

# **International Narcotics and Law Enforcement: FY 2002 Budget Justification**

## **BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS**

### **May 2001**

#### **Objectives**

The illegal drug trade and growing criminal enterprise around the world are among the most serious threats to the United States in the post-Cold War era. The U.S. government is responding to these threats by placing the fight against international narcotics and organized crime high on our national security and foreign policy agendas. Within the State Department, the Bureau of International Narcotics and Law Enforcement Affairs (INL) has broad responsibility for law enforcement policy and program coordination in the international arena.

Drugs and crime pose a unique threat to the long-term security of the United States and are among the two most important sources of global instability today. Unlike other aspects of foreign policy that may challenge either domestic or external interests, drugs and crime simultaneously target both. Through their power to corrupt and subvert they have the capacity to erode U.S. social and economic structures.

Domestically, the social cost to the United States from the drug trade is tremendous. Illicit drug use directly or indirectly causes the death of 52,000 Americans and costs our society \$110 billion a year—and that is without taking into account the lives wasted or destroyed by addiction. And it threatens to claim a new generation. Surveys have shown an alarming increase since 1992 in the number of American teens using drugs. Heroin is staging a comeback among young people ignorant of the epidemic of the 1960s and 1970s. Domestic prevention and enforcement alone cannot cope with the avalanche of drugs entering the U.S.; they must be supported by effective control in the source and transit countries. President Bush has pledged to work with producing nations to eliminate the sources of drugs at their root.

Like the trade in illegal drugs, other aspects of global organized crime, such as money laundering, credit card fraud, and the traffic in illegal aliens, illegal firearms, and stolen vehicles, cost the U.S. taxpayer

billions of dollars annually by draining capital from U.S. businesses, disrupting the labor market, and putting additional strains on public health, education and welfare institutions.

International drug trafficking and organized crime are forces that jeopardize the global trend toward peace and freedom, undermine fragile new democracies, sap the strength from developing countries and threaten our efforts to build a safer, more prosperous world. All international criminal organizations ultimately share the same goal: creating a secure operating environment for their criminal ventures. To do so, they try to manipulate and, where possible, dominate legitimate governments by corrupting key officials. Informal alliances of drug traffickers and other criminal organizations are exploiting the new openness of Europe to establish operating hubs in key countries in Eastern and Central Europe and the former Soviet Union. They have set their sights on the U.S., as demonstrated by the emergence of Russia-based, organized crime networks in major U.S. cities.

Emerging crimes such as trafficking in women and children, and high-tech and intellectual property rights crimes are demanding more of our attention, even as we continue to address money laundering, alien smuggling, stolen cars, and firearms trafficking. Together, these crimes take a substantial toll on our economy and foreign interests. We pay through higher costs and poorer quality goods and services and lower standards of living at home because, in increasingly dangerous, uncertain, and unregulated foreign environments, we cannot protect our investments abroad.

Often, the countries that play the most critical roles in furthering the international drug and crime problems are the ones least capable of responding to the problem. Frequently, their law enforcement institutions are too weak to resist rich and violent drug and crime syndicates, and their economies too weak or small to generate alternative incomes for drug producers. Once in place, crime syndicates quickly secure their positions through corruption and intimidation. Their strategic attacks on the rule of law and effective corruption of democratic and free market processes—as seen in Russia, Colombia, Mexico, Nigeria, South Africa, Pakistan, and elsewhere—erode the very foundations of states, putting our entire range of foreign policy interests at risk.

The Administration is answering these national security threats by making international narcotics and crime control top foreign policy priorities. Our no-nonsense policy is aimed at achieving greater U.S.-led international cooperation focused on the most critical drug and crime targets. INL's efforts are targeted at reducing drug availability in the U.S. by 50 percent between 1996 and 2007. INL had a central role in

developing the “International Crime Control Strategy,” and will strengthen existing programs and create new ones to support its objectives. These include extending our first line of defense and strengthening our borders, ensuring that global criminals have nowhere to hide, attacking international financial and trade crimes, and responding to emerging crime challenges.

INL’s primary goals and objectives are as follows:

- To reduce and ultimately choke off the flow of illegal drugs to the U.S.;
- To deter, prosecute, and thwart international crime and criminal organizations;
- To identify, target, and eliminate those international drug and crime threats that pose the greatest danger to U.S. security interests; and
- To increase international awareness of these threats and strengthen the ability of national and multilateral institutions to combat them.

Where drugs are concerned, these programs will:

- Reduce drug crop cultivation through a combination of enforcement, eradication, and alternative development programs;
- Strengthen the ability of law enforcement and judicial institutions to investigate and prosecute major drug trafficking organizations, and to seize and block their assets; and
- Improve the capacity of host nation police and military forces to attack narcotics production and trafficking centers.

With respect to international crime, our programs are designed to:

- Build stronger law enforcement networks to prevent and combat, among other threats, financial crimes and money laundering, alien smuggling and trafficking in women and children, violence against women and children; uncontrolled trafficking in small arms, and intellectual property threats;
- Strengthen efforts by the UN and other international organizations to assist member states to combat international criminal activity; and
- Thwart international crime’s ability to undermine democracy and free-market economies in Eastern Europe, the former Soviet Union, and other vulnerable

states through strengthening law enforcement and criminal justice systems and anticorruption initiatives.

The expansion of transnational crime and international narcotics trafficking into new areas has increased the demand for INL's programs and assistance. More and more nations understand the threat that these illicit activities pose to order, economic progress, and good governance, and they are looking primarily to the U.S. for assistance in dealing with these problems. It is in our national security interest to help them respond, but to do so will require significant additional resources.

### **Performance**

INL funds various bilateral and multilateral international drug and crime control programs to accomplish these goals and objectives. We continue to direct our greatest counternarcotics efforts at Latin America, focusing on eliminating the cocaine and heroin trades and combating emerging methamphetamine trafficking from Mexico. Our overall aims are to reduce significantly coca and opium poppy cultivation, disrupt processing and trafficking operations in the region, and dismantle the organizations that dominate and finance the drug trade.

In keeping with the presidential directive, we are concentrating most of our efforts in the source countries of Colombia, Peru, and Bolivia, and other countries bordering Colombia, such as Ecuador, Brazil, Venezuela and Panama. We are also attacking the major drug transit routes from South America to the U.S. They tend to shift between Mexico/Central America, and the countries of the western and eastern Caribbean, depending on the ongoing levels of enforcement. Thus, while we continue to work closely with Mexico (still the leading drug smuggling gateway into the U.S.) we will intensify efforts in the Caribbean to respond to signs of renewed trafficking there.

Our narcotics control priority in Asia is heroin. Efforts to attack that trade are complicated by security and political barriers that limit our access to the major opium and heroin producing countries—Burma and Afghanistan. Our efforts, therefore, focus on working through diplomatic and public channels to boost international awareness of the expanding heroin threat; promoting the United Nations Drug Control Program and regional financial institution involvement in eliminating the threat; bringing law

enforcement efforts to bear against the leading heroin production and international trafficking organizations; and addressing the activities of the underground banking systems that finance drug operations. We will continue to support crop suppression programs in Laos—the third leading producer of opium poppy—and in Pakistan and Thailand, where we have access and government cooperation.

Regarding other forms of international crime, INL has increasingly taken the lead to define the threat, outline the policies to respond, and implement the training and other programs to confront it. Much of this is reflected in the “International Crime Control Strategy.” Through training and institution-building, our goal is to ensure that foreign authorities have the skills, confidence, professionalism, contacts, and resources necessary to identify and investigate the most serious forms of international crime. To advance police cooperation, we will pursue efforts to establish an International Law Enforcement Academy (ILEA) in the Western Hemisphere to complement those already established in Bangkok, and Budapest. An ILEA to serve the needs of southern Africa is being established in Gaborone, Botswana. We will work to strengthen the abilities of foreign judicial systems, intensify our efforts against money laundering, and strengthen our international web against alien smuggling.

Despite the enormity of the task and the challenges ahead, INL’s programs are achieving success:

- Eradication and alternative development programs in source countries are eliminating illicit cultivation of coca at record rates. In Bolivia, for example, net cultivation of coca for 2000 was down by 33 percent from the previous year. In Peru, net cultivation for the year was down 12 percent, with an overall 70 percent reduction since 1995.
- Our global initiatives to strengthen and better regulate financial institutions are making it easier for authorities to identify and track money laundering and seize the assets of organized crime. INL has fostered a global network of financial regulators who are trading information daily; we have funded efforts that have exposed some of the biggest money launderers in the past few years. Working with foreign banking and regulatory officials, U.S. authorities are confiscating

hundreds of millions of dollars in cash and bank accounts from organized crime syndicates.

- Agreements were reached with the governments of Ecuador, El Salvador and the Netherlands to establish forward operating locations at Manta, Ecuador, Comalapa International airport in El Salvador, and in Curacao and Aruba, to support interdiction and detection and monitoring efforts.
- A new International Law Enforcement Academy (ILEA) is being established in Gaborone, Botswana. Like our ILEAs in Budapest and Bangkok, the purpose of our Gaborone ILEA is to strengthen regional cooperation and improve participating law enforcement agency performance.
- In 2000, INL continued strengthening anticrime coordination with and among European and other major donor countries.

We have also been instrumental in focusing the attention of the G-8 Experts Working Group on Organized Crime on tracing electronic evidence across borders; thwarting the trafficking of women, children, and firearms; and adopting mutual legal assistance procedures for the 21st century. We are coordinating with the EU on many of these same issues as well as on combating child pornography on the Internet. Through these organizations we are successfully building a pattern of law enforcement cooperation on both sides of the Atlantic.

### **Justification**

The FY 2002 INL budget request is formulated to support the Administration's comprehensive strategy for combating the global threat of narcotics and organized crime. While attacking the core targets, it emphasizes the need to strengthen host nation capabilities through institution building so that key countries can bolster their own effectiveness in fighting international drugs and crime. The budget reflects a long-term commitment to attack these problems globally. It underscores the need to create competent and honest counternarcotics and anticrime forces in countries where laws and institutions are weak, and it promotes more effective action in nations where motivated and capable enforcement organizations are hampered by a lack of public awareness and political will. Requested funding will permit INL to continue implementing the

comprehensive heroin control strategy. The strategy supports efforts by multilateral organizations to reduce opium production in those major growing areas where our access is limited, such as in Burma and Afghanistan. At the same time, it strengthens law enforcement operations against the major processing, distribution, and financial organizations in countries where we have access. In addition, the budget request will enable INL to respond to the President's requirement to implement a comprehensive international crime control strategy. The anticrime strategy includes aggressive diplomatic initiatives to bolster international cooperation, backed by an expanded international training program through International Law Enforcement Academies. It places special attention on money laundering and financial crimes.

The FY 2002 budget request directs our greatest counternarcotics efforts at Latin America, focusing on eliminating the cocaine and heroin trades and combating emerging methamphetamine trafficking from Mexico. This request will allow us to advance our source country approach against the cocaine threat in South America; it will provide for alternative development resources to buttress successful crop control efforts; it will allow continued materiel and logistical support to the police and military to block drug shipments out of the producing areas and through key transit zones; and it will furnish the training and other institution-building assistance needed to strengthen the judiciary's ability to resist trafficker corruption and to prosecute major cases successfully.

In support of programs initiated with the FY 2000 Emergency Supplemental, we are requesting substantial Andean Regional Initiative follow-on funding to continue enforcement, border control, crop reduction, alternative development, institution building, administration of justice and human rights programs for the source countries of Colombia, Peru and Bolivia. Specifically, for Colombia we are requesting \$399 million for operations and maintenance of air assets provided under Plan Colombia supplemental funding, for Colombia National Police and Colombian Army Counternarcotics Brigade operational support, herbicide, airfield upgrades, base and security upgrades, communications equipment, and riverine and coastal interdiction activities. The request for Peru and Bolivia focus on interdiction and border control efforts to preempt spillover from Colombia, continuation of forced eradication, alternative development and institution building. We are also requesting similar funding for Ecuador, Brazil,

Venezuela and Panama, for enhanced border control and interdiction programs, plus alternative development monies for Ecuador. The transit routes tend to shift between Mexico/Central America, and the countries of the western and eastern Caribbean depending on the levels of enforcement. Thus, we will intensify efforts in the Caribbean to respond to signs of renewed trafficking there, while we continue to work closely with Mexico, still the leading drug smuggling gateway to the U.S. The Latin American Regional budget will particularly target drug interdiction efforts and money laundering in the Caribbean, Central America, and the Southern Cone.

The FY 2002 INL budget request for Asia/Middle East programs will continue to support opium crop suppression programs in Laos, Pakistan and Thailand, where we have access and government cooperation. The Asia/Middle East Regional account is designed to help governments begin establishing counternarcotics law enforcement units, obtain training and equipment, and conduct demand reduction/public awareness campaigns. The intent is to establish programs through seed money for countries to help themselves and to complement drug control funding provided through international organizations, such as the United Nations International Drug Control Program (UNDCP).

The FY 2002 Interregional Aviation Support budget request will continue to focus on key aerial programs in Colombia, Bolivia and Peru, with temporary deployments of aircraft and personnel, on an as-needed basis, elsewhere in the Andean region and Central America. Reaching self-sufficiency status for aircraft maintenance and training programs in Peru, Bolivia and Colombia is a continuing goal. The Systems Support and Upgrade account will focus primarily on C-26 support in addition to airborne surveillance initiatives and OV-10 refurbishment.

The International Organizations budget request will support multilateral drug control operations, programs and policy objectives of the U.S. and the UNDCP, the OAS Inter-American Drug Abuse Control Commission (CICAD), and the Colombo Plan. The FY 2002 request for Drug Awareness and Demand Reduction will support a range of training programs to strengthen the ability of host nations to conduct more effective demand reduction efforts on their own, and to build public support and political will for implementing counternarcotics programs.

The anticrime program request will build upon collaborative efforts to combat international criminal activity, especially through law enforcement training programs, legal and regulatory reform, technical assistance in combating the trafficking in firearms and stolen cars, as well as numerous other initiatives, such as those aimed at thwarting alien smuggling, financial crimes, border controls, trafficking in persons, and other illegal activities that negatively affect U.S. national security interests. INL will continue to manage the USG's interagency program at the International Law Enforcement Training Academies in Budapest, Bangkok and Gaborone, Botswana, and will support new training centers in Costa Rica and Roswell, New Mexico. In cooperation with other U.S. agencies, INL will offer training and technical assistance programs in the criminal justice sector, particularly in countries in transition from civil strife or military rule to democratic rule. INL will draw on FREEDOM Support Act and SEED Act monies to assist the Bureau in these initiatives and to complement INCLE funds.

The Africa regional anticrime program was initiated in FY 2001 to address the increasing number of criminal groups that have emerged in this region of the world. Most of the limited counternarcotics and anticrime funds spent to date in Africa have been focused on narcotics programs in Nigeria and South Africa. Future programs will continue to concentrate on Nigeria and southern Africa, but will aid other governments and regional organizations so that African organized crime will be reduced, not just displaced to other countries in the regions. Training will be paramount in the Africa program for FY 2002. Customs training, police science training, specialized training for counternarcotics units, demand reduction programs, technical assistance and public education campaigns will account for the majority of requested Africa regional funding. Material assistance is also planned to include communications, vehicles and computer equipment.

U.S. participation in international civilian police (CIVPOL) operations has increased to over 855 experienced police officers assigned in Bosnia, Croatia, Kosovo, and East Timor in CY 2001. While we have greatly improved our capacity to respond to requests from the UN and other organizations for U.S. participation by enhancing procedures for recruitment, selection, and preparation of personnel for CIVPOL operations, further refinements are necessary to improve our overall capability for rapid response.

The FY 2002 request builds on current year efforts to establish a voluntary reserve of some 2,000 law enforcement personnel who remain in their regular jobs until called for CIVPOL duty. The FY 2002 program includes implementing standardized organizational structures, operating procedures, and systems needed to effectively manage personnel identified for the ready roster. Through this program, U.S. CIVPOL will have opportunities to participate in specialized law enforcement training that is designed to meet domestic in-service training requirements, as well as basic and advanced instruction that is unique to the organizational and operational challenges presented by international CIVPOL missions.

## **International Narcotics and Law Enforcement: FY 2002 Budget Justification**

### **BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS**

#### **May 2001**

#### **INL Budget FY 2000 – FY 2002**

(\$000)

	<b>FY 2000 Actual</b>	<b>FY 2000 Em. Supp.</b>	<b>FY 2001 Estimate</b>	<b>FY 2002 Request</b>
<b>Narcotics Programs</b>				
Andean Counterdrug Initiative Programs <sup>1</sup>				
Bolivia: Interdiction	32,000	25,000	35,000	54,000
AltDev/Institution Building	16,000	85,000	17,000	47,000
Colombia: Interdiction	50,929	635,500	48,000	252,500
AltDev/Institution Building	5,000	203,000	—	146,500
Ecuador: Interdiction	1,200	12,000	2,200	19,000

AltDev/Institution Building	—	8,000	—	20,000
Peru: Interdiction	23,000	32,000	21,000	77,000
AltDev/Institution Building	25,000	—	27,000	79,000
<b>Andean Initiative Programs Regional</b>				
Brazil	1,500	3,500	2,000	15,000
Venezuela	700	3,500	1,200	10,000
Panama	987	4,000	1,000	11,000
Latin America Andean Regional	—	7,000	—	—
<i>Subtotal Andean</i>	<i>156,316</i>	<i>1,018,500</i>	<i>154,400</i>	<i>731,000</i>
<i>Counterdrug Initiative</i>				
<b>Other Latin America</b>				
Bahamas	1,000	—	1,200	1,200
Guatemala	3,000	—	3,000	4,000
Jamaica	800	—	1,200	1,550
Mexico	4,071	—	10,000	12,000
Latin America Regional	7,806	—	7,957	12,500
<i>Subtotal Other Latin</i>	<i>16,677</i>	<i>—</i>	<i>23,357</i>	<i>31,250</i>
<i>America</i>				
<b>Asia Regional</b>				
Laos	4,000	—	4,200	4,200
Pakistan	3,250	—	3,500	3,500
Thailand	3,000	—	3,000	4,000
Asia Regional	4,798	—	3,328	7,050
Southwest Asia Initiative	—	—	—	3,000
<i>Subtotal Asia Regional</i>	<i>15,048</i>	<i>—</i>	<i>14,028</i>	<i>21,750</i>
Interregional Aviation Support	50,000	—	50,000	60,000
<b><i>Subtotal Country</i></b>	<b><i>238,041</i></b>	<b><i>1,018,500</i></b>	<b><i>241,785</i></b>	<b><i>844,000</i></b>
<b><i>Programs</i></b>				
International Organizations	12,000	—	12,000	18,000
Regional Narc. Training/Demand Reduction	9,000	—	10,000	12,000
Systems Support/Upgrades	5,000	—	4,000	6,000

Program Development & Support	9,800	—	11,500	13,000
<b>Total Narcotics Programs</b>	<b>273,841</b>	<b>1,018,500</b>	<b>279,285</b>	<b>893,000</b>

#### Anticrime Programs

INL Anticrime Programs	18,334	—	15,265	15,330
Civilian Police Contingent	—	—	10,000	10,000
Africa Regional Anticrime	—	—	7,500	7,500
Internat. Law Enforcement Academy	9,553	—	7,300	14,500
Migrant Smuggling/Trafficking in Persons	2,113	—	4,935	7,670
<b>Total Anticrime Programs</b>	<b>30,000</b>	<b>—</b>	<b>45,000</b>	<b>55,000</b>

<b>Total INL Programs<sup>2 3</sup></b>	<b>303,841</b>	<b>1,018,500</b>	<b>324,285</b>	<b>948,000</b>
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<sup>1</sup> Andean Counterdrug Initiative (ACI) begins in FY 2002. The ACI is the INL component of the Andean Regional Initiative.

<sup>2</sup> Includes a rescission of \$1.159 million for FY 2000 and \$0.715 million in FY 2001.

<sup>3</sup> Does not reflect FSA and SEED Act anticrime funding transfers from USAID.

#### INL Budget by Function

(\$000)

	<b>FY 2000</b>	<b>% Of</b>	<b>FY 2001</b>	<b>% Of</b>	<b>FY 2002</b>	<b>% Of</b>
	<b>Actual</b>	<b>Total</b>	<b>Estimate</b>	<b>Total</b>	<b>Request</b>	<b>Total</b>
<b>Narcotics Programs</b>						
Law Enforcement Assistance and Institution Development	867,431	65.6	145,725	44.9	492,364	51.9
Alternative Develop/Eradication	373,945	28.3	75,980	23.4	332,926	35.1
International Organizations	12,000	0.9	12,000	3.7	18,000	1.9
Drug Awareness/Demand	7,395	0.6	8,395	2.6	9,810	1.0

Reduction						
Law Enforcement Training	7,000	0.5	8,000	2.5	9,000	0.9
Program Development and Support	24,570	1.9	29,185	9.0	30,900	3.3
<b>Total Narcotics Programs<sup>1</sup></b>	<b>1,292,341</b>	<b>98</b>	<b>279,285</b>	<b>86</b>	<b>893,000</b>	<b>94</b>
<b>Anticrime Programs</b>						
INL Anticrime Programs	18,334	1.4	15,265	4.7	15,330	1.6
Civilian Police Contingent	—	—	10,000	3.1	10,000	1.1
Africa Regional Anticrime	—	—	7,500	2.3	7,500	0.8
Int. Law Enforcement Academy	9,553	0.7	7,300	2.3	14,500	1.5
Migrant Smuggling/Trafficking in Persons	2,113	0.2	4,935	1.5	7,670	0.8
<b>Total Anticrime Programs</b>	<b>30,000</b>	<b>2</b>	<b>45,000</b>	<b>14</b>	<b>55,000</b>	<b>6</b>
<b>Total Program Plan</b>	<b>1,322,341</b>	<b>100</b>	<b>324,285</b>	<b>100</b>	<b>948,000</b>	<b>100</b>

<sup>1</sup>Includes a rescission of \$1.159 million for FY 2000 and \$0.715 million for FY 2001.

## International Narcotics and Law Enforcement: FY 2002 Budget Justification

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

**May 2001**

\*[Andean Counterdrug Initiative (ACI) program begins in FY 2002. The ACI is the INL component of the Andean Regional Initiative.]

### Bolivia

FY 2000 Actual	FY 2001 Estimated	FY 2002 Request

48,000 <sup>1</sup>	52,000	101,000 <sup>2</sup>
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<sup>1</sup>Does not include \$110 million in FY 2000 Emergency Supplemental funding.

<sup>2</sup>Funding for FY 2002 is requested in the Andean Counterdrug Initiative account.

