cloak of impunity through bribery and extortion of judicial and law enforcement officials. Detained drug suspects were regularly freed after short periods of detention.

The politicization of the Nicaraguan judiciary, particularly the Nicaraguan Supreme Court presented another impediment to serious law enforcement efforts in the country. In 2011, for the first time, NNP officials received assets and vehicles seized from the Supreme Court in accordance with Law 735. Money and other assets seized from drug trafficking activities were largely unaccounted for. Reports of judges retaining expensive vehicles and luxury items were common.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Despite budget reductions in 2011, the Nicaraguan Navy's cooperation and interoperability with its regional partners and the United States made it the most productive counternarcotics force in Nicaragua. The Nicaraguan Navy and U.S. agencies enjoyed a cooperative operational relationship, but the law enforcement bureaus of Nicaragua remained dependent upon U.S. assistance.

U.S. assistance in Nicaragua is focused on enhancing the abilities of government law enforcement agencies to detect and intercept shipments, detain traffickers, stop the laundering of illegal profits from the drug industry, and support preventative programs to protect youth from drugs and recruitment into gangs.

With U.S. assistance, the Nicaraguan Navy upgraded its 65-foot patrol boat fleet and extended its maritime operations into the Pacific Ocean and Caribbean Sea. The Navy refitted and returned to service 20 confiscated go-fast type vessels. The United States provided training in maritime law enforcement, small boat operations, maintenance, logistics, engineering and leadership. The United States and the Nicaraguan Navy developed a long-range patrol strategy centered on three 65-foot patrol boats.

The United States provided support for civilian border security units, military border patrol units and the NNP's Mobile Inspection Unit (MIU), which established random checkpoints at strategic points on the national highway system and accounted for the bulk of all police seizures. In July 2011, the United States coordinated an interagency assessment of Nicaragua's port security in Corinto, San Juan del Sur, El Rama and the international airport in Managua.

D. Conclusion

The Government of Nicaragua took steps to stem the flow of drugs, weapons, money and exploited persons through it borders and the region as a whole. Nicaragua and the United States share common national security interests and in 2011 the NNP began to exhibit a greater willingness to cooperate with the United States on law enforcement issues. The Nicaraguan Navy's success with interdictions continued and demonstrated the willingness of Nicaragua to confront DTOs. The government should

expand its efforts to include interdiction as a component of a cohesive strategy to identify, disrupt, dismantle, and seize assets of high-value drug trafficking organizations to avoid an overt-focus on low-level traffickers. Nicaraguan achievements will increase if the government places greater emphasis on combating corruption and money laundering; professionalizing and removing political influences on the judiciary and the Prosecutor General's office; ensuring security activities are implemented through internationally-recognized norms; and continuing development of law enforcement institutions. Further, Nicaragua can expand its successes and facilitate regional security by opening its institutions to and sharing best practices with other Central American nations.

Niger

Drug production and use are not high-priority problems in Niger, though trafficking and use appear to be increasing. According to the head of the Drug Enforcement Coordination Center (CCLAD), population growth and increasing poverty continue to have dire social consequences that often result in drug abuse. Low prices for narcotics, especially cannabis and prescription medications, are also contributing to a gradual increase in consumption and to narcotics-related health problems.

Drug-trafficking routes run from Mauritania through Mali and cross northern Niger along the Algerian and Libyan borders, continuing toward North Africa, the Middle East, and Europe. The drugs originate mainly from South America. Instability and wider availability of arms resulting from the Libyan conflict may have expanded traffickers' capacity to move drugs through these routes. Only a very small amount of cannabis is grown in Niger, and to date there is no evidence of synthetic drug production facilities.

Niger is a party to the 1988 UN Drug Convention, the UN Convention against Transnational Organized Crime and to the UN Convention against Corruption. As a matter of government policy, the Government of Niger does not encourage or facilitate illicit production or distribution of narcotics and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions.

Cannabis and diverted prescription medications are readily and cheaply available in Niger. They are generally trafficked into Niger from Nigeria and Benin on heavy transport trucks, in the baggage of people traveling north into Niger, and on camels using traditional trade routes. Enough marijuana to make a cigarette or two is available for as little as 100 to 200 CFA (20-40 cents) and can be purchased on the periphery of many markets throughout Niger, but especially in Niamey and other urban areas. Diazepam, a depressant commonly marketed as Valium, is the prescription medication of choice for abuse and can be purchased on the street for as little as 25 to 50 CFA (five-10 cents) per pill. Drug use can be recreational or work-related, for work involving intense effort or extended drudgery. Dealers and users are generally 15 to 40 years old, and include members of affluent families. The CCLAD has visited schools in and outside Niamey to raise drug abuse awareness among students.

The CCLAD operates nationwide and is headed by a National Police Commissioner appointed in October 2010. The CCLAD is the focal point for government and private organizations that combat drugs and is tasked with compiling statistics, developing intelligence, and pursuing drug users and distributers. The CCLAD receives support from the French government and uses the French national public health laboratory to analyze recovered drugs. Within the Ministry of Justice, the Director of Criminal Affairs and Pardons heads the National Coordinating Commission for the Fight against Drugs, which organizes outreach and educational programs. The CCLAD headquarters office in Niamey includes 30 police officers, with plans for the addition of six National Guardsmen. The CCLAD has branches in Agadez (covering Agadez and Tahoua regions) and in Zinder (covering Diffa, Maradi, and Zinder regions). The center in Niamey also covers the regions of Dosso and Tillabery. The CCLAD is under-equipped and understaffed, and can offer no incentives to attract other security agents to join its ranks. Since its creation in 1992, the CCLAD has not been able to establish a detoxification or rehabilitation center for drug patients. The CCLAD intends to strengthen its branches in Agadez and Zinder by the end of 2012. It also intends to provide drug enforcement training for all security forces. The CCLAD plans to draft proposals for their upcoming activities and request assistance from partner countries.

During the first six months of 2011, the CCLAD-Niamey and other security forces arrested 242 people (including 97 sentenced to prison terms) and seized 655.4 kilograms of cannabis and 182,020 Diazepam (D5) pills. On June 7, drug enforcement officers at the Port of Cotonou, Benin, seized a container in

transit to Niger in which they found 405 kilograms of cocaine shipped from Brazil. On June 10, the Togolese drug enforcement agency seized 97 kilograms of cocaine in a container registered as carrying soybean oil en route to Niger. On September 3, near Dirkou, in Agadez region, the CCLAD with support from other security forces apprehended traffickers aboard three vehicles carrying a total of at least 3,200 kilograms of cannabis resin with an illicit market value of 13 billion CFA ($27.5 million). The CCLAD escorted the vehicles and their contents to headquarters in Niamey. On November 3, near Madama, in Agadez region, security forces clashed with suspected drug traffickers aboard four vehicles. The suspects managed to escape, leaving one government soldier injured. The CCLAD reports that it is investigating several cases involving politicians.

Nigeria

A. Introduction

Nigeria remains a transit country for heroin and cocaine destined for Europe, and to a lesser degree, for the United States. The Nigerian Drug and Law Enforcement Agency (NDLEA) frequently arrests drug couriers at Murtala Mohammed International Airport (MMIA) in Lagos, but drug traffickers have begun using other ports of entry, such as seaports and land borders, to avoid the tighter controls at Lagos' airport. The Embassy's International Narcotics and Law Enforcement Affairs (INL) Office donated digital body scanners for Nigeria's four international airports in 2008, which continue to play a key role in NDLEA's detection of drug couriers. The U.S. Africa Command (AFRICOM) also donated drug detection kits for use at all points of entry, including land borders, to enhance the NDLEA's drug detection capacity on site.

Still, Nigerian organized criminal networks remain a major factor in moving cocaine and heroin worldwide, recently adding methamphetamine to and around Southeast Asia. In addition to drug trafficking, some of these organizations also engage in advance-fee fraud, and other forms of fraud targeting U.S. citizens and businesses. Widespread corruption in Nigeria facilitates criminal activity. These factors and Nigeria's central location along major trafficking routes provide incentives and mechanisms for criminal groups to flourish and for Nigeria to serve as an important trafficking hub.

The only drug cultivated in significant amounts domestically is cannabis sativa (marijuana). Nigerian-grown marijuana is the most commonly abused drug in the country. It is also exported to neighboring countries through Nigeria's vast, porous borders and then shipped on to Europe. However, marijuana is not shipped in significant quantities to the United States. Nigeria is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

he NDLEA enforces laws against drug trafficking and abuse and plays the lead role in demand reduction and drug control policy development. Inter-agency cooperation remains weak, partially explaining the dearth of apprehensions of major traffickers or the absence of consistent interdiction of major shipments of contraband. For instance, although all law enforcement elements have representatives at Nigeria's international ports of entry, joint operations between them are rare. No single law enforcement agency in Nigeria has adequate resources to combat sophisticated international criminal networks.

Nigeria's counternarcotics policy derives from a 1998 National Drug Control Master Plan (NDCMP). Many of the plan's goals, however, remain unfulfilled. The NDLEA's budget is not adequate. The Government of Nigeria (GON) increased the NDLEA budget to 7.81 billion naira (about USD 49 million) from 4.62 billion naira in 2009, an increase of 69 percent. Of this, seven percent, or 547 million naira (about USD 3.5 million) is allocated for NDLEA staff training. About 90 percent of the NDLEA budget goes to personnel costs, while two percent supports capital expenditures.

Besides being a party to the 1988 UN Drug Convention, Nigeria is also a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime and its three protocols. The 1931 U.S.-United Kingdom Extradition Treaty, made applicable to Nigeria in 1935, remains the legal basis for U.S. extradition requests. There are often challenges made during extradition

proceedings to the continued validity of the Extradition Treaty. Processing extraditions remains a tedious, slow process, yielding few results, in part because of Nigerian court procedures that tolerate defendant counsel's delaying tactics.

In the past year, NDLEA cooperated with international drug enforcement efforts, including numerous operations with the U.S. Drug Enforcement Administration (DEA). Most notable among these joint operations were the two Tin Can Port seizures in Nigeria in January, totaling 275 kilograms of cocaine originating in Bolivia; and, the seizure by NDLEA of West Africa's first methamphetamine laboratory in Lagos in June. DEA's Special Testing and Research Laboratory sent chemists to Lagos to help with the hazardous materials clean-up at the site of the seized lab. The seizure of the methamphetamine laboratory marked the beginning of a dangerous trend in Nigeria, namely apparent domestic production of methamphetamine. NDLEA and DEA have jointly initiated two additional investigations this year targeting clandestine methamphetamine laboratory operators either based in Nigeria or selling the labs' illicit production in Nigeria. These operators are actively seeking organized criminal group assistance in legally importing and then diverting large-scale quantities of precursor chemicals into Nigeria to increase their methamphetamine-production capacity.

2. Supply Reduction

The U.S. Embassy's INL Office donated digital body scanners and drug/explosives-detecting "itemizers" for Nigeria's four international airports (Abuja, Kano, Lagos, and Port Harcourt) in 2008. INL has also sent many NDLEA airport commanders to training at the International Law Enforcement Academy (ILEA) in Gaborone, Botswana. NDLEA has made good use of this technology and training. Most of NDLEA's hard drug seizures (e.g., cocaine and heroin) occur at the airports, with the vast majority occurring at MMIA in Lagos. Still, NDLEA faces challenges arresting major drug traffickers and financiers who organize the regular traffic of low level drug "mules."

Until recently, authorities have not systematically used asset seizures from traffickers and money launderers as enforcement tools. NDLEA reported no money laundering convictions in 2011. Asset forfeiture remains challenging in Nigeria, which lacks non-conviction-based forfeiture or plea bargaining laws. Without an appropriate plea bargaining mechanism, NDLEA encounters difficulty winning cooperation from low-level couriers to build cases against criminal gang bosses. At other times, the problem lies with Nigeria's courts, which remain subject to intimidation and corruption.

Cannabis sativa (marijuana or "Indian hemp") is the only illicit drug produced in significant quantity in Nigeria, although, as noted above, NDLEA has discovered a methamphetamine lab in Nigeria in the last year. All 36 of Nigeria's states grow marijuana, which remains the main drug abused domestically. Traffickers sell marijuana in Nigeria and export this drug through West Africa and into Europe. There is no evidence of significant marijuana exports to the United States. The NDLEA continues to pursue an aggressive and successful eradication campaign, which destroyed 690.6 hectares of marijuana cultivation between January and September 2011, almost 1.75 times the 395.3 hectares eradicated in 2010.

Nigeria is a major transshipment point for smuggling Asian heroin to Europe and to a lesser extent to the U.S. and for South American cocaine to Europe. Introducing vigorous, anti-drug enforcement regimes at Nigeria's five major seaports and its porous land borders would yield significant drug seizures. As traffickers become more aware of the presence of scanners at the airports, they are seeking other routes to smuggle drugs.

As drug couriers try to find new routes to avoid Nigeria's international airports, where detection is high, drug seizures at the MMIA have decreased slightly from last year. Between January and October 2011,

the NDLEA Command at MMIA seized 57.82 kilograms of cannabis, 79.7 kilograms of cocaine, 11.71 kilograms of heroin, 39.22 kilograms of methamphetamine and 5.5 kilograms of ephedrine.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

In addition to the traditional use of marijuana in Nigeria, the abuse of harder drugs (e.g., cocaine and heroin) has risen. Traffickers have followed a well-known pattern of pushing drugs into the transit country's domestic market. The NDLEA's Demand Reduction Directorate has reinvigorated its school-oriented programs and other programs targeting youth, professional truck/bus drivers, sex workers, community leaders, and transport workers. In the past year, NDLEA counseled and rehabilitated 1,708 drug dependent persons, more than 95 percent of involved marijuana users.

4. Corruption

Corruption plays a major role in drug trafficking in Nigeria. However, the GON 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. Nigeria has anti-corruption laws, but authorities can point to only a few notable convictions, including that of a former NDLEA Chief. These cases, however, remain the exception to the rule. Frequent media reports of high-level corruption that goes unpunished send the message that, by deft use of corruption, criminals can operate with impunity in Nigeria.

To address some weaknesses in Nigeria's criminal code, NDLEA has sought amendments to Nigeria's basic narcotics law during the past ten years to provide stricter mandatory sentences for major traffickers, but the National Assembly has failed to act.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Despite recent budget increases for NDLEA, GON funding for Nigerian law enforcement agencies remains insufficient. Unless the GON remedies this situation, little progress will occur over the medium to long term. The INL and DEA Country Offices in Nigeria work closely with the NDLEA and other law enforcement agencies to strengthen capacity. The Embassy INL Office also promotes greater cooperation between the Nigeria Customs Service and the NDLEA to improve interdiction at the vulnerable seaports and porous land borders. In FY2012, INL will fund a counternarcotics advisor and DEA plans assistance to stand up an elite unit, both of which will help to improve NDLEA's ability to address complex cases.

D. Conclusion

The U.S. government will continue to engage the GON on the issues of drug trafficking, corruption, money laundering, and other crimes. The underlying institutional and societal factors that contribute to these criminal activities in Nigeria remain deep-seated and require a comprehensive and collaborative effort at all levels of law enforcement and government. Progress can only occur through sustained GON efforts and political will with continued support from the international community.

Pakistan

A. Introduction

Pakistan remained a major transit country for opiates and hashish originating in Afghanistan in 2011. Pakistan also continues to be a producer of opiates from illicit poppy grown mostly in the Federally Administered Tribal Areas (FATA). Drug trafficking and addiction were associated with instability and lack of government control on Pakistan's 1,500-mile (2,430km) border with Afghanistan. The rugged, remote, border separating the FATA and Baluchistan province from Afghanistan is ideally suited for drug traffickers, who smuggle tons of heroin and opium across the border annually. Heavy traffic at the three official border crossing points contributes to the difficulty of surveillance and detection efforts. The border has dozens of unsupervised crossing points and is crisscrossed by unmapped and uncontrolled trails. The sheer volume of drugs transiting this country of approximately 185 million people, along with its deep-seated economic and social problems, fuels a domestic drug addiction problem. The country's law enforcement and judicial structures are under-financed and often fail to cooperate among themselves. Corruption in Pakistan is widespread.

The Pakistani Taliban and allied militant groups remained an active and determined insurgent force in the tribal areas in the northwestern area of the country that borders Afghanistan. The ongoing violence and military necessities relegated counternarcotics to a secondary effort in these regions. Pakistan's federal Anti Narcotics Force (ANF), the government's lead anti-drug agency, rarely extended its reach into the tribal areas. The ANF, along with the Frontier Corps, was present in Baluchistan, which borders Afghanistan's major drug producing provinces, Helmand and Kandahar. Given the enormous amount of sparsely policed territory and the nature of the terrain, law enforcement and other barriers to trafficking were spread thin.

Pakistani authorities actively endeavored to intercept the flow of narcotics and continued to make seizures, some fairly significant in size and scope. The Government of Pakistan (GOP) recognizes that the flow of drugs through the country is not just the problem of destination countries, but fuels a growing addiction problem within Pakistan itself. Pakistan continued its cooperation with the U.S. government and other governments on bilateral counternarcotics initiatives. The United Nations Office on Drugs and Crime (UNODC) has a presence in Pakistan, and worked closely with the GOP and USG on counternarcotics efforts over the past year. Pakistan is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The GOP continued to implement aspects of the National Drug Control Master Plan 2010-14, working towards three objectives: drug supply reduction, drug demand reduction, and international cooperation. The GOP has made advances in each area, most notably through the establishment of an Inter-Agency Task Force on Narcotics Control and the design and implementation of Drug Free Lahore, an innovative public effort to counter drug abuse at many levels. Despite these developments, inter-agency cooperation in these areas was inconsistent.

The inauguration of the new ANF Academy in Islamabad in May 2011 was a significant step toward the long term goal of increased professionalization of counternarcotics law enforcement officials in Pakistan as well as a symbol of greater interagency and international cooperation. As of October, the Academy had trained nearly 1,000 ANF and other law enforcement officials, whereas in the previous decade, the

Academy was able to train an average of fewer than 330 officials annually. The academy has taught a range of narcotics, legal, financial, crime scene analysis, drug rehabilitation, and intelligence courses to officials from many other Pakistani law enforcement agencies, including the Pakistan Rangers, Frontier Corps, Airport Security Force, Levies Force, Intelligence Bureau, Maritime Security, provincial Police and provincial Excise and Taxation. The academy also opened courses to participants from other countries, notably Afghanistan, UAE and Saudi Arabia, with the aim of becoming a regional training hub. Another sign of international cooperation is that the academy seeks funding and technical support from various international partners, most notably the United States, but also the UK, Australia and UNODC, while the GOP determines how to ensure a consistent level of support to the academy's program.

2. Supply Reduction

The ANF is not part of the armed forces, but its Director General is traditionally a senior Pakistan army officer. The ANF is authorized 3,000 personnel. Other law enforcement agencies have counternarcotics mandates, including the Frontier Corps Baluchistan (FCB) and Frontier Scouts (FSKP), the Pakistan Coast Guards, the Maritime Security Agency, the Frontier Constabulary (FCONS), the Rangers, Customs Preventive Force, the provincial police forces, and the Airport Security Force (ASF). The Pakistan Coast Guards uses counternarcotics cells and checkpoints along the Makran Coast to better coordinate and execute counternarcotics operations. The primacy of ANF, however, limits other agencies' investigative authorities. In addition, weak interagency cooperation continued to slow the GOP's ability to pursue drug traffickers and seize their contraband.

In 2011, GOP law enforcement and security forces reported seizing 3.8 metric tons of heroin, 2.59 metric tons of morphine, 22.80 metric tons of opium, 3.3kg cocaine and 173.75 metric tons of hashish. In 2011, the ANF reported having destroyed over 1,000 hectares of the approximately 1,700 hectares that the UNODC reported were cultivated in Pakistan in 2010. These reports have not been verified because much of the area where poppy is cultivated is in the restive FATA. Law enforcement agencies reported 85,471 arrests in narcotics cases nationwide and authorities registered 83,902 cases. Many of these arrests were of small-time traffickers and drug users, accounting for the large numbers arrested. During the same period, there were 7,183 convictions in narcotics cases.

Since many seemingly strong narcotics cases are reversed on appeal, the ANF supplemented its in-house prosecutors by hiring private lawyers to argue appealed convictions. The U.S. Drug Enforcement Administration (DEA) continues to advise ANF on the use of conspiracy laws to prosecute major traffickers.

The GOP collaborated with law enforcement agencies from multiple countries to carry out controlled deliveries and joint operations around the world. Pakistani law enforcement agencies participated in controlled deliveries to Malaysia, Benin, Spain and the United Kingdom resulting in nine arrests and seizure of 608 kg of heroin. The GOP either conducted or was executing thirteen joint operations with American, British, Dutch, Australian, Belgian and South African authorities resulting in the seizure of more than 160 kg of heroin.

The GOP has an established chemical control program to closely monitor the importation of controlled chemicals used to manufacture illicit narcotics. Nevertheless, significant quantities of precursor chemicals shipped to Pakistan, and transiting Pakistan for Afghanistan, are diverted for illegal use. Some progress has been made in determining the routes and methods used to smuggle chemicals through Pakistan into Afghanistan. Major routes run to the Afghanistan provinces of Nangarhar, Helmand, Kandahar, and Nimroz. DEA routinely provides Pakistani law enforcement information regarding

chemical seizures that may have links with Pakistani smuggling groups and/or chemical companies, to facilitate further investigation within Pakistan.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

In early 2011, the Department of State's Bureau of International Narcotics and Law Enforcement (INL) commissioned the UNODC to conduct a nationwide drug use survey, the results of which are due in mid-2012. The survey, which is being conducted in conjunction with Pakistani Federal Bureau of Statistics, is designed to produce data on the level of drug use in the country to help establish a basis for targeting future demand reduction efforts. The GOP's programs for drug awareness, demand reduction, and treatment are inadequate. They are inadequate to accommodate all who need help, and some of the methods applied do not demonstrate high levels of success. The GOP instituted its "Drug Free" campaign in coordination with educators, religious leaders, labor unions, the media, and political parties. The GOP's national plan also envisions development of an effective and accessible treatment and rehabilitation system. Although Pakistan has three Model Addict Treatment Centers in Quetta, Karachi and Islamabad, a number of private organizations are taking the lead in treatment and rehabilitation, including USG-supported DOST ("Friend") Welfare Foundation in Peshawar, New Horizons Care Center in Karachi and Mian Afzal Trust in Gujranwala. The GOP could increase its reach and effectiveness in treatment and rehabilitation by offering greater support for privately funded centers.

4. Corruption

Corruption is widespread in Pakistan. Government officials as well as the political opposition, press, and the judiciary have acknowledged that it is a major challenge to law enforcement and the business climate. An independent judicial system and a sizeable press investigate and expose corrupt practices, but often with limited consequences for those involved. While parliamentary oversight committees and executive branch agencies also work against corruption, their overall effectiveness is mixed. Pakistan's corruption challenge also increases its vulnerability to drug trafficking, principally through bribes to officials to allow the unchecked movement of people and goods. Narcotics traffickers are not thought to have major influence on senior-level government policy or law enforcement. As a matter of government policy, the GOP does not encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Much of 2011 was a period of heightened tension and uncertainty in the overall U.S.-Pakistani bilateral relationship. In spite of this, U.S.-Pakistani cooperation in counternarcotics remained steady and in some areas thrived.

The U.S. Embassy's Narcotics Affairs Section (NAS) manages an extensive multi-faceted effort in Pakistan, with an FY'11 budget of $114 million. NAS leads an interagency counternarcotics working group at the Embassy including representatives from DEA, and other USG agencies, Embassy Political section, and Regional Affairs designed to more effectively coordinate Mission counternarcotics efforts. The NAS counternarcotics program includes road construction and alternative development projects in inaccessible areas, assistance for GOP counternarcotics units including the ANF's Special Investigative Cell (SIC), support for the ANF Academy and demand reduction programs. NAS also manages border security law enforcement reform and capacity building programs. The USG provides aviation support and training to enhance the GOP's surveillance and interdiction capabilities; makes available commodity support, training and outpost construction for Pakistani security forces to improve their capability to interdict militants, narcotics traffickers and other criminals; and has built hundreds of kilometers of roads

to allow Pakistani authorities access to remote areas where narcotics cultivation and militant activity often occur. The NAS Air Wing., was established to assist GOP counternarcotics efforts and advance U.S. border security objectives. NAS also provides support for eight local demand reduction programs carried out by non-government organizations in four provinces and the capital area.

DEA's Islamabad Country Office has a close working relationship with the ANF Special Investigation Cell (SIC). During FY11 joint operations by DEA and ANF SIC led to the seizures of approximately 226 kilograms of cocaine (an unusual narcotic to this region that is being used increasingly by the local population), 62,803 kilograms of hashish, 707 kilograms of heroin, 851 kilograms of morphine, 6,606 kilograms of opium, and $4,038,351 in assets. This tandem effort also initiated three international controlled deliveries of approximately 370 kilograms of heroin to Benin, Malaysia, and Spain. The respective international controlled deliveries led to separate investigations, seizures, and arrests by the local DEA offices and their host counterparts. Seizures have also been made in the FATA, a formerly unchartered area for Pakistani law enforcement. DEA and ANF SIC have initiated a Hawala (informal money transfer shops) investigation, which has revealed an international network spanning from North America to Europe to Asia. Finally, DEA has set up a 39-man Vetted Unit (VU) that received a training program on basic narcotic investigations. Great strides have been made toward strengthening the working relationship between DEA and ANF SIC.

After assuming a counternarcotics mission in 2004, the Office of the Defense Representative in Pakistan (ODRP) Security Assistance Office has provided over $190 million in equipment, construction, and training to the Navy, Maritime Security Agency, Coast Guards, Customs Preventive (MCC), ANF and Special Services Group-Navy (SSG-N). ODRP engagement with Pakistani security forces is currently focused on increasing maritime interdiction capability. To accomplish this goal, ODRP has funded the creation of a Fast Response Boat program, construction of a tactical training center, and expanded the training curriculum to include Small Boat Unit tactical training and advanced boat maintenance. Interaction between ODRP and Pakistani civilian counternarcotics components grew beyond providing narcotics/explosive detection equipment maintenance and operator training into a larger role that includes providing equipment and constructing facilities.

The U.S. government continues to work with the GOP to improve Pakistani cooperation in the extradition of narcotics fugitives and the enactment of comprehensive money laundering legislation. The USG also encourages streamlining Pakistani drug enforcement legislation, making it easier for the ANF and other law enforcement agencies to prosecute narcotics cases.

Pakistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 Convention on Psychotropic Substances, the UN Convention against Corruption, and the UN Convention against Transnational Organized Crime.

The United States provides counternarcotics and law enforcement assistance to Pakistan under a Letter of Agreement (LOA). The LOA provides the terms of funding for cooperation in border security, crop control and area development efforts, narcotics law enforcement, and drug demand reduction efforts. There is no mutual legal assistance treaty (MLAT) between the U.S. and Pakistan, nor does Pakistan have a mutual legal assistance law. The 1931 U.S.-U.K. Extradition Treaty, which was applicable to all of British India, was adopted by Pakistan when it gained independence in 1947. Both the Extradition Treaty and Pakistan's Extradition Act are outmoded. Lack of action by Pakistani authorities and courts on pending extradition requests continues to be of concern to the United States. The last extradition was in 2006.

D. Conclusion

Pakistan is likely to continue to serve as a major narcotics transit country, as long as the production of narcotics in Afghanistan continues at current levels and Pakistan's border region with Afghanistan remains porous. The influx of narcotics into Pakistan has already fueled and will almost certainly continue to fuel an increase in drug use among Pakistanis, adding to social and economic ills in a country already burdened by security challenges and poverty. Unemployment and underemployment are high and the economy struggles to create employment for Pakistan's constantly growing population.

Pakistani authorities recognize the growth of narcotics trafficking and drug use and the corresponding damage being inflicted. The capacity of the GOP to act effectively against the narcotics trade is limited. Combating the threat to the country from terrorist groups and insurgents takes priority, and that effort absorbs most resources available for security and law enforcement. The militancy along the border with Afghanistan contributes to the difficulty of blocking or interdicting the drug trade.

The GOP is making strides toward greater international cooperation. However, it can make its counternarcotics efforts more effective. Most importantly, government agencies can work in a more coordinated fashion against traffickers. Better utilization of GOP agencies' limited resources requires basic improvements such as information sharing to avoid duplicative or contradictory efforts. Continued and increased cooperation with other governments and international organizations is another way for the GOP to further reduce the supply of drugs, while increased support for private organizations focused on drug education, anti-drug campaigns and drug treatment programs would also increase effectiveness in demand reduction.

Panama

A. Introduction

In 2011, Panama remained a focal point for illicit activity, including the trafficking of illegal drugs and goods. By virtue of its geographic location and the presence of the canal, Panama was and remains a crossroad for illicit trafficking. Drug Trafficking Organizations (DTOs) – mostly from Mexico and Colombia – and the Revolutionary Armed Forces of Colombia (FARC) used Panama's remote spaces such as the Darién region, its coastline and littoral zones, and its transportation infrastructure to move illegal drugs and other contraband. This infrastructure included four major containerized seaports, the Pan-American Highway, and Tocumen International Airport, which boasts the most passenger traffic of any airport in Central America. President Ricardo Martinelli's administration continued Panama's historic cooperation with the United States on counternarcotics operations, investigations, and capacity building. The United States worked closely with the leadership of all Panamanian security services to build stronger security and justice sector institutions. Panama is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Developments

Throughout 2011, Panama built on past efforts to strengthen and improve its three security institutions and took concrete steps to improve interdiction capacity and citizen security. Panama increased the Ministry of Public Security's (MSP) fiscal year 2012 budget by 7.8 percent over fiscal year 2011 funding levels, marking the third straight year of increased funding levels for security-related issues. The government continued to invest in infrastructure and equipment, including funding the creation of an Advance Passenger Information System (APIS) program to link Panama's passenger manifest control system to the United States' APIS. This system will provide Panama with the ability to target incoming and outgoing passengers and flights. The Panamanian National Police (PNP) also increased spending on infrastructure and equipment, including procurement of more than 950 vehicles and 450 motorcycles to improve officers' ability to respond to emergency calls. Leadership changes undertaken in late 2010 within the National Air-Naval Service (SENAN) enabled the organization to launch tangible reform efforts. The Panamanian National Border Service's (SENAFRONT) increased presence and efforts in the Darién region improved government control over the remote region, and disrupted narcotics trafficking in the area. SENAFRONT continued capacity building activities in close partnership with the United States and Colombia.

The PNP implemented elements of a modern Computer Statistics (COMPSTAT) system that – when completed – will enable the police to fully utilize an array of community-based policing techniques. Through U.S. assistance and technical advisors, Panama incorporated modern police philosophies into PNP training programs. In 2011, the Attorney General initiated changes in the Public Ministry, but justice sector institutions remained weak and susceptible to corruption. Panama had difficulty in prosecuting complex organized crime cases, resulting in inhibited efforts to disrupt sophisticated trafficking organizations.

In September 2011, Panama commenced implementation of the switch to an accusatory judicial system. The new judicial system will be implemented in phases and, by end of 2011, was functioning in the Coclé and Veraguas provinces. The systemic change is expected to reduce pretrial detention and Panama's notorious judicial backlog.

Panama 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. A mutual legal assistance treaty and an extradition treaty are in force between the United States and Panama, although the Constitution does not permit extradition of Panamanian nationals. In 2002, the United States and Panama concluded a comprehensive maritime interdiction agreement, named Salas-Becker, which continued to be one of the most effective agreements in the region in 2011. Panama has bilateral agreements on counternarcotics with the United Kingdom, Colombia, Mexico, Cuba, and Peru. Panama is a party to the UN Convention against Transnational Organized Crime and its three protocols and to the UN Convention against Corruption. Panama is also a member of the Organization of American States (OAS) and is a party to the Inter-American Convention on Mutual Assistance in Criminal Matters, the Inter-American Convention Against Corruption, the Inter-American Convention on Extradition, the Inter-American Convention against Terrorism, and the Inter-American Convention against the illicit manufacturing of and trafficking in firearms. Panama is a member of the Central American Integration System (SICA). In 2011, Panama participated in both sessions of the semi-annual Multilateral Maritime Counterdrug Summit, which includes Colombia, Ecuador, Mexico, Peru and all other Central American countries.

2. Supply Reduction

In 2011, Panama reported seizing 34 metric tons (MT) of cocaine, largely in cooperation with U.S. law enforcement. This includes cocaine captured by Panamanian authorities, but does not include 2.2 MT of cocaine seized by U.S. Coast Guard (USCG) assets in Panamanian waters, or cocaine jettisoned by traffickers during pursuit. Panama experienced a marked decrease in cocaine seizures from prior years having seized 49.5 MT of cocaine in 2010. The United States estimates the drop in cocaine seizures can in part be attributed to the disruption of established trafficking organizations and a shift in trafficking trends away from multi-ton shipments. The government's increased forward deployment of assets also contributed to changing trafficking routes.

SENAN continued to facilitate USCG requests for ship registry data and provided liaison officers to serve aboard U.S. maritime vessels to increase the effectiveness of interdiction operations. SENAN provided support for joint counternarcotics operations including interdiction, patrolling, photographing suspect areas, and identifying suspect aircraft. In addition, the organization continued to allow U.S. maritime vessels to operate in Panamanian territorial waters under the Salas-Becker bilateral agreement. A full year of dedicated, focused and stabilized senior leadership in SENAN allowed for a number of positive reforms, including clearing unprofessional officers from its ranks, and improving its ability to maintain maritime vessels. Other institutional challenges will require considerable time, effort, and resources to resolve. In the interim, institutional weakness will continue to hinder Panama's ability to effectively deter drug trafficking within its territorial waters.

Panama did not produce cocaine, heroin or precursor chemicals. Panama cultivated a limited amount of cannabis, principally for domestic consumption. Drug-related seizures in 2011 include 4.9 MT of cannabis, 295 kilograms (kg) of crack cocaine, and 194 kg of heroin. Additionally, Panamanian authorities seized $11,250,000 USD in drug-related bulk cash, up from $8,100,000 in 2010.

In 2011, maritime trafficking along Panama's north coast stabilized at 2010 levels, but Panama experienced an increase in documented movements on the Pacific in regions west of Panama City towards the Costa Rican border. These two trafficking routes support narcotics flows moving north toward Central America and into the United States. Panama continued efforts to widen the canal to support licit commerce activities; the United States expects trafficking via shipping container through Panama – the

default transit point for the Western Hemisphere – will grow along with licit container traffic. Based on seizures from containers in Panama and destination countries, the United States assessed that the bulk of container-based drug trafficking continued to flow to Europe in 2011.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Drug demand data continued to be difficult to assess for trends, as the last drug demand study, conducted in 2008, remained under review and unpublished. Although no reliable national data exists, the Mental Health Institute reported a slight increase of people seeking assistance for addiction-related issues across all categories. According to reports from 2006, Panama treated 992 persons for addiction-related issues. Panama did not update its written strategy on drug demand reduction from 2007, but reportedly will release a new plan covering 2012 through 2016 in early 2012. In 2011, the government again lacked an official budget for drug reduction programs, although funding became available through seized assets, donations from civil society groups and international cooperation. Nonetheless, the Ministry of Education provided drug prevention programs in schools, and the Ministry of Health supported a drug-counseling program known as the Mental Health Institute. The Ministry of the Presidency acted as the coordinating entity for some 45 youth programs spread among 20 Panamanian government agencies. The United States partnered with the PNP and other local actors to implement such programs as Drug Awareness and Resistance Education (DARE) and Youth Crime Watch.

4. Corruption

The Panamanian government did not, as a matter of government policy, encourage or facilitate illicit drug production or distribution. The government of Panama was not involved in laundering proceeds of illicit drug sales. Despite Panama's public stance against corruption, the government adjudicated few cases of corruption in 2011, in part due to weak investigative capacity and judicial system. Corruption remains a serious concern throughout the security services and the justice sector. There are indications that members of the security services were involved in trafficking and that DTOs penetrated the government's security services. However, the MSP and the PNP supported a major reform of the internal affairs process governing all security services. Formal implementation of this reform was delayed pending necessary legal reforms, but the PNP already adopted many of the policies and procedures of the new system, including increased civilian oversight of internal affairs investigations and standard disciplinary guidelines. In 2011, the PNP Internal Affairs unit received and processed 670 citizen complaints, and 83 police officers of various ranks were removed from service for cause. In 2011, the Panamanian government and the United Nations Office on Drugs and Crime (UNODC) signed an agreement establishing a Regional Anti-Corruption Academy in Panama. UNODC staff worked with members of Panama's National Council for Transparency against Corruption to establish the Academy. Although in the early stages, the Academy seeks to improve transparency in Panama and throughout Central America.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Programs supported by the United States focused on improving Panama's ability to intercept, investigate, and prosecute illegal drug trafficking and other transnational crimes; strengthening Panama's judicial system including its prisons; improving Panama's border security; and promoting better enforcement of existing laws.

