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NATIONAL NARCOTICS INTELLIGENCE CONSUMERS COMMITTEE

THE NNICC REPORT 1993

The Supply of Illicit Drugs to the United States

August 1994
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NNICC

DRUG ENFORCEMENT ADMINISTRATION

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NATIONAL NARCOTICS INTELLIGENCE CONSUMERS COMMITTEE (NNICC)

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THE NNICC REPORT 1993

The Supply of Illicit Drugs to the United States

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Drug Enforcement Administration
ATTN: Intelligence Division
600 Army Navy Drive
Arlington, VA 22202
(202) 307-8726

PREFACE

The *NNICC Report 1993* is a comprehensive assessment prepared for the Federal Government regarding the worldwide illicit drug situation. It is the product of a cooperative effort by those Federal agencies with drug-related law enforcement, foreign and domestic policy, treatment, research, and intelligence responsibilities. It is based on the best data currently available and on the combined expertise of those agencies. This document is the 16th assessment prepared by the National Narcotics Intelligence Consumers Committee (NNICC).

The NNICC was established in April 1978 to coordinate the collection, analysis, dissemination, and evaluation of strategic drug-related intelligence, both foreign and domestic, that is essential to effective drug policy development, resource deployment, and operational planning. The 1993 NNICC membership was comprised of representatives of the Central Intelligence Agency, U.S. Coast Guard, U.S. Customs Service, Department of Defense, Drug Enforcement Administration, Federal Bureau of Investigation, Immigration and Naturalization Service, Internal Revenue Service, National Institute on Drug Abuse, Department of State, and Department of the Treasury. The Office of National Drug Control Policy was an observer. The Assistant Administrator, Intelligence Division, Drug Enforcement Administration served as Chairman.

In recent years, the NNICC has reviewed and updated the methodologies it uses to estimate illicit drug production. This continuing effort has resulted in a number of revised cultivation and production estimates for previous years. Since illicit cultivation, production, and distribution of illicit drugs are hidden from view, all too often there are little reliable data upon which to base estimates.

Information provided by the Drug Enforcement Administration's Country Attaches and Divisions as well as sanitized data supplied by the International Criminal Police Organization (INTERPOL) are included as appropriate. Another primary source for production estimates and drug control efforts in foreign countries is the Department of State's *International Narcotics Control Strategy Report* (INCSR). The INCSR is prepared annually in accordance with the provisions of Section 481 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291), as amended.

David L. Westrate
Chairman

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EXECUTIVE SUMMARY

In 1993, **cocaine** hydrochloride (commonly referred to as cocaine) was readily available in all major U.S. metropolitan areas. Generally, the price of cocaine remained relatively low and stable at all levels of the traffic during 1993. The purity of cocaine remained relatively high and stable, averaging 63 percent per gram and 82 percent per kilogram.

According to the *1993 National High School Senior Survey on Drug Abuse*, cocaine use among high school seniors remained stable in all categories from 1992 to 1993, except for past year use, which increased somewhat during that time frame. Nevertheless, cocaine use by the high school class of 1993 was substantially below that recorded for the class of 1985, the peak year of cocaine use among seniors. Survey results for 10th graders indicated an increase in all cocaine use frequency categories from 1992 to 1993. Among 8th graders, past year and daily use of cocaine increased while monthly and lifetime use of cocaine remained stable.

Reporting from the Drug Abuse Warning Network (DAWN) showed that the estimated number of nationwide cocaine-related emergency room episodes decreased in the first half of 1993 compared to the second half of 1992, but remained at high levels. Drug epidemiologists and treatment specialists believe a possible explanation for the current high number of episodes is that many hard-core cocaine users are now experiencing the consequences of long-term addiction.

Metric-ton seizures of cocaine occurred frequently in 1993. During late August through early September alone, the Drug Enforcement Administration (DEA) and other Federal drug law enforcement agencies seized over 9 metric tons of cocaine. Three metric tons were seized in Houston and 5.6 in Miami. The cocaine seized in Miami was concealed in coffee and linked to a Colombian kingpin trafficking organization. Overseas, authorities seized nearly 15 metric tons in the Fall off the coast of Mexico.

Worldwide coca leaf production was estimated at 271,700 metric tons in 1993, yielded from a net total of 195,700 hectares of cultivation. In 1992, the comparable figures were 333,900 metric tons of leaf from a total cultivation of 211,700 hectares. Potential cocaine production in source countries in Latin America was estimated to be from 770 to 805 metric tons, a drop from the revised 955 to 1,000 metric tons reported in 1992. The decline was due principally to shifts in cultivation areas in Peru caused by soil depletion, movement of farmers to safer areas, and abandonment of some fields in which a fungus reduced yields.

Colombian criminal organizations, particularly the Cali Cartel, maintained primary control over cocaine trafficking to the United States during 1993. The death of Pablo Escobar led to a fracturing of the Medellín Cartel. Nevertheless, Colombian organizations associated with the Medellín Cartel continued to transport multiton quantities of cocaine to the United States. Both Cali- and Medellin-associated organizations shipped cocaine to the United States, by way of traditional routes from South America through Central America or Mexico to the U.S. Southwest border, or across the Caribbean Sea to southern Florida and the eastern seaboard. In South America, Brazil emerged as a major transit location.

Primary cocaine importation points were located in southern Florida, Arizona, southern California, and Texas. In 1993, southern Florida remained a principal destination for cocaine either shipped directly from Colombia or through the Caribbean. In late December 1993, over 500 kilograms of cocaine were seized in Miami from a shipment of surgical gloves flown from Colombia. During the past year, DEA Field Divisions reported the continued importation of bulk cocaine shipments into the eastern seaboard of the United States and a greater use of Puerto Rico as a transshipment area for U.S.-bound cocaine.

Increased use of Central America as a staging or transshipment area for cocaine destined for the United States continued through 1993 as well. Shipments of cocaine were sent from South American source countries to Central American countries by land, air, and sea. From Central America, the cocaine was transported to the United States, either directly or through Mexico. Seizures confirmed that traffickers regularly crossed the U.S. Southwest border with multihundred-kilogram cocaine shipments. In 1993, traffickers continued to exploit the waters off The Bahamas and Hispaniola. However, due to the presence of U.S. vessels enforcing an embargo against Haiti's military government, airdrop activity declined along the Haitian coast.

Colombian cartels distributed multihundred- and multithousand-kilogram quantities of cocaine, primarily in Houston, Los Angeles, Miami, and New York City. Traffickers collected the proceeds from cocaine sales from across the United States, consolidated the cash in several cities for pick-up, and, increasingly, transferred the money directly to Colombia. The primary pick-up points were located in Houston, Los Angeles, Miami, and New York City.

In 1993, domestic cocaine seizures reported by the Federal-wide Drug Seizure System (FDSS) amounted to 111 metric tons. Significant seizures occurred overseas in Colombia, El Salvador, Mexico, the Caribbean, and, increasingly, in Europe. Total foreign seizures of cocaine exceeded 155 metric tons.

Heroin was readily available for users in all major U.S. metropolitan areas. High retail purities and relatively stable wholesale prices per kilogram in those areas indicated continued availability, a development consistent with national trends over the past few years. Preliminary 1993 results from the DEA's Heroin Signature Program (HSP) indicate that some 68 percent of heroin seizures (by net weight) originated in Southeast Asia, 15 percent in South America, 9 percent in Southwest Asia, and 8 percent in Mexico. A signature for South American heroin was implemented in July 1993.

Analysis of DEA's Domestic Monitor Program (DMP) data shows that the nationwide average purity for retail-level heroin for 1993 was 35.8 percent, much higher than the average (7.0 percent) purity of a decade ago.

Growing evidence indicates that domestic heroin consumption is substantially on the rise. While there is no evidence to suggest that a heroin epidemic has begun, various drug supply and demand indicators show that its prominence is increasing. Heroin consumption is growing not only among existing users but also among users of other primary drugs of abuse—particularly crack cocaine. Current estimates suggest that there may be some 600,000 hardcore drug users who report heroin as their principal drug of abuse. Heroin-related emergency room episodes as reported by DAWN also increased. Heroin-related emergencies rose from 21,400 to 30,800 between the first half of 1992 and the first half of 1993, an increase of 44 percent.

In 1993, approximately 1.4 metric tons of heroin were seized domestically and reported to the FDSS. Over 23 metric tons were seized internationally. According to U.S. Government estimates, worldwide illicit opium production in major source countries totalled approximately 3,699 metric tons. Production rose in Burma and Thailand, as well as in Afghanistan. When nontraditional areas of cultivation such as China and Central Asia are considered, total opium production could have exceeded 4,400 metric tons.

Overall, illicit opium poppy cultivation and opium production in Southwest Asia, and, by extension, heroin production in Pakistan, Lebanon, and Turkey, continued at high levels due to the lack of central government control and economic difficulties. Pakistani traffickers shipped metric ton quantities of morphine base on ships that passed through the Suez Canal or overland through Central Asia to illicit laboratories in Turkey for further processing into heroin.

In 1993, India was the world's largest supplier of licit opium. Opium poppy also was cultivated illicitly in the northeastern states of India near the Indo-Burmese border. Official Indian Government estimates show that diversion of some licit opium production has taken place although, to date, there has been no direct evidence of any substantial exports of Indian-produced heroin.

In Latin America, net opium poppy cultivation rose in Mexico despite intensive eradication. Although interests associated with Colombia's major cocaine cartels continued to seek greater influence over the country's heroin production in 1993, Colombia's heroin trade remained dominated by independent trafficking groups.

Ethnic Chinese and West African criminals smuggled large amounts of high-purity heroin from Southeast Asia for distribution in the U.S. Northeast and along the east coast. Relatively high-purity Mexican black tar heroin was prevalent in the West, Southwest, and Midwest. Limited quantities of Southwest Asian heroin from Pakistan, Afghanistan, Turkey, Lebanon, and Iran were available in the Northeast and Midwest and, to a lesser extent, on the west coast. DEA and U.S. Customs Service officials in Miami and New York City made many small seizures of South American heroin, principally from couriers who continued to ingest the drug. Retail availability of South American heroin increased in 1993, but bulk quantities were rare, with most seizures weighing less than 2 kilograms.

Heroin shipments originating in the Far East and destined for U.S. markets transited a variety of countries including Hong Kong, Japan, Korea, the Philippines, Singapore, and Taiwan. During 1993, the U.S. Customs Service—in the second largest domestic heroin seizure in U.S. Customs Service history—seized a 157-kilogram shipment from a merchant vessel in New Orleans. Also during the year, the New York City Police Department seized 193 kilograms of heroin from the false bottom of a cargo container.

Nigerian criminal organizations remained deeply entrenched in the smuggling and distribution of Southeast Asian heroin. Unlike the ethnic Chinese traffickers who focus primarily on the heroin market in the metropolitan New York City area and the northeastern United States, Nigerian organizations operated in several large metropolitan areas across the country. Nigerians continued to recruit other West Africans, Europeans, American citizens, and other ethnic groups as heroin couriers.

A number of trafficking organizations, comprised of ethnic groups from Southwest Asia and the Middle East, smuggled Southwest Asian heroin into the United States and then distributed it; these ethnic groups included Afghans, Greeks, Iranians, Israelis, Lebanese, Pakistanis, and Turks. Southwest Asian heroin trafficking and distribution were generally more prevalent in Chicago, Detroit, New York City, and other cities with large Afghan, Greek, Lebanese, Pakistani, and Turkish populations.

In Latin America, heroin is produced in Mexico and Colombia. Mexican heroin, in brown powder as well as the more widely available black tar form, is produced almost exclusively for the U.S. market. Organizations composed of Mexican nationals and Mexican-Americans controlled the smuggling and distribution of Mexican heroin to and within the United States. In 1993, the availability of South American heroin increased in the United States, according to seizure analysis and investigative reporting. While Colombian traffickers still operated on a limited scale, South American heroin posed a potentially serious threat, primarily because of the trafficking resources controlled by the Colombian cocaine cartels.

Marijuana remained the most commonly used illicit drug in the United States. Approximately 67.5 million Americans are reported to have tried marijuana at least once in their lifetime. Rates of marijuana use increased among high school seniors, to 35.3 percent of respondents as reflected in the 1993 *National High School Senior Survey* from 32.6 percent in 1992. Annual use

also increased from 21.9 percent of respondents in 1992 to 26 percent in 1993, and current (monthly) use increased from 11.9 percent to 15.5 percent. Rates of use among 8th graders also continued to increase from 11.2 percent of respondents in 1992 admitting to lifetime use compared to 12.6 percent in 1993, and annual use increased from 7.2 percent to 9.2 percent. The upward trend noted in marijuana use among high school students is discouraging. Reported increases in use among 8th graders is especially troubling when considered in the context of marijuana's availability and the perception that its use is minimally harmful.

In 1993, domestic cultivation trends included efforts to enhance the potency of marijuana through selective breeding and cloning of high-potency cannabis cultivars. Because of user preference for sinsemilla marijuana—with its inherently higher potency—indoor cultivators frequently practiced plant differentiation at the flowering stage to isolate female plants for sinsemilla production. In 1993, 3,347 indoor cultivation sites were seized in the United States.

The average potency (content of the psychoactive component tetrahydrocannabinol, or THC) of sinsemilla in 1993 was 6.03 percent, down from 1992's 8.57 percent, and 1991's 10.53 percent. Nevertheless, marijuana seized during the year in Copper Center, Alaska, was found to have a THC content of 29.86 percent.

Mexico was the source of most of the foreign marijuana available in the United States during 1993. In 1993, Mexican authorities reestablished the use of mobile checkpoints and, in the first 9 months of operation, Mexican police seized over 61.7 metric tons of marijuana. Marijuana shipments to the United States continued to increase from Colombia, Venezuela, and possibly Jamaica.

It is impossible to estimate the amount of marijuana actually produced in the United States during the year as there are no national surveys conducted of outdoor cannabis cultivation. Approximately 1,840.2 metric tons representing 4.04 million cultivated plants were eradicated. Domestic seizures of cannabis totalled 142.9 metric tons.

The Chemical **Diversion** and Trafficking Act of 1988 (CDTA) was signed into law in November 1988. It placed the distribution of 12 precursor and eight essential chemicals used in the production of illicit drugs, as well as the distribution of tableting and encapsulating machines, under Federal control. In recent years, additional chemicals have been added to the CDTA, bringing the total number of listed essential and precursor chemicals to 32. The CDTA and related initiatives have made the diversion of chemicals more difficult. Since the inception of the CDTA, the number of clandestine laboratory seizures in the United States has decreased from a high of 807 in 1989 to 270 in 1993, a drop of almost 67 percent. The major impetus of the CDTA at the international level has been to ensure that U.S. companies import only those quantities of chemicals required for legitimate needs, and that U.S. companies do not export chemicals used in foreign countries for illicit drug production.

The Domestic Chemical Diversion Control Act of 1993 (DCDCA) became effective April 16, 1994. The DCDCA established a registration system for distributors, importers, and exporters of listed chemicals that are subject to diversion in the United States. The DCDCA also removed ephedrine products from an exempt status and granted DEA authority to remove exemptions of other drug products that are diverted to illicit production of controlled drugs.

The U.S. Government pursued extensive diplomatic initiatives with user and supplier nations to encourage the enactment of stringent chemical control legislation where none was in place, and to encourage more vigorous enforcement of the import restrictions in effect in several Latin American countries.

In 1993, diversion and abuse of **legitimately-manufactured controlled substances** was a major source of drug-related addictions or dependencies, medical emergencies, and deaths. Among the most addictive substances abused were fentanyl, hydromorphone, hydrocodone, and oxycodone (all Schedule II drugs). Drugs were diverted through illegal prescribing and dispensing, "doctor shopping," fraudulent prescriptions, and theft from legitimate channels. Some drugs were diverted from foreign sources.

Under DEA leadership, U.S. Federal law enforcement agencies enforced the Anabolic Steroids Control Act of 1990. DEA implemented major initiatives including regulatory, enforcement, and demand reduction programs, as well as liaised with appropriate state and industry representatives to ensure that the pharmaceutical industry developed appropriate control procedures to eliminate the diversion of steroids. An increase in the smuggling of anabolic steroids into the United States was due to foreign diversion from Mexico and Europe. Steroids have been integrated into established polydrug trafficking networks, particularly those run by outlaw motorcycle gangs. Sales are no longer confined to the "bodybuilding" community.

In addition to steroids, depressants were often diverted to illicit use. Depressants include sedatives/ hypnotics, tranquilizers, and anti-anxiety drugs. All DEA Divisions cited the diversion of benzodiazepines, particularly alprazolam (Xanax®) and diazepam (Valium®), as a significant problem. Pharmaceutical products containing narcotics were primary drugs of choice during the year for a substantial portion of the narcotic addict population in the United States.

DEA uses the term **"dangerous drugs"** to refer to broad categories or classes of controlled substances other than cocaine, opiates, and cannabis products. Domestic clandestine laboratories produced most of the illicitly manufactured dangerous drugs available in the United States. In 1993, 270 clandestine laboratories were seized. As in previous years, methamphetamine was the most prevalent clandestinely manufactured drug in the United States, with 218 methamphetamine laboratories seized in 1993. DAWN data indicates there has been an increase in emergency room episodes for abuse of methamphetamine in 1992 and 1993. The clandestine manufacture of methamphetamine was based primarily in the West and Southwest.

In the Fall of 1993, DEA requested emergency scheduling of a synthetic hallucinogen marketed under the name, "Nexus." The drug is being distributed in Florida for use as an aphrodisiac. Information obtained suggests that some Nexus may have been imported into the United States from South Africa.

Law enforcement reporting and abuse indicators show that LSD was available in retail quantities in virtually every state. The drug's low cost, ready availability, and intriguing blotter designs make LSD attractive to school age populations.

Phencyclidine, commonly known as PCP, is a clandestinely manufactured hallucinogen that appears to be regaining popularity among drug users as the crack cocaine epidemic levels off. Los Angeles-based groups controlled PCP manufacturing and wholesale trafficking. The drug was sold in urban neighborhoods in a limited number of U.S. cities. There were indications that PCP abuse was increasing in a number of cities.

MDMA is a 3,4-methylenedioxymethamphetamine analog of amphetamine; it is related to methamphetamine. MDMA became increasingly popular among middle-class, college-aged users and was prominent at all-night dance parties called "Raves." In 1993, there were three MDMA laboratory seizures in the United States. A large amount of the MDMA was smuggled from Mexico. The abuse potential for MDMA remains high, since users viewed it as neither injurious nor addictive.

Methcathinone—a potent and easily manufactured stimulant—became increasingly available in parts of the United States, primarily the Midwest. In 1993, DEA's Chicago, Detroit, and Denver Divisions seized 22 methcathinone laboratories. This compares to six seized in 1992 and five in 1991. Methcathinone was distributed as a powder and primarily administered via nasal inhalation in dosage units of less than a gram. Due to its high abuse potential, methcathinone was permanently placed on Schedule I of the Controlled Substances Act on October 15, 1993.

COCAINE

AVAILABILITY AND USE IN THE UNITED STATES

Availability, Price, and Purity

In 1993, cocaine hydrochloride (commonly referred to as cocaine) was readily available in all major U.S. metropolitan areas.

Generally, the price of cocaine remained low and stable at all levels of the traffic during 1993. Cocaine prices ranged from $10,500 to $40,000 per kilogram, nationally, compared to $11,000 to $42,000 in 1992.

During 1993, national ounce and gram-level cocaine prices ranged from $300 to $2,600 and $15 to $200, respectively, compared with 1992 national ounce and gram price ranges of $350 to $2,200 and $15 to $150, respectively.

The purity of gram amounts remained relatively high and stable, averaging 63 percent compared to an average of 64 percent in 1992. The average purity per kilogram was 82 percent compared to 83 percent in 1992. Purity averaged 70 percent per ounce compared to 74 percent the year before.

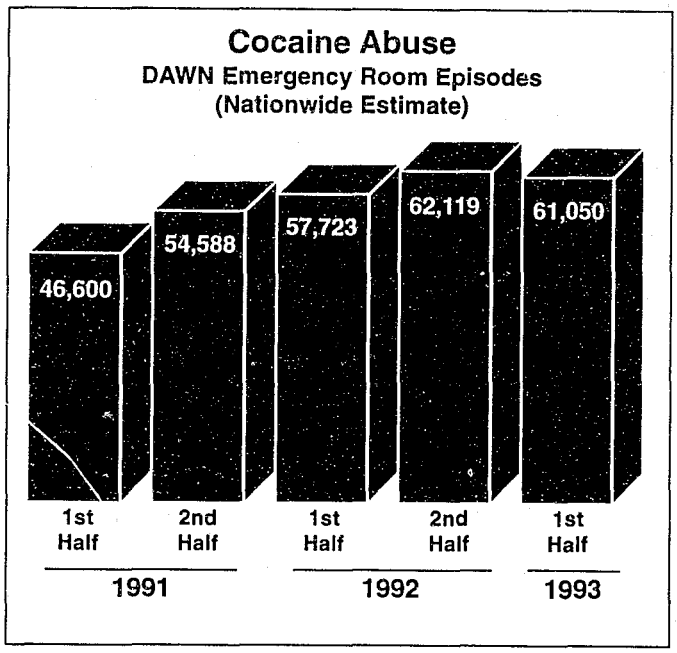
Abuse

The *National Household Survey on Drug Abuse for 1992*, the latest such survey, showed that the number of past-year and past-month users of cocaine has decreased significantly since the peak year of 1985. During 1992, nearly 5 million Americans (12 years of age and older) were reported to have used cocaine in the past year compared to 12.2 million in 1985. In 1992, 1.3 million had used cocaine in the past month compared to 5.8 million in 1985. Nevertheless, frequent or more intense use of cocaine has not shown a statistically significant change during the past several years. Among the 5 million people who used cocaine in the past year, 642,000 used it once a week or more in 1992 compared to 625,000 in 1991 and 662,000 in 1990.

According to the *1993 National High School Senior Survey on Drug Abuse*, cocaine use among high school seniors remained stable in all categories from 1992 to 1993, except for past year use, which increased somewhat during that time frame. Despite this, cocaine use by high school seniors in the class of 1993 was substantially below that recorded for seniors in the class of 1985, the peak year of cocaine use among seniors.

Cocaine Indicators

Cocaine Prices				
Quantity	**Area**	**1991**	**1992**	**1993**
Kilogram	National Range	$11,000-$40,000	$11,000-$42,000	$10,500-$40,000
	Chicago	$18,000-$30,000	$17,500-$37,000	$20,000-$30,000
	Los Angeles	$12,000-$28,000	$11,000-$20,000	$14,000-$20,000
	Miami	$14,000-$25,000	$13,500-$25,000	$16,000-$24,000
	New York	$14,000-$29,000	$12,500-$35,000	$17,000-$25,000
Cocaine Purities				
Kilogram	National Range	86%	83%	82%
Ounce		72%	74%	70%
Gram		59%	64%	63%
Cocaine Laboratory Seizures in the United States				
Number of Seizures		4	4	1



Survey results for 10th graders indicated an increase in all cocaine use categories from 1992 to 1993. Among 8th graders, past year and daily use of cocaine increased while monthly and lifetime use of cocaine remained stable during that same period.

Reporting from the Drug Abuse Warning Network (DAWN) shows that the estimated number of nationwide cocaine-related emergency room episodes, which had been increasing at a fairly constant rate from the early-to-late 1980's, declined significantly from 1989 to 1990. During the first half of 1991, however, the number of episodes increased once again. This upward trend continued until the second half of 1992, and in the first half of 1993 the number of episodes stabilized at high levels. A number of drug epidemiologists and treatment specialists believe a possible explanation for the current high number of episodes is that many hard-core cocaine users are now experiencing the consequences of long-term addiction. As a result, an increasing number of users are seeking public medical assistance.

Trafficking Routes

Metric-ton seizures of cocaine occurred frequently in 1993. During late August through early September alone, DEA and other Federal law enforcement agencies seized 9 metric tons of cocaine. Three metric tons were seized in Houston and nearly 6 in Miami. The cocaine seized in Miami was concealed in coffee and linked to the Rodriguez-Orejuela kingpin trafficking organization of Colombia. The shipment of coffee had been transited through Panama. Overseas, nearly 15 metric tons were seized in the Fall off the coast of Mexico alone.

Estimated worldwide coca leaf production was 271,700 metric tons in 1993 from a total cultivation of 195,700 hectares compared to 333,900 metric tons from a total cultivation of 211,700 hectares in 1992. Potential cocaine production in source countries in Latin America was estimated to be from 770 to 805 metric tons, a drop from the revised 955 to 1,000 metric tons seen in 1992. This decline is due principally to shifts in cultivation areas in Peru caused by soil depletion, movement of farmers to safer areas, and abandonment of some fields in which a fungus reduced yields. The 1992 figure also was revised downward based on Operation BREAKTHROUGH, a scientific study of coca crop yields and cocaine processing conducted in Bolivia in 1993, and currently underway in Peru. Operation BREAKTHROUGH revealed that cocaine processing efficiencies are significantly less than previously believed in Bolivia.

Colombian criminal organizations, particularly the Cali Cartel, maintained primary control over cocaine trafficking to the United States during 1993. The death of Pablo Escobar led to a fracturing of the Medellín Cartel. Nevertheless, Colombian organizations associated with the Medellín Cartel continued to transport multiton quantities of cocaine to the United States. The Cali and Medellín organizations shipped their cocaine either directly to the United States or by way of routes from South America through

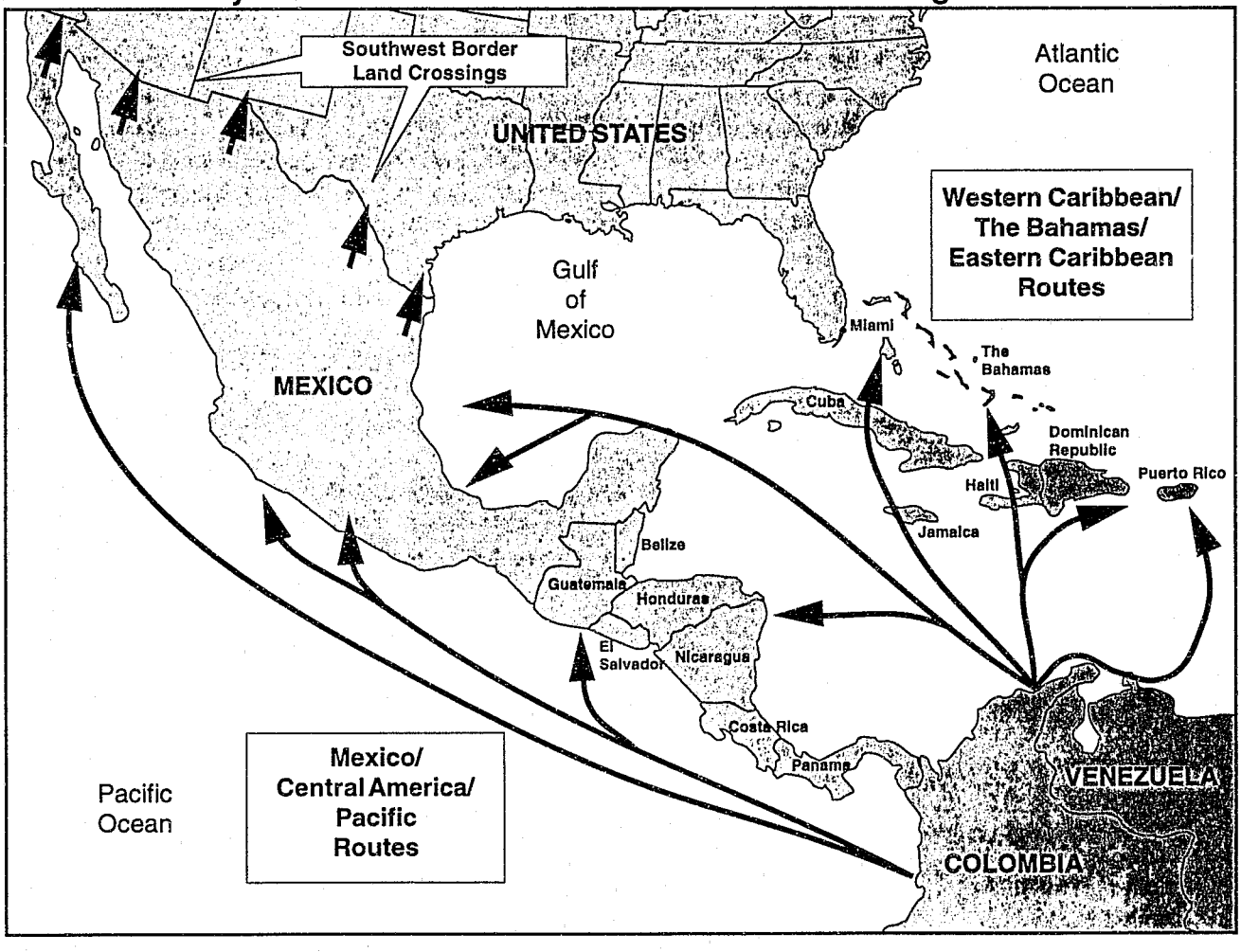
Central America and Mexico to the U.S. Southwest border and across the Caribbean Sea to southern Florida and the eastern seaboard. In 1993, southern Florida remained a principal destination for cocaine shipped either directly from Colombia or through the Caribbean. In late December 1993, for example, in Miami over 500 kilograms of cocaine were seized in a shipment of surgical gloves airshipped from Colombia. Colombian traffickers moved cocaine by air, land, and sea often making use of intermodal means of transportation, shifting from mode to mode and changing documentation at intermediate transshipment points.

Primary cocaine importation points were located in Arizona, southern California, southern Florida, and Texas. Colombian cartels distributed multihundred- and multithousand-kilogram quantities of cocaine, primarily in Houston, Los Angeles, Miami, and New York City. The Cali Cartel controlled most of the cocaine brought into New York City, shipping it from staging sites in California, Florida, and Texas. Temporary storage occurred at staging sites in the Southwest, supplied by Mexican smugglers.

Proceeds from the sales of cocaine were collected from cities and towns all over the country and consolidated in several cities for pick-up and, increasingly, for direct transfer to Colombia. The primary pick-up points were located in Houston, Los Angeles, Miami, and New York City.

DEA and U.S. Border Patrol seizures once again confirmed that the Southwest border regularly was crossed by traffickers transporting

Primary Noncommercial Air/Maritime Cocaine Trafficking Routes



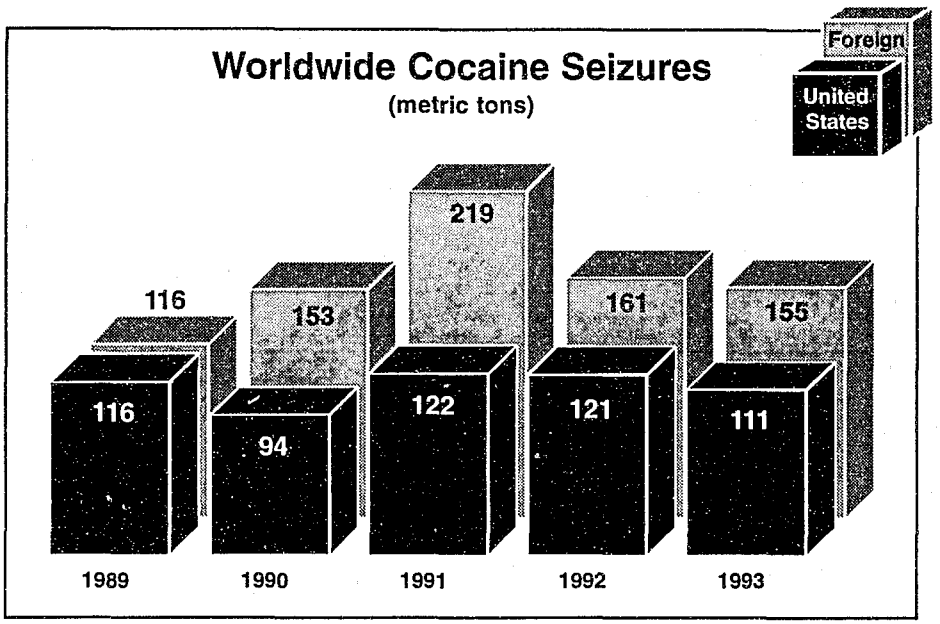
numerous, multihundred-kilogram cocaine shipments. During mid-1993, DEA reporting indicated an increase, albeit temporary, of traffickers transporting cocaine from Mexico into Arizona and New Mexico. Specifically, DEA Denver reported that traffickers increasingly transported cocaine from Mexico through New Mexico to other states, including California, Illinois, and New York. DEA Fresno reporting indicated a shift in trafficking routes from Mexico's border with the United States at Texas and California to the border at Arizona and New Mexico. Furthermore, U.S. Customs Service reports indicated a high volume of foot traffic crossing from Mexico into the United States in the Coronado National Forest west of the Arizona Huachuca Mountains. Information from the U.S. Forest Service indicated increased foot and vehicular traffic in the Federal lands west of the Coronado Monument and east of Lochiel, Arizona.

Cartel traffickers shifted their smuggling patterns following major seizures. They were affected only temporarily by interdiction of their transportation pipelines, taking an average of 10 to 14 days to displace, to reestablish, and once again, meet wholesale demand for their products. This proven capability to thwart law enforcement efforts confirmed their continued use of imaginative concealment methods, intermodal means of transport, and multiple delivery systems.

During the past year, DEA Divisions reported the continued importation of bulk cocaine shipments into the eastern seaboard of the United States and a greater use of Puerto Rico as a transshipment area for U.S.-bound cocaine. Reporting from DEA Boston and Miami indicated cocaine was transported from Puerto Rico to New England in maritime vessels. Additionally, DEA Miami and New York reported an increase in cocaine smuggling, primarily by couriers using domestic commercial airlines, from Puerto Rico to New York City. Moreover, DEA Philadelphia reported that some local traffickers travelled to Puerto Rico to purchase multikilogram quantities of cocaine and then returned with the contraband concealed in their luggage. The appeal of Puerto Rico as a cocaine transit point is enhanced by two factors: first, Puerto Rico's proximity to South America facilitates trafficking; and second, once a shipment has been screened in Puerto Rico, it becomes a domestic shipment requiring no further customs examination.

In addition to continued use of the waters off The Bahamas, the use of the waters off Hispaniola continued in 1993. However, due to the presence of U.S. forces off the Haitian coast enforcing an embargo against Haiti's military government, a decline in airdrop activity was noted. The U.S. Department of Defense (DoD) conducted detection and monitoring missions in the Caribbean transit lanes—involving U.S. Navy ships, U.S. Coast Guard cutters (when available), and AWACS radar planes out of Howard Air Force Base in Panama. In Fiscal Year 1993, DoD devoted 3,335 ship days and over 31,000 flight hours to these missions.

In South America, Brazil joined Ecuador and Venezuela as a major cocaine transit site. The increased use of Central America as a staging or transshipment area for cocaine being smuggled to the United States continued through 1993. Shipments of cocaine were sent from South American source countries to Central American countries by land, air, and sea. From Central America, the cocaine was transported to the United States, either directly or through Mexico. In some instances, cocaine traffickers used Central America and the Caribbean as way points, intentionally bypassing Mexico due to dissatisfaction with some Mexican polydrug smuggling groups and increased law enforcement action. During the latter half of 1993 and into early 1994, cocaine traffickers moved large quantities of cocaine into Baja California Norte before staging shipments into the United States. Traffickers made use of private vehicles and tractor trailers to smuggle cocaine into the United States from as far south as Nicaragua.



Domestic cocaine seizures reported by the FDSS for 1993 amounted to 111 metric tons compared to 121 metric tons during 1992. Significant seizures occurred overseas in Colombia, El Salvador, Mexico, the Caribbean, and, increasingly, in Europe. Total foreign seizures of cocaine exceeded 155 metric tons. The U.S. DoD provided assistance in 36 cocaine seizures, totalling 38 metric tons, between June 1993 and June 1994.

Traffickers also occasionally used the United States as a transit country for cocaine being sent to Europe and the Far East. It was reported that some Southwest Asian heroin organizations, as well as Nigerian traffickers, sent heroin to the United States where their associates used the proceeds from its sale to purchase cocaine for export to Europe. Reporting from DEA domestic divisions and foreign country offices indicated the limited use of the United States by traffickers as a transshipment country for cocaine destined for Europe, east Asia, and Australia.