### Objectives

- **Eliminate the production and export of coca and cocaine products from Bolivia through the eradication of illicit coca, increased interdiction, and greater effectiveness in the prosecution and conviction of narcotics crimes;**
- **Establish and encourage sustained economic growth to reduce the impact of the drug trade on the Bolivian economy; and**
- **Strengthen and improve the efficiency of the Bolivian criminal justice system.**

### Justification

**The United States Government and the Government of Bolivia share a common goal to halt the production and exportation of cocaine from Bolivia by eradicating illicit coca, increasing the interdiction of essential chemicals and cocaine products, promoting alternative development, and more successfully prosecuting narcotics related cases.**

**The GOB plan to eliminate all illegal coca in Bolivia by 2002 is achievable with sustained effort and increased support. In 1999, the GOB successfully eradicated 68 percent of coca in the Chapare, the principal growing region, and eradicated nearly all of the remaining Chapare coca in 2000. However, sustained efforts will be needed to prevent replanting. The cocaine industry in Bolivia continues to be fragmented into small trafficking organizations, and a highly effective chemical interdiction program has forced Bolivian traffickers to rely on inferior substitutes and recycled solvents causing the purity of Bolivian cocaine to be greatly reduced. Counternarcotics alternative development support remains fully conditioned on the eradication of illegal coca and offers viable options to its cultivation. The wholesale value of licit produce leaving the Chapare is expected to increase from \$56 million in 2000**

to more than \$91 million by 2002. The eradication and alternative development programs is expanding into the Yungas in 2001 when the GOB begins eradicating illegal coca in that region.

However, the expected increased tempo of operations in Colombia as a result of significant supplemental resources from the Congress provided in FY 2000 is likely to cause a displacement of coca cultivation throughout the Andean region. Bolivia has become a transshipment zone for Peruvian cocaine products enroute to Brazil. Bolivian coca leaf prices are the highest they have been since 1996, increasing the temptation for coca growers to plant new seedlings—perhaps in areas where it has not traditionally been seen before. There is also substantial diversion of Yungas "legal" coca to the illicit market and few controls on the sale of coca leaf in the legal markets.

**FY 2002 Programs.** The FY 2002 budget request is significantly larger than previous years because of the need to conduct parallel counternarcotics operation in two distinct regions, the Chapare, where replanting of coca must be prevented, and the Yungas, where many displaced narcotics traffickers from the Chapare have relocated and areas of legal and illegal coca are not clearly defined. This effort will require increases in both manpower and commodities. The FY 2002 budget request is needed to support Bolivian efforts to eliminate all illegal coca cultivation and processing through support for law enforcement operations and chemical control efforts, enhancing investigations and prosecutions of major drug traffickers, improving intelligence gathering and dissemination, improving the quality of investigations into alleged human rights violations, and supporting ongoing efforts to strengthen the Bolivian judicial system. The budget request will support continued economic growth in the Chapare and expansion of counternarcotics alternative economic development programs to the Yungas regions of Bolivia, as well as helping Bolivia to meet its international financial obligations and stabilize its economy, a necessary condition for sustained growth. Bolivia, one of the poorest countries in the hemisphere with a per capita GNP of less than \$900 in 2000, is unable to support any of the present counternarcotics or alternative development programs on its own.

There are twenty-four counternarcotics programs in Bolivia for which INL provides funding and support. They can be grouped into four distinct areas: Narcotics Law Enforcement and Eradication; Counternarcotics Alternative Development and Economic Incentives; Rule of Law and Administration of Justice; and Program Development and Support.

The Narcotics Law Enforcement and Eradication Operations Projects support civilian police units—that conduct counternarcotics law enforcement—and coca eradication operations and the military units dedicated to counternarcotics operations. It also assists the Office of the Vice-Minister of Social Defense to assume greater responsibility for planning, coordinating and funding the GOB's counternarcotics efforts. Police units receiving U.S. support include the Special Force for the Fight Against Narcotics Trafficking (FELCN), with its uniformed interdiction force; the Police Rural Mobile Patrol Units (UMOPAR), and the Special Prosecutors of Controlled Substances that are assigned to the units; the Office of Professional Responsibility, which investigates allegations of corruption and human rights violations by narcotics police; various criminal investigative and intelligence gathering units; canine units; and two schools—the International Anti-Narcotics Training Center (Garras Del Valor) and the International Waterways Law Enforcement Training School.

The Bolivian military provides transport and logistics support to the police via air, land and river. The Red Devils Task Force (RDTF) consists of Bolivian Air Force units operating UH-1H helicopters used in eradication enforcement operations, and C-130 aircraft used to transport police, heavy equipment, and pre-stage fuel in areas not reachable by road or made impassable through much of the year by heavy rains. The Blue Devil Task Force (BDTF), a Bolivian Naval unit with law enforcement authority, is responsible for maintaining a military/counternarcotics law enforcement presence on all rivers and waterways in Bolivia to deny narcotics traffickers the use of fluvial transportation and to make arrests and seizures. The army Green Devil Task Force (GTDF) provides extensive ground mobility/logistics support to the police.

FY 2002 will be the final year of the Bolivian five-year plan to eliminate illegal coca cultivation. The successes of the GOB "Plan Dignidad" must be consolidated to ensure that coca cultivation and drug trafficking do not regain a foothold in Bolivia. The institutionalization of this effort will depend largely on the Ecological Police, DIRECO, the Joint Eradication Task Force, and the newly re-formed General Directorate for the Legal Trade of Coca (DIGECO), which will control and closely monitor the two legal coca markets in the Yungas to prevent deviation to illicit markets. While coca cultivation has been almost totally eliminated from the Chapare, the eradication task force must ensure that replanting does not occur, particularly as a result of Plan Colombia successes in the region.

Eradication operations in the Yungas will encounter challenges not found in the Chapare operation. Illegal coca cultivation occurs at very high altitudes, at which the present inventory of INL helicopters in Bolivia will not be able to operate. Coca is located in remote areas that are well guarded by resistant and militant coca growers, making it difficult, dangerous and costly to remove. INL plans to improve a GOB military airstrip in the Yungas region to enable the C-130B aircraft to fly in supplies and personnel. Ground transportation will then have to move these resources to areas where counternarcotics operations are taking place. However, the Inter-American Development Bank has dubbed the road traversing the Yungas "the world's most dangerous road". Aside from tricky hairpin turns, the rocky and rutted road is seldom wider than eleven feet, necessitating its closure at either end by soldiers to allow only one-way traffic during varying times of the day. Coca eradication, law enforcement and alternative development programs will require additional resources and new infrastructure, including road improvements, in the Yungas region. A new task force consisting of military, police and civilian personnel was established in 2001 to carry out eradication operations in the Yungas.

Expanded INL support for interdiction, particularly along border areas, will be key to head off any influx of drug trafficking activity resulting from Plan Colombia implementation. Increased support for the Controlled Substance Prosecutors, and re-establishing support for the Seized Assets Directorate (discontinued in 1998 due to inefficiency and corruption, but now refocused under the Minister of Government) are part of this strategy.

Traditional support in areas such as equipment purchases, salary supplements, fuel purchases, and vehicle maintenance continue to generate substantial funding requirements. These requirements will increase as the focus of interdiction and eradication shifts to the Yungas region, and the success of interdiction efforts become more dependent upon effective intelligence gathering and analysis. Communications equipment, accessories and spare parts necessary to maintain and expand a secure communications environment are especially critical to the eradication and interdiction forces that face the possibility of violent ambushes and attacks from coca growers and traffickers in the Chapare and Yungas. In April 2001, a new canine training facility opened outside of Cochabamba to address the growing needs of this important interdiction program. Additionally, the Garras School, currently at its maximum operating capacity, will be expanded in size and curriculum to maintain the professional capabilities of the counternarcotics police in anticipation of increased operational requirements as a result of Plan Colombia's effects in the region. FELCN offices, UMOPAR

barracks, and related facilities will also undergo expansion and improvements as interdiction operations increase.

Logistic support requirements and expenses will increase as counternarcotics investigative and operational efforts are expanded along the border regions to stem the tide of Peruvian cocaine products being transshipped through Bolivia. Because the Bolivian chemical industry does not produce the full range of precursor chemicals needed to process coca leaf into cocaine base and HCL, cocaine essential chemicals must be imported from neighboring countries such as Argentina, Brazil and Chile. Improved cross-border cooperation in chemical interdiction and enforcement, as well as improved law enforcement intelligence gathering capabilities are needed.

The continued replacement of a rapidly aging fleet of USG-provided vehicles, the normal wear and tear of which is accelerated by their use in rough terrain, will be exacerbated by operations in the Yungas region. Two maintenance facilities will be constructed in the Yungas to support vehicles for ground operations. However, because ground transportation will be slow and difficult in the Yungas, the drug-control efforts will become even more reliant on the C-130 aircraft, two more of which will be delivered to Bolivia in FY 2001. Funding for fuel and vehicle spare parts, previously covered by Foreign Military Financing (FMF), is also now provided by INL. The very small amount of FMF available for Bolivia is used solely to procure training, weapons and ammunition unavailable except from U.S. military sources.

The success of the counternarcotics strategy depends, to a large extent, on the ability of the GOB to advance Bolivian public understanding that the cultivation of coca and its processing into cocaine is a serious problem for Bolivia, not just for the U.S. INL support for Drug Awareness and Prevention Programs will be especially important in the Yungas, the traditional "legal" coca growing area, to pave the way for initiating eradication, interdiction and alternative development projects.

The Counternarcotics Alternative Development and Economic Incentives Project, CONCADE, supports the GOB's efforts to enable Chapare farmers to support themselves and their families without the need to cultivate coca. CONCADE was originally intended to service 3,000 Chapare families per year with technical assistance to grow high value legal crops. Other donors were expected to provide additional assistance. Because the GOB eradicated twice as much coca in CY 1999 as had been expected, 8,000 Chapare families did not receive technical assistance, planting

material, infrastructure and extension services. At the same time, assistance from some other potential donors did not materialize. Continued counternarcotics alternative development assistance is needed to increase and consolidate the capacity of nongovernment organizations (NGOs) and private firms to expand technology transfer, extension services, establish new agricultural processing facilities to former coca-producing farm families, to pave roads and provide electrification to sustain communities that are moving to legitimate crops and enterprises. Eradication operations to eliminate some 2,000 hectares of illicit coca in the Yungas region begin in CY 2001. While counternarcotics alternative and economic development will play a significant role in the success of this endeavor, it will also help lay the groundwork for significant future reductions in legal coca to a level consistent with traditional licit consumption.

The Rule of Law/Administration of Justice Project supports structural judicial reform in Bolivia through implementation of the Code of Criminal Procedure (CCP). The CCP was enacted into law in 1999 and INL is currently supporting programs to lay the groundwork for implementation in May 2001, when the code goes into effect. A National Implementation Plan will assist the GOB to train police, prosecutors and judges, promote civil society participation, reduce criminal case backlogs, strengthen judicial institutions, and establish new laws to update police powers and sentencing, and modernize the public ministry and judicial branch.

The Program Development and Support funds will provide for salaries, benefits and allowances of U.S. and foreign national personnel, short-term temporary duty (TDY) personnel, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

#### Effectiveness Measurements

- Substantial decrease in size of illegal coca sub-economy and exports;
- Arrest and prosecution of major drug traffickers;
- Increase in the number of cases completed within legally prescribed periods in criminal courts;
- Increased seizures of cocaine and other illicit coca derivatives, precursor materials, and assets of the coca trade; and

- Increased awareness by the local populace of the dangers of drug abuse and trafficking to Bolivia's economy and society.

**Bolivia**

**INL Budget**

(\$000)

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Law Enforcement</b>			
Ground Operations Support	10,570	10,820	19,468
(FELCN, UMOPAR, OPR, Canine, GDTF, Chemicals, FIU, Prosecutors and Intelligence)			
Air Operations Support	4,900	4,900	7,360
(Red Devils Task Force and C-130 program)			
Riverine Operations Support	1,200	800	2,242
(Blue Devils Task Force)			
Field Support/GOB Infrastructure	3,990	3,990	5,855
(Commodities, training, Garras School, Secretary for Social Defense, vehicle support facilities, field project offices, local and GOB support staff)			
<b><i>Subtotal</i></b>	<b>20,660</b>	<b>20,510</b>	<b>34,925</b>
<b>Eradication Operations</b>	<b>7,790</b>	<b>8,800</b>	<b>12,714</b>
DIRECO, Ecological Police, JTF			
<b>Alternative Development</b>			
Alternative Development <sup>1</sup>	10,000	15,000	40,000

Balance of Payments	4,000	2,000	0
<b><i>Subtotal</i></b>	<b>14,000</b>	<b>17,000</b>	<b>40,000</b>
<b>Drug Awareness/Prevention</b>	<b>870</b>	<b>800</b>	<b>2,542</b>
<b>Administration of Justice<sup>2</sup></b>	<b>2,000</b>	<b>2,000</b>	<b>7,000</b>
<b>Program Development and Support</b>			
U.S. Personnel	583	600	800
Non-U.S. Personnel	952	1,030	1,100
Other Costs			
International Cooperative Administrative Support Services (ICASS)	350	360	450
Program Support	795	900	1,469
<b><i>Subtotal</i></b>	<b>2,680</b>	<b>2,890</b>	<b>3,819</b>
<b><i>Total</i></b>	<b>48,000</b>	<b>52,000</b>	<b>101,000</b>
<b><i>Emergency Supplemental Funds</i></b>	<b>110,000</b>	<b>—</b>	<b>—</b>
<b><i>Grand Total</i></b>	<b>158,000</b>	<b>52,000</b>	<b>101,000</b>

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<sup>1</sup>INL funded; USAID administered.

<sup>2</sup>INL funded; USAID administered.

**Brazil**

**Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
1,500 <sup>1</sup>	2,000	15,000 <sup>2</sup>

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<sup>1</sup>Does not include \$3.5 million in FY 2000 Emergency Supplemental funding.

<sup>2</sup>Funding for FY 2002 is requested in the Andean Counterdrug Initiative account.

## **Objectives**

## **Justification**

The recent implementation of Plan Colombia has heightened concerns over potential spillover of narcotics activity into Brazil. Brazil shares borders with all three drug source countries in the region, and more than half of Brazil's 8.5 million square kilometers is in the sparsely populated Amazonian region. It's long, porous borders, as well as its well developed communications infrastructure, banking system, and major international airports and seaports, continue to make it a highly desirable transit route for illicit narcotics bound for the U.S. and European markets. These factors, coupled with increasingly successful enforcement efforts in neighboring countries, have contributed to a growing drug transit problem for Brazil.

In response to these concerns, Brazil, in late 2000, implemented "Operation Cobra," an ambitious three-year Brazilian government inter-agency effort which allocates greater resources in the Amazonian border area for security and illegal narcotics control. INL intends to expand its programs in Brazil in conjunction with Operation Cobra.

FY 2002 Programs. The significant increase in resources requested for Brazil is needed to support programs designed to combat the growing problem of cross-border narcotrafficking, such as Operation Cobra, and in response to measures needed to support the administration's overall Andean Regional Initiative for Colombia and the bordering countries. The FY 2002 request for the Narcotics Law Enforcement Project will increase intelligence project capabilities and strengthen police counternarcotics infrastructure, enhance rule of law and administration of justice, and at this critical juncture, assist the Brazilian Federal Police to continue to implement Operation Cobra. Increased funding will also assist Brazilian efforts to step up counternarcotics security at major ports, and increase mobile road interdiction operations along the increasingly important southern route for smuggling narcotics, which runs from Bolivia and Paraguay through Sao Paulo and Rio de Janeiro to the U.S. and Europe. Upgrading police communications equipment with a secure network

system will be key to the success of Operation Cobra, as will the addition of new digital cellular and high frequency intercept equipment and training. Increased patrolling of the Amazon region will also require construction of two new river barges that will act as floating river checkpoints. Additional harbor/coastal patrol boats, zodiacs, Boston Whalers, 4-wheel drive vehicles and troop transport trucks are also needed for this massive law enforcement initiative. Increased operations at airports in the Northeast and Northwest corners of Brazil will require additional canine units and training. Operation Cobra and other new law enforcement initiatives have put a strain on currently available resources required to replace/supply needed field gear such as tents, cots, mosquito nets and bullet proof vests.

Drug use continues to increase in Brazil, particularly among young people. In FY 2002, the Drug Awareness and Demand Reduction Project will increase support for demand reduction programs through the National Anti-Drug Secretariat (SENAD), funding grants for PROERD, a highly successful school-based education program modeled on the U.S. DARE concept, and for other demand reduction and education programs throughout the country that promote awareness of problems associated with drug abuse.

Program Development and Support funds will provide for salaries, benefits, and allowances of permanently-assigned full-time U.S. personnel and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

**Effectiveness Measurements**

**Brazil**

**INL Budget**

**(\$000)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Law Enforcement</b>			
Commodities	493	680	12,225

(Vehicles, boats, radios, support equipment)			
Training	200	300	475
Other Costs (Operational support, travel, per diem, dog kennel facilities)	250	400	1,500
<b>Subtotal</b>	<b>943</b>	<b>1,380</b>	<b>14,200</b>
<b>Drug Awareness/Demand Reduction</b>	<b>228</b>	<b>200</b>	<b>300</b>
<b>Program Development and Support</b>			
U.S. Personnel	82	120	150
Non-U.S. Personnel	34	50	60
Other Costs			
International Cooperative Administrative Support Services (ICASS)	85	110	140
Program Support	128	140	150
<b>Subtotal</b>	<b>329</b>	<b>420</b>	<b>500</b>
<b>Total</b>	<b>1,500</b>	<b>2,000</b>	<b>15,000</b>
<b>Emergency Supplemental Funds</b>	<b>3,500</b>	<b>—</b>	<b>—</b>
<b>Grand Total</b>	<b>5,000</b>	<b>2,000</b>	<b>15,000</b>

**Colombia**

**Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
55,929 <sup>1</sup>	48,000	399,000 <sup>2</sup>

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### Objectives

- Eliminate the cultivation of coca leaf and opium poppy;
- Strengthen host nation capabilities to disrupt and dismantle major drug trafficking organizations and prevent their resurgence; and
- Destroy the cocaine and heroin processing industries and stop the diversion of licit chemicals into illicit channels.

### Justification

The U.S. provides assistance in support of Colombia's efforts to counter the drug trafficking threat to its security, political system and economy; to counter the threat such activities present to the security, health and well-being of U.S. citizens; and to disrupt the narcotics trafficking infrastructure.

The primary points of focus of the INL-funded counternarcotics program are support for the Colombian National Police (CNP) Directorate of Anti-Narcotics (DIRAN) counternarcotics activities and sustainment of programs launched with funding for the FY 2000 Emergency Supplemental. The program budget funds the aerial eradication program, investigations aimed at the disruption of trafficker organizations and the interdiction of precursor chemicals, cocaine production facilities and shipments of finished cocaine HCL. These efforts are primarily the continuation of on going programs and are integrated into and supportive of Plan Colombia, the Colombian Government's comprehensive national strategy.

The \$48 million of the FY 2001 Colombia program budget was supplemented by \$1.3 billion in FY 2000 Emergency Supplemental provided by the U.S. Congress in support of Plan Colombia, of which \$838.5 million went for assistance to Colombia alone. This supplemental funding is being used to

meet critical Colombian needs for helicopters, base security improvements, justice sector reform, human rights protection, and expanded counternarcotics alternative development assistance.

Counternarcotics assistance is provided for DIRAN and other CNP elements, the National Narcotics Directorate (DNE), the National Plan for Alternative Development (PLANTE), elements of the military involved in counternarcotics, and other Colombian government entities, like the Civil Aviation Administration. USG assistance supports the world's largest aerial eradication program that targets both coca and opium poppy cultivation. It also provides operational funds to dismantle narcotics trafficking organizations by strengthening those institutions responsible for investigation of crimes, evidence gathering, arrests, prosecutions, asset seizures, and other law enforcement actions. Other project activities include improving coordination of CNP and military counternarcotics actions, completing infrastructure support programs, supporting counternarcotics alternative development, improving the security of Colombia's ports and sustaining public awareness and education projects.

**FY 2002 Programs.** The primary USG counternarcotics goal in Colombia is to help the Government of Colombia (GOC) to eliminate all illicit cultivation and the infrastructure which supports production of illicit drugs. In order to achieve this goal, assistance will concentrate on discouraging cultivators or would-be cultivators, and on increasing the GOC's institutional capabilities in this area. The aerial eradication program is the most powerful tool for accomplishing this, and its scope will continue to expand. Results to date have been mixed due to the difficulty of getting sufficient aerial eradication assets to remote growing areas. The United States will continue to work with the CNP and the newly created counterdrug brigade of the Colombian Army (COLAR) to produce a substantial net decrease in the crop size and cocaine production and trafficking facilities, particularly in the southern departments of Putumayo and Caqueta. Funds will address the on-going training and equipment needs for this 2,500-man unit and support the helicopters to provide the air mobility needed for the brigade to fulfill its mission. The effort in southern Colombia will also rely heavily upon the expansion of the CNP Air Service and Airmobile Companies and the establishment of Forward Operating Locations (FOLs) for the various public security elements involved in counternarcotics operations. Simultaneously, the bilateral effort will continue to support the CNP's opium poppy eradication campaign, which aims to eliminate the entire crop within two years. The United States will also continue support to Colombia's alternative development efforts in areas where illegal drug crops are grown. USG assistance to this project reinforces eradication efforts by

providing viable alternatives for small farmers currently dependent on illicit cultivation and to help those persons displaced by counternarcotics efforts.

The United States will also provide continued support for CNP operations aimed at the destruction of emerging narcotics trafficking syndicates through the arrest and prosecution of syndicate leaders and the confiscation of their assets, and to discourage money-laundering activity. Similarly, funding will support projects to improve the efficiency of Colombia's court and prison systems. Finally, U.S. assistance will sustain GOC drug awareness and education programs that seek to dissuade Colombians from engaging in illegal drug use and trafficking.

The Narcotics Law Enforcement Project for FY 2002 requests an increase for commodity, training and operational support for the CNP units involved in eradication and law enforcement interdiction operations. This increase represents recognition of the central role of Colombia in narcotics trafficking and U.S. resolve to combat it as close to the source as possible. The DIRAN will remain the principal GOC recipient of U.S. counternarcotics assistance to Colombia. The expansion of eradication efforts will require substantial support above FY 2001 appropriated levels for the CNP air wing, including aircraft parts and maintenance, aviation fuel and lubricants, herbicide and other aviation-related support costs. These include pilots and rotary- and fixed-wing maintenance and logistics technicians funded by INL. Additionally, INL provides funding for a variety of DIRAN operating costs, including such items as maintenance and fuel for INL-supplied and CNP-owned vehicles, office supplies and equipment, maintenance of communications and other equipment, utility costs, and minor facilities maintenance and repair.

The Armed Forces Counternarcotics Support Project will provide assistance to military units that support the CNP's counternarcotics efforts or conduct independent counternarcotics operations. A central element of the counternarcotics effort in southern Colombia, the Counternarcotics Brigade, will have substantial needs for sustainment funds. Chief among these needs will be the brigade's air mobility. In addition to the understandable demand for ammunition and fuel will be a demanding parts and maintenance requirement complicated by the use of three distinct platforms: UH-1N, Huey II, and UH-60. Furthermore, while the FY 2000 Emergency Supplemental provides for pilot training, there is a continuing need to train replacement pilots.