In 2011, the United States provided resources for modernization and upkeep of SENAN, SENAFRONT, and PNP vessels and facilities in support of interdiction efforts. Throughout 2011, the United States also provided training, operational equipment, and logistics support to members of Panama's security services to improve their professionalism and effectiveness. The United States conducted two mobile training

team (MTT) sessions for small boat operations and performed an assessment of SENAN's logistical, engineering, force management and operations.

The United States supported and encouraged a growing training relationship between Panama and Colombia through which Colombian police experts provided training to members of Panama's security services. The United States continued support for a major law enforcement modernization project within the PNP to develop its leadership and implement modern police philosophies. The program aims to improve community policing tactics, expand existing crime analysis technology and promote managerial change to allow greater autonomy and accountability. In 2011, the program expanded to include the creation of a modern COMPSTAT system to improve how the PNP receives, processes, responds to, and records all types of citizen reports. The information generated from the new system will not only improve Panama's ability to record statistical information relating to criminal activity, but also provide all levels of police leadership with the information needed to effectively apply modern policing strategies and improve response time. In 2011, half of the PNP's 16,000 members received initial training in the new system, and the system deployed to five geographic police zones throughout the country. The combination of establishing community-based policing tenets within the PNP's core values and reforming its internal affairs process is expected to have far-reaching, positive effects on the law enforcement institution.

In 2011, the government collaborated in joint counternarcotics efforts with U.S. entities, such as the Drug Enforcement Administration (DEA), Department of Homeland Security and USCG, among others, and worked collaboratively with the United States to strengthen national law enforcement institutions.

The United States provided equipment and support to vetted Panamanian law enforcement units in 2011, who in turn investigated high-profile cases, often involving crimes with a nexus to the United States. These law enforcement units conducted sensitive investigations and operations related to counternarcotics, money laundering, human smuggling, and other transnational crimes. U.S. law enforcement continues to work with host nation counterparts to disrupt DTO operations. After several years of investigation, Panama dismantled a major DTO operating on its Caribbean coast, further disrupting drug trafficking in the area.

In 2011, the MSP continued an ambitious plan to forward deploy maritime assets belonging to all three of its security services to better control narcotics transit zones. In 2009, most MSP maritime assets were based near the capital and the city of Colón. The security services maintained 16 observation points or installations with varying degrees of capacity to respond to trafficking threats. By the end of 2011, the security services maintained 23 posts on Panama's coasts and the government stationed resources across Panama, resulting in improved capabilities to respond to trafficking treats. In 2011, the United States provided infrastructure support to complement Panamanian efforts, including support for the construction of three new observation posts to be completed in 2012.

D. Conclusion

Panama made strides toward institutional reform and increased transparency within the MSP and the security forces under its leadership. Panama should complete – and institutionalize – the reforms to ensure that the PNP, SENAFRONT, and SENAN are professional forces capable of withstanding the corrosive effects of transnational crime. The United States will continue to work closely with Panama, and encourages the government to devote more resources to the modernization of its security and justice institutions. The United States will also support Panama's efforts designed to prevent, detect, investigate, and prosecute financial crimes and money laundering. Panama will be strengthened by a renewed focus on law enforcement modernization; anti-corruption; strategic planning; judicial and prosecutorial reform;

and decentralization of decision making, in addition to a stronger focus on community-oriented policing philosophies.

Paraguay

A. Introduction

Paraguay faces significant challenges to successfully fighting narcotics trafficking and production: its location and the institutional challenges facing its law enforcement agencies and courts continue to impede counternarcotics efforts.

Paraguay produces one of the largest marijuana crops in the hemisphere, largely for export to Brazil and Argentina. It is also a transit country for Andean cocaine, most of which is destined for Paraguay's neighbors or to Europe, Africa, and the Middle East. Significantly smaller quantities are transported to the United States. Although domestic demand for illegal drugs remains low, as elsewhere in the region, consumption of crack is on the rise.

This landlocked nation's porous borders, extensive internal waterways, and weak law enforcement institutions are easily exploited by drug traffickers. Arms trafficking, money laundering, counterfeiting, and other illegal activities linked to drug trafficking are also prevalent. Moreover, these activities increasingly involve international criminal organizations, such as the Brazilian-based *Primeiro Comando da Capital* (PCC), operating in towns along the Paraguay-Brazil border. All in all, it is a challenge for the National Anti-Drug Secretariat (SENAD), Paraguay's primary counternarcotics agency, which has just over 360 members.

Despite these challenges, in 2011 the Government of Paraguay continued to disrupt the activities of drug traffickers through interdiction, eradication, and demand reduction efforts led by SENAD and aided by the Paraguayan National Police (PNP) and the Customs Administration. Those agencies, along with the Attorney General's Office, the Anti-Money Laundering Secretariat, and the Supreme Court all welcome cooperation with the United States in combating narcotics trafficking.

Paraguay is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Paraguayan Congress continues to study two laws introduced in 2010 that, once passed, would enhance counternarcotics efforts, particularly for SENAD. The first proposal would strengthen Paraguay's asset forfeiture regime, providing more funds for counternarcotics efforts. The second would grant official law enforcement powers to SENAD special agents. In 2011, SENAD served as the country coordinator for a United Nations Office on Drugs and Crime (UNODC) multi-agency and multi-national program: *Strengthening the Rule of Law, Security and Justice in Paraguay*. Through this program, the United States provided financial support for the completion of a national base-line drug survey, the first such survey in Paraguay since 2006. SENAD received modest budget increases each of the previous three calendar years and its 2011 budget totaled $3.9 million.

Paraguay is a party to the 1988 UN Drug Convention and the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, as well as the 1971 UN Convention on Psychotropic Substances. Paraguay is also a party to the UN Convention Against Transnational Organized Crime and its protocols; the United Nations Convention Against Corruption; the Inter-American Convention Against Corruption; and the Inter-American Convention Against Terrorism. Paraguay is a signatory to the Organization of

American States Inter-American Drug Abuse Control Commission (CICAD) Hemispheric Drug Strategy, and is also a signatory to the 1992 Inter-American Convention on Mutual Assistance in Criminal Matters.

U. S. and Paraguayan law enforcement authorities cooperate in extradition matters pursuant to a 2001 bilateral extradition treaty. The 1987 bilateral Letter of Agreement under which the United States provides counternarcotics assistance to Paraguay was extended in 2004 and has been amended annually through 2011.

2. Supply Reduction

SENAD's 2011 cocaine seizure statistics are on par with 2010's record seizure numbers. It seized 1,389 kilograms of cocaine but had no chemical precursor seizures. SENAD's canine unit made 48 cocaine seizures totaling 131 kilograms with 16 related arrests. In total, SENAD made 341 narcotics related arrests. It also seized 369 metric tons of marijuana; 4,663 kilograms of marijuana seeds and wax; eradicated 825 hectares of marijuana crops; destroyed 253 production camps; confiscated 130 vehicles (including motorcycles), 8 airplanes, 62 firearms.

The PNP increased its seizure numbers in 2011 due largely to improved collaboration with the U.S. Drug Enforcement Administration (DEA) and the creation of a Sensitive Investigative Unit (SIU). In 2011, the PNP seized 1,294 kilograms of cocaine; 6,100 kilograms of precursor chemicals; 171 metric tons of marijuana; 4,870 kilograms of seeds and wax; eradicated 1,664 hectares of marijuana; confiscated 108 vehicles and 36 firearms; and made 470 narcotics-related arrests.

The UNODC reports that Paraguay is one of the largest marijuana producers in the hemisphere, accounting for over half of South America's production. Marijuana cultivation takes place primarily in the northeastern departments near the Brazilian border. SENAD often cites UNODC estimates of five to six thousand hectares of cultivated marijuana, although a thorough, scientific assessment has not taken place in five years.

A variety of methods are used to smuggle narcotics through Paraguay on to regional and international destinations, including cargo trucks, passenger buses, small airplanes, containerized cargo, and human mules. Towns along the Brazilian border such as Pedro Juan Caballero, Salto del Guaira, and Ciudad del Este are notorious transit centers for narcotics, arms, and other contraband. Vehicular and foot traffic routinely cross the border unchecked by authorities on either side. Additionally, due to the sparse presence of law enforcement and a lack of radar coverage, large farms in the northwestern Chaco region along the Bolivian border are used as bases of operation for aerial cocaine shipments originating in Bolivia.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Domestic demand for illegal drugs in Paraguay appears low in comparison to neighboring countries. However, Paraguay's last official drug use assessment was in 2006 and only captured statistics from 12 to 18 year-olds. Still, SENAD is active and, in 2011, sponsored 242 workshops reaching 16,439 students, parents, and teachers in 97 different educational institutions. It distributed 5,940 informational pamphlets and 100 DVDs to students, teachers and counselors, and conducted 50 drug abuse awareness radio broadcasts.

The Ministry of Health's National Addiction Control Center is the only public drug treatment facility in Paraguay. It offers in-patient, out-patient, and walk-in assistance. No gender or age distinctions are made

and assistance is provided to all who seek treatment. Meanwhile, there is only one private rehabilitation center in Paraguay.

4. Corruption

The government of Paraguay neither encourages nor facilitates illegal activity associated with narcotics trafficking and no senior government officials have been implicated in such activity. Nevertheless, corruption remains a principal challenge to reducing the production and distribution of illegal drugs. Corruption in the judicial system and law enforcement is substantial and is a major barrier to effective prosecution and elimination of narcotics traffickers and producers. In a move that may combat this, the Paraguayan Congress approved a 40% pay increase for the national police in October 2011.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The Lugo administration continues to assign a high priority to counternarcotics efforts by supporting SENAD and the Interior Ministers. Congress also provided increased funding to aid the various entities in executing their counternarcotics mandates. The United States works closely with the Paraguayan government to disrupt narcotics trafficking organizations and to strengthen legal and regulatory frameworks in a joint effort to combat narcotics trafficking and the myriad associated crimes such as money laundering and arms trafficking. Over the past three years in particular, U.S. operational support from INL and DEA has sustained joint SENAD/DEA and PNP/DEA investigations, resulting in an increased numbers of drug seizures, arrests, and cases presented for prosecution.

D. Conclusion

The Government of Paraguay continues to advance its counternarcotics abilities as evidenced by its increased seizure numbers and SENAD's collaboration with the Brazilian Federal Police on select narcotics cases. Unfortunately, Paraguayan inter-agency collaboration remains underdeveloped. Finding ways to leverage the counternarcotics expertise of SENAD with the broader law enforcement community, and in particular with the PNP, could pay dividends for future counternarcotics efforts.

We encourage Paraguay to continue to institute measures to address corruption across all levels of government and for Congress to pass the pending legislation related to SENAD authorities and asset forfeiture. Finally, we encourage the Government of Paraguay to work diligently to provide sustained funding in support of the recently enacted legislation increasing police salaries.

Peru

A. Introduction

According to U.S. Government (USG) statistics, Peru has the world's highest potential production of pure cocaine and the second highest potential production of export quality cocaine. Peru is the world's second largest cultivator of coca, with an estimated 53,000 hectares (ha) of coca under cultivation in 2010. Cocaine is transported to Europe, East Asia, Mexico, the Caribbean, and the United States via land and maritime conveyances, and commercial air flights. Peru is also a major importer of precursor chemicals used for cocaine production.

Domestic consumption of illicit drugs is a growing problem and the number of treatment and rehabilitation centers falls short of what is needed to treat the estimated 150,000 addicts nationwide. There is also growing concern about the impact of drug trafficking and drug abuse on the nation's youth, as well as the damage illicit drug production causes to the environment.

Peru has a national counternarcotics strategy but does not devote sufficient resources towards its implementation, in part because cultivation and drug production occur far from densely populated urban centers. Eradication remains controversial in coca-growing areas, and some growers resort to violence to resist it. In mid-September, for example, coca growers temporarily blocked the main highway of the Ucayali Region. The administration of newly inaugurated (July 2011) President Ollanta Humala's briefly suspended eradication in mid-August, citing security concerns, but resumed eradication operations within three days. *Sendero Luminoso* (SL or Shining Path) factions in the Upper Huallaga Valley (UHV) and in the Apurimac and Ene River Valley (VRAE) rely on cocaine production and trafficking for funding, and have attacked and killed police and military personnel engaged in counternarcotics operations.

Peru is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Humala Administration's new counternarcotics strategy, previewed in November 2011, focuses on better controlling organized crime, narcotics and precursor chemicals, money laundering and financial crimes, narcotics, and on improving or increasing drug-use prevention, rehabilitation, eradication, and alternative development. The Government of Peru (GOP) continued to rely heavily on USG counternarcotics assistance to maintain police academies and bases, fund eradication efforts, provide aviation support, and fund operations and equipment for counternarcotics police.

In October 2011, then Minister of the Interior Valdés conducted a major reorganization of the Peruvian National Police (PNP), eliminating over two dozen senior positions. U.S.-supported police academies in Santa Lucia, Mazamari, and Ayacucho graduated 511 officers. Meanwhile, 600 students graduated from programs that prepared them to attend the academies. As a result of this intensive training, 2,082 members of the PNP's specialized counternarcotics unit, *Dirección Antidrogas* (DIRANDRO), operated in coca source zones east of the Andes in 2011.

The Office of the Attorney General (Public Ministry) continued its efforts to strengthen prosecutorial capacity by increasing staff and providing training on the New Criminal Procedure Code (NCPC), which transitions the Peruvian legal system from an inquisitorial to an adversarial system. By the end of 2011,

the NCPC was implemented in 17 of the 30 judicial districts in Peru. Nationwide implementation is expected by the end of 2013, with Lima anticipated to be the final judicial district to implement the code. The NCPC has been applied to corruption cases nationwide since September 2010.

Peru is a party to the 1961 UN Single Convention as amended by the 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; the 1988 UN Drug Convention; the Inter-American Convention on Mutual Assistance in Criminal Matters; the Inter-American Convention Against Corruption; the UN Convention Against Transnational Organized Crime and its three protocols; and the UN Convention Against Corruption. The United States and Peru are parties to an extradition treaty that entered into force in 2003. Peruvian law requires individuals to serve sentences and any probationary period in Peru before being eligible for extradition. Among the seven pending U.S. extradition and provisional arrests, three are related to narcotics trafficking and one each is related to homicide, money laundering, fraud, and child molestation. Six subjects of extradition requests remain at large. Three Peruvians were extradited to the U.S. in 2011. Two were extradited on child molestation charges and one was extradited on fraud charges.

In November 2009, Peru signed separate bilateral agreements with the Governments of Mexico and Brazil to increase intelligence sharing and cooperation on counternarcotics. In March 2010, the U.S. Coast Guard and Peruvian Maritime Authority signed Operational Procedures for boarding and inspecting vessels suspected of illicit trafficking in narcotic drugs and psychotropic substances. In 2011, the Peruvian Navy participated for the first time in the Multilateral Maritime Counterdrug Summit.

2. Supply Reduction

The 2010 USG estimate indicated that 53,000 ha of coca were under cultivation in Peru, a 33 percent increase from the 2009 level of 40,000 ha. The United Nations Office of Drug Control (UNODC), using a different methodology, estimated 61,200 ha of cultivation in 2010, a 2 percent increase from the 2009 level of 59,900 ha. USG estimates for potential production increased to 325 MT of pure cocaine (a 44 percent increase from 2009), or 365 MT of export-quality cocaine (a 49 percent increase from 2009). According to the Drug Enforcement Administration (DEA), density of coca cultivation per hectare has remained stable, as has the 72.4percent efficiency of alkaloid extraction from coca leaf.

In 2011, Peruvian authorities focused eradication efforts on central Peru's San Martin, Huanuco, and Ucayali regions. Despite coca growers' unsuccessful pressure on the GOP to halt or limit eradication, Peru eradicated 10,290 ha of illicit coca, exceeding their 10,000 ha goal, and destroyed 147 maceration pits.

Traffickers regularly used large production laboratories and storage areas to prepare and store cocaine, and then transported the cocaine from coca source zones (primarily in the UHV and VRAE) to Peru's coastal and border areas for further processing and distribution. The GOP increased DIRANDRO personnel in coca source zones for the seventh consecutive year in 2011, contributing to more effective and sustained eradication and interdiction operations. PNP seizures of cocaine base and cocaine hydrochloride (HCl) destined for Bolivia, Brazil and Ecuador highlighted the regular cross border trafficking.

Maritime smuggling is the primary method for transporting large cocaine shipments. Peruvian, Colombian and, increasingly, Mexican traffickers maintain sophisticated transit networks in Peru to ship cocaine to Europe, East Asia, Mexico, the Caribbean, the United States, and other Latin American countries.

In joint investigations with U.S. law enforcement during 2011, DIRANDRO identified and disrupted major international cocaine trafficking organizations responsible for maritime and air shipment of several metric tons of cocaine for export. The PNP continued to make headway against Peru-based organizations, but sustained progress will require resources beyond the DIRANDRO CY11 budget of approximately $7.3 million.

The GOP reported that in CY11 they seized approximately 24.5 MT of cocaine -- 13.8 MT of cocaine paste, and 10.7 MT of HCl. The GOP also reported the seizure of 3 MT of marijuana and the destruction of 157 MT of marijuana plants. In addition, DIRANDRO destroyed 1,517 cocaine laboratories, including 19 HCl and 1,498 base laboratories in the UHV and the VRAE.

As of October 2011, DICAPI seized 668 kg of cocaine, and the PNP and SUNAT seized 293 kg of cocaine in maritime counterdrug enforcement operations. Of an estimated 1.3 million containers that passed through Peruvian ports, SUNAT personnel inspected approximately 5,080 containers, up from 4,500 containers in 2010. The PNP-SUNAT Maritime Task Force continued to conduct profile exams from analysis of export cargo at the Callao seaport and was responsible for the seizure of 300 kilos of cocaine at main ports and cargo warehouses. As a direct result of intelligence provided by the Task Force, international counternarcotics officials seized an additional 300 kilos of cocaine in foreign ports.

PNP and SUNAT also interdicted 1.0 MT of cocaine and arrested 205 individuals at Lima's Jorge Chavez International Airport, including 53 internal drug carriers. Nearly 7,560 passengers were submitted to inbound and outbound body scan x-ray searches to detect illicit narcotics and currency. PNP and SUNAT authorities discovered narcotics concealed in 284 international air cargo shipments and seized 174 kg of cocaine at Peruvian post office locations.

In 2011, the PNP arrested various high-ranking SL members from the Huallaga Valley, and killed several SL members during counterterrorist operations, including Cresillo Veramendi-Meza (aka "Camarada Tigre"). Police also arrested the alleged principal money launderers for SL-VRAE, Jorge Hinostroza-Quispe and Alex Gutierrez-Mantari, and seized approximately US$8 million in assets. Both suspects have been charged with financing terrorism.

Peru produces precursor chemicals, such as sulfuric acid, required for the processing of coca to cocaine base. Peru is also a major importer of other essential chemicals for cocaine production. In 2011, the PNP Chemical Investigations Unit (DEPCIQ) continued its successful chemical enforcement and regulatory operations, leading to the seizure of significant quantities of precursor chemicals, including 20 MT of acetone, 117 MT of hydrochloric acid/muriatic acid, and 23 MT of sulfuric acid.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The *Comision Nacional Para El Desarrollo y Vida Sin Drogas* (DEVIDA) is responsible for media campaigns to inform the public about the risks of drug use. They collaborate with non-governmental organizations (NGOs) to provide anti-drug research, statistics and awareness campaigns to the public. Most public primary and secondary schools in large cities offer drug awareness education, but rural schools often lack these programs. Abuse of marijuana, cocaine, to a lesser degree, amphetamines, and synthetic drugs, most notably ecstasy or MDMA, has been increasing in Peru in recent years. According to the Information and Education Center for Prevention of Drug Abuse (CEDRO), approximately one million Peruvians use illicit drugs. CEDRO estimates that between 12-15 percent of these users become addicts. Public treatment facilities remain insufficient; only 6,000 addicts receiving care in 2010. The GOP Ministry of Health is developing regulations to standardize treatment and rehabilitation centers. A few major prisons have also established treatment and rehabilitation programs.

There is also a growing number of private treatment and rehabilitation centers in main cities, but many suffer from a shortage of trained staff. Peru has 200 to 250 "therapeutic community centers" (a participative, group-based approach to drug-addiction treatment) countrywide. Out of these private centers, only 10 or 15 percent are formal and professionalized. The rest are informal centers, often lead by "former" addicts and usually located in low-income communities or shanty towns. There are no therapeutic communities, rehabilitation centers, or clinics specifically for women and teenagers. Only three government-run drug addiction units exist under the Ministry of Health.

4. Corruption

As a matter of policy, the GOP does not encourage or facilitate the illicit production or distribution of narcotics, or other controlled substances, or the laundering of proceeds from illegal drug transactions. According to a 2011 national survey, 46 percent of Peruvians believe corruption is one of the biggest problems in the country and 96 percent perceive the judiciary and the police corrupt. Of those surveyed who had contact with a police officer within the previous 12 months, more than half (57 percent) indicated they were asked to pay a bribe.

In 2011, newly effective legislation provided the Office of the Comptroller General (OCG) broad sanction authority over public officials, authorizing the OCG to sanction public officials who commit infractions while carrying out their official duties. In March, an OCG report on the fight against corruption stated that more than 76,000 civil servants have received formal corruption complaints.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

he USG assists the GOP in eradication, interdiction, and control of precursor chemicals; maritime enforcement, port and airport security, and chemical field testing. To reduce dependence on illicit coca cultivation, the USG also assists with alternative development and good governance. Additionally, the USG supported counter-terrorism activities (which include counternarcotics operations in the major drug source zones of the UHV and VRAE); the refurbishment of police bases and enhanced police training that increased police presence and improved police operational capabilities. In the VRAE, the USG supported the Peruvian military with training, equipment, technical advice, and intelligence to enhance their capacity to combat SL, which is now responsible for much of the narcotics trade in the VRAE, and to increase state presence in this remote area. Law enforcement officials from other Andean countries also participated in some of these activities, strengthening regional counternarcotics cooperation.

The Alternative Development (AD) element continued to consolidate gains in coca-growing regions in 2011. United States Agency for International Development (USAID) continued working in San Martin with the private sector and transferred AD activities to regional and local governments, farmer associations, and other agents. This allowed the redeployment of resources to newly eradicated areas in Ucayali and Huanuco Regions under the post-eradication strategy. In 2011, alternative development activities began in areas of high-coca production in Huanuco Region. A total of 17,535 farmers received technical assistance to maintain 35,682 ha of licit crops, including 3,356 ha of new crops in 2011. Total sales of these crops were $30.8 million in the first six months of 2011. Licit incomes of participant families continued to increase, rising 24 percent from 2009 to 2010.

As Peru's counternarcotics programs mature and economic growth forecasts remain strong, the USG expects the GOP to increasingly take the lead in counternarcotics efforts. Recently, Peru's Aviation Police (DIRAVPOL) assumed responsibility for purchasing and transporting jet fuel; the USG expects this trend to continue in 2012.

D. Conclusion

The USG supports the Humala Administration's efforts to carry out a comprehensive counternarcotics strategy that maintains core commitments to eradication, interdiction and alternative development, and also addresses important associated issues like combating organized crime, controlling precursor chemicals, enhancing investigations of money laundering and financial crimes, and focusing on the administration of justice.

Importantly, Peruvian Customs (SUNAT), Coast Guard (DICAPI), National Port Authority (APN), Peruvian National Police (PNP), Peruvian military, and the Public Ministry do not consistently coordinate counternarcotics activity effectively. Additional GOP resources would allow them to more aggressively interdict maritime, land, and airport narcotics shipments.

Philippines

A. Introduction

Domestic consumption of methamphetamine and marijuana continued to be the main drug threats in the Philippines. The 2011 United Nations World Drug Report identified the Philippines as having the highest methamphetamine abuse rate in East Asia at 2.1 % of the adult population ages 16 to 64.

In 2011, the issue of Philippine citizens being used as drug couriers by transnational drug trafficking organizations (DTOs) gained nationalattention when two Philippine citizens were executed in China for drug trafficking. Philippine citizens have also been arrested in other countries while attempting to smuggle cocaine from South America to Asia as well as methamphetamine within Southeast Asia.

Philippine authorities made several large methamphetamine seizures in metro Manila during the year. In addition, prior efforts to eliminate large-scale labs seemed to have been effective as no major new labs were identified by law enforcement. The scale of the trafficking abuse problem in the Philippines continues to pose a major to challenge in prosecution: the Supreme Court Office of the Court Administrator reported that in the National Capital Region, as of December 2010 almost 30% of pending regional trial court cases were drug-related.

The Aquino administration made a special effort to increase cooperation among Philippine agencies involved in drug enforcement. This cooperation resulted in a 45% increase in counter-drug operations. Funding for drug law enforcement agencies, however, remained limited. The Philippine Drug Enforcement Agency (PDEA), the lead anti-drug law enforcement agency, had to request support from other law enforcement and military drug units to carry out missions. Many of those units, such as the Philippine National Police (PNP's) Anti-Illegal Drugs Special Operations Task Force (AIDSOTF), were task forces and therefore lacked dedicated budgets or permanent status.

The Philippines also continued to face the daunting task of tackling transnational drug trafficking organizations without strong legal tools such as provision for judicially authorized interception of criminal communications, plea bargaining, and an efficient drug asset forfeiture process. Without these important tools, enforcement's ability to gather evidence against high-level drug traffickers remained limited.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Developments

In 2011, the Philippine Congress initiated a review of the Comprehensive Dangerous Drug Act of 2002 to improve its effectiveness. Changes were approved by the House of Representatives to the procedure for gathering evidence to reduce the number of cases dismissed on technicalities; Senate approval of these changes is pending. The PNP encouraged Congress to approve an amendment to the Juvenile Justice Law to permit prosecution and punishment of youthful offenders between 15 to 18 years old to act as a deterrent to drug traffickers who recruit minors. Under current law, 15 to 18 year olds are protected from being prosecuted and incarcerated. A draft amendment is under consideration. The Philippine Congress also continued to work on amending the Witness Protection Law to provide rights and protections to witnesses.

The Philippine Congress continued to deliberate on an act establishing the Office of the Special Prosecutor for Dangerous Drugs (OSPDD). The OSPDD, if created, would be an independent and autonomous agency attached to the Office of the President focused on prosecuting major drug traffickers as well as any public servant or senior government, elected, senior police, or military official linked to the drug trade.

The Philippine Department of Justice (PDOJ) reconstituted its Anti-Illegal Drugs Special Task Force to conduct preliminary investigations and prosecutions of drug cases at its main office in Manila to ensure local politics do not influence the prosecution of drug cases.

The Philippines is a party to the 1988 UN Drug Convention, as well as to the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs, and the 1972 Protocol Amending the Single Convention. The Philippines is a party to the UN Convention against Transnational Organized Crime and its three protocols, and the UN Convention against Corruption. A bilateral extradition treaty and mutual legal assistance treaty is in force with the U.S.

2. Supply Reduction

From January to October 2011, the government conducted 9,850 anti-illegal drug operations resulting in the arrest of 8,491 suspects and 9,995 cases being filed, according to PDEA. Authorities seized 250 kilograms of methamphetamine, valued at $68 million; 4,789,146 marijuana plants and seedlings and 818 kilograms of marijuana, with total value of $17.4 million; 17,222 grams of cocaine, valued at $2 million; and 960 tablets of ecstasy, valued at $26,790.

Ethnic Chinese organized crime groups continued to be the primary organizers and financers of methamphetamine trafficking in the Philippines. Law enforcement agencies noted the new trend of African-produced methamphetamine being smuggled into the Philippines through the airport for onward distribution throughout Southeast Asia. PDEA and the National Bureau of Investigation (NBI) conducted investigations that led to the identification and arrests of several African DTO members in Malaysia.

Law enforcement agencies also made large seizures of bulk, high-grade methamphetamine that appeared to have been produced outside the Philippines and smuggled in via cargo shipments. This supports law enforcement's findings of the continuing decline in industrial-size methamphetamine laboratories in the Philippines itself due to improved detection and enforcement efforts. PDEA did seize six smaller, "kitchen type" clandestine methamphetamine laboratories.

Marijuana cultivation in the Philippines occurs in remote, mountainous regions of Luzon and Mindanao. The government conducted 97 manual eradication missions to suppress this cultivation throughout the year.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The Dangerous Drug Board (DDB) continued to lead Philippine government preventive education programs aimed at explaining the repercussions of drug dependency. The "Peer Group Against Drugs" program expanded its membership to 97 chapters encompassing 36,000 members throughout the Philippines. DDB conducted seminars and workshops for parents to help them protect their children from illegal drug use. PDEA worked with non-governmental organizations, including the Rotary Club, to develop seminars for teachers on how to mentor their students to pursue a drug-free lifestyle. Most schools have integrated drug education programs in the general education curriculum and conduct random drug testing for secondary and tertiary students.

In 2011, there were 38 accredited drug rehabilitation centers with a total bed capacity of 3,876. The Philippine Congress approved funds for an additional seven rehabilitation centers. Enrollment in rehabilitation centers has been declining, however, due to increased fees. Congress considered a proposal to allow the Philippine health insurance system to cover rehabilitation enrollment costs.

4. Corruption

Corruption remained widespread and a problem for government administration, including drug law enforcement. As a matter of government policy, the Philippines does not encourage or facilitate illegal activity associated with drug trafficking, and no senior Philippine government official is known to engage in such activity.

Media and law enforcement officials alleged some local politicians received support from drug traffickers, but no cases were filed. One member of the Philippine Congress was convicted for possession of cocaine in Hong Kong. The independent Office of the Ombudsman examined charges of public abuse and impropriety including against the top ranks of the former administration. The lack of investigative and judicial tools noted above (i.e., wire tap authority and plea bargaining) continued to impede case development.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

State Department and Department of Defense funding supported training, mentoring, and provision of some equipment for the PNP as part of its reform effort; creation of model police precincts; and development of a PNP Special Boat Unit for patrols and interdictions were among the completed projects. State Department funds also supported a Resident Legal Advisor. The International Law Enforcement Academy and Joint Interagency Task Force-West continued to provide drug-related training for law enforcement personnel and military personnel.

The U.S. Drug Enforcement Administration, U.S. Immigration and Customs Enforcement, Transportation Security Administration, and JIATF-West planned to assist a newly formed Airport Drug Task Force to combat the increased use of Manila airports by DTOs and improve coordination with the Philippine government's Interagency Counternarcotics Operation Network.

D. Conclusion

In 2011, Philippine law enforcement agencies enhanced intelligence and operational cooperation despite limited resources. PDEA and the law enforcement and military task forces that support PDEA should be formalized and adequately funded and staffed. The Philippines should develop additional investigative and judicial tools such as judicially authorized interception of criminal communications, plea bargaining, improved police-prosecutor coordination, and an efficient drug asset forfeiture process. This would strengthen investigations and prosecutions and allow the government to combat the transnational drug trafficking organizations present in the Philippines as well as assist in combating corruption.

Portugal

Although not a center of drug production, Portugal continues to be a gateway for drugs entering Europe, particularly from South America and western Africa. Drug use remains stable, despite decriminalization of personal drug use in 2001. Portugal, which is a party to the 1988 UN Drug Convention, focuses much of its efforts on treatment and prevention. Portugal is also a member country of the Maritime Analysis and Operations Center-Narcotics (MAOC-N), headquartered in Lisbon. Few illegal drugs originate in Portugal. The vast majority of drugs used in Portugal and passing through the country originate in South America, Africa, and southwest Asia.

Drug smugglers have used Portugal as a primary gateway to Europe in recent years, a task that has been made easier by open borders among the Schengen Agreement countries and by Portugal's long coastline. From 2007-2010, Portuguese law enforcement entities reported a decline in cocaine seizures. In 2011, however, Portuguese authorities seized 1,800 kilograms of cocaine off the southern coast of Portugal, the largest single cocaine seizure in Portugal in four years. Traffickers are increasingly using west African nations, such as former Portuguese colonies of Guinea Bissau and Cape Verde – which are ideally suited as a transshipment, refueling, and storage location points for cocaine-laden vessels from South America en route to Europe through the Iberian Peninsula. The lack of effective law enforcement/ interdiction resources in Guinea Bissau and other African countries, and their linguistic and cultural ties to Portugal, make this region ideal operating bases for drug trafficking organizations. Additionally, drug trafficking organizations continue to use "mules" to enter Europe in smaller, harder to detect packages and are continuing to use shipping containers in which secreted drugs are harder for law enforcement officials to identify. Drug trafficking organizations use various types of smaller vessels, including high-speed boats and fishing boats in attempts to smuggle drugs into the country, and some use the Azores islands as a transshipment point. For hashish, the primary source country is Morocco, transshipped through the Southern Iberian peninsula. The Netherlands, Spain, and Belgium are the primary sources of ecstasy in Portugal. The U.S. has not been identified as a significant destination for drugs transiting through Portugal.

Portugal decriminalized drug use for personal consumption in 2001. The law makes the "consumption, acquisition, and possession of drugs for personal use" a simple administrative offense. Although overall drug use in Portugal remains roughly stable and below the EU average, "problem" drug use and HIV rates among drug users are above the EU norm. Under the decriminalization law, drug users identified by law enforcement agencies are referred to the Drug Addiction Dissuasion Commission, consisting of multi-disciplinary teams that assess users and decide the most appropriate sanction and referral to educational or treatment programs. The Portuguese Ministry of Health's Institute on Drugs and Drug Addiction (IDT) operates 66 drug treatment centers nationwide. The IDT also has several initiatives to combat drug use and addiction. Prevention programs include training sessions, awareness-raising activities, and dissemination of information through printed material. Universal drug prevention is part of the Portuguese school curriculum. In addition, in the "Safe Schools" program, law enforcement agents patrol the areas surrounding schools to prevent and protect students from criminal activities such as drug trafficking in the surrounding area. Law enforcement also actively participates in awareness and training activities.

Portugal is party to the 1988 UN Drug Convention. Portugal is also party to the UN Convention against Transnational Organized Crime ("TOC") and its protocols against trafficking in persons and migrant smuggling. In September 2007, Portugal ratified the UN Convention against Corruption ("CAC"). A Customs Mutual Assistance Agreement (CMAA) has been in force between Portugal and the U.S. since 1994. In February 2010, the US-Portugal protocol implementing the 2003 U.S.-EU Extradition and

Mutual Legal Assistance Agreements entered into force. The extradition protocol expands the list of extraditable offenses that were not available under the 1908 US-Portugal Extradition Treaty.

On September 30, 2007, Portugal – along with Ireland, the Netherlands, Spain, Italy, France, and the United Kingdom – agreed to work together as part of the Lisbon-based MAOC-N regional intelligence fusion cum maritime response initiative. As a member country, Portugal is collaborating to combat the increasing cocaine flow from South America to Europe and Africa. As a matter of government policy, Portugal 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.

Romania

A. Introduction

Romania is not a major source of illicit narcotics, but continues to be a significant transit country for narcotics and lies along the well-established Northern Balkan Route for opium, morphine base, heroin, and chemical precursors moving to and from Afghanistan, Central and Western Europe. The largest cocaine seizure in all of Europe in 2009 (over 2 metric tons) took place in Constanta, its largest port city. Romania and other Black Sea Eastern European countries are becoming increasingly popular among international cocaine traffickers looking for alternative entry points into Western Europe's lucrative cocaine markets. Romania's long Black Sea coastline and its large deep-water port of Constanta likely are being used as secondary cocaine entry points into Europe. The global economic crisis continued to impact on all Romanian government agencies, and resources for counternarcotics units were more scarce than usual. Despite these challenges, Romanian authorities continue to work closely with U.S. and regional counterparts on successful and effective international seizure operations. Drug use in Romania has increased in recent years, due in part to an increased poverty level, with a noted increase in the use of synthetic narcotics and heroin.