Reporting from DEA Miami, Newark, and New York indicated cocaine, generally in 1- to 2-kilogram quantities, was smuggled from the United States to Europe via courier or international parcel service. During the year, DEA New York reported several seizures at New York City's J.F.K. Airport in which a suspect was arrested attempting to transport kilogram quantities of cocaine to England or Italy. Prior to 1993, cocaine couriers travelling from the United States to Europe had not been encountered by the New York Division. DEA Los Angeles, Canberra Country Office, and Tokyo Country Office reported that kilogram amounts of cocaine occasionally were transported from the United States to Hong Kong, Australia, and Japan, respectively, via courier.

The United States commonly is used by traffickers as a transshipment country for Canada-bound cocaine. DEA Boston, New York, Miami, Los Angeles, and the Montreal Country Office reported that 1-kilogram to multihundred-kilogram quantities of cocaine were smuggled from the United States into Canada, generally by land vehicle.

One cocaine conversion laboratory (for converting cocaine base to cocaine hydrochloride) was seized in the United States during the year in Florida. The only other location outside South America to which cocaine base regularly was shipped in bulk was Lebanon. Perhaps as many as 20 cocaine conversion laboratories operated in the Bekaa Valley producing cocaine for distribution locally, in the Persian Gulf, and in Europe.

Trafficking Methods

Latin American drug couriers from Colombia, Bolivia, and other countries involved in cocaine trafficking increasingly sought false passports from nations less associated with drug production or transit.

There was continued use of commercial containerized cargo vessels to smuggle bulk quantities of cocaine into the United States during the year. Cocaine was concealed in a myriad of ways: it was hidden in the walls and support beams of cargo containers, within legitimate bulk cargo such as coffee, and within, or attached to, the vessels themselves. Commercial cargo vessels posed the greatest cocaine smuggling threat to the United States as evidenced by the September 1, 1993, seizure of 5.6 metric tons of cocaine in Miami that was transported to the United States by cargo vessel. This trend continued into 1994, with the seizure of over 3.8 metric tons of cocaine by the U.S. Customs Service from a cargo container in Miami. The U.S. National Guard augmented the U.S. Customs Service, providing personnel to assist in container inspections.

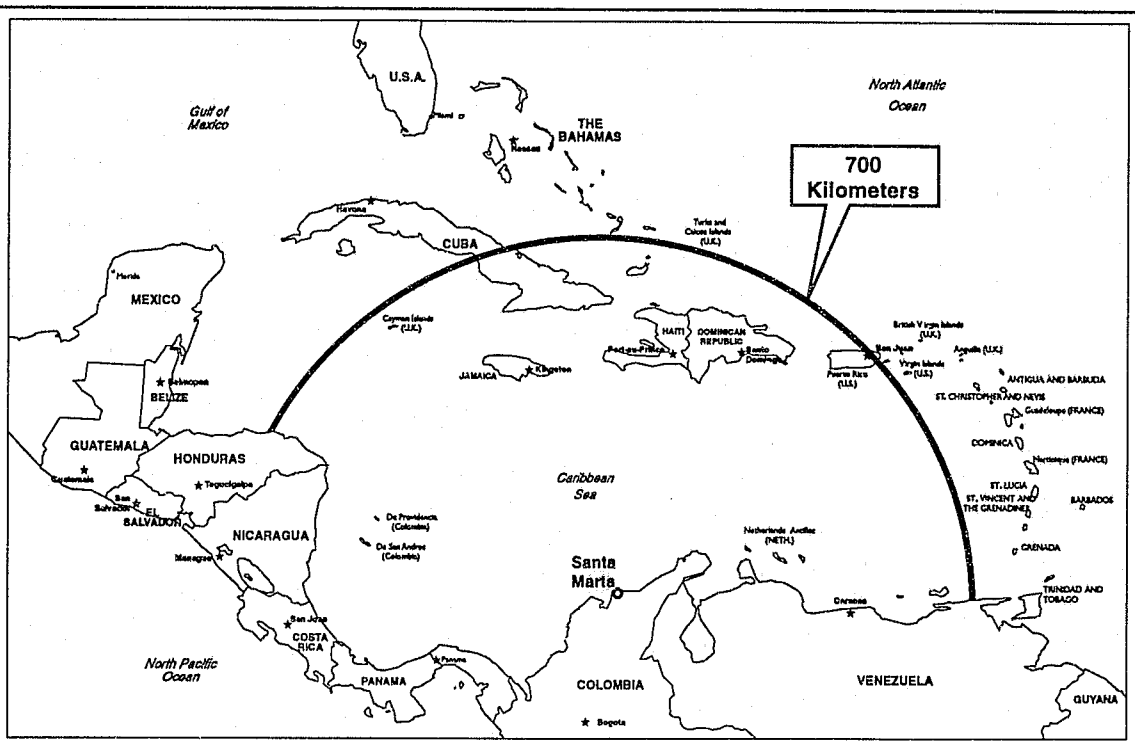
Cocaine smuggling organizations also relied heavily on the use of non-commercial maritime vessels. For example, fishing vessels were used to carry cocaine directly to the United States as well as to points off the U.S coast where the cocaine was transferred to smaller boats. Fishing vessels with hidden compartments were used more frequently in the Eastern Pacific along the coast of Mexico and Central America. For example, in the Fall of 1993, metric ton seizures of cocaine were made off the coast of Manzanillo, Mexico. The cocaine was hidden aboard large commercial fishing vessels. The cocaine probably was transferred to these ships as they fished off the coast of Colombia in the vicinity of Isla Gorgona. Moreover, on October 3, some 8.2 metric tons of cocaine were seized from two fishing vessels near Mazatlan, Mexico.

While traffickers used both airdrops and maritime conveyance to transport cocaine from South America to Caribbean transshipment areas, the latter was the primary mode of conveyance employed throughout the region. The cocaine then was transported to the United States either concealed in cargo or in maritime vessels.

Traffickers made use of low-profile vessels to smuggle cocaine to Puerto Rico. In May 1993, Colombian authorities seized one such vessel, a semi-submersible, after it became disabled off San Andrés Island. The 20-foot long vessel—capable of speeds up to 7 knots—could have discreetly moved a few hundred kilograms of cocaine within a 700 kilometer range (see box). Additionally, traffickers hoped to receive less scrutiny from the U.S. Customs Service by smuggling cocaine into Puerto Rico, where it was repackaged and concealed for shipment to the continental United States.

Traffickers continued to use air cargo to smuggle bulk quantities of cocaine from South America to the United States throughout the past year. During June 1993, DEA Bogota reported that Colombian officials seized 1.2 tons of cocaine as traffickers attempted to move the drug by commercial air cargo to Maryland.

Traffickers who used air transport changed their routes in an effort to evade deployed U.S. radar and military aircraft. Colombian traffickers used night flying operations and airdrops to reduce their exposure. Some smugglers, including those associated with the Cali Cartel, felt it less risky to airdrop shipments to ground or maritime crews in Mexico, Central America, and the Caribbean than to land in Mexico. Some cocaine also was "wet" dropped off the coast of Belize. The cocaine, recovered on shore, was shipped then into the Mexican State of Quintana Roo. The preferred air smuggling technique within The Bahamas was to make airdrops to waiting boats. Decoy aircraft were flown in the Caribbean in order to divert government interdiction assets from the area of actual smuggling. Colombia's San Andrés Island also was used as a transshipment point.



Potential range of semi-submersibles based out of Santa Marta, Colombia.

Cocaine Trafficking by Semi-submersible Vessels

Colombian drug trafficking groups are using submarine-like "semi-submersible" vessels to smuggle cocaine from Colombia's North Coast to Puerto Rico, and perhaps elsewhere in the Caribbean, for subsequent shipment to the United States. These vessels ride so low in the water that only a small portion of the hull remains above water. Accordingly, it is difficult to detect a semi-submersible on the open sea. Unlike a real submarine, however, a semi-submersible cannot travel fully submerged.

Seized semi-submerisible in profile: length—22 feet.

In May 1993, the Colombian Navy, responding to a distress call, seized a disabled semi-submersible near Colombia's De Providencia Island. Although no illicit drugs were discovered on board, it was determined that the vessel could carry up to 215 kilograms of cocaine. The seized semi-submersible was 22 feet long, 5 feet 4 inches wide, and stood 18 feet 6 inches from keel to masthead. Its hull was made of wood and fiberglass. A plexiglass window mounted in a raised center section allowed the two-man crew to navigate visually. The crew also used a Global Positioning System (GPS) navigational unit. The boat's air intakes, high frequency radio antennas, and marine radar were attached to a 7-foot aluminum mast covered with fiberglass. A 180-horsepower diesel engine powered the vessel, which had an estimated cruising speed of 7 knots and range of 700 kilometers.

The use of semi-submersibles to transport cocaine probably remains in the experimental stage. DEA anticipates that the more conventional drug smuggling methods used by the cartels, such as concealment of cocaine in commercial maritime cargo, will continue to be the primary threat to the United States. This notwithstanding, the hard-to-detect nature of the semi-submersible presents a new challenge to international drug law enforcement.

South American traffickers used large jet and other cargo aircraft, which have increased cargo capacity and extended flight range. This reflected a continuing trend in 1993 toward the use of larger and faster aircraft. These aircraft were often purchased and used by front companies engaged in air freight transport operations. Cocaine trafficking organizations reportedly remained concerned about aircraft losses and sought methods to acquire aircraft that could not be seized subsequent to purchase. In September 1993, DEA Miami seized a Boeing 727 jet aircraft that was to have been purchased by a Cali Cartel representative, who sought two such aircraft.

There was limited use of private aircraft to convoy cocaine into the United States in 1993, a method used less frequently in recent years than in years past. This trend was precipitated, in part, by the U.S. DoD's effective operation of 44 ground radars and land-based aerostat radar systems along the U.S. Southwest border. In July 1993, one aircraft was seized in Arizona with 463 kilograms of cocaine on board.

The use of private and commercial land vehicles was the predominant means of transporting cocaine from Mexico into the United States. Backpackers, animal caravans, and other couriers also carried cocaine across the U.S.–Mexican border. The El Paso Intelligence Center (EPIC) reported that professional couriers, also known as mules, smuggled small amounts of cocaine through Southwest ports of entry. These couriers used the "ant" technique, whereby a large number of individuals transported 10- to 15-kilogram quantities through the port, thereby reducing the risk of a large seizure by law enforcement.

Tractor-trailers and other land conveyances were used to smuggle cocaine into the United States from Mexico. In April, Mexican authorities seized 7.2 metric tons of cocaine at Tecate near the U.S. border. The cocaine was secreted inside cans of chili peppers on board a tractor-trailer.

Mexican traffickers have established themselves as land transportation specialists for smuggling drugs from Mexico into the United States.

Frequently, these trafficking organizations are comprised of polydrug smugglers who transport marijuana, methamphetamine, and heroin in addition to cocaine. These drug traffickers used high-tech equipment, including night-vision goggles and radios with scramblers, as well as assault rifles, hand grenades, bulletproof vests, and other military hardware in their smuggling operations. Additionally, these organizations used scouts with radios as well as scanners with police frequencies to monitor law enforcement activities along the U.S.–Mexican border.

DEA and the U.S. Customs Service reported encountering traffickers smuggling liquid cocaine into the United States concealed in water tanks of mobile homes and recreational vehicles as well as in liquor bottles. Some smugglers traveled in "family groups" in order to avoid suspicion. Mexican trafficking groups hired non-Mexicans to transport cocaine from the U.S.-Mexican border to Los Angeles. Some cocaine smuggling organizations recruited "Anglo" drivers and women. Traffickers also continued their attempts to bribe port officials to allow drug shipments into the United States from Mexico.

Once in the United States, traffickers shipped cocaine using commercial and private vehicles, trains, buses, airlines and the postal service. Concealed compartments within vehicles were commonly encountered. Some organizations used rental vehicles. Unusual methods of concealment encountered in 1993 included cocaine concealed in a shipment of beach towels, inside spools of industrial thread, inside cans of lard, sealed within quartz crystals, in drums of fruit pulp, in fish meal, and in avocado paste. In addition, U.S. Customs Service and U.S. Fish and Wildlife officers seized several kilograms of cocaine from within a shipment of boa constrictors. The cocaine, wrapped in condoms, had been inserted into the snakes' intestines. Liquid cocaine was found in a shipment of live tropical fish to the United States. An inner bag of water containing the fish was surrounded by an outer bag containing liquid cocaine.

Distribution

Hispanic organizations, particularly Colombian and Mexican groups, dominated wholesale cocaine distribution within the United States. The Cali Cartel—and some Medellín-associated groups—maintained operational cells in many U.S. cities in order to control wholesale distribution networks. A great diversity of ethnic groups was involved in domestic trafficking at all levels. Organized groups of Cubans, Dominicans, Jamaicans, and Mexicans, as well as African-American gangs, provided retail distribution in major U.S. cities. Southeast Asian groups, including Chinese, Filipino, and Vietnamese gangs, distributed kilogram amounts of cocaine in the West.

The Cali Cartel's methods of operation in the United States were sophisticated and completely compartmentalized. U.S. bases of operation were comprised of multiple cells. Cell managers received their orders directly from Colombia and each manager operated independently of other cells. They used the latest in communications technology, such as computers, pagers, and facsimile machines. Cellular phones often were bought in bulk and then discarded after short periods of use.

In general, the Medellín Cartel's methods of operation in the United States were not as compartmentalized as those of the Cali Cartel. The drug trafficking groups comprising the remnants of the Medellín Cartel employed a group decision-making process at the top level as opposed to the hierarchical decision-making process employed by the Cali Cartel. At the lower levels, trafficking groups transacted business with fewer restrictions on their choice of business associates.

Mexican transportation organizations frequently are paid a percentage of cocaine shipments for their services. Consequently, these Mexican groups have become wholesale distributors of cocaine within the United States. DEA Chicago reports that well-established Mexican cocaine traffickers controlled most of the cocaine distributed in the Chicago metropolitan area. Additionally, DEA Denver reported an increasing number of Mexican nationals identified as distributors and sources of supply for large amounts of cocaine in the Denver metropolitan area. DEA Detroit reporting indicated that Mexican trafficking organizations appeared to be moving to the forefront in the local wholesale cocaine distribution business.

As noted, the Colombian cartels frequently employed Mexican transportation groups to smuggle cocaine through Mexico into the United States. Multiton quantities of cocaine, warehoused in Mexico near the northern border, frequently were divided into smaller quantities and transported into the United States by these organizations. Once in the United States, these shipments were reconsolidated in either a distribution city, such as Los Angeles or Houston, or a warehouse facility near the U.S.-Mexican border for transport to a distribution city.

During 1993, DEA Boston reported a resurgence of Dominican traffickers from Massachusetts operating in the Burlington, Vermont, area. Reporting also cited a number of Colombian groups relocating to southern New Hampshire, perhaps to establish cocaine distribution networks within the state and possibly extending into Massachusetts. Additionally, DEA Detroit reported that Colombian traffickers appear to be exerting more control over cocaine pipelines into the Detroit metropolitan area.

Nigerian cocaine distribution groups emerged in northern California, Oklahoma, North Carolina, South Carolina, Texas, and several other states across the nation. DEA Tucson reported Nigerian traffickers from the San Diego area travelling to Tucson to purchase cocaine. Reportedly, these Nigerians traded cocaine for heroin with Nigerians in Detroit.

DEVELOPMENTS IN TRANSIT/ TRANSSHIPMENT AREAS

Mexico and Central America

In 1993, drug-laden flights from Colombia to **Mexico** were common, although the reported number of flights by private air into Mexico decreased considerably from 1992 levels. Even with this decrease, Mexico continued to be the number one destination point for air movement of cocaine bound for the United States. The joint U.S.-Mexican Northern Border Response Force (NBRF) kept traffickers out of many staging areas in northern and central Mexico, forcing them to use southern Mexico, where they oftentimes airdropped their cocaine, rather than risk landing. Trafficking organizations also expanded their smuggling methods to move cocaine increasingly via land and maritime conveyance, rather than relying primarily on air.

The NBRF seized 28 of the 46 metric tons of cocaine seized countrywide during the year. The NBRF also confiscated 14 aircraft and 62 vehicles and arrested 114 suspects. Since its inception in April 1990, the NBRF has been responsible for the seizure of nearly 100 metric tons of cocaine. The 46 metric tons of cocaine seized in Mexico in 1993 exceeded seizures in any other source or transit country.

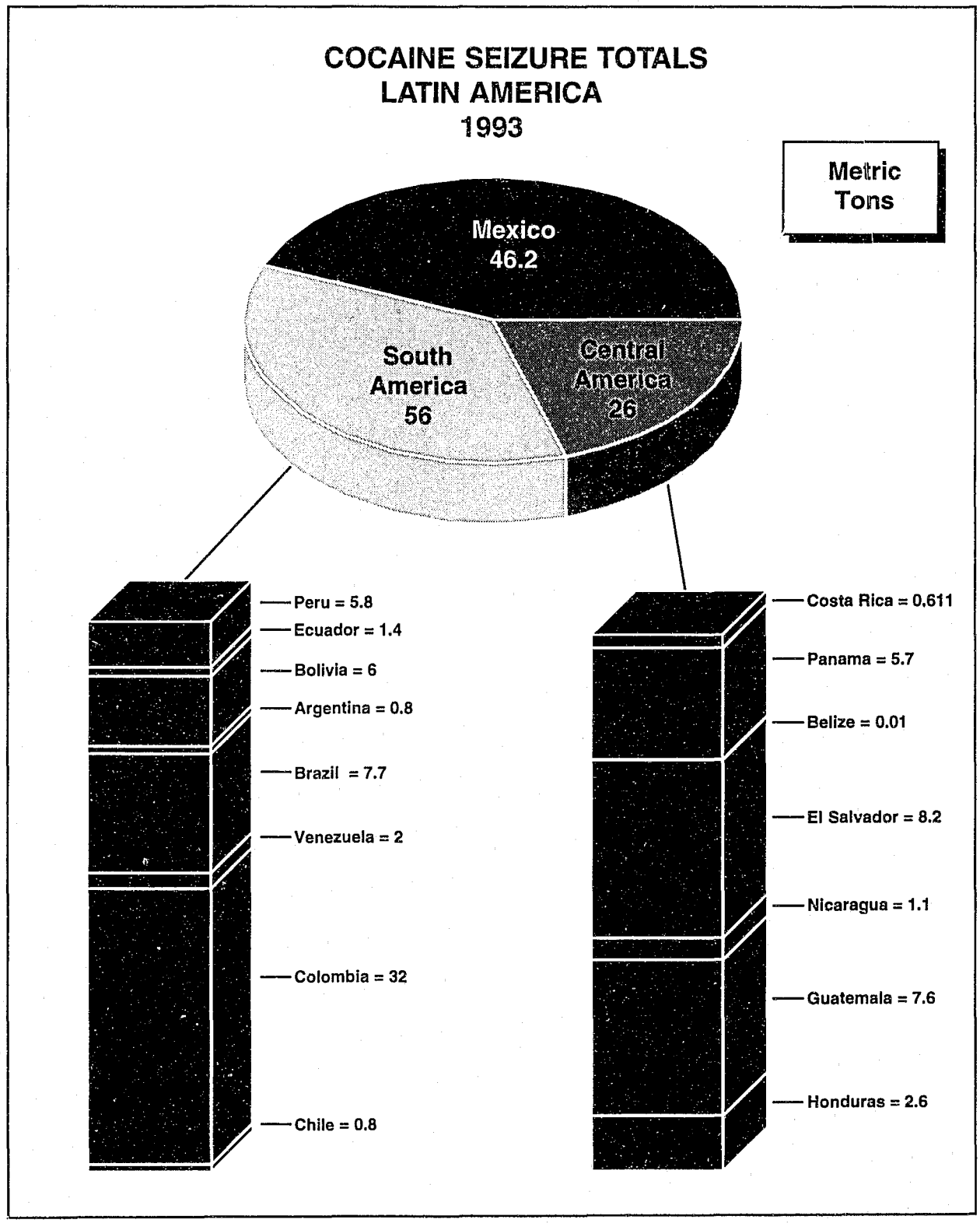
The expansion of maritime smuggling in 1993 was highlighted by two major seizures—totaling over 15 metric tons of cocaine—off the west coast of Mexico in October and November. In 1993, nearly 50 percent of all cocaine seized in Mexico was related to vessel seizures, compared to only 6 percent of the seizures in 1992. The NBRF has expanded the scope of its operations to encompass land and maritime smuggling, interdiction, and investigations.

The Salinas Administration continued the "Mexicanization" of the counterdrug effort, stressing its independence of U.S. support. Drug-related violence in Mexico increased during the year, highlighted by the mistaken slaying by drug traffickers of Cardinal Juan Posadas-Ocampo in May 1993. Drug traffickers killed the Cardinal after mistaking his vehicle for that of a competitor. The murder provoked outrage in Mexico and abroad. In the resultant crackdown, the Government arrested several traffickers and corrupt officials. In June, major trafficker Joaquin Guzman-Loera was arrested in Guatemala. Subsequently expelled to Mexico, he was charged with involvement in the shooting and remains in custody. In early December 1993, Mexican authorities captured Francisco Arellano-Felix, another major trafficker wanted in connection with the killing of Cardinal Posadas. Two of his brothers with connections to the killing are the subject of a nationwide manhunt.

In 1993, increased efforts by the Mexican Government resulted in the following actions:

- In late May, a partially completed tunnel was discovered near the San Ysidro port of entry. The tunnel was to have been used to smuggle drugs into the United States, in all likelihood cocaine.
- In April, 4.6 metric tons of cocaine were seized from a warehouse in Baja California.
- In July, 2.4 metric tons of cocaine were seized from a gasoline tanker with a concealed compartment.

Transshipment of cocaine through **Guatemala** decreased slightly compared to previous years. Interdiction efforts spearheaded by Operation CADENCE (Central American Drug Enforcement Center) forces led to the seizure of cocaine not only in Guatemala but in El Salvador, Belize, and Honduras. DEA and U.S. Border Patrol agents provided technical assistance in the planning of operations against air, land, and maritime smuggling. In response to increased use of tractor-trailers and land vehicles to transport cocaine northward from Central America, U.S. Border Patrol agents provided expertise on roadway interdiction. Uncontrolled landing strips in Guatemala were used to refuel smuggling aircraft arriving from Colombia and to offload cocaine for later shipment to the United States.



Source: *International Narcotics Control Strategy Report, April 1994*

In June 1993, the Guatemalan Treasury Police confiscated over 1.6 metric tons of cocaine concealed in a tractor-trailer. The cocaine was to have been shipped through Mexico to the United States. This seizure confirms the large-scale use of tractor-trailers to move cocaine from Guatemala toward major U.S. markets. Police arrested 11 members of a principal cocaine airdrop/overland transportation organization in October 1993, confiscating over 185 kilograms of cocaine in the process. The head of the group, a Colombian known locally as Manuel Reyes Rivas, was incarcerated.

Belize also was used as a cocaine transshipment point. While 1993 seizure totals were down from 1992 (10 kilograms of cocaine as opposed to 810 kilograms), reporting indicated that cocaine continued to be moved through Belize. The country's 370 mile coastline and over 180 islands provide traffickers numerous areas through which drugs may be transshipped. Possessing over 100 unmonitored landing strips, Belize is easily accessible to drug traffickers moving cocaine north from South America. One indication of an increase in cocaine abuse in Belize, particularly of "crack" cocaine, was the increase of drug-related street crime plaguing Belize City.

Costa Rica's strategic location makes it attractive to South American drug traffickers seeking alternate drug smuggling routes to the United States. Due to its continued accessibility, the country appeals to traffickers smuggling cocaine from Colombia by pleasure boats and small fishing vessels on either Caribbean or Pacific routes. Costa Rica also is accessed easily by land from Panama, another known transshipment nation. The country's approximately 200 unmonitored airstrips offer access to traffickers as well. Costa Rican Judicial Police are a professional counterdrug force, but they were limited by a lack of resources, even with the assistance of air and maritime units of the Ministry of Public Security, which also performed counterdrug missions.

In September 1993, DEA and Costa Rican authorities uncovered an international trafficking network smuggling cocaine from San Andrés Island, Colombia, through Costa Rica and on to the United States. Authorities seized 90 kilograms of cocaine and dismantled the ring, which included ethnic Russians. In addition, according to press reports, Costa Rican authorities remained concerned by links between Costa Rican nationals and Italian organized crime figures.

In 1993, over 1.3 metric tons of cocaine were seized in Costa Rica compared to nearly 2 metric tons in 1992. Although most of the cocaine was being shipped to U.S. markets, during the past year, officials showed increasing concern over rising cocaine and crack abuse in Costa Rica. Often, cocaine is shipped in containers from the Costa Rican port of Limon. For example, on November 20, 1993, Costa Rican Narcotics Police seized 248 kilograms of cocaine concealed inside 70 cartons containing bicycles at the port of Limon. In May, police in Limon confiscated 22 kilograms of cocaine. Several corrupt police and maritime officials also were suspended as a result of this investigation. In June, police near the Panamanian border seized 36 kilograms of cocaine; an additional 90 kilograms were seized in July.

El Salvador's importance as a Colombian cocaine transit country surged in 1993. Government authorities seized 8.2 metric tons during 1993 compared to only 207 kilograms in 1992. Primarily due to the success of aggressive air interdiction operations in Mexico, the Colombian cartels have expanded trafficking through El Salvador. Salvadoran criminals benefited from links with drug organizations in Colombia, Guatemala, Honduras, Mexico, Nicaragua, Panama, and the United States. In recognition of the growing threat, DEA established a country office in San Salvador in June 1992. This action, plus the growing effectiveness of the Executive Anti-Narcotics Unit (UEA), contributed to the country's continued effective drug law enforcement.

Increases were noted in suspect general aviation aircraft flights to uncontrolled airstrips, particularly in the San Miguel and La Union Departments. These airstrips are located conveniently near the Inter-American Highway. In February 1993, officials in Usulutan Department discovered 660 kilograms of cocaine in a private vehicle near a landing strip. On April 6, authorities seized 431 kilograms of cocaine at a clandestine airstrip. Eight suspects were arrested and a Cessna aircraft was seized. In May, a Lockheed Electra aircraft landed at an airstrip near El Tamarindo carrying 5.9 metric tons of cocaine. DEA and the UEA subsequently seized this shipment in June at a warehouse in San Salvador. Maritime smuggling is also a concern, as aircraft operating out of Guatemala may have airdropped cocaine to waiting vessels near the Salvadoran port of Acajutla. In late September, authorities seized over 1 metric ton of cocaine southwest of Acajutla that probably had been airdropped.

Honduras lies midway between Colombia and the United States. It has a long, virtually unguarded Caribbean coastline. A number of offshore islands traditionally have been used by smugglers. Smuggling of illicit drugs by fishing boats easily went undetected, and drug shipments were consolidated in Honduras for onward shipment. Consumption of cocaine and crack cocaine in the country increased.

Honduran authorities seized 2.6 metric tons of cocaine in 1993. In May 1993, Honduran authorities and the U.S. Coast Guard seized 2.2 metric tons of cocaine from a fishing boat. The boat had been boarded by the U.S. Coast Guard off the coast of Mexico and then searched again by Honduran officers in Puerto Castilla, Honduras.

Nicaragua played a growing role in cocaine trafficking due to its proximity to traditional air and sea smuggling routes. Drug traffickers shipped cocaine from Colombia's San Andrés Island to Nicaragua's Corn Island and the ports of Bluefields and Puerto Cabezas. Keyed by information provided by U.S. authorities, Nicaraguan authorities on November 17 seized just over 1 metric ton of cocaine from a vessel off Nicaragua's Pacific coast. Eldo Omar Lao-Chaves, a major Nicaraguan trafficker, was arrested along with 12 others. During 1993, a dedicated anti-drug unit within the Nicaraguan Police authorized in the Fall of 1992 became operational.

Panama was a key transit country for cocaine being shipped to the United States and also served as a major money-laundering center for the drug cartels; the Colón Free Trade Zone was an attractive location for South American money launderers. In June 1993, the Panamanian Health Ministry released a report suggesting that cocaine abuse was on the rise in Panama, stating that Panama had the highest consumption rate (a reported 4.4 percent of the population had tried the drug) in Central America.

Panamanian drug enforcement authorities seized 5.7 metric tons of cocaine during 1993. Additionally, the 5.6 metric ton seizure of cocaine in Miami during September came from a coffee shipment that had transited Panama through a front company located in the Colón Free Trade Zone. Due to a procedural error, six of the seven persons arrested in connection with the case were released by Panama's Supreme Court. In October, a Panamanian legislator was arrested in Florida on drug charges. The individual, Jose Anel-Ramirez, allegedly used his parliamentary immunity in Panama to ship 150 kilograms of cocaine to Florida.

The Caribbean

The Caribbean remained a primary transshipment area for drugs smuggled from South America to the United States. The Bahamas, Puerto Rico, and eastern Caribbean were the major smuggling areas. **The Bahamas** and the United States continued their successful 11-year cooperation of conducting joint patrols of Bahamian and surrounding waters. This operation—Operation Bahamas and Turks and Caicos Islands (OPBAT)—ran in conjunction with Operation BANDIT, a similar effort out of south Florida. In 1993, Bahamian officials reported the seizure of 1.9 metric tons of cocaine, a substantial reduction from the 4.8 metric tons seized in 1992.

Airdrops continued in The Bahamas with smuggling aircraft overflying Jamaica and also crossing Cuba through the international air corridor. Favored airdrop sites in The Bahamas included Andros Island, Cay Sal Bank, Anguilla Cay, Great Exuma, and the southern Bahama islands near Mayaguana, Acklins Island, and Long Island. In August, 318 kilograms of cocaine were airdropped to two vessels in Bahamian waters. The U.S. Coast Guard seized one vessel, while the other entered Cuban waters. Cuban authorities subsequently turned over the boat and its operators to U.S. officials.

Cocaine traffickers often crossed **Cuba**'s air space, using international air corridors to avoid U.S. interdiction. In response, during 1993, the Cuban Government increased its cooperation with U.S. and other foreign drug enforcement organizations. In September, following closely held discussions with Cuban authorities, two cocaine traffickers who had fled to Cuba were returned to U.S. custody along with their speedboat, "Thief of Hearts." The government attempted to deny traffickers the use of its territory and refueling facilities; however, Cuba suffered from shortages of fuel and spare parts, which hampered its interdiction operations. Unsubstantiated Cuban Government information reflected the seizure or destruction of over 240 kilograms of cocaine during 1993. There were indications of minor smuggling by growing numbers of foreign tourists visiting the island.

Jamaica's long coastline and lack of drug security forces helped to facilitate drug smuggling through the western Caribbean. The nation's position near international sailing routes enhanced its attractiveness. In 1993, Jamaican authorities seized 160 kilograms of cocaine. However, traffickers showed little concern for law enforcement action, as evidenced by the occurrence of bold, daytime smuggling flights at clandestine airstrips. Couriers transited Jamaican airports and also smuggled small amounts of cocaine in luggage or on their person. Enforcement efforts included a U.S. National Guard radar system in Jamaica that tracked suspect aircraft, and a Jamaican Joint Information Coordination Center that exchanged intelligence with U.S and other law enforcement organizations.

Hispaniola was used by traffickers as a transshipment area for cocaine. The **Dominican Republic**'s proximity to the United States and its large number of airstrips and unguarded coastline made it vulnerable to drug trafficking. Growing numbers of local criminals with links to Dominican gangs in New York participated in the trafficking. In March 1993, the U.S Coast Guard seized 756 kilograms of cocaine just south of the Dominican Republic. In June, Dominican authorities, acting on information provided by DEA, seized 784 kilograms following an attempted airdrop near Miches on the north coast.

Haiti also served as a transshipment area for cocaine smuggling. The lack of effective indigenous law enforcement, the availability of many uncontrolled air strips, an unguarded coastline, and a remote interior all combined to make Haiti an attractive transit site. Traffickers used both aircraft concealment and commercial maritime cargo concealment to move cocaine to the United States. Haitians were arrested on drug charges in large numbers in the United States. While corruption was endemic, traffickers' use of the nation was complicated in

1993 by the presence of U.S. forces imposing a embargo against the military government. The increased U.S. presence in the region probably led to the disruption of drug trafficking. When placed in a regional perspective, Haiti's role in drug trafficking remained minor. For example, approximately 150 kilograms of cocaine were seized in Haiti in 1993 compared to nearly 2 metric tons seized in The Bahamas.

The eastern Caribbean remained a major operational area for drug smuggling from South America. Increased trafficking through the eastern Caribbean included greater use of **Puerto Rico**, which was used often for transshipment of drugs to the United States, Canada, and Europe. Increased use of the Anegada Passage between the Virgin Islands and St. Martin as an airdrop site occurred during 1993. From this area, traffickers moved cocaine toward Puerto Rico and the Virgin Islands. General aviation aircraft smuggling was complemented by increased maritime smuggling and continued use of couriers traveling on commercial air flights to Puerto Rico. In September, Puerto Rican officials seized 122 kilograms of cocaine from two Mexican nationals traveling to Newark, New Jersey; an additional 200 kilograms were seized in San Juan from 12 suitcases. In November, authorities found 1.4 metric tons of cocaine concealed in 19 sacks floating off Puerto Rico's coast.

In 1993, some regional cocaine traffickers shifted their smuggling operations to the eastern and southern portions of the Caribbean. Colombian traffickers established operational bases on **Sint Maarten** (the Dutch side of the island of St. Martin) to support drug shipments to the Netherlands. In April, French authorities in **St. Martin** discovered over 300 kilograms of cocaine concealed on a beach. The alleged smuggling operation had been observed the day before on the Dutch side of the island.

Cocaine trafficking continued in the waters around **Antigua, Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines**, and **Trinidad and Tobago**. Seizures of cocaine exceeded 3 metric tons in 1993. In January, over 1 metric ton of cocaine was seized from a residence in St. Vincent. Courier traffic was extensive through Barbados and Trinidad and Colombian fishing vessels smuggling cocaine and marijuana continued to traverse the area. Officials in Barbados arrested a number of couriers carrying cocaine, some traveling by way of St. Vincent.

Maritime traffickers frequently used Trinidad and Tobago during 1993. Approximately 80 kilograms of cocaine were seized during the year. U.S. and British police officials worked with local agencies to improve their counterdrug capabilities; however, endemic corruption and a lack of resources hampered police and customs services on the islands.

Extensive cocaine trafficking occurred through the **Netherlands Antilles** and **Aruba**. Cocaine from Colombia, Venezuela, and Suriname was shipped through this area in commercial maritime cargo en route to the United States and Europe.

Canada

In 1993, Canadian authorities seized over 2.7 metric tons of cocaine. Canada served as a final destination for increasingly larger quantities of cocaine from Latin America. Cocaine shipped from Canada primarily went to the United States, particularly New York City. Just as frequently, however, cocaine was shipped from the United States to Canadian markets.

In 1993, Canadian authorities seized over 1.4 metric tons of cocaine from a vessel that had originated in Colombia and had called at a French port prior to its arrival. A suspect container was consigned to a New Jersey firm. In late February 1994, Royal Canadian Mounted Police seized 5.3 metric tons of cocaine from a fishing vessel docked in a small port in Nova Scotia. Canadian Traditional Organized Crime figures probably were involved in the smuggling venture; the cocaine was destined for both the Canadian and U.S. markets.

DEVELOPMENTS IN SOURCE COUNTRIES

Peru

Cultivation: Most of the world's coca is grown in Peru. In 1993, 108,800 hectares were estimated to be under cultivation compared to 129,100 in 1992. Estimated 1993 coca leaf production was 155,500 metric tons yielding 450 to 485 metric tons of cocaine. This compares to 223,900 metric tons of leaf with a potential yield of 650 to 695 metric tons in 1992. Cultivation may bounce back in the next few years as new areas of cultivation mature. Although most of the illicit cultivation remained in the Upper Huallaga Valley (UHV), farmers expanded cultivation in the Central Huallaga region, the Lower Huallaga Valley, the Apurímac River Valley, and the Aguaytía River Valley. Farmers moved out of the UHV in part seeking less tumultuous areas, but they also abandoned plots due to soil depletion, fear of plant disease, and a "gold-rush" mentality for new areas. Cuzco, Huanta, and La Mar Provinces also experienced illicit coca cultivation.

Processing: Peru was a major processor of illicit coca paste and purified cocaine base. Most of this processing occurred in the UHV but processing increased elsewhere as cultivation was moved. Coca leaves are processed into coca paste in crude maceration pits (*pozos*), which are prepared near cultivation sites. The coca paste is then processed into cocaine base at clandestine laboratories. These laboratories range from small structures to large complexes. When in operation, the average laboratory produced 200 kilograms of cocaine base per day.