In order to do their jobs, members of the counternarcotics battalions will need a reliable supply of field and communications gear, as well as weapons and ammunition. Also needed is continued training support so that new troops can be readied to replace those lost to retirement, reassignment and combat. These troops, like their predecessors, will need to be vetted by the U.S. Embassy, which will also have continuing end-use monitoring and human rights monitoring obligations that will require sustained USG funding.

The Colombian Air Force will receive maintenance assistance and training for its helicopter fleet and fixed-wing C-130, OV-10, and A-37 units, as warranted, to advance the overall counternarcotics effort through an expanded program of aerial interdiction and support for ground operations. The Colombian Navy and its Marine branch are expected to manage a counternarcotics campaign on the rivers and the coast. Equipment, training, and technical assistance will be provided to Colombian riverine and coast guard harbor patrol programs.

The Counternarcotics Alternative Development Program is an INL-funded, primarily USAID-administered alternative development pilot program in USG-selected drug growing regions. The project works in conjunction with PLANTE, the GOC's alternative development program, and aims to implement a full array of sustainable counternarcotics activities, including the cultivation of alternate legal crops, infrastructure expansion, environmental management, and program monitoring support. Alternative development and related social development programs are time- and resource-intensive, and will be implemented in combination with eradication operations. Increased funding levels for alternative development and social programs will be required as eradication operations reach further into growing regions. Alternative development projects generated by the "Push into Southern Colombia" involve an estimated 5,000 families, and unlike eradication, which is a specific event, requires the creation of infrastructure and the transition to a legal economy. These are processes that require extended periods of time to mature, meaning that the ongoing projects continue to demand resources even as new areas are added to the program. Funds also support direct efforts of industry groups seeking to establish local ventures. USAID and the Department of State's Bureau of Population, Refugees and Migration will continue to receive funding from the Colombia program to provide assistance to internally displaced persons. The assistance is provided primarily through grants to international organizations such as the International Committee of the Red Cross and UNICEF. These efforts are coordinated with PLANTE and other elements of the Government of Colombia.

The Counternarcotics Policy Project includes support for the GOC's counternarcotics policy board, the National Narcotics Directorate (DNE). A permanent DNE research staff recommends, coordinates and monitors many aspects of Colombian counternarcotics policy. The DNE will coordinate and/or sponsor international meetings to foster contact with counterparts in donor and trafficking/producing countries and will carry out environmental monitoring. This project will also fund the purchase of commodities or services needed to support antinarcotics programs in the offices of the Colombian Attorney General and the Prosecutor General, and in the Ministry of Justice and the Courts.

Given the fundamental importance of human rights to the INL program in Colombia, projects in the area of judicial reform, particularly programs meant to enhance the physical protection of witnesses, judges and human rights workers, will require continued support. The same is true for Colombia's human rights investigative units. In addition to the support for these investigative units, funding will also be provided to improve the physical security of human rights monitors and activists. Funds will continue to be provided to the United Nations High Commissioner for Human Rights to assist its local offices, and for human rights monitoring efforts of both the Colombian Government and the U.S. Embassy.

The Drug Awareness and Demand Reduction Project will fund programs to support NGOs and community-based programs; publish and disseminate narcotics education and prevention materials; design and implement public drug awareness campaigns; and sponsor conferences and visits in support of the above activities.

#### **Program Development and Support**

##### **Effectiveness Measurement:**

- Reduced flow of illegal narcotics from Colombia to the U.S.;
- Sharp reduction and eventual elimination of illicit crop cultivation;
- Developed Colombian self-sufficiency in managing eradication programs targeted at all illicit cultivation;
- Effective institutions capable of carrying out the full range of law enforcement activities necessary to prevent narcotics traffickers from using Colombia as their center of activity;

- Destruction of emerging narcotics trafficking organizations (e.g., arrest, prosecution, incarceration of key traffickers);
- Strengthened Colombian institutions capable of combating corruption and intimidation and expediting proceedings/trials against drug traffickers; and
- Seizure of major trafficker's assets and disruption of money laundering activities.

**Colombia**

**INL Budget**

(\$000)

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Law Enforcement</b>			
Commodities  (Aircraft parts, tools, avionics, and other equipment; radios, vehicles, field and investigative equipment)	20300	12,000	72,500
Training  (Aviation, tactical, intelligence)	1,000	1,000	5,500
Other Costs  (Aircraft operations, contract personnel, forward base construction, U.S. advisors, project support)	16,000	26,300	83,000
<b><i>Subtotal</i></b>	<b>37,300</b>	<b>39,300</b>	<b>161,000</b>
<b>Armed Forces Counternarcotics Support</b>	<b>8,450</b>	<b>1,800</b>	<b>89,000</b>

Army, Air Force, Navy and Marines			
<b>Alternative Development Program</b>	<b>5,000</b>	<b>500</b>	<b>92,000</b>
<b>Drug Policy and Awareness</b>	<b>2,050</b>	<b>2,000</b>	<b>52,000</b>
Promote democracy & rule of law, improve infrastructure through miscellaneous grants, computers, training, operational support			
<b>Program Development and Support</b>			
U.S. Personnel	590	1,131	1,245
Non-U.S. Personnel	785	933	1,235
Other Costs			
International Cooperative Administrative Support Services (ICASS)	615	700	820
Program Support	1,319	1,636	1,700
<b>Subtotal</b>	<b>3,129</b>	<b>4,400</b>	<b>5,000</b>
<b>Total</b>	<b>55,929</b>	<b>48,000</b>	<b>399,000</b>
<b>Emergency Supplemental Funds</b>	<b>838,500</b>	<b>—</b>	<b>—</b>
<b>Grand Total</b>	<b>894,429</b>	<b>48,000</b>	<b>399,000</b>

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
1,200 <sup>1</sup>	2,200	39,000 <sup>2</sup>

<sup>1</sup>Does not include \$20 million in FY 2000 Emergency Supplemental funding.

<sup>2</sup> Funding for FY 2002 is requested in the Andean Counterdrug Initiative account.

## Objectives

- Develop institutional capabilities to interdict illegal drugs and controlled chemicals, prosecute traffickers, seize drug assets and reduce money laundering;
- Increase the northern border presence and operational readiness of Ecuador's police and military as the eradication portion of Plan Colombia takes effect;
- Improve Ecuadorian National Police control of airports, seaports, and land routes used in transiting illegal narcotics and diverted chemicals;
- Strengthen the policy and development role of Ecuador's national drug commission (CONSEP), as well as its drug prevention and education programs;
- Create a northern border "productive buffer" by strengthening local government, improving infrastructure and supporting alternative, licit production options for small farmers and fishermen; and
- Prevent Ecuador from becoming a source country for coca.

#### **Justification**

Spillover effects from the drug eradication efforts and related ongoing violence in neighboring Colombia are threatening Ecuador's national security. The security situation along Ecuador's northern border—particularly in Sucumbios province, where most of Ecuador's oil wealth is located—has deteriorated sharply in recent months due to increased Colombian guerrilla, paramilitary and criminal violence. The insecurity on Ecuador's northern border is having a severe impact on the country's overall political and economic stability as well. To assert control over the northern border, the government of Ecuador will require significantly greater USG security and counternarcotics assistance.

Ecuador has become a major staging and transshipment area for drugs and precursor chemicals due to its geographical location between two major cocaine source countries, Colombia and Peru. In addition, it has long served as a resupply and rest/recreation site for Colombian insurgents. Arms and munitions trafficking from Ecuador into southern Colombia fuel the violence there. Cocaine and heroin are transported into Ecuador primarily overland by truck on the Pan-American Highway. Narcotics traffickers exploit Ecuador's porous borders and poorly controlled seaports to consolidate smuggled drugs into larger loads for bulk shipment to the United States and Europe hidden in containers of legitimate cargo. Precursor chemicals imported by ship into Ecuador are diverted to cocaine processing laboratories in southern Colombia. In addition, the Ecuadorian police and army

have discovered an increasing number of cocaine refining laboratories on the northern border. Although large-scale coca cultivation has not yet spilled over the border, there are numerous small, scattered plots of coca. As a result, Ecuador could become a drug producer, in addition to its current role as a major drug transit country, unless law enforcement programs are strengthened.

The Ecuadorian congress passed a new criminal justice procedural code which will fundamentally change the country's legal system from an inquisitorial to an accusatorial-style system. The purpose of the reform is to strengthen the criminal justice system and speed up the process by converting to oral trial procedures. Under the new system, the roles of police, prosecutors, judges and other elements of the legal system will be profoundly changed.

**FY 2002 Programs.** During the next two years, Ecuador will face an even greater threat to its internal stability due to spillover effects from Colombia counternarcotics operations. At the same time, deteriorating economic conditions in Ecuador have limited budgetary support for its police. As a result of these two factors, the Ecuadorian National Police (ENP) will need significant increases in USG support to confront the increased drug trafficking and cultivation threat on its northern border.

The Law Enforcement Project will support the efforts of the ENP to strengthen its presence on the northern border by establishing new checkpoints at strategic highway intersections and a new police headquarters complex in Lago Agrio in the Sucumbios province. With USG commodity and operational assistance, the ENP is increasing the size of its mobile highway drug interdiction unit from 20 to 100 policemen. This unit will be deployed at the new highway checkpoints, to be built at Lumbaqui (Sucumbios province), Tulcan (Carchi) and San Lorenzo (Esmeraldas). The unit will also act as the ENP's rapid reaction force to criminal or insurgent threats along the highways. With USG assistance, the ENP is developing communications networks to connect these units with police intelligence centers in Quito and Guayaquil for command and control.

In addition, under the new criminal justice procedural code, the ENP will have to completely revamp its criminal investigative procedures in order to comply with the fundamental reform of the Ecuadorian justice system to an accusatorial system based on evidence and oral testimony. The project will provide technical assistance to support the massive retraining effort needed to enable the ENP to build successful cases for the prosecution of drug traffickers and other criminals.

Counternarcotics assistance to the Ecuadorian military through the Northern Border Security Project will strengthen their capacity to provide security and to improve operational coordination and logistical cooperation with the ENP. This project includes procurement of communications equipment, vehicles, provision of fuel and spare parts for the Ecuadorian army, design of infrastructure improvements for the Ecuadorian navy, and some logistical assistance to the Ecuadorian air force for transport aircraft. The project also provides operations and maintenance funding for helicopters to increase mobility for Ecuadorian military and law enforcement agencies on the northern border.

USAID has been working intensively on Alternative Development with the GOE's unit for development of the northern border (UDENOR) to support alternative, licit production options that will create a "productive barrier" along Ecuador's increasingly vulnerable northern border. The GOE recognizes that in recent years the economy of this region has simply escaped their control and increasingly provided direct support for illicit activities based in Colombia. During FY 2000, USG funds totaling \$8 million were provided to support an agreement with the International Organization for Migration (IOM) to initiate a chain of community infrastructure projects across the three principal border provinces of Sucumbios, Carchi and Esmeraldas, with part of this sum dedicated to assist UDENOR. While the geographic focus of the alternative development project will continue with these three border provinces, FY 2002 funding will also extend to productive activities in Napo, also considered increasingly vulnerable to cross-border influence from Colombia. The GOE may request that the USG partially fund some of the activities that emerge from a major donor's conference regarding Ecuador's northern Amazon region which USAID is coordinating with both the GOE and the Inter-American Development Bank.

The bulk of cocaine and heroin transiting Ecuador from Colombia and Peru is smuggled out of sea and airports concealed in shipments of legitimate cargo destined for the U.S. and Europe. At present, only a small percentage of outbound cargo is inspected prior to embarkation. The Sea and Airport Control Project will assist the ENP, which is responsible for the physical inspection of all outbound and inbound cargo, in enhancing its facilities, equipment, technical expertise and manpower. This project will also continue USG commodity and technical assistance support for the ENP canine units operating at Ecuador's two principal international airports (Quito and Guayaquil), which have been very successful in interdicting small quantities of drugs transported by body carriers on international flights. Canine units operating at the Guayaquil seaport have scored some major seizures of drugs

hidden in outbound containers, and they have now been integrated into the overall ENP antidrug division command structure and form the nucleus of the sea and airport inspection service. With U.S. assistance, the ENP developed a seaport Joint Information Coordination Center (JICC) in Guayaquil, with links to DEA/EPIC; continued assistance to the JICC will strengthen it and increase its effectiveness in the fight against drug trafficking.

Ecuador's national drug commission (CONSEP) is responsible for drug policy development and coordination and directly operates a chemical control program, an anti-money laundering unit, and drug prevention campaigns. It also manages properties seized from drug traffickers under the asset forfeiture provisions of Ecuador's drug laws, certifies Ecuador's drug treatment and rehabilitation programs, and develops drug education and prevention campaigns. CONSEP's comprehensive national drug strategy, assigns clear roles to government agencies and military services in the fight against drug trafficking. The Interagency Coordination and Legal Reform Project will reinforce the technical assistance given to CONSEP by OAS/CICAD to reform the existing Ecuadorian organic drug law (law 108). Reforms proposed include broadening the scope and definition of money laundering as that derived from any illicit activity, and authorizing the use of controlled deliveries, electronic surveillance and other modern law enforcement techniques. The project will also continue USG commodity support to CONSEP's programs by procuring computer equipment for the chemical control unit and by providing training assistance to the money laundering unit. Additional funding will be provided for drug prevention and education, which will assist in garnering greater political support for tougher law enforcement actions against drug traffickers, especially in the northern border areas.

Program development and support funds will provide salaries, benefits and allowances of U.S. and foreign national personnel, short-term TDY assistance, and other administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

#### Effectiveness Measurements

Ecuador

INL Budget

(\$000)

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Law Enforcement</b>			
Commodities  (vehicles, radios, field equipment)	350	867	3,000
Training	40	75	2,500
Other Costs  (maintenance, operational support, U.S. advisor)	275	600	2,000
<b>Subtotal</b>	<b>665</b>	<b>1,542</b>	<b>7,500</b>
<b>Northern Border Security</b>	—	—	<b>7,900</b>
Aircraft O&M, fuel, spare parts, boats, facility upgrades			
<b>Alternative Development</b>	—	—	<b>20,000</b>
Technical assistance, credit, Irrigation and potable water Systems, technology ass't.			
<b>Sea and Airport Control</b>	—	<b>180</b>	<b>3,000</b>
Advisor, operational support, Training, construction, equipment			
<b>Interagency Coordination &amp; Legal Reform</b>	<b>60</b>	<b>50</b>	<b>50</b>
Vehicles, computer equipment, Training, operational support			
<b>Program Development and Support</b>			
U.S. Personnel	148	158	175
Non-U.S. Personnel	53	55	50

Other Costs			
International Cooperative Administrative Support Services (ICASS)	126	110	150
Program Support	148	105	175
<b>Subtotal</b>	<b>475</b>	<b>428</b>	<b>550</b>
<b>Total</b>	<b>1,200</b>	<b>2,200</b>	<b>39,000</b>
<b>Emergency Supplemental Funds</b>	<b>20,000</b>	<b>—</b>	<b>—</b>
<b>Grand Total</b>	<b>21,200</b>	<b>2,200</b>	<b>39,000</b>

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
987 <sup>1</sup>	1,000	11,000 <sup>2</sup>

<sup>1</sup>Does not include \$4.0 million in FY 2000 Emergency Supplemental funding.

<sup>2</sup>Funding for FY 2002 is requested in the Andean Counterdrug Initiative account.

## Objectives

## Justification

Panama's proximity to the world's largest cocaine-producing country and its role as a regional transportation and financial hub make it a convenient transit point for international drug shipments. Large quantities of illicit drugs are stockpiled in Panama before being repackaged for shipment to the U.S. and Europe. An underdeveloped criminal justice system undermined by corruption, and inadequate maritime, airport, and border controls, also contributes to Panama's vulnerability to transnational organized crime. In addition to drug trafficking, criminal groups engage in money laundering, chemical diversion, illicit arms sales, stolen vehicle trafficking, alien smuggling and other activities. The steady flow of illicit drugs has fueled increasing domestic drug abuse.

Panama's large and sophisticated banking and trading sectors and its dollar-based economy make it an attractive site for money launders. In 2000, Panama was determined by the Financial Action Task Force to not be cooperating effectively with other governments in this area, which it is addressing with new legislation and increased prosecutions, but the Government of Panama (GOP) needs technical assistance.

**FY 2002 Programs.** An increase in INL assistance is necessary in order to help Panama to maintain stability and manage spillover effects from the conflict in Colombia. The additional resources will be used to assist the GOP to ensure that it can better protect its borders, both on the Colombia and Costa Rican frontiers. Furthermore, these resources will strengthen the rule of law in Panama's undeveloped Darien region along the Colombian border and will assist in strengthening the institutional capacity of Panama to absorb the influx of Colombian refugees.

The FY 2002 request will fund various Law Enforcement Sub-Projects. The Public Ministry Upgrade Project will provide support for mobile interdiction teams, technical detection, canine search units, etc., and will increase the ability of Panamanian law enforcement to detect and arrest traffickers and interdict drug shipments. The Panama National Police (PNP) Border Control Project will include the provision of equipment and training to improve the skills, mobility, command and control, and communications and intelligence capabilities of the PNP border units. The Interdiction/Alien Smuggling Project is designed to strengthen Panama's ability to control the entry of transnational criminals, such as drug traffickers and alien smugglers. The project will provide infrastructure, equipment and training at airports and border points of entry. The National Maritime Service (SMN) Upgrade Project provides additional equipment to the SMN, upgrades existing equipment and vessels, and pays for infrastructure improvements such as facility upgrades at outlying locations, and assisting the SMN in planning a shipyard. The objective of the National Air Service (SAN) Upgrade Project is to work with the SAN and the enforcement agencies to determine projected air mobility requirements, to conduct a thorough assessment of the existing fleet and maintenance operation, and to develop a plan for repair and modernization. Assistance will include a technical advisor, material assistance, and training.

The Criminal Justice Institutions Program will assist the GOP to develop a strategy for modernizing and improving its criminal justice institutions. It will focus primarily on technical assistance, agency leadership, and on strengthening the law enforcement training academies. This effort is central to

improving management and execution of criminal justice in Panama and to raising standards of professionalism. It will also help to integrate the law enforcement support projects of the Public Ministry, the Panamanian National Police, Maritime, Air and Immigration Services, and the Financial Intelligence Unit in support of coordinated national strategic objectives.

There are three subprojects under the Money Laundering Support activity. The Financial Investigation Unit Project will establish a permanent investigative unit for financial crimes including money laundering and black market peso exchange under the Drug Prosecutor's office and fund it for two years, during which period the GOP will gradually assume responsibility for its operations. The Multi-Sector Control Initiative Project is designed to reach out to the Panamanian financial and business sector, to judges, bank regulators, legislators, academics, and other groups to increase awareness of the threat posed by money laundering to Panama and to promote "buy in" to an effective national control effort. This would include such activities as lecturers, seminars, workshops, technical training, conferences, etc. The Regional Money Laundering Advisor Project will include hiring a money laundering advisor to provide support and technical assistance to the GOP in strengthening laws and regulations, training government and financial institution personnel, and working to help investigators and prosecutors work effectively together to achieve successful prosecutions. The money-laundering advisor will focus primarily on Panama but also will serve as a technical resource for the Central America region.

The Demand Reduction and Public Diplomacy activity includes two projects. As with drug abuse, Civic Education Prevention Projects can help to curb the spread of crime and violence. The goal of this program is to reinforce the rule of law by changing societal attitudes toward crime and corruption. Key activities include mobilizing community leaders and education officials, developing lesson plans and incorporating them into high school curriculum, and training teachers. The program uses a "train-the-trainer" approach to assist trained teachers to train others. Ideally, this could serve as a model program that could be expanded to include other countries in the region. The Demand Reduction Project will include working with health and education agencies and NGOs, to help Panama in promoting drug abuse prevention and increased public awareness.

The Program Development & Support funds will provide for salaries, benefits and allowances for direct-hire staff of the Narcotics Affairs Section, short term temporary duty personnel, and other

general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

**Effectiveness Measurements**

**Panama**

**INL Budget**

**(\$000)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Law Enforcement</b>			
Commodities  (Vehicles, communications, computer and technical equipment, spare parts)	447	450	6,825
Training  (money laundering investigative techniques, technical assistance, and legislative reforms)	50	50	365
Other Costs  (Vehicle and boat repair and maintenance, fuel, boat and canine support, facility upgrades, operating costs)	120	100	1,910

<i>Subtotal</i>	<b>617</b>	<b>600</b>	<b>9,100</b>
<b>Criminal Justice Institutions</b>	—	—	<b>700</b>
<b>Demand Reduction/Public Diplomacy</b>	—	—	<b>200</b>
<b>Program Development and Support</b>			
U.S. Personnel	180	195	350
Non-U.S. Personnel	20	20	50
Other Costs			
International Cooperative Administrative Support Services (ICASS)	100	100	300
Program Support	70	85	300
<i>Subtotal</i>	<b>370</b>	<b>400</b>	<b>1,000</b>
<b>Total</b>	<b>987</b>	<b>1,000</b>	<b>11,000</b>
<b>Emergency Supplemental Funds</b>	<b>4,000</b>	—	—
<b>Grand Total</b>	<b>4,987</b>	<b>1,000</b>	<b>11,000</b>

Peru

Budget Summary (\$000)

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
48,000 <sup>1</sup>	48,000	156,000 <sup>2</sup>

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<sup>1</sup>Does not include \$32 million in FY 2000 Emergency Supplemental funding.

<sup>2</sup>Funding for FY 2002 is requested in the Andean Counterdrug Initiative account.

## Objectives

### Justification

The principal goal of the U.S. counternarcotics strategy in Peru is to reduce, and ultimately to eliminate, production of refined coca products. This goal is consistent with the President's National Drug Control Strategy, and can be attained by helping the GOP develop an institutional capability to carry out an integrated counternarcotics program including law enforcement, coca reduction, alternative development, public awareness and demand reduction. A consistent INL focus on institutionalization over the years has led to "Peruvianization" of most helicopter operations and maintenance, Peruvian design and implementation of alternative development programs, and the creation of a cabinet-level counternarcotics agency, called CONTRADROGAS, to provide Peruvian interagency coordination authority on drug matters.

In coordination with CONTRADROGAS, the USG counternarcotics program provides training, equipment and technical assistance to Peruvian government agencies charged with implementing counternarcotics-related programs, including law enforcement programs to disrupt coca cultivation, wholesale purchase, industrial-scale processing, and export of refined coca products. There is also a focus on dismantling narcotics trafficking organizations, and supporting judicial processes that will lead to the arrest, successful prosecution of key trafficking figures, and seizure of their assets. USG economic assistance programs are aimed at providing for the development of local governments, agricultural credit, rural infrastructure (such as roads), improved farming practices and disease control, and access to national and international export markets.