Romania is party to the 1988 UN Drug Convention. Romania and the U.S. are also parties to a bilateral extradition treaty and a mutual legal assistance treaty, which was amended by a Protocol in 1999. Both the Extradition Treaty and the Protocol fulfill the requirements for bilateral instruments that are contained in the Extradition and Mutual Legal Assistance Agreements between the United States and the EU. The U.S. and Romania also have a customs mutual assistance agreement in force. Romania is party to the UN Convention against Transnational Organized Crime and its three protocols, and the UN Convention Against Corruption.

B. Drug Control Accomplishments, Policies, and Trends

1) Institutional Development

The Romanian Ministry of the Interior manages all law enforcement agencies. The two units involved in drug-related crime enforcement are the Organized Crime and Anti-Drug Unit (RNP) and the Romanian Border Police (RBP). The RNP is responsible for investigating major drug trafficking offenses, including manufacturing, distribution and organizations trafficking drugs into Romania. As of May 1, 2009, the RBP is only involved with narcotic investigations and drug seizures which occur at border crossings. Romanian law requires that both agencies work closely with the Romanian National Prosecutors Office. The RNP and the RBP regularly work jointly when known or suspected drug traffickers are entering or exiting Romania. Law enforcement cooperation continued to expand and become more sophisticated with the assistance of foreign training programs such as those offered by the Southeast European Cooperative Initiative (SECI) Center (transformed in October 2011 into the Southeast European Law Enforcement Center - SELEC) based in Bucharest, and specialized training sessions offered by the International Law Enforcement Academy (ILEA) in Budapest Hungary. Even with this advanced training, the global economic crisis continued to have a significant negative impact on narcotics units already strained for resources. Romanian police had to stretch their resources and operations and suffered occasional setbacks due to the lack of resources. Romanian police forces were able to secure some technical equipment, but lacked force protection equipment. Threats of pay cuts and forced unpaid leave due to the economic crisis were having a negative impact on morale government wide. Despite these hurdles, the Romanian counternarcotics authorities have continued to engage with regional and U.S. partners for joint operations and projects.

2) Supply Reduction

The RNP in Bucharest, Romania seized the following drugs during the period of January to June 2011: 7.18 kilograms of heroin; 159.6 kilograms of cocaine; 40.1 kilograms of cannabis; 9.2 kilograms of hashish, 2925 Ecstasy tablets, 130 ml of ketamine, 7290 amphetamine tablets, 4.5 kilograms of "Spice"-synthetic marijuana, in addition to, 2.6 kilograms and 1282 tablets of other designer drugs. Romanian law enforcement's commitment to coordination means they are frequently involved in joint operations. In one instance, one hundred and fifty-nine (159) kilograms of cocaine were seized by the RNP and two individuals arrested after a container declared as wood from Bolivia turned out to contain cocaine. In another case, the RNP were focused on a Nigerian drug trafficking organization (DTO) based out of Bucharest, Romania. In April, the RNP developed information which, when passed to the Greek National Police, led to the arrest of one individual and the seizure of 735 grams of heroin. In the last year, information pertaining to this DTO has led to cocaine seizures in Brazil, Japan, Seoul and England. In February 2010, the Romanian Government listed 36 additional substances and plants, the majority of which were hallucinogenic in nature, in their schedule of controlled substances. Armed with the new listings, Romanian authorities were able to seize two fully functional JWH-018 labs, making them the first ever synthetic labs of this type seized in Romania. The chemicals used to make the synthetic drugs were imported from China, and the intended markets were Romania, England and Ukraine.

3) Drug Abuse Awareness, Demand Reduction, and Treatment

Drug education and prevention programs are conducted in cooperation with local authorities, NGOs, religious organizations and private companies. Detoxification programs are offered through some hospitals, but treatment options are limited. Many drug education programs have had to be down-sized or closed due to a lack of resources and poorly trained staff. The first drug treatment center in Romania only opened in 1996. Since then, Romania has continued to build an integrated system of prevention and treatment services that now total 47 Anti-Drug Prevention and Counseling Centers throughout the country. Under Romanian law, the drug user is viewed as a patient, needing medical care; not a criminal. However, each case is closely evaluated, since it must be proven that the drug user was not involved in drug distribution. Drug use in Romania has been comparatively low historically, but has grown over the past few years. The number of drug users has doubled in the last five years while the average user age has decreased. The National Anti Drug Agency (ANA) found that less than 20 percent of Romanians believe that drug users should be treated as ill, and not punished

4) Corruption

As a matter of government policy, Romania does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. There is no evidence that senior Romanian officials engage in, encourage, or facilitate the illicit production or distribution of dangerous drugs or substances, or launder proceeds from illegal narcotics transactions. Corruption and judicial inefficiency remain serious problems for the Romanian government. Convictions for many crimes, including drug-related crimes, were difficult to obtain, and as many as fifty percent of those convicted do not serve their full sentences. In addition, 49 Romanian border police and customs officers were brought to court in May 2011to face charges of bribery. These officers are accused of receiving up to 2,700 Euros (apx. $3600, per shift, from October 2010 to January 2011 from cigarette smugglers using the Serbia/Romania checkpoint. It is possible that members of the Border Police and Customs were also bribed by drug smugglers, but these officers were not prosecuted. In total, 234 police and customs officers have been indicted on corruption charges since February 2011.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In May 2011, the Romanian Ministry of Justice Organized Crime Division and the Turkish Ministry of Justice signed an agreement to reinforce their cooperation against drug trafficking and terrorism in the Balkans. This agreement will allow the Romanian and Turkish police and prosecutors to set up joint investigation teams and permit exchanges of information. In 2011 Romania continued to benefit from U.S. financial assistance to the SECI Center for Combating Trans-border Crime (now SELEC). DEA personnel assigned to SELEC augment DEA Athens, which has responsibility for Romania. DEA personnel from Athens and SELEC coordinate narcotics information sharing, maintain liaison with participating law enforcement agencies, and coordinate with Romanian police on case-related issues.

D. Conclusion

The DEA continued to be heavily engaged in Romania during 2011. Bilateral and multilateral cooperation and partnership continue to grow and result in joint successes in international drug trafficking investigations. The United States stands ready to assist Romania in meeting the continuing challenge of drug trafficking. Concerns persist that the lack of funding due to the economic crisis will continue to negatively impact on the ability of the Romanian police to fight narcotics trafficking.

Russia

A. Introduction

Russia is a major destination country for heroin from Afghanistan. It is also a significant market for opium, hashish, marijuana, synthetics, and other dangerous illegal substances. The UN Office on Drugs and Crime (UNODC) reports (July 2011) that Russia is the largest single market for Afghan-origin heroin, consuming approximately 70,000 kilograms (70 MT) per year, and is the largest per capita consumer of heroin in the world. UNODC estimates that there are approximately 1.7 million opiate users in Russia (1.64 percent of the population), among whom HIV infection rates are up to 61 percent in some regions, according to recent epidemiological surveillance.

Approximately 25 percent of Afghanistan's annual heroin production traverses neighboring Central Asian states along the so-called "northern route" to Russia. Russia's 6846-kilometer border with Kazakhstan is roughly twice the length of the U.S.-Mexican border and accounts for the overwhelming majority of smuggling activity. Opiate trafficking along this route could become even more prevalent as Kazakhstan has entered into a customs union with the Russian Federation and a customs union is under consideration in Kyrgyzstan as well, which may weaken future interdiction efforts as Russia relies on those countries' customs inspections at the union's external borders. Further, most Central Asian citizens are granted visa-free entry into the Russian Federation. Contraband is typically carried in vehicles (often bundled with loads of agricultural produce) along the region's highway system that connects populated areas of Southwestern Russia and Western Siberia. Couriers sometimes use the region's passenger trains and incidents involving internal body carriers or "swallowers" are also common. Russia has called on the international community to recognize the production of heroin in Afghanistan as a threat to international peace and security.

Although not as significant as the use of heroin, opium and hashish, Russian counternarcotics officials have expressed concern about increased use of synthetics and other pharmacological narcotics that are inexpensive and increasingly available in Russia. One such synthetic is desomorphine, which first appeared on the Russian market in 2003, and is as addictive as, and more toxic than, heroin. Desomorphine is easily produced at home by mixing codeine-based medications, widely available in Russia without a prescription, and household chemicals. Cocaine is also used in Russia, and the supply appears to be keeping pace with a growing pool of would-be users whose affluence makes higher priced cocaine more feasible as a recreational drug. It appears that the preferred smuggling route for cocaine continues to be by sea from South America. As the demand for stimulants increases in Russia, there are additional indications that synthetic stimulants, such as amphetamine, are increasingly being used.

Approximately two and a half million Russians (1.8 percent of its population) use illicit drugs on a regular basis. Russian officials estimate that there are 80,000 new drug users each year, more than 30,000 people die annually of drug overdoses and another 70,000 deaths per year are drug-related. This translates to economic losses of up to three percent of gross national product per year, according to the FSKN, the Federal Narcotics Control Agency.

Cannabis grows wild throughout Russia (FSKN estimates 1,000,000 hectares of "wild hemp"). Wild stands of the plant and large-scale outdoor cultivation are concentrated in the Caucasus, in the Republic of Tuva, and the Amur River Basin in the Russian Far East. Russia is also a producer of acetic anhydride (AA), which has many licit uses, but is also an essential precursor chemical for processing heroin.

Currently Russia has one factory located in Dzerhinsk that is licensed to produce AA for internal use and for export.

The Russian government has begun to take steps to address the public health issues associated with drug use. Health education programs in schools and outreach programs for youth and other vulnerable populations incorporate messages concerning the harmful effects of drug use and the links between injecting drugs and HIV/AIDS. However, current government-supported drug addiction treatment programs are ineffective and not widely available.

The United States has a bilateral Treaty for Mutual Legal Assistance with Russia, signed on June 17, 1999. Russia is a party to all of the UN Drug Conventions and the 1972 Protocol. Russia is also a party to the UN Convention Against Corruption and the UN Convention on Transnational Organized Crime.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Four federal agencies in Russia conduct investigations of drug trafficking: FSKN, the Ministry of Internal Affairs (MVD), the Federal Security Service (FSB) and the Federal Customs Service (FTS). The FSKN is the primary drug enforcement agency and has an authorized staffing level of 40,000 employees, with branch offices in every region of Russia.

The government issued its "State Counternarcotics Strategy until 2020" by Presidential decree in June 2010. The strategy enlists all levels of government and all agencies in the fight against illicit drugs. It stipulates the roles of different government agencies in counternarcotics activities, calls for improvements in efforts to reduce the supply of illegal drugs, outlines new legislation aimed at deterring drug trafficking and discusses the requirements for reducing the demand for illegal narcotics and preventing drug use. The strategy also calls for the development of a surveillance system to track trends in illegal drug trafficking and use, better state control over legal narcotics and their precursors, more attention to the medical and social services needed in order to rehabilitate drug users and more state funding in a number of these areas.

The Russian government has stepped up counternarcotics efforts in the past year, particularly in the area of international cooperation to combat drug trafficking in the region in light of the challenges posed by the "northern route" for trafficking of Afghan heroin. The FSKN regularly hosts and attends regional working group meetings aimed at stemming the flow of opiates into Russia from Central Asia. The FSKN maintains drug liaison officers in many countries of the region, and is planning on posting liaison officers at the Central Asian Regional Information and Coordination Center (CARICC), which it has recently officially joined as a member nation. Russia leads a four nation "Quartet," composed of Russia, Afghanistan, Tajikistan and Pakistan, which meets regularly to jointly target opiate trafficking from Afghanistan. Additionally, Russia has taken up the issue of regional drug trafficking in the Collective Security Treaty Organization (CSTO) and the Shanghai Cooperation Organization (SCO). Russia maintains bi-lateral counternarcotics cooperation agreements with over 35 nations.

As part of the NATO-Russia Council's counternarcotics project, Russian trainers conduct training courses for Afghan, Pakistani and Central Asian counterparts at the Domodedovo training center of the MVD outside Moscow and the Counternarcotics Training Center in St. Petersburg. These training courses assist South and Central Asian police forces in combating drug trafficking within and from Afghanistan. Russia also partners with the United States in implementing an OSCE project to improve drug interdiction

capacity building for border guards in Tajikistan and Turkmenistan and with UNODC to support the State Drug Control Service in Kyrgyzstan.

The FSKN has continued its efforts to implement effective monitoring of the chemical industry. Production, transportation, distribution, and import/export of controlled substances now require licensing from FSKN. Russia is a producer of several precursor chemicals including the amphetamine precursor benzyl methyl ketone (aka Phenyl-2-Propanone or P2P), the heroin precursor Acetic Anhydride, and the precursor Gamma-butyrolactone (GBL), a precursor in the production of Gamma-hydroxybutyric acid (GHB). In Russia, the production and distribution of GBL is licensed to attempt to avoid diversion for illicit drug production. Russia's increased control over precursor chemicals has yielded definite results. Seizures of acetic anhydride declined dramatically from their highs in the mid-2000s as opportunities for diversion have been limited. One recent investigative success highlights how increased Russian precursor chemical regulation and monitoring has drastically reduced successful diversion. In April 2011, the FSKN seized 800 kilograms of acetic anhydride as a drug trafficking organization attempted to divert them directly from the factory.

2. Supply Reduction

The total amount of narcotics seized from illegal circulation by all law enforcement agencies in 2010 was 41 (metric) tons, 245.8 kilograms (an 8.8 percent decrease in comparison to the previous year). Total seizures of illegal narcotics in the first nine months of 2011 by type of substance were as follows: heroin, 1 ton, 637.3 kilograms; cannabis, 19 tons, 659.5 kilograms; hashish, 1 ton, 922.5 kilograms; cocaine, 188.1 kilograms; and synthetic narcotic substances, 533.6 kilograms.

FSKN officials continue to be concerned about increased drug trafficking as a result of 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.

To disrupt this trafficking, each year since 2003, law enforcement agencies of the member states of the CSTO (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Uzbekistan and Tajikistan) have participated in "Operation Kanal (Channel)." However, seizure statistics from this operation include narcotics and weapons seized in parts of the world not applicable to the identification of smuggling trends in Russia and the Central Asian countries, and are therefore not included in this report.

Russia 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 wiretapping, search, seizure and the compulsory production of documents. 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.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The Russian government has begun to take steps to address the public health issues associated with drug use. Demand reduction and drug abuse prevention are addressed at length in the National Counternarcotics Strategy, issued in June 2010. The strategy outlined ongoing deficiencies in the demand reduction system, including insufficient medical treatment and social rehabilitation services, a shortage of specialized workers (doctors and social workers) and a shortage of centers serving drug abusers. The few

government-supported drug addiction treatment programs that do exist are generally ineffective with high rates of recidivism. The National Counternarcotics Strategy calls for addressing these deficiencies through augmentation and reorganization of state resources and new programs for treatment and rehabilitation of drug users. Health education programs in schools and outreach programs for youth and other vulnerable populations do incorporate messages concerning the harmful effects of drug use and the fact that drug injection is fueling HIV/AIDS cases. The government sponsors a range of public health publicity campaigns that include drug use prevention messages including posters in metros, billboards and other outreach efforts.

Most drug replacement therapies, such as methadone, are illegal in Russia, although a few new models of cognitive therapy which expand the breadth of substance abuse programs and rehabilitation are being implemented in treatment centers in St. Petersburg and Orenburg. A new medication-assisted therapy study, supported by USAID and the Russian government, is expected soon concerning the use of Naltrexone. In addition, the Russian Orthodox Church has established approximately 40 faith-based rehabilitation centers.

Local NGOs are also active in drug prevention activities. The Health and Development Foundation (formerly Healthy Russia Foundation), for example, has established, with assistance from the U.S. Government and others, a peer-to-peer outreach program that targets youth in high drug use target areas through vocational schools, youth clubs, activities, summer camps and other special programs set up by regional governments to reach teenagers at greatest risk. The peer-to-peer program encourages youth to discuss the impact of substance abuse and introduces life skills to discourage drug use. HDF has also developed a Ministry of Education-sanctioned health education curriculum for high school students and training materials for teachers that incorporate demand reduction messages.

4. Corruption

Corruption among law enforcement officials in Russia continues to present major challenges. No senior Russian 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. However, several long-running cases of arrests of counternarcotics law enforcement officials on corruption or organized crime charges have occurred in the past two years.

On a related note, a sweeping restructuring at the MVD has pre-occupied the Ministry for much of 2011, and has greatly diminished its operations during this transition period. This has undoubtedly applied much greater pressure on FSKN to increase counter-narcotics efforts.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In March 2011, Russia became a full member of the Central Asian Regional Information and Coordination Center (CARICC), creating increased opportunities for cooperation with DEA personnel assigned to CARICC. U.S.-Russia counternarcotics cooperation increased in 2011, particularly between DEA and FSKN, by frequent productive meetings of the Counternarcotics Working Group of the U.S.-Russian Bilateral Presidential Commission led by the U.S. Office of National Drug Control Policy (ONDCP) Director Gil Kerlikowske and FSKN Director Viktor Ivanov. Joint participation in DEA-FSKN training programs continued with training conducted on tactical operations, chemical analysis, investigative techniques, and financial investigations. Joint investigative work continued to develop on both heroin trafficking derived from Afghanistan and cocaine trafficking emanating from South and Central America. Meetings of the Northern Route Working Group (NRWG) also continued throughout 2011. In addition to operational law enforcement cooperation, the United States has, since 2002,

conducted a range of programs to promote counternarcotics and law enforcement cooperation with the Russian Government.

In response to increased levels of concern about heroin trafficking emanating from Afghanistan and transiting through Central Asia for ultimate use in Russia, the U.S. Department of State has proposed a $4.2 million Central Asian Counternarcotics Initiative (CACI), which will provide support for Central Asian counter-narcotics efforts, particularly the disruption of trafficking networks, jointly with the UNODC and DEA. Meanwhile, the FSKN has proposed its own initiative called Rainbow-2, which calls for the re-instatement of Afghan crop eradication efforts and increased law enforcement targeting.

D. Conclusion

Russia continues to treat counternarcotics efforts as a top national priority, as reflected by its National Counternarcotics Strategy issued in June 2010. Russia has increased its counternarcotics cooperation with the United States and other countries. Russia continues to move toward establishing and assuring the required interagency coordination, legal framework and commitment of resources that are necessary to make progress in the fight against drugs. Russia's active participation in international, regional, and bilateral counternarcotics activities and the productive work in the U.S.-Russia Bilateral Presidential Commission's Counternarcotics Working Group reflect this emphasis on cooperation as do the numerous recent operational successes involving both U.S. and Russian law enforcement. The regular high-level contacts between the Working Group's Chairpersons continue to build on this partnership. Russia's cooperation is essential to combating the scourge of international narcotics trafficking, and the United States is committed to continuing to promote both bilateral and multilateral cooperation.

Saudi Arabia

The Kingdom of Saudi Arabia is not a significant transit country for drugs, nor is there notable drug production reported in the country. Drug trafficking is illegal and is punishable by death. The Saudi Arabian government (SAG) has implemented several policy initiatives aimed at curbing the trafficking and abuse of narcotics to include sponsoring drug education curricula, drug treatment facilities, and coordination with neighboring countries on combating cross border trafficking. However, regular seizures of fenethylline (a synthetic stimulant also known as Captagon) indicate a continued trend of smuggling and use of some illegal narcotic substances.

Combating narcotics trafficking and addiction is a priority for the SAG. As a matter of government policy, the SAG does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, nor does it encourage or facilitate the laundering of proceeds from illegal transactions. According to the Ministry of Interior (MOI), security services arrested 475 people, just under half of whom were Saudi citizens, between June and September 2011 involved in trafficking, receiving, or selling drugs with an estimated black market value of more than $450 million. Between December 2010 and May 2011, Saudi security forces arrested 981 people, half of whom were Saudi citizens, for similar drug-related crimes.

The MOI leads SAG counternarcotics efforts, and the MOI's General Directorate of Narcotics Control (GDNC) cooperates with the National Commission for Narcotics Control (NCNC) and other SAG ministries and agencies to combat the smuggling and use of narcotics. The GDNC maintains overseas drug enforcement liaison offices with responsibility for counternarcotics efforts. Saudi Arabia hosts the Naif Arab University for Security Sciences, which focuses on crime prevention and drug control, and the Kingdom maintains narcotics-related bilateral agreements with a number of regional countries. Saudi Arabia is party to the 1988 UN Drug Convention. Saudi Arabia is also a party to the UN Convention against Transnational Organized Crime and its three protocols.

Saudi Arabia has adopted both the 1986 "Common Arab Unified Law" and the 1999 "Arab Anti-drug Strategy" issued by the Council of Arab Ministers of Interior. Saudi Arabia signed the UN Convention against Corruption in 2004, but has not yet ratified it. The government conducts public awareness campaigns aimed at educating the public on the harmful effects of drugs, and the country's influential religious establishment actively preaches against the use of narcotics. Due to the negative social perception of drug use, data on drug use in Saudi Arabia is scarce, and many cases of addiction likely go unreported. SAG efforts to treat drug abuse are aimed solely at Saudi nationals, while expatriate substance abusers are usually jailed and summarily deported. There are four government-run facilities throughout the country (located in Riyadh, Jeddah, Dammam, and Qassim) specializing in treating addiction and psychological rehabilitation.

Senegal

Senegal serves as a transit country for drug traffickers due to its location, infrastructure and porous borders. The country's location on the west coast of Africa, along with a well-serviced international airport and an active seaport, make it an enticing transit point for drug traffickers. Narcotics are trafficked through Senegal by vehicle and boat from countries to the south of Senegal, including Guinea-Bissau and Guinea. The U.S. is not a destination point for these drugs.

Cannabis, a traditionally popular drug in Senegal, is cultivated in the southern Casamance region. According to the UN Office on Drugs and Crime (UNODC), Senegal may become the leading producer of cannabis among the Francophone countries of West Africa and the third largest producer in West Africa after Nigeria and Ghana. Cocaine abuse in Senegal is also on the rise. UNODC estimates that about 40 tons of cocaine from Latin America reaches Europe via West Africa each year. However, Senegal and its neighbors are unprepared to deal with increasing levels of drug trafficking. Law enforcement officials lack the means and infrastructure to track smugglers, and poorly equipped local authorities face an uneven battle against the cash-wealthy traffickers.

Senegal’s Drug Law of 1997 is the country’s basic law on drugs; it covers the entire breadth of policy from apprehending and punishing offenders to rehabilitating abusers and was amended in 2006 to include stiffened penalties for drug traffickers. In 2011, at least 65 Senegalese and foreign individuals were prosecuted and convicted for drug trafficking. Senegal has a national plan of action, originally created in 1998, to combat drug abuse and the trafficking of drugs. Multidisciplinary in its approach, Senegal's national plan includes objectives to control the cultivation, production and traffic of drugs; to inform the population of the dangers of drug use; and to reintroduce former drug addicts into society. However, the government lacks the financial means to effectively counter the threats, and therefore frequently falls short of achieving plan objectives.

Senegal works with its partners in the Economic Community of West African States (ECOWAS) to combat cocaine trafficking. Senegal also has several bilateral agreements with neighboring countries to combat narcotics trafficking and has signed mutual legal assistance agreements with the United Kingdom and France to facilitate exchange of enforcement information on narcotics trafficking and other transnational crimes. In April 2011, the U.S. and Senegal signed a maritime bilateral agreement that, among other objectives, will strengthen Senegal’s maritime capacity to counter drug trafficking. Senegal is a party to the 1988 UN Drug Convention, the UN Convention against Corruption, and the UN Convention against Transnational Crime and its three protocols.

The Senegalese government does not, as a matter of government policy, encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior government officials are 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. Though corruption is a problem for narcotics law enforcement all over Africa, narcotics-related corruption does not appear to be a problem within senior levels of the Senegalese government.

In July, 2011, the U.S. Coast Guard conducted a 15 day African Maritime Law Enforcement Partnership mission involving joint training, surveillance, and law enforcement operations in support to suppress illicit transnational maritime activity in and around Senegal waters.

The Senegalese government has demonstrated political will to fight drug trafficking, though its efforts are hampered due to lack of infrastructure and funding. Its national plan to counter narcotics trafficking and its cooperation with regional neighbors are both positive and necessary steps to help Senegal in this fight. However, Senegal, like its neighbors, continues its struggle to track and prevent traffickers who have greater resources. Senegal's geographical location creates a tempting point for drug traffickers seeking to move narcotics from South America to Europe, and its proximity to Guinea-Bissau, a country plagued by a severe narco-trafficking problem, presents an ongoing challenge as Senegal tries to maintain its borders and also handle illicit marijuana cultivation in the Casamance region.

Serbia

A. Introduction

The Republic of Serbia is an important transit country for narcotics and other drugs along the traditional Balkan smuggling corridor leading from Afghanistan, Central Asia and Turkey to Central and Western Europe. Heroin grown and processed in Afghanistan and marijuana, moving from Albania through Montenegro, are the main illicit drugs transiting Serbia. Small quantities of cocaine also enter Serbia. Smugglers appear to be shifting attention to Serbia's southern and eastern neighbors, especially European Union (EU) members. The government of Serbia continues to prioritize international law enforcement cooperation, particularly with neighboring states, recognizing that regional cooperation is critical in the fight against drug trafficking and organized trans-national crime.

Serbia's Ministry of Interior believes that Serbian organized crime groups primarily smuggle cocaine directly from South America to Western Europe. Trafficking of synthetic drugs and precursors also remains a concern. Serbia is not a major producer of organic or synthetic drugs or precursors. Serbian authorities take the threat of domestic production of synthetic drugs very seriously and occasionally seize drug labs in Serbia. The Serbian government estimates that relatively small amounts of internationally trafficked narcotics, mostly heroin or marijuana, remain in the country for domestic consumption. Marijuana and synthetic drugs are the most frequently abused.

Serbia's drug abuse and treatment capacity is limited. Estimates of the addict population range from 30,000-100,000. The only dedicated government-run drug and alcohol rehabilitation clinic treats about 1100 patients per year. The government conducts some public outreach on prevention. The Republic of Serbia is party to the 1988 UN Drug Convention, as a successor state to the former Yugoslavia.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Ministry of Interior, Border Police, and Customs Administration are responsible for combating drug-related crimes in Serbia. These agencies report generally good internal cooperation, but there is no government-wide coordinating body that has a clear lead in counter-narcotics law enforcement efforts, analogous to the U.S. DEA. Interior Ministry officials advocate a more centralized and robust organizational response to narcotics trafficking, but note serious resource constraints. The Interior Ministry conducts joint investigations with neighboring countries and provides intelligence, contributing to international seizures and arrests throughout Europe. Serbia is also working with South American countries with U.S. assistance. The Commission for the Fight against Drugs is composed of the Ministries of Health, Education and Sport, Interior, Social Welfare, and Justice and implements the National Strategy for the Fight against Drugs. The Ministry of Health has the lead, in prevention and treatment efforts. The government has made limited progress in implementing the National Action Plan and five-year National Strategy for the Fight against Drugs, both adopted in 2009. Serbia concluded agreements on law enforcement and counternarcotics cooperation with Turkey in April and with Russia in August 2011, among others.

Serbia participated in the Southeastern Europe Cooperative Initiative (SECI) Regional Center for Combating Trans-border Crime activities, as well as the associated Southeast European Prosecutors Advisory Group (SEEPAG), and ratified the Southeast European Law Enforcement Center (SELEC) Convention in October 2011.

Cooperation with Kosovo remains a significant exception. Serbia does not recognize Kosovo as an independent country and will not cooperate directly with Kosovo government representatives, permit them to attend conferences that Serbia hosts, or participate in multilateral events with them. The Interior Ministry signed a law enforcement cooperation agreement with the EU Rule of Law Mission in Kosovo (EULEX) in 2009, and the Customs Service cooperates informally with EULEX. Direct interaction needs to increase significantly, however, in light of the practical challenges. This has been made more difficult for the short-term by increasing tensions on Serbia's border with northern Kosovo since late July 2011.

A new law on psychotropic drugs was adopted in December 2010. A revised Criminal Procedure Code was adopted in September 2011. A new Customs Service Law, which would bring Serbia into compliance with EU standards, remains under review. Serbia became a 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.

2. Supply Reduction

The Ministry of Interior continues the nationwide "Operation Morava" launched in October 2009 to pressure street-level drug dealers throughout the country and disrupt supply to local markets. Serbian law enforcement agencies report that most drug seizures are the result of international intelligence sharing, good interagency cooperation, and careful investigative work.

Serbia's Customs Administration and all Interior Ministry agencies made a total of 3,897 seizures from January to September 20112010 saw a steep increase in overall seizures and a single, spectacular heroin seizure. Heroin seizures in 2011 thus were down significantly, a "base-effect" from last year (+66%), cocaine down slightly from a low and declining baseline (11%), and marijuana essentially steady (6% decline). The Customs Administration will have deployed ten new mobile x-ray systems [by end 2011] and invested in other equipment, training, and increased cross-border information-sharing.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The Serbian government conducts drug abuse prevention campaigns, including a voluntary addiction prevention program in primary and secondary schools. Serbia's only dedicated government-run drug and alcohol rehabilitation clinic provides emergency services and inpatient and outpatient detoxification using opiate receptor blockers or methadone, psychotherapy, and reintegration skills workshops to treat patients. Public hospitals, including prison hospitals, run outpatient and inpatient drug rehabilitation programs.

4. Corruption

As a matter of policy the Serbian government does not encourage or facilitate the illicit production or distribution of narcotics or launder proceeds from illegal drug transactions. There is no evidence that any senior government official engages in, encourages, or facilitates the illicit production or distribution of drugs. Corruption in Serbia remains a serious social and governmental concern, however, due to low pay, inadequate working conditions and a culture of tolerance of petty corruption in certain fields of public administration, including law enforcement and healthcare. The Republic of Serbia is a party to the UN Convention against Corruption.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The Serbian Government works closely with the United States, the OSCE, and EU countries to reform and improve its law enforcement and judicial capacity. The United States has provided extensive technical assistance and equipment donations to the police, customs services, border police, and judiciary. Several USG agencies have programs that directly or indirectly support counter-narcotics activities in Serbia, including the Department of State, Drug Enforcement Administration, Department of Homeland Security, Department of Defense, and the Department of the Treasury. Department of State Bureau of International Narcotics and Law Enforcement (INL) funded programs are implemented by the Department of Justice International Criminal Investigative Training Assistance Program (ICITAP) and Department of Justice Office of Overseas Prosecutorial Development, Assistance, and Training (OPDAT) and have been instrumental in providing support to the Organized Crime Police and Organized Crime Court in Serbia.

USG assistance programs are aimed at professionalizing the police and customs services, building skills for prosecution and investigation techniques providing guidance in the drafting of new legislation, 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.

Negotiations are underway to update the 1902 Extradition Treaty between the United States and the Kingdom of Serbia, which remains in force between the United States and Serbia.

D. Conclusion

Serbia in 2011 bolstered counternarcotics cooperation on a bilateral basis with its Balkan neighbors and in multilateral fora. Serbia's cooperation with international partners since at least 2009 has helped lead to multiple drug seizures, several indictments, asset seizures, and new court proceedings against powerful Serbian cocaine traffickers like Darko Saric, although more effective cooperation with Kosovo and EULEX is needed. Improved communication and strategic coordination among law enforcement and judicial bodies within Serbia is also needed to enhance the comprehensive counternarcotics efforts. The United States will continue to support the efforts of Serbian law enforcement to combat narcotics smuggling in the country and the region through training, capacity-building, and donations of critical equipment.

Seychelles

Production of narcotics in Seychelles is limited to the growing of cannabis. Plants are grown outdoors and seizures are regularly made at locations throughout the larger islands. Over the last twelve months, significant progress has been made in suppressing drug activity on the street level and the importation/trafficking level. Between 15 to 20 persons are arrested each week for minor drug offences such as possession, obstruction, etc.

In 2011, more than 1,000 mature marijuana plants were seized. This figure is substantially higher than the figure in 2009/2010 when some 191 plants were seized. All of the compressed cannabis and herbal material is imported into the Seychelles. Seychelles is not a major producer or exporter of illegal drugs, or a transit route for drug trafficking. Other illicit drugs, primarily heroin and to a lesser extent cannabis products, are brought into Seychelles for consumption with some small share going for transshipment to other markets.

Seychelles National Drug Enforcement Agency (NDEA) of the Seychelles Police Force works closely with other law enforcement and health agencies on drug control and education/treatment programs throughout the country, and cooperates with U.S. government agencies. The NDEA continues to look for ways to improve its resources and to build its capacity. Seychelles is a party to the 1988 UN Drug Convention. Seychelles is a party to the UN Convention Against Corruption and the UN Convention against Transnational Organized Crime.

The NDEA appears on track, based on data as of October 2011, to record an increase in seizures and cases filed involving illegal drugs. Seychelles customs has recorded record levels of seizures over the last three years. The NDEA and Customs credit the increase in illicit drug seizures and arrests in recent years to their ongoing operations with other units of the police force and cooperation with immigration and profiling. The Government of Seychelles (GOS) collaborates with the Drug Enforcement Administration, United Nations Office on Drugs and Crime, and the International Narcotics Control Board.

Based on narcotic seizures, arrests, and rehabilitation program participation, marijuana has become the most commonly consumed drug in Seychelles closely followed by heroin. Non-governmental organizations (NGOs) believe that there are approximately 3000 abusers of which 1000 to 1500 are injecting. The NDEA states that there are 5000 substance abusers including alcohol abuse. The Ministry of Health provides treatment for drug addicts at a number of outlets in Seychelles. A disturbing increase in Hepatitis C cases has prompted the government to consider the use of a methadone substitute to maintain addicts during treatment and to introduce a needle exchange program. NGOs provide counseling and prevention advice to supplement government efforts.

Seychelles' legislation controlling the illegal use of drugs dates from 1991. The GOS has clearly indicated that it will deal harshly with drug traffickers and has now adopted a 'zero tolerance' approach to any drug related activity. This has resulted in significant reduction in the availability of drugs and in the ability of the traffickers to conduct business. Retired Irish police officers, contracted to advise the Seychelles Police, have made a positive impact on the capacity of Seychelles Police to enforce the law. The government of the Seychelles does not encourage or facilitate drug trafficking as a matter of government policy, and senior officials of the government are not believed to be involved in such activity.

The U.S. government provides training assistance to Seychelles law enforcement agencies, including the NDEA, through the International Law Enforcement Academies in Gaborone, Botswana and Roswell, New Mexico, and through Africa Command, the FBI, and NCIS.

Sierra Leone

With its porous borders, poorly patrolled coastline, weak infrastructure, and deep poverty, Sierra Leone presents a potentially attractive transshipment point for illegal drugs. The government's efforts to combat the drug flow in 2011 continued to be hampered by resource constraints and limited operational sophistication. Sierra Leone's limited enforcement capacity, inadequate drug treatment and rehabilitation programs, and corruption often impede its counternarcotics efforts.

Cocaine is the main drug transiting Sierra Leone. It moves through the country's unguarded and unprotected borders, both land and sea, from South America to Europe via intermediary points such as Guinea and Guinea-Bissau. Small amounts of Southeast Asian heroin are also suspected of being shipped through Sierra Leone on direct commercial flights from East Africa. Sierra Leone's endemic corruption certainly facilitates trafficking, as government officials and police and intelligence officers accept bribes, to turn a blind eye on trafficking, or even engage in trafficking drugs themselves. As a matter of policy, however, the government of Sierra Leone does not encourage or facilitate the illicit production or distribution of narcotics or launder proceeds from illegal drug transactions. There is no evidence that any senior government official engages in, encourages, or facilitates the illicit production or distribution of drugs. The only drug produced in Sierra Leone is marijuana. It is widely cultivated and consumed locally, and is also transported to surrounding countries and to Europe. Increased cannabis cultivation has given rise to food security concerns as farmers substitute it for subsistence farming. Diversion of precursor chemicals is not a problem in Sierra Leone.

The National Drug Control Act of 2008 brought Sierra Leone's laws into conformity with international conventions and norms. It defined stricter penalties for all drug-related charges, contained mutual legal assistance provisions, and authorized a budget appropriation to support prevention and control activities. Efforts to strengthen the law began in 2010, but as of 2011 a revised law had not yet been passed. Sierra Leone is a party to all of the UN Drug Conventions and the 1972 Protocol. The 1935 Extradition Treaty between the United States and Great Britain remains in force between the United States and Sierra Leone. Sierra Leone is a party to the UN Convention against Corruption. Though Sierra Leone signed the UN Convention against Transnational Organized Crime in 2001, it has yet to ratify it. The 2009 Maritime Counter Drug Bilateral Agreement promotes cooperation between the U.S. and Sierra Leone for the purpose of suppressing illicit transnational maritime activity, including narcotics trafficking.