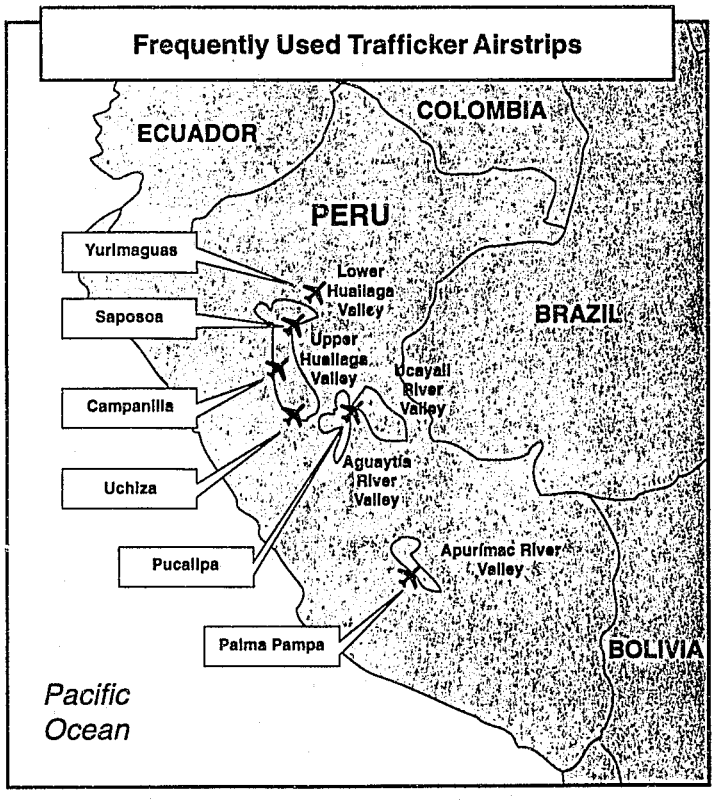
Cocaine hydrochloride production in Peru increased in 1993; available data suggested that some of that cocaine was exported directly from Peru. Essential chemicals required by clandestine laboratories in Peru were diverted from legitimate chemical shipments that had entered Peru's seaports. Chemicals also entered Peru from Brazil, Chile, and Ecuador.

Trafficking: In 1993, Palma Pampa in the Apurímac River Valley emerged as a major transshipment location for cocaine base being shipped by air to Colombia (see box). In late 1993, the government deployed military forces to the area in an effort to blunt increased trafficking. The Pachitea and Ucayali River Valleys, as well as Bagua and Condorcanqu Provinces, were mentioned in 1993 as areas of increased smuggling activity. This complemented a trend highlighted in 1992 wherein smuggling operations had moved further north and west in the UHV, beyond the reach of combined DEA and government forces stationed in Santa Lucía.

Most of Peru's cocaine base was transported by air from the UHV to Colombia for conversion to cocaine, although some cocaine base was transported first by river to staging sites prior to its being transported by air. In response to air interdiction, an increased use of land routes to move cocaine into Colombia was noted in late 1993. Additional quantities were shipped by air, river, or overland to Brazil and Ecuador. During 1993, traffickers more frequently used the Apurímac River Valley area as a staging point; cocaine shipments then were flown to Colombia using routes along the Peru-Brazil border that were less subject to interdiction by government forces.

Enforcement: In recent years, the government has thought eradication in Peru to be politically infeasible. Continued conflict between the insurgents and government forces may have contributed to increases in the price of coca paste. Prices for a kilogram of coca paste were reported to have risen over the summer.

In 1992, the Peruvian Air Force introduced measures to deny the use of several clandestine airstrips to cocaine traffickers. In 1993, traffickers were forced to relocate operations though it appeared that some previously denied airstrips were back in operation. For example, in August 1993, military and police officials seized



523 kilograms of cocaine base from an aircraft at a landing site near Saposoa. The site had been abandoned by traffickers the year before after the police established a presence there.

In 1993, Peruvian authorities seized over 5.77 metric tons of cocaine and cocaine base, 7.7 metric tons of coca paste, and arrested over 4,800 people on drug-related charges. In August, DEA and Peruvian forces concluded an investigation with the seizure of 2 metric tons of cocaine base. The Peruvian Air Force also destroyed suspected drug aircraft in the Fall of 1993. In late 1993, the Peruvians expanded counterdrug operations east of the Andes from their base at Santa Lucía in the UHV.

During the year, persistent reporting suggested the involvement in the cocaine trade of military officials stationed in the UHV and other areas where coca cultivation or cocaine processing take place. These officials provided protection at airfields and even may have profited directly from cocaine base sales. The government did arrest and sentence a number of military officers for drug-related corruption.

On December 3, 1993, authorities arrested Jose Humberto Chavez-Penaherrera (known as "Calavera"), a brother of well-known Peruvian trafficker Demetrio Limonier Chavez-Penaherrera or "Vaticano." In early 1994, Vaticano himself was detained in Colombia and expelled to Peru, a major success for law enforcement. In February 1994, a military court sentenced Vaticano to life imprisonment for treason.

Bolivia

Cultivation: Bolivia is the world's second largest cultivator of coca, with an estimated net cultivation of 47,200 hectares in 1993 compared to 45,500 hectares in 1992. The 1993 crop produced an estimated 84,400 metric tons of coca leaf, compared to 80,300 metric tons the year before, for a potential yield of 255 metric tons of cocaine. Growing areas were located in the Apolo, the Chaparé, and the Yungas de La Paz regions. Yungas cultivation primarily serves licit coca markets. Coca cultivation in the Chaparé area—constituting over 75 percent of the nation's total cultivation—is dedicated almost exclusively to illicit cocaine production. In 1993, the Chaparé experienced increased illicit cultivation, particularly in the northwest. Replacement cultivation was noted in the south central Yungas.

Processing: In 1993, coca growers in the Chaparé continued a trend first noted in late 1991. They converted coca leaf directly to cocaine base in small-scale, *pozo* operations. In 1993, virtually all processors in the Chaparé produced cocaine base directly, skipping the intermediate production of coca paste. Operation BREAKTHROUGH-related research revealed that "*agua rica*," previously reported as a convenient medium for transporting and storing cocaine alkaloids in aqueous solution, is actually an integral phase of cocaine base production as practiced in the Chaparé (see box). Cocaine base produced in the Chaparé was consolidated by buyers for transportation to larger laboratory operations organized by major trafficking organizations in Pando, Beni, and rural Santa Cruz Departments.

Independent cocaine hydrochloride production still continued during 1993. For example, a small laboratory seized by authorities in Cochabamba in August was capable of producing 50 to 60 kilograms of cocaine per week. Most cocaine base was purified or "re-oxidized" prior to its shipment out of the country, an indication that cocaine base processing in the Chaparé remained inefficient with many cocaine base products containing high levels of impurities.

Essential chemicals used in cocaine base and cocaine hydrochloride production were smuggled across Bolivia's borders with Argentina, Brazil, Chile, and Paraguay, primarily by road, railroad, and river networks, but occasionally by air. Equipment used to synthesize and recycle the solvents necessary for cocaine production was commonly found at clandestine laboratories seized in Beni and Santa Cruz Departments. In August 1993, Bolivian authorities seized over 26,000 liters of sodium

Agua Rica

Agua rica is an acidic water solution containing concentrated cocaine alkaloids. The term refers to the solution both before and after it has been oxidized with potassium permanganate. (The appellations "*agua rica* paste" and "*agua rica* base," commonly used by outside observers to distinguish unoxidized and oxidized *agua rica*, are not recognized by cocaine laboratory operators.) Processors typically oxidize *agua rica* in preparation for precipitating cocaine base, but may deviate from this standard practice in two ways. First, *agua rica* reportedly will be stored on occasion because of the unavailability or costliness of potassium permanganate. Long-term storage of *agua rica*, though, is not usual: an acidic solution, *agua rica* experiences cocaine degradation over time. Second, processors will precipitate cocaine base from unoxidized *agua rica* using ammonia or sodium/potassium carbonate solutions. This product, in chemical terms still cocaine base, is referred to by processors as *sulfato* (coca paste). If *sulfato* is precipitated with ammonia (and thus has neither the pasty consistency nor carbonate salt impurities associated with precipitation from carbonates), the processor can mix it with oxidized cocaine base as a diluent or even attempt to pass it off to a buyer as oxidized cocaine base.

hypochlorite near the border with Argentina. It is believed that the chemical is used as an oxidizing agent and substitute for potassium permanganate in cocaine base production/re-oxidation. Potassium permanganate prices rose in the region in 1993, further fueling speculation that traffickers could be seeking alternatives such as sodium hypochlorite.

Trafficking: Traffickers usually transported cocaine base from the Chaparé in small aircraft. However, developments since late Summer 1993 pointed to a shift in cocaine base trafficking patterns as the previous overwhelming reliance on air transport has abated. Traffickers now are supplementing traditional air shipments by using roads and trails to move cocaine base over land from the Chaparé to laboratory and staging sites in Beni and Santa Cruz Departments. Cocaine base was transported primarily on twin-engine aircraft from outlying laboratories and transshipment sites in Beni, Pando, and rural Santa Cruz Departments to Colombia and Brazil for conversion into cocaine. However, increasing amounts of cocaine base were converted to cocaine in Bolivia prior to its shipment to Colombia. Colombian groups controlled or directly influenced the production and trafficking of cocaine in Bolivia, but some Bolivian groups were involved independently in the transport of cocaine to Europe by way of Brazil, Chile, Paraguay, and Argentina.

Enforcement: The Bolivian Government conducted large-scale operations against traffickers throughout the country during the year. In 1993, Bolivian police, assisted by DEA, seized 201 metric tons of coca leaf, 5.3 metric tons of cocaine base, and 310 kilograms of cocaine compared to 189 metric tons of coca leaf, 0.33 metric tons of coca paste, 7.7 metric tons of cocaine base, and 0.7 metric tons of cocaine in 1992. Additionally, Bolivian drug law enforcement agencies seized nearly 14,300 liters of *agua rica*. In all, the government arrested 1,045 violators and destroyed 10 cocaine laboratories and 1,300 cocaine base production sites. Several ranches, residences, vehicles, and aircraft were seized.

The Bolivian Government failed to meet its coca eradication goal, destroying only 2,400 hectares in 1993. Bolivian law called for eradication of 5,000 to 8,000 hectares, and in a bilateral agreement with the United States the Bolivian Government agreed to eradicate 5,000 hectares of coca and 20,000 square meters of seedbeds. Coca prices remained high. Coca growers continued to resist any effort by the government to impose controls over Chaparé coca markets. In August 1993, angry mobs in one location pelted government forces with rocks and sticks forcing their retreat.

In a June 1993 enforcement operation, Bolivian police seized 700 kilograms of cocaine in the Beni. The cocaine was to have been shipped to Cali Cartel interests in Colombia for onward shipment to major markets in the United States and possibly Europe. In September, Bolivian rural police teams, assisted by DEA, conducted a series of raids against major Bolivian trafficking organizations. Operation MALLA initiated in March 1993 led to the dismantling of the Mariposa organization. The group lost 2.3 metric tons of cocaine base, two cocaine laboratories, six aircraft, and eight large ranches to police action. Thirty-five members of the group, including its leader and 10 Colombian associates, were arrested. In September, Bolivian police arrested 15 members of a trafficking organization responsible for transporting multithousand-kilogram quantities of cocaine base from Beni and Santa Cruz Departments to Brazil. Also seized were an estimated $2.2 million dollars in property and assets. In the same time frame, Bolivian forces conducted roadblocks, mobile patrols, and riverine operations to disrupt trafficking in the Yungas, which had emerged as an alternate route to transport cocaine base from the Chaparé to Beni processing sites.

Colombia

Cultivation: Colombia ranked third in worldwide coca cultivation, all of it illicit. There was some cultivation in the eastern plains and heavy growth in Caquetá Department, Guaviare and Vaupés Commissariats, and Putumayo Intendency. There also was cultivation in Bolívar Department and in southwestern Colombia. Net cultivation in 1993 was 39,700 hectares compared to 1992 cultivation of 37,100 hectares. Colombian police destroyed 846 hectares of coca in 1993, a slight drop from 944 hectares eradicated the year prior. Coca leaf production was about 31,700 metric tons, which had a potential yield of 65 metric tons of cocaine compared to 60 metric tons in 1992.

Processing: Most of the world's cocaine is produced in Colombia. Laboratories used some domestically-produced cocaine base, but relied mainly on Bolivian and Peruvian cocaine base. Colombian laboratories ranged from small, simple operations to large laboratory complexes, most of which were located in remote areas. In the past, large laboratories capable of producing over 250 kilograms of cocaine per week have been uncovered in Amazonas, Guainía, Guaviare, Vaupés, and Vichada Commissariats, Putumayo Intendency, and Caquetá, Tolima, and Valle de Cauca Departments. Government initiatives over the past few years to control essential chemicals prompted some traffickers to adopt new processing techniques and new technologies designed to reduce the amount of chemicals needed. Some laboratories formerly located in the Valle de Cauca have been moved to more remote locations.

In late 1993, prices for cocaine base ranged from $850 to $880 per kilogram in Colombia. Cocaine hydrochloride at laboratory sites fetched between $910 and $1,165 per kilogram. Cocaine delivered to the North Coast for shipment went for $1,165 to $2,075 per kilogram. In comparison, cocaine sold for $10,500 to $40,000 per kilogram in the United States.

Trafficking: A number of Colombian groups were engaged in cocaine trafficking; control of these groups rested with "cartels" centered in Cali and, to a lesser extent following the death of Pablo Escobar, in Medellín. Groups originally formed to provide transportation services on the north coast of Colombia also emerged as independent suppliers of cocaine to the United States.

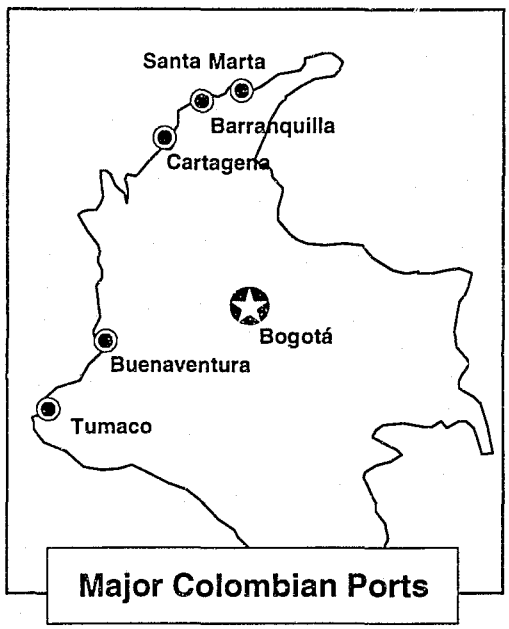
Cocaine base smuggled into Colombia was smuggled out of the country as finished cocaine by private aircraft and, increasingly, by concealment in commercial maritime cargo. San Andrés Island emerged as a major transshipment point. The Colombian ports of Buenaventura, Cartegena, Puerto Estrella, Bahia de Portete, Covenas, Manuare, Providencia, Rio Hacha, San Andrés, Tumaco, and Turbo have all been used by smugglers to stage maritime concealment of cocaine, particularly in containerized cargo shipments. Traffickers used commercial air cargo to ship up to 500 kilograms of cocaine at one time; they also have used larger and faster aircraft, such as jets. Colombian traffickers increasingly used eastern Colombia as a staging location for cocaine flights north, exploiting the numerous unimproved private airstrips and, on occasion, municipal airports to smuggle multihundred-kilogram shipments of cocaine to the Caribbean or Central America, particularly Guatemala, or Mexico for transshipment to the United States.

Colombian traffickers also expanded their operations in neighboring nations, making greater use of Venezuela, Suriname, and Brazil as transit locations for cocaine being shipped to the United States and Europe. In 1993, Colombian cocaine was transported into Venezuela in private cars or flown into southwestern and central Venezuela from Guajira and Cucutá in Colombia. In early January 1994, for example, Venezuelan *Policia Tecnica Judicial* seized 1.5 metric tons of cocaine in a Maracay warehouse.

Colombian insurgent groups such as the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia*

Port Privatization in Colombia

In September 1991, the Government of Colombia (GOC) ordered the privatization of the state-run Colombian Ports Authority (*Puertos de Colombia* or COLPUERTOS). COLPUERTOS has operated the ports of Barranquilla, Buenaventura, Cartagena, Santa Marta, and Tumaco for the last 50 years. Colombia's port privatization initiative was stimulated by the GOC's assessment that COLPUERTOS has lost millions of dollars in recent years due to high labor costs, inefficiency, and obsolete equipment. The macroeconomic benefits of port privatization notwithstanding, the initiative is expected to have serious effects on maritime drug enforcement and interdiction efforts. Colombian National Police Port Detachments are expected to turn over their responsibilities for port security to private security firms hired by each respective port association.



Major Colombian Ports

COLPUERTOS was completely dissolved on December 31, 1993. The old system will be replaced by a new Superintendency of Ports, which will report to the Ministry of Transportation. The GOC's plan calls for private investors to form regional and local port "associations," which will control day-to-day port operations. Each port association will operate independently from the Colombian Government. The transition toward privatization has made the most progress at Santa Marta and Barranquilla; the latter was privatized in early September 1993.

or FARC) and the National Liberation Army (*Ejército de Liberación Nacional* or ELN) continued to benefit from the cocaine trade. They "taxed" drug profits and protected crops, laboratories, storage facilities, and airfields.

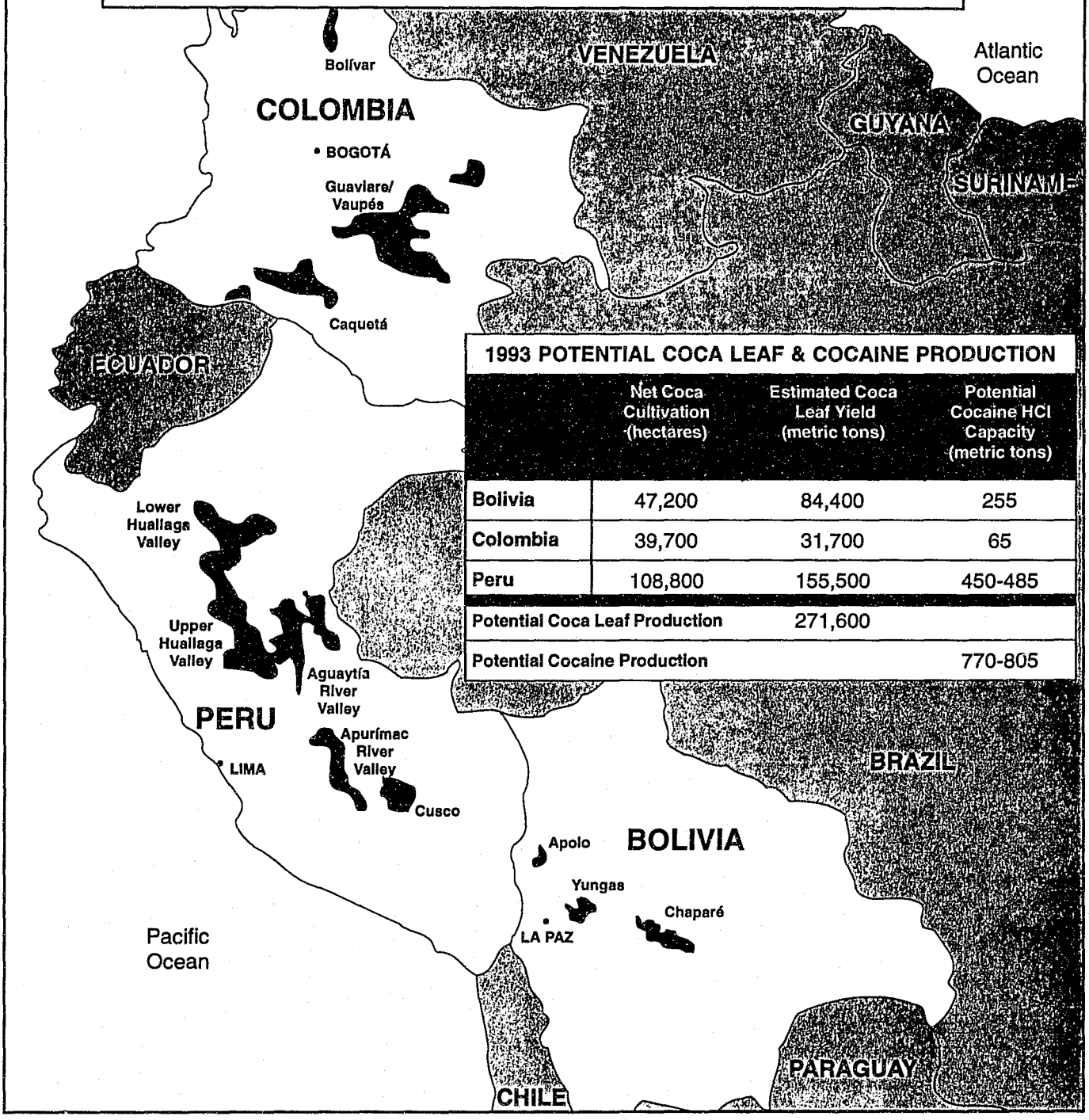
Enforcement: The Government of Colombia has achieved many notable successes in its counterdrug efforts, including the serious disruption of the Pablo Escobar organization. This notwithstanding, divergent antidrug agendas within the government, a frail judicial system, widespread official corruption, and, at times, a weak national resolve to confront the drug problem all continued to hinder the nation's struggle against the cartels. Efforts to privatize Colombia's ports—turning management of day-to-day operations over to port associations and security responsibilities over to private concerns—could lead to increased trafficking problems. Firms could be more susceptible to corruption (see box).

The Colombian National Police (CNP) and the armed forces, often assisted by DEA, targeted high levels of the drug trafficking infrastructure in Colombia, concentrating on the Cali Cartel's financial structure and on the search for the escaped Pablo Escobar. The CNP was responsible for the vast bulk of the drug seizures made in Colombia during 1993.

Escobar intensified his terror campaign in early 1993. Another group, organized by Escobar's enemies, and known as *Los Pepes* or "Those persecuted by Pablo Escobar," mounted a campaign of revenge and retaliated against known Medellín Cartel interests. In early June, *Los Pepes* took credit for the murder of Pablo Escobar's brother-in-law.

In August 1992, the CNP and the Army formed a task force to locate Pablo Escobar. The task force offered rewards for information, which led to the arrest or death (during drug raids) of several high-level assassins in the Medellín Cartel. In early January 1993, Leonidas Vargas, a known associate, was arrested. On December 2, 1993, CNP officers killed Escobar and one of his bodyguards in a shootout at a private residence in Medellín.

Andean Ridge Coca Cultivation Regions



1993 POTENTIAL COCA LEAF & COCAINE PRODUCTION

	Net Coca Cultivation (hectares)	Estimated Coca Leaf Yield (metric tons)	Potential Cocaine HCl Capacity (metric tons)
Bolivia	47,200	84,400	255
Colombia	39,700	31,700	65
Peru	108,800	155,500	450-485
Potential Coca Leaf Production		271,600	
Potential Cocaine Production			770-805

COCAINE PRODUCTION
Potential Cocaine HCl Production by Country, 1992-1993

		Net Coca Cultivation (hectares)	Estimated Coca Leaf Yield (metric tons)	Potential Cocaine HCl Capacity (metric tons)
Bolivia	1992	45,500	80,300	245*
	1993	47,200	84,400	255**
Colombia	1992	37,100	29,600	60
	1993	39,700	31,700	65
Peru	1992	129,100	223,900	650-695
	1993	108,800	155,500	450-485
Potential Cocaine HCl Production			1992	955-1,000
			1993	770-805

Source: *International Narcotics Control Strategy Report, April 1994*

* Operation BREAKTHROUGH—a comprehensive coca cultivation and cocaine base processing research project undertaken on behalf of the drug intelligence community by DEA (see below)—confirms that laboratory operating efficiencies in Bolivia are less than 100 percent. This study leads analysts to the conclusion that previous estimates of potential cocaine hydrochloride production were high. It is now believed that 1992 production was closer to 245 metric tons, the lower end of the range provided, and that previous community estimates for Bolivia should be viewed in the same light.

**This figure is maximum potential production. Operation BREAKTHROUGH results suggest that Bolivia's actual cocaine production as opposed to potential cocaine production was about 197 metric tons.

Operation BREAKTHROUGH

The project seeks to establish reliable estimates of Andean Ridge coca crop yields and leaf alkaloid content, and to measure the efficiencies of cocaine processing methods in Bolivia, Colombia, and Peru. Through the application of scientific field survey methodologies and laboratory analyses, it will provide sufficiently detailed information to determine source countries' actual cocaine production. The overarching goal is to quantify the actual cocaine threat for U.S. domestic and foreign policy decision makers.

The 1993 cocaine base production estimate is based on the findings of Operation BREAKTHROUGH's research, which determined the following:

- The estimated average annual coca leaf yield in the Chapare is 2.70 metric tons per hectare (2.3 metric tons with water weight removed). The annual coca leaf yield in the Yungas is estimated at 1.8 metric tons per hectare (1.5 metric tons with water weight removed).
- The average cocaine alkaloid content of Chaparé coca leaf is 0.72 percent. The average cocaine alkaloid content of Yungas coca leaf is 0.85 percent.
- The efficiency rate (i.e., the efficiency with which the cocaine alkaloid is extracted from the coca leaf to produce cocaine base) is 45 percent. In practice, 390 kilograms of Chaparé coca leaf are required to produce 1 kilogram of pure cocaine base.

The success of U.S. domestic and international operations such as Operation GREEN ICE made Colombian traffickers painfully aware of the fact that many of their traditional overseas money havens were vulnerable. Accordingly, they began to transfer large amounts of cash in bulk directly to Colombia. Assisted by DEA, the CNP conducted raids against Cali financial interests in September 1993 seizing documents and computer equipment. In conjunction with these raids, the CNP arrested Jaime Garcia-Garcia at an apartment in Bogotá. The CNP also arrested 15 other people and confiscated $600,000, four planes, and weapons.

The Colombians have focused their efforts against "industrial size laboratories" capable of a daily production over 200 kilograms. Nevertheless, the CNP and the Colombian military destroyed 401 cocaine laboratories during 1993, almost double the 224 seized in 1992. Authorities seized 10.4 metric tons of cocaine base/*basuco* and 21.8 metric tons of cocaine in 1993, which represents an overall decrease of 15 percent from 1992. The decline in seizures may be attributed in part to the search for Pablo Escobar, the decentralization of cocaine processing in Colombia, increased cocaine processing outside Colombia, and competition for scarce drug law enforcement resources at a time when marijuana and heroin production in Colombia also have grown.

Among the significant drug law enforcement successes in 1993 were the following:

- In the year's single largest seizure, CNP forces in December seized 1 metric ton of cocaine and 3 metric tons of cocaine base at a Meta Department laboratory. They also seized 29,975 gallons of solvents and 19 microwave ovens which are now used as often as banks of lamps for drying product.

- In September 1993, a laboratory was raided in Meta Department. Seized were 150 kilograms of cocaine, over 7,000 gallons of chemicals, and five microwave ovens. The laboratory was capable of producing over 2 metric tons of cocaine per week.

- In November, Colombian police and military forces, assisted by DEA, carried out a series of raids in Vichada Department that destroyed a large cocaine laboratory and two cocaine base operations. The Colombians destroyed 13 buildings, seized chemicals, and confiscated over 700 kilograms of cocaine. Fourteen airstrips also were targeted for destruction.

- In April, CNP officials retrieved 1.4 metric tons of cocaine from a vessel that had sunk in the Magdalena River. The cocaine had been secreted in 55-gallon drums of fruit pulp.

- DEA assistance seized 1.2 metric tons of cocaine at Bogotá's El Dorado Airport in June. Another 800 kilograms of cocaine also were seized at the airport in June from a shipment of textiles. Additionally, on December 23, the CNP seized 251 kilograms of cocaine there as well.

- In November, 5,540 gallons of an essential chemical were seized from a truck in Caqueza, Cundinamarca Department.

Also during the year, various reports circulated regarding a negotiated settlement between Cali Cartel leaders and the government. The Cali Cartel, at one point, purportedly had called for a moratorium in the shipment of cocaine. However, no such moratorium occurred. Nevertheless, reports of discussions between the government and the Cali Cartel continued throughout the year and increased following the death of Pablo Escobar. Any surrender would probably involve the incarceration of Cali members in a Cali facility or placement under house arrest. As a negotiating tactic to facilitate the facade that the Cali Cartel has abandoned cocaine trafficking, drug operations have been moved or relocated from traditional Cali operational areas to other locales. The surrender of Cali Cartel kingpins, if and when realized, will not have a significant impact on the export of cocaine from Colombia. The Cali kingpins, after receiving a short prison sentence, if any, may be expected to declare their retirement from the drug business but continue their trafficking operations.

DEVELOPMENTS IN OTHER AREAS

South America

Small quantities of Bolivian cocaine base were processed into cocaine in laboratories that were operated in **Argentina**, and then shipped to Europe and the United States. Government forces destroyed several such laboratories during the year. Couriers also smuggled cocaine from Bolivia, Chile, and Paraguay to Argentina on commercial aircraft and by overland vehicles. Shipment was then made to Europe and the United States by air courier or by concealment in maritime cargo. Argentina also is a large-scale producer of essential chemicals, which are purchased legally and then diverted to illicit cocaine production or are shipped illegally to front companies for use in clandestine laboratories in Bolivia.

In 1993, the Argentine Government seized 1.1 metric tons of cocaine compared to 1.2 metric tons of cocaine in 1992. During the year, intelligence suggested that Russian fishing vessels operating off the coast of Argentina were used to transport up to 100-kilogram lots of cocaine to Russia. In another instance, books impregnated with cocaine were shipped from Argentina through Germany to Croatia. In that case, the amount of cocaine involved was less than 2 kilograms. Argentine traffickers reportedly shipped small quantities of cocaine to Australia as well.

Brazil is a major licit producer of ether, acetone, and other essential chemicals used in cocaine processing. Despite efforts at control, substantial amounts of these chemicals were diverted to illicit cocaine processing laboratories in Bolivia, Colombia, and Peru. The Brazilian Federal Police conducted joint operations with DEA—targeting both Brazilian and foreign firms—in order to interdict the flow of diverted chemicals.

Most trafficking through Brazil was of cocaine products that had been refined in neighboring countries and were being transshipped to the United States and Europe. Maritime smuggling occurred from the ports of Belém, Manaus, and São Paulo. Corumbá, Recife, Rio de Janeiro, and São Paulo are known land and air transshipment points. Most major smuggling operations in Brazil were controlled by Colombians, Bolivians, or Peruvians.

In May 1993, Brazilian Federal Police seized over 1 metric ton of cocaine in a three-state coordinated operation. This was followed in June by a 900-kilogram seizure of cocaine. The cocaine is believed to have been shipped through the country by Colombian groups seeking alternative transshipment routes. In July, 2 metric tons of cocaine were seized from a warehouse in Rio Grande do Sul Province. The cocaine was to have been shipped to Italy and then on to Switzerland. There was mounting evidence that São Paulo and Rio de Janeiro had become key transit points where representatives of organized criminal groups arranged for the transfer of Colombia-produced cocaine principally to Europe and also to the Far East.

A great deal of concern was registered in the press regarding the presence of Italian organized crime figures, Colombian Cartel representatives, criminals associated with the Japanese Yakuza, and the Chinese triad organizations in Brazil. These groups engaged in a wide variety of criminal activities, including drug trafficking, principally through the exploitation of diverse ethnic populations living in Brazil. In some cases, the traffickers purportedly have allied themselves with the "Red Command," a local criminal organization powerful in Rio de Janeiro. Nigerian traffickers increasingly sought cocaine in Brazil. In the Fall of 1993, Brazilian authorities arrested an Equatorial Guinea diplomat along with several Nigerian smugglers attempting to move cocaine to Nigeria.

Compared to the previous years, increasing amounts of cocaine transited **Chile** to the United States and Europe in 1993, conveyed by traffickers from Bolivia. Chilean authorities seized 800 kilograms of cocaine during the year. Chilean traffickers performed some minor processing of cocaine base from Bolivia into cocaine. Chile also was a source of essential chemicals for traffickers in Peru and Bolivia, and the country's financial institutions were used increasingly to launder drug proceeds.

Traffickers exploited Chile's northern ports to ship cocaine in commercial cargo ships to Europe and the United States. Bolivian products transited Chile without inspection under a bilateral arrangement that prohibits the inspection of goods on their way to a third country. Some cocaine was shipped to Santiago for export. In November, over 600 kilograms of cocaine were discovered in New York City in containers that had been shipped from Chile.

Ecuador was an important transit country for chemicals used by clandestine laboratory operators in Colombia. Chemicals were often trucked from Guayaquil into the eastern jungles, after which they were trucked into Colombia or taken there by river boat. Ecuador also was a major transit country for finished Colombian cocaine bound for the United States and Europe. Colombian trafficker aircraft routinely violated Ecuadorian air space in order to transport cocaine products from Peru to Colombia.

In April 1993, the U.S. Coast Guard—based on information obtained by the Federal Bureau of Investigation—seized 5 metric tons of cocaine from a vessel that had embarked from Ecuador. Once out of port, the cocaine was loaded on the vessel from smaller ships operating out of Colombia. The vessel was bound for Mexico. Several significant seizures made in 1993 involved cocaine being shipped through Ecuador, including:

- In early February, authorities discovered 500 kilograms of cocaine concealed in a bulldozer in Spain following shipment from Guayaquil.
- In March, U.S. officials seized 900 kilograms of cocaine in Miami that had been shipped through Ecuador.
- In April, port officials in Los Angeles seized a 300-kilogram shipment from a container vessel that had originated in Ecuador.
- In May, authorities in Texas discovered over 1 metric ton of cocaine that had come from Ecuador as well.
- In July, port authorities in Newark, New Jersey, seized over 1 metric ton of cocaine in a container transported from Ecuador.

In 1993, there was a virtual absence of coca cultivation, and there was little evidence of any large-scale cocaine processing in the country. A small number of cocaine laboratories reportedly operated near the border with Colombia and Peru. The Cali Cartel expanded operation in Ecuador during the year, transshipping cocaine through the country to Europe and the United States. Authorities seized an estimated 4 metric tons of cocaine, including about 3.4 metric tons in one raid near the Colombian border in February. Over 1,800 Ecuadorian nationals and 165 foreigners were arrested on drug-related charges, including more than 50 members of the Jorge Reyes-Torres cocaine trafficking organization. Information derived from these arrests led to the additional arrests of several officials who were involved with a money-laundering bank owned by members of the armed forces. Another highlight was the indictment, trial, and sentencing to 5 years in prison of the judge who was responsible for releasing Reyes-Torres from jail in the late 1980's.

The government continued its enforcement activities at Quito and Guayaquil international airports, and used roadblocks, border checkpoints, and port checks to excellent effect. The Ecuadorian drug law enforcement agency operated a riverine unit in the Provinces of Esmeraldas and El Oro. The Army stepped up its patrols along the northern border with Colombia and used an Army riverine unit to operate in El Oriente. Also, there was greater cooperation between the police and the

armed forces, resulting in several successful actions in remote areas near the Colombian border. However, in December 1993, Colombian guerillas in this area ambushed a combined Ecuadorean police-military enforcement team, killing 11 members. In March 1993, authorities conducted Operation COAST, arresting 28 people in Manta and confiscating assets worth $11 million.

In 1993, **Guyana** increasingly was used as a transit location for cocaine shipped in the direction of the United States. In one instance, a U.S. citizen was arrested after the U.S. Customs Service discovered 4.5 kilograms of cocaine inside lard that had been canned in Guyana. In late October, the U.S. Customs Service arrested a Guyanese citizen in New York for importing over 20 kilograms of cocaine. Although not yet a major transit location, Guyana could be used as an alternative shipping point in northern South America for cocaine being conveyed from Brazil. In early June, 360 kilograms were airdropped into the Demerara River from an aircraft that was believed to have traveled from Colombia.

Paraguay has long unpatrolled borders with Bolivia, Brazil, and Argentina, which facilitate smuggling, particularly by small aircraft that use the many unregulated and clandestine landing strips near the border with Brazil. Paraguay also may have been used to transfer chemicals to Bolivia. Some Paraguayan armed forces commanders may have profited from involvement in drug trafficking in their areas of responsibility. The Interior Ministry's anti-narcotics police (*Dirección Nacional de Narcóticos*) undertook many drug suppression operations, establishing roadblocks near the Brazilian border and checking airstrips. In 1993, the police seized over 40 kilograms of cocaine.

In 1993, as in past years, there was widespread reporting that suggested that illicit drug traffickers enjoyed a wide degree of latitude in **Suriname**—often receiving protection from government officials. Although the Police Narcotics Brigade attempted to overcome this problem, corruption extended from lower-echelon government employees in the police and customs service through semi-official organizations to the private sector.