Despite the political turmoil created by controversial Presidential elections, and the subsequent resignation of President Fujimori over revelations of deep corruption within his government, over 6,100 hectares of coca cultivation were eradicated as a consequence of the USG-supported Peruvian counternarcotics program in 2000. Statistically, there was a 12 percent decline in the total amount of coca cultivated in Peru. In sum, the total amount of coca cultivation in Peru has been reduced by approximately 70 percent since 1995. Nevertheless, the virtual elimination of Bolivia's Chapare region as a commercial coca-growing area in 2000, coupled with trafficker uncertainty due to intensified Andean Regional Initiative counternarcotics efforts in Colombia, has restored Peruvian coca leaf prices back into profitability. There is substantial anecdotal evidence that previously

abandoned coca fields were being rehabilitated even as law enforcement and alternative development projects continued in key coca growing areas. The Government of Peru has stated its commitment to eradicate coca cultivations in both national parks and private land and towards that end is seeking the virtual elimination of coca cultivation by 2008.

There was a substantial increase in the number of opium poppy plants eradicated by Peruvian law enforcement agencies during 2000, multiplying from 34,000 plants discovered and eradicated in 1999 to over 2.4 million plants in 2000. No reliable statistics exist as to the extent of opium poppy cultivation in Peru due to the lack of an airlift capability to reach potential cultivation in inaccessible, mountainous areas. INL-supported Peruvian law enforcement efforts in 2000 resulted in the dismantling of a major Peruvian narcotics trafficking organization, the interception of two narcotics trafficking aircraft, the destruction of several cocaine hydrochloride laboratories, the seizure of over seven tons of cocaine and cocaine base, and a very successful effort to shutdown precursor chemical diversion within Peru. The lack of continuous availability of USG aerial tracking assets has limited the effectiveness of the airbridge intercept effort, while it appears that traffickers have opened new air routes to the south and east into Brazil and Bolivia. This has a direct effect on the GOP's ability to hold down coca leaf prices in coca producing regions.

Spillover effects in Peru from increased operations in Colombia are already evident in high coca leaf prices and new drug trafficking patterns. In order to prevent a major upsurge in drug crop cultivation, and to accomplish economic development and interdiction goals, a substantial increase in funding for FY 2002 will be required. A significant amount of the FY 2002 funding for Peru will be used to support major aviation, police and forward base upgrades, which are long overdue in terms of expanding the scope of bilateral counternarcotics efforts. Increased funding for the Peru program will also reinforce counternarcotics alternative development programs administered by USAID to ensure that coca reduction gains over the past six years do not slow down for lack of resources to reach all coca-cultivating communities. While consolidating coca reduction gains in key areas, such as the Apurimac valley, the alternative development program in FY 2002 and outyears calls for eliminating the traditional strongholds of coca cultivation in the Huallaga and Monzon valleys through a combination of interdiction and economic development. Moreover, there is a growing need to identify and destroy the developing opium poppy cultivation industry in Peru; to support enhanced coca eradication efforts; and interdict drug flows in the air, on roads and out of container shipping ports.

**FY 2002 Programs. Forced eradication of coca seedbeds and mature coca is the focus of the Coca Eradication Support Project. In 2000, this program was responsible for eradicating over 6,000 hectares of coca, which offset an increase in coca cultivation attributable to rising coca leaf prices and the elimination of the Bolivian Chapare region as a illicit commercial coca growing center. The program uses a two-pronged approach to coca and opium poppy eradication. First, it ensures that coca-growing communities that have signed alternative development agreements remain committed to coca reduction, and also boosts the appeal of alternative development for coca farmers; and second, it provides for a labor force to forcibly eradicate coca cultivated in national parklands and other areas not covered under Peruvian alternative development plans. The FY 2002 budget also anticipates the need to increase USG support for expanding opium poppy eradication efforts. Opium poppy cultivation occurs in inaccessible high altitude areas that will incur significant resource allocations to transport and resupply law enforcement and eradication workers implementing this program. Replacement of the 14 USG-owned "Huey" UH-1H helicopters with a "Super Huey" variant is a critical requirement for the opium poppy program.**

**In order to make significant inroads against hard-line coca cultivating communities in the Huallaga and Monzon areas, FY 2002 funds will greatly expand the number of full-time Peruvian coca reduction workers affiliated with the Peruvian Coca Reduction Agency (CORAH), and cover their operating and transportation costs to outlying coca and opium poppy areas. Coupled with an enhanced alternative development program, the bilateral coca reduction strategy seeks to reduce Peruvian coca cultivation from a 2000 baseline of 38,700 hectares, to 30,000 in 2001 and down to 22,000 hectares in 2002.**

**An affiliated organization of CORAH, called CADA (Coca Survey and Verification), provides a means to verify the extent of coca reduction within communities, which is a critical condition of continued alternative development funding. The CORAH civil construction unit, which is a subset of the main project, provides counternarcotics law enforcement and military agencies with construction and facility improvement capabilities in outlying areas. Demand for both CADA and CORAH construction has been high: CADA statistical information is being used by the international community, such as the OAS Drug Commission, to prioritize its alternative development projects; and CORAH construction services has allowed the police and navy to establish riverine forward operational bases in key coca cultivation areas.**

The Alternative Development Support Project will develop alternative sources of legal income and employment for coca-growing communities that are subject to coca reduction or that agree to voluntarily eradicate their coca cultivations. Since 1995, the alternative development program has invested approximately \$85 million for improved social infrastructure, potable water systems, rehabilitated road systems, new bridges linking key production areas to the market, support to farmers for licit crops, and local government rebuilding. These efforts have been targeted on bilaterally designated priority areas within major coca producing zones. As a result of the alternative development program, many communities, which were previously dependent on the coca economy, have made a sustainable transition to licit agricultural production. In 1999, the farmgate value of licit crops surpassed the value of coca in three coca-cultivating areas (Central Huallaga, Pichis-Pachitea, and Aguaytia). While the value of licit crops was 10 percent higher than coca at the beginning of 2000, this trend is threatened by the near quadrupling of coca leaf prices as alternative development funds lag behind demand, and aerial interdiction efforts weaken due to a lack of tracking assets. FY 2002 funds will initiate a large-scale multi-year development plan which would lock in current levels of coca reduction, prevent negative spillover cultivation effects from a successful Colombian aerial spray eradication program, and allow the Government of Peru to enforce a zero tolerance program in key coca growing areas with the assurance that development funds would be available to transition these communities with a minimum of social unrest.

In coordination with this effort is a joint Alternative Crop Research and Extension Project between INL, the U.S. Department of Agriculture, and the drug office of the Organization of American States (OAS/CICAD). This project will continue to perform field research into coffee and cacao diseases, with a focus on finding ways to increase production yields in alternative development areas, and developing international markets. The U.S. private sector has responded favorably to these efforts, and has offered expert marketing and scientific assistance. There have also been discussions with U.S. private industry over the cultivation of specific flowers used to produce pharmaceuticals as an alternative development crop. The FY 2002 funding request will support the dissemination of the practical research results to alternative development farmers throughout the region, and provide access to U.S. export markets.

Counternarcotics Law Enforcement efforts are structured around the Anti-Drug Directorate (DINANDRO) of the Peruvian National Police, which conducts airborne operations against major trafficking facilities in outlying areas, develops intelligence and cases against major trafficking

organizations, and takes the lead in drug-related precursor chemicals and counternarcotics riverine operations. Headquartered in Lima, it has operating units in several key narcotics trafficking areas, training bases at Mazamari and Santa Lucia, a joint riverine training school in Iquitos, and investigators in major urban areas. The narcotics field support subproject provides essentially all costs, except salaries, for training, equipping, and operating DINANDRO units and personnel, including units which are deployed on the rivers, units investigating trafficking, financial crimes, and chemicals trafficking and a major violators unit. DINANDRO has formed operational task forces with other Peruvian agencies, such as Customs, to address increasing road and maritime port drug trafficking within Peru. In FY 2002, major law enforcement operations are planned for the coca-growing valleys, as well as in the transit zones. These operations are essential to drive down the price of coca, and encourage abandonment and eradication. The operations will significantly expand DINANDRO's use of canine units in road interdiction, maritime port inspections, riverine operations, force protection for Peruvian eradication teams, and joint operations with the Peruvian Air Force to intercept trafficking aircraft at clandestine airstrips. Performance indicators include a 100 percent increase in the amount of cocaine base seized, from 10 metric tons in 2000 to 20 metric tons in 2002; and a flat 5 metric ton annual seizure goal for cocaine hydrochloride (HCL) between 2000 and 2002, due to the expectation that less HCL will be produced in Peru as coca cultivation continues to go down.

The Counternarcotics Aviation Support Project covers operating and maintenance costs for the National Police Aviation Division (DIRAVPOL), which provides general aviation support for the entire PNP. It provides pilots, aircrews, and support personnel for 14 USG-owned UH-1H helicopters and 14 Peruvian Mi-17 helicopters, which support coca eradication and law enforcement actions in the field. INL has procured four K-Max heavy-lift helicopters, using Congressionally earmarked funds from FY 2000, to support police operations at forward operating locations. The aviation support funds the counternarcotics operations of the USG-owned helicopters, providing fuel, maintenance, hangars and warehousing, aircraft rental when needed, and operational support for DIRAVPOL personnel. In addition, the most important priority for FY 2002 under this project is replacing the fourteen Bell UH-1H helicopters with Bell UH-2H "Super Huey" variants. The Super Hueys will provide a heavier lift capability for larger ground operations, make riverborne helicopter float operations feasible, improve search and rescue capabilities and allow police to reach inaccessible opium poppy cultivation areas for survey and eradication purposes. Funds will also be

used to operate the USG-owned C-27 or an equivalent cargo aircraft to support forward operating locations from which the Peruvian Air Force and DINANDRO conduct ground and aerial intercept operations throughout the country.

The Armed Forces Counternarcotics Support project will provide FY 2002 funds to support Peruvian Navy joint riverine operations with DINANDRO in and around northern and eastern Peru (Iquitos and Pucallpa areas). Funds for the Peruvian Air Force (FAP) are concentrated on providing a more reliable aerial tracking and intercept effort to reinvigorate the airbridge effort which collapsed coca leaf prices between 1995 and 1998. Elements include outfitting Peruvian-owned C-26 fixed-wing aircraft with specialized sensor packages, renovating FAP Tucano and A-37 aircraft to intercept trafficking aircraft, and supporting the establishment of forward operating locations for FAP and DINANDRO in Iquitos, Pucallpa, Tarapoto and Puerto Maldonado. Support costs include training for pilots and mechanics, facility improvements, spare parts for aircraft and boats, and a search and rescue capability. Performance indicators include driving coca leaf prices down from an average of \$3.30 per kilo in 2000, down to \$1.00 per kilo in 2002; and increasing the number of interdiction/eradication operations from 250/1500 in 2000 to 400/2000 in 2002.

The Narcotics Prosecutions Project supports a unit of GOP prosecutors that has been granted special national jurisdiction to accompany police and military narcotics law enforcement operations to interrogate suspects and witnesses, take charge of evidence, supervise destruction of illegal facilities such as laboratories or airstrips, and prepare cases to be carried to trial. This project will continue support for the national narcotics prosecutors, provide training to personnel of the judicial branch that handle these cases, and provide selected jurisdictions with adequate resources to handle heavy narcotics caseloads.

The Counternarcotics Policy and Institutional Development Project provides support to the cabinet level agency (CONTRADROGAS) charged with coordinating and directing the overall counternarcotics efforts of the Government of Peru. In FY 2002, this project will support the further development of national drug control policies, make contact with multilateral and bilateral donors, and enhance communication and coordination between the various GOP counternarcotics agencies.

Drug Awareness and Demand Reduction Project activities will focus on providing the Peruvian public with information about the harmful personal and societal effects of cocaine production and

abuse, conducting surveys on drug abuse to identify groups requiring assistance, and supporting educational fora for prevention and treatment professionals. This project will continue to provide assistance to drug awareness institutions, and the Ministry of Education, to support drug awareness, abuse prevention and treatment programs.

Program Development and Support funds will fund salaries, benefits and allowances of permanently-assigned U.S. personnel, foreign national personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

**Effectiveness Measurements**

**Peru**

**INL Budget**

**(\$000)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Law Enforcement</b>			
Narcotics Law Enforcement Support	2,510	2,800	12,000
Aviation Support	7,900	7,910	36,430
Riverine Support	1,500	1,500	2,800
<b>Subtotal</b>	<b>11,910</b>	<b>12,210</b>	<b>51,230</b>
<b>Coca and Opium Poppy Eradication</b>	<b>4,700</b>	<b>4,700</b>	<b>5,000</b>
Commodities, labor costs, operational support			
<b>Alternative Development</b>	<b>27,300</b>	<b>27,000</b>	<b>81,500</b>
NAS/AID projects			
<b>Armed Forces Counternarcotics Support</b>	<b>100</b>	<b>100</b>	<b>13,900</b>
Air Force, Navy and Coast Guard			

<b>Customs</b>	—	—	<b>100</b>
<b>Prosecutions/Policy</b>	<b>300</b>	<b>300</b>	<b>500</b>
<b>Demand Reduction</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Program Development and Support</b>			
U.S. Personnel	880	880	880
Non-U.S. Personnel	645	645	645
Other Costs			
International Cooperative Administrative Support Services (ICASS)	500	500	580
Program Support	665	665	665
<i>Subtotal</i>	<b>2,690</b>	<b>2,690</b>	<b>2,770</b>
<b>Total</b>	<b>48,000</b>	<b>48,000</b>	<b>156,000</b>
<b>Emergency Supplemental Funds</b>	<b>32,000</b>	—	—
<b>Grand Total</b>	<b>80,000</b>	<b>48,000</b>	<b>156,000</b>

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
700 <sup>1</sup>	1,200	10,000 <sup>2</sup>

<sup>1</sup>Does not include \$3.5 million in FY 2000 Emergency Supplemental funding.

<sup>2</sup>Funding for FY 2002 is requested in the Andean Counterdrug Initiative account.

## Objectives

## Justification

Colombian narcotics traffickers heavily exploit Venezuela's geographic location next to Colombia on the Caribbean route for drug transit to the U.S. The recent implementation of Plan Colombia has

heightened concerns over potential spillover of narcotics activity into Venezuela, and for that reason it is important to expand programs that counter narcotics trafficking and its ramifications.

Venezuela's modern seaports, multiple regular daily flights to U.S. destinations, and its developed infrastructure all aid drug smuggling. Large-scale drug shipments, which originate in Colombia, are hidden in commercial cargo shipments leaving Venezuela's seaports. Air couriers on commercial flights and in air cargo to the U.S. Narcotics-smuggling aircraft and "go-fast" boats from Colombia use Venezuelan air space and territorial waters to deliver and receive drugs in the Caribbean carry out narcotics smuggling in smaller quantities. In addition, Venezuela is a source for chemical precursors used in the manufacture of narcotics in the Andean source countries, and its modern financial sector is a target for the laundering of drug proceeds.

Seizures of Colombian-origin cocaine and heroin have increased dramatically in recent years and the GOV is increasingly concerned about corruption related to narcotics trafficking. The administration of President Hugo Chavez Frias has made actions against corruption a centerpiece of law enforcement programs. The GOV has moved against money laundering by setting up the National Financial Intelligence Unit and participating actively in multilateral money laundering control organizations such as the Caribbean Financial Action Task Force and the Egmont Group of Financial Intelligence Units. Venezuela cooperates closely with DEA in a worldwide operation against major chemicals used in illegal drug production.

FY 2002 Programs. Interdiction efforts under the Narcotics Law Enforcement Project build on separate programs to target the principal weakness in drug flows through Venezuela. This project, initiated in 1998, provides training and equipment for Venezuelan police and military authorities with illegal drug interdiction responsibilities. An indication of its success is the quality of cooperation between Venezuelan and U.S. law enforcement agencies and the achievement in 2000 of a complex joint operation that led to the seizure of 8.8 metric tons of cocaine, numerous arrests in Venezuela, and the expulsion of two significant third-country narcotraffickers to the U.S. for trial. The project will build on successful cooperation targeting containerized cargo, including search techniques, shipping manifest investigations and database creation, and will also support the Venezuelan military's plans for a mobile road interdiction program along the major land route from Colombia by providing training and technical assistance. The project also addresses airports and air traffic.

The interdiction project will also assist law enforcement to target chemicals used in the production of cocaine and heroin in the Andean source zone. These chemicals are diverted from international sources or from Venezuela's own chemical industry. Venezuela law enforcement units continue to seize chemical precursors, such as potassium permanganate, a vital precursor for the production of cocaine, destined for Colombian drug labs. The GOV has implemented new administrative controls on a comprehensive list of such chemicals and is reorganizing its investigative and law enforcement arms to focus on the chemical diversion programs.

The project will continue to work with investigators and prosecutors to bring narcotics traffickers to justice. In 1999, a new penal system entered into force, similar to the U.S. system, with the introduction of oral and adversarial trials. INL will assist in the implementation through training and technical assistance on gathering of evidence in drug crimes, prosecutor-investigator cooperation, and successful oral presentation of evidence.

The Money Laundering Project builds on cooperation with Venezuela's new central Financial Intelligence Unit (FIU). This unit is implementing international standards set by the Caribbean Financial Action Task Force, in conjunction with the USG's Financial Crimes Enforcement Network, and has responsibility for regulating financial institutions. The project will build on the ability of the FIU to analyze financial information and to prepare actionable intelligence for law enforcement. Training, technical assistance and equipment will assist rapid, focused investigations of the large quantity of financial information being collected under Venezuela's strict currency transaction reporting requirements.

The Drug Policy and Demand Reduction Project supports the National Commission Against the Illicit Use of Drugs, known as CONACUID. On the national level, CONACUID is responsible for promoting better coordination among GOV law enforcement entities combating drugs, drafting and promoting counternarcotics legislation, and coordinating the national demand reduction efforts. The embassy has a long-standing relationship with CONACUID, which is a central element of our strategy to maintain Venezuela's commitment to combating narcotics-related crime. The FY 2002 request will assist CONACUID programs to host training seminars, participate in multilateral counternarcotics conferences, provide assistance for the Joint Intelligence Coordination Center, and fund specific projects on demand reduction that meet shared goals and objectives.

Program Development and Support funds will provide for salaries, benefits and allowances of permanently-assigned U.S. personnel, U.S. contract personnel, foreign national personnel and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

Venezuela

INL Budget

(\$000)

	FY 2000	FY 2001	FY 2002
<b>Narcotics Law Enforcement</b>			
Commodities	85	285	3,700
Computers, herbicide, GPSs, investigative, lab & and other equipment			
Training	80	200	2,500
Operational Support	100	115	500
Eradication, interdiction & chemical controls			
<b>Subtotal</b>	<b>265</b>	<b>600</b>	<b>6,700</b>
<b>Money Laundering</b>	<b>50</b>	<b>100</b>	<b>700</b>
<b>Drug Policy/Demand Reduction</b>	<b>30</b>	<b>50</b>	<b>2,000</b>
<b>Program Development and Support</b>			
U.S. Personnel	160	174	200
Non-U.S. Personnel	30	40	40

Other Costs			
International Cooperative Administrative Support Services (ICASS)	100	120	170
Program Support	65	116	190
<b><i>Subtotal</i></b>	<b>355</b>	<b>450</b>	<b>600</b>
<b><i>Total</i></b>	<b>700</b>	<b>1,200</b>	<b>10,000</b>
<b><i>Emergency Supplemental Funds</i></b>	<b>3,500</b>	<b>—</b>	<b>—</b>
<b><i>Grand Total</i></b>	<b>4,200</b>	<b>1,200</b>	<b>10,000</b>

- Increased monitoring and interdiction operations on Venezuela’s highways, ports and waterways;
- Implementation of new control regimes on precursor chemicals;
- Criminalization of money laundering as a stand-alone crime and inclusion of conspiracy provisions in counternarcotics law amendments; and
- Identification of illicit drug cultivation and increased eradication along the Colombian border.
- Improve the Government of Venezuela’s (GOV) institutional capabilities to interdict drug shipments transiting Venezuela, restrict money laundering, and control the diversion of precursor chemicals;
- Improve the GOV’s ability to conduct investigations and prosecutions of narcotics traffickers and those involved in narcotics-related crime under the newly revamped, adversarial justice system; and
- Assist Venezuela to implement national drug control plans and to enhance coordination among law enforcement, the military and policy makers.

Venezuela

## Budget Summary (\$000)

- Reduction in the amount of coca and opium poppy cultivated;
- Immobilize cocaine production and transportation organizations;
- Reforms in the Peruvian justice system;
- Development of viable alternatives to the illegal coca economy, including implementation of comprehensive macroeconomic policy reforms and projects in and outside of coca-growing areas; and
- Increase in the local population's awareness of the dangers of drug abuse and drug trafficking to Peru's economy and society.
- Build host nation capabilities in order to foster institutionalization of policy-making and coordination, and "Peruvianize" all aspects of counternarcotics law enforcement and alternative development efforts;
- Reduce and ultimately eliminate the cultivation of coca and opium poppy and interdict trafficking of drugs from Peru; and
- Support economic reforms that eliminate the illicit coca cultivation economy.
- Enhanced efficiency and effectiveness of criminal justice institutions and personnel in bringing drug violators, including money launderers, to justice;
- Increase in number, and importance, of traffickers arrested (e.g., the leaders, financial experts, transportation experts, security chiefs, etc.) as a result of GOP investigations or cooperative bilateral or regional law enforcement efforts;
- Increase in interdiction of drug shipments, particularly maritime, as well as detection and prevention of diverted precursor and essential chemicals via Panama;
- Seizures of trafficker assets, including companies used to conceal operations or to launder drug profits; and
- Greater public awareness of the dangers of drug abuse and trafficking and community-level involvement in drug abuse and crime prevention efforts.
- Work with the Government of Panama (GOP) to develop a comprehensive strategy for criminal justice system reform and modernization;

- Confront transnational organized crime by increasing Panama's institutional capabilities to investigate, prosecute, seize and forfeit assets, and dismantle drug trafficking and other criminal organizations;
- Increase Panama's ability to interdict maritime shipments of illicit drugs, chemicals and weapons, to counter alien smuggling, and to control its airports, seaports, and land routes to detect/deter smuggling;
- Assist Panama in combating money laundering and other financial crimes, and in coordinating more effectively with international partners; and
- Assist Panama to develop greater public awareness of the dangers of drug abuse and trafficking, and strengthen community-level involvement in drug abuse and crime prevention efforts.

### **Panama**

#### **Budget Summary (\$000)**

- Increased interdiction and seizures of illicit drugs, identification and elimination of coca cultivation and coca refining laboratories; implementation of a chemical control program;
- Increased number of investigations of narcotics trafficking and money laundering groups, leading to dismantling of narcotics trafficking groups;
- Improved police-military coordination and logistical support with increased coastal, land and air operations along the northern border;
- Strengthened municipal and community governments' management of resources and commitment to alternative development goals; and
- Increased income for small farmers and fishermen from their licit agricultural and fishing activities.