The 2008 Drug Control Act also established a National Drug Law Enforcement Agency (NDLEA) to serve as the focal point on policy issues and investigations. However, with limited staff and virtually no budget, it is a hollow organization with no real capacity and no demonstrated successes. The vast majority of drug interdiction activity is carried out by the Transnational Organized Crime Unit (TOCU), an elite inter-agency unit supported by the UN Office of Drugs and Crime (UNODC) and other international donors. Donor agencies have helped TOCU increase its capacity significantly since TOCU's establishment. However, TOCU still needs continued training as well as improved forensic capabilities, including a dedicated forensic laboratory. Sierra Leone's plans to create a special court dedicated to organized crime and narcotics issues with specially trained judges and prosecutors, supported by UNODC, has not yet been implemented.

During the period October 2009 to June 2011, TOCU conducted 172 investigations, which led to 114 court cases; the remaining cases were closed without any prosecutions. In the first half of 2011, TOCU conducted 45 investigations which led to 32 court cases. The vast majority of these cases were for cultivating, selling, and trafficking in marijuana. There were also several charges for possession and sale of cocaine. TOCU also investigated cases of suspected human trafficking and 419 financial scams.

U.S.-supported interdiction efforts were focused on the Joint Maritime Committee a kind of coast guard which conducts patrols with three small cutters, donated by the U.S. Coast Guard and a larger Shanghai-class patrol boat donated by the Chinese government. In 2011, U.S. Africa Command (AFRICOM) funded significant infrastructure improvements at TOCU, including an automated ship identification system, two radars, and improved Internet access. In addition, in 2011, the African Maritime Law Enforcement Partnership, a program of the Africa Partnership Station administered byAFRICOM, conducted joint Sierra Leone/U.S. Coast Guard training, surveillance, and law enforcement operations. These operations included the Coast Guard Cutter "FORWARD" embarking a law enforcement team from Sierra Leone to locate and board vessels suspected of illegally trafficking narcotics.

Singapore

The Government of Singapore (GOS) enforces stringent counter-narcotics policies through strict laws -- including the death penalty and corporal punishment -- vigorous law enforcement, and active prevention programs. Singapore is not a producer of narcotics, but as a major regional financial and transportation center, it is an attractive target for money launderers and drug transshipment. Singapore is ranked as one of the least corrupt countries in the world. Corruption cases involving Singapore's counter-narcotics and law enforcement agencies are extremely rare. Singapore officers regularly attend U.S.-sponsored training programs as well as regional forums on drug control. In recent years, Singapore has begun training ASEAN narcotics officers in partnership with French and Australian counterparts. In May 2011, Singapore Central Narcotics Bureau officials partnered with UN Colombo Plan officials to deliver a one-week narcotics course to officers from South and East Asian nations including Afghanistan, Pakistan, Sri Lanka, Bhutan, Timor-Leste, and others.

According to GOS figures, during 2010, 1772 drug offenders were arrested compared to 1882 arrested in 2009. Heroin and methamphetamine remain the top two drugs of choice in Singapore accounting for 88 percent of the drug abusers arrested, up from 84 percent in 2009. In 2010 Singapore saw an increase in seizures of almost all drug types. In 2010, Singapore seized 48.45 kg of Heroin #3, a 68 percent increase from 29.14 kg in 2009; 8.51 kg of Cannabis, compared to 5.3 kg in 2009; 5.53 kg of methamphetamine compared to 3.9 kg in 2009; 12.14 kg of ketamine compared to 9.3 kg in 2009; 43,320 tablets of Nimetazepan-AKA Erimin-5 as compared to 24,124 tablets in 2009. Also seized were 8,085 tablets of MDMA (ecstasy), 332 tablets of methamphetamine (Yaba), and 292 tablets of Buprenorphine (Subutex).

In 2010, there was no known production of illicit narcotics in Singapore. Singapore has been used as a transit point for narcotics moving to destinations such as Indonesia, China, and Hong Kong via parcels, maritime containers and air cargo. Air and maritime ferry passengers have also frequently transited Singapore in possession of narcotics for delivery to other countries such as Indonesia. Points of origin have included Malaysia, India, Thailand, and Pakistan. Singapore is a one of the world's largest licit producers of ephedrine and pseudo-ephedrine (precursor chemicals for the production of methamphetamine) and also acetic anhydride (precursor chemical for the production of heroin). Precursor chemicals, including acetic anhydride, have also transited Singapore from South Korea and China en route to destinations such as Pakistan, destined for heroin conversion laboratories in Afghanistan. Singapore is one of the busiest transshipment ports in the world. With few exceptions, Singapore does not screen containerized shipments unless they enter its customs territory. Neither Singapore Customs nor the Immigration and Checkpoint Authority (ICA) keep data on in-transit or transshipped cargo unless there is a Singapore consignee involved in the shipment. In 2010, Singapore's Free Trade Zone (FTZ) was exploited on numerous occasions by Pakistani nationals and others to transship narcotics and precursor chemicals to, among other countries, Mexico, Israel, the United Kingdom, and the United States.

As a matter of government policy, the GOS neither encourages nor facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, nor the laundering of related proceeds. Singapore continues to pursue a strategy of demand and supply reduction for drugs. The GOS worked closely with numerous international groups dedicated to drug education, including the Partnership for a Drug-Free America. In addition to arresting drug traffickers, Singapore focuses on arresting and detaining drug abusers for treatment and rehabilitation, providing drug detoxification and rehabilitation, and offering vigorous drug education in its schools. Singaporeans and permanent residents are subject to random drug tests. The Misuse of Drugs Act gives the Singapore Central Narcotics Bureau (CNB) the authority to remand all drug abusers to rehabilitation centers for mandatory treatment and rehabilitation.

Since 1999, individuals testing positive for consumption of narcotics have been held accountable for narcotics consumed abroad as well as in Singapore.

Singapore is a party to the 1988 UN Drug Convention. Singapore and the United States continue to cooperate in extradition matters under the 1931 U.S.-UK Extradition Treaty. Singapore and the United States signed a Drug Designation Agreement (DDA) in November 2000, and a mutual assistance agreement limited to drug cases. Singapore has signed mutual legal assistance agreements with Hong Kong and ASEAN. The United States and Singapore have held discussions on a possible bilateral MLAT, most recently in December 2005, although there have been no formal negotiations since 2004. Singapore is a party to the UN Convention against Transnational Organized Crime and the UN Corruption Convention. In April 2006, Singapore amended domestic legislation to allow for mutual legal assistance cooperation with countries for which Singapore does not have a bilateral treaty.

South Africa

A. Introduction

South African enforcement success during the FIFA World Cup 2010 was widely noted. The South African Police Service's (SAPS) Central Drug Authority (CDA) is planning to create a national narcotics database as part of the 2012-2017 National Master Plan on Drugs. South Africa continued to battle with significant challenges involving drug trafficking, substance abuse, and drug related crime.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The SAPS and the CDA coordinate on a comprehensive anti-drug strategy referred to as the Mini-Drug Master Plan (MDMP) and report jointly to the cabinet on its implementation every year. The CDA also operates under a 2006-2011National Master Plan, which features an inter-agency approach coordinating prevention, treatment and intervention at the provincial and national levels. The CDA draft of the new 2012-2017 National Master Plan has been completed and is under review. The plan will include a nationwide database to track drug crimes more thoroughly.

Border control was turned over to the South African National Defense Force (SANDF) this year and the SAPS will no longer take a lead role on border enforcement. South Africa has 4,862 km of borders (shared with six countries), 10 international airports and eight sea-ports in addition to a well developed financial and communications system. These factors contribute to South Africa's unique status as an African nation with a developed-country physical infrastructure, but a developing country capacity in enforcement. Despite efforts to improve border control and security, South Africa is a transshipment point for heroin, cocaine, precursor chemicals, cannabis, and amphetamine-type substances (ATS).

South Africa is a party to all of the United Nations Drug Conventions and the 1972 Protocol. South Africa is a party to the UN Convention on Corruption and the UN Convention against Transnational Organized Crime and its three protocols. The U.S. and South Africa have bilateral extradition and mutual legal assistance treaties in force. The mutual legal assistance treaty has been actively utilized by both countries. Regarding extraditions, 2011 has seen noticeable movement on recent U.S. extradition requests, although several old pending requests, which were affirmed in the 2009 South African Constitutional Court decision upholding the extradition treaty, are still languishing in the courts. The U.S. and South Africa also have a Letter of Agreement on Law Enforcement and Counter-Narcotics Assistance and a Customs Mutual Legal Assistance Agreement.

2. Supply reduction

Cannabis is the only illicit drug cultivated in South Africa. Estimated annual production is over 4,500 metric tons. South Africa also manufactures significant quantities of ATS consisting of; methaqualone (Mandrax), methcathinone (Khat), and methamphetamine (tik). These substances are primarily produced for domestic consumption, but there are indications that exportation is on the rise.

Substance abuse is a major social problem in South Africa. It is a significant factor contributing to the overall crime rate, which is very high. The Western Cape Province seems particularly vulnerable because of increased gang violence that is directly linked to an illegal drug sub-culture. Methaqualone (Mandrax) and marijuana (dagga) are widely trafficked in Western Cape, but the drug of choice among dealers is

crystal methamphetamine (tik). CDA also cites the abuse of prescription drugs as a growing problem in South Africa.

According to South Africa's crime statistics report released in September 2011, drug-related crime increased nationwide, rising from 134,840 to 150,673 cases for the period between April 2010 and March 2011. Arrests for driving under the influence of alcohol or drugs also increased from 62,939 to 66,697 for the same period. The Western Cape Province continues to be the province most affected by drugs, recording 70,588 drug-related arrests between April 2010 and March 2011. This represented a 10 percent increase in drug-related arrests over the previous year. Slightly less than half of the drug-related arrests in South Africa in the 2010-2011 period took place in Western Cape. Rural Mpumalanga Province, which borders Kruger National Park and Mozambique, saw a significant uptick in drug-related crime (an increase from 2,041 to 3,178 cases over the reporting period, a 33% jump), which may illustrate a link between proximity to border crossings and sea ports and an increase in drug trafficking. While the threat from narcotics-related crime continues to grow, the conviction rate for drug crimes remains very low.

South Africa increased its drug seizures and arrests at O.R. Tambo International Airport. New immigration controls put in place before the World Cup have become major tools in tracking persons both inside and outside of South Africa. The SAPS expanded its presence at airports, had success in effecting clandestine laboratory busts, and utilized the asset forfeiture legislation to combat drug trafficking, drug production and drug culture in South Africa.

“Crime Line” is an anonymous tip-off service sponsored by South African media. This past year, 533 drug-related arrests linked to Crime Line occurred . The largest drug bust in the history of policing in Gauteng occurred in July, with $5.3 million in assets being seized from a Nigerian tik-smuggling syndicate in Pretoria. A list of indicative cases during the year follows:

- In February - SAPS arrested a South African woman smuggling (via swallowing) 40 pellets of crystal methamphetamine at O.R. Tambo International Airport. Two men with her, one of whom was Nigerian, were arrested.
- In March - SAPS arrested two grandmothers in the Western Cape for drug trafficking. Their two homes contained 326,000 Mandrax tablets, 3 kg of tik and $448,717 in cash. The total value of cash and drugs seized for the bust was $2,243,589.
- In April - a Mozambican woman on a flight originating from South America was arrested at O.R. Tambo International Airport with $1.5 million worth of cocaine on her person.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

There has been a lack of information on substance abuse in rural areas of South Africa, however the CDA recently completed a report based on a survey of 27,000 individuals. Startling data emerged, including that 65 percent of people had a drug user in their home. Poverty appears to be a key motivating factor in drug trafficking. The average monthly income in South Africa is less than R1000 (U.S. $127.00). A boy from Mamelodi reported that he could make R200 (US$25) for each drug “errand” to help earn income for his family.

UNODC and other organizations continue to focus on programming in rural South Africa, particularly programs on drug prevention, education, and guidance on where to receive treatment. Treatment availability continues to be a problem despite these efforts, with demand for treatment widely exceeding availability.

4. Corruption

As a matter of policy, the government of South Africa actively combats narcotics-related corruption. However, newspaper reports on police corruption appeared regularly. In 2011, there were allegations that the police were involved in cash-in-transit heists, ATM bombings, and traffic patrol bribery. The frequency of corruption-related reports suggests that some degree of corruption may facilitate drug trafficking in South Africa. For example, Sheryl Cwele, wife of South Africa's Intelligence Minister, was found guilty in May of drug trafficking in connection with a case concerning recruiting young woman to serve as drug mules. On October 24, National Police Commissioner Bheki Cele was suspended with pay due to his reported links to a case involving illegal tenders for the lease of new police headquarter buildings for the SAPS . Cele had vowed to fight police corruption when he took office in 2009.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The State Department Bureau of International Narcotics and Law Enforcement (INL) supports a substance abuse prevention program for women in partnership with the South African National Council on Alcoholism and Drug Dependence (SANCA). State-INL is considering collaboration with the United Nations Office of Drugs and Crime on a drug prevention initiative aimed at the Western Cape Province. The Pretoria country office of the Drug Enforcement Administration provided a course in Basic Narcotics Investigations in July in the Western Cape. The course was well received by the attendees.

D. Conclusion

South Africa's National Master Plan aims "to implement holistic and cost-effective strategies to reduce the supply and consumption of drugs and to limit the harm associated with substance use, abuse, and dependency in South Africa." Implementation of the Plan has lagged, due in part to the absence of reliable national statistics, a lack of funding, and a dearth of competent staff. When the current Plan was launched in 2006, it spoke of "a pressing need …for the training of doctors, nurses, social workers, and psychologists on substance abuse and other additions." That need is more urgent in 2011 than when the plan was drafted. Similarly, South Africa's need for increased interdiction, an increase in conviction rates for drug crimes, more widely available treatment, and effective prevention is very evident. An emphasis on rooting out police corruption will enhance the professionalism and morale of the police. South Africa's Prevention of Organized Crime Act (POCA, 1988), particularly its robust asset forfeiture provisions, is proving a useful tool in the war against illicit drugs.

South Korea

Narcotics production and abuse is a minor problem in South Korea. South Korea has very strict laws regarding illicit drugs. Conviction for possessing, using, or trafficking illicit drugs can result in long jail sentences and large fines. Anomalously, because of its reputation for not having a drug abuse problem, South Korea is favored as a transshipment location for drug traffickers. With one of the region's largest ports, Busan, located on its Southeast tip, South Korea remains an attractive location for illegal drug transshipments coming from countries that are more likely to attract a contraband inspection upon arrival. Some narcotics smuggled through South Korea are en route to the United States. South Korea is a party to the 1988 U.N. Drug Convention.

As a matter of government policy, South Korea does not encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs. According to the Korea Customs Service, there were 546 drug interdictions of persons, carriers, cargo, and mail into and out of the country in the first eight months of 2011, resulting in the seizure of approximately 25 kg of illicit drugs. The number of interdictions during the first eight months increased by approximately five times over the first six months of last year. The drugs seized included methamphetamine, marijuana, hashish, and previously rarely seen substances such as cocaine, MDMA (methylenedioxymethamphetamine), JWH-018-artificial marijuana, and other synthetic prescription drugs.

According to the Supreme Prosecutors' Office, Korean authorities arrested 4,228 individuals for drug violations in the first six months of 2011, an approximately 9.5 percent decrease from 4,673 arrests in the same period last year. Of the arrests, 63.1 percent were for use, 22.1 percent were for supply, and 5.6 percent were for possession of illicit drugs. Synthetic psychotropic drugs continued to be the most widely used illicit drugs, accounting for approximately 73.9 percent of drug arrests. Marijuana seizures were 72.8 kg, an approximate 97% increase from 36.9 kg in the same period last year. Each District Prosecutor's Office, in conjunction with local governments, conducts annual surveillance into suspected marijuana growing areas during planting or harvesting time periods to limit possible illicit diversion. According to the Supreme Prosecutors' Office, as of September this year, Korean authorities had seized 70,864 marijuana plants. Some traditional Korean garments are made from the hemp of marijuana plants. Hemp production is illegal, but the Korean Food and Drug Administration issues licenses to farms that produce traditional Korean garments. This year Korean authorities conducted a crackdown on unlicensed hemp farms and many owners have abandoned their farms, resulting in a spike of marijuana plant seizures. Opium poppy production is also illegal in South Korea, but poppy continues to be grown in Gyeonggi Province where farmers have traditionally used the harvested plants as a folk medicine to treat sick pigs and cows. Opium is not normally processed from these plants for human consumption. Korean authorities continue surveillance of these opium poppy-growing areas. According to the Supreme Prosecutors' Office, as of September this year, Korean authorities seized 37,270 opium poppy plants.

The Ministry of Health and Welfare Affairs conducts programs to treat drug addicts at 22 hospitals nationwide. The treatment is free and patients can remain in the program for up to one year. The South Korean government also funds the primary NGO involved with drug treatment, Korean Association Against Drug Abuse (KAADA), which has 12 branches throughout the country. KAADA provides education on the risks and dangers of drugs, as well as counseling, sports therapy, and Narcotics Anonymous programs. KAADA also runs a free rehabilitation center where drug addicts may live up to a year at the center for intensive treatment and receive follow-up services after their stay.

The South Korean authorities remain mindful of the challenges they face in combating transshipment of illicit drugs in and out of the country and actively engage with law enforcement authorities from other countries in drug control efforts through various regional and international organizations. The Drug Enforcement Administration (DEA) Seoul Country Office and U.S. Immigration and Customs Enforcement, Homeland Security Investigations (HSI) officials continue to work closely with South Korean narcotics law enforcement authorities on international drug interdiction, seizures of funds and assets related to illicit narcotics trafficking, and the diversion of precursor chemicals in South Korea and in the Far East region.

South Sudan

On July 9, the Republic of South Sudan (RoSS) became the world's 193rd country. While the Government of South Sudan (GoSS) has come a long way since the signing of the Comprehensive Peace Agreement with Khartoum-Sudan six years ago, much remains to be accomplished in this fledgling state. Illegal drugs have historically not been a major issue in the south of Sudan and, thus, are not in the top tier of issues which the new government has identified.

South Sudan is not an important illicit drug-producing or drug-transit country. However, because of vast arable land, areas of lawlessness, ineffective border controls, impoverished conditions, and a fragile rule of law, the potential exists for South Sudan to cultivate and traffic illegal drugs on a far greater scale. Drug control falls within the duties of the Minister of the Interior, but at present there is no separate office within that Ministry assigned to evaluate, monitor or commence projects relating to illegal drugs.

Prior to independence, the North had jurisdiction over customs and border control. The South has done little to prepare for assuming customs responsibilities although Southerners have been manning border posts with Uganda and will continue to do so. Moreover, it is not yet clear what RoSS institution will have oversight of customs. Customs currently is under the Ministry of Interior, but the Ministry of Finance and Economic Planning has stated its intent to assume oversight.

Although pre-partition, unified Sudan became a party to the 1961 Single Convention on Narcotic Drugs as amended by the 1972 Protocol, the 1971 Convention on Psychotropic Substances, and the 1988 UN Drug Convention, and has signed cooperative agreements with Egypt, Saudi Arabia, and Turkey for fighting drug trafficking, the commitment of Sudan does not appear to have transferred to South Sudan. It is likely that these issues will be addressed at a later date.

Cannabis is the most prevalent illegal drug in South Sudan. Other drugs abused include barbiturates, heroin, and cocaine. No data relating to prevalence or use is available. Cannabis is cultivated in Upper Nile State as well as the Western and Northern Bahr el Ghazal states. There are no reports of seizures of illicit drugs by the South Sudanese government since independence.

South Sudan has chosen to utilize the common law as the basis for its justice system; previously it operated under Sharia law, in accordance with the policies of the North. The change in systems requires new laws to be written and judicial systems developed to interpret and enforce those laws. There is no comprehensive law addressing illicit drugs in place at this time, although the possession and sale of illicit drugs is included as a criminal offense in the current draft of the comprehensive criminal code. A final version of the criminal code must be developed and then presented to the Legislative Assembly for adoption; it is not known when the final version might be ready for presentation to the Legislative Assembly.

As a matter of government policy, South Sudan does not encourage or sanction drug trafficking, and there is no evidence that senior officials are engaged in such activities.

South Sudan does not produce precursor chemicals. There are no reports of the importation of precursor chemicals into South Sudan.

Spain

A. Introduction

Spain remains an important European entry point, and an important market, for narcotics coming from Latin America, owing to its historical, linguistic, and cultural ties. However, through effective border control and coastal monitoring, domestic police action and international cooperation and an intense focus on organized crime, Spain has become a less attractive European entry point for drug cartels. There are numerous indications that criminal networks may be seeking easier targets within the EU for transit operations. Spain remains an important transit point to Europe for hashish from Morocco, especially via its North African exclaves of Ceuta and Melilla. Trafficking and abuse of heroin and synthetic drugs in Spain remain low.

The Spanish government ranks drug trafficking as one of its most important law enforcement issues, and it maintains effective institutions to combat production, supply and demand. Local, provincial, and national police forces deploy specialized narcotics units. In 2011 Spain extended its costal radar tracking system and created a new Civil Guard maritime unit to patrol the Strait of Gibraltar. The judicial system aggressively prosecutes drug offenders, and authorities regulate new drugs as they emerge. Spain's inter-ministerial National Plan on Drugs (Spanish acronym PNsD) helps coordinate antidrug campaigns, supports rehabilitation programs, and provides subsidies to NGOs working to reduce narcotics demand. The central government also provides drug program funding to the regional governments.

Spain is party to the 1988 UN Drug Convention as well as many other major international agreements on drugs and trafficking.

B. Drug Control Accomplishments,Policies, and Trends

1. Institutional Development.

As one of Europe's largest consumers of cocaine, Spain's National Strategy on Drugs (NSD) emphasizes citizen involvement to lower consumption and delay the age for initial consumption, and takes an aggressive stance on addict treatment. Based on the NSD, the PNsD also has a separate four-year Plan of Action on Drugs (2009-2012) focused on demand reduction, close program coordination, and research and education.

Both supply and demand reduction efforts receive funding from a seized asset redistribution program which provided $30.35 million in supplemental drug supply and demand reduction activities in 2010 and is expected to provide roughly $26.4 million in 2011. Funding is used to support security force initiatives, drug prevention programs, awareness campaigns, and drug-addict support, recovery, and reinsertion programs. The program is overseen by a governing board. Program rules dictate that at least 50 percent of the funds must be allocated to demand reduction programs. Currently, 70 percent goes to demand and 30 percent to supply reduction.
A 2010 penal code reform that stiffened sentences for drug offenses linked to organized crime and reduced sentences for lesser drug crimes has not been in effect long enough to demonstrate any statistically significant affect.

Spain is a UNODC Major Donor and a member of the Dublin Group, a group of countries that coordinates the provision of counternarcotics assistance. Spain is listed as a nontraditional country authorized to export licit narcotic raw materials (NRM) for medicinal use to the United States.

In April 2011, a new Civil Guard maritime unit called the Strait Maritime Group (Grupo Maritima del Estrecho) was inaugurated in southern Spain. Based in Cadiz, the group carries out rescue operations and missions to fight drug trafficking and organized human smuggling.

As a result of budget cuts, central government allocations for demand reduction programs declined by $4.6 million in 2011 to $33 million. In turn, PNsD subsidies to NGOs decreased from $2.5 million in 2010 to $1.7 million. However, CICO reported that funding for police and supply-reduction operations was not affected Combined with monies from seized assets, there was a small increase in police funding in 2011, CICO reported.

In 2011 the GOS passed two new drug regulations. In June, the government ratified a royal decree modifying the definition and generally increasing penalties for transport or possession of contraband materials, including drugs and firearms. The modification also redefines certain terms including "drug precursors" broadening enforcement options.
The Ministry of Health acts in an appropriate time and manner to regulate new substances. In 2011 the Ministry added two substances to its controlled substances list: Mephedrone (4-Methylmethcathinone) and Tapentadol.

Spain's degree of cooperation in both bilateral and regional antidrug agreements and policies continues to be very high. In addition to creating the Strait Maritime Group, Spain signed bilateral agreements with Cameroon and Serbia in January 2011 and with Croatia in October 2011. These agreements cover collaboration and sharing of materials and information on the trafficking of drugs and their precursor chemicals, piracy, terrorism and border control. Operationally, Spain cooperated closely on a number of cases. For example, in January the Civil Guard and Peruvian police arrested 25 members of a cocaine trafficking ring, seized 25 kilograms of cocaine and dismantled a cutting laboratory in Barcelona. In fall 2010 Spain was elected to chair the Cooperation Program between the European Union and Latin America on Anti-Drugs Policies (COPOLAD), and in February 2011 the group held its first working meeting.

Spain's Civil Guard (Guardia Civil) operates very closely with the EU's FRONTEX law enforcement organization, both in the Strait of Gibraltar and between the Canary Islands (which belong to Spain) and Senegal and Mauritania in West Africa. They are also a member of the Maritime Analysis and Operation Centre-Narcotics (MAOC-N), which is an intelligence exchange and coordination platform for maritime operations among European countries. Spain is also one of 18 members of the North Atlantic Coast Guard Forum, and it shares antidrug best-practices with subject matter experts from those member nations. The U.S., through the USCG, is a member of this organization.

Spain maintains a coastal radar monitoring array known by the Spanish acronym SIVE. The system covers a large portion of Spain's Mediterranean and Cantabrian coasts. According to CICO, the SIVE's fixed and mobile systems, combined with coastal patrols, are proving an effective deterrent against larger smuggling organizations.

2. Supply Reduction.

In 2011, the number of seizures rose slightly although quantities of drugs seized continued to fall, reflecting a further change in both the tactics and composition of trafficking operations. Law enforcement agencies emphasized "smarter" targeting aimed at cartels and major arrests. On January 18, Spanish Police dismantled the largest cocaine laboratory found thus far in Europe, arresting 25 and seizing 300 kilograms of cocaine. On March 9, the Civil Guard

reported the seizure of more than 5 tons of Moroccan hashish, breaking up an organization with links to Italy and Central Europe, and on March 11 seized 1,152 kilograms of cocaine from two shipping containers in the Port of Tarragona, arresting nine people.

In April, Barcelona police closed a designer drug network with strong international links (including to the US), arresting five Lithuanian citizens and seizing more than 10,000 pills. In May, Spanish Police dismantled one of the world's largest medicine trafficking networks, arresting 27 and seizing over 700,000 doses of medicines including hormones and steroids. On September 30, Spanish Police busted another ring for online hormone and medicine trafficking, allegedly the largest such organization to be dismantled in the world to date. On the same date Spanish Police, working in concert with the Civil Guard and the Customs Service, took down a marijuana cartel and seized 2500 kilograms of hashish. During the week of October 24th, Madrid police raided three factories – two for processing cocaine and one for manufacturing synthetic drugs – and arrested ten individuals.

Spain remains only a minor producer of drugs, however, there was a large increase in domestic marijuana production in 2011. Authorities seized 17 metric tons of marijuana plants compared with only 2.5 tons in 2010. The majority of drug laboratory activity in Spain involves cutting, mixing, and reconstituting cocaine products. A small amount of poppy is grown for licit, medical opium production, but in negligible quantities and in strictly controlled conditions. There were several shifts in ship-borne movements of drugs in 2011; the quantity of containerized shipments increased, but per-shipment volumes of cocaine declined significantly. Authorities stated that it is more difficult to find smaller drug quantities hidden in larger volumes of legitimate merchandise. The role of Dominicans, Brazilians and Bolivians involved in this lower-volume trade increased. Perhaps also a result of this shift (smaller less professional traffickers moving in to fill the vacuum created by the shift of larger cartels away from Spain), police at the Madrid-Barajas Airport arrested over 380 people for drug trafficking, seizing more than a ton of cocaine, 6.5 kilograms of hashish and 10 kilos of heroin.

Tables
Source: CICO

Numbers of Seizures									
	National Police		Civil Guard		Customs		Total 2011	% of total 2011	% diff 2010-2011
	2010	**2011**	2010	**2011**	2010	**2011**			
Seizure for criminal act	6094	**5762**	7245	**7377**	64	**64**	13203	3.24	-1.49
Seizures (complaints or possession)	185512	**239941**	150678	**150779**			390720	95.98	16.22
Seizures w/o Charges	111	**104**	2344	**2888**	93	**159**	3151	0.77	23.67
Total	191717	**245807**	160267	**161044**	157	**223**	**407074**	**100.00**	**15.06**

Seizure Quantities by Type of Narcotics												
Seizures:	**2001**	**02**	**03**	**04**	**05**	**06**	**07**	**08**	**2009**	**2010**	**2011**	
Heroin (kg)	631	275	242	271	174	454	227	548	300	233	413	
Cocaine (MT)	34	18	49	33	48	47	38	28	25.3	25.2	16,608	
Hashish (MT)	514	564	727	794	670	451	653	682	444.5	384	355	
Ecstasy (pills x 1000)	860	1,400	772	797	573	408	491	535	404	635	182	
LSD (units)									9,062	6867	4923	
Speed (kg)									148	282	278	

CICO statistics indicate that, with the exception of heroin, the broad downward trend in the volume of drugs seized continued in 2011. The volume of cocaine seized fell 26%, hashish fell

by 7% and the number of ecstasy pills seized fell an incredible 71%. Authorities reported that the spike in heroin seizures was due to a single large seizure of more than 200kg. This appears to confirm that large-scale traffickers are looking for alternative points of entry into Europe.

CICO stated that no new synthetic drugs appeared in 2011; however, PNsD identified with concern the emergence of "legal high" substances in the youth population, noting that Spanish usage rates were commensurate with other EU states.

3. Drug Abuse Awareness, Demand Reduction, and Treatment.

Spain's NDS identifies prevention as its principal priority. It is in the middle of implementing a four-year (2009-2012) Action Plan on Drugs through the PNsD, which closely coordinates its demand-reduction programs with Spain's regional governments. In 2011, PNsD put on 14 seminars and talks and sponsored several others, many of them aimed at understanding the development and psychology of drug addiction in youth. Within the EU, its Strengthening Families Program has been heralded as a model for reducing predictors for subsequent drug abuse. The PNsD specifically concerns itself with the connection between underage alcohol abuse and first-time drug use. PNsD also works through a network of civil society organizations and NGOs, in 2011 directing $1.7 million into the prevention and rehabilitation programs of 44 private groups.

The Official Bulletin of the General Courts of Spain, issued May 31, called for more integration of addiction treatment under the administration of the Ministry of Health and highlighted a previous royal decree which listed "addiction" as a disease and public health issue.

In 2010 use of cannabis and cocaine among Spanish citizens had declined modestly (although they remain amongst the highest in Europe, especially among the 15-34 age group) and PNsD officials estimated that rates remained unchanged or declined slightly in 2011. During 2011, between 150,000 and 200,000 people sought treatment for drug addiction through Spain's network of treatment and rehabilitation centers. There are approximately 2,700 methadone dispensaries, 500 walk-in clinics, 130 community therapy centers, and 50 faith-affiliated treatment units. In addition, Spain has over 50 detoxification wards and the communities of Cataluña y Andalucía have trial clinics for Diacetylmorphine, a heroin substitute. Spain has also invested significant resources in "risk reduction" programs, including social service emergency centers, "safe houses," and pharmacies that provide needle exchange and other services.

While adult treatment programs are mixed (men and women), the government provides separate facilities for youth and "dual diagnosis" patients suffering from both a drug addiction and mental illness.

4. Corruption.

As a matter of government policy, Spain neither encourages nor facilitates illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Only two notable cases of drug-related corruption came to light in 2011: a police officer working in the port of Valencia was convicted in October for collaborating in the January 2011 smuggling of 6500 kilograms of marijuana into the country. On October 19 another Civil Guard officer was arrested for providing counter-surveillance support to cocaine smugglers, also in Valencia. There is no evidence or suspicion that large-scale government or institutional corruption occurs in Spain, be it at the national, community, or municipal level; with only minor and isolated examples to

the contrary, both government and police officials make *bona fide* and effective efforts against drug trafficking in all its forms.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In 2011, Spanish collaboration with U.S. agencies was very good. The DEA Madrid Country Office continued to work very closely with the Spanish National Police and the Guardia Civil, collaborating on 16 cases that resulted in the seizure of approximately 2,000 kilograms of cocaine, 22 kilograms of heroin, and approximately 1.6 million Euros. In October 2011, Spanish National Police provided DEA Madrid with information regarding a heroin shipment from Pakistan, enabling host country counterparts to seize over 100 kilograms of heroin. All of these investigations required additional collaboration with third country law enforcement.

D. Conclusion

Owing to its effective police action and improving coastal monitoring system, Spain made progress in reducing the volume of drugs transiting the country in 2011, but transit remains a problem as traffickers search for other modalities. Spain's treatment programs are widely regarded as effective models for curbing drug abuse and coordination between CICO and PNsD, is excellent. However, both supply and demand figures indicate significant ongoing transit and abuse of drugs and it remains to be seen how counterdrug efforts may be affected by government spending cuts in the face of continued economic challenges. Bilateral cooperation with the U.S. is strong and wide-ranging. Spain maintains drug liaison officers in source countries and at U.S. Joint Inter-Agency Task Force South.

Sri Lanka

Sri Lanka plays only a minor role in the international narcotics traffic as a transshipment route for heroin transiting from India and Pakistan. Government of Sri Lanka (GSL) officials work to raise awareness of and vigilance against drugs and illicit drug smuggling. The lead agency for counternarcotics efforts is the Police Narcotics Bureau (PNB). The GSL does not, as a matter of policy, encourage or facilitate the illicit production or distribution of any controlled substances or the laundering of proceeds from illegal drug transactions.

Sri Lanka is a party to the 1988 UN Drug Convention. There is a bilateral extradition treaty between the United States and Sri Lanka, but no bilateral mutual legal assistance treaty.

The primary drugs available and abused in Sri Lanka are Southwest Asian (SWA) and Indian produced 'brown sugar' heroin, and cannabis in the form of marijuana and hashish. Brown sugar heroin is widely available throughout the country, particularly in the capital Colombo. The GSL considers heroin a growing threat and remains committed to targeting drug traffickers. The majority of locally consumed heroin originates from India. The remaining percentage is either produced in Pakistan/Afghanistan or of unknown origin.

Maritime drug smuggling from India is the greatest threat to Sri Lanka. According to police officials, drugs are transported across the Palk Strait from India and then overland to the south. Police officials report that the Bandaranaike International Airport is the second major entry point for drugs. According to the PNB, Pakistani drug couriers have changed their patterns of travel to avoid detection because direct flights from Pakistan are screened more thoroughly than other flights. Many Pakistani couriers are traveling to Dubai then onward to Sri Lanka in an attempt to avoid detection.

Cannabis is cultivated locally, primarily in smaller operations in the former conflict areas of the North and East. All indications are that locally grown cannabis is strictly for domestic consumption and there are no indications that it is being exported. The police regularly work to locate and eradicate cannabis crops. Police note that the "party drugs" found in Colombo social venues are believed to be imported from Thailand.

Efforts began in late 2010 to increase the size, reach and responsibility of the PNB as well as to foster better cooperation between the PNB and other GSL institutions including the Customs Service, the Department of Excise and the Navy. From January to October 2011, the GSL made 11,787 arrests for using, dealing or trafficking heroin, 7 for Hashish, 4 for Cocaine and 22,691 for Cannabis. Though arrests increased from last year, seizures of heroin decreased significantly. This drop has been attributed by senior officials within the PNB to better cooperation and information sharing between the agencies involved in the counter-narcotics effort thus reducing trafficking. The GSL seized 23kg of heroin (down from 137 kg in 2010), 18 kg of hashish (down from 23kg), 10 kg of cocaine and 50,000 kg of cannabis (up from 20,270 kg) thus far in 2011. The cocaine seizure was the single largest seizure of cocaine in Sri Lanka's history.

The National Dangerous Drugs Control Board (NDDCB) runs a total of 5 treatment and rehabilitation centers island wide capable of treating approximately 1000 patients a year. The most recently opened center, inaugurated on October 3, 2011 is the only one in the country specifically for women. Women comprise just 1 percent of heroin addicts.