Over 200,000 Surinamese reside in the Netherlands. Cocaine traffickers took advantage of this and of historical links among Suriname, the Netherlands Antilles, and the Netherlands to ship cocaine through Dutch seaports to other countries in Western Europe. Information suggested that during 1993, Suriname was used to transship cocaine in amounts exceeding 500 kilograms to Dutch ports such as Rotterdam. Suriname also may have been used to smuggle precursor and essential chemicals from Europe into Latin America.

Venezuela is a significant cocaine transit country. Both Colombian and Venezuelan traffickers maintained staging facilities in the country, and multiton quantities of cocaine were shipped to the United States from Venezuelan ports. Cúcuta and Maicao ports of entry from Colombia were sites of numerous drug seizures. Ships departing Cumaná and Isla Margarita carried cocaine northward. In July 1993, authorities in Amberes, Belgium, discovered 2 metric tons of cocaine on a ship transporting coal from Venezuela. On January 4, 1994, the *Policia Tecnica Judicial*, assisted by DEA and the U.S. Customs Service, seized 1.5 metric tons of cocaine from a warehouse in Maracay, Venezeula.

Venezuela also is used as a transit location for chemicals shipped to cocaine processing laboratories in Colombia. In 1993, intelligence suggested that some Venezuelan criminals with ties to Italian criminal organizations were purchasing acetone from European suppliers and shipping it to Colombia. Despite the 1993 passage of legislation that criminalized money laundering for the first time, Venezuela continued to be a money laundering haven.

Europe

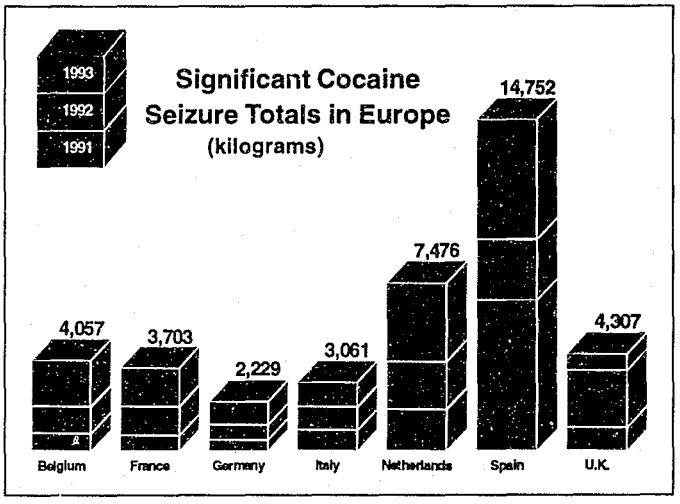
Overall, the cost of cocaine remained high in Europe, and larger quantities of the drug were shipped there than in any previous year. European authorities, to include those in the Newly Independent States of the former Soviet bloc, collectively seized nearly 18 metric tons of cocaine in 1993. Cocaine availability was high in **France**, especially in Paris and in eastern and southern cities near the borders with Italy, Spain, and Switzerland. During 1993, French police confiscated 1.7 metric tons of cocaine.

South American traffickers stepped up their drug smuggling efforts to and through **Italy**. They sought links with organized crime families through cultural and ethnic bridges to Argentina, Brazil, and Venezuela. In 1993, Colombians, Italians, and Spaniards were responsible for the movement of bulk quantities of cocaine from Latin America to the European continent. In 1993, Italian authorities seized nearly 1.1 metric tons of cocaine. In addition to the Colombians and European organizations, increasingly, Nigerian traffickers moved the drug into the continent.

Colombian cocaine traffickers took advantage of cultural, ethnic, and historical links with the peoples of Latin America to ship significant amounts of cocaine through ports of entry in **Portugal** and **Spain**. Spain remained a principal gateway to other European countries. According to the International Criminal Police Organization (INTERPOL), Spanish authorities seized over 5.3 metric tons of cocaine in 1993.

Germany has become a major consumer of cocaine, and money launderers who work for the Cali Cartel made extensive use of the German banking system. A small number of seizures of crack cocaine also were made in some German cities. German authorities expressed concern over the growing evidence suggesting increased cocaine abuse by German addicts. In Germany, police cited a 28 percent increase in the reported abuse of cocaine. German authorities seized over 1 metric ton of cocaine in 1993, including cocaine shipments that had transited the seaport of Rostock and other Baltic seaports in Poland and Russia.

Cocaine Trafficking in Europe



Western Europe is the second-largest cocaine market in the world after the United States. Colombian drug cartels, the Cali-based organizations in particular, increasingly have been moving larger amounts of cocaine to Europe since 1990 as evidenced by recent seizures. Although the Iberian Peninsula has served as the traditional "gateway to Europe" for South American cocaine since the 1980's, authorities in the Netherlands and Belgium, as well as in the major markets of France, Germany, Italy, and the United Kingdom, have been seizing increasingly larger amounts of cocaine. For example, Italian authorities in Genoa seized 5.5 metric tons of cocaine in March 1994. This amount surpassed Spain's 1993 annual total of 5.3 metric tons, and constitutes the single largest cocaine seizure in Europe. The 1993 cocaine seizure total for Europe exceeds 17.5 metric tons, according to INTERPOL's preliminary data.

Colombian traffickers used **Switzerland** as a transit country for smuggling cocaine to major markets in other European countries. In the first half of 1993, Swiss police seized over 100 kilograms of cocaine, principally at Zurich and Geneva airports; for the year, over 330 kilograms were seized. In some instances, Brazilian couriers transported cocaine into Switzerland after transiting South Africa.

South American violators took advantage of historical and cultural links between Suriname, the Netherlands Antilles, and the **Netherlands** to ship cocaine there for European distribution. Cocaine was shipped in bulk quantities to the Netherlands in both commercial air and sea cargo.

Colombian traffickers shipped cocaine through **Belgium** to markets in the Netherlands and Germany. In June 1993, Belgian authorities seized 2.2 metric tons of cocaine at the Port of Antwerp from a vessel that had embarked from Maracaibo, Venezuela. The cocaine was concealed in blocks of molded coal waste briquettes.

Drug abusers in the **United Kingdom** consumed both cocaine and crack cocaine. Crack was widely available in London and other metropolitan areas, almost always under the control of gangs of Jamaicans called "Yardies." British authorities expressed concern over growing violence associated with the crack trade to include increased use of firearms and violence by gangs seeking to control markets. In some instances, crack was imported directly from Jamaica and the United States. In one 1993 investigation, a U.S.-resident Ghanaian was arrested entering the United Kingdom with cocaine after having transited Accra, Ghana. There also were cases of couriers who carried kilogram quantities of cocaine to the United Kingdom both direct from the United States and from Mexico through Paris. Nigerian traffickers were believed to have exchanged cocaine for heroin in the United Kingdom, transporting cocaine from the United States and exchanging it for U.S.-bound heroin.

Routes through the emerging Eastern European democracies, **Russia**, and other countries of the former Soviet Union were used throughout the year by Latin American and other traffickers who were seeking new ways to ship their drugs to Western Europe. Colombian criminals, members of Italian organized crime families, and some Russian criminal groups reportedly contacted one another to arrange for increased cocaine trafficking to or through some of the Newly Independent States. In early 1993, Russian police seized over 1 metric ton of cocaine that had been sent through Finland. This shipment, which had been orchestrated by Israeli criminals, was to have been sent through Russia to more lucrative markets in Western Europe.

Poland served as a transit country for cocaine as well as essential chemicals. German chemical firms have shipped large quantities of acetone through the Polish port of Gdansk to Venezuela. Polish officials seized 148 kilograms of cocaine in 1993. On January 19, 1994, Polish police seized 750 kilograms of cocaine at the port of Gdansk. The seizure was tied to a 250-kilogram confiscation in the United Kingdom and was believed to have been shipped by a group operating from Ecuador.

In March 1993, 107 kilograms of cocaine were seized in **Romania** concealed in granite blocks and impregnated in cloth. Earlier, Venezuelan authorities seized 40 kilograms of cocaine impregnated in long-playing records that were to be shipped to Romania. The shipment was to have transited the Eastern European nation for Italy. INTERPOL reported that cocaine was also available in major cities in **Croatia**.

Africa

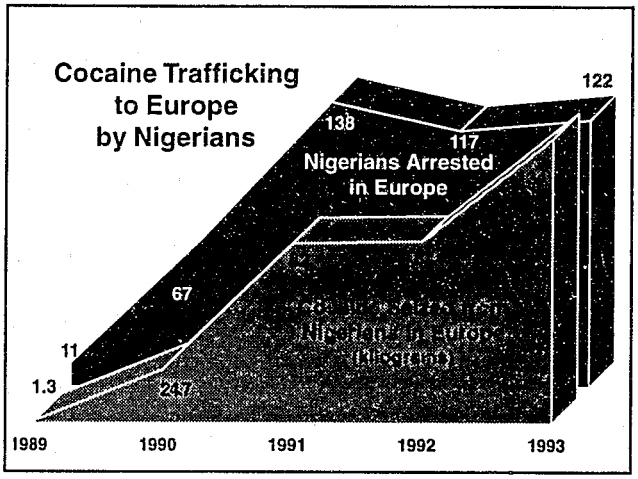
Colombian trafficking organizations made use of **Algeria, Morocco, Tunisia,** and other countries in northern Africa to smuggle cocaine to Western Europe. In May, French police confiscated 5 kilograms of cocaine concealed in air cargo from Brazil. The final destination was believed to be **Mauritania**. Additional information received in 1993 suggested that South American cocaine traffickers, perhaps in collusion with Italian criminals, made use of Mauritania to transship cocaine to Europe.

Several countries in Western Africa also experienced a surge in cocaine trafficking. In 1993, cocaine seizures in **Nigeria** totaled 207 kilograms and increasing amounts of the drug were available locally. According to INTERPOL, much of the cocaine seized in 1993 in Italy, Switzerland, and the United Kingdom had transited Nigeria. Much of the cocaine moved by Nigerian couriers was obtained in Brazil and brought to Nigeria, Southern Africa, or West Africa for reshipment to major markets in Europe. According to INTERPOL, 122 Nigerians—carrying a total of 134 kilograms of cocaine—were arrested in Europe in 98 separate incidents (see box).

Ghana was used as a transshipment country for cocaine being sent to Europe and, on occasion, the United States. Ghanaian couriers, often backed by Nigerian syndicates, traveled to Brazil to pick up cocaine. INTERPOL reports the increased use of Ghanaians by Nigerians, as well as an increase in Ghanaian groups moving cocaine.

South Africa rapidly became a cocaine transshipment location in 1993. In 1993, authorities seized 78 kilograms of cocaine in South Africa. Crack cocaine also has begun to appear on the streets of Johannesburg. Cocaine trafficking groups made use of international air connections between São Paulo and Johannesburg to move small quantities of cocaine to Africa. In October 1993, officials seized 6.2 kilograms of cocaine from a female passenger arriving on a flight from Rio de Janeiro. Shortly thereafter, another 3.4 kilograms were seized from a Peruvian citizen who arrived by the same route. In September, two Brazilians were arrested in Zurich, Switzerland, with 2.5 kilograms of cocaine after having transited South Africa.

Cocaine Trafficking by Nigerians to Europe



Nigerian drug trafficking organizations, which currently transport multikilogram quantities of heroin to Europe, increasingly are smuggling South American cocaine to that continent as well. According to INTERPOL, the number of Nigerian nationals arrested at European airports on flights from Africa and Asia for smuggling cocaine has risen during the past several years, as has the amount of cocaine smuggled by these individuals. In 1989, 11 Nigerians were arrested in Europe in possession of 1.3 kilograms of cocaine. However, beginning in 1990, the number of Nigerians arrested with cocaine in Europe dramatically increased, as did the amount of cocaine seized from them. In 1992, 117 Nigerians were arrested concealing 83 kilograms of cocaine, and in 1993, 122 Nigerians were arrested in possession of 134 kilograms of cocaine.

The Middle East

Lebanon was a major processing area for cocaine base being shipped from South America, principally from Colombia; the country also was used increasingly as a staging area for refined cocaine being shipped to the Persian Gulf or Europe. Cocaine was refined in several cocaine conversion laboratories in the Bekaa Valley, packaged, and then shipped—sometimes through **Jordan** or **Syria**—to markets in the Persian Gulf or Europe where it commanded high prices. During the first 9 months of 1993, over 200 kilograms of cocaine or cocaine base were seized in Lebanon, suggesting that its role as a producing and transit area has increased. However, drug enforcement in Lebanon was limited or sporadic, at best. In April 1993, port authorities in Beirut seized 130 kilograms of cocaine in a container that had arrived from Colombia. Also during that month, Dutch police seized 350 kilograms of cocaine that apparently were destined for Lebanon. In early November, Lebanese authorities seized 51 kilograms of cocaine aboard a Panamanian vessel calling at the Port of Beirut. The cocaine was concealed in an automobile loaded on the ship by a German firm. The U.S. State Department also reported the presence of mobile cocaine processing laboratories outside the Bekaa Valley.

The Far East

Both Colombian and American traffickers shipped cocaine to the Australian Continent, and **Australia** was threatened by the illicit trafficking and abuse of cocaine more than any other country in the Far East. Colombian cocaine organizations have selected Australia as both a potential market and a transit country for cocaine being shipped to Japan. In March 1993, Australian police seized over 75 kilograms of cocaine and arrested 5 Colombian citizens.

Since 1988, South American traffickers have been attempting to cultivate a demand for cocaine in **Japan**, but have met with only limited success. The number of cartel-linked Colombians who have visited Japan has been growing each year since 1988. Yet, there still has been no significant penetration of Japan, nor does there appear to be any sizeable cocaine addict population there. Although there have been no large cocaine seizures in Japan in recent years, Japanese authorities are concerned that the cocaine problem may be increasing. Indeed, in 1993, intelligence suggested that the size of cocaine shipments (potentially involving multihundred-kilogram quantities) to Japan may have grown. Reports continued to cite increased contact between cocaine shippers and Japanese organized crime elements. In late February 1993, 5.8 kilograms of cocaine were seized outside Tokyo at the house of a known member of the Yamaguchi-gumi organized crime group. The cocaine possibly had been shipped from Brazil.

In early October, police in **Hong Kong** arrested a Peruvian Chinese with 8 kilograms of cocaine intended for local distribution. In late November, officials at Hong Kong's Kai Tak Airport stopped a Hong Kong resident and seized 4 kilograms of cocaine believed to have originated in Venezuela. In late December, **South Korean** maritime authorities seized 20 kilograms of cocaine from a vessel that had originated in Argentina and had passed through Brazil.

In July 1993, in **Thailand**'s first cocaine seizure, two Thai nationals were arrested in Bangkok with 1 kilogram of cocaine. The cocaine had been obtained in Los Angeles, California. Cocaine is growing in popularity with U.S.-educated Thais exposed to the drug during their stay in the United States. Nevertheless, cocaine abuse in Thailand is not considered to be significant at present.

OPIATES

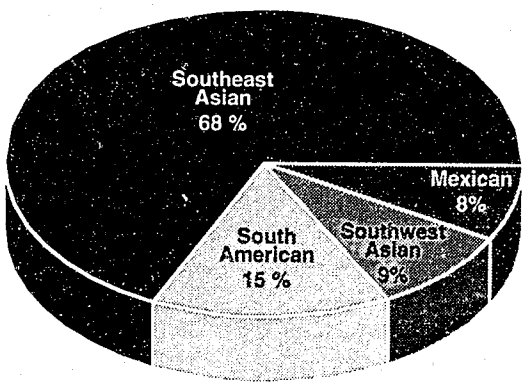
AVAILABILITY AND USE IN THE UNITED STATES

Availability, Price, and Purity

Heroin users found heroin readily available in all U.S. major metropolitan areas. High retail purities and relatively stable wholesale prices per kilogram indicated continued availability, a development consistent with national trends over the past few years.

Ethnic Chinese and West African traffickers smuggled large amounts of high-purity heroin from Southeast Asia (Burma, Laos, and Thailand) for distribution in the northeastern United States and the east coast. Mexican black tar heroin was prevalent in the West, Southwest, and Midwest; its purity was high. In one 1993 case, noted by its rarity, a small quantity of black tar heroin was seized in Connecticut from an individual who had traveled from Laredo, Texas. Limited quantities of Southwest Asian heroin from Pakistan, Afghanistan, Lebanon, and Iran were available in the Northeast and Midwest and, to a lesser extent, on the west coast.

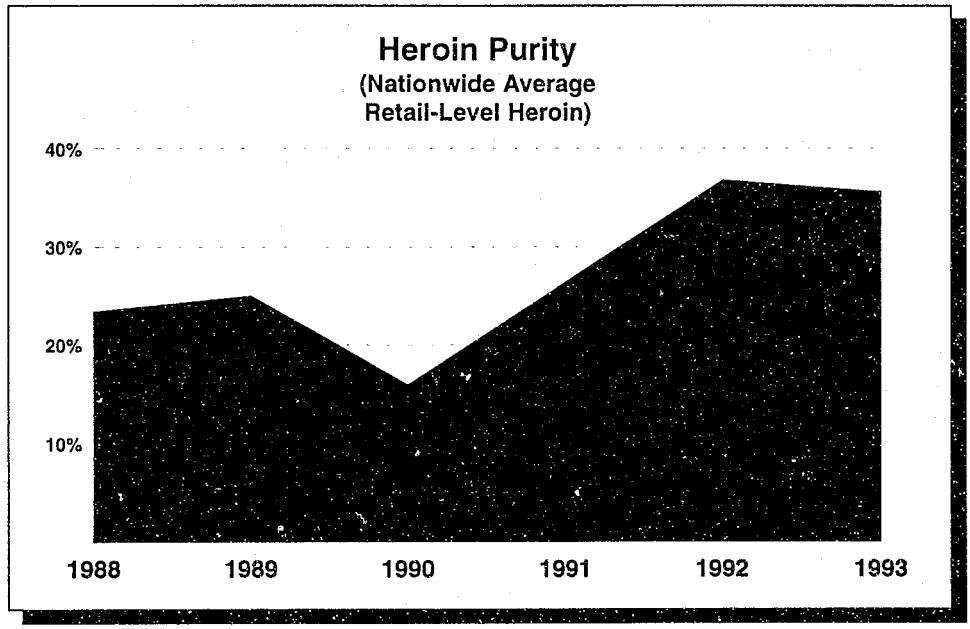
1993 Heroin Signature Results
(Percent of Net Weight of Heroin Samples Analyzed)



DEA and U.S. Customs Service officials made many small seizures of South American heroin, principally from couriers who continued to ingest the drug. Miami and New York City were the primary ports of entry for these carriers. Retail availability of this heroin increased in 1993, but bulk quantities remained rare, with most seizures weighing less than 2 kilograms. In a case in October, for example, U.S. Customs Service officials arrested an individual who later expelled 84 latex-covered pellets containing 1.2 kilograms of heroin. In May 1994, however, 6.5 kilograms of South American heroin were found concealed aboard a domestic U.S. flight arriving at New York's La Guardia Airport.

DEA's Heroin Signature Program (HSP—see Glossary) analyzed more than 800 heroin seizures during 1993. Preliminary HSP results indicate that, in 1993, some 68 percent of the seizures by net weight originated in Southeast Asia, 15 percent in South America, 9 percent in Southwest Asia, and 8 percent in Mexico. (A signature for South American heroin was implemented in July 1993.) The relatively high percentage for South American heroin was due to the large number of seizures of Colombian heroin at Miami International Airport and New York's J.F.K. International Airport.

On the national level, wholesale heroin prices for Southeast Asian heroin ranged from $150,000 to $250,000 per kilogram in 1993. Southwest Asian heroin prices ranged from $70,000 to $200,000 per kilogram, and wholesale prices for Mexican heroin ranged from $50,000 to $250,000. The wide range in kilogram prices reflected several variables, including buyer-seller relationships, quantities purchased, frequency of purchase, purity, and transportation costs. In the Northeast, South American heroin sold for



$3,500 to $6,000 per ounce and $80 to $150 per gram. Southeast Asian heroin sold for $5,500 to $8,000 per ounce and $300 to $400 per gram.

At the street or retail level, purity is directly related to availability. Heroin purity is tracked by DEA's Domestic Monitor Program (DMP—see Glossary), a street-level heroin purchase program. One city from each of DEA's 19 domestic divisions and San Juan, Puerto Rico, are included in the DMP. Analysis of DMP data showed that the nationwide average purity for retail-level heroin for 1993 was 35.8 percent, much higher than the average 7.0 percent purity of a decade ago and higher even than the 26.6 percent purity recorded in 1991. This rise in average purity corresponded directly to an increased availability of high-purity Southeast Asian and South American heroin and, to a lesser extent, increases in the purity of Mexican heroin.

In 1993, the purity of samples from South America obtained through the DMP were higher than that from any other source, averaging 59.3 percent. The purity of Southwest Asian heroin was also very high in 1993 averaging 47.2 percent. However, this figure was greatly inflated by the inclusion of high-purity samples from South America during January-March 1993. This heroin from South America, which underwent signature analysis prior to DEA's development of a South American heroin signature, was analyzed as having a Southwest Asian signature. Southeast Asian heroin, which averaged 32.2 percent pure, had the third highest purity.

Mexican heroin purity averaged 27.8 percent, almost double that of 1991. In one case, Mexican black tar heroin purchased in December 1993 tested out at 75.4 percent pure, the highest purity for this type of heroin purchased in the DMP since 1989.

In 1993, retail heroin purity was found to be highest in the Northeast, where most heroin abusers live. In New York City, South American, Southeast Asian, and Southwest Asian heroin purities averaged 79.5, 64.3, and 44.3 percent, respectively. Philadelphia recorded the highest average heroin purity for the year at 74.7 percent.

Abuse

Growing evidence indicates that domestic heroin consumption is on the rise. While there is no evidence to suggest that a heroin epidemic has begun, various drug supply and demand indicators show that its prominence is growing. Heroin consumption is growing not only among existing users but also among users of other primary drugs of abuse, particularly crack cocaine. Crack users consume heroin to enhance the euphoric effects of crack while ameliorating the depressive effects associated with crack withdrawal.

Current estimates suggest that there may be 600,000 hardcore drug users who report heroin as their principal drug of abuse. As noted, a growing number of the 2.1 million hardcore (weekly) users of cocaine are increasing their use of heroin. The typical heroin user today consumes more heroin than a typical user did a decade ago. Injection remains the most practical and efficient way of administering low-purity heroin. The availability of higher-purity heroin makes snorting or smoking viable options. Unfortunately, this fact may contribute to greater use of the drug as previous social stigma attached to intravenous use is removed.

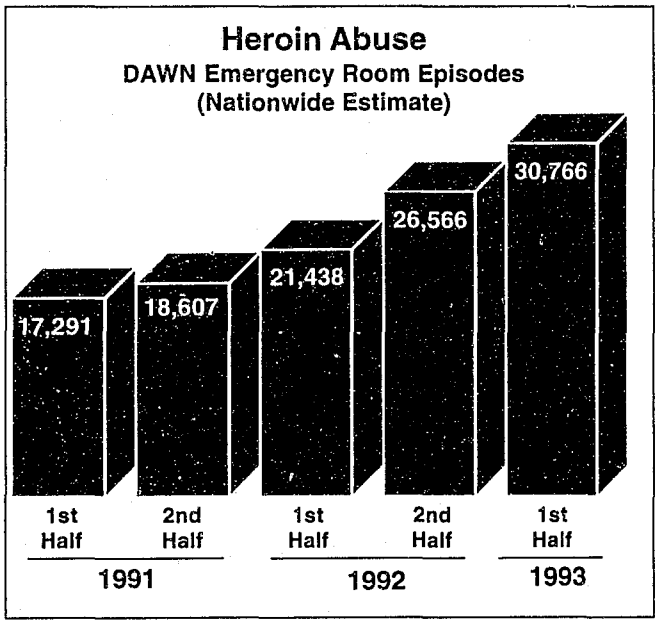
According to the Drug Abuse Warning Network's (DAWN) most recent data, injection continues to be the predominant method of heroin administration used by patients admitted to emergency rooms nationwide. However, the percentage of patients indicating injection as their primary means of administration has decreased from 73.3 percent in 1989 to 61.9 percent in the first 6 months of 1993. There has been an increase in the number of patients snorting heroin. The proportion has risen from 3.9 percent in 1989 to 9.6 percent in the first half of 1993. The number of patients indicating smoking as their primary means of administration has remained low and stable, averaging 1.3 percent between 1989 and 1993. Heroin-related emergency room episodes as reported by DAWN also are increasing. The

Trends in Heroin Routes of Administration

Until recently, heroin in the United States almost exclusively was injected either intravenously, subcutaneously (skin-popping), or intramuscularly. Injection is the most practical and efficient way to administer low-purity heroin. The availability of higher purity heroin has meant that users now can snort or smoke the narcotic. Evidence suggests that heroin snorting is widespread or increasing in those areas of the country where high-purity heroin is available, generally in the northeastern United States. This method of administration may be more appealing to new users because it eliminates the fear of acquiring syringe-borne diseases, such as HIV/AIDS and hepatitis, as well as the historical stigma attached to intravenous heroin use.

Routes of Heroin Administration Used by Patients Admitted to DAWN Emergency Rooms Nationwide
(percent)

Route	1989	1990	1991	1992	1993 (Jan-Jun)
Oral	0.6	0.8	0.4	0.4	0.2
Inject	73.3	72.1	71.6	70.6	61.9
Smcke	0.9	1.4	1.2	1.5	1.5
Snort/Inhale	3.9	5.4	7.7	8.3	9.6
Unknown	20.7	19.8	18.5	18.9	26.2
Other	0.2	0.1	0.1	0	0.2
No Response	0.4	0.4	0.5	0.3	0.4



annual number of heroin-related emergency room episodes rose from 38,000 in 1988 to 48,000 in 1992, a 26-percent increase. Heroin-related emergency room episodes rose from 21,400 to 30,800 between the first half of 1992 and the first half of 1993, an increase of 44 percent. The main reasons given by patients for seeking treatment were overdose and the need to detoxify.

In 1993, large quantities of heroin and other opiates were consumed in source countries as well as in Australia, Canada, and countries in Europe, making it very difficult to estimate the total quantity of heroin consumed in the United States. Notwithstanding this difficulty, it appears that, based on seizures and observations by enforcement and treatment specialists, heroin demand increased in the United States.

Trafficking Routes and Methods

In 1993, approximately 1.4 metric tons of heroin were seized domestically and reported to the Federal-wide Drug Seizure System (FDSS—see Glossary) compared to 1.3 metric tons seized during the previous year. Over 23.26 metric tons were seized internationally.

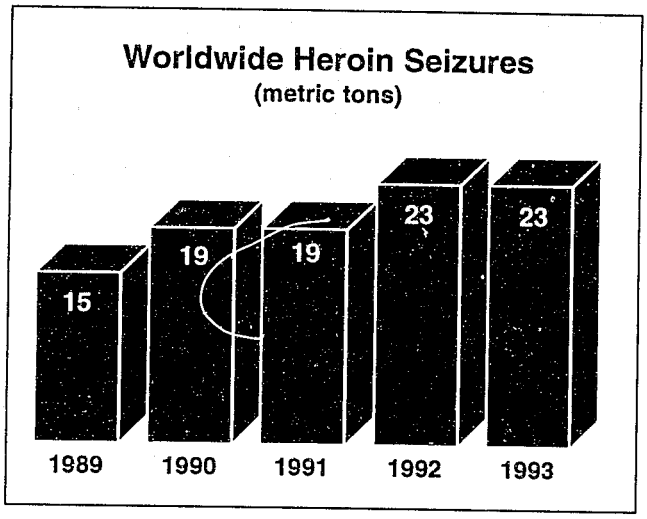
Southeast Asian Heroin Trafficking

In 1993, large Southeast Asian heroin trafficking organizations, often controlled by ethnic Chinese criminal groups, oversaw the smuggling of heroin into the United States. U.S.-based ethnic Chinese traffickers with links to these international criminal groups were the most prolific importers and distributors of Southeast Asian heroin. These traffickers were capable of moving multihundred-kilogram shipments from the Golden Triangle (Burma, Laos, Thailand) to the United States. Many of these trafficking organizations smuggled shipments of 50 to 70 kilograms* into the country on a regular basis.

Ethnic Chinese traffickers used a variety of transportation routes to smuggle heroin into the United States from the Far East. Most of the large heroin shipments originated in Bangkok and were transported along a variety of routes that ultimately end in New York City, the largest heroin importation and distribution center in the United States. (Since 1986, roughly half of DEA's and the U.S. Customs Service's nationwide heroin seizures have occurred in the New York City metropolitan area.)

These ethnic Chinese traffickers employed a variety of smuggling methods. Generally, the shipment size determined the smuggling method. The largest shipments, ranging from 50- to multihundred-kilogram quantities of heroin, were secreted in containerized freight aboard commercial maritime vessels and air freight

* Although Southeast Asian heroin often is sold in 700-gram "units," for reasons of consistency, quantities are given in kilograms in this report.



cargo. Smaller shipments were concealed in the luggage of airline passengers, strapped to the body, or swallowed. Southeast Asian heroin smugglers also used the mails and delivery services to transport multigram to kilogram quantities into the country. In mid-1993, DEA Orlando seized approximately 2 kilograms of heroin that had been mailed from Hong Kong to Florida and were destined ultimately for New York City.

Heroin shipments originating in the Far East and destined for U.S. markets either transited or were transshipped through a variety of countries, including Hong Kong, Japan, Korea, the Philippines, Singapore, and Taiwan. DEA's Boston Division seized 19 units (13.3 kilograms) of heroin packed in stoneware that had been shipped from mainland China and entered the United States in San Francisco. Traffickers using commercial cargo originating in source countries frequently attempted to disguise the origin of the cargo shipment by first transshipping containers through several other countries or by falsifying the container documentation. Some shipments from the Far East also were transshipped through Canada and then into the northeastern United States. In addition to New York City, other U.S. cities in the Northeast, including Boston and Philadelphia, were used as entry points. Traffickers also used West Coast cities such as Los Angeles, San Francisco, and Seattle as entry points for heroin shipments destined for the Northeast.

During 1993—in the second largest heroin seizure in U.S. Customs Service history—a 157-kilogram shipment was seized from a merchant vessel at the Port of New Orleans. The heroin was concealed in a commercial cargo shipment of lychee nuts and ultimately was destined for distribution in the New York City metropolitan area. The New York City Police Department also made a large heroin seizure: a 193-kilogram shipment was smuggled into the United States in the false bottom of a cargo container.

In addition to the ethnic Chinese traffickers, Nigerian-controlled organizations were entrenched deeply in the smuggling and distribution of Southeast Asian heroin. Unlike ethnic Chinese traffickers who focused primarily on the heroin market in the New York City area and the northeastern United States, the Nigerian organizations operated in several large metropolitan areas across the country. Nigerians used established heroin distribution networks in U.S. cities with large Nigerian populations, such as Atlanta, Baltimore, Chicago, Dallas, Houston, Newark, New York, San Francisco, and Washington, D.C. These networks were capable of supplying heroin ranging from 100-gram to multikilogram quantities on a regular basis.

Nigerian traffickers dispatched large numbers of couriers who used "body carry" techniques and ingestion to conceal heroin. These couriers traveled aboard commercial airlines from Europe, Africa, and South America bound for the United States. The couriers, including Nigerians as well as recruits of other nationalities, smuggled from 1 to 10 kilograms of heroin per trip. Moreover, recent seizures in the Far East suggest that some Nigerian traffickers are experimenting with smuggling larger, multikilogram shipments of heroin from source countries to Nigeria concealed in commercial maritime cargo.

Most Nigerian organizations remained based in Lagos, Nigeria. Since they are formed along tribal lines at the senior levels, the organizations are close-knit. Drug barons who control the Nigerian organizations remained well-insulated by directing lower-level traffickers to recruit the numerous couriers, often non-Nigerians, and to organize travel to the United States. Within the United States, Nigerian heroin organizations appear to be structured loosely, but are extremely streetwise in their trafficking, protecting themselves by relying heavily on the use of multiple identities, aliases, and communications via pay phones. In 1993, Nigerians returned almost all profits generated in the United States to Lagos or to Europe for laundering.

As a result of enforcement pressure, Nigerians continued to recruit heroin couriers from among other West Africans, white South Africans, Europeans, Americans, and other nationalities. During the past year, Nigerian traffickers diversified both the smuggling routes used to reach the United States and their points of entry into the country. For example, two U.S. citizens—recruited by Nigerians—flew from Baltimore, Maryland, to the Netherlands and then to Nigeria, where they were given 6 kilograms of heroin. The couriers then flew from Lagos to Mexico City and attempted to cross into the United States at San Ysidro, California, where they were arrested.

Southwest Asian Heroin Trafficking

There appeared to be a significant decline in the availability and trafficking of Southwest Asian heroin in the United States during the second half of 1993.

There is a good deal of discussion among analysts as to the current extent of heroin trafficking to the United States from Southwest Asia. As noted earlier, certain key indicators clearly suggest that Southwest Asian market share in the United States has been declining. Questions still remain, however, regarding the extent to which Southwest Asian and Middle Eastern traffickers are servicing the large Southwest Asian and Middle Eastern ethnic populations in the United States. Southwest Asian and Middle Eastern traffickers continued to be arrested en route to the United States with kilogram quantities of heroin. In addition, ill-gotten monies continued to flow to the Middle East and Southwest Asia, some of which undoubtedly reflect drug profits. Southwest Asian heroin is shipped to Europe and is the principal heroin consumed there and, of course, in Southwest Asia.

Importation and distribution of Southwest Asian heroin was much less centralized than that for Southeast Asian heroin, both geographically and in regard to trafficking groups. A number of ethnic groups from Southwest Asia and the Near Middle East were active in smuggling Southwest Asian heroin into the United States and in its distribution; these groups include Afghans, Greeks, Iranians, Israelis, Lebanese, Pakistanis, and Turks. Southwest Asian heroin was transported to the United States directly from producing countries, as well as transshipped through Europe and Africa. Quantities of Southwest Asian heroin bound for the United States also were transshipped through Vancouver, Canada. Although New York City is a major Southwest Asian heroin importation and distribution center, heroin also was smuggled into, and distributed throughout, the following locations: the Northeast; Mid-Atlantic cities, such as Baltimore and Washington D.C.; certain West Coast cities, such as Los Angeles, San Diego, and San Francisco; and some Midwestern cities, including Chicago and Detroit.

Most Southwest Asian heroin trafficking groups in the United States are highly cohesive and difficult to penetrate because they are based on ethnic, familial, religious, and tribal relationships. Southwest Asian heroin importers and wholesale level distributors generally were cautious, rarely transacting business with outsiders. As a result, Southwest Asian heroin trafficking and distribution generally were more prevalent in cities, such as Chicago, Detroit, and New York City, that have large populations from Afghanistan, Greece, Lebanon, Pakistan, and Turkey.

Both large, well-organized Southwest Asian heroin trafficking groups and small, independent traffickers were drawn to the U.S. heroin market. In general, the largest organizations trafficking Southwest Asian heroin supplied established distribution networks throughout Europe, the primary market for Southwest Asian heroin. The U.S. market was a secondary market for these traffickers. Most of these organizations stored heroin supplies in Europe for security purposes and only sent shipments to the United States once a buyer had been identified and proven capable of payment. Most organizations demanded partial payment up front and the balance upon delivery of the heroin shipment to the United States. In addition to the large organizations, smaller independent Southwest Asian heroin traffickers were attracted to the U.S. market because Southwest Asian heroin was more expensive in the United States than in Europe. Independent traffickers could maximize profits for the smaller quantities of heroin they smuggled and distributed by selling that heroin in the United States.

Southwest Asian traffickers relied less on commercial cargo as a smuggling method than their counterparts from Southeast Asia. Generally, Southwest Asian heroin traffickers, unlike ethnic Chinese traffickers, did not smuggle heroin in multiple bulk shipments. However, they were able to smuggle shipments ranging from 1 to 20 kilograms regularly and, on occasion, larger amounts. Many Southwest Asian heroin trafficking organizations used commercial cargo and couriers on commercial airlines to smuggle 1 to 5 kilograms on a steady basis. However, several organizations were capable of smuggling from 5- to 10-kilogram shipments aboard maritime vessels on a fairly regular basis. For example, three Pakistanis were arrested in Baltimore, Maryland, after crew members of a merchant vessel docked in the harbor delivered 5 kilograms of Southwest Asian heroin. The heroin had been smuggled aboard the vessel from Pakistan.