### **Ecuador**

#### **Budget Summary (\$000)**

funds will provide for salaries, benefits and allowances of permanently-assigned U.S. and foreign national personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

<sup>1</sup>Does not include \$838.5 million in FY 2000 Emergency Supplemental funding.

<sup>2</sup> Funding for FY 2002 is requested in the Andean Counterdrug Initiative account.

- Successful implementation of Operation Cobra by Brazilian Federal Police in the Amazonian border area;**
- Continued Brazilian political commitment and increased financial responsibility to counter illegal narcotics, especially through continued participation in joint law enforcement activities;**
- Federal police investigations resulting in arrest and prosecution of drug traffickers, dismantling of major cartel operations, and interdiction of cocaine shipments; and**
- Increased positive public awareness and political will in support of drug awareness and demand reduction at all levels of Brazilian society.**
- Reinforce Brazil's efforts to improve the institutional capabilities of the Federal Police to disrupt the activities of major trafficking organizations, interdict illegal drugs and control precursor chemicals;**
- Support programs to enhance the ability of the criminal justice system to arrest, investigate, prosecute, convict and sentence drug traffickers, and to dismantle international criminal organizations;**
- Assist Brazilian organizations that seek to reduce drug abuse to improve their effectiveness and decrease the domestic demand for drugs; and**
- Assist Brazilian efforts to analyze illegal drug use and reduce consumption of illegal drugs in Brazil.**
- Significant net reduction of coca under cultivation, towards the goal of elimination of all illicit coca, and the creation of viable, licit employment and income-earning alternatives for coca growers;**
- Promote strong, cohesive democratic government institutions capable of stopping narcotics production and trafficking in Bolivia;**

Budget Summary (\$000)

## **International Narcotics and Law Enforcement: FY 2002 Budget Justification**

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT  
AFFAIRS

**May 2001**

**The Bahamas**

**Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
1,000	1,200	1,200

**Objectives**

- Preclude the use of Bahamian territory for the movement of illicit drugs to the U.S.;
- Enhance Bahamian ability to conduct increasingly sophisticated law enforcement investigations, effective maritime interdiction operations, and financial investigations in order to stem the flow of illegal drugs, aliens and weapons through Bahamian territory, and to trace, seize and forfeit the proceeds of crime;
- Strengthen judicial institutions so that drug traffickers, money launderers and perpetrators of other types of international crime will be prosecuted expeditiously, and the proceeds of their crimes forfeited;
- Assist the Government of the Commonwealth of The Bahamas (GCOB) to develop means to control drug-related corruption of public officials; and
- Assist the GCOB to prevent drug abuse among its citizens.

**Justification**

The Bahamas is a country of approximately 300,000 people and 700 islands scattered over an area the size of California, and is strategically located on the air and sea routes between Colombia and the United States. These geographic characteristics make The Bahamas a continuing target for drug transshipments as well as international crime. The fact that The Bahamas is a major offshore banking center with bank secrecy laws makes it an attractive target for money laundering and other financial crimes. In June 2000, the Financial Action Task Force (FATF) named The Bahamas as a non-cooperative jurisdiction due to shortcomings in

its financial regulatory regime and international cooperation mechanisms. The U.S. Treasury Department also issued an advisory on The Bahamas.

The USG and the Government of the Commonwealth of The Bahamas (GCOB) enjoy a productive working relationship on counternarcotics. Because of the country's small population and budget and its expansive geography, the GCOB requires assistance to fight international narcotics trafficking and crime. GCOB law enforcement and judicial institutions lack expertise to effectively investigate, prosecute, and convict major drug traffickers and financial criminals. Dating from the 1996 passage of money laundering legislation, the GCOB has been working closely with USG agencies on money laundering and drug asset forfeiture cases. Since its listing by FATF as a non-cooperative jurisdiction in June 2000, the Bahamian parliament has passed several bills to improve its anti-money laundering regime and its ability to share information internationally. One bill created a Financial Intelligence Unit (FIU), through which the GCOB hopes to improve information exchange internationally via membership in the Egmont Group of FIUs. Now that the bills have become law, and once implementing regulations are written, the GCOB will need assistance to train public and private sector officials in their use.

The Bahamas has increasingly become a major stepping stone for illegal immigrant trafficking. There is strong evidence that sophisticated, illegal trafficker organizations are running their operations from and through The Bahamas. There has also been a dramatic increase in illegal firearms trafficking linked to drug trafficking. Major Bahamian drug traffickers are apparently transshipping cocaine and marijuana to Florida and using part of their profits to purchase illegal U.S. firearms for criminal activities in The Bahamas. Since 1996, INL has funded law enforcement exchanges and training between the Royal Bahamas Police Force (RBPF) and South Florida law enforcement on firearms trafficking and gang activity, and in FY 1999 INL funded an antifraud training program for Bahamian immigration officers. INL funded firearms control training for The Bahamas in 1998 and 1999, and additional training is planned for 2001. Ongoing joint law enforcement operations are showing the benefits of the training and law enforcement exchanges. Money laundering, firearms and alien smuggling control training is funded in part under the INL Anticrime Programs.

The success of increasingly sophisticated local law enforcement and combined U.S.-Bahamas interdiction efforts had dramatically reduced the amount of cocaine seized in The Bahamas during the early to mid 1990's. Seizures rose substantially in 1997 and 1998, fell somewhat in 1999, and rose again in 2000,

indicating that increased enforcement pressure on other transit routes can push cocaine trafficking back into The Bahamas.

**FY 2002 Programs.** Through the **Law Enforcement Project**, operational support will continue for Operation Bahamas and Turks and Caicos (OPBAT) bases that are operated by both Bahamian and U.S. personnel. OPBAT is a combined effort by The Bahamas, the Turks and Caicos Islands police, and the U.S. Drug Enforcement Administration (DEA) to intercept loads of cocaine and conduct investigations. It employs U.S. Coast Guard and Army helicopters assigned to joint interdiction bases in Nassau, George Town, Great Inagua, and elsewhere. The upsurge in the last few years of cocaine trafficking through The Bahamas underscores the necessity of maintaining a strong OPBAT structure and improving the maritime interdiction capabilities. This assistance will include base operating costs such as electricity, equipment repair and maintenance, air conditioning, runway resurfacing, base security upgrades, and other support costs. We will continue to encourage the GCOB to assume increased responsibility in OPBAT, and INL will provide training and materiel assistance to the RBPF in order to improve its maritime interdiction capability.

The Drug Enforcement Unit (DEU), composed of some 80 officers of the RBPF, is, for the first time in its history, focusing on major drug trafficking organizations. In addition, the DEU established a money laundering/asset forfeiture unit in 1999. The INL program will support these new DEU initiatives with specialized law enforcement and investigation training and equipment. Continued support to the Joint Information Coordination Center (JICC) will focus on improving its capability and usefulness to GCOB counternarcotics efforts. Other RBPF elements will also receive assistance, including the Canine Squad, the Internal Security Division, and the Corruption and Investigation Unit, which is responsible for asset-forfeiture investigations. The program will also assist the GCOB in implementing its new anti-money laundering regime by building Bahamian money laundering regulatory, investigative and prosecutorial capabilities. A continuing anticorruption initiative assists the GCOB to develop effective internal controls and to investigate and prosecute corrupt security and justice officials. Assistance to the GCOB in controlling money laundering, alien and firearms smuggling, and corruption will be provided in part under the INL Regional Training and Anticrime Programs.

The **Judicial Reform Project** has helped the GCOB modernize the Bahamian judicial system. It includes technical assistance to the Attorney General's office, the courts—including magistrate courts—and the prosecutor's office. Activities include training for members of the judiciary, prosecutors and staff, police

and other officers of the court, and complete computer automation of court documents, including an automated court reporter training program. This project's most visible achievement is having reduced the Supreme Court backlog to almost nothing. Future funding will solidify gains made by court automation and court backlog reduction by continuing to provide training in sound court management practices and court automation support. A key project element has been introducing Bahamian judges, prosecutors and court administrators to U.S. prosecution and court administration techniques. The success of the project to date has been due in large part to the willingness of the GCOB to change laws, regulations and practices in support of court modernization.

Limited support will be provided for **Drug Abuse Prevention** to strengthen the capabilities of the National Drug Council and selected NGOs engaged in prevention and treatment.

**Program Development and Support** funds will provide for salaries, benefits and allowances of U.S. and foreign national personnel, short-term temporary duty (TDY) personnel, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

**Effectiveness Measurements**

- Increased effectiveness of the combined counternarcotics operations of the U.S., The Bahamas, and Turks and Caicos Islands through OPBAT in interdicting and deterring drug trafficking through the area;
- Improved Bahamian capability to interdict drugs at sea and to conduct investigations leading to prosecution of major drug offenders and money launderers and forfeiture of their assets;
- Increased efficiency and effectiveness of criminal justice institutions in bringing drug violators, including money launderers, swiftly to justice;
- Increased Bahamian capability to prevent drug-related public corruption and to investigate and prosecute corrupt security and justice officials; and
- Reduction in drug abuse by Bahamian citizens and improved treatment capability in The Bahamas.

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Law Enforcement</b>			
Commodities	305	300	300

(Vehicles, technical equipment, and spare parts)			
Training	50	95	150
Other Costs (Repair and maintenance, fuel, boat support, operating costs)	155	300	250
<b>Subtotal</b>	<b>510</b>	<b>695</b>	<b>700</b>
<b>Judicial Reform</b>	<b>200</b>	<b>100</b>	<b>150</b>
<b>Demand Reduction</b>	<b>—</b>	<b>100</b>	<b>50</b>
<b>Program Development and Support</b>			
U.S. Personnel	170	170	170
Other Costs			
International Cooperative Administrative Support Services (ICASS)	75	85	80
Program Support	45	50	50
<b>Subtotal</b>	<b>290</b>	<b>305</b>	<b>300</b>
<b>Total</b>	<b>1,000</b>	<b>1,200</b>	<b>1,200</b>

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• Guatemala

• Budget Summary (\$000)

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>

3,000	3,000	4,000
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- **Objectives**
- **Justification**
- **Guatemala is a significant transit country for cocaine from South America to Mexico and onward to the United States. U.S. intelligence experts estimate that between 250-350 metric tons of cocaine are transshipped annually through Guatemala. Small amounts of opium poppy and marijuana are cultivated for domestic consumption. Diversion of precursor chemicals is a growing concern.**
- **The Government of Guatemala (GOG) is actively working to strengthen its drug enforcement capability. Increases in pay, extensive training, and the provision of equipment and infrastructure for the Department of Anti-Narcotics Operations (DOAN), a division of the newly reconstituted National Civilian Police, continue at a good pace. The Ministry of Government (MOG), the Public Ministry (MP), and judicial organizations have initiated the integration of computerized systems to track cases and enhance information sharing within the GOG and with counterpart Central American institutions. The GOG fully supports interdiction and eradication operations, including the use of aerial spraying against marijuana and opium poppy crops. At the same time, the Executive Secretariat for the Commission Against Addictions and Illicit Drug Trafficking (SECCATID) is aggressively pursuing a demand reduction program in Guatemala.**
- **Seizure and eradication numbers declined sharply during 2000 due to a downturn in operations as a result of tremendous turnover in personnel in all sectors of the GOG, an acute lack of resources, and widespread corruption. Guatemalan law enforcement agencies interdicted only 1.5 metric tons of cocaine in 2000 compared to more than 10 metric tons in 1999. However, crack seizures were up 300 percent, highlighting the marked increase in domestic consumption apparently brought about by the narcotics traffickers paying for transit services with drugs rather than money. The vast majority of containerized cargo still goes uninspected due to inadequate capabilities at all ports of entry to Guatemala. INL support for interdiction efforts will include increased training, operational support and maintenance of equipment for the Guatemalan counternarcotics police.**
- **While significant poppy cultivation in Guatemala has been eliminated, it remains necessary to periodically assess the magnitude of the crop using the INL Regional Aerial**

Reconnaissance and Eradication (RARE) capability. The Peten region of the country continues to be the main source of marijuana cultivation although recent evidence suggests that production has been reduced. GOG narcotics control police units carry out manual eradication, air-mobile interdiction (with INL assistance), port control, narcotics investigations, riverine operations, and road interdiction and inspection.

- INL provided additional one-time-only Hurricane Mitch funding to Guatemala to implement anticorruption, tracking of drug smuggling in commercial freight, and counternarcotics police anticorruption projects, as well as a series of regional projects being implemented by other USG agencies and international organizations. These funds are being used to target organized crime, improve law enforcement internal affairs capabilities, and help counternarcotics police establish border inspection capabilities. Regional projects are assisting customs agencies' anticorruption efforts and assessing progress in the region toward implementing the Interamerican Convention Against Corruption, as well as implementing a series of anti-alien smuggling projects. The country specific projects will provide seed money to anticorruption institutions with the objective of making them fully self-sustaining in a very short period of time.
- FY 2002 Programs. The INL program for FY 2002 continues to reflect the shift to a regional focus in interdiction and program support activities that began in 1999. The requested increase in funding will be used in part to hire a full-time regional advisor and the expansion of regional training. This will help Guatemala and its neighbors to combat common problems and stimulate the regional cooperation necessary to counter the considerable resources and ingenuity of narcotics traffickers. The largest component of the FY 2002 budget increase will support the planned doubling of the size of the GOG's antinarcotics police.
- The Narcotics and Law Enforcement Project focuses on developing the investigative and operational capacity of the Department of Anti-Drug Operations (DOAN) of the National Civil Police. It will strengthen Guatemala's enforcement capability by providing training, equipment, and infrastructure for the DOAN, which is expected to double in size by 2002. New DOAN units will be used to expand its presence in the interior and to deploy mobile inspection teams to prevent drugs, illegal aliens and other contraband from entering and transiting Guatemala. INL will purchase vehicles and other equipment for these units, and utilize the recently opened canine training facility to provide courses for detector dog

- handlers, instructors, supervisors and narcotics investigators. The project will also develop an integrated computerized system to track vehicles, identify personnel, monitor active cases, and provide and enhance information sharing with the GOG and counterpart Central American institutions. The GOG co-located its newly formed Combined Command Center with the DOAN's Joint Information Coordination Center (JICC) with the aim of making the project a model for the region. The undertaking will also focus on improving the analytic skills of the existing JICC personnel through in-house and regional analysis courses.
- The Eradication and Interdiction Project supports the objective of deterring transshipment of cocaine and continuing eradication of opium poppy and marijuana. To accomplish this goal, the project will continue to strengthen interdiction and eradication capabilities through training and logistical support for police units involved in antinarcotics operations. Operational training will continue in connection with Central Skies program regional deployments and INL RARE deployments. The project supports the DOAN port security program by funding a U.S. Customs port advisor and training for DOAN agents.
  - The Narcotics Prosecutor Assistance Project provides funding for the special narcotics prosecutors unit of the Attorney General's office (Public Ministry). The objective is to expand the number of prosecutors in the program, increase professional training, integrate the current narcotics case tracking system with the case management system the GOG is developing for the National Civil Police, and increase drug convictions. This project supplies equipment and training in coordination with USAID judicial reform efforts and funds a local-hire legal advisor. A well-received element of the project, developed in 1998, has been to provide assistance to the GOG in the streamlining of operations, case preparation and drafting counternarcotics legislation. The legal advisor assisted in the development of money-laundering-related in El Salvador in 1999 and will continue to support the drafting of counternarcotics legislation in Guatemala and other Central American countries. The legal advisor will help the GOG to organize a financial crimes unit to investigate and prosecute money laundering crimes as soon as the legislation is in force. The project will also support a Guatemalan Supreme Court initiative establishing "high impact" courts designed to handle sensitive cases to the regular courts cannot. In addition to staff training, the Court will be integrated with the National Civilian Police case management system.
  - The Public Awareness Project is designed to advance the GOG public awareness and demand reduction efforts and to assist the GOG in formulating counternarcotics legislation.

The GOG recognizes that domestic drug addiction is a growing threat and has made demand reduction a national priority. The main recipient of aid from this program is the Executive Secretariat for the Commission Against Addiction and Drug Trafficking (SECCATID). SECCATID develops education programs and actively promotes public awareness of drug issues. In 1999, SECCATID completed the first phase of a nationwide study to gather baseline data on drug addiction and sponsored, with INL assistance, a countrywide drug awareness contest and a regional demand reduction seminar in conjunction with ONDCP. During FYs 2001-2002, the project will build on ideas generated by this seminar and expand the GOG outreach program to reach all school children. The project will help SECCATID develop specific advertising and public information programs including videos addressing the dangers of drug use by youth.

- Program Development and Support funds will provide for salaries, benefits and allowances of U.S. and foreign national personnel, short-term temporary duty (TDY) personnel, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.
- Effectiveness Measurements
  - Guatemala
  - INL Budget
  - (\$000)

	FY 2000	FY 2001	FY 2002
<b>Narcotics Law Enforcement</b>			
Ground Operations Support  (Field gear, computers, vehicles, commo and investigative equipment, training and operational support)	1,500	1,500	2,050
Aviation Support  (Aircraft parts, fuel, commo	300	300	300

equipment, vehicles, training and operational support)			
Maritime Support  vehicles, training and operational support)  (Boat parts, fuel, field equipment, safety gear,	135	135	200
<b>Subtotal</b>	<b>1,935</b>	<b>1,935</b>	<b>2,550</b>
<b>Narcotics Prosecutors</b>	<b>350</b>	<b>350</b>	<b>400</b>
Local personnel, commodities, training, operational support			
<b>Narcotics Courts</b>	<b>—</b>	<b>—</b>	<b>150</b>
<b>Public Awareness</b>	<b>250</b>	<b>250</b>	<b>300</b>
Training, grants, operational support			
<b>Program Development and Support</b>			
U.S. Personnel	150	150	165
Non-U.S. Personnel	85	85	100
Other Costs			
International Cooperative Administrative Support Services (ICASS)	100	100	175
Program Support	130	130	160
<b>Subtotal</b>	<b>465</b>	<b>465</b>	<b>600</b>
<b>Total</b>	<b>3,000</b>	<b>3,000</b>	<b>4,000</b>

- Jamaica
- Budget Summary (\$000)

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
800	1,200	1,550

- **Objectives**
- **Justification**
- **Jamaica is a major transit point for South American cocaine en route to the U.S. and the largest Caribbean producer and exporter of marijuana for U.S. markets. Data for the first half of 2000 indicate an increase in cocaine flow through Jamaica, making it the leading transshipment point in the Caribbean. Traffickers use Jamaica's ports, offshore waters and airstrips to move drugs to the U.S. Jamaican ports are also vulnerable to the illegal diversion of precursor and essential chemicals. Corruption continues to undermine law enforcement and judicial efforts against drug-related crime in Jamaica. While Jamaica is not considered an important regional financial center, tax haven, or offshore banking center, the U.S. is concerned about the increase in money laundering in the Caribbean, including in Jamaica.**
- **The Government of Jamaica (GOJ) publicly states its commitment to combating illegal drugs, but operates under severe resource constraints, with over half of its national budget going for debt servicing alone. Nevertheless, in 1998, the GOJ acquired seven helicopters and assumed operational expenses for the Caribbean Regional Drug Law Enforcement Training Center, which it continues to support. In 1999, the GOJ purchased a former U.S. Navy tugboat to augment its maritime resources, established with U.S. assistance, a Fugitive Apprehension Team and took steps to establish a Financial Investigative Unit. In 2000, the GOJ purchased four x-ray machines for use at its two international airports. In addition, the GOJ agreed to pay half of the salaries related to marijuana eradication efforts (which the USG had been funding) beginning in June 2000, and the entire salary expense beginning in June 2001.**
- **On the legislative front, in 1999, the Jamaican Parliament approved a Precursor Chemicals Act, which entered into force in April 2000, and legislation enabling the GOJ to enter into asset sharing agreements with other countries and to establish drug courts. The GOJ strengthened its Money Laundering Act by amending it in 1999 to require suspicious transaction reporting and to raise the threshold for mandatory transaction reporting; in 2000, the Act was further amended to expand the predicate offenses beyond drug-related**

- money laundering to include offenses related to fraud, firearms, and corruption. An anticorruption bill was reintroduced in Parliament in November 2000, and in March 2001, Jamaica ratified the Inter-American convention Against Corruption. In December 2000, the GOJ tabled in Parliament a bill that places authority for wiretaps with the courts rather than the Prime Minister. Jamaica has a mutual legal assistance treaty and an extradition treaty with the U.S. In 2000, Jamaica extradited ten people to the U.S., compared to four in 1999. There are still some 31 cases pending, which includes several individuals in custody pending extradition proceedings. Delays in extradition cases result from an overburdened court system and the due process protections afforded to Jamaican criminal defendants.
- In support of the U.S.-Jamaica maritime counternarcotics cooperation agreement, which came into force in 1998, the U.S. and Jamaica have undertaken combined maritime operations that have been successful in interdicting vessels transporting drugs. Increased Jamaican Defense Force Coast Guard (JDFCG) patrolling, supported by additional equipment and training, is necessary to enhance Jamaica's capabilities to implement the maritime agreement. In FY 2000, the USG provided two 82-foot cutters to the JDFCG. The USG is also funding the refurbishing of four boats to augment Jamaica's maritime resources, two of which were turned over to the JDFCG in FY 2000.
  - INL assistance for the GOJ helps the Jamaica Constabulary Force (JCF), the Jamaica Defense Force (JDF), the Jamaican court system, and other GOJ agencies carry out effective counter-drug and crime law enforcement investigations and operations, prosecutions of arrested drug violators, and drug awareness programs. The counternarcotics assistance program also seeks to improve Jamaica's criminal justice capabilities and strengthen the GOJ's ability to detect and deter public corruption. The U.S. has provided and will continue to provide extensive training and equipment to the JCF Narcotics Unit, the JDF Coast Guard, the Contraband Enforcement Team, the Port Security Corps, the National Firearms and Drugs Intelligence Center, the Fugitive Apprehension Team, and the Joint Intelligence Coordination Center (JICC). In November 2000, a resident Narcotics Affairs Officer was assigned full-time to the Embassy in Kingston.
  - FY 2002 Programs. All aspects of the counternarcotics program are focused on Jamaican implementation of the 1988 UN Convention. The program also provides resources to enable the GOJ to counter public corruption in compliance with the Inter-American Convention Against Corruption, which Jamaica ratified in 2001. The requested funding level for FY

2002 will permit the GOJ to undertake the intensity of drug and money laundering law enforcement and judicial activities and anticorruption efforts that will foster an environment conducive to the development of legitimate agriculture and commerce in this struggling economy.