The GSL welcomes U.S.-sponsored training for criminal investigative techniques and management practices. Sri Lanka also works with regional and international partners on narcotics issues, particularly the Colombo Plan, a regional organization with special expertise in drug prevention and treatment. The SAARC-the South Asian Association for Regional Cooperation Drug Offense Monitoring Desk (SDOMD), located within the PNB, serves as a clearing house for SAARC countries to input, share, and review regional narcotics statistics. GSL officials maintain steady contact with counterparts in India and Pakistan, origin countries for the majority of drugs in Sri Lanka.

The U.S. government will continue to aid the Sri Lankan police in its transition to community-focused policing techniques. The U.S. government provided no narcotics specific training to Sri Lanka in 2011. The U.S. also expects to continue its support of regional and country-specific training programs, particularly through the Colombo Plan. The U.S. Drug Enforcement Administration attaché based in New Delhi visits Colombo regularly and has plans to provide the PNB and other agencies with training opportunities in 2012.

Suriname

A. Introduction

Suriname is a transit zone for South American cocaine en route to Europe, Africa and, to a lesser extent, the United States. Suriname's sparsely populated coastal region and isolated jungle interior, together with weak border controls and infrastructure, make narcotics detection and interdiction efforts difficult. Traffickers are able to move drug shipments into and through Suriname by land, water and air with little resistance. There is little evidence of drug production in Suriname. Limited quantities of cannabis are grown for personal use, and there is evidence of cocaine consumption among some sectors of the population.

Suriname is a party to the 1988 UN Drug Convention, but its lack of chemical precursor controls keeps it from full conformity with the Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

As a matter of policy, the Government of Suriname is committed to combating illegal narcotics trafficking, and there has been no observed reduction in this commitment during 2011. The Government of Suriname's practical ability to identify, apprehend, and prosecute narcotics traffickers, however, remains inhibited by a lack of resources, inadequate legislation, drug-related corruption, and bureaucratic hurdles.

Under the coordination of the Office of the President, the National Anti-Drug Council (NAR) and the Ministries of Health, Justice/Police, and Education formulated the draft National Drug Master Plan for 2011-2015. The Plan, which addresses both supply and demand reduction, was submitted to Parliament for approval in October.

Legislation on terrorist financing, which is required for Suriname to join the Egmont Group (an informal group of Financial Intelligence Units (FIUs) designed to facilitate international cooperation) was approved by the National Assembly in June.

Suriname is a party to the 1961 UN Single Convention as amended by the 1972 Protocol and the 1971 UN Convention on Psychotropic Substances. Suriname is also a party to the 1988 UN Drug Convention and has, accordingly, passed legislation that conforms to a majority of the Convention's articles but has not passed legislation complying with precursor chemical control provisions. Suriname is a party to the UN Convention against Transnational Organized Crime and its protocols against Trafficking in Persons and Migrant Smuggling. It is a party to the Inter-American Convention against Corruption and Migrant Smuggling and the Inter-American Convention on Mutual Assistance in Criminal Matters.

Since 1976, the Government of Suriname has been sharing narcotics information with The Netherlands pursuant to a Mutual Legal Assistance Agreement. In 1999, the United States and Suriname completed a comprehensive bilateral maritime counternarcotics enforcement agreement which remains in force. Extraditions between the United States and Suriname are conducted under the Convention between the United States and The Netherlands for the extradition of criminals, but current law in Suriname prohibits the extradition of its nationals and this is upheld in practice. Suriname has also signed bilateral agreements to combat drug trafficking with neighboring countries Brazil, Venezuela and Colombia.

2. Supply Reduction

In 2011, the Government of Suriname seized 415 kilograms of cocaine, 349 kilograms of cannabis, and 5 grams of hashish. Nationalities arrested in Suriname in 2011 for drug-related offenses included Surinamese, Dutch, Brazilians, Colombians, Venezuelans, Guyanese, and Nigerians. The Government of Suriname has yet to initiate a formal investigation into any of the cocaine seizures from 2010 found in containerized cargo originating from Suriname.

The Government of Suriname is working on legislation to control precursor chemicals but currently has no tracking system to monitor them and therefore is unable to detect the diversion of precursor chemicals for drug production. The government focuses significant narcotics interdiction resources on Suriname's western border with Guyana, a key route for cocaine trafficking by land and water.

A new narco-brigade operations team is responsible for interdiction efforts at Suriname's international airport, Johan Adolf Pengel International (JAP). Known as the Combating International Drug Trafficking team, it is comprised of approximately 32 national police members (more widely known as KPS members for "Korps Politie Suriname" in Dutch) and focuses almost exclusively on searching passengers and cargo on flights bound for The Netherlands, where the majority of narcotics are trafficked from Suriname. The team utilizes urine test kits at the airport to identify suspected drug mules, and "sniffer dogs" for additional narcotics detection. Drug mules who evade detection in Suriname may be arrested upon arrival in Amsterdam, where inspection of all bags and passengers from Suriname is routine.

Although the majority of narcotics trafficking by air occurs via Netherlands-bound flights, in 2011 drugs were also intercepted on flights from Suriname to Trinidad and Tobago and Jamaica. The use of foodstuffs to move narcotics out of Suriname continued in 2011. As of October, the Government of Suriname Customs Service had seized 250 packages containing cocaine.

The bulk of the cocaine movement out of Suriname to Europe and Africa is via container cargo. Smaller fishing vessels also carry drugs out to sea and transfer them to large freight vessels in international waters. In March and August 2011, Jamaica seized 112 and 65 kilograms of cocaine respectively from the ship "Vega Azurit," which is suspected to have been shipped from Suriname to Jamaica.

Drug trafficking organizations based in Guyana are beginning to use Suriname as a major distribution hub. The cocaine is smuggled into Guyana and then transported to Suriname for safekeeping and distribution.

The Government of Suriname is working to establish a Coast Guard and at this time has limited maritime capability to interdict drug traffickers at sea. It does not operate a maritime radar system to track movements at sea.

There is local cultivation of cannabis in Suriname but little data exists on the amount under cultivation. There was one seizure in November 2011 of 18 kg of cannabis, however there is no additional evidence that Suriname exports cannabis in significant quantities.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

During the year, the NAR continued efforts to raise drug awareness, creating self-help groups and partnering with local stakeholders on youth and community outreach initiatives. There is one government detoxification center which is free. Other treatment centers are run by non-governmental organizations.

4. Corruption

During 2011, the Government of Suriname publicly maintained its commitment to combat narcotics trafficking and took measures to apprehend and prosecute government officials for drug-related corruption. Corruption, however, remained pervasive throughout all levels of government. As a matter of policy, the government does not encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs, but there is evidence of drug-related corruption among government officials.
Two high-level officials within the Suriname government have previous convictions for drug trafficking: President Desire Bouterse and Member of Parliament Ronnie Brunswijk have both been convicted in absentia in The Netherlands. France also has an outstanding arrest warrant for Brunswijk on similar charges. Neither has served the sentence associated with the conviction, as Suriname does not extradite its citizens.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The United States provides training and material support to several elements of the KPS. DEA has provided technical assistance to the KPS in narcotics, money laundering and investigations. A DoD Tactical Analysis Team (TAT) has been operational in Suriname since November 2008, providing additional technical support. In 2011, bilateral operational effectiveness was hampered by government reorganization efforts within the law enforcement structures and unfilled vacancies within law enforcement. In 2011, the U.S. Coast Guard conducted three resident courses in law enforcement, professional development and port security to Government of Suriname maritime forces. The Caribbean Basin Security Initiative (CBSI), a security partnership between the USG and other nations of the Caribbean, will increase citizen safety throughout the Caribbean. The CBSI policy objectives are to substantially reduce illicit trafficking, advance public safety and citizen security, and promote social justice.

D. Conclusion

The United States encourages the Government of Suriname to continue its efforts to pursue major narcotics traffickers, to dismantle their organizations, and to build and strengthen its regional and international cooperation. The Government of Suriname should continue to strengthen its focus on port security, specifically seaports, which are seen as the primary conduits for large shipments of narcotics exiting Suriname. A concerted effort by the Government of Suriname to increase the number of police and military boats and to create an operational Coast Guard, capable of patrolling the border rivers and coastal areas would also enhance counternarcotics efforts. Similarly, the USG encourages the Government of Suriname to continue capacity-building efforts for its counternarcotics-focused units as well as to monitor and protect its porous borders and interior with a radar detection system and adequate air support. To enhance its interdiction capabilities at the principal airport and border crossings, the Government of Suriname should invest in an automated exit and entry system to identify and record people traveling to and from Suriname.

Taiwan

A. Introduction

Taiwan is not a major transit/transshipment point for illegal drugs destined for the United States or other countries; however, illegal drugs continue to transit Taiwan. Taiwan's proximity to China, long coastline, large container port in Kaohsiung, and significant fishing fleet are important facilitating factors in Taiwan's use as a transit/transshipment point for illegal drugs destined for international markets.

Taiwan plays an important role in international drug trafficking activities. Ethnic Chinese trafficking organizations with connections throughout Southeast Asia meet in Taiwan to discuss, plan, and organize drug shipments. Taiwanese drug traffickers operate throughout Southeast Asia and continue to establish sophisticated drug trafficking operations throughout the world. Taiwanese traffickers and chemists are linked to clandestine laboratory operations in South Africa, methamphetamine manufacturing operations in Cambodia, Vietnam, and Indonesia, ketamine smuggling between China and Taiwan, and significant cocaine seizures in Hong Kong and Nigeria.

Taiwan's law enforcement authorities continue to strengthen anti-illicit drug efforts. Airport interdiction has been improved; coast guard and customs inspections/interdictions are more thorough; physical and electronic surveillance, financial investigations, and other investigative methods more effective. Taiwan's law enforcement agencies also committed resources to investigating long-haul smuggling operations carried out by Taiwan-flagged fishing vessels.

Taiwan is not a member of the United Nations or party to the 1988 UN Convention; however, Taiwan authorities pass legislation consistent with the objectives of the Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Ministry of Justice (MOJ) continues to lead Taiwan's counternarcotics effort with respect to manpower, budgetary, and legislative responsibilities. Anti-narcotics is one of MOJ's top four policy priorities. The Ministry of Justice Investigation Bureau (MJIB), National Police Agency's Criminal Investigations Bureau (CIB) and Aviation Police, Customs, and Coast Guard contribute to counternarcotics efforts and cooperate on joint investigations, openly sharing information with DEA and other Asia Pacific law enforcement counterparts.

In June, MOJ enacted an assets forfeiture law targeting drug crimes. MOJ continues to convene meetings of experts to discuss upgrading ketamine from a Schedule III to Schedule II drug. So far, this effort has been unsuccessful for several reasons, including fear that reclassification of ketamine as a Schedule II drug, which carries mandatory sentencing, would result in a surge in the prison population. An additional eight precursor chemicals were added to the control list in July 2011.

A Mutual Legal Assistance Agreement (MLAA) exists between the American Institute in Taiwan (AIT) and the Taiwan Economic and Cultural Representative Office (TECRO) and is the primary basis for law enforcement cooperation between the U.S. and Taiwan.

2. Supply Reduction

Taiwan law enforcement agencies work together and with Hong Kong-based U.S. law enforcement agencies to combat the importation of illicit drugs into Taiwan. Taiwan routinely shares intelligence with regional counterparts, including China, the primary source of drugs smuggled into Taiwan.

Statistics for the first eight months of the year indicate a significant decrease in seizures in all classes of drugs except MDMA. Taiwan seized 1721.8 kg of drugs, a decrease of 42.3% from the same period the previous year (January to August). Authorities seized 10.7 kg of heroin (-84.4%), 114.7 kg of amphetamine (-41.1%), 1.1 kg of marijuana (-94.8%), 23.6 kg of MDMA (+1851%), 1183.3 kg of ketamine (-47.1%), 3.6 kg of methyl-ephedrine (+606.3%), 87 kg of ephedrine (-6%), and 243 kg of pseudoephedrine (+12.7%). Authorities also seized 66 drug manufacturing plants.

The decline in seizures is attributed to an increase of smaller scale methamphetamine kitchen labs; a switch to the more efficient "one pot" amphetamine manufacturing technique; and a 2009 legal amendment that makes possession of over 20 grams of certain drugs, including ketamine, illegal.

From January to September, 27,539 people were convicted of drug-related crimes, an increase of 3.8% compared to the same period last year. 80% were convicted of using drugs (+1.1%) and 13% were convicted of manufacturing, selling, or transporting drugs (+31.2%). Ketamine use continues to increase, particularly among young adults who consider ketamine a party drug with low potential for addiction. Anecdotal information indicates that abuse of FM-2, a prescription sleep medication, may be increasing, primarily as a date rape drug.

The primary means of smuggling drugs into Taiwan are shipping containers, fishing vessels, air shipments, and human couriers. 90% of all ketamine in Taiwan originates from China's Guangdong Province and is moved to Taiwan by fishing boats and shipping containers utilizing traditional cigarette smuggling routes and methodologies. The majority of drugs smuggled into Taiwan are for local consumption and the remainder is intended for international distribution. In January 2011, law enforcement authorities in Hong Kong seized 290 kilograms of cocaine which had transited Taiwan.

Other significant law enforcement actions included the seizure by MJIB of 500 kg of ketamine powder imported from China, the largest seizure in Taiwan history. CIB arrested three suspects and seized two million tablets of Nimetazepam in New Taipei City. CIB also arrested nine suspects in a massive seven-country transnational ring smuggling marijuana, amphetamine, and ecstasy disguised as food products. Following an investigation into a significant ketamine

trafficking ring, the Taiwan Coast Guard seized 54 kg of ketamine smuggled aboard a fishing vessel. The fishing vessel had obtained the drug from an unidentified source off the Thai coast..

While Taiwan is extremely vigilant in preventing the export of large quantities of ephedrine/pseudoephedrine to countries with importation bans, chemical companies routinely provide false documentation in an effort to evade law enforcement. Taiwan chemists are a valuable commodity around the world for supervising illicit synthetic drug manufacture. Taiwan chemists travel to Southeast Asian countries and China to oversee production. In September, two amphetamine labs were seized and several Taiwan citizens were arrested in Indonesia. The laboratory equipment and precursor chemicals were from China, but the lab and methamphetamine production was supervised by Taiwanese chemists.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Opiate addiction is viewed as a health, rather than legal issue. Under the law, most first-time offenders are sentenced to a treatment facility rather than to prison. Numerous methadone maintenance treatment programs have been established in an effort to reduce the number of heroin addicts. This year, Taiwan reached full compliance with a 2010 law requiring all counties to establish drug centers. Drug centers provide education, health, and employment assistance, as well as counseling and support to individuals and to rehabilitated drug abusers.

Taiwan also utilizes long-term rehabilitative centers in hospitals and prisons to treat drug addiction. Private religious and civic groups maintain various rehabilitative programs, including residential, counseling, and job placement assistance. Some psychiatric counseling is available in prisons, but many prison facilities lack the infrastructure and resources to treat drug addicts, and the recidivism rate is high.

Taiwan's Ministry of Education and the Taiwan National Health Administration continue to forge partnerships with civic and religious groups to raise awareness about the dangers of drug use and educate the public about the availability of treatment programs. Public schools provide anti-drug education, including random urine testing of students in junior high school, high school, and college. Radio, television, and film play a supportive role in drug abuse education, and the internet is also used to raise awareness. Numerous hotlines exist to report drug abuse or obtain assistance, and school teachers receive some training on how to identify potential student drug abusers.

4. Corruption

As a matter of policy, Taiwan does not encourage or facilitate illegal activity associated with drug trafficking, including the laundering of proceeds from illegal drug transactions. No cases of official involvement were reported in 2011.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The U.S. works closely with Taiwan authorities to prevent Taiwan from reverting to its earlier status as a major transit/transshipment point for U.S.-bound narcotics. Counternarcotics training

and institution-building remain a cornerstone for this policy. Taiwan law enforcement and customs enjoys a close relationship with U.S. law enforcement organizations. MJIB, CIB, and the Coast Guard participate in joint investigations and share intelligence with their U.S. law enforcement counterparts, resulting in several drug seizures and arrests in Taiwan each year.

D. Conclusion

Taiwan law enforcement continues to vigorously enforce drug trafficking laws. Additionally, Taiwan law enforcement agencies are active partners with U.S. counterparts, particularly DEA. Taiwan law enforcement personnel are committed to developing new investigative techniques to improve and advance counter-narcotic operations. This year's enforcement activities yielded several significant seizures, not all of which were in Taiwan, but were a direct result of Taiwan's willingness to share information. Such cooperation enhances Taiwan's investigative abilities and U.S. knowledge of Taiwan-based drug trafficking trends.

The Legislative Yuan took no action on new counternarcotics legislation. Legislation to permit the use of confidential sources to enable undercover operations was not enacted in 2010. A change in electronic surveillance laws two years ago that transferred the approving authority for such operations from the Prosecutors Office to the Judiciary, thereby increasing the difficulty of obtaining electronic surveillance warrants, remains a continuing source of frustration for law enforcement.

In 2012, as in previous years, DEA will continue to urge Taiwan to provide Drug Signature program samples of drugs seized in Taiwan.

Tajikistan

A. Introduction

Tajikistan shares a long border with Afghanistan, where almost 90 percent of the world's opium and heroin originates. As such, it is on the front lines of the fight to stop the trafficking of opiates from Afghanistan to Europe and beyond. Tajikistan is not a major narcotics producer, but it is a favorite transit route for drug traffickers due to its location between Afghanistan and Russia. The drug trade is a serious threat to stability and good governance in Tajikistan, and a terrorist financing concern. Drug trafficking has reinforced serious corruption throughout all levels of the Tajik government.

Tajikistan's 1,344 kilometer border with Afghanistan is mostly demarcated by the Panj River, which can be easily crossed on foot in some areas. Russian border guards helped secure Tajikistan's southern border until 2005, when Tajik authorities assumed control. Since then, the number of border guards stationed on the border has fallen, as have drug seizures.

UNODC estimates that about 15 percent of the opium and 20 percent of the heroin produced in Afghanistan are smuggled through Central Asia en route to consumers in Russia, Europe, and China. The majority of these drugs pass through Tajikistan. Up to 100 tons of Afghan heroin are smuggled through Tajikistan every year. Based on this figure, Tajik law enforcement annually seizes about 2 percent of heroin transiting Tajikistan.

Domestic consumption of drugs in Tajikistan is relatively low, with most transited narcotics consumed in Russia and Eastern Europe. While there are only about 8,000 registered addicts in Tajikistan, the UNODC and the International Red Cross Society estimate that about 70,000 persons regularly use opiates in the country. These estimates suggest that about 1 percent of the population is addicted to opium or heroin. Tajikistan is party to the 1988 UN Drug Convention and major multilateral conventions for legal assistance and law enforcement cooperation. The United States does not have an extradition treaty with Tajikistan.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In April 2010, the Government of Tajikistan adopted a National Border Management Strategy (NBMS), drafted with help from the Organization for Security and Cooperation in Europe (OSCE). The strategy outlines comprehensive border management reform plans through 2025. The first step of implementing the NBMS was taken in August 2011, when the Government of Tajikistan (GOTI) established an Inter-Agency Coordination Committee, and a Secretariat Under it charged with developing and coordinating specific action plans under the strategy. The USG has strongly urged the GOTI to fully support the Secretariat and use the framework of the strategy to make serious institutional reforms that will lead to improved border security.

In September, Tajikistan and Russia signed a new cooperation agreement on control of the Tajik-Afghan border. Under the agreement, Russian border troops will continue to support Tajik border guards by providing officer training, air transportation, and equipment. Tajikistan, however, had made it clear that Russian border guards would not be invited to return and co-locate on the border as had been the situation prior to 2005.

The GOTI has self-funded the construction of at least two new border outposts in the past year and plans to construct two more in the remote and mountainous Gorno-Badakhshon Autonomous Oblast (GBAO). However reports indicate that a few Tajik border posts in GBAO have been abandoned recently due to the logistical difficulties of staffing and supplying them. On balance, even with some new border installations, a large section of the far eastern Tajik-Afghan border is now effectively unguarded, and likely to remain so sometime into the future.

Tajikistan is a party to the UN Convention Against Corruption (UNCAC) and the UN Convention against Transnational Organized Crime (UNTOC). In 2006, the GOTI became a member of the Central Asian Regional Information and Coordination Center (CARICC), which facilitates the investigation of cross-border crime in Central Asia.

2. Supply Reduction

According to Tajikistan's Drug Control Agency (DCA) statistics, in the first nine months of 2011, law enforcement agencies seized 3,529 kg of narcotics, of which 437 kg were heroin, 251 kg opium, and 2,841 kg cannabis. During the same period of 2010, law enforcement agencies seized a total of 2,652 kg of narcotics, nominally a 33 percent increase in drug seizures over the past year. However, heroin seizures declined by 32 percent and opium seizures by 58 percent. The decline in opiate seizures was offset by a 103 percent increase in cannabis seizures. During the first nine months of 2011, cannabis accounted for 80 percent of total seizures.

The Customs Service experienced a 39 percent reduction in drug seizures over the past year, down from an already low total of 63 kg in the first nine months of 2010.

In 2011, Customs officials prevented two attempts to smuggle a total of 12 tons of sulfuric acid into Tajikistan. Sulfuric acid is a precursor chemical used in the illicit manufacture of narcotics, and the amount seized would have been enough to manufacture almost 7 tons of narcotics.

Drug traffickers employ the full range of smuggling techniques when transporting narcotics through Tajikistan. Transport by rail is a favored method, as existing trade agreements allow sealed cargo containers to pass uninspected from Tajikistan to Russia. Some smugglers use body concealment to transport drugs out of Tajikistan by air. When smuggling drugs from Afghanistan to Tajikistan the traffickers must pass the Panj River. Smugglers often cross the river on rafts made of truck tires or simply walk across in areas where the water level is low.

Once drugs enter Tajikistan there are three primary onward routes: north through Khujand and Uzbekistan, east to Osh and Bishkek in Kyrgyzstan and west from Dushanbe through Uzbekistan. Creative concealment methods have included hiding drugs in fruits, nuts, candies, coat linings, buttons, shoes, concrete shipments, and hollowed parts of crates. The sheer volume of drugs passing through Tajikistan suggests that traffickers are using official crossing points such as the USG funded Nizhny-Panj bridge to move bulk shipments.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Tajikistan's Ministry of Health funds five drug rehabilitation centers throughout the country, with 295 beds and 52 doctors. Over 80 percent of the 8,000 registered drug addicts in the country are addicted to heroin. Women make up less than 5 percent of registered drug users. Over 55% of Tajik citizens infected with HIV are intravenous drug users. USAID sponsors a "Dialogue on HIV and TB Project" which

provides technical assistance, training, and direct outreach services to treatment centers and drug users in order to increase access to quality HIV prevention and TB treatment services among drug users and other vulnerable groups.

In October, State INL kicked off a comprehensive "Drug Demand Reduction Program" which uses a community based approach to educate youth about the dangers of drugs and provide them with healthy alternatives to drug use. The program covers all four regions of Tajikistan, and will incorporate sports, music, art, theater, and dance to spread an anti-drug message.

4. Corruption

As a matter of government policy, the GOT 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. However, many Tajiks believe that significant amounts of narcotics are trafficked through Tajikistan with the support of a few corrupt government officials.

Many government workers supplement their income by charging for services that are meant to be free, or by demanding money to overlook real or supposed violations of law. Buying government positions in order to gain access to bribes is also believed to be a common practice. In the past year, several government officials, police officers, university teachers, and border guards were arrested for accepting bribes. In April, the chief of the Anti-Corruption Agency rated the Ministry of Interior as the most corrupt among power-wielding government agencies. But many in Tajikistan accuse the Anti-Corruption Agency itself of corruption. Corruption is observed daily on the streets of Tajikistan as traffic police openly extract bribes from law abiding motorists.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

State INL provides financial support to Tajikistan's Drug Control Agency, and has paid for the construction of district offices in Murghob and Ishkoshim.

State INL has supported the Border Guards Service (BGS) through reconstruction of the Shurobod border guard detachment facility and the Yakhchi Pun border outpost located in the Shurobod district, which has become a popular crossing point for drug smugglers. INL has also constructed border crossing point facilities on the Chinese and Kyrgyz border at Kulma and Kizil-Art.

INL has continued to fund joint training of Tajik and Afghan border guards who serve at official border crossing points between the two countries.

INL, DEA, and the DCA continue to provide financial and operational support to a Drug Liaison Office (DLO) in Taloqan, Afghanistan. Officers stationed there work with local Afghan officials to detect and prevent drug smuggling from Afghanistan to Tajikistan.

D. Conclusion

While the overall increase in drug seizures this year is a sign of wanting to show progress, the drop in heroin and opium seizures suggests that state security agencies and departments are still reluctant or unable to arrest and prosecute high level drug smugglers-there is just too much drug flow through Tajikistan for any other view. The GOTI has shown a willingness to combat militants and extremists crossing into Tajikistan. INL plans to use this shared goal to engender more robust cooperation on border security and counternarcotics.

In addition to on-going U.S.-Tajik bilateral cooperation, enhanced cooperation between the Government of Tajikistan and other regional governments to combat transnational narcotics related crime is necessary.

Tanzania

Tanzania is primarily a transit country for narcotics, although there is also some local consumption of heroin and domestic production of marijuana. Tanzania borders eight countries to the north, west, and south, and its eastern border is comprised of a 1,424-kilometer coastline. Due to porous borders, Tanzanian authorities have historically struggled to combat the movement of narcotics into and out of the country. Police forces believe that the largest bulk shipments of narcotics enter the country through unofficial seaports in areas such as Dar es Salaam's Kinondoni District and the Tanga Region to the north. Large shipments of heroin originating from Iran, Pakistan, and Afghanistan, come ashore in these areas. Tanzanian "drug mules" bring smaller amounts of cocaine from Brazil, Bolivia, and Peru, which enter Tanzania through commercial airports. The country serves as a link between drug markets in Latin America, the Middle East, Asia, Africa, Europe, and, to some extent, the United States. Growth in drug addiction and the tourism sector have boosted domestic demand for narcotics.

Tanzania 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. Tanzania is also a party to the UN Convention against Corruption, and the UN Convention against Transnational Organized Crime and its three protocols. The 1931 U.S.-U.K. Extradition Treaty is applicable to Tanzania. Tanzania has ratified the EAC Protocol on combating drugs in the region.

Despite efforts dating to 2009, the Tanzanian Parliament has not yet voted on a national drug control policy, though police representatives are hopeful they will do so soon. President Jakaya Kikwete has expressed interest in strengthening drug controls and creating an entire government body tasked solely with combating the drug trade. Problems in the judicial system, including inadequate sentencing and relatively-modest bail amounts contribute to the narcotics problem. Magistrates often choose to fine narcotics offenders rather than sentence them to prison, despite the legal requirement that both a fine and a prison sentence are mandatory in such cases. Conviction rates are therefore very high, as many defendants see an advantage in pleading guilty and simply paying the fine. In some cases, the court system has released more serious offenders on bail of TZS 10 million ($5,900). This, too, is against the law, and is a paltry amount for many in the drug trade. Some offenders released on bail return to the drug trade and become fugitives failing to appear for trial.

The Drug Control Commission (DCC), the Tanzanian Intelligence and Security Service (TISS), the Tanzanian Police and its Anti-Narcotics Unit (ANU) continue to pool a portion of their resources to combat drug trafficking through the anti-narcotics task force. Task force representatives highlight cooperation and information sharing as major successes for the year.

As a result of such cooperation, law enforcement officials in the ANU have made a significant number of high-profile arrests. In June, ANU apprehended alleged Kenyan narcotics trafficker Mama Lela, designated by the United States as a significant foreign narcotics kingpin per the Foreign Narcotics Kingpin Designation Act. In February, ANU seized 179 kilograms of heroin in a single raid - the largest narcotics seizure in Tanzanian history and also the largest seizure in Africa in the last 18 years. Two Pakistani nationals were arrested in connection with this seizure. Of the 55 individuals charged with serious drug offenses this year, almost one third of them are foreign nationals. As of October, ANU had seized a total of some 357 kilograms of heroin, 95 kilograms of cocaine, 62 kilograms of khat, and more than 17,000 kilograms of marijuana. Tanzanian authorities also destroyed 18 acres of marijuana farmland, but the marijuana problem remains difficult to control as most drug farmers operate in remote mountain areas in Morogoro, Arusha, Mara, Shinyanga, Tabora, Iringa, and Tanga.

Police efforts to publicize the dangers of drug abuse have led to an increase in tip-offs and anonymous leads. DCC also contributes to anti-drug education for children and rehabilitation programs for drug addicts, drawing on funding from the U.S. Centers for Disease Control. Earlier this year, DCC established a series of drug abuse treatment trainings for hospital staff as part of the Recovery-Oriented System of Care. These trainings are supported by the United Nations Office on Drugs and Crime (UNODC) and the World Health Organization (WHO). Sober House, a Zanzibar-based NGO, manages a small network of resident rehabilitation programs directed by former addicts in Zanzibar. According to Sober House staff, 10 percent of the population of Zanzibar suffers from addiction. Public access to mental healthcare remains limited - there are only six public sector psychiatrists in the country.

Due to the large amount of money in the drug trade, corruption and bribery of public officials remains part of the problem. Local NGOs and government officials report that corruption is pervasive throughout the criminal justice system: involving police officers, judges, clerks, and others. Tanzanian authorities have made significant strides this year to curb the drug trade, but corrupt police and judicial practices and loose interpretation of drug laws remain significant problems.

Thailand

A. Introduction

Thailand's borders are vulnerable to narcotics trafficking. Thailand remains a transshipment country and a target market for drugs produced in neighboring countries. Heroin and methamphetamine move from Burma directly across Thailand's northern border and indirectly through Laos and Cambodia for consumers in Thailand and for export. Large quantities of marijuana enter from Laos, while smaller quantities may enter from Cambodia. Marijuana smuggled into southern Thailand is frequently transshipped to Malaysia and other regional markets.

The first half of 2010 has seen continued growth in the seizure of heroin, crystal methamphetamine ("ice"), and methamphetamine tablets ("ya-ba"). Cultivation of opium and cannabis, and production of synthetic drugs remain minimal. Poppy cultivation remains well under 1000 hectares, the definition of a "major" source country. Small quantities of opium produced in Thailand are primarily intended for local consumption by hill tribe growers.

Thailand is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Responding to the widespread problem of meth abuse in Thailand, the newly elected Thai government implemented a comprehensive anti-drug campaign with vague but seemingly ambitious targets in September 2011. The new national policy aims to reduce drug-related social problems, the number of drug addicts, and recidivism, and to increase awareness of the dangers of drug use.

Thailand's counter-drug assets are insufficient to adequately patrol the long and mostly remote land borders with Laos, Burma, and Cambodia. Thailand has recently increased efforts to coordinate with neighboring law enforcement entities. Joint Thai-Lao river patrols, using U.S. government-purchased small boats and other equipment, have improved cross-border operational communications along the Mekong River. U.S. government support has permitted joint marine police training in counter-smuggling techniques among the four neighboring countries bordering the Gulf of Thailand.

In addition to the 1988 UN Drug Convention, Thailand is party to the 1961 Single Convention, and the 1971 UN Convention on Psychotropic Substances. On March 1, 2011, Thailand ratified the UN Convention against Corruption. Thailand has signed, but not yet ratified, the UN Convention against Transnational Organized Crime. The U.S. and Thailand have extradition and mutual legal assistance treaties in force. Thailand is among the U.S. government's most effective and cooperative partners in Southeast Asia.

2. Supply Reduction

Drug seizures by Thai law enforcement agencies continued to increase throughout 2010 and 2011. The DEA has worked closely with Thai law enforcement on joint investigations, resulting in the successful disruption of several international drug trafficking organizations. One investigation resulted in a Thai company ceasing production and destroying all stockpiles of anabolic and other steroids and precursor chemicals, effectively taking 26 million illegal steroid tablets off the black market.

Statistical Tables:
Drug Seizures (All figures in kilograms, except meth tablets and ecstasy)

YEAR	METH	CRYSTAL	KETAMINE	HEROIN	ECSTASY	COCAINE
2009	26.9 Million	210.6	20	143	59,173	9.2
2010	51.6 Million	692.6	165.4	141.7	15,883	30.8
2011 (Aug.)	33.6 Million (reported as 3,029,011 grams at 90mg per tablet)	724.8	72.05	354.3	19,262 (reported as 4,815.5 grams at 250mg per tablet)	19.5

Although the amount of heroin seized spiked in 2011, regional opiate production and heroin trafficking have declined significantly from the quantities reported prior to 2006. This decline, however, has been offset by higher production of methamphetamine tablets and crystal methamphetamine in Burma. Burma-based drug traffickers are believed to produce hundreds of millions of methamphetamine tablets each year for regional export. A substantial portion is trafficked into Thailand, where it remains the primary drug of abuse. Small quantities of opium and methamphetamine tablets transit Thailand to international destinations including the U.S., typically via parcel post or mail. During 2010-11, Thai authorities reported an increase in seizures of pill press machines. This may indicate a possible renewal of methamphetamine tablet production in Thailand. Crystal methamphetamine, for both domestic consumption and regional export, is smuggled into Thailand primarily from Burma, but also from Iran, and various West African countries.

Thailand has a small domestic consumer market for ecstasy and cocaine, largely among affluent residents in large cities as well as tourists and expats in Thailand's resort areas. Ecstasy typically is smuggled into Thailand via commercial air carriers from Europe. While the cocaine market in Thailand is still largely controlled by West African criminal organizations moving smaller quantities, South American and Chinese trafficking groups have now become involved in the regional import of the drug in bulk quantity, typically to China, Hong Kong and Australia.

Marijuana is used widely in Thailand where it is domestically cultivated in limited quantities, with bulk imports from Laos for domestic use and regional export. Kratom (Mitragyna speciosa), a local drug with modest psychotropic properties, is grown locally and consumed primarily in Thailand’s southern provinces.

Seizures of ketamine within Thailand have risen in recent years, with 165 kilograms seized in 2010 and 72 kilograms seized through August of 2011. Ketamine is sold primarily within entertainment venues to affluent Thais and the expatriate community. Ketamine is primarily transported into Thailand from India. Thailand-based enterprises continue to market steroids and HGH for worldwide sale.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Thailand carries out comprehensive demand reduction programs, combining drug abuse prevention programs with treatment for addicts. A highly visible and effective program, “To Be Number One,” and other drug awareness campaigns are conducted in cooperation with private organizations, NGOs, and public institutions, using radio, TV, and printed media. The Thai government invests substantially in building awareness of the perils of drug addiction. These programs directly assisted about 300,000 people during 2010, and their messages reached most school-aged youth in Thailand. The effectiveness

of public education programs is difficult to gauge, but overall, the methamphetamine problem is growing rather than shrinking. Heroin and opium usage remain relatively low and stable.

4. Corruption

Corruption remains a problem in Thailand and bribery of officials is not uncommon. As a matter of policy, the Thai government does not permit, encourage, or facilitate illicit production or distribution of narcotic/psychotropic drugs or other controlled substances, or the laundering of drug proceeds, by individuals or government agencies. No current senior Thai government official is known to have engaged in those types of activities. Reports of official corruption are rarely drug-related, but drug-related corruption at working levels is likely, given the volume and value of drugs consumed in and moving through Thailand.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

For the last several years Thailand has experienced political instability and the performance of the criminal justice system is important in securing strong public support for the rule of law. The U.S. government is well-situated to help with this effort.

Thailand and the U.S. enjoy a strong, broad, and long-standing cooperative relationship, especially in combating drug trafficking and international crime. American law enforcement agencies receive willing cooperation from their Thai counterparts and are supported at the highest levels of the Thai government. The DEA and other U.S. law enforcement agencies participate in a broad range of joint investigations with Thai agencies. Thailand is one of several countries in which the DEA maintains Sensitive Investigative Units (SIU). Thai SIU participants receive specialized training and undergo a rigorous vetting process. SIU teams focus on the most important regional trafficking groups.

Additionally, the broad U.S. government presence in Bangkok produces a stream of training and assistance to Thai law enforcement and criminal justice entities on some of Thailand's top priorities, including countering trafficking in persons and terrorism. These capacity-building activities aid an allied nation and sustain relationships that directly benefit U.S. priorities. Programs to enhance the criminal justice sector more broadly include strengthening the capacity of prosecutors and the judiciary, countering corruption, and promoting human rights.

The U.S. government-supported Bangkok International Law Enforcement Academy (ILEA) provides training to relevant government personnel from 11 regional countries. Furthermore, the U.S. Department of Defense's Joint Interagency Task Force West provides wide-ranging support, including with the construction of Maritime Enforcement Centers, Roadside Checkpoints, and a National Law Enforcement Tactical Training Center.