Pakistani heroin traffickers control importation routes into the United States and distribution networks in New York City and other cities in the East and Midwest. During the past year, officials disbanded a large Pakistani-controlled smuggling operation in New Jersey and New York and seized 23 kilograms of heroin. The heroin was transported to the United States in 40-kilogram allotments concealed in commercial cargo shipments of frozen shrimp. Pakistani traffickers adeptly developed new smuggling techniques and unique concealment methods. For example, beneath their clothing, couriers have worn specially designed vests with pockets to conceal heroin.

In 1993, Southwest Asian heroin was occasionally transshipped through California and the West Coast, where several Iranian-controlled organizations operated. An investigation by DEA Los Angeles, with assistance from the U.S. Customs Service, uncovered Iranian traffickers who smuggled heroin shipments from Istanbul, Turkey, to Los Angeles in air cargo. DEA special agents seized approximately 20 kilograms of Southwest Asian heroin that had been concealed in an air cargo shipment of glassware and chandeliers.

Lebanese trafficking groups increased their level of smuggling into and distribution in the United States, particularly in Boston, Detroit, and New York City, cities with large Lebanese communities.

Mexican Heroin Trafficking

In 1993, Mexican heroin in brown powder form as well as the more widely available black tar form, was produced almost exclusively for the U.S. heroin market. Organizations composed of Mexican nationals and Mexican-Americans controlled the smuggling and distribution of Mexican heroin to and within the United States. Mexican trafficking organizations were often made up of family members, lifelong friends, and other trusted associates.

While some Mexican organizations controlled the entire process from opium production and heroin processing in Mexico to the management of transportation and distribution networks in the United States, other trafficking organizations operated independently on a smaller scale. Mexico's extensive land border with the United States provided smugglers numerous entry points

States provided smugglers numerous entry points into the country. Frequently, illegal immigrants and migrant workers smuggled heroin across the U.S. Southwest border in relatively small amounts, most often ranging from gram to multiounce quantities. Occasionally there were large seizures, such as the April 1993 seizure of approximately 10 kilograms of black tar heroin at Blythe, California, but these are the exception. Generally, Mexican heroin seizures did not exceed 1 or 2 kilograms.

Traffickers took advantage of their proximity to the United States by storing the larger quantities of heroin in Mexico and then smuggling smaller amounts as transactions in the United States were arranged. Most traffickers believed their heroin stockpiles were less susceptible to law enforcement in Mexico; by storing heroin there, they minimized the danger of U.S. authorities seizing significant amounts. Even large, polydrug Mexican organizations—capable of smuggling multiton quantities of cocaine and marijuana—limited smuggling of Mexican heroin into the United States to kilogram and smaller amounts.

Mexican heroin distributors within the United States were generally Mexican immigrants, primarily from the States of Durango, Michoacan, Nuevo Leon, and Sinaloa. Mexican organizations controlled distribution at the wholesale level; local gangs often managed street sales.

Smuggling methods included concealment in motor vehicles, public transportation vehicles, internal and external body carry, and commercial package express services. Females were used much more frequently than males as couriers for transporting heroin and money across the border.

Once heroin was smuggled into the United States, transportation was arranged to metropolitan areas in the western and southwestern states with sizeable populations of Mexican immigrants. Heroin also was transported to primary markets in the Chicago, Denver, and St. Louis metropolitan areas. In the United States, Mexican black tar heroin usually was sold by the "piece" or Mexican ounce, which weighs 25 grams.

South American Heroin Trafficking

The availability of South American heroin in the United States increased in 1993. While most reporting indicates that Colombian traffickers still operated on a limited scale, South American heroin poses a potentially serious threat, primarily because of the trafficking resources controlled by the Colombian cocaine cartels.

Since 1991, most of the South American heroin smuggled into the United States has been transported by Colombian couriers aboard commercial airlines, a method requiring numerous couriers carrying small amounts ranging up to 1 or 2 kilograms per trip. The couriers commonly transported the heroin in false-sided briefcases and luggage, inside hollowed-out shoe soles, or by ingestion. Much of this smuggling by courier aboard airliners was and remains controlled by independent Colombian traffickers rather than the Colombian cocaine cartels.

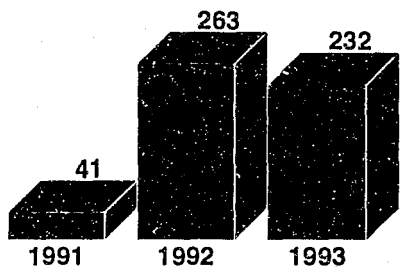
EPIC reports that the number of Colombian couriers who were arrested on commercial airlines smuggling heroin into the United States increased from 41 in 1991 to 263 in 1992, and 232 in 1993. Most of these arrests occurred at international airports in Miami and New York. Most Colombian couriers arrested in Miami admitted to being en route to New York City or possessed follow-on tickets for that destination.

The primary smuggling method employed by Colombian traffickers and the shipment size, averaging 500 grams, indicate that the Colombian traffickers were not yet able to supply bulk quantities of heroin like ethnic Chinese and Pakistani traffickers. To date, the largest seizure of heroin from Colombia involved a June 1992 airdrop of just under 15 kilograms of heroin on a Puerto Rican beach. However, current investigative reporting indicates increased efforts to supply multikilogram quantities at both source and transit country locations, to include delivery to the U.S. market. As the cocaine cartels become more aware of the success of the developing

South American Heroin Trafficking in the United States

The availability of South American heroin in the United States has increased during the past 2 years according to seizure analysis and investigative reporting. While most reporting indicates that Colombian heroin traffickers operate on a limited scale, South American heroin poses a potentially serious threat, primarily because of the trafficking resources controlled by the Colombian cocaine cartels.

Colombian Couriers Arrested
Carrying Heroin into the United States



Colombian heroin production and distribution industry, they will likely attempt to exercise greater influence and control over this activity. The cocaine cartels would be able to maximize their profits by transporting heroin through their cocaine smuggling channels.

During 1993, Colombian heroin traffickers established distribution outlets in the United States, particularly in the metropolitan areas of the Northeast. High purity was essential for Colombian traffickers to break into the fiercely competitive U.S. heroin market, especially in the northeastern metropolitan areas. In New York City, Boston, Newark, and Philadelphia, street level heroin purity averaged over 60 percent. Consequently, Colombian traffickers smuggled heroin that was 80 to 99 percent pure.

Since the July 1993 announcement by DEA's Special Testing and Research Laboratory of a signature for South American heroin, DMP purchases of heroin have identified the heaviest concentration of South American heroin to be in the northeastern United States. In addition to the major northeastern metropolitan areas, South American heroin was available in southern New England cities such as Hartford and Bridgeport, Connecticut, and Providence, Rhode Island, where, according to DEA Boston, Cali Cartel cocaine distribution networks are operating. These mid-size, southern New England cities located between New York City and Boston represent ideal locations for the Colombian traffickers to gain a foothold in heroin distribution. First, they faced less competition from ethnic Chinese and other heroin importers and wholesalers who dominated the major northeastern markets and, consequently, they may have had easier access to mid-level distributors. Second, they were able to use the cocaine transportation and distribution networks already established over the last decade. The remainder of the DMP purchases show the geographic distribution of South American heroin to other areas, such as San Juan, Puerto Rico; Atlanta, Georgia; Miami, Florida; and New Orleans, Louisiana.

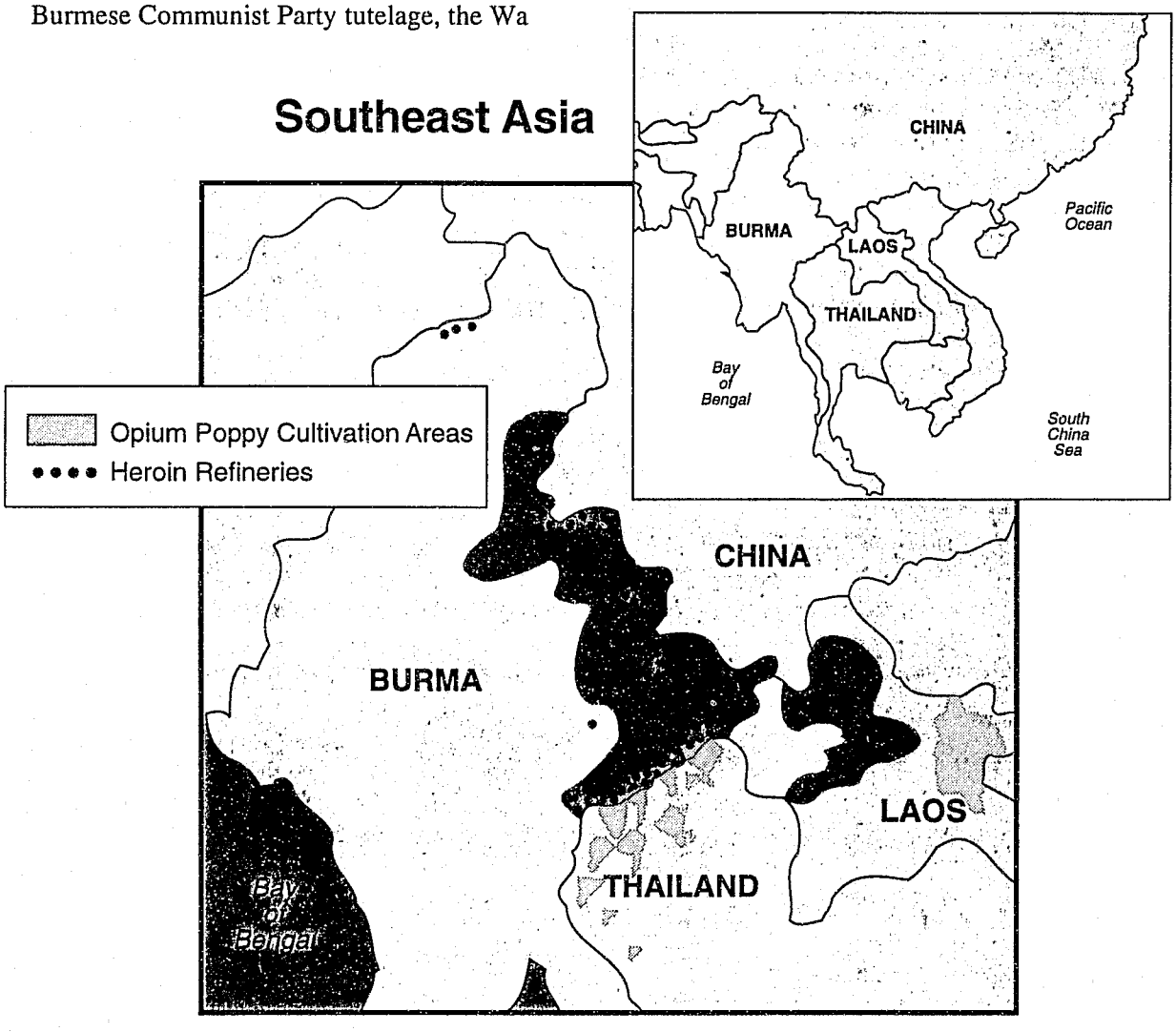
Colombian traffickers used a variety of tactics to establish mid- and retail-level outlets for their heroin. In addition to providing heroin of unusually high purity, Colombian traffickers offered free samples of heroin to potential distributors, offered to front ounce and multiounce quantities of heroin to first-time buyers, and persuaded their established cocaine distributors to purchase and sell heroin as a condition of doing business. For example, a typical transaction may have required the distributor who purchased 20 kilograms of cocaine to purchase 1 kilogram of heroin as part of a package deal. Finally, Colombian traffickers undersold competitors in some cities in an effort to win over customers. This was most evident at the mid- and retail-level where South American heroin was most available; ounce and gram prices for South American heroin were well below those for Southeast Asian heroin.

GLOBAL DEVELOPMENTS

Southeast Asia

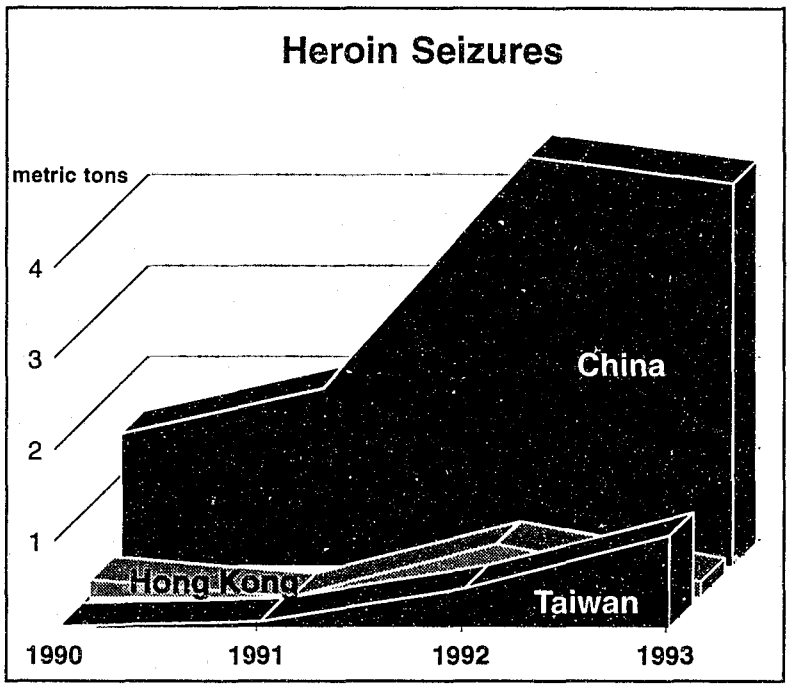
Cultivation: In **Burma**, after eradication, 165,800 hectares of opium poppy were cultivated in 1993 compared to 153,700 hectares in 1992. The crop could have produced 2,575 metric tons of opium, an increase from the 1992 total of 2,280 metric tons. Opium poppy cultivation increased in areas controlled by the Shan United Army (SUA, also known as the Mong Tai Army) and the United Wa State Army (UWSA) and decreased in Kokang- and Kachin-held areas. In 1993, according to press reports, the Wa offered to end its opium poppy cultivation and heroin processing in return for alternative crop development and assistance. The Wa may control as much as 80 percent of the opium poppy cultivation in Burma. Under Burmese Communist Party tutelage, the Wa ethnic minority collectivized opium poppy cultivation and they continue to farm opium poppy on a communal basis and a larger, more effective scale than other groups.

In 1993, approximately 2,880 hectares of opium poppy were cultivated in **Thailand**, producing an estimated 42 metric tons of opium, an increase from the 24 metric tons produced in 1992. Cultivation in **Laos** exceeded 26,000 hectares with a potential production of 180 metric tons of opium. In early 1993, a yield study—conducted by the United Nations Drug Control Program, the Lao Government, and the U.S. Embassy—suggested that opium yields ranged from 6 to 8 kilograms per hectare. If these figures prove to be statistically reliable, production in Laos could be even less than thought.



Trends in Southeast Asian Heroin Trafficking

Heroin from Southeast Asia continues to be smuggled to the United States in consistently large amounts. However, traffickers' shipping routes are diversifying. China and Taiwan have joined Hong Kong as transshipment points, supplementing traditional air and sea routes from Thailand. Meanwhile, Nigerian trafficking organizations, which primarily use couriers to smuggle heroin, now are attempting to move larger shipments from Southeast Asia in maritime cargo.



Some analysts believe that the total production potential in the **People's Republic of China** was similar to that of Laos. A growing amount of opium, perhaps 10 to 20 percent of that seized, is produced in China, principally to feed a local addict population. Opiate addiction rates apparently are rising in Yunnan, Guangdong, Guangxi, Guizhou, Gansu, Shanxi, and Sichuan Provinces.

There were reported increases in the amount of opium poppy under cultivation in **North Korea**. Opium production potential was estimated to be 30 metric tons. It is assumed that this cultivation is used to meet pharmaceutical needs in the isolated nation. An increase in pharmaceutical production at the government-controlled processing plant also was anticipated.

Processing and Trafficking: Most of the heroin in Southeast Asia was produced along the **Burma**-Thailand and Burma-China borders in areas controlled by the UWSA, the Kokang Chinese, or the SUA. Some analysts believe that the Wa eclipsed the SUA in terms of total production and market dominance in 1993. Ethnic Chinese and Sino-Thai traffickers dominated the manufacture, export, and wholesale distribution of Southeast Asian heroin worldwide.

In 1993, there were reports that the SUA sought to reach accommodation with the UWSA. In the Fall of 1993, the Thai press reported that a formal ceasefire had been declared. The SUA continued on a case-by-case basis to process opium produced by other groups in Burma including the Wa. The SUA enjoyed close working relations with some Thai border officials providing information regarding the situation in Burma and serving as a buffer for Thai forces. The SUA continued to obtain weapons and supplies from markets on the Thai side of the border, while the UWSA reportedly purchased arms and equipment from the Chinese.

During 1993, Wa and Kokang authorities surrendered 5 heroin refineries. Internal disputes during the year hampered Kokang narcotics production. Rival factions settled disputes by year's end, prompting speculation that narcotics production in Kokang territory would return to previous levels.

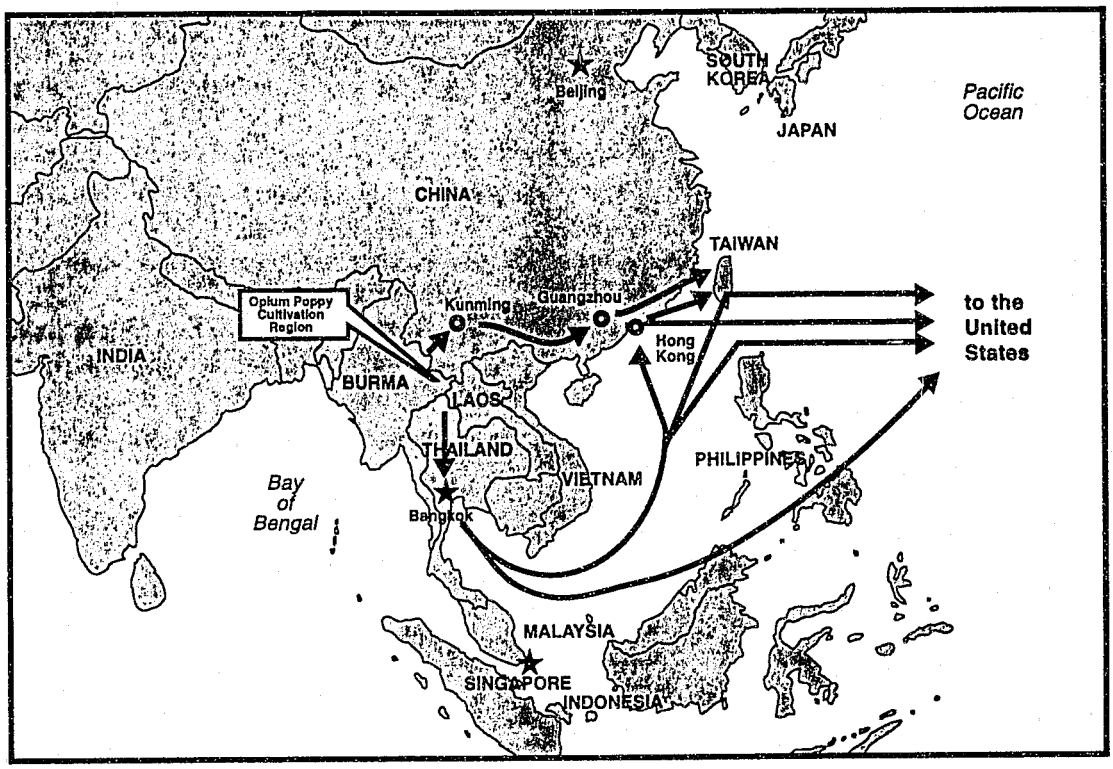
During early December, the Burmese Army attacked SUA positions, in part to show the seriousness of the Burmese Government's intent to conduct counterdrug activities following mounting pressure from the United States and the international community. The offensive continued over several days and then ground to a stalemate by mid- to late December.

There were also limited, unconfirmed reports that some of the insurgent forces in Burma received training and weapons from the Lao Peoples' Army in exchange for narcotics. Lao opium is transited through Bokeo and Oudomsay Provinces to Thailand and through Louang Namtha Province to China. Heroin from Burma may have been moved back through these areas in transit to other areas in Southeast Asia and for onward shipment to Western markets.

Press reports in late 1992 suggested that some Burma-based traffickers shipped heroin through **Cambodia** more frequently than previously believed. In some instances, bribed government and military officials facilitated the movement of heroin through Cambodia.

Large amounts of heroin now move overland through the **People's Republic of China**, as well as by sea from Thailand, to Hong Kong. Much of the heroin was transited overland to Hong Kong from Yunnan Province through Guangxi to Guangdong Province where on occasion it was stored for short periods before being transshipped to Hong Kong. From there, the heroin was transported to the United States, occasionally by way of Canada. Heroin also was hauled by courier or concealed in commercial cargo that was shipped through many other Asian nations, including Malaysia, Taiwan, and Japan. In early 1994, larger shipments more frequently were sent directly out of caches in China, avoiding the use of staging sites in Hong Kong proper. Some Hong Kong authorities estimate that as much as 50 percent of the heroin now remains in China and is shipped on demand for retail distribution in Hong Kong. These figures are supported by the increasing number of heroin seizures reported by Chinese authorities in recent years, as well as by seizures in Taiwan of heroin transshipped from China.

Heroin Trafficking Routes from Southeast Asia



In 1993, **Hong Kong** police seized 230 kilograms of heroin. In early December, a Thai Army general was arrested in Hong Kong and charged with drug trafficking. The arrest culminated an international investigation in which DEA cooperated with Thai and Hong Kong authorities. In connection with this investigation, two ethnic Chinese Thai citizens were arrested in Eugene, Oregon, following an agreement to sell 7 kilograms of heroin to DEA undercover agents. The individuals had agreed to supply an additional 21 kilograms in exchange for a $4 million payment to the Thai general. The heroin was to have been supplied through connections with the SUA in Burma.

In 1993, large seizures of heroin continued to be made in **Taiwan** which, in the past several years, has grown in importance as a key transshipment location for heroin. During 1993, Taiwanese authorities seized over 1 metric ton of heroin. On May 11, 1993, 336 kilograms of heroin were seized from a fishing trawler docked in Tungkang, Taiwan. The shipment likely was transferred to a Taiwanese fishing vessel from a Thai ship. However, other information suggested that the shipment may have transited a Chinese port. In May, the Thai Navy seized 111 kilograms of heroin from a Thai vessel headed for Taiwan. The vessel had been used previously to move bulk shipments of heroin to Hong Kong. Chinese fishing ports were used to stage heroin shipments to Taiwan. In one incident, heroin aboard vessels embarking out of Fujian Province was offloaded at sea to Taiwanese fishing trawlers near northern Taiwanese islands.

There was limited reporting that **South Korea** is occasionally used as a transshipment point for heroin being transported in the direction of the United States. In one instance in December 1993, the U.S. Customs Service in Hawaii seized 2.5 kilograms of heroin from two individuals who had transited Seoul, South Korea. Working for a Nigerian, the smugglers purportedly picked up the heroin in Thailand. In June and September 1993, U.S. authorities seized over 100 kilograms of heroin at J.F.K. International Airport. The heroin was concealed in rubber rollers that had been shipped from Pusan, South Korea.

In addition to Hong Kong, other countries—such as Malaysia, Singapore, and Australia—served as transit or transshipment points. In these countries, significant ethnic Chinese populations host well-entrenched Chinese criminal organizations. The two largest seizures of heroin in the United States in 1993, as well as a large seizure made in Lagos, Nigeria, had been transited through **Singapore**. Heroin trafficking through **Malaysia** continued in 1993. Police in Kuala Lumpur expressed concern over the growing influence of Siew Sam Ong, Three Little Emperors Triad, and other organized criminal groups in drug trafficking in Malaysia. There was considerable traffic in the area of Penang, Malaysia's second largest port. Cargo vessels originating in Thailand or Burma frequently moved through the region, where there is a large ethnic Chinese population and, despite stringent laws, a good deal of smuggling. Ethnic Chinese criminal organizations have attempted to organize the nearly 100 gangs that vie for control over regional criminal activity.

In addition to excellent air and sea facilities, the area also is connected by rail to Singapore and enjoys excellent overland highways to Hat Yai, Thailand, the principal transportation node in southern Thailand. Hat Yai is also a known transshipment and staging point for heroin moved from northern Thailand. Small, wooden "barter boats," fishing vessels, and coastal traders operate in the Andaman Sea conveying consumer goods, as well as narcotics, in an active coastal trade among Burma, Thailand, and Malaysia.

In 1993, the amount of heroin transiting Thailand and Malaysia for **Australia** increased. In June, authorities in Sydney seized 74 kilograms from a Malaysian trafficker. In January, three Russians were arrested in Melbourne following the attempted delivery of 5.5 kilograms of heroin. One arrestee, a merchant seaman, concealed the drugs aboard a vessel that had embarked from Vladisvostok, Russia. According to Australian authorities, ethnic Russian residents in Australia assisted this venture. Australia's significance as an

international transit location also was bolstered by the increase in seizures made from Nigerian couriers transiting the Australian continent. Nigerians recruited Australian couriers to deliver heroin to the United States.

The lack of effective enforcement in Vladisvostok—the major seaport in the Russian Far East—could lead to the increased use of the port by drug smugglers. Anecdotal evidence from Japanese authorities suggested that Russian criminal groups operating in the Russian Far East have sought to trade drugs and other contraband for high-priced Japanese automobiles favored by the Russian elite.

Other Southeast Asians, such as the Vietnamese, may have become involved increasingly in heroin trafficking as a result of poor economic conditions in their countries and increased access to the outside world. **Vietnam** occasionally was used as a transit location. In late May, a Hong Kong resident received the death sentence in Vietnam following his arrest for smuggling a few kilograms of heroin into the country. The individual had intended to carry the heroin to Germany. The U.S. Customs Service reports that overseas Vietnamese visiting Vietnam and increased commercial and cultural links between the United States and Vietnam could lead to increased use of Vietnam as a transit point for Southeast Asian heroin. However, there is little evidence of large-scale heroin trafficking through Vietnam.

Enforcement: There was little sustained eradication of opium poppies in **Burma** and Laos. In the past, only fighting among rival insurgent groups or severe weather has had any significant effect on opium poppy cultivation, opium production, and heroin refining. For example, severe drought conditions may contribute to a significant decline in cultivation and, by extension, opium gum production, in the 1993-1994 growing season in Burma.

In 1993, Burmese officials reported the seizure of 280 kilograms of heroin, 2.42 metric tons of opium, and 1,325 gallons of essential chemicals. In November, in the largest seizure of chemicals on record in the country, Burmese police seized over 1,000 gallons of acetic anhydride being trucked from China. In January 1994, Burmese police in Rangoon seized 5 kilograms of heroin, the largest heroin seizure made in that city. In response to U.S. pressure, Burmese authorities suggested that, if captured, Khun Sa, the head of the SUA, would face prosecution and possible extradition.

In 1993, **Laos** signed a memorandum of understanding with China, Burma, Thailand, and the U.N. to strengthen cooperation on drug matters. Efforts to develop and deploy a counterdrug unit continued to lag through most of the year, however. Despite evidence of sizeable trafficking in Laos, authorities seized less than 100 kilograms of opium and only 800 grams of heroin. Information continued to suggest that some field grade and higher military officials profit from the trade.

During August, officials seized 329 kilograms of heroin in **Thailand**: over 200 kilograms were seized near the Burma border and 105 kilograms were seized from a fishing vessel in the Port of Rayong. In December, Thai police seized 312 kilograms of heroin in the Mai Sai District, Chiang Rai Province. In a separate incident, Thai authorities in Bangkok seized over 63 kilograms of heroin. Also in December, the Thais seized 35 kilograms of heroin in compressed blocks, each weighing 350 grams. In New Orleans, U.S. Customs Service agents seized 157 kilograms of Southeast Asian heroin contained in a shipment of lychee nuts shipped from Thailand. A controlled delivery by the U.S. Customs Service and DEA led to the arrest of two suspects.

In 1993, **Chinese** authorities seized 3.5 metric tons of opium and 4.2 metric tons of heroin. Nearly 42 tons of illicit essential chemicals were confiscated in the first half of the year as well. Chinese authorities arrested 164 Burmese and 55 Vietnamese on drug-related charges, attesting to the rise in opiate trafficking across the Burma-China border and from Vietnam, where illicit

opium poppy cultivation occurs at an as yet undetermined level. The Chinese Government reports there are now over 250,000 registered drug addicts in China. Upwards of 10,000 addicts may live in Yunnan Province. In 1993, Yunnanese authorities deployed a number of drug detecting dog teams at border check points. The teams were quite successful at detecting heroin concealed in the growing volume of overland cargo from Burma.

Southwest Asia

Cultivation: According to U.S. Government estimates, illicit opium production in **Afghanistan** increased in 1993 to 685 metric tons. (DEA believes that opium production in Afghanistan remained at 900 metric tons.) Over 21,000 hectares of opium poppy were cultivated. Good weather and increased cultivation in areas outside the Helmand Valley contributed to the rise. From 1992 to 1993, net cultivation in **Pakistan** dropped from 8,170 hectares to 6,280 hectares and production fell from 175 to 140 metric tons. The drop is attributable, in part, to the continued extension of the government's opium poppy ban.

In the Middle East, opium poppy cultivation in **Lebanon** was 440 hectares, principally due to eradication undertaken by Lebanese and Syrian forces. Opium production was 4 metric tons. However, heroin production continued apace, using opium and morphine base imported through Turkish brokers from Afghanistan and Pakistan.

There was also opium poppy cultivation, opium production, and illicit morphine solution processing in the **Central Asian Republics**. Most of these products were consumed locally. DEA remains concerned about continued illicit opium production in **Iran**, which had been reported to be 300 metric tons in years past. Based on limited available information, some U.S. estimates placed Iran's potential opium production in 1993 at 35 to 70 metric tons, a significant decrease from previous official estimates.

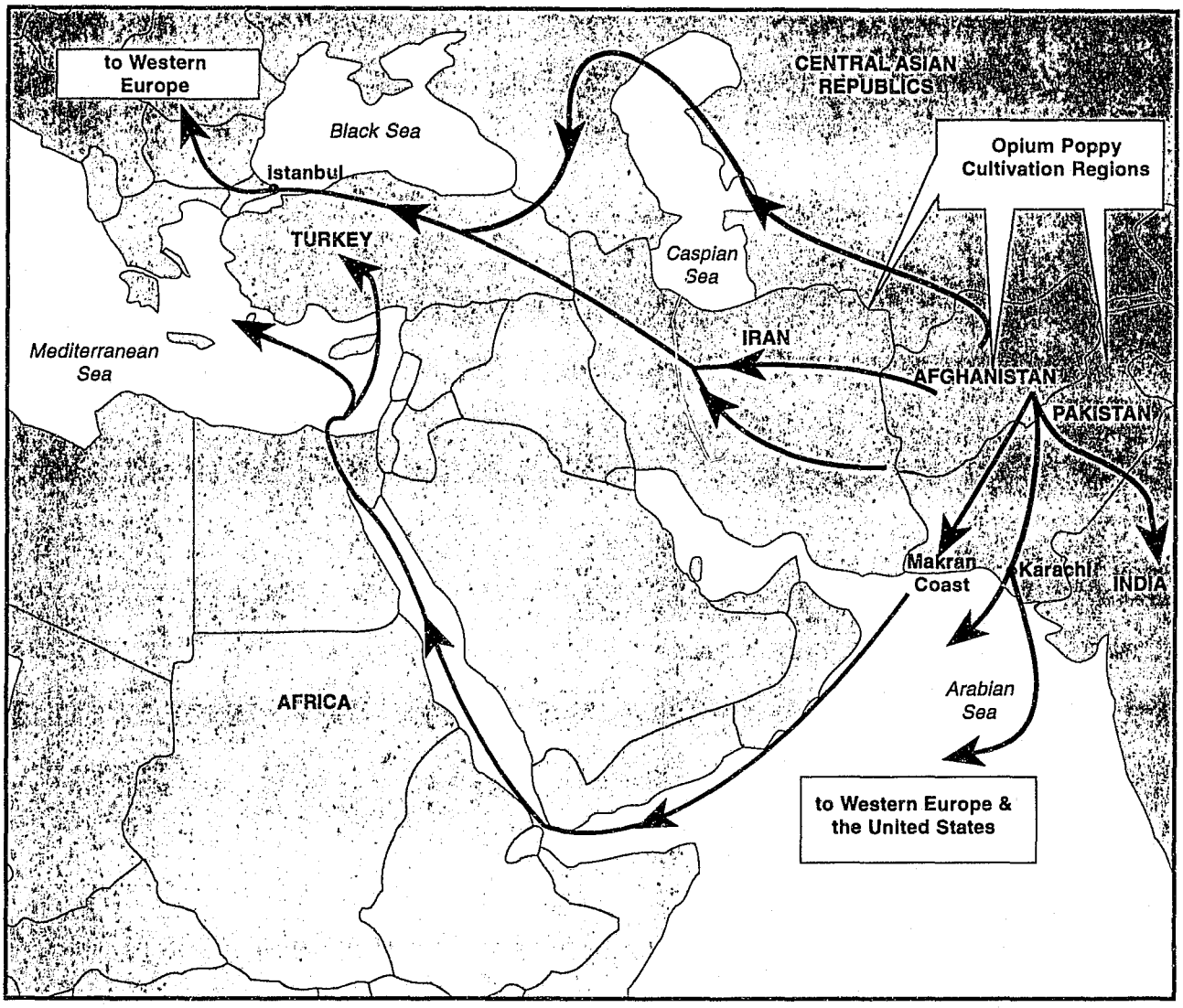
Processing and Trafficking: Overall, illicit opium poppy cultivation, opium production, and, by extension, heroin production in Southwest Asia, Lebanon, and Turkey continued at high levels due to the lack of central government

THE QUETTA ALLIANCE

Three of the region's most powerful heroin trafficking groups operate out of Quetta, the capital of Pakistan's Baluchistan Province, forming what is now called the Quetta Alliance. While there is no evidence to suggest that these three groups—all based upon established familial ties—have forged an official alliance, there are indications that they do cooperate for individual as well as mutual benefit. Their clandestine opium conversion laboratories are established in close proximity to enhance security. Often, raw materials and drugs are bought and sold among the groups which, on occasion, have pooled their resources to meet multiton drug orders. Familial ties between the groups have been reinforced by marriage.

The Alliance operation is similar to a large manufacturing or service consortium. Each of the three groups brings individual strengths to the Alliance. One has extensive political power; another has strong ties to Iranian trafficking groups; and the third has a strong presence on Pakistan's Makran Coast and on the Arabian Peninsula. Although the Alliance represents a major force in Southwest Asian trafficking, there are countless other smaller groups and individuals operating throughout the region.

Heroin Trafficking Routes from Southwest Asia



control over growing and production areas, poor economic conditions, and poor enforcement. Opium, morphine base, and limited heroin production could increase further if good weather conditions prevail and political turmoil persists in **Afghanistan**.

Processing continued in the Northwest Frontier Province of **Pakistan** where laboratories produced morphine base and, by special order, heroin. Pakistani traffickers shipped metric ton quantities of morphine base to **Turkey** for further processing into heroin by vessel or overland through Central Asia. Most of the acetic anhydride used by laboratory operators in Pakistan was imported from India.

In 1993, reporting increased of opiate processing activity in **Afghanistan** and **Tajikistan**. A limited increase in morphine base conversion also was seen in Afghanistan. Although most processing in Afghanistan still involved conversion of opium to morphine base, the appearance of minor heroin laboratory activity, possibly to supply traffickers using routes through Central Asia and Russia, occurred.

Much of the heroin trade in and from **Pakistan** is controlled by a loose consortium of a handful of families resident in Quetta that share facilities and transport arrangements. In November, Pakistani officials seized 1.4 metric tons of suspected morphine base/heroin reportedly destined for Quetta (see box on previous page). The price of opium reportedly rose in the fall of 1993 following several

large-scale purchases. In 1993, the price for acetic anhydride similarly rose in Pakistan.

Heroin processing laboratories in **Turkey** played a pivotal role in the production of heroin in the region. These laboratories processed bulk amounts of heroin from morphine base produced in Pakistan. Heroin or base products passed into Turkey overland from Iran across Kurdish territory. For example, in early September 1993, Turkish authorities seized 100 kilograms of heroin at the Kapikule/Edirne border crossing, which, like Esendere and Gurbulak, commonly is used as a point of entry to Turkey. These products eventually were taken to Istanbul, where they were processed further or concealed in *Transport International Routier* (TIR) trucks. In August, 1.2 metric tons of morphine base/ heroin were seized in Central Asia from a Turkish truck en route from Afghanistan. In early July, Turkish authorities seized 600 kilograms of heroin in Istanbul. The drugs were concealed in a warehouse used by TIR trucks and probably were to be shipped to the Netherlands.