- The Narcotics Law Enforcement Project supports drug interdiction and marijuana eradication activities. The project provides training, technical assistance, and equipment for Jamaican agencies involved in counternarcotics/crime activities to: strengthen their capabilities to intercept drugs, firearms, and illegal aliens; target, investigate and prosecute major Jamaican drug traffickers; detect diversion of essential and precursor chemicals; eradicate marijuana cultivation; and counter public corruption. The project also provides support for helicopters and boats currently owned or to be acquired by Jamaica.
- The Port Security Project will provide training and equipment to strengthen the GOJ's ability to disrupt drug movement via commercial cargo and conveyances at air and seaports and free trade zones. The USG will sponsor an observation visit to a successful public-private partnership port security program and assist with the adoption of a similar port security program in Jamaica.
- The Money Laundering Project supports the development of GOJ financial investigative and prosecutorial capability to enforce its amended money laundering law by providing computer software for the GOJ's Financial Investigative Unit, and technical assistance and training for GOJ entities involved in detecting and countering money laundering.
- The Judicial Reform Project is designed to assist the GOJ in preparing modern drug control legislation to bring it into compliance with the 1988 UN Drug Convention and strengthen Jamaican legal institutions by providing training and technical assistance to judges and prosecutors in the areas of extradition, asset forfeiture, money laundering and drug prosecutions. The project also seeks to improve the security of judges, juries, and witnesses by providing technical assistance and equipment to speed up court proceedings. Law enforcement agencies will receive further training in investigations and forensics.
- The INL program also provides limited assistance through its Demand Reduction account for demand reduction activities, the majority of which are supported by the GOJ, NGOs, and other donors. We will work with the GOJ to increase public awareness of the consequences of drug abuse through provision of expert speakers and advice, provided directly and via regional programs.

- **Program Development and Support funds provide for salaries, benefits and allowances of permanently assigned U.S. and locally hired support personnel, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.**
- **Effectiveness Measurements**
  - **Jamaica**
  - **INL Budget**
  - **(\$000)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Law Enforcement</b>			
Commodities  (Vehicles, communication and investigative equipment, computers, eradication gear, aviation parts, etc.)	250	350	500
Other Costs			
Fuel, training, operational support	150	295	380
<b>Subtotal</b>	<b>400</b>	<b>645</b>	<b>880</b>
<b>Port Security</b>	<b>200</b>	<b>—</b>	<b>150</b>
<b>Money Laundering</b>	<b>—</b>	<b>150</b>	<b>100</b>
Training and equipment			
<b>Demand Reduction</b>	<b>44</b>	<b>—</b>	<b>—</b>
<b>Judicial Reform</b>	<b>—</b>	<b>150</b>	<b>150</b>
<b>Program Development and Support</b>			

U.S. Personnel	90	160	160
Non-U.S. Personnel	10	10	10
Other Costs			
International Cooperative Administrative Support Services (ICASS)	21	35	50
Program Support	35	50	50
<b>Subtotal</b>	<b>156</b>	<b>255</b>	<b>270</b>
<b>Total</b>	<b>800</b>	<b>1,200</b>	<b>1,550</b>

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- Mexico

- Budget Summary (\$000)

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
4,071	10,000	12,000

- Objectives
- Justification
- The historic 2000 presidential election in Mexico in which Vicente Fox Quesada was elected on a platform that emphasized improved public security and elimination of official corruption offers us an unprecedented opportunity to further binational cooperation in the area of narcotics and law enforcement. The Fox administration, which took office in December 2000, has outlined an ambitious plan for strengthening and restructuring federal law enforcement agencies—in particular, strengthening the prosecutorial role of the federal Attorney General’s Office, transforming the Federal Judicial Police into a more professional investigative body, and transferring key police functions from the Secretariat of Government to a new Secretariat for Public Security & Justice. A cabinet-rank Comptroller General will focus on white-collar crime by public officials and chair an inter-agency panel on anticorruption issues.

- The success of Mexico's counternarcotics effort is critical to U.S. drug control policy and to the success of the U.S. National Drug Control Strategy. Mexico-based trafficking groups control the flow of large quantities of cocaine and operate their own distribution networks within the U.S. They also dominate the production and distribution of methamphetamines, one of the fastest-growing and most dangerous drugs in the U.S. These criminal organizations are a principal cause of violence, corruption and other crimes in both countries, particularly along the border.
- Chronic institutional weaknesses within Mexican law enforcement organizations remain a serious obstacle to the efficiency and reliability of law enforcement personnel. Budget constraints, widespread corruption, and inefficiencies within police and criminal justice institutions hamper the government's ability to combat drug trafficking and other serious crimes and have permitted criminal organizations to grow in strength and sophistication. The Fox Administration's focus on the professionalization of Mexico's law enforcement agencies has been accompanied by increased collaboration with the U.S. on training and technical and material assistance. The development of specialized law enforcement units capable of tackling the sophisticated criminal organizations engaged in producing, transshipping or distributing illicit drugs is a priority for the short term, but long-term success will depend on sustained reform efforts and enhanced training and professionalization of justice sector personnel.
- As the cartels' proceeds have increased, their need for money laundering services has also grown. Measures enacted in 1996-97 have provided the basis for more effective control of money laundering, and the GOM has strengthened the capabilities of its money laundering investigators and prosecutors. While critical legal and regulatory reforms have been enacted in the past five years, Mexico still lacks the institutional capability to fully implement them, particularly in the area of prosecution.
- Illicit drug use in Mexico is increasing along the border with the U.S., in large metropolitan cities, and in tourist areas. Abuse of inhalants among street children and other vulnerable population groups is also prevalent in large cities. Public and private sector programs, many with U.S. support, are trying to raise public awareness of this growing problem and to mobilize public support against it.
- FY 2002 Programs. Both countries have sought, through bilateral consultations and through the Binational Drug Strategy, to construct complementary programs and policies. U.S. drug

control programs in Mexico are aimed at supporting the GOM's efforts to strengthen law enforcement institutions, to improve training for its personnel, to modernize its infrastructure, and to promote anticorruption reforms. The increase in the request from FY 2001 levels will be used to support and accelerate the GOM's efforts to restructure and professionalize its law enforcement institutions.

- The Anticorruption/Judicial Sector Training Project will assist the GOM in implementing its reform efforts. The project will promote the professional development of police agents, prosecutors, and criminal experts from Mexican federal, state, and municipal investigative, prosecutorial, and judicial institutions. The purpose is to improve the institutional capability of these public safety and national security agencies to act effectively against drug trafficking and other organized criminal activities. The program will provide professional training, seminars, expert visits, internships and professional exchanges with U.S. or other international counterparts. In some cases, the programs are complemented with equipment, such as computers, software, and laboratory equipment.
- The project will also support anticorruption policies and government innovation programs at the federal level to the GOM's National Anticorruption Plan and the Secretariat of the Comptroller and Administrative Development. It targets improved judicial education and training for state and federal judges, including a model court administration project focusing on increased efficiency and transparency in court proceedings.
- Much of INL's training and technical support goes to the drug enforcement elements of the Office of the Mexican Attorney General (PGR), the Office of Special Prosecutor for Crimes Against Health (FEADS), the Federal Judicial Police, and the Federal Preventive Police. FEADS is responsible for investigating and prosecuting federal drug crimes, while the Federal Judicial Police has primary jurisdiction over investigation of other federal crimes, including arms trafficking, kidnapping, money laundering and intellectual property theft. The Preventive Police are uniformed officers carrying out critical security-related duties, such as airport security.
- The Counternarcotics Enforcement Support Project targets Mexican counternarcotics programs and operations, particularly for those conducted in coordination with U.S. law enforcement. Many of these programs are designed to support the goals of the Binational Drug Strategy and to respond to changing trafficking patterns and threats. In FYs 2001-2002, the project will support the GOM's efforts to restructure the Federal Judicial Police,

- including improved training and essential equipment and infrastructure, and specialized equipment, such as protective gear for dismantling of clandestine chemical labs.
- Cocaine is transported from South America to Mexico by air, land, and increasingly, maritime conveyances. Maritime smuggling, which is very difficult to interdict, is the dominant method currently used by traffickers. INL project funding includes support for maritime and land interdiction, including bilateral work in post seizure analysis, which is critical to supporting investigations against the trafficking organizations. INL will also support a pilot project to improve maritime port security to detect and deter drug trafficking, with an emphasis on public and private sector cooperation.
  - The Anti-Money Laundering Project supports the Secretariat of the Treasury's Financial Investigative Unit (FIU) and the Attorney General's Office (PGR) Money Laundering Control Unit. The FIU is the GOM institution responsible for analyzing suspicious transaction reports and conducting audits for money laundering investigations, while the PGR unit carries out the criminal investigation and prosecution. The FY 2002 funding will enhance the capabilities of FIU and PGR operations by providing additional information management equipment, consultant services for software design upgrades, office equipment, and training.
  - The Counternarcotics Aviation Project was developed in the 1970's to assist the PGR's Air Services Division in eradicating illicit drug crops. It later expanded to support interdiction of drug shipments and other drug law enforcement operations. The success of Mexico's longstanding eradication campaign is based largely on the PGR's ability to spray drug crops or to transport eradication personnel anywhere in the country. While the GOM now funds all of the maintenance and operational costs of its large air fleet, INL funding will be used to assist with planning for fleet modernization and enhancing the unit's operational capabilities and efficiencies.
  - In FY 2002, the program will assist the PGR with long-term support planning, costs for engine modifications or unanticipated repairs of the U.S.-leased aircraft, and for special purchases of test equipment. It will also cover specialized training, such as the use of night vision goggles, engine repair, pilot instructor training, and other activities aimed at promoting optimum safety and efficiency of this USG-provided aviation system.
  - The Demand Reduction Project responds to Mexican concern about increasing domestic drug consumption through a public information effort and drug prevention education for

high-risk populations, principally in urban areas and in communities along the border. The project will support printed material and outreach programs, as well as curriculum for drug abuse and crime prevention. It will also facilitate implementation of the "Culture of Lawfulness" program in Tijuana, Ciudad Juarez, and Sinaloa. This program embraces a long-term approach to reducing crime by raising student awareness of the harm that organized crime, corruption, and gangs have on their communities and their nation.

- The Sustainable Development Project is a pilot activity designed to assist indigenous communities in narcotics producing or trafficking regions to avoid involvement in drug production and/or abuse. Many of these vulnerable communities are drawn to drug crop cultivation by economic desperation or by trafficker intimidation. Activities include prevention education, community mobilization, and the promotion of economic alternatives to poppy or marijuana cultivation.
- Program Development and Support funds will provide for salaries, benefits and allowances of U.S. and foreign national personnel, short-term temporary duty (TDY) personnel, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.
- Effectiveness Measurements
  - Mexico
  - INL Budget
  - (\$000)

	FY 2000	FY 2001	FY 2002
<b>Anticorruption/Judicial Sector Training</b>	<b>1,000</b>	<b>2,000</b>	<b>2,500</b>
Special Prosecutor's Office and Federal Judicial Police			
<b>Counternarcotics Enforcement Support</b>	<b>1,250</b>	<b>4,500</b>	<b>5,500</b>
Equipment, tech assistance and commo/computer equipment			
<b>Anti-Money Laundering Support</b>	<b>100</b>	<b>100</b>	<b>250</b>

ADP equipment, training and miscellaneous support			
<b>Counternarcotics Aviation Support</b>	<b>200</b>	<b>1,153</b>	<b>1,315</b>
Repairs, training and advisors			
<b>Demand Reduction</b>	<b>400</b>	<b>500</b>	<b>550</b>
Use surveys, educ. materials			
<b>Interdiction Support</b>	<b>—</b>	<b>350</b>	<b>350</b>
<b>Sustainable Development</b>	<b>50</b>	<b>55</b>	<b>50</b>
<b>Program Development and Support</b>			
U.S. Personnel	659	957	1,010
FSN Personnel	152	114	125
Other Costs			
International Cooperative Administrative Support Services (ICASS)	137	151	195
Program Support	123	120	155
<b>Subtotal</b>	<b>1,071</b>	<b>1,342</b>	<b>1,485</b>
<b>Total</b>	<b>4,071</b>	<b>10,000</b>	<b>12,000</b>

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- **Latin America Regional Cooperation**

- **Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
7,806 <sup>1</sup>	7,957	12,500

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- <sup>1</sup>Does not include \$7.0 million in FY 2000 Emergency Supplemental funding.

- **Objectives**

- **Justification**
- **Goal Four of the National Drug Control Strategy is to shield America's air, land, and sea frontiers from the drug threat. The countries covered by the Latin America Regional Account, which are primarily drug transit countries that lie between the U.S. and the major drug-producing countries, are facing increased challenges in dealing with changes in traditional drug production and trafficking patterns resulting from the recent increased pressure on the Andean countries. In addition, these countries are subject to increased pressure on their often-fragile social and justice institutions by trafficker violence, corruption, and increased drug abuse. While the U.S. needs the assistance of these countries in interdicting U.S.-bound drug shipments, they also need U.S. assistance to strengthen their law enforcement institutions, interdiction capacities and drug abuse prevention/treatment programs to protect their societies from the corrupting influences of narcotics trafficking.**
- **Cooperative arrangements, bilateral and multilateral, are being established to increase the ability of governments to detect and interdict illicit drugs and other contraband. During 2000, the U.S. and the UK brought into force a maritime law enforcement cooperation agreement relevant to the Caribbean. The U.S. and the Dominican Republic extended the overflight agreement for an additional four years. In early 2001, a U.S.-Honduras Maritime Agreement entered into force, and Guyana signed a similar agreement. Law enforcement efforts in the Caribbean and in Central America appeared to force traffickers to shift routes from the western Caribbean to other areas, notably, the eastern Pacific where many multi-ton seizures have been made. Belize, Costa Rica, the Dominican Republic, and Guatemala have signed Stolen Vehicle Treaties with the United States.**
- **Financial crime is a major problem in numerous jurisdictions in Latin America and the Caribbean. In June 2000, the Financial Action Task Force (FATF) listed six of them (Panama, The Bahamas, Cayman Islands, St. Kitts, St. Vincent and Dominica) as non-cooperative in relation to anti-money laundering; they were also placed under U.S. Treasury Department advisories. Five more jurisdictions in the Americas will be reviewed by FATF in its second round. There is an increased need for the U.S. to assist these countries to develop anti-money laundering regimes that meet international standards and the capabilities to implement them.**
- **FY 2002 Programs. Latin America Regional funds will help nations such as Chile, Argentina, Paraguay and Uruguay to increase investigative, judicial and prosecutorial**

capabilities through training and modernization of local laws from money laundering to anticorruption. Regional funds will help improve interdiction capabilities of transit countries by providing training and equipment supported by a regional effort to negotiate bilateral maritime and multilateral law enforcement agreements as a means of increasing interdiction capabilities throughout the region. Regional narcotics affairs offices in Miami, Barbados and Guatemala help ensure that Latin America Regional funding is most effectively used to advance priority U.S. objectives and that programs in different countries complement and reinforce one another.

- **Caribbean:** The U.S. will increase its assistance to upgrade Caribbean capabilities in interdiction, law enforcement and administration of justice. Regional funds will support increased efforts to detect and prosecute growing financial crime and governmental corruption in certain Caribbean states. Assistance in asset forfeiture and the development of Financial Intelligence Units (FIUs) will be funded in part under the INL Regional Training and Anticrime programs. Latin America Regional funds will provide the U.S. Coast Guard's Caribbean support tender with spare parts and needed local training to help upgrade the capabilities of the Caribbean states, including the Regional Security System of small states in the Eastern Caribbean, to interdict drug shipments. Starting in FY 2002, Latin America Regional funds will support salaries of RSS C-26 aircraft crews. Funds will support the creation, where appropriate, or upgrades for existing Joint Information Communications Centers (JICCs) with new equipment, software and training, and promote more real-time interchange of cueing information from maritime and air detection platforms to law enforcement entities. Funds will provide limited support for drug demand reduction activities.
- **Central America:** Regional funds will continue to support efforts to modernize justice sector institutions and legal frameworks to allow successful prosecution of drug and arms traffickers, money launderers, alien smugglers, as well as corrupt public officials. Assistance will include such things as computer equipment to upgrade law enforcement, court, immigration, and anti-money laundering systems, maintenance and repair of vehicles and vessels, and upgraded communications equipment and training. Regional anticorruption, anti-alien smuggling and commercial freight tracking initiatives being developed throughout Central America will become operational during FY 2002 and will require continuing U.S.

assistance to be effective. The U.S. will also support sub-regional initiatives aimed at cross-border cooperation, harmonization of legislation, and improved information sharing.

- **South America: Paraguay, Chile, Uruguay and Argentina are used by traffickers as transit routes for cocaine originating in Andean source countries as well as areas to launder money and obtain precursor chemicals. The FY 2002 plan includes support to Argentina to strengthen its capacity to disrupt trafficking at its land borders and commercial ports. Significant seizures of cocaine transiting Chile highlight the need to support GOC interagency counternarcotics coordination and efforts to tighten container shipping inspection protocols and overland transit. In Paraguay we will assist police to investigate and prosecute major traffickers and institutionalize training for those in charge of enforcing counternarcotics and anti-money laundering laws. In Uruguay equipment and training will be provided to sustain the drug enforcement efforts of several agencies charged with implementing GOU counternarcotics legislation.**
- **Effectiveness Measurements**

- **Latin America Regional Cooperation**

- **INL Budget**

- **(\$000)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Caribbean<sup>1</sup></b>	<b>1,740</b>	<b>2,748</b>	<b>5,100</b>
Country assistance, e.g., computers and support for JICCs and FIUs, investigative and other equipment, aviation support and salaries, demand reduction			
<b>Central America<sup>2</sup></b>	<b>2,600</b>	<b>2,996</b>	<b>4,800</b>
Country assistance, e.g., operational support, herbicide, telecommunications, and other equipment; program development and support			
<b>South America</b>	<b>347</b>	<b>711</b>	<b>900</b>
Non-Andean country assistance, vehicles, radios and other equipment, operational support			

<b>Regional</b>	<b>3,119</b>	<b>1,502</b>	<b>1,700</b>
NAS Miami, Telecom advisor, CST spare parts			
<b>Total</b>	<b>7,806</b>	<b>7,957</b>	<b>12,500</b>
<b>Emergency Supplemental Funding</b>	<b>7,000</b>	<b>—</b>	<b>—</b>
<b>Grand Total</b>	<b>14,806</b>	<b>7,957</b>	<b>12,500</b>

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- <sup>1</sup>Includes funding in support of a Narcotics Affairs Section in Barbados.
- <sup>2</sup>Includes funding in support of a Narcotics Affairs Section in Panama.
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- **Adoption and implementation of effective statutes against narcotics, money laundering and corruption;**
- **Increased numbers of signed six-part maritime agreements, especially with Central American countries, and the development of a Caribbean regional maritime agreement;**
- **Decrease in illegal drug production;**
- **Increased capabilities of regional counternarcotics law enforcement agencies, as demonstrated by larger quantities of drugs interdicted and seized or smuggling attempts deterred and increase in the number of traffickers arrested;**
- **Increased prosecutions of major drug traffickers and money launderers, including forfeiture of the proceeds of crime, and disruption of trafficker networks;**
- **Increased host nation capacity to prevent narcotics-related official corruption, and to investigate and prosecute corrupt security and justice officials;**
- **A decrease in drug abuse; and**
- **Increased regional public awareness of, and resistance to, drug trafficking and organized crime.**
- **Strengthen criminal justice institutions to respond more effectively to threats of drug trafficking and narcotics-related crime, including legislative and anticorruption efforts;**
- **Enhance capability of law enforcement to investigate, prosecute, seize and forfeit assets, interdict drug and chemical shipments and control money laundering;**
- **Develop bilateral and multilateral mutual legal assistance and extradition cooperation;**

- Promote effective maritime enforcement throughout the region by entering into cooperation agreements supported by training, materiel and combined operations;
- Eradicate illegal drug cultivation by providing commodities and technical support;
- Reinforce hemispheric and sub-regional institutions that promote intergovernmental initiatives against drug abuse and drug-related crime.
- Increase in number, and importance, of traffickers arrested (e.g., the leaders, financial experts, transportation experts, security chiefs, etc.) as a result of Mexican investigations or cooperative GOM/USG law enforcement cooperation;
- Increase in detection and interception of trafficker vessels, vehicles, and aircraft, particularly maritime and increase in seizures of drugs;
- Increase in efficiency and effectiveness of criminal justice institutions in bringing drug violators, including money launderers, to justice;
- Increase in seizures of trafficker assets, including companies used to conceal operations or to launder drug profits;
- Increase in detection and prevention of diversion of precursor and essential chemicals, and seizures, particularly those related to methamphetamine production;
- Sustain drop in net production of heroin and marijuana; and
- Increase in public awareness of the dangers of drug abuse and trafficking and community-level involvement in drug abuse and crime prevention efforts.
- Prevent use of Mexican territory and territorial waters by drug trafficking organizations to move illicit drugs to the U.S.;
- Dismantle drug cartels and disrupt drug trafficking;
- Combat corruption and promote justice sector reform;
- Reduce and ultimately eliminate drug crop cultivation, production of methamphetamines, and other illicit pharmaceuticals;
- Control money laundering, including the seizure and forfeiture of trafficker assets; and
- Reduce demand for illicit drugs; mobilize communities against illicit drugs.
- Enhanced capability of the GOJ to enact and implement the full range of strong drug control measures;
- Increased cocaine seizures and reduction of harvestable marijuana cultivation;

- **Improved capabilities of Jamaican law enforcement and criminal justice institutions, as evidenced by increased number of major drug traffickers and money launderers arrested, prosecuted and given adequately severe sentences upon conviction;**
- **Decreased time from delivery of U.S. extradition requests to conclusion of Jamaican extradition proceedings;**
- **Strengthened GOJ capability to prevent narcotics-related corruption and to investigate and prosecute corrupt security and justice officials; and**
- **Reduction in drug abuse by Jamaican citizens.**
- **Assist the Government of Jamaica (GOJ) to develop laws and regulations to control international organized crime, especially drug trafficking;**
- **Improve the ability of the GOJ to conduct sophisticated law enforcement operations, including drug interdiction, marijuana eradication, detection of the illegal diversion of precursor and essential chemicals, money laundering and asset forfeiture investigations, leading to the successful prosecution of drug traffickers, money launderers, and other criminals;**
- **Improve the GOJ's ability to fulfill the terms of our bilateral mutual legal assistance and extradition treaties;**
- **Enhance Jamaican ability to identify and prevent narcotics-related corruption of public officials; and**
- **Assist the GOJ to prevent drug consumption among its citizens.**
  
- **Increased institutional capability within the DOAN for illicit drug interdiction, opium poppy eradication and prosecution of traffickers;**
- **Adoption of measures, legislative or regulatory, to strengthen the judicial system, leading to an increase in effective prosecution of criminal cases under the new penal code; and**
- **Enhanced degree of drug awareness, demand reduction, and counternarcotics expertise developed among prosecutors, public health, media and educational institutions.**
- **Support interdiction of illicit drugs and essential drug producing chemicals transiting the country en route to the United States;**
- **Ensure opium poppy and marijuana cultivation remains at low levels through support of eradication operations;**

- Improve counternarcotics and law enforcement capabilities, assist in the modernization of the judiciary, and support updated counternarcotics and money laundering legislation; and
- Increase public awareness of the dangers of illicit drug production, narcotics trafficking and drug abuse.