D. Conclusion

The U.S. government enjoys a particularly close and collaborative relationship with Thai law enforcement. The U.S. government has encouraged laws and regulations more closely aligned with international standards, and helped Thailand develop more consistent adherence to rule of law principles. All such activities contribute to the fight against illicit drug trafficking and other transnational crime.

Using existing resources, the U.S. government can continue to work with the Thai government to build on drug control successes in all phases of the effort, from demand-reduction to criminal convictions of drug traffickers. Continuing to promote greater cooperation between police and prosecutors, continuing to

promote legal and institutional development related to narcotics control, helping Thailand combat corruption, and bolstering regional cooperation will be especially important in the coming years.

Timor-Leste

Timor-Leste appears to be a minor destination for narcotics consumption. According to the National Police of Timor-Leste (PNTL), there are five types of narcotics available in the capital city of Dili: methamphetamine, MDMA (ecstasy), marijuana, cocaine, and heroin. In January 2011, police seized 72 grams of cocaine pursuant to the execution of five search warrants in Dili. Narcotics are smuggled over the land border at Batugade, through Dili Airport, and by small boats. Smuggled narcotics are concealed in cosmetics, grocery items, and automobile and motorcycle parts and are sold in bars, karaoke lounges, massage parlors, and hotels. The potential domestic market is limited by the low income level of the general population. However, in the medium term, moderate oil and gas revenues and steady economic growth have the potential to stimulate economic development and raise income levels, expanding the potential drug market if appropriate law enforcement measures are not taken to curb narcotics trafficking.

There is little reported narcotics production in Timor-Leste. Unconfirmed reports suggest there may be one or two small-scale methamphetamine production facilities in and around Dili. Methamphetamine precursor chemicals pseudo-ephedrine and ephedrine are readily available in numerous Dili pharmacies and there is no limit on quantity that may be purchased per customer per day, nor is customer information documented at the time of purchase. Insufficient law enforcement capacity, including limited vehicles and resources, would make it fairly easy for clandestine laboratories to operate without fear of detection. Police sources indicate that there is also a strong likelihood that marijuana cultivation exists in the hill country areas of Timor-Leste. Narcotics trafficking from neighboring Indonesia appears to be taking place on a small scale, but there are no indications to date that Timor-Leste is being used as a transit point for narcotics trafficking to other countries. Illegal domestic drug use appears to be low, but is probably rising modestly.

Timor-Leste is not a party to the 1988 U.N. Drug Convention. A United Nations police peacekeeping presence supports the PNTL, but will likely depart Timor-Leste by the end of 2012. Local law enforcement capacity is limited, due especially to low levels of education and training among the police force and insufficient investment in infrastructure, equipment, and logistical capacity. Nevertheless, with support from international peacekeepers, the PNTL has made modest efforts to identify and raid establishments associated with narcotics trafficking. Despite a limited number of arrests, however, a similar lack of capacity in the prosecutorial and judicial system has hampered efforts to prosecute and convict those arrested. Another obstacle is the inability to analyze seized narcotics samples. To date, the PNTL has relied upon Australian counterparts, who send narcotics to Australian government laboratories for analysis. PNTL officials have cited delays or lapses in getting lab test results as a hindrance to prosecuting suspects. In some cases, positive results from narcotics test kits have been sufficient for prosecution.

There are also no drug abuse education, drug rehabilitation, or treatment programs in Timor-Leste. Despite these shortcomings, Timorese government policy strongly condemns and seeks to restrict and impede narcotics trafficking. The Government of Timor-Leste does not, as a matter of government policy, encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs. To the contrary, many senior officials have spoken publicly of the dangers that narcotics present to Timorese society and of the need to undertake additional, stronger measures to counter narcotics trafficking.

Togo

Togo is not a significant producer of drugs; however it plays an increasingly large role in the regional traffic in narcotics. The drug trade (particularly in hard drugs) continued to increase, and Togo is used more and more as a transit point for the inter-continental movement of drugs. Togo's capacity to address the transnational flow of drugs is undercut, by its extreme poverty; a lack of resources and training; long, porous borders; and an inability to control corruption. Those challenges notwithstanding, Togo's counternarcotics efforts are increasing and resulted in record seizures of illicit drugs during 2011. The only drug cultivated in any significant quantity in Togo is cannabis, but even cannabis cultivation is limited. Cultivation is primarily for local demand, although some cross border distribution by small-scale dealers is suspected. Domestic use of cannabis is increasing. Heroin and cocaine, while not produced in Togo, are also available. Drug abuse by Togo's citizens is relatively rare, and there are few crimes resulting from drug use.

There are three agencies responsible for drug law enforcement—the police, the gendarmerie, and customs. The Central Office Against Drugs and Money Laundering (OCRTIDB), a nominal coordinating mechanism for these three enforcement agencies, is responsible for investigating and arresting all persons involved in drug-related crimes. The Director of the Central Office, in turn, reports to the Minister of Security. The reality, however, is that the police and gendarmerie conduct their own investigations and enforcement operations, lending to poor accountability for seized contraband and money. Togo is a party to the 1988 UN Drug Convention. Togo is a party to the UN Corruption Convention and is also a party to the UN Convention against Transnational Organized Crime.

The number of drug-related arrests increased dramatically this year. In just a four-month period, there were 20 seizures of some 45MT of drugs, overwhelmingly marijuana, but with significant amounts of cocaine. The amount of cocaine seized, in particular, increased significantly over amounts ever seized in the past in Togo.

The National Anti-Drug Committee sponsored anti-drug films and counter- narcotics discussion groups to advance drug abuse education. For National Anti-Drug day, June 26, the committee worked with civic organizations to hold a week of anti-drug activities. As a matter of government policy, Togo does not encourage or facilitate illegal activity associated with drug trafficking. There is no evidence linking senior government officials to such activity.

Although Togo's ability to confront the issue of illicit drugs is hampered by severe corruption problems, U.S. relations with Togolese officials in both the Ministry of Security and the OCRTIDB are excellent. U.S. cooperation with Togolese counternarcotics officials will continue through the Regional Security Officer and the regional Drug Enforcement Adminsitration representatives based in Accra.

Trinidad and Tobago

A. Introduction

Trinidad and Tobago's position off the coast of Venezuela, its porous borders, and its direct transportation routes to Europe, West Africa, the United States, Canada, and the Caribbean make it an ideal location for drug transshipment. Trafficking of cocaine and marijuana originating from South America and from the greater Caribbean is prevalent. Drug production and illegal use in Trinidad and Tobago center on marijuana.

The Government of Trinidad and Tobago has long struggled to effectively coordinate its drug-control efforts. Sustainability, corruption, and gaps in legislative implementation remain challenges. In August, the Government of Trinidad and Tobago declared a State of Emergency (SOE) in response to what it described as a significant threat to national security. The SOE resulted in thousands of arrests which temporarily diminished the incidence of drug trafficking and general crime.

The Government continues to cooperate with international partners in combating the illegal drug trade. Trinidad and Tobago is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Trinidad and Tobago passed several pieces of anti-crime legislation in 2011, including laws that address gangs and firearms. The Ministry of Justice, created in 2010, continued efforts to transform Trinidad and Tobago's criminal justice system with plans to pilot a drug treatment court in 2012. According to the Financial Action Task Force, the Financial Intelligence Unit (FIU) has improved, although further progress is needed.

In April, the Trinidad and Tobago Police Service (TTPS) launched reforms aimed at expanding police presence and improving efficiency and community involvement under the "21st Century Policing Initiative." The TTPS received an infusion of staff and assets when the Special Anti-Crime Unit of Trinidad and Tobago (SAUTT), a quasi-military entity created under the former administration without a clear legal mandate, was officially dissolved in August. Reforms in recruitment and training yielded an increase in new officers, and the number of officers assigned to the TTPS' Organized Crime, Narcotics and Firearms Bureau (OCNFB) increased by 10 percent. The government ramped up the frequency and scale of counternarcotics operations, instituting frequent joint police/military operations. Law enforcement units benefited from national and international training opportunities.

The Air Guard received two of four new AgustaWestland AW139 helicopters in May as the government concurrently unveiled a "Naval Operational Plan." In addition to the helicopters, this new security strategy involves the addition of one or two larger long-range patrol vessels (for which Trinidad and Tobago has requested bids) and the integration of radar feeds in a new national security operations center, which was launched during the SOE.

The SOE declared in August was based, in part, on a sudden spike in murders that may have been linked to international drug trafficking networks, although such linkages were never proved publicly. Although the increased authorities of the police and military and the restrictions on the movement of citizens under

the SOE generated controversy, it succeeded in significantly reducing the rates of homicide and violent crimes across the country and in disrupting some organized criminal activity.

The government dedicates counternarcotics resources through the TTPS, the Trinidad and Tobago Defence Force (TTDF), the Customs and Excise Division (CED), the National Drug Council (NDC), and the National Alcohol and Drug Abuse Prevention Programme (NADAPP). Trinidad and Tobago is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol Amending the Single Convention, the 1971 UN Convention on Psychotropic Substances, and the UN Convention against Transnational Organized Crime and its Protocols. It is a member of the Organization of American States' Inter-American Drug Abuse Commission (OAS/CICAD). The United States and Trinidad and Tobago have enjoyed a comprehensive bilateral maritime counternarcotics enforcement agreement since 1996.

The Government of Trinidad and Tobago cooperates with the United States on extradition, mutual legal assistance, chemical controls, and narcotics control and law enforcement. In addition to the U.S. Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI) and Department of Homeland Security (DHS) maintain a presence in Trinidad and Tobago, as do other international law enforcement entities. Although it is a party to many agreements on drug control collaboration, weaknesses in border security, breakdowns in information-sharing, and lack of efficient control systems challenge the government’s ability to effectively participate in these efforts.

2.Supply Reduction

Law enforcement entities seized 233.22 kg of cocaine and 3196 kg of marijuana mostly at the air and seaports. The DEA office in Trinidad and Tobago participated in these seizures and related arrests of 119 people. A major bust yielded 921 kg of compressed marijuana in a cargo container of frozen chicken that had transited Jamaica. European counterparts working in collaboration with the government seized 3,342 kg of cocaine on vessels that had transited Trinidad and Tobago. U.S. Customs and Border Protection seized 52 kg of cocaine on flights and in air parcels arriving from the country, representing a 12 percent drop from 2010. Eleven drug couriers have been prosecuted and convicted in Trinidad and Tobago.

The government conducted successful eradication exercises, reducing domestic production of marijuana by an estimated 273,200 kg. These exercises historically destroy about 200,000 mature plants in a given year. In 2011, more than 1,366,000 mature plants and several hundred thousand seedlings were eradicated.

Jamaican marijuana arrives inside containerized cargo before being repackaged and reshipped. Air smugglers use swallowing, body carry, and false-lined suitcases. Maritime smugglers employ parasitic devices attached outside the hull and hidden compartments on yachts and other vessels.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Trinidad and Tobago lacks current research on national drug abuse, but a study is planned for 2012. The government and non-governmental organizations (NGOs) provide approximately 29 drug treatment programs, offering bio-psycho-social interventions, medical interventions and acupuncture treatment options. Inpatient, outpatient and prison-based modalities are available, lasting from several weeks to a year. The government is working to strengthen its programs with the assistance of the OAS/CICAD.

Drug prevention efforts include school education at all levels, training for educators, anti-smuggling campaigns, and special event outreach. Approximately three outreach programs are conducted per week.

4. Corruption

The Government of Trinidad and Tobago neither encourages nor facilitates illicit production or distribution of drugs nor the laundering of proceeds from the sale of illicit drugs. No charges of drug-related corruption were filed against senior government officials in 2011. The 1987 Prevention of Corruption Act and the 2000 Integrity in Public Life Act outline the ethical rules and responsibilities of government personnel. The government has several entities that investigate corruption, and it is a party to the Inter-American Convention against Corruption and the UN Convention against Corruption.

The Government of Trinidad and Tobago is building its internal capacity to vet law enforcement officials. Historically, the U.S. government assisted in vetting officials selected for training and for some elite law enforcement units at the government's request. Most of Trinidad and Tobago's law enforcement and customs officials, however, are not routinely vetted. Media and anecdotal reports of corruption in the ranks of the TTPS, TTDF, CED and port employees are common.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The U.S. government's regional security partnership, the Caribbean Basin Security Initiative (CBSI), began in 2010 with goals of reducing illicit trafficking, increasing public safety and security, and promoting social justice. Trinidad and Tobago's CBSI programming focuses on law enforcement, military strengthening, youth development, juvenile justice, and demand reduction. In 2011, the United States trained hundreds of military and law enforcement personnel in areas supporting counternarcotics. In 2011, the U.S. Coast Guard conducted four mobile training teams and ten resident courses in engineering, law enforcement, small boat operations and instructor development.

Regional projects in maritime and aerial domain awareness, law enforcement information sharing, law enforcement capacity building, corrections reform, criminal justice, financial crimes, demand reduction, and firearms reduction are also underway.

The United States and Trinidad and Tobago are parties to an extradition treaty that came into force on November 3, 1999, and the government cooperates in returning fugitives to the United States pursuant to requests for extradition. The United States and Trinidad and Tobago are parties to a Mutual Legal Assistance Treaty that entered into force on November 29, 1999.

D. Conclusion

Trinidad and Tobago's 2011 drug-control performance has improved in some areas, even before the SOE. Better surveillance coordination and increased maritime patrols could reduce drug transshipment. Improving passenger and cargo screening, including targeting and automating inspections, could increase seizure rates.

Continued legislative reform and implementation should improve detection and conviction rates. Implementation of this year's anti-gang legislation could discourage gang activity if strategically implemented. Plea bargaining, dedicated drug courts, and better utilization of forensic evidence could streamline judicial processes and improve the credibility of the criminal justice system. Increased resources for investigating fraud and bribery could serve to enhance public confidence in law enforcement institutions.

Turkey

A. Introduction

Turkey remains a transit country for illicit drug trafficking, including heroin, methamphetamine, amphetamine, opium, and cocaine. Heroin, opium, and cocaine are generally destined for European markets, while methamphetamine is destined for the Far East and amphetamine for the Middle East. The past year has witnessed a significant increase in the production of methamphetamine in Iran and West Africa, with a resultant increase in seizures as Iranian methamphetamine transits Turkey. Trends by illicit drug type are as follows:

Heroin - Turkey falls along three significant heroin trafficking routes, namely: the Balkan route, the northern (Black Sea) route and an eastern Mediterranean route. Heroin is smuggled over land from Afghanistan, sometimes through Pakistan, to Iran and then to Turkey. Most of the heroin trafficked via Turkey ismarketed in Western Europe (where Turkish-based traffickers control much of the heroin market), although small quantities of heroin and opium are also smuggled from Turkey to the U.S. Large drug trafficking organizations based in Turkey are frequently involved in both heroin sales and transport, and several have also been involved in a limited way in production and/or smuggling of synthetic drugs. Some criminal elements in Turkey reportedly have interests in heroin laboratories operating in Iran near the Iranian-Turkish border. In recent years, however, there appears to be more heroin, and less raw opium, arriving in Turkey as a finished product from Afghanistan.

Methamphetamine and Amphetamine Tablets - There has been a dramatic increase in the production of methamphetamine in Iran and Western Africa (Nigeria & Benin). While the majority of this drug is ultimately destined for consumption in the Far East, many countries in the Middle East – such as Turkey and the UAE, are major transit countries and significant seizures have been made throughout the region. Turkey acts as a transit route for methamphetamine from Iran for markets in the Far East and for amphetamine tablets ("Captagon") originating in Eastern Europe en route to countries in the Middle East. The high purity level of the Iranian-based methamphetamine seized is indicative of the sophistication of the methamphetamine labs operating in Iran and their access to bulk precursor chemicals. With the increased availability of methamphetamine, it is feared that drug addicts in Turkey will turn to this drug as it is less expensive than many other illicit drugs. In 2011 (January to October) the Turkish National Police reported 26 enforcement actions resulting in the seizure of approximately 70 kg of methamphetamine that is known to be / or reasonably suspected to be Iranian methamphetamine, and the arrest of 43 suspects of various nationalities (22 Iranian, 16 Turkish, 1 Azerbaijan, 1 Nigerian, 1 German, 1 Belgian, and 1 unknown).

Cannabis - Cannabis (primarily in the form of hashish) enters Turkey through Afghanistan, Lebanon, and Albania. There is no appreciable cultivation of illicit marijuana in Turkey where only a modest amount is grown primarily for local consumption.

Opium - Turkey acts as a transit route for opium originating from Afghanistan en route to Western Europe. Opium is smuggled to Turkey overland from Afghanistan via Turkmenistan, Azerbaijan, and Georgia. While the Balkan Route on to Western Europe remains heavily used, intelligence and investigations suggest that traffickers also use a more northerly route through Azerbaijan, Georgia, Russia, and Ukraine. The total amount of opium seized in Turkey remains relatively small when compared to heroin seizures.

Turkey and India are the only two traditional licit poppy-growing countries recognized by the USG and the International Narcotics Control Board (INCB). The Turkish Grain Board strictly and successfully controls Turkey's licit opium poppy cultivation and pharmaceutical morphine production program, in accordance with international treaty obligations, with no apparent diversion into the illicit market.

Cocaine - An emerging trend in Turkey is the smuggling of cocaine either directly from South America or via transshipment locations in Western Africa. West African drug trafficking organizations control much of the distribution with the consumer markets of Europe being the final destination. Intelligence provided by the Turkish National Police indicates the preferred method for transporting cocaine to Turkey is couriers onboard commercial aircraft. Seizures also indicate cocaine is predominantly hidden inside passenger luggage and/or hidden on the courier's person. Many West African drug trafficking organization representatives in Turkey have assimilated within the population, marrying Turkish nationals and obtaining citizenship.

Many major drug traffickers based in Turkey are ethnic Kurds or Iranians, and many of the same individuals and families have been involved in smuggling contraband, especially heroin, for years. Ethnic Kurds generally live in the areas where opiates and cannabis enter Turkey from the east. However, in recent years, large numbers of ethnic Kurds (including smugglers) have moved to larger cities in Turkey and even to other countries in Europe. Some have continued drug smuggling in their new locations. Drug abuse remains modest in scale in Turkey compared to other countries.

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 Corruption and the UN Convention against Transnational Organized Crime and its protocols.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Turkish law enforcement organizations focus their efforts on stemming the traffic of drugs and intercepting precursor chemicals. The Departments of Anti-Smuggling and Organized Crime of the Turkish National Police (TNP), Jandarma, and Coast Guard are all part of the Ministry of Interior and have significant anti-narcotics responsibilities. The TNP has responsibility for law enforcement in Turkey's cities and towns. The Jandarma, a paramilitary police organization, is responsible for all law enforcement in rural areas. TNP-developed intelligence frequently leads to rural areas where the Jandarma has jurisdiction and, in these cases, the two agencies work together to conduct investigations and effect seizures. The Under-secretariat of Customs falls under the authority of a State Minister. DEA's counterpart within Customs is the Directorate General of Customs Guards. There are 18 regional directorates and 136 subunits. The Ministry of Health is the competent authority for issues relating to importation of chemicals for legitimate use. The Ministry of Finance oversees the financial intelligence unit, known by its Turkish acronym as MASAK, which has responsibility for investigation of potential money laundering activities.

Turkish law enforcement agencies are strongly committed to disrupting narcotics trafficking. The Turkish National Police (TNP) remains Turkey's most proactive counter drug force, with the Jandarma and Customs continuing to play a significant role. Turkish authorities continue to seize large amounts of heroin and precursor chemicals. Given the scale of these seizures, it is likely that multi-ton amounts of heroin are smuggled through Turkey each year.

Although Turkey is a major donor to the UNODC, it is still eligible for bilateral assistance and assistance for projects that are regional in nature, and as such the UN funds a variety of projects in Turkey each year. UNODC continues to sponsor training sessions at the Turkish International Academy against Drugs and Organized Crime (TADOC) in Ankara. In 2011 (January to October), TADOC conducted 88 training programs for 2,379 local law enforcement officers. Foreign officers trained at TADOC were from over 30 countries. Training programs focused on drug law enforcement, intelligence analysis, illegal immigration and human smuggling, interview techniques, and surveillance techniques. TADOC also continues to provide computer based training to Turkish police officers, with the program expanding from nine sites in 2004 to 20 sites as of September 2011.

During 2010, Turkish counter drug officials began efforts to address the increase in the use of international airports to smuggle illegal drugs either from or through Turkey. During 2011 (January to September), Turkish law enforcement officials have conducted numerous airport interdiction operations resulting in the seizure of approximately 261 kg of illegal drugs and the arrest of over 65 couriers.

2. Supply Reduction

The Government of Turkey (GOT) devotes significant financial and human resources to counternarcotics activities. Many Border control initiatives and upgrades were completed in the last few years, including the deployment of x-ray machines and ion scanners to the Eastern borders of Turkey.

Turkish authorities reported an increase in synthetic drug seizures throughout Turkey beginning in 2005. Most of the amphetamine type stimulants (ATS) seized in Turkey are produced in Eastern Europe. Turkish law enforcement reports some synthetic drug production, primarily amphetamines such as Captagon (the brand name for fenethylline, an amphetamine-based substance). Amphetamine production is a relatively new phenomenon in Turkey. In 2011 (January to October) the Turkish National Police reported 26 enforcement actions resulting in the seizure of approximately 70 kg of methamphetamine that is known to be/or reasonably suspected to be Iranian methamphetamine and the arrest of 45 suspects of various nationalities. From November 2008 to the present, the DEA Middle and Far East regions have recorded over 70 seizures amounting to over 400 kg of what is known to be/or reasonably suspected to be Iranian methamphetamine in both solid and liquid form. The couriers, controllers, and smugglers, associated with these seizures were arrested in Turkey, the UAE, Japan, Korea, Malaysia, Indonesia, New Zealand and Thailand. Of these, the vast majority were Iranian nationals.

The chart below summarizes the seizures made in Turkey in calendar year 2011 (January to September)
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Heroin	5,130 kg
Hashish	36,103 kg
Opium	89 kg
Cocaine	495 kg
ATS	775,000 Tablets
Ecstasy	557,000 dosage units
Methamphetamine	70 kg

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The implementation of drug-related treatment in Turkey falls under the responsibility of the state, with the Science Committee for Methods of Drug Addiction Treatment responsible for the national coordination of

drug-related treatment. The main tasks of this committee are to monitor, accredit and evaluate treatment services. Turkey's national focal point for this effort is the Turkish Monitoring Center for Drugs and Drug Addiction, known as TUBIM. TUBIM is charged with collecting data on drug use and addiction in Turkey, reporting on new drugs found in Turkey, and for conducting demand reduction activities. Drug-related treatment is provided by public agencies, private entities and NGOs. Funding for drug treatment services is mainly provided by the state and through health insurance funds.

The majority of treatment services for problem drug users are aimed at dealing with substance abuse (e.g., alcohol) in general and not specifically for users of illicit drugs. Drug-free treatment aimed at achieving a future drug-free life is the main approach adopted by Turkish treatment programs. The interventions in drug-free programs consist of psychotherapeutic methods and supporting methods, with the majority of drug related treatment services taking place within inpatient settings. In Turkey substitution (e.g. methadone maintenance) treatment is not available.

The TNP/TUBIM 2010 Annual Drug Report indicates that drug treatment is carried out in a total number of 20 treatment centers under the MoH, universities and private sector with 509 beds and 259 personnel. The total number of patients entering outpatient treatment in alcohol and drug addiction treatment centers in 2009 was 107,178. The number of patients that have received inpatient treatment was 2,594. 92.68% of these were male and 6.13% were female. The average age of those receiving treatment was 28.6. The age of the youngest user was 11, whereas the oldest user was 65 years old. 65.2 percent of individuals receiving treatment were primary and secondary school graduates 56.67% were heroin users, followed by 25.64% cannabis and 10.1% solvents/inhalants. Cocaine use was at 2.27%.

While drug abuse remains modest in scale in Turkey compared to other countries, the number of addicts using treatment clinics 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. The MoH does not conduct regular, periodic drug abuse surveys. The most recent European School Survey Project on Alcohol and Other Drugs (ESPAD) survey was conducted in 2003. According to the result of this study, 5% of the sample reported the use of inhalants at least once in their life (lifetime prevalence), 4% cannabis, 2% ecstasy, 2% heroin, and 2% cocaine. The next ESPAD study is scheduled for spring 2011; however, Turkey is not planning to participate in the data collection efforts.

Turkey became a full member of the European Monitoring Center for Drugs and Drug Addiction (EMCDDA) after the European Parliament ratified Turkey's participation in October 2006, following a successful EU twinning project.

4. 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. As in most countries, it is likely that some corruption is present among enforcement personnel. Turkish Penal Code outlines specific probations and penalties for official corruption by Turkish Government employees.

C. National Goals, Bilateral Cooperation and U.S. Policy Initiatives

The U.S. and Turkey cooperate in law enforcement matters under a 1981 treaty on extradition and mutual assistance in legal matters. The USG and the regional battle against drug abuse benefit from Turkey's work as a regional leader in counternarcotics training and education. DEA and the US Embassy in Turkey

work closely with Turkish officials to offer regional training opportunities to Turkish Law Enforcement officials throughout the country and at the TADOC center to provide additional investigative and prosecutorial tools to Turkish officials and their international counterparts. Turkey hosts several international counter drug forums with the goals to enhance the investigative abilities of both Turkish and other international partners, increase their willingness to cooperate internationally on joint cases, and build relationships between the countries' law enforcement agencies. DEA reports excellent cooperation with Turkish officials. Turkish counter drug forces are both professional and technically sophisticated.

D. Conclusion

Turkish law enforcement agencies remain strongly committed to disrupting illicit drug trafficking, and we expect this commitment to continue into the future. During 2011, Turkey maintained forward momentum in the areas of institution building, supply reduction, demand reduction, and treatment. The U.S. will continue to work with Turkish law enforcement agencies to strengthen Turkey's ability to combat drug trafficking, money-laundering, and financial crimes. U.S. Embassy Ankara will focus its efforts on utilizing Turkey's work as a regional leader in counternarcotics training and education. Turkey continues to partner with the DEA to reduce the flow of Afghan heroin to Western Europe, as well as in other regional efforts. The USG plans to offer regional training opportunities at the Turkish International Academy against Drugs and Organized Crime (TADOC) center to provide additional investigative and prosecutorial tools to Turkish officials and their international counterparts. Likewise, UNODC will sponsor training sessions at the TADOC in Ankara.

Turkmenistan

A. Introduction

Turkmenistan is a transshipment route for Afghan opiates moving to Turkish, Russian and European markets, either directly or through Iran. Turkmenistan is not a major producer for illegal drugs or precursor chemicals. Most illegal drug seizures occur along Turkmenistan's rugged and remote 744-kilometer border with Afghanistan and its 992-kilometer frontier with Iran.

Counternarcotics efforts continue to be a government policy priority. Domestic narcotics sales have reportedly dropped since the government stopped the practice of granting pardons to defendants convicted of drug-related crimes. Prices for heroin and opium have increased by roughly 50 percent, marijuana by 30 percent over the last year.

Major developments during 2011 include the election of Turkmenistan to the United Nations Commission on Narcotic Drugs (for the period 2012-2015), the adoption of the National Program for Combating Illegal Drug Trafficking and Assistance to Drug and Psychotropic Substance Addicts for 2011-2015, and improved information sharing by the government with international partners. Turkmenistan became the first Central Asian state to offer formal support for the Central Asian Counternarcotics Initiative and the first to ratify its membership in the Central Asian Regional Information and Coordination Center (CARICC). According to official statistics, the total amount of drugs seized in Turkmenistan in 2010 was 1,017 kilograms, which is 56 percent less than the total amount of drugs seized in 2009. 343 kilograms of drugs were seized during the first six months of 2011.

Turkmenistan is a party to the 1988 UN Drug Convention and other major multilateral law enforcement conventions. The United States does not have a bilateral extradition treaty with Turkmenistan.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Turkmenistan makes a serious effort to stop the flow of drugs from Afghanistan. Common methods of transporting illegal narcotics include concealment in cargo and passenger vehicles, deliveries by pedestrian carriers, and in some cases, by concealment in the stomach or body cavities of humans and animals. Turkmenistan's law enforcement efforts at the Turkmenistan-Uzbekistan border are more focused on interdicting smuggled commercial goods than on narcotics, thus providing an opening for drug traffickers. Commercial truck traffic from Iran continues to be heavy, and Caspian Sea ferry traffic from Turkmenistan to Azerbaijan and Russia continues to be another opportune smuggling route.

President Berdimuhamedov continued to stress that the war against drugs should be a consistent and uncompromising priority for his administration. The President formally named the struggle against drug trafficking one of the government's ten priority tasks for 2011. Based on the statistics provided by the State Counter Narcotics Service (SCNS) for 2010 and 2011, the price of heroin, opium and marijuana have increased by roughly 50 percent over the last year. SCNS again held a "drug burn" ceremony destroying 343 kilograms of narcotics in June, an event that coincided with the UN International Day Against Drug Abuse and Illicit Trafficking.

The National Program coordinates law enforcement efforts combating drug trafficking and provides for treatment to drug users.

PROVINCE	HASHISH	HEROIN	MARIJUANA	OPIUM	POPPY STRAW	TOTAL
AHAL	84.8797	45.2145	14.00975	453.028	6.967	**604.09895**
BALKAN		1.9103	10.0563	122.524		**134.49**
DASHOGUZ	1.5	8.7093	7.458	38.8216	1.269	**57.7579**
LEBAP		16.205	9.0825	61.3305		**86.618**
MARY	15.859	31.9599	5.57	80.1731		**133.562**
TOTAL	**102.2387**	**103.999**	**46.17655**	**755.876**	**8.236**	**1016.53**

2. Supply Reduction

Turkmenistan's drug seizure statistics for the year 2010 (in kilograms) are as follows:

The Government of Turkmenistan, for the first time, released information regarding drug routes and seizures at border control check points. According to the government, 46 percent of opiate seizures occurred along the Turkmen–Iran border and on the M-37 highway that runs alongside that border. 29 percent of opiate seizures occurred further inland; 20 percent occurred near to the Turkmen–Afghan border and 5 percent occurred near to the Turkmen–Uzbek border. 104 of the 278 drug seizures during 2010 occurred in personal residences, 48 involved narcotics hidden in bags, 34 incidents involved drugs found in criminals' clothing and there were 14 cases where the criminals swallowed the drugs. 43 seizures involved drugs hidden in vehicles, and one case involved the concealment of drugs in a train carriage.

Wholesale drug prices in U.S. dollars per kilogram:

	2010		**2011**	
	Minimum	**Maximum**	**Minimum**	**Maximum**
Opium	$9,250.00	$14,700.00	$14,035.00	$31,579.00
Heroin	$43,000.00	$84,500.00	$73,684.00	$159,649.00
Marijuana	$1,890.00	$5,600.00	$5,614.00	$9,649.00

The retail price in U.S. dollars per kilogram:

	2010		**2011**	
	Minimum	**Maximum**	**Minimum**	**Maximum**
Opium	$16,100.00	$20,035.00	$17,543.00	$42,105.00
Heroin	$71,850.00	$101,750.00	$133,333.00	$249,122.00
Marijuana	$5,330.00	$10,175.00	$8,070.00	$12,982.00

2011 saw improvements in the Government of Turkmenistan's willingness to release its drug-related crime data. Nearly 43 percent of all registered crime cases (1,354 out of a total of 3,168) in Turkmenistan in 2010 involved drugs. 330 Turkmen nationals constituted nearly 90 percent of those charged with drug related crimes. Other nationalities that were charged with drug-related crimes include Afghanistan (16), Uzbekistan (15), Iran (9), and Turkey (3).

There is no evidence of synthetic drug production in Turkmenistan, and SCNS reports that there were no seizures of synthetic drugs

3. Drug Abuse Awareness, Demand Reduction, and Treatment:

The Ministry of Health operates seven drug treatment clinics, one in Ashgabat, one in Serdar City, and one in each of the five provincial administrative centers. Addicts can receive treatment at these clinics without revealing their identity. The total number of registered IV drug users nearly tripled during this period 199-2006, with growth fastest among males.

YEAR	MALE	FEMALE	TOTAL
1999	12,890	714	13,604
2000	20,362	994	21,356
2003	38,211	1,604	39,815
2004	33,461	1,354	34,815
2006	32,206	1,491	33,697

There were 31,683 registered drug users in 2008. Heroin users constituted nearly 94 percent of this population (29,580 persons) followed by 1,233 opium users and 856 hashish users. There were 12 registered barbiturates users and two patients who used inhalants. 1,245 of all registered patients were injecting drug users (IDUs). Seven government-run units provided specialized, inpatient treatment to 16,495 patients. The services offered nationwide by the Government included a referral system for specialized services, treatment planning, detoxification, counseling, HIV prevention and testing, and counseling. Intravenous drug users comprise less than .6 percent of Turkmenistan's population, but it is likely that a significant number of drug users are not registered and thus not reflected in the reported statistics.

In December 2010, the Turkmenistan Red Crescent Society's (RCS) Drug Demand Reduction Project (DDRP) completed its three-year program aimed at increasing public awareness regarding the risks of drug abuse. The DDRP was funded by the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL). The Turkmen government allowed the DDRP autonomy to raise the sensitive issue of drug addiction in its national awareness campaigns. In addition to distributing brochures, holding meeting with target groups, and conducting public events, the DDRP recruited an active group of outreach volunteers to address addiction among Turkmenistan's youth. The project benefited from strong governmental support as the DDRP's objectives coincided with increasing governmental recognition regarding the need to eliminate narcotics trafficking and drug abuse. Though INL funding has ceased, RCS continues to support the outreach program while seeking additional donor assistance.

In honor of the International Day against Drug Abuse and Illicit Trafficking in June 2011, INL Ashgabat announced the inauguration of a "Sport against Drugs" Small Grant Program to facilitate the ability of Turkmenistan's registered sport unions, federations and organizations to implement projects and activities promoting a healthy lifestyle free of narcotics for the country's citizenry. 2011 beneficiaries included: The Center of Aquatics of Turkmenistan, the "Soltan Dag" Educational Center, a wrestling school in the

eastern city of Mary, and the NGO "Center for Support of the Handicapped." Recipients used the funds to organize sporting events, competitions, shows, workshops and other public activities. The total value of the four awards was around $12,000.

4. Corruption:

As a matter of policy, the Turkmenistan government does not encourage or facilitate the illicit production or distribution of narcotics or other controlled substances. Nevertheless, law enforcement officials' low salaries and broad powers foster an environment in which corruption occurs. A general distrust of the police by the public, fueled by evidence of police officers soliciting bribes, indicates a problematic level of corruption in law enforcement Payments to lower-level officials occur frequently at border crossing points to facilitate passage of smuggled goods. Reports that law enforcement officials are directly linked to the drug trade persist. However, there have been no substantiated cases regarding government officials involved in drug related crimes.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In April, INL launched the fifth round of English Language Training (ELT) classes for law enforcement officials, with 22 officials scheduled to complete the course in November. By expanding English language competency among Turkmen law enforcement officers, the course increases the potential for international cooperation, including training opportunities and information sharing.

On September 21, the U.S. and Turkmenistan Governments signed the Fifth Amendment to the existing bilateral Letter of Agreement (LOA) on Narcotics Control and Law Enforcement Assistance. Programs under this agreement aim to increase the investigative skills of counternarcotics officers and improve the State Counter Narcotics Center's (SCNS) training facility.

D. Conclusion

The Turkmen government has begun to acknowledge openly the country's narcotics trafficking and drug abuse problems. Law enforcement efforts targeting drug cultivation and drug trafficking received high profile coverage in state-controlled media. Public awareness efforts to discourage illegal drug use have been conducted successfully throughout the country. The Turkmen government's efforts to provide drug seizure reports, and, for the first time, provide 'sensitive' statistics on drug prices seem to indicate a desire for enhanced cooperation with international donors.

The U.S. government plans to expand counternarcotics law enforcement agency training, with capacity building focusing on supply reduction through interdiction training, law enforcement institution building, the promotion of regional cooperation, and the exchange of drug-related intelligence. The U.S. government will also encourage the Government of Turkmenistan to intensify long-term demand reduction efforts and to continue its partnership with international organizations such as UNODC and regional bodies such as CARICC.