Drugs were smuggled into Turkey by sea through the ports of Istanbul, Izmir, Samsun, and Trabzon; shipments then may have been rerouted by sea to European destinations. Turkish police interdicted a ship from Pakistan reportedly carrying large quantities of morphine base and hashish in the Mediterranean Sea, but it was scuttled by the crew to prevent its seizure. In January 1993, Turkish authorities seized a ship containing a 2.7-metric ton shipment of morphine base and heroin that had originated in Pakistan.

In recent years, bulk shipments of heroin from Turkey usually have been shipped to European markets along **the Balkan Route**. Smaller quantities destined for the United States were shipped directly, or transshipped/transited through Europe. The Balkan Route, actually a combination of numerous land and sea routes (see box), encompasses highways running from Turkey through Bulgaria or Greece, the former Yugoslavia, the eastern European nations of Romania, Czech and Slovak Republics, and Hungary, Austria, and Germany. Increased trafficking has led to increased heroin abuse in areas along the Balkan Route. For example, in Croatia—particularly in major cities such as Zagreb and Split—heroin addiction has grown, in part fueled by the relatively high levels, in comparison to other Balkan states, of disposable income. According to local authorities, there may be as many as 5,000 heroin addicts in the small nation.

The Balkan Routes

The traditional Balkan Route currently is known as the "Direct Route." It endures as a major sub-route of the Balkan Route, though travel along it has been interrupted by the civil war in the former Yugoslavia. The Direct Route begins in Turkey and ends in Western Europe. It passes through Macedonia, Serbia, Croatia, and Slovenia, with a final destination of Austria.

The Direct Balkan Route evolved in the early 1980's as law enforcement successes in Germany and Austria prompted smugglers to increase use of a Balkan sub-route known as the "Southern Route." TIR trucks, as well as private automobiles, enter Greece from Turkey, travel to Greek ports, such as Athens or Thessoloniki, and then travel by ferry boats to Italy.

In the early 1990's, another variation of the Balkan Route emerged with the increased commerce and greater freedom of travel into and across Bulgaria, Czechoslovakia, Hungary, Romania, and the former East Germany. With the outbreak of civil war in the former Yugoslavia, this new "Northern Route" became a primary avenue used by traffickers.

Iranian, Kurdish, and Turkish criminal organizations worked closely with ethnic Turkish communities in Belgium, Germany, France, the Netherlands, and other European nations. European law enforcement often cited Turkish groups for their control over mid-level wholesale distribution of heroin. In November, the Dutch police seized 50 kilograms of heroin and several guns from a group of Turkish traffickers. On that same day, Turkish authorities arrested several Turks and seized 71 kilograms in Mersin en route to the Netherlands.

Heroin from **Lebanon** was transported from the Bekaa Valley to Lebanese ports or through the Israeli security zone in southern Lebanon to Israeli ports. From these ports, heroin either was shipped to Europe and the United States or was smuggled through Syria to Turkey. In 1993, an increasing number of Lebanese couriers carried heroin-impregnated clothing. In many cases, 500 grams or more can be concealed in this manner. In some instances, these couriers transited African and European airports prior to reaching the United States.

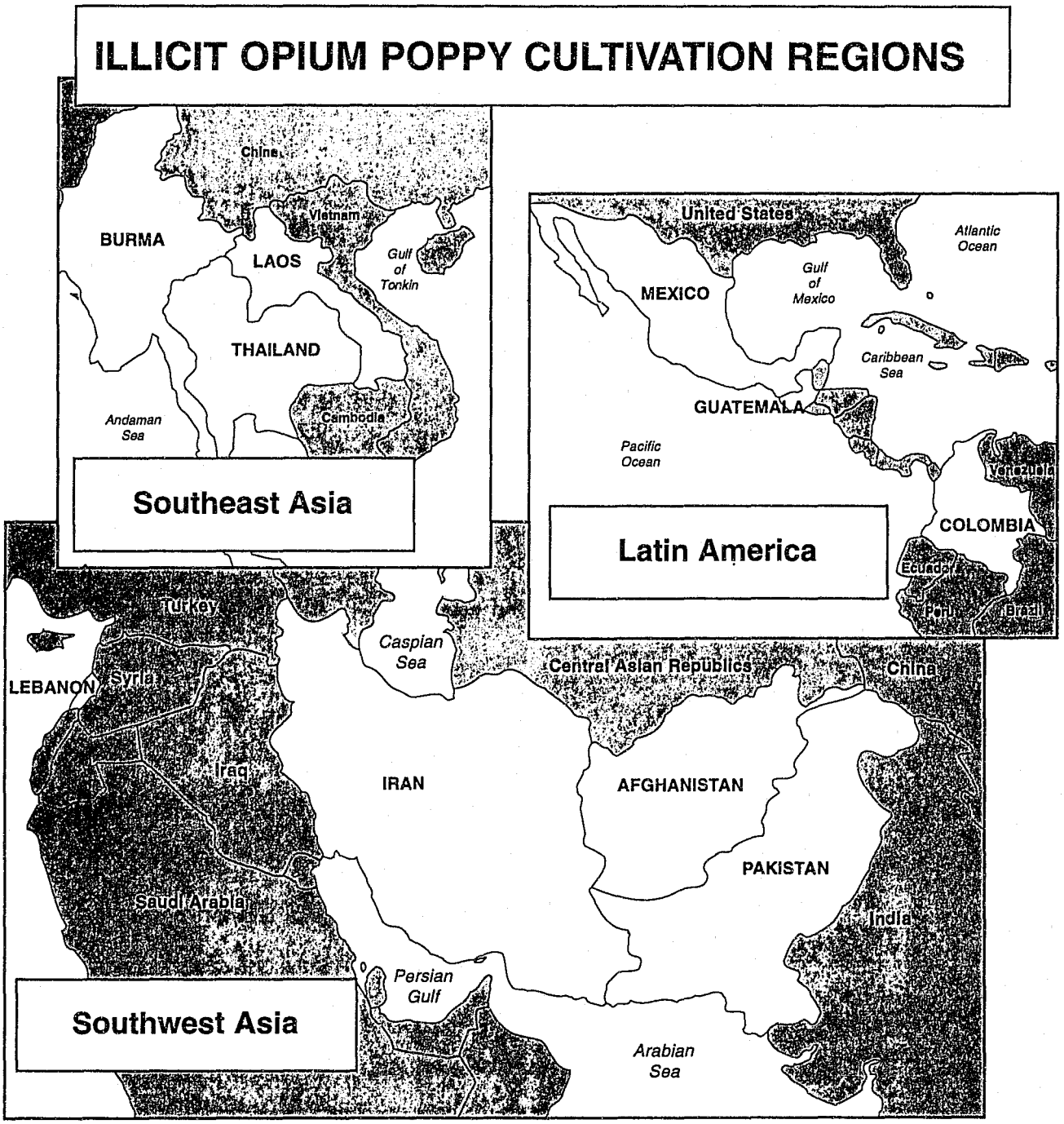
In the **Central Asian Republics**, as well as **Ukraine**, **Belarus**, and **Russia**, increased organized criminal activities and open borders led to greater contact between smuggling organizations there and in the West. In 1993, a limited traffic in opiates moved between the Newly Independent States bordering Eastern Europe and the emerging democracies in Central Asia. The rise of ethnic nationalist movements in the Balkans and Central Asia has led to political turmoil. Intelligence suggests that some of these nationalist movements, such as ethnic Albanians in the former Yugoslavia, have taken advantage of the turmoil to become involved in drug trafficking with traditional smuggling groups. Moreover, ethnic Albanians from the former Yugoslavian Province of Kosovo were active in the movement of heroin from Southwest Asia through the Balkans and on to Europe. In 1993, Swiss authorities estimated that upwards of 90 percent of the heroin moved into Switzerland was controlled by ethnic Kosovan criminal groups.

Enforcement: The return of many Afghan refugees to **Afghanistan** spurred increases in opium poppy cultivation and morphine base production. Beset by political turmoil and civil strife, the government made little effort to engage in counterdrug action.

In 1993, **Pakistani** officials reported that 856 hectares of opium poppies were eradicated. In addition, total opium poppy cultivation declined during the year by another 1,030 hectares, contributing to an overall 25 percent decline in cultivation in 1993. The decline was attributed to the threat of eradication, U.S. pressure, extension of the opium poppy ban, and area development projects in some former growing areas. In addition to the seizures cited above, in November, Pakistani authorities reported the seizure of 1.4 metric tons of suspected heroin from a small truck in the Northwest Frontier Province. In 1993, seizures rose 50 percent.

Iran stepped up publicity for its enforcement activity during 1993. In Operation Thunderbolt, the Iranian government conducted counterdrug operations during late November in which nearly 2 metric tons of opium, 157 kilograms of morphine base, and 11 kilograms of heroin reportedly were seized. According to press reports, government forces arrested nearly 1,500 violators and seized 71 weapons and 58 vehicles. Convicted drug smugglers continued to be hanged. Iranian authorities launched no concerted effort to eradicate opium poppies. European police officials cited the growing involvement of ethnic Iranian criminal groups in heroin distribution in 1993. Iranian communities have taken root in Turkey around Istanbul and in Germany and other Western European nations.

As noted, **Turkish** authorities seized large quantities of morphine base during the year. However, there were few sizeable laboratories seized nor were any major traffickers arrested.



Estimates are not included for potentially large areas of cultivation such as in China and the Central Asian Republics because scientifically-based estimates of hectarage are not available. However, some estimates suggest that potential opium production in China could rival that of Laos. There also may be illicit cultivation occurring in Vietnam as well. A preliminary survey for illicit cultivation in India suggests that 4,400 hectares may be under cultivation, which potentially could produce 65 metric tons of opium. India-produced heroin, as with opiate production in Central Asia, does not yet pose a serious threat to the United States.

Illicit Opium Poppy and Opium Production Estimates
(Major Source Countries)

			Net Opium Cultivation (hectares)	Potential Opium Yield (metric tons)
Southeast Asia	Burma	1992	153,700	2,280
		1993	165,800	2,575
	Laos	1992	25,610	230
		1993	26,040	180
	Thailand	1992	2,050	24
		1993	2,880	42
Latin America	Colombia	1992	20,000	20
		1993	20,000	20
	Guatemala	1992	730	negl
		1993	438	4
	Mexico	1992	3,310	40
		1993	3,960	49
Southwest Asia	Afghanistan	1992	19,470	640
		1993	21,080	685
	Iran	1992	unk	unk
		1993	unk	unk
	Lebanon	1992	negl	negl
		1993	440	4
	Pakistan	1992	8,170	175
		1993	6,280	140
Total Potential Opium Production		**1992**		**3,409**
		1993		**3,699**

Source: *International Narcotics Control Strategy Report, April 1994*

* Opium production in Colombia has levelled off and did not exceed 1991's estimate of 27 metric tons.

** DEA believes that total production in Afghanistan may have exceeded 900 metric tons.

*** Some estimates now place Iranian production between 35-70 metric tons.

Latin America

Although considered as a single geographic source area, two distinct types of heroin were produced in Latin America for U.S. consumption in 1993. Traffickers in Mexico converted opium principally to black tar heroin. Colombian traffickers converted opium into white powdered heroin. There was little production of brown heroin in Mexico for U.S. consumption.

Mexico and Guatemala

Cultivation: In 1993, net cultivation of opium poppies in Mexico was 3,960 hectares compared to 3,310 hectares in 1992. Opium poppy cultivation in Guatemala was 438 hectares. In Mexico, where opium is harvested three times a year, opium production rose slightly to 49 metric tons. Opium production in Guatemala was limited to 4 metric tons.

Processing and Trafficking: Processing activity in Mexico was centered on the production of black tar heroin, which is easy to make and readily accepted by users in the western United States. Effective government eradication operations continued to push opium poppy growers further south in Mexico. Although the opium produced in Mexico and Guatemala represents only a small portion of total worldwide production, virtually all heroin produced is for U.S. consumption.

A number of well-established polydrug organizations smuggled heroin from Mexico. These organizations also smuggled marijuana and, sometimes, cocaine to the United States for Colombian traffickers. Recent intelligence suggests that other organizations, independent of traditional family groups, were more active in smuggling heroin from Mexico. Mexican traffickers also smuggled opium from Guatemala to processing points in Mexico.

Enforcement: The Mexican Government aggressively pursued its eradication program. During 1993, over 7,800 hectares of opium poppies were eradicated in Mexico, especially in the northern states. As a result, traffickers transferred much of their opium poppy cultivation and heroin processing farther south in the country. Guatemalan authorities eradicated 426 hectares of opium poppies. In January 1994, Mexican Federal Judicial Police, assisted by the U.S. Customs Service and DEA, confiscated 78 kilograms of opium gum in Baja California. The opium was imported into Mexico from Southeast Asia by Laotian and Vietnamese immigrants residing in the United States.

Colombia

Cultivation: Net opium poppy cultivation in Colombia remained stable in 1993 with upwards of 20,000 hectares under or cleared for cultivation. The Colombian Government failed to sustain its previous pace of opium poppy eradication in 1993, eradicating 9,821 hectares compared to 12,715 the year before. Over 260 kilograms of opium gum were seized and 44 kilograms of heroin were confiscated. Opium production remained relatively limited, with some 20 metric tons probably produced. Low yields and the inability of Colombian laboratories to produce heroin in large quantities have, for the past few years, considerably constricted the impact of that country's heroin production on the U.S. market. Reports confirmed that limited opium poppy cultivation had extended into Peru and possibly Ecuador.

Processing and Trafficking: It is estimated that Colombian heroin laboratories could produce from 2 to 14 kilograms per week. Information obtained in 1993 suggested the existence of portable heroin laboratories in Colombia located in close proximity to cultivation sites, particularly in northern Colombia. This information supports other reports regarding the expansion of opium poppy cultivation into traditional marijuana growing areas in northern Colombia. Small morphine base production laboratories also operated in Huila Department. In October 1993, Colombian authorities in Risaralda seized 5 kilograms of morphine base at a laboratory operating on a

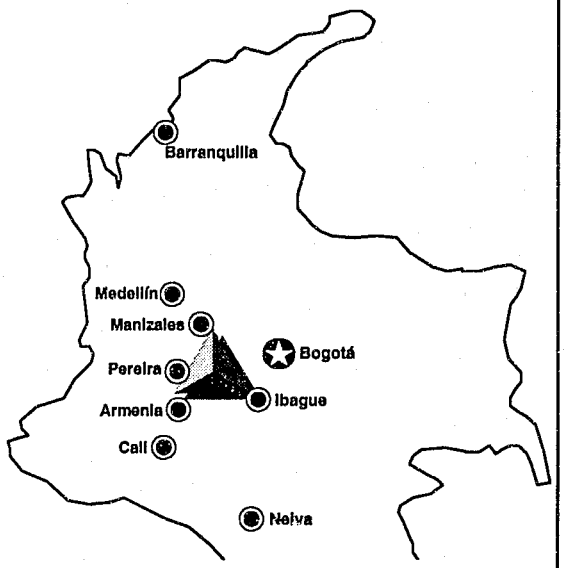
Independent Colombian Heroin Trafficking Groups

Although the Cali and Medellín Cartels are becoming more involved with Colombian heroin, small, independent trafficking groups dominate this illicit trade at present. These groups have advanced to smuggling kilogram quantities of heroin into the United States, and continue to operate independently of the larger cartels in this still open trade.

The two primary types of independent trafficking organizations are as follows:

- trafficking organizations that have total control over all facets of operations from opium poppy cultivation through heroin distribution; and
- groups that are less involved with cultivation/ production, and primarily involved in smuggling Colombian heroin to the United States.

Common to both groups, however, is their apparent connection to the cocaine trade; many still traffic cocaine to the United States.



Center of Independent Heroin Trafficking Activity in Colombia

ranch. This seizure was significant in that the laboratory appeared to be a permanent facility rather than a portable, smaller laboratory typically encountered in urban centers. On January 13, 1994, the Colombian National Police seized 2 kilograms of heroin in Armenia, Department of Quindio.

Although interests associated with Colombia's major cocaine cartels continued to seek greater influence over the country's heroin production during the year, the heroin trade in Colombia was dominated by independent trafficking groups (see box). In undercover negotiations, Colombian dealers remained unable to supply multikilogram quantities on a regular basis to the United States. As lingering processing problems in Colombia are overcome, wholesale distribution in the United States will be attempted. There are already signs that Colombian-produced heroin is more widely available in cities other than New York. There also was evidence that some Colombian smugglers had received heroin from Southwest Asia—perhaps from Lebanese or Nigerian traffickers—in exchange for cocaine. Some heroin may have been transported to the United States.

Colombian traffickers in heroin expanded their distribution of Colombian heroin throughout the east coast of the United States, carving a small, but distinct niche for their product. An increased number of couriers passed through Miami, typically having ingested less than kilogram quantities of heroin. Airline flight crews occasionally concealed 1- to 3-kilogram quantities of the drug in luggage carried aboard flights destined for the United States.

During 1993, couriers carrying Colombian-produced heroin made more extensive use of airports in Central America and Mexico as transit points. For example, evidence indicates that a Colombian heroin smuggler reportedly moved several kilograms of product per month

through Costa Rica in the direction of the United States. Couriers travelling through Mexico flew to Mexican cities and then crossed the U.S. border on foot before boarding U.S. domestic flights for New York City. In late December, the Jamaican Constabulary Force seized 1.5 kilograms of heroin from a Colombian who had smuggled the drug from Panama for transit to the United States.

Europe

Historically, Italian organized crime families have participated in heroin trafficking in Europe and, to a limited degree, have overseen some smuggling of the drug to the United States. In 1993, these criminal organizations, as well as Turkish traffickers, were responsible for smuggling some Southwest Asian heroin to the United States. In April 1994, for example, DEA secured over 20 kilograms of Turkish heroin in New York City from Turkish traffickers. Italian organized crime families also trafficked in Turkish-produced heroin into **Italy** from Albania.

Heroin was transported from Turkish laboratories in TIR trucks along the traditional "Balkan Route," from Turkey through **Greece** and **Bulgaria** to Western Europe. The ongoing civil war in the former Yugoslavia forced traffickers to reroute their heroin shipments northward through **Romania** and **Hungary**. Seventy-five percent of the heroin seized in Europe in recent years has been transported via the Balkan Route. As an illustration, in December 1993, Hungarian police seized 133 kilograms of heroin at a frontier checkpoint. The heroin had been concealed in cardboard boxes in a tractor-trailer en route from Turkey to Belgium.

Turkish or Turkey-based traffickers dominated smuggling along the Balkan Route. These traffickers also controlled wholesale and retail distribution in a number of European nations. For example, according to Belgian authorities, ethnic Kurdish criminal groups, some with known connections to the Kurdish Workers Party active in Turkey, controlled heroin distribution in **Belgium**. Kurdish criminal groups engaged in intimidation and violence to ensure market dominance. Southeast Asian heroin was shipped to Europe as well, as evidenced by the September 1993 seizure of over 20 kilograms in the United Kingdom that was in transit to Belgium.

In Belgium, there was evidence that West African-associated criminals were involved in the movement of small quantities of Southeast Asian heroin in transit to the United States. At the same time, Nigerian trafficking organizations were responsible for a growing amount of heroin smuggled into Europe using commercial air connections.

In mid-November 1993, police in **the Netherlands** seized 109 kilograms of heroin that had been hidden in a delivery van. In October, Amsterdam police seized 302 kilograms of Southwest Asian heroin from a Turkish smuggling group that had concealed the drug in a TIR truck. The heroin was to be sold to addicts locally.

In June, **Portuguese** authorities uncovered an operational heroin laboratory in Lisbon. **Denmark** served as a transit point and a consuming nation for heroin, principally Southwest Asian heroin. During 1993, Danish authorities seized over 22 kilograms of heroin. Some of the heroin was moved from Denmark to Sweden and Norway. In late November, Thai police seized 9 kilograms from a U.S. national en route to or through **Norway**. In May, the Costa Rican ambassador to **Poland** was arrested with a package containing 12 kilograms of heroin.

The Commonwealth of Independent States and the Baltic Republics

Drug interdiction efforts in Russia and Central Asia remained weak. Heroin traffickers exploited the difficult political and economic transitions occupying Russia and the Central Asian Republics. These nations' transition toward a market economy also promoted opportunities for money laundering. Most criminal organizations in Central Asia are local and ethnic-based. However, their relative sophistication is increasing.

Opiate abuse in 1993 in the former Soviet Union took the form of injection of morphine solutions. However, increased heroin abuse was noted. Traffickers used land routes to the Baltics and then moved heroin by sea to other markets. Drugs also were moved from Turkey across the Black Sea to **Romania** and then elsewhere. The Crimean ports of Odessa and Sevastopol were used to stage shipments through **Ukraine** and **Belarus** to Poland, according to a European study. Pole and Czech traffickers were mentioned more frequently, along with traditional smuggling organizations composed of Iranians, Italians, Kurds, Turks, and Yugoslavs. In June 1993, **Armenian** authorities destroyed illicit opium poppy plantations and in August, police arrested several criminals moving opium from Afghanistan through **Uzbekistan**.

Afghan traffickers have been looking northward as a result of growing economic and cultural ties with Central Asia and a tightening of security along the border with Pakistan. In recent years, hundred-kilogram quantities of heroin have been smuggled on Russian rails from Afghanistan to Western Europe and occasionally then on to the United States.

Kilogram quantities of heroin, shipped from Thailand and India for European consumers, also have been seized at Moscow's international airport. Although Russian authorities, in the past, have attributed trafficking in their country to foreign criminals, there was unequivocal recognition in 1993 of the role being played by Russian and Central Asian organized criminal groups. With the capability to smuggle large quantities of drugs from Afghanistan and Iran, ethnic-based criminal gangs have expanded their international criminal contacts to discuss the movement of drugs. Initially expanding their activities on the periphery of the former Soviet Union and in Eastern Europe, Russian criminals have become more active throughout Europe and in the United States, particularly in Florida, New York, and Pennsylvania.

Citing the need to fight organized crime and drug trafficking, the Russian Interior Minister signed an agreement with India to increase cooperation among law enforcement components. In 1993, European police authorities expressed concern over the potential for an increase in drug trafficking through the former Soviet Union. European sources, explaining their apprehension, cited the Russian police forces' loss of nearly 20 percent of its personnel and the 1992 deaths of 300 officers in the line-of-duty. Ethnic criminal groups composed of Armenians, Azeris, Chechens, Georgians, Russians, and others were cited for involvement in drug trafficking.

In 1993, the major opium poppy growing regions in the Commonwealth of Independent States were the Central Asian states of **Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan**, and **Uzbekistan**. Some states, notably Kyrgyzstan, Kazakhstan, and Uzbekistan, cooperated on drug law enforcement but remained plagued by personnel and equipment shortages and overwhelmed by civil strife, violence, and other national security issues. In 1993, border inspections were minimal between Afghanistan, the Central Asian states, and Turkey, facilitating smuggling of drugs to Turkey from Afghanistan. Illicit drug shipments also were moved to Dushanbe, Tajikistan, for onward shipment to Russia by rail, air, and land. According to press reports, Turkmenistan and Iran expanded cooperation on drug matters, particularly relating to cross-border traffic. In August 1993, authorities seized 1.2 metric tons of morphine base/heroin from a Turkish truck in Uzbekistan.

Turkish traffickers and other ethnic criminals used the excellent seaports in the Baltic states of **Estonia, Latvia**, and **Lithuania** to move heroin to the Nordic countries and elsewhere in Europe. In November, Swedish authorities confiscated 1 kilogram of heroin that had been transported by bus from Belgrade, Serbia, through a Baltic port.

The Middle East

Syria was not a significant producer of illicit drugs, but was a known transit country for heroin. Syrian troops controlled the northern Bekaa Valley in Lebanon where opium poppies were cultivated and heroin was produced. Some Syrian military officials tolerated and even facilitated the smuggling of drugs in Lebanon. Lebanon's political turmoil further complicated effective drug law enforcement.

There was very limited opium poppy cultivation in **Lebanon**'s Bekaa Valley, principally in the mountain areas bordering the valley. In 1993, the Lebanese Government attempted to substitute beet cultivation for illicit opium poppy cultivation. Lebanese heroin producers relied on stockpiled and imported opium and morphine base because eradication by Lebanese and Syrian forces limited the local crop. Opium and morphine base from Afghanistan, Iran, and Pakistan were smuggled through Syria via Turkey en route to laboratories in the Bekaa Valley. The finished heroin was transported back through Syria for final destinations in the Arabian Peninsula, Europe, and the United States. Israeli-organized crime elements transported heroin through the Israeli security zone in southern Lebanon, which eventually was smuggled to New York City or Boston. For example, officials at J.F.K. International Airport seized over 10 kilograms of Southwest Asian heroin from an Israeli smuggler in late November.

Africa

Although still trafficking in small quantities of Southwest Asian heroin, West Africans, particularly Nigerians, have become major traffickers of Southeast Asian heroin to the United States and even more recently have branched into the movement of cocaine to Europe. In the United States, arrests of West Africans who were trafficking in Southeast Asian heroin exceeded 660 in 1991 and remained high in 1992 and 1993. According to INTERPOL, almost 60 Nigerians were arrested in Europe with heroin in 1993. In response to increased law enforcement pressure, particularly at international points of entry, Nigerian smuggling organizations employed other West Africans, U.S. citizens, and Eastern Europeans as drug couriers.

Nigeria was a major heroin trafficking and transshipment/transit nation. The country's endemic corruption hampered drug law enforcement. Nigerian trafficking organizations also were quick to capitalize on a lack of law enforcement resources in neighboring nations to transport heroin into Nigeria and subsequently on to major U.S. and European markets. In November 1993, Nigeria's new military government replaced the chief of the Nigerian Drug Law Enforcement Agency with a career police officer, indicating a desire to improve Nigeria's image of being soft on drug trafficking. However, few significant arrests have been made to date and corruption remains endemic. In 1993, both the number and quantity of heroin seizures declined from 1992 levels. In late November 1993, the Nigerian Government expelled a Nigerian fugitive wanted by DEA and the U.S. Customs Service.

In 1993, direct flights were suspended between Lagos and the United States. As a result, Nigerian traffickers sought alternative routes. Smugglers made use of biweekly flights from Dakar-Yoff International Airport in **Senegal** to J.F.K. in New York. Other couriers flying through Dakar-Yoff on connections from Bombay, India, to Addis Ababa, Ethiopia; Lagos, Nigeria; and Abidjan, Cote d'Ivoire, moved small quantities of heroin on their person or in carry-on luggage.

One Nigerian smuggler transported a bulk shipment of Southeast Asian heroin to Nigeria concealed in commercial maritime cargo; this was an ominous development given the trend among Nigerian groups historically to eschew the bulk shipment of heroin. In July 1993, Thai authorities seized 79 kilograms of heroin at Bangkok Port concealed in a commercial shipment of women's pocketbooks and children's dolls manifested for Lagos. In December, two significant seizures occurred in Nigeria—one of 120 kilograms and the other of 168 kilograms—concealed inside containers of water coolers shipped from Thailand. The seizures in Nigeria were the two largest in the history of the African continent and, in the aggregate, more than the total of all annual seizures during the past several years.

Pakistani officials seized over 156 kilograms of heroin in an air cargo shipment consigned to Lagos. This further supported the contention that Nigerian groups sought to traffic larger shipments of heroin concealed in commercial cargo. Additionally, it reflects that Nigerian organizations continued to operate in Southwest Asia acquiring heroin for major Western markets.

Other transit countries in **sub-Saharan Africa** included Chad, Cote d'Ivoire, Ethiopia, Ghana, Kenya, and Senegal. In December 1993, police arrested seven Nigerians at Abidjan International Airport in Cote d'Ivoire. The Nigerians had ingested a total of 3 kilograms of heroin. Supplementing the Customs Service and the National Drug Police, the Cote d'Ivoire *Gendarmerie National* created a 12-man anti-drug unit in 1993. One Cote d'Ivoire national, arriving from Nigeria, was arrested at J.F.K. with 1 kilogram of heroin.

Many African governments expressed concern over the increase in heroin abuse and other hard drugs that transit their countries. Traffickers carried heroin from the Middle East, Southwest Asia, and Southeast Asia through African nations where scarce resources, competing priorities, and the increasingly sophisticated smuggling techniques largely thwarted interdiction and enforcement efforts. In many instances, police and military resources were diverted from drug law enforcement to internal security missions. Endemic corruption further exacerbated drug enforcement difficulties.

In **Liberia**, despite civil war and the interruption of international air service, Nigerian traffickers took advantage of historical connections between Liberia and the United States to obtain documentation for their couriers as dual citizens, permanent resident aliens, or Liberians visiting relatives in the United States. In December 1993, a Liberian was arrested on arrival at Dulles International Airport in Virginia on a flight from Togo via Paris. The Liberian was acting as the controller of five heroin couriers—female U.S. citizens from Houston—who arrived on the same flight and were arrested in possession of over 10 kilograms of heroin.

Nigerian groups used **Ethiopia** to transit heroin because of its excellent international air connections with Southwest Asia, the Far East, and Europe. In a one week period in October 1993, Ethiopian authorities arrested 9 people and seized over 10 kilograms of Southwest Asian heroin at Addis Ababa's international airport.

Egypt also remained a transit point because of its strategic location and its integration into the global trading community. In 1993, small quantities of opium poppy were cultivated in remote areas of the Sinai Peninsula. However, the magnitude of cultivation suggests that cultivation and any resultant opium production or heroin processing was for local consumption. In Spring 1993, authorities in Pakistan discovered 114 kilograms of heroin in carry-on luggage that was to have been routed through Cairo to Lagos.

Nigerian traffickers have entered **South Africa** in order to obtain false documents and to position themselves to take advantage of increased international transportation connections that followed the lifting of international economic sanctions. In October 1993, Thai police arrested an individual at Bangkok's Don Muang International Airport with 6.5 kilograms of heroin. This courier, like a Nigerian national arrested in November with 2.1 kilograms of heroin, was destined for Johannesburg, from where the heroin probably was to be delivered to the United States. An additional concern in South Africa is the existence of smuggling routes for the illicit importation of Mandrax (a sedative) from India. With increased diversion of licit Indian opium and a possible increase in illicit refining of heroin on the Indian subcontinent, Indian traffickers may attempt to use established Mandrax routes to smuggle heroin.

In 1992, over 50 kilograms of heroin were seized in **Zambia**, a significant increase from the 3.8 kilograms seized in 1991. In 1993, the Zambian police seized less than 1 kilogram of the drug suggesting that the African nation was still being used as a transit location. Zambian female couriers have been used to transport heroin as well as cocaine to Europe. Nigerians also purchased Zambian documents to disguise their nationality. In 1992, several **Tanzanian** nationals were arrested in Scandinavia and charged with heroin trafficking. Gambians and Tanzanian couriers frequently transited Turkey and Greece to other destinations in Europe in 1993 as well.

In 1993, **Zimbabwe** reportedly was used increasingly as a transit point for heroin and cocaine. Zimbabwean officials were concerned that Nigerian drug couriers used Zimbabwean passports to travel internationally. **Malian** couriers carried heroin to France and Germany during the year. Also in 1993, unconfirmed reporting of high-level corruption in Mali persisted, particularly relating to the trafficking of Mandrax. A **Zairean** national was arrested in France in August with a small quantity of heroin, as were three **Burundi** nationals at Rome's Fiumicino Airport in September.

The Indian Subcontinent

The drug intelligence community is concerned about the potential for diversion of **India**'s licitly produced opium. In 1993, India was the world's largest supplier of licit opium. Official Indian Government estimates show that some of this opium was diverted to illicit markets—unofficial estimates suggest that upwards of 30 percent of the crop could have been diverted (see box on next page). However, to date, no direct evidence exists of any substantial exports of Indian-produced heroin to validate these estimates. Opium poppy also was cultivated illicitly in the northeastern states of India near the India-Burma and India-Nepal borders. The drug intelligence community estimates that there may be 4,400 hectares of illicit cultivation in India, capable of producing 65 metric tons of opium.

In 1993, most heroin seizures in India consisted of locally-produced "brown sugar" heroin destined for regional consumption. Small heroin conversion laboratories may have operated near illicit opium poppy cultivation sites in Arunachal Pradesh. Pakistan-produced heroin was routed through Muslim enclaves in Bombay, Old Delhi, and other Indian cities for onward shipment to Western markets. In January 1994, for example, Bombay police seized 50 kilograms of Pakistan-produced heroin and arrested several people. Heroin continued to be moved across the border from Burma at points north of Moreh and south of Tamu. Reports continued of trafficking in heroin by neighboring Nepalese, and Nigerian heroin traffickers continued to transit the country as well.

Brown sugar heroin produced in India was smuggled into **Bangladesh** for consumption there. Southeast Asian heroin also was transited to Bangladesh from Burma, India, and Nepal. A similar situation existed in **Nepal**, with small quantities of India-produced brown sugar heroin smuggled across the porous land border for consumption by Nepalese addicts. According to the U.S. State Department, Nepal may have between 6,000 and 8,000 hard-core addicts. Southeast and Southwest Asian heroin was

India-Produced Heroin

While Pakistani and Afghan heroin represents a major threat to Europe and the United States, the consumption of India-produced heroin base mostly is limited to India and neighboring countries such as Sri Lanka and Bangladesh. Official Indian Government estimates confirm that some diversion of licitly produced opium to illicit channels takes place. The quantities of diverted opium in cases documented to date generally have been small. Nevertheless, certain trafficking patterns involving Indian heroin produced from diverted licit opium have developed and generally have remained unchanged over the last few years. In such cases, a local trafficker buys opium from a number of licensed growers in any of the areas of licit cultivation. The trafficker then stores the opium. At any particular time, he might have multikilogram quantities of opium in storage. He then converts the opium to morphine base himself or hires a specialist. The laboratories are primitive, portable setups, most of which reportedly are located within the area of licit opium poppy cultivation. Following conversion, the trafficker waits for specific orders for heroin base. Before proceeding with the conversion to heroin, the trafficker demands a payment in advance equal to one-half the price of the shipment. The final product is called "brown sugar" and usually is smoked by a local or regional addict population.

smuggled through Nepal for Western markets. In recent years, increasing numbers of Nepalese couriers have been arrested worldwide in possession of heroin. In 1993, authorities noted the presence of a number of West Africans in the country and suspected that some may have been involved in drug trafficking. Indian and Pakistani smugglers often met in Nepal to conduct drug-related transactions.

Pakistan-produced heroin occasionally was transited through **Mauritius** from Bombay. The island nation has good air and sea connections to Europe and is not considered a major drug-transit site by customs officials. Nevertheless, in 1993, authorities in Mauritius made approximately 500 arrests for heroin-related criminal activity; most arrests involved the possession of small quantities of the drug, probably for local sale or personal use.

In 1993, **Sri Lanka** was increasingly a final destination, and perhaps a transit point, for small amounts of India-produced brown sugar heroin. During the year, Sri Lankan authorities seized approximately 42 kilograms of heroin. In February and March 1993, Canadian authorities arrested Sri Lankan nationals in Nova Scotia and at Montreal's international airport in possession of heroin. Points of origin for the travelers were Bombay and Calcutta, India, suggesting that the heroin was either Pakistan- or India-produced. In December, Italian authorities arrested two ethnic Tamils associated with the Liberation Tamil Tigers Elam, a Sri Lanka-based insurgent organization, who had attempted to sell 500 grams of heroin. An additional 5 kilograms of heroin were seized in a search of the Tamils' residence. The heroin purportedly came from Southwest Asia; proceeds from its sale were to be used to support the insurgent cause.

CANNABIS

AVAILABILITY AND USE IN THE UNITED STATES

Availability, Price, and Potency

Marijuana, a Schedule I controlled substance and product of the *Cannabis sativa L.* plant, remained the most commonly used illicit drug in the United States. Two additional Schedule I controlled substances derived from the cannabis plant—hashish and hashish oil—are in limited demand in the United States. Marijuana remained readily available in the continental United States during 1993. In Hawaii, cannabis eradication efforts forced traffickers there to import large quantities of marijuana from the mainland.

Both the cannabis plant and delta-9 tetrahydrocannabinol (THC), the plant's primary psychoactive chemical, are controlled substances. Marijuana is made from the flowering tops and leaves of the plant, which are collected, trimmed, dried, and then smoked in a pipe or as a cigarette. The flowering tops, also known as colas or buds, are valued highly because of their higher THC content.