The Bahamas

INL Budget

(\$000)

## **International Narcotics and Law Enforcement: FY 2002 Budget Justification**

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

**May 2001**

**Laos**

### **Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
4,000	4,200	4,200

### **Objectives**

- Increase drug enforcement efforts to combat production and trafficking of heroin, opium and methamphetamine; and
- Build Lao capacity to reduce opium production and narcotics refining.

## **Justification**

Laos is the world's third largest producer of illicit opium, generally grown in remote, mountainous areas largely populated by ethnic minority groups that have traditionally resisted the imposition of central authority. It is also one of the world's poorest countries, with a lack of infrastructure such as roads and rail that continues to isolate rural villages from the market economy and most government services and influence. INL projects are aimed at building Lao capacity over the long term so those subsistence farmers who grow poppy have viable alternatives. According to U.S. estimates, cultivation increased six percent and production 50 percent to 210 metric tons in the 2000 growing season. Most of the increased production was attributed to better growing conditions. The crop substitution areas funded by the U.S. Government continued to show low levels of cultivation although areas developed comprise only a small percentage of the opium-growing region.

Laos is also a transit route for Burmese drugs going to China, Vietnam, Thailand, Cambodia and beyond, and is increasingly coming under siege by drug traffickers. The first INL-supported counternarcotics police units, now in eight provinces, are slowly maturing and expanding their cooperation with other counternarcotics forces in the region. Seizures of methamphetamines rose 86 percent in 2000, an indication of the extent of the problem in Laos, and heroin seizures rose 38 percent. Opium and cannabis seizures declined by 65 and 15 percent respectively.

The INL-funded alternative development project in Houaphanh Province has succeeded in meeting its goal of bringing opium production in the project area to below commercial levels. The project has included construction of rural access roads, irrigation and hydroelectric dams, clean water systems, local hospitals, and primary schools. New rice strains and commercial crops have been introduced; commercial weaving and silk production have been promoted. The project's success has led to the USG-supported crop control project in Phongsali.

The Government of Laos (GOL) convened its first national drug conference in March to discuss a new drug control master plan developed with UNDCP assistance, and in July signed project agreements with the UNDCP to implement that plan. The plan reinforces USG efforts, focusing on alternative development, law enforcement and demand reduction. The GOL secured a \$20 million loan from the Asia Development Bank to cover part of the estimated \$80 million cost and urged donors to support the plan. The GOL attended the

UNDCP/ASEAN Congress on a Drug Free ASEAN and formally committed to the forum's plan of action including the elimination of opium by 2008 and all drugs in the region by 2015.

**FY 2002 Programs.** The **Narcotics Crop Control Projects** were concentrated in Houaphanh and Oudomxai provinces, the later in collaboration with UNDCP. Funding for both the Houaphanh and Oudomxai projects ended in 1999, although some residual activities extended into FY 2001.

FY 2002 program funds will be used to expand the new crop control project begun in FY 1999 in Phongsali Province, and to support eradication efforts in areas that have received crop control assistance. Phongsali Province is the most important opium-producing province in Laos, according to the most recent UNDCP surveys, and has seen little development assistance because of its extremely remote location and lack of roads. The Phongsali project has begun with a heavy initial investment in road construction to provide access to markets and government services, which will be followed by support for improved food production and alternative income activities such as weaving and raising livestock. The first phase of a 72 kilometer road that will be the key to development projects has been completed and the second phase will begin soon.

The goal of the **Narcotics Law Enforcement Project** is to improve Lao counternarcotics law enforcement capabilities and promote effective interaction with law enforcement agencies in the international community. Lao officials are regularly participating in ILEA Bangkok training programs to boost their own abilities and establish relationships with regional counterparts. In FY 2002, the project will continue to support the special Counter Narcotics Units (CNU) in eight provinces and house, equip, and train additional CNUs requested by the Lao, with the goal of having one in each of country's seventeen province. Assistance will also continue to the Lao Customs Department and National Commission for Drug Control and Supervision, which oversees all GOL counternarcotics activities. Approximately half of the project request is for commodity support (e.g., vehicles, communication and investigative equipment and other supplies), with the balance for operational support, training and additional program support costs.

The **Program Development and Support** funds provide salary and benefits for the direct-hire NAS position, an American PSC position, as well as for foreign national personnel, TDY assistance and other general administrative support costs.

### **Effectiveness Measurements**

- Reduction, leading to elimination of opium cultivation in expanded project areas of Houaphanh, Oudomxai and Phongsali provinces; and
- Improved enforcement effectiveness resulting in more heroin, opium and methamphetamine seizures and more arrests for drug trafficking.

**Laos**

**INL Budget**

(\$000)

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Crop Control</b>	<b>3,310</b>	<b>3,250</b>	<b>3,245</b>
Agricultural assistance, alternative economic activities, infrastructure improvements, roads, water sources, dams, demand reduction, public health and education			
<b>Narcotics Law Enforcement</b>	<b>300</b>	<b>500</b>	<b>500</b>
Commodities and training			
<b>Program Development and Support</b>			
U.S. Personnel	215	260	260
Non-U.S. Personnel	20	16	16
Other Costs			
International Cooperative Administrative Support Services (ICASS)	50	60	60
Program Support	105	114	119
<b><i>Subtotal</i></b>	<b>390</b>	<b>450</b>	<b>455</b>

<b>Total</b>	<b>4,000</b>	<b>4,200</b>	<b>4,200</b>
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**Pakistan**

**Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
3,250	3,500	3,500

**Objectives**

- Build national capacities to target major trafficking organizations, strengthen the criminal justice system, and combat financial crime;
- Promote interagency and regional cooperation, especially along the Afghan border and along the coast;
- Continue to obtain extraditions through cooperative investigations;
- Complete the elimination and prevent the return of poppy cultivation through eradication and development of viable economic alternatives for farmers; and
- Increase political and public awareness of the negative impact of illegal drug use and trafficking.

**Justification**

During 2000 Pakistan dramatically decreased domestic cultivation of opium poppy from 1,570 to 515 hectares. Overall, poppy cultivation has declined from 8,530 hectares in 1992 when Pakistan was the world's third largest illicit opium supplier. Small pockets of opium poppy cultivation still exist in the remote, politically autonomous tribal areas of the Northwest Frontier Province (NWFP), along the Afghanistan border. For the last three years, Afghanistan has been the world's number one supplier of illicit opium gum for the heroin trade, now accounting for approximately 72 percent of illicit global production. Drugs from Afghanistan continue to pour into Pakistan, both for a rising local drug-using population and for transit to expanding markets in Europe and the region. Nevertheless, Pakistan continues to be an effective partner of the U.S. and the international community in fighting the Afghan drug trade, increasing opiate seizures in two successive years and forcing traffickers to develop new routes through Central Asia.

Traffickers utilize numerous land routes through the Pakistani provinces of Baluchistan and the NWFP to ship drugs to onward destinations in the Persian Gulf, Iran, Turkey, Central Asia, Russia and Europe. The availability of inexpensive, high quality Afghan heroin in Pakistan seems to be promoting new trafficking from Pakistan to Southeast Asia and there are disturbing signs it is reinvigorating the Southwest Asian heroin trade to the U.S.

The Government of Pakistan (GOP) continued to improve upon impressive efforts in poppy eradication and law enforcement over the past year. With drug control laws effective throughout the autonomous tribal areas along the Afghan border, long infamous as sanctuaries for traffickers and heroin labs, opium poppy cultivation plummeted 67 percent thanks to high level political support for aggressive eradication efforts and the success of U.S. alternative crop projects. The DEA and the Anti Narcotics Force (ANF) continued to strengthen cooperative investigations, bolstered by the establishment of a vetted ANF unit, or "Special Investigative Cell." This unit, USG funded and trained, has already identified and broken up two major international trafficking organizations and there are plans to expand operations in 2001.

**FY 2002 Programs.** The **Law Enforcement Project** is strengthening Pakistani counternarcotics institutions by supplementing the resources of law enforcement agencies for more vigorous interdiction, investigation, and prosecution efforts, and improving bilateral and regional coordination on law enforcement issues. Assistance to the ANF will enhance its capabilities to prosecute traffickers and disrupt trafficking organizations. This project also funds training for government prosecutors, the special narcotics courts, attorneys and judges, and secures the services of competent prosecuting attorneys for counternarcotics agencies. A continued common goal is the investigation, arrest and extradition of fugitives wanted in either country for drug and related financial crimes. A significant new initiative is a project with a regional dimension to upgrade maritime interdiction in cooperation with countries to which drugs are trafficked from Pakistan, such as Oman. This GOP interagency undertaking utilizes the assistance of several U.S. agencies. Commodity assistance will include communication equipment, vehicles, computers, and technical equipment for expanded operations and offices. Another objective is to improve access and expand counternarcotics cooperation into the Khyber area in the NWFP, where the largest remaining pockets of poppy cultivation are located. Seminars on international financial crime and money laundering will assist the Pakistani Government in prosecuting violators and reforming national legislation.

The **Crop Control Project** has succeeded in eliminating poppy cultivation in most areas of the NWFP, particularly in the traditional poppy growing areas of Mohmand and Bajaur. Road building has been the

key by opening up physically and politically inaccessible areas. Rural electrification, irrigation and drinking water projects also contribute to the creation of infrastructures that sustain development and prevent a return to poppy cultivation. Roads integrate these areas into the national economy, facilitate farmers' access to markets to sell food crops, aid in the eradication of opium poppy, and permit Pakistani law enforcement to reach clandestine heroin processing laboratories in remote areas. Poppy cultivation has declined steadily due to these projects, from a level of 8,000 hectares in 1993 to less than 55 hectares this past year. This budget request will consolidate these gains and start implementation of the crop control strategy in the remaining, more isolated, zones of poppy cultivation in Mohmand and Bajaur.

Pakistan estimates that it has two to four million drug addicts, with a heroin user population twice that of the United States. The **Demand Reduction Project** will continue to promote drug awareness among social workers, the media, teachers, parents, and students with special events and through the media. Seminars and workshops for non-governmental organizations (NGOs) are planned. A special effort will be to address the growing addict population by developing links between U.S and Pakistani health officials and NGO personnel in demand reduction, drug treatment and rehabilitation methodologies.

**Program Development and Support** funds provide for salaries, benefits and allowances of permanently-assigned U.S. direct-hires, U.S. contractors and foreign national personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

#### **Effectiveness Measurements**

- Disruption and dismantling of major trafficking organizations;
- Elimination and prevention of the return of opium poppy cultivation in Pakistan;
- Increased cooperation on drug seizures, arrests , convictions and extraditions;
- Enhanced regional cooperation; and
- Improved public awareness of the personal and societal costs of Pakistan's serious drug problems and benefits derived through the reduction of drug abuse.

**Pakistan**

**INL Budget**

(\$000)

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Law Enforcement</b>	<b>790</b>	<b>1,180</b>	<b>2,185</b>
Vehicles, radios and other equipment, training, operational support			
<b>Crop Control<sup>1</sup></b>	<b>1,700</b>	<b>1,450</b>	<b>400</b>
Roads; irrigation, drinking water, and electrification projects; farm implements, seeds, fertilizer and operational costs			
<b>Demand Reduction</b>	<b>80</b>	<b>100</b>	<b>140</b>
Seminars, workshops, training, materials and supplies, travel and per diem of instructors and advisors, and other costs			
<b>Program Development and Support</b>			
U.S. Personnel	362	410	436
Non-U.S. Personnel	75	76	77
Other Costs			
International Cooperative Administrative Support Services (ICASS)	162	165	170
Program Support	81	119	92
<b><i>Subtotal</i></b>	<b>680</b>	<b>770</b>	<b>775</b>
<b><i>Total</i></b>	<b>3,250</b>	<b>3,500</b>	<b>3,500</b>

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<sup>1</sup> An additional \$1 million for Crop Control in Pakistan is included in the Southwest Asia Initiatives budget.

## Thailand

### Budget Summary (\$000)

<b>FY 2000</b> <b>Actual</b>	<b>FY 2001</b> <b>Estimated</b>	<b>FY 2002</b> <b>Request</b>
3,000	3,000	4,000

### Objectives

- Target traffickers and their organizations, and obtain extraditions through cooperative investigations;
- Implement new money laundering legislation and develop other legal enforcement rules, such as conspiracy, plea bargain, and broader evidentiary laws;
- Continue to eliminate poppy cultivation through eradication and development of viable economic alternatives for farmers;
- Expand and improve drug abuse awareness and demand reduction activities, and improve drug control institutions through interagency coordination and institutional development; and
- Expand Thailand's role as a regional leader in drug control programs.

### Justification

The amount of opium produced in Thailand is dwarfed by the amount produced elsewhere in Southeast Asia, especially in Burma. Thailand has one of the most successful narcotic crop control programs in the world, and opium must now be imported to meet the requirements of domestic consumption. Thailand is also a drug transit country, although its importance there has declined somewhat as smugglers have developed new routes. Nevertheless, good roads in northern part of the country connect refineries in Burma with the rest of Thailand's excellent transportation system, including its position as a regional airline hub. Methamphetamines are a serious concern, both because of the trafficking issue and domestic consumption.

The enormous success of Thai-U.S. bilateral cooperation is evident from 2000 USG crop estimates that show a second straight year in which fewer than 1,000 hectares of opium cultivation were available for harvest after the eradication program, less than one percent of overall cultivation in South East Asia. The

International Law Enforcement Academy (ILEA) is a joint Thai-U.S. endeavor to improve regional law enforcement skills and foster coordination in countering narcotics and transnational crime. ILEA has trained over 1,281 law enforcement and judicial officers since it opened in March 1999 and it cements Thailand's role as a leader in regional drug control programs. Thailand also cooperates extensively with the United States on extradition requests.

In addition, the Thai have begun to address deficiencies in their legal system. Implementing regulations for the 1999 Money Laundering legislation came into effect in September, 2000 and reporting requirements for all financial transactions of more than 2 million baht (\$48,000) began in October.

**FY 2002 Programs.** The additional resources requested for FY 2002 will be directed principally toward law enforcement and legal reform. The main focus of the **Narcotics Law Enforcement Project** is law enforcement institution building to obtain results in targeting significant traffickers. FY 2002 resources will provide training, equipment and improved coordination throughout the country. Newer areas of concern are the Cambodia, Laos, and Malaysia border areas and Thailand's long coastlines. Additional resources will be needed to bring law enforcement in these areas up to the level of the North, where, due to previous production and trafficking patterns, the majority of assistance had been targeted. The project supports upgrading the skills of new law enforcement officers, provides computers and supplies, and supports a variety of other endeavors, such as training of prosecutors and judges and promoting respect for the rule of law.

The **Crop Control Project** focuses on eradication and low-cost, small-scale development projects. Poppy cultivation has been reduced from 9,600 hectares in 1986 to less than 1,000 hectares in 1999 and 2000. Besides providing ongoing development assistance in 42 opium-growing villages working primarily through the Royal Thai Army and other Thai Government agencies, the FY 2002 funding request will continue to support the annual destruction of approximately half the poppy fields. Since under Thai law army funds cannot be used for crop eradication purposes, continuing U.S. funding is critical to achieving this goal.

The **Legal Reform Project**, to be launched in FY 2001 with regional account funds, addresses the Thai government's recent willingness to confront narcotics-related crime. The Thais' deep concern over the influx of methamphetamines have led them to begin changes to their legal system to make it more efficient and to put to use modern prosecutorial tools, such as wiretap evidence. This will benefit the USG in that the

same organizations that traffic methamphetamines to Thailand are trafficking heroin to the U.S. FY 2002 support will be provided in the form of technical assistance, to include legal advisors.

The **Demand Reduction Programs** have been well received by Thai society. A consensus has emerged that use of illegal drugs is a national crisis. The Royal Thai Government (RTG) realizes that the long-term solution to drug abuse lies in demand as well as supply reduction. INL provides modest funding support for RTG and NGO demand reduction training, counternarcotics community outreach through a nationwide network of community colleges, the police, the Office of Narcotics Control Board (ONCB), and the border patrol. INL also supports epidemiological and drug prevention studies. INL also supported RTG efforts to develop programs to reduce methamphetamine abuse.

The **Regional Narcotics Control Assistance Project** funds regional meetings, workshops, and training. Activities are based on U.S.-Thai enforcement goals with Thai agencies assisting and/or consulting with third country counterparts to include ASEAN members and other countries.

**Program Development and Support** funds provide for salaries, benefits and allowances for a permanently-assigned U.S. direct-hire position, four local foreign nationals and contractor personnel, as well as short term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

#### **Effectiveness Measures**

- Continued high levels of heroin seizures, arrests and convictions of major drug traffickers;
- Disruption and dismantling of major trafficking organizations;
- Prosecutions based on the Anti-Money Laundering Act and continued reform of the judicial and legal process through statutory change;
- Suppression of opium cultivation, aiming at cultivation sustained below 1,000 hectares ; and
- Increased regional cooperation on seizures, arrests and convictions.

#### **Thailand**

#### **INL Budget**

**(\$000)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Narcotics Law Enforcement</b>			
Commodities	817	709	950
Investigative and communications equipment, vehicles			
Training	342	350	400
Other Costs		100	200
Task force support, personnel and project support, travel			
<b>Subtotal</b>	<b>1,159</b>	<b>1,159</b>	<b>1,550</b>
<b>Crop Control</b>			
Commodities	73	73	100
Agricultural supplies, construction materials, training and survey equipment, vehicles, eradication and communications equipment			
Other Costs	624	624	700
Technical assistance, training, survey support, agricultural extension and marketing assistance and other project costs			
<b>Subtotal</b>	<b>697</b>	<b>697</b>	<b>800</b>
<b>Legal Reform Program</b>	<b>—</b>	<b>—</b>	<b>500</b>

<b>Demand Reduction</b>	<b>344</b>	<b>344</b>	<b>350</b>
<b>Regional Assistance</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Program Development and Support</b>			
U.S. Personnel	143	155	162
Non-U.S. Personnel	65	77	85
Other Costs			
International Cooperative Administrative Support Services (ICASS)	188	190	200
Program Support	254	228	203
<b><i>Subtotal</i></b>	<b>650</b>	<b>650</b>	<b>650</b>
<b><i>Total</i></b>	<b>3,000</b>	<b>3,000</b>	<b>4,000</b>

### Asia Regional Cooperation

#### Budget Summary (\$000)

FY 2000 Actual	FY 2001 Estimated	FY 2002 Request
4,798	3,328	7,050

### Objectives

- Encourage countries to adopt and implement strong narcotics control legislation, improve the efficiency and effectiveness of judicial institutions to bring drug offenders to justice, and develop bilateral and multilateral mutual legal assistance cooperation;
- Strengthen host nation counternarcotics law enforcement capabilities to deal with drug trafficking and production, including the rising threat of amphetamine type stimulants (ATS), money laundering, and other crimes;

- Develop governmental and NGO institutional capabilities to address drug abuse and prevention; and
- Reduce the cultivation and production of illegal drugs through sustainable development and eradication programs.

### **Justification**

Available intelligence indicates that the flow of heroin and other contraband to the U.S. is increasing while U.S. addiction rates are rising. The flow of illicit substances to U.S. shores cannot be stemmed without adequate support for counternarcotics efforts by cooperating governments in a region that covers over half the globe. The Asia regional account complements U.S. drug control funding provided through international organizations, such as the UNDCP. While illicit drug production in Southeast Asia has declined due to poor weather and stronger enforcement, opium poppy cultivation in Afghanistan has taken the world lead by far. Drug trafficking continues to proliferate through South and East Asia and into the Middle East and Africa, as local criminal organizations prosper and develop into regional, interregional and global networks. Weak governments with poorly developed and financed law enforcement infrastructures provide fertile environments in which trafficking organizations have flourished. Traffickers seek to exploit weak law enforcement environments to create networks reaching from Southwest Asia to Africa and the United States. A relatively new phenomenon is the rapid increase in illicit amphetamine-type-stimulant (ATS) production and trafficking by Southeast Asian organizations that also traffic in heroin. This explosion in ATS trafficking and abuse threatens the stability of our traditional Asian allies and trading partners, and is beginning to penetrate the U.S. market for ATS. The transnational character of illicit narcotics trafficking requires a regional approach for multilateral and bilateral programs.

**FY 2002 Programs.** The regional cooperation program is designed to help governments begin establishing counternarcotics law enforcement units, obtain training or equipment, and conduct demand reduction/public awareness campaigns. The intent is not to establish permanent programs, but to provide seed money for countries to help themselves and to complement UNDCP and other donor programs. The increase proposed in FY 2002 to strengthen law enforcement and judicial institutions in East Asia, counter the new threat in East Asia posed by ATS trafficking, and boost commodity support to counternarcotics agencies coping with a proliferation of trafficking routes throughout all of Asia.

**East Asia:** The program in East Asia is designed to strengthen countries' law enforcement and judicial institutions and to help them develop the capability to deal with drug abuse by providing training and equipment. Indonesia, with its weak institutions, has become a transit point as well as destination for illicit narcotics and is a new focus of our counternarcotics and law enforcement enhancement efforts. Institutional development and material assistance is also needed in China, Vietnam and Cambodia, where drug trafficking and abuse are rapidly growing problems, but whose governments have limited experience and capabilities in confronting these challenges. The program will also assist countries in developing legislative and judicial structures to deal more effectively with drug trafficking and money laundering. Small programs to enhance law enforcement and demand reduction capabilities are planned for a variety of countries in the region. The U.S. will also encourage and enhance existing regional cooperation in addressing narcotics control, including the East Asian regional campaign against ATS trafficking.

**South Asia:** Indian and Sri Lankan officials have seized large amounts of heroin in transit from central India to Sri Lanka, documenting a major new heroin trafficking route. Indian officials also report interdictions of precursor chemicals such as acetic anhydride to the Persian Gulf and ephedrine to Burma. The drug trade in Northeast India is a growing international concern. In India, the program will provide equipment to an array of geographically dispersed state and federal law enforcement agencies to improve their investigative and interdiction capacities against increasingly sophisticated and high-tech transnational and local drug trafficking organizations. Funding will be used to continue to furnish commodities to India's licit opium program to help it detect and prevent the diversion of opium by licensed farms. Support for an important opium yield survey will also continue. In Bangladesh, surrounded by major drug-producing countries, this program will respond to a growing drug transit trade in South Asian heroin by providing equipment and technical expertise to law enforcement agencies inexperienced in counternarcotics operations. Small programs to enhance law enforcement and demand reduction are planned for other countries in the region.