United Arab Emirates

Although not a narcotics-producing country, the UAE's proximity to Afghanistan, Pakistan, and Iran and its position as an international transportation hub with active air and sea ports have made the country a target for the transshipment of heroin and other narcotics smuggled to Europe, Asia, and Africa, and less significantly, to the United States. Factors that render the UAE vulnerable to exploitation by narcotics traffickers include high volumes of shipping through UAE ports, Dubai's and, increasingly, Sharjah's role as regional transportation hubs, and the UAE's long (700 km) coastline and porous land border with Oman.

Drug seizures in the last two years indicate that trafficking groups may be increasing their use of the UAE as a staging point to warehouse, stockpile, and distribute narcotics such as Afghan heroin and hashish, precursor chemicals, and large quantities of illegal prescription pills for future sale and re-shipment, rather than simply as a quick transit point. The primary drug threats in the UAE for transshipment smuggling purposes are southwest Asian heroin, hashish, Iranian methamphetamine, and Colombian cocaine. Small amounts of heroin have been shown to be smuggled to the UAE through its major airports via internal body smuggling, while larger amounts are smuggled via shipping containers. Hashish is smuggled on small wooden vessels called dhows or via vehicles from Oman to the UAE. There are indications that Iranian methamphetamine smuggling, en route to Asia, has increased in the past year. Methamphetamine smugglers have used a variety of smuggling techniques to include body carrying and hidden compartments in luggage or electronic devices. The smuggling of cocaine appears to be bound primarily for Africa. Travel patterns indicate that cocaine smugglers make use of non-stop flights between Sao Paulo and Dubai, then connect to flights to Ghana, Ethiopia, or Zimbabwe. There is no evidence of any major drug cultivation and/or production in the UAE.

UAE authorities have stopped 828 attempts to smuggle drugs into the country from January through early October 2011. The authorities have seen an increase of body smuggling drug concealment methods in the past year. Drug seizures in recent months indicate a rise in the use of female drug smugglers. Drug trafficking is a serious crime in the UAE, and the nation has a zero tolerance policy towards illegal drug use. A typical sentence for drug possession is four years. Drug trafficking can carry the death penalty. In practice; however, sentences vary widely depending on the severity of the case as it relates to UAE security.

While the rate of illegal drug use in the UAE is low by international standards, the most common drugs of abuse in the UAE are hashish and illegal pharmaceutical drugs. Captagon is an amphetamine-related drug and may be the most widely available drug in the Persian Gulf countries. Anecdotal reporting suggests that there also is a substantial market in the UAE for counterfeit or illegally-obtained prescription drugs. Demand for heroin in the UAE is small.

The UAEG is aware of the threat to its citizens and residents from drugs and has made significant commitments of both human resources and funding towards building new drug control institutions and conducting counter-narcotics law enforcement operations. In 2011, the UAE continued to advance its national drug strategy focusing on intensifying security at the country's air and sea ports and patrols along the coastline. The UAE strives to reduce demand for illegal drugs through educational campaigns, enforcing harsh penalties for trafficking, and rehabilitating drug addicts. In mid-2011, the Dubai Police Department launched an interactive Internet portal for crime fighting. The portal aims to enhance communication with the public and allow private individuals to post information and potential security issues anonymously. The service generated 14,202 tips as of early October 2011.

The UAE is a party to the 1988 UN Drug Convention. The UAE also is a party to the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. A United Nations Office on Drug and Crime (UNODC) semi-regional office, funded by the UAE government, opened in summer of 2010 in the UAE. The United States and the UAE will continue to work together to discourage narcotics trafficking and related financial crimes and to protect citizens from the scourge of drug abuse.

Uganda

Drug production and trafficking within Uganda remain relatively low, but Uganda's Anti-Narcotic Unit (ANU) reports that drug abuse and trafficking are increasing among Uganda's youth due to poverty, unemployment, and Uganda's high level of population growth. Domestic narcotic production is primarily limited to growing cannabis for local consumption and regional export to Rwanda, Tanzania, Kenya, Sudan, and the Democratic Republic of the Congo (DRC). Cannabis cultivation occurs throughout the country and increased during 2011 due to expanding regional demand and the lack of more profitable crops. Reports of illegal trafficking of heroin and cocaine also increased as traffickers exploited Uganda's porous borders, rising corruption, and Ugandan law enforcement's inadequate equipment and training. There are no national studies on the prevalence and type of drug usage in Uganda, but health care professionals, social workers, and NGOs report that marijuana is the most widely used drug due to its accessibility and low cost.

The absence of national crime reporting statistics and corruption within the police and the justice system prevent an accurate accounting of law enforcement efforts. Between January and October 2011, the ANU seized 14 kilograms of heroin and three kilograms of cocaine. Reported seizures of cannabis dropped to 300 kilograms in 2011 from 894 in 2010. Uganda successfully prosecuted 4,260 people for drug-related offenses in 2011 and uprooted 14 acres of cannabis plants. Traffickers sometimes use Uganda and Entebbe International Airport as a transit route to South Africa, China, the United States, and Europe. Primary sources of drugs include India, Thailand, Pakistan, Afghanistan, and Iran.

Uganda's National Drug Policy and Authority Act addresses drug possession, production, use, and trafficking, but penalties are not severe, with maximum sentences ranging from a three-year prison sentence to a fine of approximately $700. Comprehensive national drug legislation was recently taken up again by the Ugandan parliament, but no action was taken. This legislation has been pending since 2007. If approved, this legislation would strengthen criminal penalties for drug traffickers, increase the government's authority to confiscate assets, and establish a national coordination body to oversee treatment and rehabilitation of abusers and to manage regional international counternarcotics cooperation efforts. Uganda is a party to the 1988 UN Drug Convention, the 1971 UN Convention Against Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. Uganda is also a party to the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. As a matter of government policy, the Ugandan government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances.

Resource constraints complicate Uganda's ability to combat illicit drugs. The ANU employs fewer than 100 officers but estimates that it requires 500 officers to effectively combat Uganda's illicit drug trade. The deaths of the ANU's two sniffer dogs further reduced its effectiveness. Entebbe International Airport, Uganda's only major airport, does not have a specialized x-ray machine for detecting ingested drugs, and the ANU has no reliable drug test kits to determine if suspected drugs are, in fact, prohibited substances.

The United States regularly engages with the Ugandan government and law enforcement agencies on a variety of law enforcement issues to improve Uganda's capacity to enforce its laws and investigate crime. The United States has assisted Uganda's counter-narcotics efforts with law enforcement training courses and general investigative skills training, focusing on major case management and evidence collection. The United States also established a community policing project at the National Police Training Academy.

Uganda does not have an organized campaign to sensitize the public to the dangers of drug abuse, but local government officials, religious leaders, and civil society raise awareness of the negative consequences of drug use. Ugandan law enforcement officials often link violent crimes to drug use, noting that many individuals arrested for other crimes have criminal histories of drug use or possession. The Ugandan government operates one rehabilitation center at Butabika Referral Mental Hospital, and NGOs provide additional treatment options.

The Uganda Police Force (UPF) is a willing partner in the fight against narcotics trafficking. However, UPF officers, along with border and airport enforcement officers, are in dire need of additional training, equipment, and resources to curb the illegal drug trade. Any improvement in Uganda's capability to combat the production, trafficking, and consumption of narcotics will depend on increasing the resources and training for the ANU, reducing corruption, and passing comprehensive national drug legislation.

Ukraine

A. Introduction

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, primarily heroin, move from Afghanistan through Russia, the Caucasus, and Turkey and then pass through Ukraine, destined for Western Europe. New routes for Latin American cocaine are also taking hold, as confirmed by three large seizures in the Odesa sea port in 2010 of 152 kilos of cocaine concealed in deck planks, 1,193 kilos hidden in blast furnaces, and over 582 kilos disguised in metal scrap. The shipments came from ports in Bolivia and Venezuela. But as frequently occurs in transit countries, drug addiction appears to be growing in Ukraine itself. Analysts are almost unanimous in the opinion that Ukraine is increasingly being viewed not only as a transit country, but also as a drug market in its own right.

That said, domestic drug abuse continues to be primarily focused on drugs made from narcotic plants (hemp and poppy) grown in the region, which account for approximately 85 percent of the total drug market in Ukraine. The use of synthetic drugs and psychotropic substances, especially amphetamines, has also been rapidly increasing in Ukraine over the past few years. Most of the major drugs consumed in Ukraine are either produced in Ukraine or supplied from Russia and Moldova (poppy straw, hemp, opium) as well as Poland, Hungary and the Netherlands (amphetamines, methamphetamines, MDMA also known as "Ecstasy").

According to official statistics, the drug addiction level in Ukraine is approximately 34 addicts per 10,000 inhabitants. An interesting sign, however, is a continued drop in the number of registered drug addicts from 178,043 in September 2008 to 165,045 in September 2009 and 156,300 in 2010. This drop in registered drug addicts could be ascribed to the positive interventions of the government, international organizations and local NGOs. However, many experts believe that the number of unregistered drug addicts may in fact be at least twice as large as the number reported as registered, given the social stigma attached to formal registration as an addict, and that the "drop" in registered drug addicts is therefore misleading.

Ukraine is a party to the 1988 UN Drug Convention, and complies with provisions of the Convention in its counter-narcotics legislation

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Ukraine has well-developed anti-drug legislation consistent with international standards. In 2010, the Government of Ukraine (GOU) continued to implement a comprehensive anti-drug policy. The policy frankly acknowledges the growing scale of drug abuse in Ukraine and the lack of adequate prevention, education and public awareness campaigns, community prevention efforts, and treatment and rehabilitation facilities.

Ukraine's national drug control policy addresses a wide array of issues, including improvement of legislation; monitoring and prevention; interagency cooperation; development of a modern interagency data bank; increased law enforcement capacity; scientific research into the causes of drug addiction; setting up an interagency lab to research new synthetic drugs and trends; integration in 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. Some of these policy objectives have been adequately addressed, while others were accomplished with only limited success, especially those that required ample funding, but remained underfunded. The estimated funding needed for full implementation of the program is 300 million UAH ($37.5 million); however, this amount was not allocated in the budget.

The GOU has now approved a new government concept program and action plan to address drug abuse and trafficking for 2011-2015. The key goal is to pursue a balanced but persistent policy of wide-scale prevention, control, and enforcement. The program is based on both domestic and international experience. It incorporates certain aspects of the EU Drugs Action Plan for 2009-2012 and recommendations of the Council of Europe's Pompidou Group.

The GOU has also drafted several amendments to the existing anti-drug laws to impose stricter punishment for drug abuse in public places, and lists some new psychoactive substances (biologically active additives and smoking mixes) as narcotic substances.

The Narcotics Control Committee established in 2003 in the Ministry of Health was converted into an independent agency in 2010. It will continue to monitor the licit production and use of controlled substances by licensed companies and organizations to avoid diversion to illicit uses. The monitoring is also facilitated by the National Drug Observatory. The Observatory was established at the Ministry of Health in 2006, with the assistance of an EU-funded Program, to help collect, analyze and disseminate data on drugs at the national level as well as share and improve comparability of this data at the regional level through the harmonization of key epidemiological and drug supply indicators.

Approximately three years ago, the GOU amended its laws to make illegal the non-prescribed use of strong opiate analogs, like Tramadol, because Ukraine experienced significant problems with uncontrolled production and use of Tramadol. The new legislation allowed a much more effective law enforcement response to this problem. As a result, Tramadol abuse has been reduced sharply. In 2010, the Government further reduced the quota for licensed production of Tramadol in Ukraine and fixed it at the level of 1,900 kilos (a 7.14% drop against 2009). However, there were continued attempts in 2010 to smuggle Tramadol into Ukraine from the bordering countries.
In 2010 the MOI (Ministry of Interior) reformed its drug enforcement branch as part of the wider ministerial reform following the accession of the new government. The central Drug Enforcement Department staff was cut by 35 percent, and 70 percent of management staff in the central and local units were replaced.

Both MOI and SBU (Security Service of the Ukraine) continued to build cooperative counter-narcotics relationships with international counterpart agencies in Western Europe, Eurasia and America. For example, in 2010 two major cocaine seizures were based on intelligence shared by U.S. Immigration and Customs Enforcement (ICE) and one major cocaine seizure was based on intelligence shared by the U.S. Drug Enforcement Administration.

Ukraine is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and to the 1971 UN Convention on Psychotropic Substances. The

U.S.-Ukraine Mutual Legal Assistance Treaty came into force in February 2001. Ukraine is a party to the UN Convention against Transnational Organized Crime and its three protocols. The U.S. and Ukraine signed a Memorandum of Understanding on Law Enforcement Assistance in December 2002. This memorandum provided for State Department-funded (INL) assistance to Ukraine to help the GOU bring its law enforcement institutions, including those involved in the effort against narcotic drugs, up to European and international standards. The goal of this assistance program is to facilitate Ukraine's accession to Euro-Atlantic institutions such as the European Union. It has been amended regularly since 2002 to add funding and establish justice sector and law enforcement projects as agreed by Ukraine and the U.S.

2. Supply Reduction

Poppy straw and hemp are produced and consumed locally with the surplus exported to Russia, Belarus and Moldova. Conversely, these drugs are also trafficked into Ukraine from Russia and Moldova, an indication of the porous nature of the borders. Opium poppy is grown predominantly in western, southwestern, and northern Ukraine, while hemp cultivation is concentrated in the eastern and southern parts of the country. Poppy and cannabis are controlled plants and can be grown only by licensed farms. The Government approves cultivation quotas every year. Despite the prohibition of unauthorized cultivation, many cases of illegal cultivation in small quantities by private households are discovered. The MOI Drug Enforcement Department identified 5,700 illegal plantations of poppy and cannabis in 2010, and 3,042 criminal and 1,155 administrative cases (depending on the size of plantations) were brought against individuals. The police used small aircraft for the first time this year to expand the monitored areas.

Ukraine is predominantly a destination country for poppy straw, hemp, and methamphetamine, and a transit country for heroin. 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 and permits traffickers to move larger quantities of narcotics.

In several recent years, experts have noted an increase in heroin traffic from Turkey into Ukraine by sea, or into Russia and then into Ukraine across its south-eastern border, 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 trafficking channels. Drug traffic from Asia is controlled by well-organized international criminal groups of Afghan, Pakistani, and Tajik origin that use citizens of the former Soviet republics as drug couriers.

There are signs of increasing attempts by Latin American drug dealers to develop cocaine smuggling channels into Ukraine and use it as a destination and transit point on the way to Western Europe and former Soviet countries. Three large seizures at the Odesa sea port this year included 152 kilograms of cocaine concealed in deck planks, 1,193 kilograms (approximate value $180 million) hidden in blast furnaces, and over 582.3 kilograms hidden among metal scrap. The shipments came from ports in Bolivia and Venezuela.

Two Ukrainian sailors were sentenced in Venezuela for cocaine trafficking in 2010. They worked on a vessel that carried drugs although they maintained that they were unaware of what was in the shipment. However, this indication of involvement of Ukrainian ships' crew in trafficking from Latin America could indicate a future problem, given that many Ukrainian sailors work on private contracts overseas that may involve risky or dubious activities.

The trafficking of synthetic drugs and psychotropic substances is also growing, especially from Poland. Criminal groups of mixed origin (Ukrainians, Polish, Belarusians and Russians) that formed 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. Domestic production of synthetic drugs in undercover labs is also a steady trend despite persistent eradication efforts by law enforcement agencies.

The responsibility for counter-narcotics enforcement in Ukraine is shared by the MOI, with its primarily domestic law enforcement function, and the SBU, which deals with trans-border aspects of drug trafficking. The State Border Guard Service (SBGS) and the State Customs Service (SCS) interdict drugs along the border and at ports of entry.

In 2010, the MOI's police force seized approximately 11.6 tons of various drugs (2.3% increase over 2009), including 10.5 tons of drugs made of narcotic plants, 6.9 kilos of heroin, 2.2 kilos of cocaine and 52,3 kilos of amphetamines. It eliminated 230 clandestine labs and some 2,100 small-scale drug making labs. Police also seized 950,900 doses of diverted controlled medical drugs.

The SBU seized 7,471.2 kilos of drugs and raw narcotic material, including 2.3 kilos of heroin, 1,964 kilos of cocaine, 1.9 kilos of synthetic drugs and 64.3 kilos of various psychotropic substances and 405.6 kilos of precursors. It eliminated 6 drug labs. The largest volume of seizures by both the MOI and Security Service was opium straw.

The Ukrainian police force investigated 2,600 narcotic crimes in 2010. The Security Service investigated 762 drug crimes (through September).
Ukrainian border and customs authorities report an increasingly successful utilization of risk and criminal analysis in intercepting drugs, particularly those trafficked in shipments arriving to Ukrainian ports.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

This is the second year in a row that the number of registered drug addicts in Ukraine dropped. In 2010, there were 156,300 registered addicts as opposed to 165,045 in 2009. Although potentially a good sign, various experts estimate that the total number of actual drug addicts in Ukraine range from 300,000 to 500,000, making the decrease in registered drug addicts potentially misleading. Traditionally, the southern and eastern regions of Ukraine rate the highest in terms of drug addiction (on average 70 addicts per 10,000 individuals in contrast to 34 addicts per 10,000 individuals on average across the country). 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. The popularity of this drug is due to its low cost ($5–8 per 1 ml dose) and simple production methods. The use of synthetic drugs is also on the rise with young people, in particular. Examples of drugs abused are: ephedrine, ecstasy (MDMA), LSD, amphetamines and methamphetamines. The spread of synthetic drugs is exacerbated by the rapid growth in local production. Hard drugs, such as cocaine and heroin, are still too expensive for most Ukrainian drug users. In recent years, Ukraine has also seen the growing illegal use of the legal, but restricted, prescription opiate analog, Tramadol, but has responded by making Tramadol a prescription drug and subjecting sales of Tramadol pills to stricter supervision by the government.

Government law enforcement agencies are developing stronger partnership ties with NGOs and media in order to fully engage their capacities in drug prevention. Some local MOI departments host community

supervisory boards which include both law enforcement officers and community, NGO and media representatives and act as local public forums to discuss pressing needs in drug prevention and enforcement. Police also participate in the "Drug Free Life" program aimed at raising public awareness of drug abuse problems, especially among young people.

Ukraine's drug problem today is increasingly characterized by a rapidly growing HIV/AIDS-infected population in which intravenous drug use is the primary mode of transmission of HIV, through behaviors such as syringe sharing. The World Health Organization, UN Office of Drugs and Crime (UNODC) and UNAIDS have recommended that substitution maintenance treatment programs with methadone and buprenorphine be integrated into national HIV/AIDS programs in order to avoid needle sharing and to support access to and adherence to antiretroviral treatment and medical follow up. Since 2004, the GOU has implemented pilot substitution maintenance treatment programs using buprenorphine. The GOU has committed through its Global Fund Round 6 Grant to incorporate methadone, a significantly less expensive and comparably effective opiate substitute, into substitution maintenance treatment programs. Fully incorporating methadone into its national HIV/AIDS program is critical to curbing Ukraine's burgeoning HIV/AIDS epidemic. Starting in June 2008, the Ministry of Health began a methadone substitution program available to approximately 2,000 individuals, half of whom are HIV positive. It is expected that the methadone maintenance therapy will treat up to 20,000 addicts in 111 clinics countrywide by 2013. However, many opponents criticize the substitution program as a legal bypass for yet another type of drug.

Many NGOs argue that legal drugs require more stringent controls by the government. Law enforcement agencies note a serious increase in the illegal use of diverted methadone. By mid 2010 they had uncovered 173 attempts of divert licit methadone. There were several reports of methadone seizures in relatively small quantities from individuals on the border.

4. Corruption

The GOU openly acknowledges that corruption remains a major problem in society, due to the existence of a bribe-tolerant mentality, and the lack of law enforcement capabilities to investigate and prosecute corruption. Both the previous and the new government have declared the commitment to strengthen the investigation and prosecution of corruption. However, the pace of anti-corruption reform remains slow and the number of successful prosecutions of corruption cases (including those related to narcotics) is meager.

As a matter of government policy 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. The Prosecutor General's Office reported 40 cases brought against 52 law enforcement officers and other civil servants in 2010 in relation to drug-related corruption offences. According to judicial authorities, Ukrainian courts heard 14,844 narcotic related criminal cases and sentenced 12,635 individuals, of which only seven were civil servants (first half of 2010). Ukraine is a party to the UN Convention against Corruption.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The U.S. narcotics policy objective is to help Ukraine bring its law enforcement and justice sector institutions up to European and internationally accepted norms and standards, facilitating Ukraine's integration into Euro-Atlantic institutions. This will in turn assist Ukrainian authorities to build law enforcement capacity and develop effective counter-narcotics programs in interdiction (particularly of hard 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 advanced drug investigation techniques. The DEA has established a good working relationship with both the MOI and SBU, and training programs have helped deepen these relationships. Similarly, the United States Coast Guard provided training in maritime boarding officer techniques, creating a basis for future cooperation..

The Department of State, through a variety of projects, also assists the MOI to build capacity while simultaneously strengthening the Ukrainian SBGS capability to control Ukraine's borders. Department of State funded projects include helping the SBGS develop risk and criminal analysis capabilities that are compliant with European Union norms in order to more accurately target and suppress threats, including narcotics trafficking, along its approximately 7,000 km-long border. In addition, the USG has provided a wide range of equipment to the SBGS and SCS, including video and electronic border monitoring systems, which should enhance these services' ability to detect narcotics smuggling. DoD, through the U.S. European Command, has also furnished equipment to the Ministry of Internal Affairs. Finally the State Department is supporting the Georgia, Ukraine, Azerbaijan, Moldova (GUAM) international organization, particularly through a virtual law enforcement center which will facilitate counter-narcotics information sharing between member states law enforcement bodies.

D. Conclusion

Combating illegal narcotics remains a national priority for Ukraine. Ukraine's anti-drug legislation is well developed and the GOU is committed to keeping it current with the evolving threats. The Ukrainian Government attaches great importance to the prevention of narcotic addiction, but efforts in this area oftentimes prove to be under-funded. Coordination between law enforcement agencies responsible for counter-narcotics occurs, but continues to be hampered due to regulatory and jurisdictional constraints

Official statistics show a slight decrease in the number of drug related crimes and registered addicts in 2010, but these may not be accurate nor significant decreases. 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. The seizure in the Odessa sea port noted above confirms this trend. Synthetic drugs trafficked from countries of Eastern Europe or produced locally are 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, especially for heroin and cocaine. The U.S. will continue to have a role to play in Ukraine beyond law enforcement coordination, helping the government build its counter-narcotics capacity.

United Kingdom

A. Introduction

The United Kingdom of Great Britain and Northern Ireland (UK) is a consumer country of illicit drugs. Like other developed nations, the UK faces a serious domestic drug problem. Crime syndicates from around the world exploit the illegal narcotics market and use the UK as a major transshipping route.

The Home Office reported 8.8 percent of 16 to 69 year olds in England and Wales, or about 2.9 million people, used illicit drugs in 2010/2011. This rate is the lowest since measurement began in 1996 and is mainly due to a long-term decline in the use of cannabis. The UK has a robust drug-control institutional capability and strictly enforces national precursor chemical legislation in compliance with EU regulations. The UK is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The UK Government's Drug Strategy was launched in 2010. The Strategy seeks to: 1) prevent drug use; 2) strengthen enforcement, criminal justice, and the legal framework; 3) rebalance treatment to support drug-free outcomes; and 4) support recovery to break the cycle of drug addiction.

The Misuse of Drugs Act 1971 (MDA) identifies those "controlled drugs" that are "dangerous or otherwise harmful" and proscribes their unlawful possession, supply and production. Controlled drugs are classified in one of three categories – Class A, B, or C – in descending order from "A", according to how harmful they are considered to be to the individual or to society. Class A drugs include cocaine, ecstasy, LSD, magic mushrooms, heroin, methadone, and methamphetamine. Amphetamines can be either Class A or B, depending on whether they are injected or swallowed. Cannabis is a Class B drug. Class C drugs include tranquilizers, some painkillers, anabolic steroids, and ketamine. Currently the MDA classifies more than 250 substances within its three categories.

The MDA also established the Advisory Council on the Misuse of Drugs (ACMD), an independent, expert body that advises the UK government on drugs-related issues. A review of the ACMD, commissioned by the UK Home Office, was released in December 2010 and concluded the ACMD "represents an essential authoritative cost-effective source of scientific advice on the classification of substances."

The U.S. and UK have a judicial narcotics agreement and a Mutual Legal Assistance Treaty (MLAT) relating to some UK territories such as the Cayman Islands, Anguilla, the British Virgin Islands, Montserrat, and the Turks and Caicos Islands.

Britain is a charter member of the Maritime Analysis and Operations Center-Narcotics (MAOC-N) in Lisbon, which aims to bolster EU capacity to protect its southwestern flank by enhancing police and intelligence cooperation amongst its members.

Prior to September 2011, the government was required to table an Order in parliament to amend the MDA to prohibit a drug. Under this procedure, in 2010 the government banned two "legal high" substances: mephedrone, the former legal high known as "meow meow," and naphyrone, otherwise known as "NRG1." Following safety concerns, the government placed import bans on another two substances,

desoxypipradrol, marketed as Ivory Wave, and phenazepam. These bans give the UK Border Agency (UKBA) authority to seize and destroy shipments of the two substances. In September 2011 the ACMD recommended desoxypipradrol be controlled as a Class B drug.

In September 2011, the UK passed the Police Reform and Social Responsibility Act. The Act includes a measure that allows the Home Secretary to immediately ban a substance for a twelve-month period, without requiring parliamentary procedure. Under the new act, the ACMD then conducts a review of the drug in question and publishes a report. The UK Home Secretary, drawing on that report, has twelve months to make the ban permanent via the parliamentary process. Accelerated procedures to list a dangerous drug are important, as criminals constantly introduce modest changes to the formula for synthetic drugs creating nominally uncontrolled drugs with the same dangerous affects as near chemical analogues subject to control.

2. Supply Reduction

Cannabis is the most widely used drug in the UK, with much of it grown domestically for personal use and for sale on the black market. Traditionally, cannabis cultivated overseas was imported into the UK from Europe in bulk by serious organized criminals, sometimes in mixed loads alongside Class A drugs. Authorities destroyed crops and clandestine facilities as they were detected. In 2009/2010, UK authorities seized 30.5 tons of cannabis and 758,700 cannabis plants.

Synthetic drugs continued to originate from Western and Central Europe; amphetamines, Ecstasy, and LSD were mainly traced to sources in Belgium, the Netherlands, and Poland, with some supplies originating in the UK. The UK remains one of the largest consumer markets for Netherlands-sourced Ecstasy. The UK government made the “date rape” drug gamma-Hydroxybutyric acid (GHB) illegal in 2003, and gamma-Butyrolactone (GBL), a close chemical equivalent of GHB, in December 2009. The MDA also classified Benzylpiperazine (BZP), a popular club scene drug, as illegal at that time.

Overall, there were 224,080 drug seizures by the police and the UK Border Agency in England and Wales in 2009/10, a decrease of seven per cent from the year before. Cocaine was the most commonly seized Class A drug, with 2.6 tons seized, followed by heroin (1.5 tons seized). Approximately 90 percent of heroin in the UK came from Afghanistan in 2010/20111. The primary heroin trafficking route to the UK is overland from Afghanistan to Europe, transiting Iran and Turkey.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

The British Crime Survey, published in July 2011 by the Home Office, found in the past year approximately 8.8 percent of adults aged 16-59 (about three million people) had used illicit drugs and 3 percent (about one million people) had used a Class A drug at least once in their lives. There was no statistically significant change from the previous year’s survey.

The UK government’s demand-reduction efforts focus on schools and other community-based programs to educate young people and to prevent them from starting to use drugs. The UK has drug education programs in all schools, supported by a certificate program for teachers. The government also supports a telephone helpline and website under its drug awareness initiative, FRANK, begun in 2003. In October 2011, the Home Office launched a new advertising strategy to promote FRANK, with advertising aimed at teenagers on websites and youth radio stations.

The National Treatment Agency for Substance Misuse (NTA) is a special branch of the National Health Service. In October 2011, the NTA reported 204,473 individuals aged 18 and over contacted drug

treatment services in England in 2010/2011. Eighty four percent of all clients in treatment cited using opiates and/or crack cocaine.

As the UK prepares to host the Olympic Games in 2012 and the Glasgow Commonwealth Games in 2014, there will be increasing international focus on its anti-doping policies and programs. The government has a strategy to work with key agencies, including the National Anti-Doping Organization, to respond to doping allegations.

4. 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. No senior government officials reportedly engaged in such activity.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The UK places a high priority on counternarcotics enforcement and enjoys excellent law enforcement cooperation with the United States. The UK honors U.S. asset seizure requests and was one of the first countries to enforce U.S. civil forfeiture judgments. The UK provides Royal Navy warships and auxiliary vessels under the tactical control of Joint Interagency Task Force South to support efforts to stop the flow of narcotics in the West Atlantic, the Caribbean and Eastern Pacific high seas. The Royal Navy and U.S. Coast Guard (USCG) have signed a Memorandum of Understanding in 2005 that authorizes Royal Navy vessels to embark USCG law enforcement detachments to enforce U.S. counternarcotics law. Additionally, the U.S.-UK (including Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Montserrat and Turks and Caicos Islands) maritime counterdrug bilateral agreement signed in 1998 is still in effect.

The U.S. Drug Enforcement Administration's London Country Office works closely with the Serious Organized Crime Agency (SOCA) to fight international drug trafficking, and SOCA has representatives working in the United States with U.S. officials. The DEA London Office also coordinates efforts on international investigations with the Scottish Crime and Drug Enforcement Agency (SCDEA), Her Majesty's Revenue and Customs (HMRC), the UKBA, and the Metropolitan Police.

D. Conclusion

Despite the government's robust efforts to combat drug trafficking and associated drug-related crime, the UK continues to be a lucrative market for traffickers in Class A drugs, and is targeted by a wide range of large-scale serious organized criminals.

Trafficking in heroin and cocaine continues to pose a significant challenge to the UK. The Home Office estimates the social harm caused by Class A drugs is approximately GBP 15.4 billion ($24.2 billion) a year.

The Home Office and police force are expected to face budget cuts over the next few years. The U. S. will continue to cooperate closely with the UK on all counternarcotics fronts.

Uruguay

A. Introduction

Uruguay is not a major narcotics producing country. However, foreign drug traffickers, increasingly attracted to Uruguay's strategic maritime location, take advantage of its porous borders with Argentina and Brazil to transit illegal substances through the country. Local consumption of the highly addictive and inexpensive cocaine base product known as *pasta base*, or *Paco*, remains a serious problem. Efforts to fight trafficking and domestic consumption are relatively effective despite the limited resources available to law enforcement agencies and drug programs.

Uruguay is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Uruguay continued to implement its 2009-2012 National Plan Against Drug Trafficking and Money Laundering, which focused on coordinating interagency efforts to combat these illicit activities. In 2009, Uruguay created special courts for organized crime which exercise jurisdiction over all cases related to drug trafficking, money laundering, corruption, banking fraud, as well as trafficking in persons. In September 2011, building on the success of the judicial reorganization, Uruguay created special anti-drug police units in each of the country's 19 provinces. These units report to the chief of police for their respective province. The National Drug Police (DGRTID), headquartered in Montevideo continued to operate satellite offices in the border cities of Rivera and Salto, two cities acutely affected by illicit trafficking.

Uruguay is a party to the 1988 UN Drug Convention; the 1971 UN Convention on Psychotropic Substances; the 1961 UN Single Convention as amended by the 1972 Protocol; the Inter-American Convention Against Corruption; the Inter-American Convention Against Terrorism; the Inter-American Convention Against Trafficking in Illegal Firearms; the UN Convention Against Transnational Organized Crime and its three Protocols; and the UN Convention against Corruption. It is also a member of the OAS Inter-American Drug Abuse Control Commission (CICAD). The United States and Uruguay are parties to a bilateral extradition treaty that entered into force in 1984, a Mutual Legal Assistance Treaty that entered into force in 1994, and a Letter of Agreement through which the United States funds counternarcotics and law enforcement programs. Uruguay has also concluded drug-related bilateral agreements with Brazil, Argentina, Paraguay, Bolivia, Chile, Mexico, Panama, Peru, Venezuela and Romania. Uruguay is a member of Action Group (GAFISUD), the regional financial action task force South American Financial.

2. Supply Reduction

Drug trafficking to and through Uruguay has steadily increased over the past several years. Drug traffickers from Argentina, Colombia, Bolivia, Peru, Mexico, and recently, Serbia capitalize on Uruguay's vulnerable borders and exploitable transportation infrastructure. These foreign traffickers use Uruguay primarily as a base for logistics and transit operations, sometimes utilizing sophisticated equipment to conceal illicit drug shipments. Pursuant to Uruguayan government policies, shipping containers are rarely inspected if they are in transiting to or from other the three other MERCOSUR common market countries – Argentina, Brazil, and Paraguay. Not surprisingly, the vast majority of

cocaine shipments enter Uruguay overland or via small aircraft, and are taken to staging areas before departing the country in containerized maritime cargo. Colombian and Bolivian traffickers continue to smuggle cocaine into remote northern regions of Uruguay, flying directly from Bolivia using make-shift airstrips located on foreign-owned residential farms. *Pasta base* is predominantly smuggled into Uruguay overland from Argentina. Growth in narcotics trafficking through and within Uruguay is evidenced by several seizures of multi-hundred kilogram quantities of cocaine since 2006.

The DGRTID seized 237 kilograms (kg) of cocaine in 2011 through both national and multi-jurisdictional counternarcotics operations involving the governments of Argentina, Brazil and Spain. Additionally, the DGRTID seized 136 kg of cocaine base, similar to amounts seized in 2010, and 1,147 kg of marijuana, representing a significant increase from the 336kg seized in 2010. The DGRTID also seized 894 kg of lidocaine in 2011, the first of the chemical precursor since 2009. DGRTID reported a rise in lidocaine seizures over the last 12 months. This chemical is procured more cheaply in Uruguay and is later smuggled into Brazil where it is mixed with pure cocaine. Uruguay's northern frontier region continues to experience incursions from small aircraft transporting cocaine from Bolivia, as shown by a significant seizure of 176 kg of cocaine in Cerro Largo province in March 2010.

In April 2011, the DGRTID seized 120 kg of cocaine in Montevideo and arrested a Colombian drug trafficker found to have ties to a paramilitary group in Colombia. The arrest raised concerns that Colombia's powerful drug cartels are maneuvering to establishing themselves in Uruguay.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Demand reduction continues to be a priority for the Uruguayan government. Uruguay's demand reduction strategy focuses on programs for the prevention, rehabilitation, and treatment of substance abuse with particular attention paid to reducing demand for the highly addictive *pasta base*. However, resources are limited and rehabilitation and treatment centers reach only a small portion of those in need of these programs. The National Drug Rehabilitation Center trains health care professionals and sponsors teacher training, public outreach, and other programs in community centers and clubs. The National Anti-Drug Secretariat trains educators to run an anti-drug program for adolescents in schools across the country. The interagency treatment and prevention program *Portal Amarillo* continues to serve as a primary outlet for addicts seeking help. *Portal Amarillo*, established in 2006, features drug rehabilitation clinics, a telephone hotline, as well in-patient and out-patient services for drug users in northern Montevideo and the neighboring province of Maldonado. Unfortunately, demand for the program's services regularly exceeds its capacity. A government-run drug rehabilitation clinic, *Casa Abierta*, continues to operate in the northern region of the country and functions similarly to *Portal Amarillo*. Additionally, in a specialized program targeting prison populations, prison personnel and inmates were trained to develop, plan, and perform activities to reduce drug abuse.

Uruguay continues to develop methods to track trends in drug abuse. According to the United Nations World Drug Report 2010, 6 percent of the Uruguayan population between the ages of 12 - 65 consumes marijuana on a regular basis while 1.4 percent of the same demographic regularly consumes cocaine. In October, 2011 the National Anti-Drug Secretariat updated the results of a 2009 survey of drug and alcohol use in students. The results continued to highlight the high use of alcohol and tobacco among secondary students. The survey also indicated that one in 10 secondary students has tried *pasta base*. A survey of drug use in the general population began in June 2011 and results were not expected until the end of 2011. The findings of both studies will shape Uruguay's future demand reduction programs.