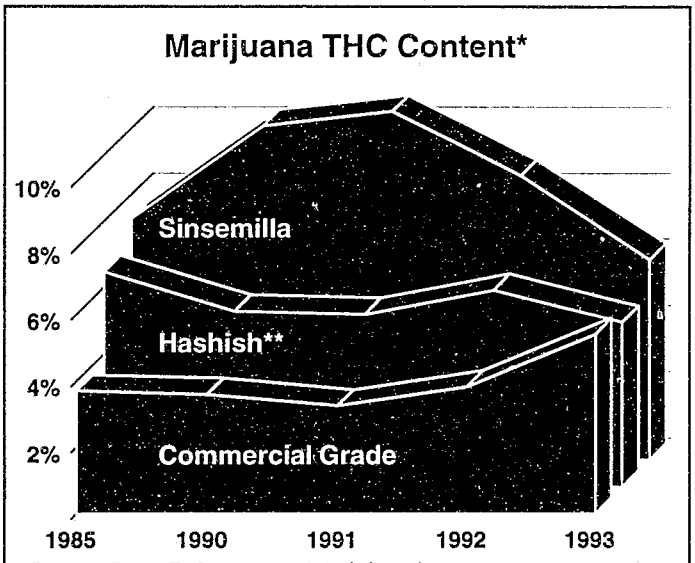
Some users hollow out commercial cigars and replace the tobacco with marijuana. On the street, these marijuana cigars are known as "blunts" and may contain as much marijuana as that of six typical marijuana joints. The smoking of blunts thus far has been limited primarily to east coast cities. Philadelphia reports the availability of "wooly blunts," cigars filled with a combination of marijuana and either PCP or cocaine.

During the early 1980's, prices for a pound of commercial grade marijuana ranged from $350 to $600. In 1993, the absolute price range ran from $300 to $3,500, though marijuana typically sold for $600 per pound. The cost of sinsemilla, the unpollinated female plant with an inherently higher THC content, ranged from $1,000 to $2,000 per pound over a decade ago. In 1993, the price ranged from $1,000 to $9,500 per pound, though the sale price typically did not fall below $1,500 per pound.

During the late 1970's and early 1980's, the THC content of commercial grade marijuana averaged under 2 percent. By comparison, the average in 1993 was 5.43 percent. The average THC content of sinsemilla in 1993 was 6.03

U.S. Marijuana Prices

Commercial Grade	1990	1991	1992	1993
Wholesale (pound)	$250-$3,000	$400-$3,000	$300-$3,000	$300-$5,000
Retail (ounce)	$25-$300	$40-$550	$40-$450	$25-$450
Sinsemilla				
Wholesale (pound)	$400-$4,100	$500-$6,000	$650-$9,600	$1,000-$9,500
Retail (ounce)	$80-$350	$100-$450	$125-$650	$75-$1,000



Source: Drug Enforcement Administration

* Potency data are derived from the cannabis potency monitoring project conducted at the University of Mississippi. The samples analyzed under this program are derived primarily from DEA seizures: marijuana seizures in excess of 75 grams and all hashish or hashish oil seizures regardless of weight are submitted. State and local law enforcement seizures are submitted on a voluntary basis and not collected systematically. Most State and local submissions result from eradication operation seizures; 87 percent of the samples came from 12 states. It should be noted that increased numbers of ditchweed samples could mask an actually higher THC content now found in most marijuana on the street.

**Hashish users represent a very small percentage of the cannabis user population in the United States. This is due both to a general preference for domestically-produced, high-THC content marijuana and a general unfamiliarity with hashish. When encountered in the United States, retail prices for hashish averaged $1,000 to $2,500 per pound, $80 to $1,200 per ounce, and $6 to $20 per gram. Hashish reportedly was selling for as high as $6,000 per pound in New Hampshire due to extremely limited availability. Hashish oil sold for $35 to $55 per gram and $2,500 to $4,000 per pound; the THC content of hashish oil averaged 16.6 percent.

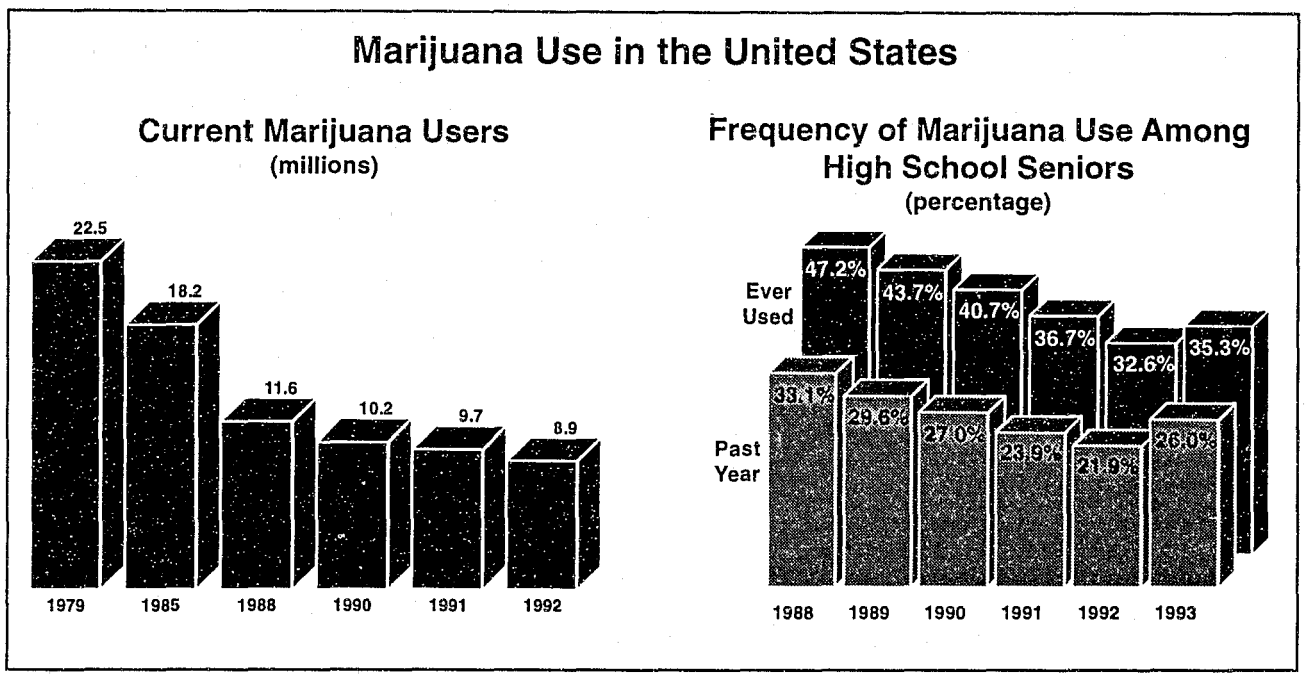
percent, down from 10.53 and 8.57 percent for 1991 and 1992 respectively. However, during 1993, some marijuana seized in Copper Center, Alaska, contained a concentration of 29.86 percent THC. High-potency marijuana referred to as "skunk," "skunkweed," or "nederweed," also was available in the Netherlands and in Latin America with a THC content over 20 percent. Similarly named hashish products had a THC content nearing 40 percent.

Use

Approximately 67.5 million Americans are reported to have tried marijuana at least once in their lifetime, and 17.4 million used marijuana at least once in the past year, according to the *1992 National Household Survey on Drug Abuse*, the most recent survey available. Of past-year users, 5.16 million used marijuana once a week or more. Current use of marijuana, defined as any use during the past month, has been steadily declining from the 1979 peak of 22.5 million. In 1992, there were 8.6 million current users, the lowest number since 1972.

In 1993, marijuana use increased among high school seniors. According to the *1993 National High School Senior Survey*, 35.3 percent of respondents claimed to have used marijuana, up from 32.6 percent in 1992. Annual use also rose from 21.9 percent of respondents in 1992 to 26 percent in 1993. Current use increased to 15.5 percent from 11.9 percent. Marijuana use among eighth graders also increased. In 1993, 12.6 percent of respondents admitted to lifetime use compared to 11.2 percent in 1992; annual use rose from 7.2 percent to 9.2 percent.

The upward trends in marijuana use among 12th and 8th graders are discouraging. Within the context of marijuana's widespread availability and the perception that its abuse causes minimal harm, the increase of reported use among eighth graders was especially troubling. The newest trend in marijuana use, the smoking of blunts, appears to be confined to younger users and may be responsible for the rise in marijuana abuse indicators among this age group.



Cultivation

Domestic cultivation trends of significance in 1993 included efforts to enhance the potency of marijuana through selective breeding and cloning of high- potency cannabis cultivars. Because of user preference for sinsemilla marijuana (the unpollinated flowering tops and buds of the female cannabis plant) with its inherently higher THC content, indoor cultivators frequently practiced plant differentiation at the flowering stage to isolate female plants for sinsemilla production.

Rates of vegetative growth and maturation were enhanced by special fertilizers, plant hormones, steroids, insecticides, and irrigation techniques. Frequently employed by indoor cannabis cultivators were such advanced agronomic practices as hydroponics, automatic metering of light and fertilizers, and the provision of an atmosphere enriched with carbon dioxide.

The trend toward indoor marijuana production continued in the United States, spurred primarily by ongoing, successful law enforcement efforts to curtail outdoor cultivation, but also because indoor growing provides a controlled environment conducive to the production of valuable, high-potency sinsemilla plants. According to DEA reporting, a healthy indoor-grown sinsemilla plant can produce up to a pound of high-THC content marijuana. Indoor cultivation permits year-round production in a variety of settings: from a handful of plants grown in a closet to elaborate, specially constructed (sometimes underground) greenhouses containing thousands of plants.

Production

Mexico accounted for most of the foreign marijuana available in the United States during 1993. However, law enforcement officers noted a continued increase in Colombian, Venezuelan, and possibly Jamaican marijuana shipments to the United States.

It is very difficult to estimate the amount of marijuana actually produced in the United States in 1993 as there are no national surveys conducted of outdoor cannabis cultivation. In 1992, there was an estimated gross 6,000 to 6,500 metric tons cultivated (does not include low-potency wild ditchweed plants). However, this figure is considered to be inexact. Approximately 1,840.2 metric tons representing 4.04 million cultivated plants were eradicated in 1993. Domestic seizures of cannabis and marijuana totalled 394 metric tons compared to 347 metric tons in 1992. Many of the cannabis plants eradicated during 1993 were sinsemilla plants.

Eradication

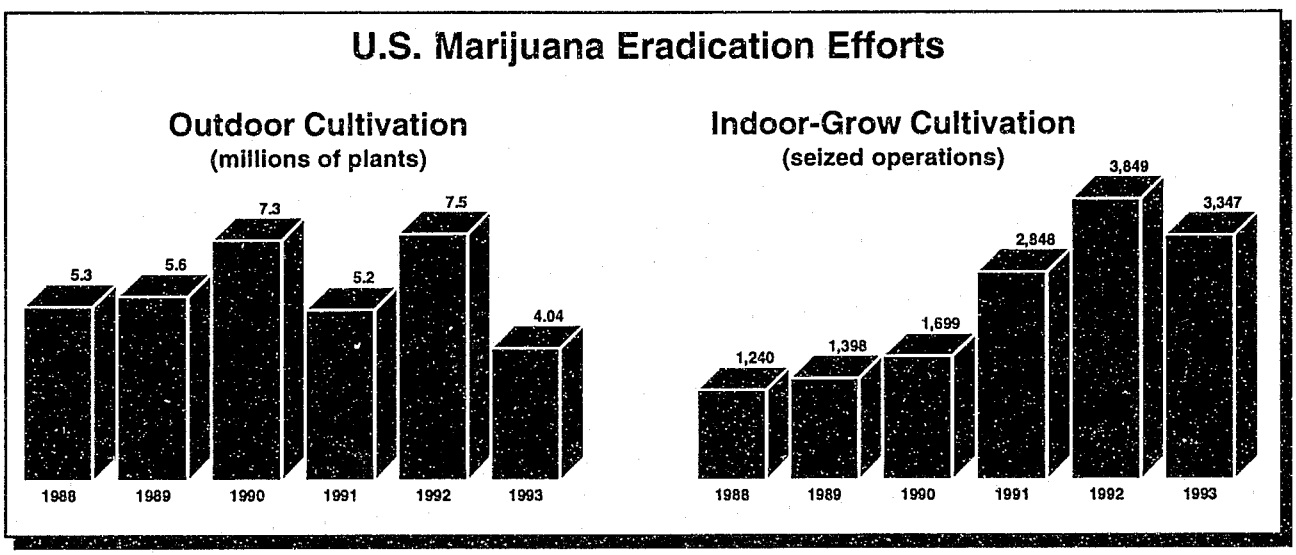
As in the past, growers most frequently planted cannabis in remote areas, often camouflaging it in surrounding vegetation. Major outdoor cannabis cultivation took place in California, Hawaii, Illinois, Kentucky, and Tennessee. Growers also planted cannabis in suburban and rural gardens, interspersed with legitimate crops.

In 1993, DEA sponsored the 14th annual Domestic Cannabis Eradication and Suppression Program (DCE/SP) in conjunction with Federal, State, and local law enforcement authorities in all 50 states. The National Guard and Civil Air Patrol also participated. The U.S. Fish and Wildlife Service, National Park Service, and Bureau of Indian Affairs conducted programs to combat cannabis cultivation on public lands. The DCE/SP resulted in the eradication of 4.04 million outdoor cultivated cannabis plants, 387.9 million low-potency ditchweed plants, the arrest of 12,397 violators, and the seizure of 6,062 weapons. Moreover, 290,000 cannabis plants grown indoors were seized in 1993.

In recent years, the DCE/SP has placed increasing emphasis on the investigation and prosecution of major domestic cannabis cultivators and marijuana trafficking organizations. The net result during 1993 was the forfeiture of assets valued at over $52 million, more than five times the amount seized in 1988 ($9.8 million), but 25 percent below the value of assets seized in 1992 ($69.3 million).

The success of Hawaii's Operation WIPEOUT continued to be one of the DCE/SP's major accomplishments. In 1993, Operation WIPEOUT teams conducted periodic aerial surveillance, locating and eradicating 85 to 90 percent of the state's cannabis crop. Law enforcement authorities were assisted by troops from the U.S. Pacific Command. Because of Operation WIPEOUT's effectiveness, mainland smugglers reportedly had to haul marijuana to Hawaii to meet local demand. Shortages and importation costs drove marijuana prices up in Hawaii, with sinsemilla prices reaching $9,500 per pound in 1993.

In 1993, drug law enforcement officials seized 3,347 indoor grow operations, down from 3,849 seized in 1992. Indoor cultivation sites were seized in all 50 states, though operations in California, Florida, Illinois, Oregon, and Washington accounted for 40 percent of the indoor cultivation sites seized nationwide. Indoor growing operations cultivated 87 plants on average.



GLOBAL DEVELOPMENTS

LATIN AMERICA

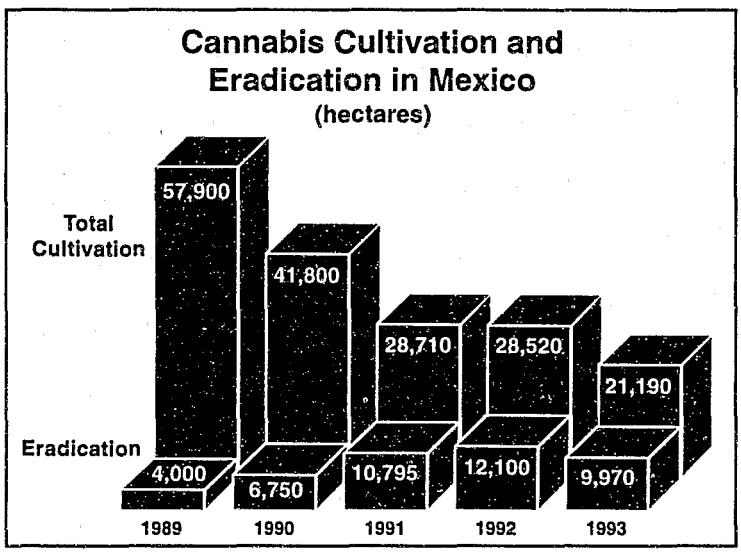
Mexico

Mexico was the leading foreign source of marijuana imported to the United States. In 1993, Mexico's net cannabis cultivation was estimated at 11,220 hectares, a significant decrease from previous years. The cultivation decline was attributed to unfavorable weather conditions and continued intensive eradication efforts by Mexican authorities. In 1993, the Mexican Government eradicated almost 10,000 hectares of cannabis and seized nearly 500 metric tons of marijuana. During the year, Mexican authorities reestablished the use of mobile checkpoints and, in the first 9 months of operation, over 61.7 metric tons of marijuana were confiscated by Mexican police.

MARIJUANA PRODUCTION ESTIMATES (Selected Foreign Areas of Cultivation)

		Net Cultivation (hectares)	Net Production (metric tons)
Belize	1992	54	50
	1993	49	49
Colombia	1992	2,000	1,650
	1993	5,000	4,125
Jamaica	1992	389	263
	1993	744	502
Mexico	1992	16,420	7,795
	1993	11,220	6280

Cannabis is grown throughout Mexico with the heaviest concentrations occurring in the western states of Sinaloa, Nayarit, Michoacan, Sonora, Jalisco, Oaxaca, Durango, and the eastern states of Guanajuato and Nuevo Leon. The eastern state of Veracruz also emerged as an area of significant cultivation. While most marijuana produced is commercial grade, sinsemilla has been cultivated increasingly. With the exception of regions with high elevation, cannabis typically is cultivated throughout the year in Mexico.



Cannabis is cultivated primarily by subsistence farmers who rely on it as their only cash crop. Cannabis plants often are intermingled with corn, beans, and other legitimate crops. Some traffickers have introduced advanced agricultural technology to farmers, teaching them how to avoid or nullify the effects of aerial eradication. These same traffickers controlled the processing of the cannabis and transportation of the marijuana.

In 1993, Mexican marijuana was smuggled into the United States, predominantly by vehicle and, to a far lesser extent, by private aircraft.

Over the past several years, smuggling by private aircraft has declined dramatically. The reduction stems from the success of U.S. air interdiction efforts along the Southwest border, as well as the relative ease of overland smuggling. In one notable 1993 incident, Mexican smugglers attempted to move nearly 2 metric tons of marijuana on an otherwise empty bus by disguising the packages to look like passengers. The marijuana packages were wrapped in clothes and blankets and topped with hats.

Colombia

Colombian marijuana reemerged in the U.S. market during 1993. Once the primary source country for marijuana sold in the United States, Colombia's cannabis cultivation and marijuana production dropped off in the late 1980's. However, marijuana trafficking appears to have revived. In 1993, Colombian police reported seizing 549 metric tons of marijuana, including 35 metric tons in January near Fonseca, La Guajira Department. In December, police seized 4 metric tons of marijuana and arrested Euclides Enrique Coronado-Aragon, a major Colombian north coast trafficker.

Colombian authorities estimated cannabis cultivation at 5,000 hectares with most activity, including some new cultivation, centered along the southeast slopes of the Sierra Nevada Mountains and in the Serranía de Perijá Mountains along the border with Venezuela. Cultivation also appeared in Huila and Cauca Departments. Colombian traffickers also processed and distributed Venezuela-grown marijuana. In 1993, Colombian officials eradicated 138 hectares of cannabis nationwide.

At mid-year 1993, marijuana sold for $25 to $75 per kilogram and hashish oil prices ranged from $2,600 to $7,500 per liter for the entire year. In late 1993, marijuana sold for $10 to $15 per kilogram at cultivation sites and from $20 to $70 at ports of embarkation on the Colombian north coast.

During the year, Colombian authorities seized metric-ton quantities of marijuana both at interior cultivation/production sites and on vessels off the north coast. Colombian traffickers resumed transshipment of marijuana destined for the United States through Mexico, as evidenced by an August 1993 seizure of over 4 metric tons near Tecuala, Nayarit, Mexico. Colombian marijuana also was shipped to Europe. In one 1993 case, Colombian traffickers attempted to ship 17.9 metric tons of marijuana to the Netherlands. In July, Rotterdam port authorities seized 7 metric tons of marijuana from a container shipped from Colombia. In October, the U.S. Coast Guard boarded a vessel north of Barranquilla, Colombia, en route to Antigua and discovered over 7 metric tons of marijuana.

Colombian authorities also confiscated approximately 799 kilograms of hashish and hashish oil in 1993. Reporting during the year supported the contention that Colombian marijuana traffickers were considering increased production of hashish oil. In all probability, hashish and hashish oil are smuggled to Canada, as a major market exists for neither in the United States. The price of quality hashish oil in Canada is high and concealing the drug is considerably easier than disguising bulk amounts of marijuana.

Belize

An aggressive aerial cannabis eradication program stabilized Belize's marijuana production at 49 metric tons in 1993, compared to 50 metric tons in 1992 and 60 metric tons in 1990. Eighty-nine hectares of cannabis were eradicated during the year, leaving an estimated net cultivation of 49 hectares in 1993. As a consequence of the eradication program, growers concealed their cannabis under vegetation and intermingled it within food crops. Police interdiction efforts resulted in the seizure of 93 metric tons of marijuana.

Brazil

Brazil was a major producer of marijuana, most of which was consumed locally. Illegal cultivation of cannabis was confirmed in most of its 26 states and in the Federal District of Brasilia. The highest production took place in the northeastern states of Bahia and Pernambuco. Marijuana production and trafficking usually were controlled by Brazilian nationals, but unconfirmed reports suggested the involvement of foreign nationals in support activities associated with the trafficking.

Jamaica

Of the estimated 1,200 hectares of cannabis cultivated in Jamaica, 456 were eradicated by the government in 1993. During the year, the Jamaican Defense Force and the Jamaican Constabulary seized 75 metric tons of marijuana compared to 35 metric tons in 1992.

Since the successful introduction of a cannabis eradication campaign in 1987, farmers virtually ceased large-scale cultivation (5 to 50 acre plots). In 1993, most cannabis was grown in plots of 1 acre or less. Moreover, in recent years, cultivation has shifted from the more accessible wetlands of western and central Jamaica to remote sites in the highlands, including the Blue Mountains of eastern Jamaica. In an attempt to conceal cultivation and evade helicopter-borne eradication operations, cannabis plots were kept along the base of steep, narrow ravines.

Jamaican marijuana traffickers used pleasure boats with concealed storage areas to transport relatively small quantities of marijuana to the United States. Commercial fishing and containerized cargo vessels were used to transport larger shipments. Couriers, concealing 2 kilograms of marijuana, were stopped routinely at Jamaica's international airport as they attempted to board U.S.-bound flights. In May and June 1993, U.S. Customs detained several U.S. naturalized citizens who, on arriving on a flight from Jamaica, were found to have ingested pellets containing marijuana. In September, Jamaican police confiscated over 500 kilograms of marijuana from an aircraft at Ken Jones Airport.

Hashish oil available in the United States came principally from Jamaica and was normally sold in gram quantities in order to maximize profits. In 1993, New Zealand authorities seized 252 kilograms of hashish oil concealed in an air cargo shipment of purported handsoap that was believed to be destined for the United States.

Southeast Asia

In the late 1980's, Southeast Asia emerged as a major exporter of marijuana to the United States. Most of the marijuana for the U.S. market came from **Thailand, Laos**, and, to a lesser extent, **Cambodia**. Australia, Burma, Indonesia, Malaysia, **Vietnam**, and certain Pacific island nations also produced marijuana; however, the scope of cannabis cultivation in, and marijuana exportation from, these countries remains largely unknown. Current evidence suggests, however, that the **Philippines** has become a major source of marijuana for Australian, Japanese, and U.S. consumers. In 1993, despite intensified eradication campaigns, cannabis cultivation and marijuana/hashish production continued to expand in the Philippines. During the year, authorities destroyed over 200 metric tons of marijuana in a series of raids conducted in Benguet and Davao del Sur Provinces.

Since 1988, there has been a shift in Southeast Asian regional marijuana trafficking patterns, accompanied by changes in cultivation, processing, storage, transportation, and routing. Trafficking began in cultivation areas in northern Southeast Asia to staging points along Thailand's southern coast, western Cambodia, and the coast of Vietnam. Trucks transported the marijuana to ports of embarkation where it was loaded onto trawlers, transported to oceangoing vessels in the Gulf of Thailand, and ultimately carried to the United States. American traffickers dominated the latter leg of the route. Other nationalities engaged in the trafficking included Australians, British, Canadians, Chinese from Hong Kong and Taiwan, Germans, and Thais. Well over $200 million in assets have been seized from American marijuana smugglers alone.

Accurate cannabis eradication figures for Asia are not available for 1993. Seizures and intelligence reflect continued availability of Southeast Asian marijuana in the United States and Australia. For example, in late November, police in Papua New Guinea, seized 130 kilograms of marijuana en route to Australia. Prices for Southeast Asian marijuana varied depending upon the form, the market, and the quality. In addition to marijuana, growers have produced commercial quantities of hashish for export to other countries.

Hashish Production

The United States does not constitute a large market for hashish, which was produced principally in the Middle East (Lebanon), Southwest Asia (Afghanistan and Pakistan), Central Asia, and North Africa (Morocco) in 1993. Canada, however, is a major market. In August 1993, for example, Canadian authorities seized 30 metric tons of hashish in Port Sorel, Quebec. The drug was concealed in a special compartment of a ship to which the drug had been transferred from a mothership operating out of Pakistan. From time to time, large hashish shipments may be intercepted in U.S. waters or may pass through the United States on the way to Canada.

CHEMICALS, DIVERSION, AND DANGEROUS DRUGS

THE CHEMICAL DIVERSION AND TRAFFICKING ACT OF 1988

The Chemical Diversion and Trafficking Act of 1988 (CDTA) was signed into law in November 1988. It placed the distribution of 12 precursor and 8 essential chemicals used in the production of illicit drugs, as well as the distribution of tableting and encapsulating machines, under Federal control. In recent years, additional chemicals have been added to the CDTA, bringing the total number of listed essential and precursor chemicals to 32.

The CDTA requires that all firms that handle these "regulated chemicals" maintain readily retrievable receipt and distribution records and makes the reporting of suspicious orders mandatory. The firms also must notify DEA 15 days prior to importing or exporting regulated chemicals that exceed a threshold amount. The law grants DEA the authority to detain or seize—in the United States—any chemical shipment that it suspects is meant for illicit use.

Government actions pursuant to the CDTA have included an extensive effort to identify and to educate U.S. chemical firms on all aspects of the law. The U.S. Government has elicited industry cooperation to ensure that all domestic transactions involving listed chemicals are for legitimate business or industrial purposes. The U.S. Government also has taken appropriate legal action against firms that have continued to act as suppliers to the illicit drug trade.

The CDTA and related initiatives have made the diversion of chemicals more difficult and have led directly to a decrease in the number of clandestine drug producing laboratories operating in the United States. Since the inception of the CDTA, the number of clandestine laboratory seizures in the United States has decreased from a high of 807 in 1989 to 270 in 1993, a drop of almost 67 percent. The only major exception to this U.S. trend is the significant number of clandestine methamphetamine laboratories encountered by California State authorities that are not reflected in DEA clandestine laboratory

Chemicals Subject to Federal Legislation

In 1988, with the objective of curtailing and preventing abuse and trafficking in dangerous drugs through elimination of precursor and essential chemical diversion, the U.S. Congress enacted the Chemical Diversion and Trafficking Act (CDTA). Subsequent modifications, including the Domestic Chemical Diversion Control Act of 1993 (DCDCA) subject, in threshold amounts, the following listed chemicals and their esters, salts, optical isomers and salts of optical isomers to Federal record-keeping and reporting requirements.

LIST I Chemicals			LIST II Chemicals
• Anthranilic acid	• Phenylpropanolamine	• Isosafrole	• Acetic anhydride
• Benzyl cyanide	• Piperidine	• Safrole	• Acetone
• Ephedrine	• Pseudoephedrine	• Piperonal	• Benzyl chloride
• Ergonovine	• 3,4-Methylenedioxy phenyl-2-propanone	• N-methylephedrine	• Ethyl ether
• Ergotamine	• Methylamine	• N-methylpseudoephedrine	• Potassium Permanganate
• N-Acetylanthranilic acid	• Ethylamine	• Hydriodic acid	• 2-Butanone (MEK or Methyl Ethyl Ketone)
• Norpsuedoephedrine	• Propionic anhydride	• Benzaldehyde	• Toluene
• Phenylacetic acid		• Nitroerthane	• Hydrochloric acid*
			• Sulfuric acid*

* Hydrochloric acid and sulfuric acid are subject to regulation only when exported to Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guiana, Guyana, Panama, Paraguay, Peru, Suriname, Uruguay, and Venezuela.

Source: Listed chemicals subject to records and reports, as of April 1994, 21 U.S.C. Sections 802, 830, 871 (b)/21 CFR Ch. II, Part 1310.

seizure reports. These laboratories largely are financed and operated by organized Mexican polydrug groups.

The Domestic Chemical Diversion Control Act of 1993 (DCDCA) became effective April 16, 1994. The DCDCA establishes a registration system for distributors, importers, and exporters of listed chemicals that are subject to diversion in the United States. The DCDCA also removes ephedrine products from an exempt status and grants DEA authority to remove exemptions from any other drug products that are diverted for use in the illicit production of controlled drugs.

The major impetus of the CDTA on the international level has been to ensure that the United States imports only those quantities of chemicals required for legitimate needs, and that the United States does not export chemicals used in foreign countries for illicit drug production. Exports of chemicals to cocaine producing countries by U.S. firms have been reduced by a substantial margin. This has been accomplished, in part, by DEA investigations, which have led to the denial of "regular customer status" to a significant number of Latin American companies, as well as more than 35 suspensions of proposed exports.

Unfortunately, it appears that the European chemical industry is filling the void created by the decline in U.S. exports, as South American clandestine laboratory operators have turned to those sources for their chemicals. European exports of essential chemicals rose between 1988 and 1993, outpacing U.S. exports by 3 to 1.

DEA has provided support to the International Narcotics Control Board for the development of an international clearinghouse on chemical shipments. DEA also worked with the Organization of American States to adopt the Model Regulations to Control Precursors and Chemical Substances, Machines, and Materials, which was approved in April 1990. DEA also supported the addition (in April 1992) of 10 chemicals to the list of regulated chemicals under Article 12 of the 1988 United Nations Convention Against Illicit Traffic of Narcotic Drugs and Psychotropic Substances.

In 1993, the U.S. Government pursued extensive diplomatic initiatives with user and supplier nations to encourage the enactment of stringent chemical control legislation where none was in place, and to encourage more vigorous enforcement of the import restrictions in effect in several Latin American countries. Training programs and on-site assistance for the establishment of chemical monitoring units were provided by DEA to a number of foreign governments.

DIVERSION OF LEGITIMATELY MANUFACTURED CONTROLLED SUBSTANCES

Diversion and abuse of legitimately manufactured controlled substances was a major source of drug-related addictions or dependencies, medical emergencies, and deaths. Several controlled substances were abused. Among the most addictive were fentanyl, hydromorphone, hydrocodene, and oxycodone (all Schedule II drugs). Drugs were diverted through illegal prescribing and dispensing, "doctor shopping," fraudulent prescriptions, and theft from legitimate channels. Some were diverted from foreign sources.

There were 889,601 firms and individuals (registrants) in the United States authorized by DEA to handle controlled substances as of March 1994. Registrant numbers grow by 2 to 3 percent annually.

Over the past few years, Drug Abuse Warning Network (DAWN) statistics suggest that one in three drug-related emergency room visits involved licitly manufactured substances. Abuse occurs in four ways: as the primary drug of choice, as a supplement to illicit drugs, as a substitute for illicit drugs, and as a potentiator of legitimate drugs, i.e. Xanax® and methadone. Most diversion of legitimately produced drugs now occurs at the retail rather than the wholesale level.

Steroids

Under DEA leadership, Federal law enforcement agencies enforced the Anabolic Steroids Control Act of 1990, the provisions of which became effective on February 27, 1991. In 1993, DEA implemented major initiatives including regulatory, enforcement, and demand reduction programs, as well as liaison with appropriate state and industry representatives to ensure that the pharmaceutical industry developed appropriate control procedures to eliminate the diversion of steroids. Suppliers who engaged in questionable activities were subject to regulatory or criminal actions when illegal activities were documented. DEA denied registration to suppliers who did not meet stringent security and record-keeping requirements. Legitimate imports of anabolic steroids were controlled and monitored. Anabolic steroids increasingly were smuggled into the United States due to diversions from Mexico and Europe, major sources for steroids.

DEA also supported state and local regulatory and enforcement agencies in their efforts to curtail diversion and trafficking of steroids at the local level through assistance with legislative initiatives, technical expertise, and policy interpretation and direction.

Benzodiazepines

In addition to steroids, depressants often were diverted to illicit use. Depressants include sedatives/hypnotics, tranquilizers, and anti-anxiety drugs. These substances depress the central nervous system, producing a calming effect or sleep and are prescribed often as tranquilizers. Effects are similar to those of alcohol: relaxation, lack of concentration, loss of inhibitions, drowsiness, slurred speech, confusion, staggering, and sleep. Overdose can lead to respiratory failure and death.

All DEA field divisions noted the diversion of benzodiazepines, particularly alprazolam (Xanax®) and diazepam (Valium®), as a significant problem. The most frequently abused benzodiazepines were diazepam, alprazolam, lorazepam, triazolam, chlordiazepoxide, flurazepam, and temazepam. During the year, benzodiazepines were readily available through traditional medical avenues due to the prevalence with which they were prescribed for "anxiety" and "panic disorders." They also were sought frequently by crack cocaine users to mitigate the effects of cocaine dependence such as paranoia, panic, and anxiety. Further, diazepam is being imported illegally under the guise of a Chinese herbal preparation known as "black pearls."

Legitimately Produced Narcotics (retail prices)				
	1990	1991	1992	1993
Codeine/ Glutethimide (set)	$7-$17	$6.50-$14	$6.50-$14	$6.50-$14
Hydromorphone (Dilaudid) (4 mg)	$20-$60	$15-$68	$15-$80	$15-$70
Pentazocine/ Tripelennamine (set)	$8-$20	$7.50-$20	$7.50-$20	$7.50-$20

Narcotics/Analgesics and Heroin Substitutes/Supplements

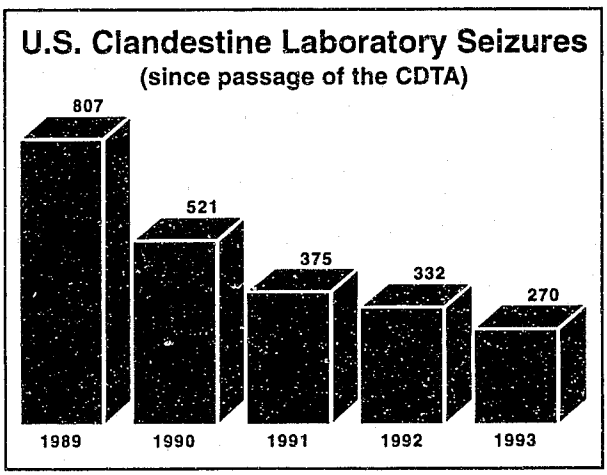
Pharmaceutical products containing narcotics are a significant part of the illicit drug trafficking environment in the United States. These drugs are used alone or in combination, both as substitutes for and as supplements to heroin. They were primary drugs of choice during the year for a substantial portion of the narcotic addict population in the United States. Frequently used pharmaceutical opiates included oxycodone (Percodan®), hydromorphone (Dilaudid®), hydrocodone (Tussionex® and Vicodin®), pentazocine (Talwin®), and codeine combinations such as Tylenol® with Codeine and Empirin® with Codeine. Methadone, which is issued to clients of narcotic treatment programs, was sold on the street or exchanged for heroin, cocaine, or other controlled substances.

ILLICITLY MANUFACTURED DANGEROUS DRUGS

DEA uses the term "dangerous drugs" to refer to broad categories or classes of controlled substances other than cocaine, opiates, and cannabis products. The list of dangerous drugs includes illicitly manufactured as well as legitimate pharmaceutical stimulants, depressants, hallucinogens, and narcotics. Each class of substance generally is unlike other classes in its primary action and effect on the user.

Clandestine Laboratories

Domestic clandestine laboratories produce most of the illicit dangerous drugs available in the United States. Clandestine laboratories come in all sizes and are found in a variety of locations, from sophisticated underground hideaways to motel rooms, kitchens, bathrooms, or garages. The most productive laboratories often are located in secluded, rural areas at a safe distance from the metropolitan markets that they serve. Laboratory operators run the gamut from high school dropouts to chemists with doctoral degrees.



Clandestine Laboratory Seizures by Selected Drug Type

Drug Type	1988	1989	1990	1991	1992	1993
Methamphetamine	629	652	429	315	288	218
PCP	21	11	11	3	4	6
Amphetamine	90	93	51	20	12	12
P2P	11	33	17	7	3	1
Cocaine	8	1	4	4	4	1
Methaqualone	5	5	1	1	1	0
Methcathinone	--	--	--	5	6	22
Other	20	12	8	25	20	10
Total Seizures	784	807	521	375	332	270

Clandestine laboratories commonly are operated on an irregular basis. Operators often produce a "batch" of a drug, then disassemble, store, or move their laboratories while they acquire additional chemicals. They sometimes travel great distances to obtain chemicals and equipment in an attempt to evade law enforcement scrutiny. Clandestine laboratory operators frequently are well-armed; weapons, including explosives, routinely are confiscated in raids on clandestine laboratories. Operators usually dispose of hazardous chemical wastes unsafely and illegally, often dumping them on the ground or in nearby streams and lakes, or pouring them into the local sewage system.

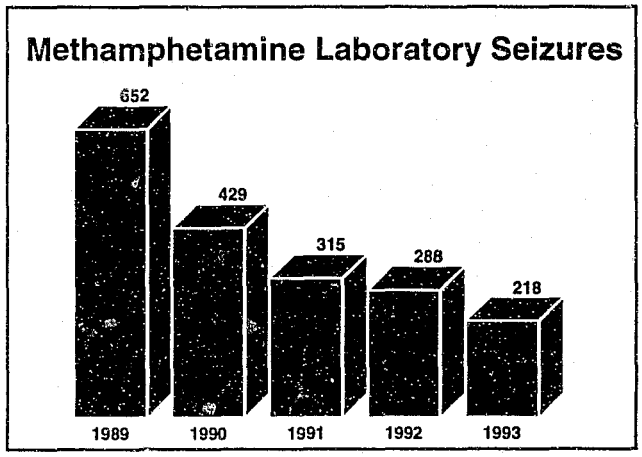
In 1993, a total of 270 clandestine laboratories, including methcathinone laboratories, were seized, compared to 332 in 1992 and 375 in 1991. As noted above, this decrease was due primarily to the enactment and enforcement of the CDTA and related state legislation. As in previous years, methamphetamine was the most prevalent clandestinely manufactured drug in the United States.

Stimulants

Stimulants encompass drugs that excite the central nervous system. They have an effect similar to the body's own adrenaline or epinephrine and are used licitly in the treatment of narcolepsy, hyperkinetic disorders, and obesity. Stimulants cause agitation, argumentativeness, decreased appetite, excessive activity, euphoria, increased wakefulness, raised pulse rate and blood pressure, and hallucinations.

Methamphetamine:
Methamphetamine has been the most prevalent clandestinely produced controlled substance in the United States since 1979, though the number of methamphetamine laboratory seizures has declined each year since 1989. There were 629 seizures of methamphetamine laboratories in 1988, 652 reported in 1989, 429 in 1990, 315 in 1991, 288 in 1992, and 218 in 1993. Nonetheless, methamphetamine laboratories accounted for more than 81 percent of all clandestine laboratory seizures during the year.

As in previous years, the clandestine manufacture of methamphetamine was based primarily in the West and Southwest. In 1993, DEA Dallas, Denver, Los Angeles, New Orleans, Phoenix, Saint Louis, San Diego, and



San Francisco Divisions accounted for about 85 percent of methamphetamine laboratory seizures nationwide.

The ephedrine reduction process, a relatively simple methamphetamine production method, was the primary method employed for manufacturing methamphetamine. This process, once noted almost exclusively in southern California, was widespread throughout much of the United States. The ephedrine reduction process results in a final product known as *d*-methamphetamine hydrochloride. Prior to the popularity of the ephedrine reduction method, the phenyl-2-propanone (P2P) process was the most commonly used method for making methamphetamine. This method produces a racemic mixture known as *dl*-methamphetamine hydrochloride. Some laboratory operators continued to use the P2P method during the year.

In 1993, legislation enacted in California helped to create shortages of hydriodic acid, used by traffickers in California for methamphetamine production. California's strict controls require a waiting period for purchase of hydriodic acid, forcing methamphetamine producers to purchase bulk quantities out of state or manufacture the acid themselves. One individual arrested in Nevada in February 1994 was selling hydriodic acid, which normally retails for $120 a gallon, for $$45 per gallon. Purchases of iodine crystals—used in the production of the hydriodic acid—rose steeply. One chemical firm reported sales jumping from 161 pounds in 1992 to over 13,000 pounds through the first 9 months of 1993. In November 1993, five ethnic Vietnamese armed with submachine guns stole 10,000 pounds of hydriodic acid and ten 110-pound drums of iodine crystals from a California manufacturer.

Numerous individuals, groups, and organizations—from independent entrepreneurs and outlaw motorcycle gangs to Hispanic polydrug trafficking organizations—manufactured and distributed methamphetamine. To a lesser degree, outlaw motorcycle gangs influenced production in certain areas. In October, for example, DEA and local authorities seized an operating methamphetamine laboratory in San Bernardino, California, run by an outlaw motorcycle gang. Mexican traffickers dominated the large-scale production and distribution of methamphetamine in the San Diego, Riverside, San Bernardino, and Fresno areas of California.

Ephedrine, a precursor chemical, reportedly was moved in large quantities from Mexico. Mexican authorities seized over 2.6 metric tons of the chemical in 1993. They also seized 87 kilograms of methamphetamine and 42 kilograms of amphetamine. In October, DEA Phoenix seized 10 pounds of amphetamine that had been produced in Mexico. Also in October, U.S. Customs Service officers seized 13.7 kilograms of amphetamine from two Mexican nationals who were transporting the drug from Mexico in a concealed compartment of a vehicle.

"Ice": Ice is a large crystal form of high-purity *d*-methamphetamine hydrochloride. Ice derives its name from its appearance: large, clear, crystals that resemble chunks of ice, shards of broken glass, or rock candy. Other terms for ice include Quartz, Glass, Crystal Meth, Shabu, Kaksonjae, Hanyak, Hiropon, Batu, and Crack Meth.

Since the mid-1980's, ice methamphetamine has been smuggled from Taiwan and South Korea into Hawaii. However, it was not until the summer of 1988 that its use became relatively widespread in that state. By 1990, distribution of ice had spread to the U.S. mainland, although distribution remained limited to retail amounts in selected regions of the country. Most ice methamphetamine, which continues to be a drug of choice in Hawaii, is manufactured in clandestine laboratories located in South Korea, the Philippines, and Taiwan. Mainland China also was a major source: ice manufactured there was smuggled into Korea, Hong Kong, Japan, the Philippines, Hawaii, and the mainland United States. Chinese authorities made large seizures of the drug in 1991 and 1992, confirming the existence of illicit ice manufacturing in China.

In the Fall of 1993, a methamphetamine laboratory capable of producing large quantities of the drug was discovered in Taiwan. Police seized over 400 kilograms of semi-finished product that would have yielded over 200 kilograms of ice. Post-seizure analysis revealed that most of the drug manufactured at the laboratory had been shipped to Japan and Korea. In September, agents of the Bureau of Alcohol, Tobacco and Firearms seized an operational ice laboratory in the Los Angeles area, the first such laboratory confiscated in southern California.

Analyses of all samples of ice seized to date in the United States have shown purity levels of 90 to almost 100 percent. Ice sold for $50 to $150 per tenth of a gram, $500 to $800 per gram, $4,000 to $7,000 per ounce, and from $38,000 to $90,000 per kilogram. Although the traffic was dominated by Korean criminals, other individuals also shipped ice to Hawaii. Abusers in the United States ingest ice almost exclusively by smoking the drug in glass pipes.

Amphetamine: A total of 12 clandestine amphetamine laboratories was seized during the year, the same amount as was seized in 1992. Eight (67 percent) of the laboratories seized in 1993 were located in Texas.

Hallucinogens

Hallucinogens are psychedelic or mind-altering drugs that interfere with normal perception, sensations, comprehension, self-awareness, and emotions. Hallucinogens have no accepted medical use in the United States. These drugs induce visual hallucinations, disorientation, confusion, paranoid delusions, euphoria, anxiety, panic, and increased pulse rate.

During 1993, an off-white powder with the street name "Fantasia" appeared in California and Florida. Laboratory analysis revealed a drug with a psychoactive component similar in chemical structure to LSD.* In the Fall of 1993, DEA requested emergency scheduling of 4-Bromo-2,5-Dimethoxyphenethylamine (2C-B), a synthetic hallucinogen marketed under the name "Nexus." The drug was being distributed in or near adult bookstores and adult theaters in Florida for use as an aphrodisiac and for its hallucinogenic properties. An oral dose produces intoxication, euphoria, and hallucinations lasting up to 6 to 8 hours. The drug also is reportedly available in Georgia and California. In one investigation, information obtained suggests that some Nexus may be imported to the United States from South Africa.

LSD: Law enforcement reporting and abuse indicators show that LSD, a Schedule I controlled substance, was available in at least retail quantities throughout the United States and that availability increased in a number of states. The drug is commonly produced from lysergic acid, which is made from ergotamine tartrate, a substance derived from an ergot fungus on rye.

* LSD is an abbreviation of Lysergic acid Diethylamide. The United States Adopted Name (USAN) for this drug, established by the U.S. Pharmacopoeia and the USAN Council, is Lysergide.

Selected Dangerous Drugs Price Information				
Wholesale Prices	**1990**	**1991**	**1992**	**1993**
Methamphetamine (oz)	$500-$2,400	$500-$2,500	$300-$2,500	$400-$2,600
PCP (oz liquid)	$100-$1,000	$150-$1,000	$150-$1,000	$200-$1,500
LSD (du)*	$0.30-$3.50	$0.25-$4.00	$0.30-$5.00	$0.30-$5.00
MDMA (du)	$2-$20	$2-$20	$5-$20	$5-$20
Retail Prices	**1990**	**1991**	**1992**	**1993**
Methamphetamine (g)	$50-$150	$50-$150	$30-$200	$45-$150
PCP (1 cigarette)**	$5-$70	$5-$70	$5-$70	$5-$70
LSD (du)	$1-$10	$1-$15	$1-$15	$1-$10
MDMA (du)	$5-$30	$7.50-$45	$10-$30	$8-$30

* Dosage Unit.
**A full-length cigarette saturated with PCP and sold in Los Angeles.

The drug's relatively inexpensive cost (from $1 to $10 per dosage unit or hit, and often selling for as little as $1 or less in wholesale lots), ready availability, and intriguing blotter acid designs make LSD especially attractive to junior and senior high school populations, which use it primarily as a weekend recreational drug. LSD is sold under more than 80 street names including acid, blotter, cid, doses, and trips.

LSD is made in clandestine laboratories, the locations of which are unknown. Initial distribution sources for the drug are located virtually always in the San Francisco Bay area in northern California. Pure, high-potency LSD* is produced in crystalline form and then mixed with excipients or diluted as a liquid for production as ingestible forms. LSD has been sold in tablet form (usually small tablets known as microdots), as thin squares of gelatin commonly referred to as window pane, and even on sugar cubes. Blotter acid—LSD's most popular form—is sold as sheets of paper (often with printed designs) that have been soaked with LSD.

* The purity of LSD from a clandestine laboratory is typically 95 to 100 percent.

Beginning in 1978, the potency of this hallucinogen generally has varied in strength from 20 to 80 micrograms per dosage unit, considerably below that encountered during the late 1960's. At that time, users were ingesting LSD that ranged in concentration from 100 to 300 micrograms or higher, which often resulted in harmful reactions known as "bad trips." Lower potency doses probably have accounted for the relatively few LSD-related hospital emergency room incidents noted during the past several years.

At the wholesale production and distribution level, LSD is controlled tightly by California-based "syndicates," which have operated with relative impunity for almost 20 years. The last seizure by DEA of an operating LSD manufacturing laboratory in the United States occurred in 1981 in Bellevue, Washington. That laboratory made LSD tablets known as "Orange Sunshine."

LSD producers fall into two categories. The first is composed of chemists and distributors, located primarily in northern California, who work together in close association; they typically are major manufacturers capable of distributing

LSD nationwide. The second type of producer works independently. Some individuals will produce LSD intended for local consumption only.

Lower-level distribution of LSD usually occurs in three ways. First, an individual attends a rock concert, meets a source of supply, and exchanges telephone numbers with the source of supply. Normally, these purchases are for quantities of up to 100 doses. Second, if this individual decides to continue distributing, he/she would then call the source for additional amounts. Usually, the source has either continued on the concert tour or has returned home, which is frequently in northern California. If the source intends to stay on the tour—making subsequent communication difficult—the source provides the telephone number of an associate for future orders. After the initial purchase, almost all transactions are made via public and private mail systems. Payments to a source of supply usually are made through legitimate money-wiring services. Third, some dealers travel directly to California to meet their sources of supply.

Reporting indicates that shipment methods used to transport both large and small quantities of LSD often are similar. LSD frequently is concealed in greeting cards, in cassette tapes, or in articles of clothing that are mailed to a post office box established by the recipient. This post office box usually is listed under a fictitious name or business. Normally, no return address is provided on the package or envelope.

Traditionally, retail-level LSD distribution networks in the United States have been comprised of young adults who have known each other through long association and common interests. This has facilitated not only hand-to-hand sales of the drug, but a proliferation of mail order sales.

Retail or user level quantities range from 1- to 10-dosage units. Low-level distributors sell 50- to 100-dosage unit quantities. Mid-level distributors sell 1,000-dosage unit quantities as well as multiples of 1,000 units. These distributors normally have more than one source of supply and sell to several lower-level dealers. The sources of supply for gram-distributors are in all likelihood located in northern California. These sources normally convert LSD from powder or liquid form to blotter form. Multigram distributors travel to California to obtain LSD personally and are in association with numerous lower-level dealers.

Phencyclidine: Phencyclidine, commonly known as PCP, is a clandestinely manufactured hallucinogen that appears to be regaining popularity among drug users as the crack cocaine epidemic levels off. The chemicals needed to manufacture PCP are readily available, inexpensive, and little formal chemical knowledge or laboratory equipment is required to produce the drug. Manufacturing and wholesale trafficking are controlled by a limited number of groups based in Los Angeles that recognize the potential of turning a minimum investment into large profits. The drug is sold primarily in suburban neighborhoods.

PCP was developed in 1957 as a human anesthetic. Its use for humans was discontinued in 1965 because of its adverse side effects of confusion and delirium. It continued to be used in veterinary medicine as a large primate anesthetic for a few more years, but that use also has been discontinued. In 1978, commercial manufacture of PCP was discontinued, though small amounts are still legally manufactured as a drug standard and for research purposes. Since 1978, clandestine laboratories have been virtually the sole street source of PCP available in the United States.

PCP enjoyed a brief popularity in the United States in the late 1960's, and again from the middle to late 1970's. In 1978, PCP was transferred from Schedule III to Schedule II of the Controlled Substances Act, thus classifying it as a drug with a high potential for abuse. From 1981 through 1985, abuse of the drug escalated significantly, particularly among persons under the age of 21. Circa 1986, and continuing

through the late 1980's and early 1990's, demand for PCP was displaced in large measure by the widespread availability and use of crack cocaine. More recently, however, there are indications that PCP abuse is increasing once again in a number of cities, including Baltimore, Boston, Chicago, Los Angeles, New Orleans, New York City, San Francisco, Saint Louis, and Washington, D.C.

Los Angeles-based street gangs manufacture and distribute—often through affiliates—most of the nation's PCP supply. Buses, trains, airlines, and private automobiles are used to transport PCP from California sources of supply to secondary source cities located across the country.

PCP has been sold under numerous street names including Angel Dust, Crystal, Hog, Supergrass, Killer Joints, Ozone, Wack, Embalming Fluid, and Rocket Fuel, all of which reflect the range of its bizarre and volatile effects. In its pure form, PCP hydrochloride is a white crystalline powder that readily dissolves in water. Most PCP contains contaminants resulting from its makeshift manufacture, causing its color to range from tan to brown and its consistency to range from a powder to a gummy mass. The liquid form of PCP is actually PCP base dissolved most often in ether, a highly flammable, extremely dangerous solvent.

PCP typically is sprayed onto marijuana, mint, oregano, parsley, or other leafy material and smoked. PCP also has been used to adulterate commercially manufactured cigarettes, usually by dipping the cigarette in liquid PCP. The most popular commercial types are Shermans, Tijuana Smalls, and other dark-paper wrapper cigarettes. PCP also can be injected into cigarettes with a syringe.

In 1993, PCP in liquid form—the most common form available in the United States—sold for $200 to $1,500 per ounce nationally. The lowest liquid ounce prices ($200 to $300) were reported in Los Angeles, the source for most of the PCP trafficked in the United States. Nationwide, the price for PCP in powdered form ranged from $500 to $1,200 per ounce. The price for a gallon of PCP during 1993 ranged from $5,000 to $10,000 in Los Angeles and was approximately $13,000 in New York City. Individual cigarettes saturated with PCP cost from $5 to $70 nationwide.

DEA seized six PCP laboratories nationwide in 1993 compared to four in 1992 and three in 1991. Authorities seized PCP laboratories in California, Georgia, Michigan, Ohio, and Pennsylvania during 1993. While the number of seized laboratories has increased over the past three years, the total number is significantly below the number of laboratories seized during the late 1970's and early 1980's. However, more than 70 PCP-related chemical waste sites were identified in the southern California area alone during 1993, indicating that recent seizures do not represent the full extent of PCP manufacture.

3,4-Methlyenedioxymethamphetamine (MDMA): MDMA, also known as Ecstasy, XTC, Adam, E, Clarity, Essence, Doctor and several other street names, is a 3,4-methylenedioxymethamphetamine analog of amphetamine; it is related structurally and pharmacologically to methamphetamine and to 3,4-methylenedioxyamphetamine (MDA), an hallucinogen. It has been described by users, mostly college students and recent graduates, as a fast-acting drug that produces feelings of alertness, euphoria, relaxation, and emotional warmth without the resulting hyperactivity associated with stimulants.

MDMA became increasingly popular with middle-class youths and at all-night dance parties called "Raves." Dosage units of MDMA, often sold in tablets, varied from 55 to 150 milligrams. DEA seized three MDMA laboratories in 1993—one each in Boston, Detroit, and Miami—compared to nine in 1992. A large amount of the MDMA imported from foreign sources was smuggled through Mexico. Retail prices ranged from $8 to $30 per dosage unit; wholesale prices ranged from $5 to $20 per dosage unit.

There was increased abuse of MDMA in Europe, particularly in Great Britain, Greece, and the Netherlands. British authorities reported increased abuse of MDEA (an analog with a street name of "Eve") that is produced in clandestine laboratories in the Netherlands. MDMA abuse also was reported in Australia, generally in conjunction with attendance at all-night dance parties. In October, Japanese police—in the first seizure of the drug in that Asian nation—confiscated MDMA tablets from a student returning from the United States. MDMA also is being produced in Mexico for shipment to the United States.

The abuse potential for MDMA remains high because it is viewed by users as neither injurious nor addictive. In actuality, animal testing shows that the animals will self-administer the drug; further, the drug has been shown to be neurotoxic, strongly suggesting that it is anything but benign.

Fentanyl and fentanyl analogs: Some of the earliest analogs to become available on the street in the early 1980's were synthetic narcotics. These substances consisted of variations of the parent compounds, fentanyl (Sublimaze®) and meperidine (Demerol®). Some of the clandestinely produced analogs of fentanyl, a Schedule II synthetic analgesic, are a thousand times more potent than morphine. Because of their high potency, fentanyl analogs can be produced in relatively small quantities and still reap large profits. Because they were usually sold on the street as heroin or "China White," initial identification was not easy. Several analogs of fentanyl subsequently were controlled under Schedule I of the Controlled Substances Act.

Clandestinely produced fentanyl and fentanyl analogs also have been sold under such names as Tango and Cash, Goodfellas, Tombstone, Killer, Apache, Friend, and Great Bear. Respiratory depression is the most serious acute toxic effect resulting from ingestion of the fentanyl compounds. Because of their extreme potency in minute amounts and their ready absorption through the skin as well as the eyes, nose, eardrums, mouth, and mucous membranes, fentanyl and its analogs constitute a great hazard to human health and can easily cause death.

Between 1991 and 1992, there were at least 126 fentanyl-related deaths in the Northeast. During early 1992, there were 24 overdose deaths in the Baltimore, Maryland, area. An intensive DEA multi-divisional investigation of those deaths resulted in the seizure, in early 1993, of two clandestine fentanyl laboratories in Kansas and the arrest of several people responsible for the drug's manufacture and distribution.

Controlled Substance Analogs

In terms of the number of users and the extent of distribution, the problem of controlled substance analogs was small when compared to that of heroin, cocaine, and cannabis. Nevertheless, in those areas of the United States where controlled substance analogs were available, substantial numbers of people used them with some suffering severe adverse reactions, including death.

Methcathinone, a potent and easily manufactured stimulant, is increasingly available in parts of the United States, primarily the Midwest. It is sold under the street name "Cat," but also is known as Goob, Sniff, Stat, or Wonder Star. Outside the United States, methcathinone is reported to be a drug of abuse in the former Soviet Union where it is known synonymously as ephedrone. Clandestine production of methcathinone was first encountered in 1991 with the seizure of five laboratory sites in Michigan's Upper Peninsula. Since 1991, methcathinone manufacturing and distribution sites have been documented in Colorado, Illinois, Indiana, Michigan, Missouri, Washington, and Wisconsin. In 1993, DEA Chicago, Detroit, and Denver Divisions seized 22 methcathinone laboratories compared to 6 seized in 1992 and 5 in 1991.

Methcathinone is distributed as a powder and primarily administered via nasal inhalation in dosage units of less than a gram, as well as by injection, oral ingestion, or laced in marijuana and smoked. DEA Chicago and Detroit Divisions reported that methcathinone sold for $80 to $120 per gram and $600 to $1,200 per ounce. On October 15, 1993, due to its high abuse potential, methcathinone was placed permanently on Schedule I of the Controlled Substances Act.

Methcathinone is a structural analog of methamphetamine and cathinone. Cathinone is the psychoactive component of the khat plant, *Cathis edulis*, which is chewed by some inhabitants of eastern Africa for its stimulant properties. Khat became familiar to most Americans following the U.S. humanitarian action in Somalia.

Analogs

The name, "Designer Drugs," first given by the media to a rash of new, clandestinely produced drugs that appeared on the streets in the early 1980's, gave way to the term "controlled substance analogs." This is an awkward, but temporary designation given to drugs—usually, but not always, clandestinely produced—that are chemically and pharmacologically similar to substances listed in the Controlled Substances Act, but which are not themselves controlled. These drugs are usually produced in an attempt to circumvent the provisions of the Controlled Substances Act. The term is no longer applicable once a drug is scheduled.

DRUG MONEY

Drug activity generates large sums of cash. Transporting and handling this cash can be more difficult than handling drugs.

Drug money laundering operations consist of three stages: placement, layering, and integration. Placement (which is the most difficult stage to accomplish) comprises all of the various methods used to introduce drug money into the commercial financial system. Case evidence and intelligence suggested that the Colombian cocaine cartels were concealing bulk amounts of money in commercial cargo shipments sent directly to Colombia and other countries where the money could be placed into banking accounts. Funds often were placed in the banking systems of countries other than the United States, where manipulation of the funds is more difficult. Money was transferred to the Orient, for example, by using individual couriers, who carried cash, money orders, or cashier checks. These funds then were deposited into bank accounts from which they were wire-transferred to tax haven countries.

Due to changes in Colombian law made in 1991, more money was sent directly to Colombia during 1993 than in previous years. In addition, successful international drug law enforcement operations made cartel financiers realize that their monies were no longer safe in Hong Kong, Luxembourg, Switzerland, and other traditional safe havens.

In both the Orient and Latin America, money launderers used businesses—both legitimate companies and shell companies—to transfer drug money. Gold shops, jewelry stores, travel agencies, and import and export companies were employed as part of an underground banking system. Drug dollars were brought to such businesses and, within hours, an equivalent sum in U.S. dollars or in a local currency was available for pickup at a corresponding business in another country.

Some money launderers used commodity trading schemes to transfer money. Precious metals businesses imported gold and, after making fraudulent or scam purchases with drug money, the payments were sent overseas or were deposited into U.S. accounts as sale proceeds. The gold was smuggled out of the country to be reimported.

Other commodities, such as appliances, were bought with drug money and smuggled into Colombia, then resold for pesos. Smuggling of contraband into countries having high customs duties is a another method used both to launder money and to make money. This method allows the drug trafficker to effectively double or triple profits.

In the United States, businesses exempted from the U.S. Bank Secrecy Act reporting requirements were used as a way to deposit cash in the banking system. Small non-bank financial institutions were employed to transfer money. Money exchange houses or *casas de cambio*—which commingled drug monies with legitimate bank deposits—along the U.S. southern border were the most popular. The U.S. Customs Service targeted *casas* along the southwestern border and was able to take advantage of the *casas*' failure to report transactions to develop significant drug investigations. Check cashing shops were used in reverse as well: i.e., issuing checks for cash. Cash transmittal businesses, popular with illegal immigrants, transmitted monies internationally for inflated commissions. Most charged between 5 and 7 percent.

To avoid reporting requirements for cash deposits over $10,000*, money launderers arranged for "structuring" or "smurfing" deposits into U.S. bank accounts in the form of cash, money orders, and cashier checks—surmising that structuring, also illegal, cannot be

* All monies are expressed in U.S. dollars unless otherwise noted.

detected easily. Foreign banks operating in the United States were used more frequently in money laundering schemes than were U.S. banks. Both U.S. and foreign authorities pay less regulatory attention to these institutions, which included Credit Suisse, Banco Cafetero, Bank Leumi, Hong Kong Bank, and many others.

One of the most effective tools in the field of money laundering control is legislation that requires reporting of cash transactions of over $10,000 or the equivalent in foreign currency. Recently, Colombian cartel and kingpin organizations reportedly have used a "discounting" system to return their profits to Colombia. They simply contract with a money broker in Colombia who locates a legitimate corporation willing to buy U.S. dollars in the United States at a discount of up to 20 percent, with no questions asked. The legitimate corporation, whether based inside or outside of Colombia, arranges to have a quantity of pesos—equivalent to 80 percent of the sum of the U.S. dollars purchased—delivered to the trafficking organization in Colombia. Should U.S. authorities seize the dollars in the United States, they will be seizing an "innocent" third party's money.

In the second stage of money laundering, layering, money already in the banking system is wire-transferred from bank to bank. In many previous money laundering cases, Panamanian banks were the first offshore banks to receive laundered drug funds, which either were stored there or further transferred to European or other Latin American banks. In recent years, funds wired to Panama were first wired to Europe or South America.

Some countries have been reluctant to levy reporting regulations on the banking systems, believing that any attempt to enforce such regulations may drive the transfer of illegal funds into international "underground banking systems." Other countries, which have reporting regulations, do not enforce these regulations effectively, if at all. Many countries, such as Brazil, India, Paraguay, and others, are realizing that just having laws on the books does not diminish money laundering. Nonetheless, in most countries, there continues to be a paucity of investigators who are trained adequately and deployed specifically to monitor adherence with legal banking requirements.

Because most of the major heroin traffickers are not U.S. citizens, the proceeds from their trafficking usually are taken out of the United States and held either in offshore tax havens or in the traffickers' home country. The methods used to move or launder heroin proceeds vary within each of the four heroin source areas: Southeast Asia, Southwest Asia, South America, and Mexico.

Ethnic Chinese and Thais use simple but effective money moving techniques. Profits from their heroin trade are smuggled from the United States in luggage with bulk amounts up to $1 million, or in smaller amounts on the person of a courier. To facilitate handling, proceeds may be converted to cashier's checks or money orders and carried overseas. However, these monetary instruments often are mailed overseas either by parcel post or by private delivery services. In addition, bank transfers under the $10,000 reporting threshold are used, with Asian traffickers frequently opening accounts under the names of relatives or spouses in both the United States and in the receiving country to facilitate the wire transfers. These traffickers' assets usually are stored in bank accounts in Hong Kong, or used to purchase real estate and businesses in transit or home countries, such as China, Hong Kong, Taiwan, or Thailand.

Among those Southeast Asian countries where heroin smuggling takes place, the well-established Chinese underground banking system is used to move operating funds and illicit profits. Consequently, Asian heroin traffickers can transfer proceeds from country to country within hours by visiting their local underground banker at one of the many front companies used in the system. For example, a

trafficker in the Western Market area of Hong Kong can place the funds to be transferred with one of the well-established gold shops or finance companies. These businesses have sister companies throughout Asia where the traffickers' funds can subsequently be picked up by the traffickers' sources of supply. Although this system is abused by traffickers, it is commonly used by legitimate ethnic Chinese, Indian, and Pakistani businessmen. It has a long history in the area, predating the orthodox banking structure used today. Because the underground system is based on trust and the fear of community ostracism if that trust is betrayed, law enforcement authorities have found it very difficult to penetrate.

Newly enacted money laundering, asset forfeiture, and conspiracy legislation in many Asian countries is beginning to have a positive effect. For example, measures adopted in Australia, Hong Kong, Japan, Malaysia, Thailand, and, most recently, Singapore have created significant obstructions to Southeast Asian heroin trafficker operations. South Korea also is drafting such legislation. China, a totalitarian state, can impose severe restrictions without notice. The joint Hong Kong-United States effort is a strong example of effective, international law enforcement cooperation. As of October 1993, Hong Kong had seized approximately $47 million in assets ($19 million from U.S. orders), and the United States had seized more than $11 million, based on Hong Kong information.

In the Persian Gulf States and south Asian countries, Southwest Asian heroin traffickers extensively use their own version of the underground banking systems. The systems, known in India as *hawala* and in Pakistan as *hundi*, are as traditional and well-accepted as the Chinese system is in Hong Kong. These underground bankers not only move traffickers' funds for them, but also maximize their own profits by investing the funds in gold. For example, a Pakistani underground banker may take the U.S. dollars he collects overseas from Southwest Asian heroin traffickers for transit to Pakistan, use those dollars to buy gold in Dubai, United Arab Emirates, and then smuggle the gold into India or Pakistan where it is sold at a significant profit for the money mover. These systems operate outside formal banking structures and beyond the scrutiny of government officials. Invoice manipulation, another common money laundering method, also is very popular among *hundi* dealers.

South American and Mexican heroin trafficking groups use a wider variety of money laundering methods than their Asian counterparts. If the heroin is smuggled by cartel organizations to the United States from cocaine source countries, (e.g., Colombia) or cocaine transshipment countries (e.g., Mexico), then the heroin proceeds are handled the same as the cartels' cocaine proceeds, either in bulk form or by bank-to-bank wire transfers. However, there are many Colombian heroin traffickers who operate independent of the cartels. They usually traffic on a smaller scale, and their methods of sending trafficking proceeds to Colombia more closely resemble the Asian models. For example, they may use the same individual to act both as a courier to deliver drugs to the United States and as a money courier to bring proceeds to Colombia.

Although money laundering and asset seizure/ forfeiture laws vary from country to country and are dependent on the will of governments to enforce them, the ability of law enforcement authorities to target illicit finances has improved tremendously. As a result, traffickers now face considerable risk in attempting to transfer proceeds through the legitimate banking system. However, money laundering legislation and other supporting legislation, such as Currency Transaction Reporting and Currency and Monetary Instrument Reporting laws, will have little impact on underground money movement systems because these laws are crafted to regulate legitimate bank and non-bank financial institutions, not underground businesses.

Role of the IRS in Drug Law Enforcement

The U.S. Internal Revenue Service (IRS) targets a major portion of its criminal investigative resources against drug trafficking. The financial expertise of the IRS complements and enhances investigations directed towards the dismantling of international drug trafficking organizations operating in the United States. The IRS conducts multifaceted, complex investigations in concert with other Federal agencies. In Fiscal Year 1993, the IRS made 1,674 drug-related seizures totalling $196.4 million.

In one joint investigation with DEA, a Los Angeles-based real estate agent was charged with assisting a marijuana trafficking group to invest illicit profits in southern California, Arizona, and Oklahoma real estate. The individual was sentenced to 3 years imprisonment in early 1993 and agreed to the forfeiture of 8 pieces of property valued at $2.3 million. Eighteen pieces of real estate—with an estimated market value of $10 million—were forfeited by those traffickers directly involved in the marijuana smuggling.

In many countries of the world, the underground systems are not considered immoral or illegal, but simply another way of conducting international business. However, the introduction, enactment, and enforcement of legislation to prohibit businesses and other institutions from carrying on unlicensed banking activities may provide an effective deterrent. Several recent joint and multilateral financial investigations have had noteworthy success in disrupting the money laundering activities of major cocaine and other drug smuggling organizations. Operation GREEN ICE Phase II is a multilateral financial investigation led by DEA. Operation GREEN ICE Phase I, concluded in September 1992, resulted in more than 160 arrests (including seven top cartel money launderers), the seizure of $54 million in cash and assets, and the temporary disruption of major cocaine money laundering activity in the United States, Latin America, and Europe.

In 1993, a number of offshore banking facilities were opened in the Turkish community in Nicosia, Cyprus. Turkish citizens used these banks to avoid strict banking laws in Turkey. Ultimately, drug proceeds could be laundered through these banks.

In October 1993, Amsterdam police raided 5 money exchange offices and arrested 29 Israeli nationals. The firm controlling the offices was owned by an Israeli family but managed by a Panamanian company. Investigators seized over $1.6 million and uncovered evidence that Colombian drug traffickers had used the firm to launder proceeds.

Many Latin American authorities have adopted a serious approach to new financial legislation. In 1993, Colombian traffickers experienced difficulty in returning drug proceeds acquired in Europe to Colombia. Due to improved enforcement in Europe, traffickers' use of the formal banking systems has waned. Large quantities of monies were located in Spain, a major gateway for cocaine shipments into Europe, with the traffickers having difficulty moving the money internationally.

In 1993, DEA seized singly, or in cooperation with other agencies, domestic assets worth $668,902,714. The sum total of assets forfeited to the U.S. Government as of June 1994 was $376,483,330. Internationally, DEA assisted other nations in seizing assets worth $53.4 million in 1993.

GLOSSARY

***Agua rica*:** Cocaine alkaloids in a sulfuric acid solution.

Coca paste: Crude cocaine base, also known as *sulfata.*

Crack: Cocaine base that has been converted from cocaine hydrochloride. Crack cocaine is ingested by smoking.

Domestic Monitor Program (DMP): The DMP is a retail- or street-level heroin purchase program designed to provide Federal, State, and local authorities with intelligence relating to heroin purity, price, availability, adulterants, and geographic source areas through signature analysis.

Drug Abuse Warning Network (DAWN): DAWN is a Federally funded program formerly co-sponsored by the Drug Enforcement Administration and the National Institute on Drug Abuse but now managed by the Substance Abuse and Mental Health Services Administration. The program collects information on drug-related medical emergencies and deaths. This information is collected from participating hospital emergency rooms and medical examiner offices nationwide.

Federal-wide Drug Seizure System (FDSS): FDSS statistics reflect the combined Federal drug seizure effort. The FDSS contains information about drug seizures made within the jurisdiction of the United States by the Drug Enforcement Administration, the Federal Bureau of Investigation, and the U.S. Customs Service as well as about maritime drug seizures made by the U.S. Coast Guard. Drug seizures made by other Federal agencies are included in the FDSS data base when custody of the drug evidence is transferred to one of the four agencies identified above.

Heroin, Black Tar: Black tar heroin is a relatively high-purity heroin hydrochloride made from opium poppies grown in Mexico using techniques classified as Mexican in origin. Colors may range from brown to black with a consistency as sticky as roofing tar or hard like coal. Typically, black tar heroin is injected.

Heroin Signature Program (HSP): The HSP is a DEA program to identify the geographic source area of a heroin sample through the detection of specific chemical characteristics in the sample peculiar to the source area. The program employs special chemical analyses to identify and quantitate selected chemical characteristics and secondary constituents of an exhibit. HSP data for 1993 were based upon examination of over 800 exhibits, which included exhibits obtained through random sampling of domestic purchases and seizures, and seizures made at U.S. ports of entry.

National High School Senior Survey: The National High School Senior Survey is designed to determine the extent of drug use by 8th, 10th, and 12th grade students in the United States. It is sponsored by the Substance Abuse and Mental Health Services Administration and conducted by the University of Michigan's Institute for Social Research.

National Household Survey: The National Household Survey is a multistage, area probability sample of people representative of the U.S. household population of age 12 and over. Persons living on military installations, in nursing homes, dormitories, hospitals, jails, and prisons, as well as homeless people, are not included. The survey is sponsored by the Substance Abuse and Mental Health Services Administration and conducted by the Research Triangle Institute.

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