4. Corruption

As a matter of policy the Government of Uruguay does not encourage or facilitate illegal activity associated with drug trafficking and there is no evidence to suggest senior government officials are engaged in such activity. Uruguay has taken legislative and law enforcement measures to prevent and punish public corruption related to narcotics trafficking. The special organized crime courts created in 2009 exercise exclusive jurisdiction over corruption cases. Uruguay's Transparency Law of 1998 criminalizes various types of abuses of power by government authorities and requires high-ranking officials to comply with financial disclosure regulations. Public officials who do not act on knowledge of a drug-related crime may be charged with a "crime of omission" under the Citizen Security Law. There were no known corruption cases in 2011.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Uruguay's national goals, United States – Uruguay bilateral goals, and U.S. policy initiatives are harmonious in their objective of strengthening Uruguay's technical and operational abilities to interdict narcotics shipments, conduct complex criminal investigations, arrest traffickers, and expand prevention and rehabilitation programs.

In 2011, U.S. assistance included support to demand reduction programs and operational assistance provided by DEA Buenos Aires. The National Anti-Drug Secretariat continued to receive U.S. support to conduct a National Drug Use Survey. The goal of this project is to expand Uruguay's awareness of countrywide drug abuse in order to better shape demand reduction strategies. Additionally, the Uruguayan Navy received training from the U.S. military in the areas of maritime law enforcement, port security, leadership, and search and rescue.

D. Conclusion

Uruguay's institutional mechanisms, including the National Plan Against Drug Trafficking and Money Laundering and its creation of special courts for organized crime, provide a solid foundation for combating narcotics trafficking. However, Uruguay needs to provide more support to law enforcement to strengthen its capacity to investigate and interdict narcotics shipments. This support should include increased training and improved technology for border police and the new provincial anti-drug police units created to help stem the inflow of drugs overland from Argentina and Brazil. Uruguay would also benefit greatly from increased radar coverage of its northern airspace. Uruguay should build upon the success of existing demand reduction programs by continuing to reach out to youth and at risk groups. Expanding capacity at rehabilitation centers is critical to ensuring that all who seek help receive it. Improved profiling and inspection of containerized cargo would significantly reduce traffickers' ability to move shipments undetected through Uruguay and serve to make Uruguay a less attractive transit point for Europe-bound cocaine shipments in particular.

Uzbekistan

A. Introduction

Uzbekistan is not a major producer of drugs, but it sits astride a major trafficking route for illegal narcotics. An estimated 70 tons of Afghan opiates transits through Central Asia, including a significant portion either directly or indirectly through Uzbekistan, to end-use markets in Russia and Europe. Uzbekistan shares a 137 kilometer border with Afghanistan and borders every other Central Asian republic. In addition to 134 legal crossing points, Uzbekistan's borders include thousands of miles of open desert, rugged mountains and the Amudarya River, which affords drug traffickers opportunities to enter Uzbekistan's territory undetected.

Uzbekistan's leadership has recently exhibited renewed political will to deal with drug trafficking. However, some of the proceeds of illegal narcotics are likely used to influence officials and corrupt key government institutions. While law enforcement officials in Uzbekistan are generally well-trained and professional, corruption and a lack of resources seriously hinder Uzbekistan's institutional drug control capabilities. Official data on drug use is unreliable and experts believe the actual number of drug addicts is ten times the number officially reported. Drug abuse awareness, demand reduction and treatment programs generally do not operate effectively in Uzbekistan. Uzbekistan is a party to the three UN Drug Conventions as well as the Transnational Organized Crime Convention and the Convention against Corruption.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The GOU identifies combating drug trafficking as one of its top security priorities. The GOU prefers bilateral over multilateral engagement on many issues, including counternarcotics, It rarely cooperates with neighboring countries, even on a bilateral basis, creating obvious inefficiencies for control efforts of drugs transiting through Uzbekistan and the region.

The U.S. Drug Enforcement Administration (DEA) reestablished a presence in Uzbekistan in November 2009. In similar fashion to the overall bilateral relationship, the DEA Tashkent Country Office (CO) has significantly strengthened its working relationship with GOU counterparts in the past year through information sharing, the continued provision of training, equipment and technical expertise to GOU ministries and agencies with counternarcotics responsibilities. DEA recently completed training at the Prosecutor General's Office aimed at money laundering investigation techniques and has proposed further training in this area.

The United Nations Office on Drugs and Crime (UNODC), with its regional headquarters in Tashkent, worked closely with DEA and the State Department's Bureau of International Narcotics and Law Enforcement (INL) to conduct training programs in Uzbekistan in 2011 including anti-corruption seminars, designed to address corruption in agencies with counternarcotics responsibilities. Other training in advanced investigative techniques, money laundering, and precursor chemicals was also completed. Uzbekistan also participates in NATO Russia Council counternarcotics training program for Afghanistan, Central Asia and Pakistan.

The European Union (EU) also supports counternarcotics projects in Uzbekistan, under the regional Border Management in Central Asia (BOMCA) and the Central Asia Drug Action Program (CADAP),

the former of which is implemented by the United Nations Development Program (UNDP). In September 2011, the GOU ratified the regional agreement which established its participation in the Central Asian Regional Information and Coordination Center (CARICC) along with Azerbaijan, Russia and the other four Central Asian states. The CARICC was established to coordinate information sharing and joint counternarcotics efforts among the participating countries.

In October 2011, INL, partnering with DEA, introduced the Central Asia Counternarcotics Initiative (CACI) to the GOU. Utilizing existing counternarcotics structures, CACI envisions establishment of DEA-mentored vetted units in participating countries and regional sharing of counternarcotics related intelligence through CARICC. The GOU, despite its preference for bilateral engagement, agreed to seriously study the proposal.

2. Supply Reduction

Uzbekistan is not a significant producer of illegal narcotics. The "Black Poppy 2011" eradication campaign involved more than 18,000 police and civilians, but found and eliminated an insignificant amount of illicit crops.

The challenge for law enforcement in Uzbekistan is the transit of illegal drugs through the country. Uzbekistan's superior road infrastructure relative to its neighbors, difficult to control borders, and corruption have all led to Uzbekistan becoming a prime transit route for Afghan drugs to end use markets. The modus operandi of drug traffickers in Uzbekistan has changed little in the last five years. A few sophisticated organizations use large vehicles to carry large quantities of narcotics across the border. Since they are capable of paying large bribes, they are thought to have a level of protection from corrupt government officials.
Trafficking routes also remain the same as in the past. Along the southern border drugs enter from Tajikistan through the Surkhandarya region and across the Amudarya river from Afghanistan. In the southeast drugs enter into Samarkand and Syrdarya regions from Tajikistan. In the northeast drugs enter into the Ferghana Valley and Tashkent region from Tajikistan and Kyrgyzstan.

According to statistics provided by the Uzbek National Center for Drug Control (NCDC), for the first half of 2011:

- Law enforcement seized a total of 2,457 kg of illicit drugs, a 21 percent increase over the same period last year. 36 percent was opium poppy straw, followed by heroin (27 percent), marijuana (14 percent) and opium (13.5 percent).

- Authorities opened 4,242 narcotics related criminal investigations, a 7.5 percent decrease from 2010, and courts reviewed 1,707 drug related cases with 2,437 criminal punishments resulting.

- Uzbek law enforcement arrested 54 foreign nationals on drug trafficking charges, a decrease of 10 percent, and seized a total of 85.7 kg of illicit drugs from these individuals. Concealment methods continue to be hidden compartments in vehicles, inside fruits and vegetables and on and inside bodies.

Most border officials have no little or no training in the detection, identification and interdiction of precursor chemicals, which is not a priority for the GOU. The last officially recorded precursor chemical seizure in Uzbekistan occurred in 2008. Additionally, Customs officers do not have access to a database that maintains criminal history information, which would enable them to identify linkages to other cases.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Drug abuse awareness, demand reduction, and treatment in Uzbekistan have lagged far behind the country's needs. At the beginning of 2011 there were 18,563 registered addicts in Uzbekistan, a slight decrease from the previous year. Opium and heroin are the drugs of choice for almost 80 percent of registered addicts. 95 percent of registered addicts are males. 68 percent of drug users are between 20 and 39 years old.

Treatment programs are insufficient, even for officially registered addicts. Programs have the capacity to treat only a few hundred addicts. Only a few treatment centers provide both addiction treatment and support services to patients. Otherwise most treatment has an old fashioned punishment mentality that can result in a disregard for patients' rights.

The GOU continued to carry out limited drug abuse awareness campaigns among youth in schools, colleges and neighborhoods (mahallas). On June 6, 2011, the State Drug Control Commission adopted the Drug Demand Reduction Action Plan for 2011-2015. In 2011, with CENTCOM funding, DEA sponsored a group of Uzbek law enforcement officials to observe the Drug Abuse Resistance Education program (DARE) in the U.S. Since returning the GOU has requested assistance to establish a DARE program in Uzbekistan.

4. Corruption

As a matter of policy, the GOU does not encourage or facilitate the production or distribution of illegal narcotics. However, corruption continues to permeate all levels of government, with either tacit approval of or participation by high government officials. Based on local media reports there seemed to be a greater number of public officials arrested and prosecuted for corruption recently. However, most of those arrested and prosecuted were not law enforcement officials but district and city level administrative officials.

The GOU has taken steps to implement an anticorruption program. In 2011, three INL funded, UNODC implemented counter-corruption workshops were held in Uzbekistan. The Prosecutor General's Office, law enforcement agencies, the Supreme Court, and staff members of the parliament all participated in these highly praised workshops. The Prosecutor General's Office has requested a continuation of the program.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In parallel with the overall U.S.-Uzbek bilateral relationship, counternarcotics cooperation with the GOU continues to grow. DEA's relationship with GOU counterparts is strengthening. DEA and CENTCOM provided training, technical expertise and equipment to their Uzbek counterparts in the Ministry of Internal Affairs (MVD), National Security Service (NSS), Customs Service and Border Guard Service. As the Uzbek agencies enhance their capacity, DEA is able to offer more sophisticated training with the ultimate goal of institutionalizing these methods into the curriculum of the relevant agency training academies.

CENTCOM, through its Office of Military Cooperation, Office of Special Project (OSP) – an organization under Chief of Mission authority - continues to proactively support activities that enhance border security and development of the counternarcotics infrastructure in Uzbekistan.

D. Conclusion

Strengthening counternarcotics efforts in Uzbekistan is strategically important to the United States, including in the context of U.S. efforts in Afghanistan. These efforts included institution building projects, law enforcement measures and demand reduction initiatives. Capitalizing on those efforts, CACI was proposed to the GOU with the expectation that it will lead to greater regional cooperation between Central Asian countries.

GOU officials understand that trafficking and illicit drug profits undermine the country's overall security and corrupt key government institutions. GOU law enforcement agencies are eager to cooperate with the USG, but are reluctant to do so without clear political support. The absence of such support limits the pace and extent of cooperation. It is nevertheless clear that the bilateral counternarcotics relationship between the U.S. and Uzbekistan is developing at an ever quickening pace. Training that meets international standards, greater exposure to international best practices, and cooperation with international partners will contribute to continued improvement of Uzbekistan's counternarcotics capacity.

Venezuela

A. Introduction

Venezuela is a major drug-transit country. A porous western border with Colombia, a weak judicial system, inconsistent international counternarcotics cooperation, generally permissive law enforcement, and a corrupt political environment have made Venezuela one of the preferred trafficking routes for cocaine from South America to the Eastern Caribbean, Central America, the United States, western Africa and Europe. The President of the United States determined in 2011 that Venezuela had failed demonstrably to adhere to its obligations under international counternarcotics agreements.

The Government of Venezuela's counternarcotics efforts are led by the National Anti-Drug Office (ONA). Enforcement is principally carried out by the National Guard and the Scientific, Penal, and Criminal Investigative Body, although state and municipal police forces also conduct some counternarcotics operations. The Venezuelan Coast Guard, which is under the authority of the Navy, has a counternarcotics mission both at sea and in the ports. Venezuelan law enforcement lacks the equipment, training, and reach to match the resources and scope of major drug trafficking organizations. Effective prosecution of drug traffickers is hindered by corruption and a lack of judicial independence.

During 2011, Venezuela and Colombia continued to develop their bilateral counternarcotics cooperation to address the transit of illicit drugs from Colombia to Venezuela and onward to third countries. On May 9, 2011, Colombia extradited to Venezuela Walid Makled, allegedly Venezuela's most prominent drug trafficker, who is reportedly connected to the Revolutionary Armed Forces of Colombia (FARC) and who is wanted in the United States on drug trafficking charges. In 2009, the U.S. Department of Treasury designated Makled a Significant Foreign Narcotics Trafficker under the Kingpin Act. Makled was arraigned on May 10, 2011, and the court ordered his case to trial on July 26; however, the trial was pending at year's end.

Venezuelan authorities deported to Colombia three members of the National Liberation Army (ELN) and two members of the FARC, including security chief Gildardo Garcia Carmona (aka "Alirio") in 2011. On May 31, the Venezuelan government arrested another FARC member, Guillermo Enrique Torres Cueter (aka "Julian Conrado"), but had not deported him to Colombia by year's end. Despite these steps, the Venezuelan government appeared to continue to tolerate a FARC and ELN presence and did not take significant steps to limit their ability to operate in Venezuelan territory.

The media continued to report on the presence of Mexican drug trafficking organizations, including the Sinaloa Cartel and Los Zetas, trafficking drugs through Venezuela. In January, Venezuelan authorities arrested Colombian Gloria Rojas, who was allegedly working for Los Zetas in Venezuela, and deported her to the United States on March 21, 2011.

Some limited coca cultivation occurs along Venezuela's border with Colombia, but the levels are insignificant. Low-grade marijuana is grown in various parts of Venezuela but is not exported because of its poor quality. Trafficking of precursor chemicals through the country is minimal. According to a 2009 drug consumption study by the ONA, illegal drug use remained a problem, with marijuana the most commonly consumed illicit drug, followed by "crack" cocaine and "basuco" (cocaine paste).

Bilateral counternarcotics cooperation between Venezuela and the United States is limited and continues only on a case-by-case basis. The lack of greater counternarcotics cooperation is consistent with the Venezuelan government's decision to reduce bilateral contact with the United States. Venezuela has not

signed the addendum to the 1978 Bilateral Counternarcotics Memorandum of Understanding (MOU) with the United States that was negotiated in 2005.

Venezuela is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Venezuela's National Anti-Drug Plan for 2009-2013 included the creation of a national anti-drug system under the ONA to consolidate and coordinate anti-drug efforts. The plan calls for more research on the extent of drug abuse in Venezuela as well as the effectiveness of drug abuse prevention programs.

Based on a 2011 national drug use study pursuant to this plan, the ONA Director reported an estimated 270,096 regular drug users, representing 1.28 percent of the population between 12-16 years of age. An end-of-year report from ONA stated that the government undertook over 43,000 drug consumption prevention activities involving approximately three million persons during 2011, an increase of 200 percent in participants through these activities.

The plan promotes the creation of state and municipal anti-drug offices to implement national policies. It also proposes the creation of a counternarcotics judicial jurisdiction, composed of specially trained judges and personnel, to expedite prosecution of drug-related offenses. While an ambitious plan, none of the organizational or policy plans were evident in 2011. The government reported drug seizures, arrests, and destruction of drugs and airstrips on an *ad hoc* basis.

In January 2010, the government created a National Anti-Drug Fund to finance programs to prevent drug abuse, money laundering, and drug trafficking. There were reports of ONA taking over a year to approve and license organizations to receive assistance from this fund. ONA created a website in 2011 for organizations to register for a license to participate in this program; however, organizations continued to wait long periods for the license.

The 2010 Organic Law on Drugs replaced the previous Organic Law on Narcotic and Psychotropic Substances and, among other things, increased potential penalties for drug trafficking and gave the ONA the authority to seize and use assets of individuals connected with drug trafficking. Evidence of enforcement of this directive was not readily available in 2011.

Venezuela is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Venezuela is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling, and the UN Convention against Corruption. Venezuela is also a party to the Inter-American Convention against Terrorism, the Inter-American Convention against Corruption, and the Inter-American Convention on Mutual Assistance in Criminal Matters. Venezuela remains an active member of the Inter-American Drug Abuse Control Commission (CICAD).

The Venezuelan government has signed a number of bilateral agreements with the United States, including a Mutual Legal Assistance Treaty that entered into force in March 2004; a Customs Mutual Assistance Agreement; and a 1991 Ship-Boarding Agreement (updated in 1997) that authorizes the United States to board suspect Venezuelan-flagged vessels on the high seas. The continued, unimpeded use of the ship-boarding agreement has been essential to the United States in its counternarcotics efforts. While the United States and the Venezuelan government signed a bilateral Memorandum of

Understanding (MOU) concerning counternarcotics cooperation in 1978, Venezuela has not signed a 2005 addendum that would extend the agreement.

The United States and Venezuela are parties to an extradition treaty that entered into force in 1923; however, the treaty has limited application as the 1999 Venezuelan constitution bars the extradition of Venezuelan nationals. Venezuela does periodically deport non-Venezuelan nationals to the United States.

2. Supply Reduction

Venezuela remains a major transit country for cocaine shipments by air, land, and sea. According to U.S. government cocaine-movement estimates, by the end of 2011, an estimated 161-212 metric tons of cocaine likely departed from Venezuela to global destinations in 2011, the same amount estimated as in 2010. Suspected narcotics trafficking flights depart from Venezuelan states bordering Colombia. Almost all the illicit drug flights arriving in Honduras, the region's largest center for airborne drug smuggling, originate from Venezuela. Cargo containers, fishing vessels, and "go-fast" boats are used to move narcotics out of Venezuela by sea.

The vast majority of illicit narcotics that transited Venezuela during 2011 were destined for the Eastern Caribbean, Central America, the United States, western Africa, and Europe. Mexican and Colombian illegal armed groups, including Los Zetas, the Sinaloa Cartel, the FARC and the ELN, were linked to the most aggressive and successful drug trafficking organizations moving narcotics through Venezuela. Media reports alleged that elements of Venezuela's security forces directly assisted these organizations.

During 2011, the ONA established a website for individuals to provide anonymous information related to drug trafficking activities. The government also reportedly installed at least six of ten Chinese –made air traffic radar systems, purchased in 2007 that are capable of tracking potential illegal trafficking flights. The Venezuelan government also inaugurated a new drug incineration center, increasing the number of centers to 10, and opened up a new office for the seizure and administration of assets from individuals involved in drug trafficking activities.

While the Venezuelan government publicly reports seizures of illicit drugs, it is not part of the Cooperating Nations Information Exchange System partner nations and does not share the data or evidence needed to verify seizures or the destruction of illicit drugs. According to ONA, Venezuelan authorities seized 42 metric tons of illegal drugs by year end, compared to 63 metric tons in 2010, 62 percent of the seizures were cocaine (26 metric tons – compared to 38 metric tons in all 2010) and 37 percent were marijuana (16 metric tons – compared to 24 metric tons in all 2010). The remainder consisted of crack cocaine (82 kilograms), heroin (81 kilograms), and basuco (55 kilograms). The 2011 UN World Drug Report noted that cocaine seizures in Venezuela "peaked at 59 metric tons in 2005, and have fallen to approximately one half that level since then, amounting to 28 metric tons in 2009."

The Venezuelan government reported that during 2011, operations "Centinela," "Sierra," "Urena Soberana," and "Guarumito" led to the seizures of drugs, aircraft, and precursor chemicals, and the destruction of drug laboratories and clandestine airstrips. According to the ONA, as of October 17 2011, the Venezuelan government seized 21 aircraft involved in illicit drug trafficking, destroyed 45 clandestine drug trafficking airstrips, and dismantled 17 drug processing labs. ONA also reported that it captured 21 individuals for whom there were international warrants for narcotrafficking-related offenses and arrested 13,921 individuals in connection with the possession or trafficking of illegal drugs. No information was available on the nature or severity of the drug offenses. According to the Public Ministry, as of September, 4,515 assets, including real estate and personal property, had been seized from individuals purportedly involved in drug trafficking activities.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

Illegal drug use remains a significant problem in Venezuela. Non-governmental organizations throughout the country offer drug abuse awareness, demand reduction, and treatment programs. As part of its National Plan for Integrated Prevention, the ONA continued its Planting Values for Life program. The government reported that as of October 14 2011, 835 workshops and seminars had been held in more than 200 schools across the country.

In September, the ONA director for demand reduction announced that the ONA began the program, "ONA Goes to School," in 26,000 schools. This program is designed to educate students on the dangers and prevent use of alcohol, tobacco, and drugs.

4. Corruption

Public corruption continued to be a major issue in Venezuela and appears to have contributed to drug trafficking organizations' use of Venezuela to transit drugs in 2011. As a matter of stated government policy, the Venezuelan government does not encourage or facilitate illegal activity associated with drug trafficking. However, some senior government officials are believed to have engaged in drug trafficking activity. On September 8 2011 the U.S. Department of Treasury designated four senior government officials pursuant to the Foreign Narcotics Kingpin Designation Act for acting for or on behalf of the FARC, often in direct support of its narcotics and arms trafficking activities. The Venezuelan government did not take action against these or other government and military officials known to be linked to the FARC. In 2010, President Chavez promoted Henry Rangel Silva, Chief of the Armed Forces' Strategic Operation Command to the four-star equivalent rank of General in Chief; Rangel Silva was designated under the Kingpin Act in 2008.

The 2010 Organic Law on Drugs imposed additional penalties, ranging from 8-18 years in prison, on military and security officials convicted of participating in or facilitating narcotics trafficking. However, there was no public information available on investigations of senior government officials allegedly involved in narcotics trafficking.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Since ceasing formal cooperation with the U.S. Drug Enforcement Administration (DEA) in 2005, the Venezuelan government has maintained only limited, case-by-case counternarcotics cooperation with the United States. Since 2005, the United States has proposed that the Venezuelan government sign an addendum to the 1978 U.S.-Venezuelan bilateral counternarcotics MOU that would permit expanded cooperation. Venezuelan officials stated publicly that Venezuela would neither sign a bilateral agreement nor cooperate with the United States on counternarcotics. The Venezuelan government rarely shares information with the United States on money laundering or narcotics trafficking. Since 2009, when Interior and Justice Minister El Aissami prohibited police officers from receiving training abroad without the Ministry's prior approval, Venezuelan law enforcement authorities have not participated in U.S.-provided counternarcotics training programs.

Bilateral cooperation with the United States in 2011 consisted mainly of coordination of fugitive deportations from Venezuela to the United States and maritime interdiction activities carried out by the U.S. Coast Guard (USCG).

The Venezuelan government deported three fugitives wanted on narcotics trafficking charges to the United States during 2011: Gloria Rojas Valencia, Lionel Harris, and Maximiliano Bonilla Orozco, aka "Valenciano", one of Colombia's most-wanted drug traffickers captured in Venezuela in November and deported in December.

The Venezuelan government continued to permit USCG boarding of Venezuelan-flagged vessels on the high seas suspected of being engaged in narcotics trafficking. During 2011, the Venezuelan government cooperated with the USCG in three maritime drug interdiction cases, compared to nine cases in 2010. The United States is unaware of the Venezuelan Navy or Coast Guard making any at-sea drug seizures on its own.

D. Conclusion

During the year, Venezuela increased counternarcotics cooperation with Colombia and continued to deport fugitives to the United States, Colombia, and other countries. The United States remains prepared to deepen cooperation with Venezuela to help counter the increasing flow of cocaine and other illegal drugs transiting Venezuelan territory. Cooperation could be improved through a formal re-engagement between Venezuelan and U.S. law enforcement agencies on counternarcotics issues and the signing of the outstanding Bilateral Counternarcotics MOU addendum, which would provide funds for joint counternarcotics projects and demand reduction programs. Cooperation could include counternarcotics and anti-money laundering training programs for law enforcement and other officials to build institutional capacity to fight narcotics trafficking. Such training would require the Venezuelan government to permit law enforcement officials to participate in capacity-building programs hosted by other countries. Cooperation could also improve Venezuela's port security and reduce Venezuela's role as a major maritime drug transit country. Such cooperation could involve the activation of the Container Inspection Facility at Puerto Cabello, which was partially funded by the United States in 2004, and the Venezuelan government's participation in the USCG's International Port Security Program. This program would help Venezuela assess its major seaports and develop best practices for enhanced maritime security. Since the last assessment in 2004, the Venezuelan government has denied requests by the United States to return to conduct an updated assessment. These cooperative activities would increase the exchange of information that could lead to arrests, help dismantle organized criminal networks, aid in the prosecution of criminals engaged in narcotrafficking, and stem the flow of illicit drugs transiting Venezuelan airspace, land, and sea.

Vietnam

A. Introduction

Vietnam remains a target for drug trafficking organizations seeking to establish and expand their international smuggling routes from production sites in the Golden Triangle (Thailand, Burma, and Laos). Vietnam's geographic location and improving, but still limited drug-enforcement capacities make it an attractive target for drug-trafficking organizations transshipping illicit narcotics to the international market place. Vietnam works with neighboring countries and regional partners to combat drug trafficking. U.S. cooperation continues to develop with programs focusing on law enforcement training and health-related issues. In coming years, Vietnam's role as a transit country for drugs trafficked to the U.S. could grow as expanding trade and other ties draw the two countries closer.

Cultivation and production of illegal drugs in Vietnam remains minimal, although in 2011 Vietnam identified a number of domestic synthetic drug labs for the first time. Illegal drug use remains dominated by intravenous abuse of heroin, with an accompanying threat of HIV transmission, although use of "recreational" drugs such as Amphetamine Type Stimulants (ATS) is growing rapidly among urban youth populations. Vietnam is a party to the 1988 UN Drug Convention.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Developments

The Government of Vietnam (GVN) has placed counter-narcotics issues high on its agenda and is committed to pursuing a comprehensive national drug control policy. Vietnam conducted a five-year review of the preceding Drug Control Master Plan (2005-2010) in which the GVN concluded that efforts to control transnational trafficking and to treat drug addiction had "critically failed," while "significant achievements" had been made in raising public awareness, controlling cultivation, and improving criminal and judicial enforcement capacity. In June 2011, the Prime Minister issued a new "National Strategy" document on drug prevention and control with target objectives to be achieved by 2020 and a broader vision statement looking ahead to 2030. Reflecting "lessons learned" during the policy review, the 2011 National Strategy emphasizes law enforcement cooperation with bordering states and communicates two fundamental policy changes to drug treatment in Vietnam – the endorsement of methadone treatment; and a shift towards community-based treatment away from mandatory rehabilitation centers. The new strategy also recommends additional financial resources for enforcement and treatment. According to the Standing Office of Drugs and Crime of the Ministry of Public Security (SODC), the national budget for drug control and prevention was 600 billion Vietnamese Dong (VND) or $30 million in 2010, a significant increase from the 345 billion VND or $20.3 million reported in 2009.

The Government of Vietnam realizes the importance of regional and international cooperation against transnational drug trafficking. In addition to actively cooperating with its neighbors on drug issues through the ASEAN framework for counter-drug efforts, the GVN also has bilateral cooperation agreements with a number of countries, including neighboring China, Laos, and Cambodia. These agreements facilitate information sharing and cooperative operations, including joint raids by the Vietnam Border Guard Army and Laotian local police. Supported by UNODC through a counter-drug capacity-building MOU, Vietnam established Border Liaison Offices (BLOs) at major land border crossings to facilitate law enforcement cooperation with neighboring countries.

2. Supply Reduction

In 2010, SODC reported that Vietnam investigated 16,657 narcotics cases involving 23,497 offenders, and seized 317 kilograms of heroin, 28 kilograms of opium, 8,623 kilograms of fresh cannabis, and 221,685 tablets of synthetic drugs. During the first six months of 2011, Vietnam investigated 9,706 narcotics cases and carried out 13,657 narcotics-related arrests, (an increase of 2,139 cases and 2,933 people in comparison with the same period last year) and seized 165 kilograms of heroin, 22 kilograms of opium, 180 kilograms of fresh cannabis and 382 kilograms of processed cannabis, 138,131 tablets of synthetic drugs, and minor amounts of other illegal drugs. Opium cultivation in Vietnam remains insignificant, with 25.85 hectares detected and eradicated in 2010-2011 (a decrease of 10.4% compared to the 2009-2010 crop).

During 2011, counter-narcotics police for the first time detected and conducted raids on small-scale drug labs using cold medications to manufacture precursor chemicals for the production of methamphetamine. In addition, various types of ATS manufactured in Cambodia, China, Laos, Burma and Thailand were smuggled into Vietnam for local consumption and further transshipment to the international market.

Increasing numbers of Vietnamese are being recruited as "mules" to smuggle narcotics to destinations around the region. Colonel Le Thanh Liem, deputy chief of the Narcotics Police Department reported that African drug smuggling rings have begun using Vietnamese students as traffickers instead of middle-aged women.

3. Drug Abuse Awareness, Demand Reduction, and Treatment

According to SODC, as of June 2011, there were 150,000 officially registered drug users nationwide, with 83% of the 30-45 year age group using heroin, representing 54% of the total number of drug users. Despite this apparent high share for heroin, its use has declined relative to other drugs, while ATS use is increasing in urban areas.

The Government of Vietnam believes in treatment of drug addiction at three levels – within the family, community-based treatment, and formal resident-rehabilitation. Vietnam's use of involuntary, non-evidence based drug treatment centers (commonly known as "06 Centers" in Vietnam) stirred significant international controversy in September 2011 when an international human rights organization issued a report detailing human rights abuses. Unofficial data from the GVN states that in 2006 there were approximately 71,000 detainees undergoing compulsory treatment in 06 Centers. This figure is reported to have dropped to around 32,000 by 2011. The GVN has previously acknowledged the basic failure of the 06 Centers, which experts estimate face a 70-80% relapse rate. In the previously reported new strategy document issued in June, the GVN signaled a shift in focus to "more effective" community-based rehabilitation models and post-rehabilitation management.

In 2011, the Ministry of Health initiated plans to roll out methadone maintenance therapy (MMT) in every city and province with a goal of treating 80,000 heroin addicts at over 245 sites by 2015. This will represent a significant expansion of the current program, which consists of 41 primarily donor-supported sites located in 11 provinces and cities. The authorities hope for more effective treatment of drug addicts and believe methadone maintenance therapy will reduce the spread of HIV/AIDS.

4. Corruption

As a matter of policy, the GVN 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 information specifically links any senior GVN official with engaging in,

encouraging or facilitating the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions.

Nevertheless, a certain level of corruption, both among lower-level enforcement personnel and higher-level officials, is consistent with the fairly large-scale movement of narcotics into and out of Vietnam. The GVN has demonstrated its willingness to prosecute some corrupt officials in the past, although most targets were relatively low level. There were no reported cases of drug related corruption within law enforcement or the government in 2010.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The United States counter-narcotics policy objectives in Vietnam aim at strengthening law enforcement cooperation and expanding the capacity of Vietnam's counter-narcotics law enforcement agencies. A Memorandum of Understanding (MOU) between DEA and the Vietnamese Ministry of Public Security (MPS) promotes information sharing and coordinated operations. Renewed in February 2010, this basic MOU is currently the primary mechanism in place to facilitate cooperation. The MOU allows the MPS to work with U.S. officials where cooperation is permitted within Vietnam's existing legal and procedural framework.

The U.S. sponsors and funds capacity-building efforts, including GVN participation at international events and conferences and training activities. In May 2011, DEA, with funding from Joint Interagency Task Force West (JIATF-W), trained 50 MPS officers on tactical operations and emergency medical care. Additionally, DEA, JIATF-W, and MPS are constructing a joint training facility in Vinh Vietnam. The International Law Enforcement Academy in Bangkok provides law enforcement training to Vietnamese officers each year on a range of counter-narcotics related subjects, training approximately 4 Vietnamese students in each of its regional courses, with a total of 60 - 100 Vietnamese officers trained per year.

The U.S. Coast Guard (USCG) continued its training for the Vietnam Marine Police (VMP) in 2011. The DOS Export Control and Related Border Security (EXBS) Program is supporting the development of a comprehensive, self-sustaining, in-country training program addressing the full range of maritime threats (e.g., piracy, drug trafficking, WMD proliferation, and contraband smuggling). This program is based on a USCG training delivered to VMP officers and other GVN military and law enforcement professionals for several years.

The U.S. also works closely with Vietnam to support the GVN's national strategy on HIV/AIDS and to establish evidence-based, effective and sustainable interventions for people who inject drugs and are at risk for HIV. Through PEPFAR Vietnam, the U.S. supports policy reform, technical assistance and direct service delivery for HIV prevention, care, and treatment activities.

Vietnam is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Vietnam has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime.

Vietnam ratified the UN Corruption Convention on June 20, 2009. Vietnam issued a statement saying it would not be held to item 2, Article 66 of this convention. This item stipulates that if disputes on the explanation and application of the convention cannot be solved by negotiation or arbitrators, members have the right to bring the case to the international private law court. Vietnam also stated to it would not adhere to some optional regulations, such as criminalizing illegal money-making acts, corruption in the private sector, the use of special investigative techniques, which Vietnamese laws do not cover. In

addition, Vietnam does not consider this convention as a direct legal foundation for the extradition of corruption-related criminals; extradition must be based on Vietnamese laws.

D. Conclusion

The GVN is aware of the growing narcotics trafficking threat and its increasing domestic drug problem and continues to develop its cooperation with foreign law enforcement to assist in its counter-narcotics efforts. During 2011, as in previous years, the GVN made progress with ongoing and new initiatives aimed at the law enforcement and social problems, e.g., drug abuse, organized crime, HIV/AIDS, stemming from the illegal drug trade. The GVN continued to show a willingness to take unilateral action against drugs and drug trafficking, but also requested assistance from foreign law enforcement organizations, although on a case-by-case basis. The GVN signed the Convention on Transnational Organized Crime in 2000, but has not yet ratified it. Ratification of the document would serve to bolster its international credibility in seeking further external assistance. U.S.-GVN cooperation in counter-narcotics continues to grow steadily, but remains limited by the lack of a binding bilateral agreement necessary to facilitate joint investigation and development of drug cases.

Zambia

Zambia is not a major producer or exporter of illegal drugs, nor is Zambia a significant transit route for drug trafficking. Cannabis continues to be the primary drug abused in Zambia, as it is the only illicit drug that is locally cultivated in large quantities, mainly by small-holder farmers. It is consumed locally and exported regionally and to Europe. Small amounts of other illicit drugs and precursors to synthetic drugs are brought into Zambia for domestic consumption or for transshipment to other markets.

The Drug Enforcement Commission (DEC) works closely with other Zambian law enforcement and health agencies on drug control and treatment programs and has a record of good cooperation with the U.S. Government. As is true of the Zambian government generally, the DEC is hampered by a lack of resources and capacity. Zambia is a party to the 1988 UN Drug Convention.

The DEC reported a 42 percent decrease in the amount of cannabis seized in the first ten months of 2011. The sharp decline appears to be the result of a "base effect": a particularly large seizure of cannabis plants in 2010 increased seizures by 260 percent for that year. Comparing this year with last year's large spike in seizures exhibits a sharp decline that may not accurately reflect other trends. In the same ten month period, the DEC seized 21 kilograms of ephedrine and *de minimus* amounts of cocaine, heroin, and other drugs. The DEC reported an increase in Khat trafficking from Tanzania, but reported no seizure statistics.

There appear to have been some small crystal methamphetamine seizures even though none were reported. Failure to report the seizures appears to have resulted from oversight or inefficiency following recent leadership changes in enforcement agencies under the new government.

The Zambian Government (GRZ) works closely with its neighbors and countries in the region on drug and drug trafficking issues through Joint Permanent Commissions on Defense and Security and regional organizations such as the Southern Africa Regional Police Chiefs Co-operations (SARPCCO) and the South African Narcotics Bureau. The GRZ also collaborates with the U.S. Drug Enforcement Administration, United Nations Office for Drugs and Crime, the International Narcotics Control Board, and the United Kingdom's Customs & Excise Service.

The National Education Campaign Division (NECD) of the DEC carries out drug education in schools throughout the country and provides drug treatment and counseling. Zambia does not have dedicated drug treatment facilities. The DEC works with hospitals to provide treatment. NECD provides counseling and treatment at hospitals and clinics throughout the country.

No evidence has emerged to suggest that current government officials are involved in the production or trafficking of drugs. The Zambian Government does not, as a matter of government policy, encourage drug-trafficking or the laundering of the proceeds of drug-trafficking.

The U.S. Government provides training assistance to Zambian law enforcement agencies, including the DEC, through the International Law Enforcement Academies in Gaborone, Botswana, and Roswell, New Mexico. The 1931 extradition treaty between the United States and the United Kingdom governs extraditions between the United States and Zambia, although the treaty has not been used in several years.