### **Effectiveness Measurements**

- Increased national political and financial commitment to combat crime and illegal narcotics production and trafficking;
- Increased institutional capacities of law enforcement agencies measured by quantities of drugs interdicted, arrests of major criminals and disruption of trafficking networks;
- Adoption of effective counternarcotics and money laundering legislation and counter-corruption measures;

- Effective use of counternarcotics legislation, including conspiracy and asset forfeiture statutes;
- Reduction in diversions of India's licit opium crop; and
- Increased public awareness of the dangers of drug abuse, decreased levels of drug abuse, and increased resources committed to the problem by host governments.

**Asia Regional**

**INL Budget**

**(\$000)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Commodities</b>	<b>2,250</b>	<b>1,400</b>	<b>3,050</b>
Vehicles, communications equipment, information systems, investigative and other equipment			
<b>Other Costs</b>	<b>2,448</b>	<b>1,828</b>	<b>3,700</b>
Training and operations support, surveys			
<b>U.S. Personal</b>	<b>100</b>	<b>100</b>	<b>300</b>
TDY experts, technicians			
<b>Total</b>	<b>4,798</b>	<b>3,328</b>	<b>7,050</b>

**Southwest Asia Initiative**

**Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>

—	—	3,000
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## Objectives

- Eliminate opium poppy cultivation in Southwest Asia;
- In Pakistan, support and extend successful crop control programs; and,
- In Afghanistan, support similar crop control programs that will be delivered directly to Afghan farmers.

## Justification

Southwest Asia produces more opium than any other region in the world. Three consecutive years of record opium production levels in Afghanistan have made inexpensive, high quality Afghan heroin available throughout the world. Large quantities of Southwest Asian heroin are destined for Europe and some for North America. The Afghan drug trade also adversely affects U.S. interests through its links to international terrorism and by fostering instability in the region. The drug trade is behind rising crime, corruption, drug addiction, and HIV infection in Central, Southwest, and South Asia, and is a source of income for organized crime groups stretching across Russia into Europe and the U.S. To help stem the flow of heroin to the U.S. the Administration proposes the provision of \$15 million over a five year period for crop control/alternative development programs in Southwest Asia.

In Afghanistan, the U.S. will participate in multilateral programs through the United Nations International Drug Control Program (UNDCP) aimed at ending poppy cultivation permanently. U.S. criteria for participation include requirements for local authorities to take active counternarcotics measures against the drug trade and to have a verification mechanism to measure compliance with performance benchmarks. INL will consider funding for small-scale alternative development projects with NGOs.

Traditionally a major source of illicit opium, Pakistan has fought to eliminate poppy cultivation from its territory. INL is building on this largely successful program with a consolidation project to prevent the return of poppy cultivation to project areas. In addition, INL expects to launch a joint U.S.-Pakistan initiative to curb remaining pockets of cultivation and drug trafficking in the Khyber Agency of the Northwest Frontier Province.

**Effectiveness Measurements**

- Progressive elimination of opium poppy cultivation in Afghanistan and in remaining pockets of Pakistan;
- Reduced drug flows from the region;
- Elimination of opium markets, stockpiles, and heroin manufacturing facilities in Afghanistan, due to a reduced supply of opium; and,
- Revival of licit crop cultivation in Afghanistan.

**Southwest Asia Initiatives**

**INL Budget**

**(\$000)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Opium Crop Reduction</b>			
Commodities	—	—	<b>1,800</b>
Farm implements, seed, fertilizer and other agricultural supplies, construction materials, training and survey equipment, vehicles, eradication and communications equipment			
Other Costs	—	—	<b>1,200</b>
Technical assistance, training, survey			

support, rental of construction equipment, agricultural extension and marketing assistance and other project costs			
<b>Total</b>	—	—	<b>3,000</b>

## **International Narcotics and Law Enforcement: FY 2002 Budget Justification**

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

**May 2001**

### **Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
50,000	50,000	60,000

### **Objectives**

- Aerially eradicate drug crops with herbicides;
- Support the destruction of cocaine and heroin processing laboratories and the interdiction of drug trafficking activities by aerial transport of host government law enforcement personnel;
- Conduct aerial reconnaissance to locate drug crops and production facilities and verify eradication program results;
- Support institution building of cooperating host government counternarcotics aviation programs; and
- Develop and implement technological innovations to improve effectiveness and safety of aerial eradication and interdiction efforts.

## **Justification**

INL's aviation program plays a pivotal role in international counternarcotics initiatives by assisting host governments worldwide in their efforts to locate and eradicate drug crops, interdict drug production and trafficking activities, and develop their own institutional counternarcotics aviation capabilities.

The aviation program strives to reduce significantly the amount of illegal drugs entering the U.S. by eradicating raw materials for drug production where they are cultivated. In conjunction with alternative development, aerial eradication is a powerful method of illicit drug crop control, affording opportunities for large scale, fast moving campaigns. INL's air program also provides crucial helicopter support to host country interdiction operations. In those countries that conduct manual, rather than aerial, eradication, INL aircraft are providing essential transportation of manual eradicators to otherwise inaccessible and/or unsecured drug growing areas. It provides aviation reconnaissance resources that are an essential element in locating, identifying and targeting drug activities and verification of the results of operations. INL's cargo airplanes facilitate the movement of personnel and equipment to remote, underdeveloped, inaccessible, or unsecured regions where both infrastructure and law enforcement presence are minimal.

The Interregional Aviation program supports the operational goal of enhancing political determination to combat illegal drug production and trafficking by working hands-on with host government technical aviation personnel. By instilling aviation technical and management skills and transferring technology, INL builds long-lasting institutions that have the trained personnel and the resolve to assume increased responsibility for counternarcotics air activities.

**Accomplishments.** The interregional aviation program has had a profound effect on counternarcotics activities in Colombia. The program continues to work with and assist the Colombian National Police in efforts to eradicate aurally coca and opium poppy by providing training, maintenance, logistics, and operational support associated with flying OV-10 and T-65 spray airplanes. Initial aerial eradication successes that were enjoyed as "Plan Colombia" counternarcotics activities in the Putumayo region kicked off would not have been possible without support from the INL aviation program. The program also contributed to logistical and operational support of the effort by employing C-27 airplanes for cargo airlift and a Cessna Caravan mounted multispectral digital imaging system for identification and mapping of coca cultivation.

In addition to contributions to the Colombian National Police aerial eradication efforts, the interregional aviation program has successfully initiated the Colombian Army (COLAR) UH-1N helicopter program to provide air mobility to soldiers of the Counterdrug Battalions. This entailed establishing an infrastructure, training the personnel, and preparing, configuring, deploying, and supporting the operation and maintenance of thirty-three UH-1N helicopters. The result of this effort, a fully trained COLAR aviation unit capable of conducting air mobile operations, is already yielding results in terms of interdiction and ground support to aerial eradication.

The INL Interregional Aviation program has also been instrumental in continued net reduction of coca cultivation in Peru and Bolivia by providing aviation support in those countries. In Peru, U.S.-owned helicopters transport local counternarcotics police and U.S. law enforcement advisors on counternarcotics operations using a mobile-basing strategy. In Bolivia, U.S.-owned helicopters enable the government to project authority over vast areas where drug traffickers previously operated with impunity. The virtual elimination of coca in the Chapare region of Bolivia would not have been possible without the helicopter support provided through INL's aviation program. INL-contracted aviation technical, training, and logistical support was an essential ingredient of the success enjoyed by host nation personnel operating the INL helicopters in these countries. Meanwhile, the aviation program has made even more progress in the effort to establish self-sufficiency in host nation counternarcotics aviation organizations to minimize direct involvement of U.S. contractor personnel.

Beyond the source countries, INL's interregional aviation program has provided support to other Latin American countries in identifying and curtailing drug cultivation through its Regional Aerial Reconnaissance and Eradication (RARE) program. In addition to keeping drug crop cultivation in check in Guatemala, Panama, Ecuador, Venezuela, Belize, and several other countries, this program has provided a capability to intercept drug smuggling aircraft, day or night, on a short-notice temporary deployment basis.

Technological innovations within the INL air program have been many. For example, INL's obtained, modified, and employed excess Department of Defense (DOD) OV-10 aircraft for spray operations. The result was an aircraft that provided more protection and safety for crews, while delivering herbicide in a very effective manner. Additionally, state-of-the-art satellite-guided precision spray systems have been incorporated into aerial eradication aircraft. We have now advanced another step with the initiation of spray under night vision goggle conditions that will enhance productivity and reduce the chance of detection.

Furthermore, the aviation program established a technologically advanced system for identifying, plotting, and targeting coca cultivation using multispectral digital imaging.

In FY 2001, the interregional aviation program will continue to place special emphasis on the expansion of successful eradication efforts in Putumayo and other coca growing regions. A high level of support will continue in Colombia in the areas of flight operations and instruction, maintenance quality control, and repair parts. This will help maintain a capability to sustain a high aerial eradication sortie rate against illicit crops. Simultaneously, we will conduct intensive training of police and military counternarcotics elements to make their assumption of increased responsibility for these areas possible. We will also continue to provide support for helicopter operations in Peru and Bolivia, and successful training and institution building will allow us to continue to reduce U.S. contractor presence at those locations. The interregional aviation program will continue to pursue technological innovations to improve aircraft performance and explore new variations of aircraft to enhance eradication capabilities at a reasonable cost.

**FY 2002 Programs.** The twenty percent increase in the interregional aviation program budget request reflects growth in currently negotiated contract costs for continuation of the existing level of aviation support, as well as projected increased costs associated with "Plan Colombia" implementation. The addition of extensive aircraft equipment to the program via the FY 2000 Emergency Supplemental (33 UH-1N helicopters, up to 30 COLAR Huey-II helicopters, 9 additional spray planes, etc.) is expanding the contract support level effort even beyond that for which supplemental-related funds are available. Several elements of support that must "ramp up" in conjunction with the additional "Plan Colombia" equipment also will be borne by the Interregional Aviation segment of the budget. Examples include multi-spectral imagery and air movement of cargo and personnel.

Interregional aviation activities will continue to focus on key programs in Colombia, Bolivia, and Peru, with temporary deployments of aircraft and personnel on an as-needed basis elsewhere in the Andean region and Central America. INL will exploit all opportunities for aerial eradication while maintaining aggressive interdiction activities. Establishment of host country self-sufficiency for aircraft maintenance and training programs will continue as a priority in Bolivia, Peru, and Colombia. Further emphasis will be placed on programs to upgrade spray aircraft capabilities.

### **Effectiveness Measurements**

- Increased eradication of drug crops with aerially-applied herbicides;
- Success of host country interdiction of drug production and trafficking activities supported by USG air assets;
- Enhanced host government institutional capabilities to undertake counternarcotics air operations safely and effectively;
- Continued transport of personnel and provision of logistical support for field activities;
- Aerial reconnaissance missions to pinpoint drug production areas, facilities, and to verify eradication; and
- Technological improvements to enhance the effectiveness, efficiency, and safety of aerial eradication

### Interregional Aviation

#### INL Budget

(\$000)

	FY 2000	FY 2001	FY 2002
<b>Aviation Support Services Contract</b>	<b>43,700</b>	<b>42,530</b>	<b>51,400</b>
70 aircraft fleet			
<b>Parts, Maintenance and Overhaul</b>	<b>2,800</b>	<b>3,600</b>	<b>4,000</b>
DOD logistics			
<b>Operations Support</b>			
Salaries	1,390	1,470	2,000
Travel	200	200	200
Admin services and program support	1,540	1,690	1,800
Base support, Patrick AFB	370	510	600
<b>Subtotal</b>	<b>3,500</b>	<b>3,870</b>	<b>4,600</b>

<i>Total</i>	<i>50,000</i>	<i>50,000</i>	<i>60,000</i>
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## **International Narcotics and Law Enforcement: FY 2002 Budget Justification**

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT  
AFFAIRS

**May 2001**

### **Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
12,000	12,000	18,000

### **Objectives**

- Maintain strategic leadership in guiding the international drug control effort and create a political atmosphere motivating other countries to view drug control as a major foreign policy concern and to strengthen domestic measures;
- Assist countries in developing the institutional infrastructures required to reduce the production and trafficking of drugs by strengthening law enforcement agencies, modernizing judicial systems, and developing drug laws to investigate, prosecute, and punish major drug kingpins, and to reduce the demand for drugs;
- Use international organizations to plan and execute programs which expand multilateral cooperation, advance U.S. international drug control goals, or take the place of U.S.-funded programs in countries where there is limited U.S. presence, or where multilateral organizations are more palatable to countries with sovereignty sensitivities; and
- Support efforts to make drug control an integral part of UN programs and ensure that a wide range of UN assistance furthers counternarcotics goals.

## **Justification**

As a result of the June 1998 United Nations General Assembly Special Session, international organizations (IOs) are becoming increasingly important to international drug control efforts. This supports the U.S. objective of renewing the global commitment to reduce demand for drugs, eliminate illicit drug crops, and combat illicit drug production, and emphasizes attention to multilateral issues such as chemical control, money laundering and maritime cooperation. The Summit of the Americas process has, likewise, strengthened commitment among countries of the Western Hemisphere to close antidrug cooperation. It is essential that INL take advantage of greater international engagement on drug-related issues by supporting IO programs that help to establish high standards for antidrug strategies and promote multinational cooperation.

U.S. support for the counternarcotics programs of multilateral organizations complements our bilateral and unilateral programs by stimulating cooperation among countries and regions. Multilateral approaches offer distinct advantages over unilateral action. They counter the misperception that drugs are exclusively a U.S. problem, generate increased "buy in" by more countries, broaden the base of support, and stimulate contributions from other donors. Multilateral programs can also reach regions where the U.S. is unable to operate bilaterally, for political or logistical reasons. In addition, activities or initiatives sponsored by the UN, OAS and other multilateral organizations are often more palatable to countries with sovereignty sensitivities and bring the weight of the international community to bear on a problem or an issue of general concern.

INL provides direct funding to international organizations such as UNDCP, OAS/CICAD and the Colombo Plan's Drug Advisory Program, and through them, to smaller sub-regional programs or organizations. Additionally, UN agencies, the international financial institutions, and multilateral banks engaged in development programs in drug source countries can have a major positive impact by factoring counternarcotics goals into their activities. INL encourages program collaboration among these organizations.

**UNDCP.** The significant increase in the U.S. contribution to the UN drug effort in 1999 helped to foster greater international focus on implementing the commitments of the UN conventions, particularly in developing and promoting programs to eliminate illicit crops. U.S. contributions to UNDCP have had significant impact on the operations and targets these and other UN counternarcotics programs. In addition,

for most donor countries, the UN is their primary—or only—vehicle for contributing to international drug control efforts. Active U.S. engagement is key to keeping them involved in and committed to what must be a truly international effort. The U.S. and other major contributing states have been concerned about recognized management problems at UNDCP. At the insistence of the U.S. and others, UNDCP is putting in place significant management reforms to provide greater transparency and accountability in program design and evaluation and in financial management. The U.S. is carefully monitoring the implementation of these reforms.

U.S. contributions to UNDCP have fostered an expansion of the Southeast Asia program that targets the second largest opium producer, Burma, where opium production is beginning to decline. This UN-led program encompasses China, Thailand and Laos, and includes projects in the Wa-controlled area of Burma and major alternative development projects in Laos. In South and Central Asia, we are supporting the provision of training and advice to bolster law enforcement and customs institutions in areas surrounding Afghanistan, and alternative development projects in Pakistan. In addition, U.S. contributions to UNDCP support enhanced coordination of bilateral and multilateral aid to Central Europe and the New Independent states (NIS); chemical control investigative training in Southeast Asia and Latin America; a maritime training program; anti-money laundering assistance; a regional training project in the Caribbean to train prosecutors and judges on narcotics-related cases; a Caribbean regional program to assess and coordinate all aid to the region; a regional forensic laboratory in Central America; a program in the region of Southern Africa to assist nations in the development and implementation of counternarcotics legislation; a demand reduction training center for Central European nations; and legislation on counternarcotics laws in Central Europe and the NIS to implement the 1988 UN Convention.

**OAS/CICAD.** With intensification of regional antidrug engagement in the Western Hemisphere over the past five years, the demands for OAS involvement in the counternarcotics arena have also increased significantly. The Inter-American Drug Abuse Control Commission (OAS/CICAD), which has played a key role in building this hemispheric consensus on drugs and channeling our collective efforts, has become even more critical to U.S. international objectives in the wake of the 1998 Santiago Summit of the Americas. At the Summit, the Heads of State endorsed a hemispheric antidrug alliance and committed to implement the Antidrug Strategy in the Hemisphere. The Summit Action Plan also endorsed a proposal by the U.S. for a peer review system to evaluate national and regional counternarcotics performances in implementing the goals of the hemispheric drug strategy and the 1988 UN Convention. The resulting Multilateral Evaluation Mechanism (MEM) was approved by CICAD in late 1999 and the results of the

first review were presented to heads of state at the Quebec Summit in April 2001 where countries committed to implementation of the MEM findings. INL provided funding to the CICAD Secretariat to support both the evaluation process and follow-on training and technical assistance required by Member States to comply with the MEM recommendations. The success of the MEM will be measured by how effectively they are implemented by individual countries. It will be critical for the Secretariat to have sufficient funding to respond to requests from Member States for technical assistance or training to address the most critical shortcomings. As CICAD's principal funding source, INL financial support will be essential, both to support the MEM and to respond programmatically to its findings and recommendations. The MEM is being watched closely by the EU, the UN and other bodies as a possible model for monitoring national compliance with other multilateral agreements or conventions.

OAS/CICAD is active in all areas of drug control; the principal project areas are legal development, control measures/law enforcement, demand reduction/prevention/treatment, and alternative development. It also manages a hemispheric information system—the Inter-American Observatory on Drugs—encompassing demand and supply/seizure data as well as a data bank of documents and reference materials. CICAD works with governments to assist them in developing national data collection and analysis systems to provide the information necessary to perform threat assessments, develop sound policies and programs, and to be able to respond quickly to emerging problems. This capability is also critical to governments in participating effectively in the MEM. The Inter-American Telecommunications Network for Drug Control (RETCOD) is designed to improve the ability of national drug commissions to communicate with each other and with other international partners.

INL contributions have supported projects in all of these areas. Some direct results include: model regulations on money laundering and asset forfeiture, chemical diversion, and trafficking in firearms, (along with training and technical assistance to implement them); national drug strategies; a regional Central American legal development and training center which assists governments in developing counternarcotics laws and sentencing guidelines; a regional demand reduction strategy for the hemisphere; coordination of demand reduction programming for street children and women; drug abuse prevention programs for under-served indigenous communities in Central America; drug abuse prevention and treatment training for nursing school personnel, counselors and others who work with street children; projects to promote communication and cooperation among regional customs services, among port authorities, and drug law enforcement agencies; establishment of a telecommunications network for control of precursor chemicals in the Andean producer countries and neighbor states.

CICAD supports a number of projects that support alternative development and supply reduction: the Generalized Land-Use Evaluation and Management Tool (GLEAM) maps land use, both legal and illegal, which support law enforcement and alternative development and integrated pest management projects assist growers of viable legitimate crops (e.g., coffee, cacao, bananas) working in drug crop-producing areas. CICAD supports money laundering prevention programs for financial institutions throughout the hemisphere, including training for bank regulators and supervisory agencies, judges, prosecutors, and financial intelligence/analysis units. CICAD has conducted youth gang prevention seminars to assist regional governments confront this growing regional threat to our youth, and to public safety.

**Colombo Plan.** As a result of the Colombo Plan's technical support in Southwest and Southeast Asia, nations have developed national-level drug secretariats similar to the U.S. Office of National Drug Control Policy (e.g., the Office of the Narcotics Control Board in Thailand), self-sufficient prevention, education, treatment, and after-care programs, and national- and regional-level networks of public and private sector demand reduction programs that are designed to build strong public support and strengthen the political will. One area of interest to the international community is the model after-care and programs for juveniles and adults developed in Southeast Asia that can be replicated throughout the world.

U.S. contributions to the Colombo Plan's Drug Advisory Program (DAP) are having a significant impact on the development and administration of demand reduction programs, not only in Southeast and Southwest Asia, but also in the international arena. The DAP assisted with the creation of the first-ever international network of drug prevention NGOs through their co-sponsorship of international drug prevention summits in Peru (1998), Bangkok (1999), and Italy (2000), and will host the fourth summit in Malaysia in 2002. The level of U.S. contributions has led to increased commitment from other donors, particularly Japan, Korea, Australia, and the European Community. Recent INL contributions to the DAP have fostered: development of host government-funded treatment programs in Pakistan, India, Nepal, Bangladesh, Thailand, Malaysia, China and the Philippines; development of a coalition of drug prevention programs in Southwest Asia; development of the life skills drug prevention curriculum for Southwest and Southeast Asian school systems; a major regional coalition of drug prevention programs in Southeast Asia (IFNGO); and a number of host government-funded community and school-based prevention initiatives in ASEAN countries with IFNGO support.

**FY 2002 Programs. UNDCP.** FY 2002 presents a prime opportunity for the U.S. to capitalize and build on the international consensus for a "balanced approach," recognizing that both supply and demand aspects

require concerted action. The emergence of synthetic drug abuse has also energized a number of countries most affected by that phenomenon. In this promising atmosphere, the U.S. needs to keep up the momentum toward the UNGASS goal of eliminating or significantly reducing the illicit production of narcotics by 2008, as well as the other UNGASS targets. UNDCP has established itself as a respected, effective channel to pursue these unified goals. With its sharpened "thematic" focus, UNDCP is attacking all aspects of the drug issue, from prevention/reduction of abuse, to elimination of illicit crops, to the nexus with international crimes such as money laundering.

FY 2002 contributions will allow UNDCP to assist countries to capitalize on the decline in opium production in Pakistan and Burma. INL funds will be used to conduct projects in the largest opium producing areas of South East Asia, where the U.S. has limited access (e.g., Burma, China, Vietnam, Cambodia) and to leverage additional European support for programs in Southwest Asia, especially in Afghanistan and Pakistan, including an enhanced interdiction strategy in the surrounding region. They will also be dedicated to programs to: strengthen drug control institutions and regional cooperation in the NIS; coordinate and provide law enforcement training, judicial assistance, and demand reduction assistance to Russia and Africa; strengthen Western Hemisphere institutions in the investigation, prosecution, and confinement of major drug traffickers; and continue legal advice on legislation to implement the 1988 UN Convention. Through UNDCP "global" programs, FY 2002 contributions will bolster new international initiatives to control the precursor chemicals used in illicit drug production. With UNDCP support, "Operation Purple" (cocaine precursor) and "Operation Topaz" (heroin precursor) have scored significant successes and opened the way to similar efforts on precursors for synthetic drugs. Similarly, UNDCP's engagement in anti-money laundering merits substantial U.S. support because of its strong comparative advantage over any single country in providing technical assistance in this crucial area.

**OAS/CICAD.** CICAD's solid track record in designing and implementing effect programs and gaining has attracted a widening source of international donors. INL continues to be the largest funding source. The FY 2002 budget request will support the effective operation of the MEM and enable CICAD to provide the follow-up training and technical support that Member States will need to remedy the shortcomings identified by the MEM. INL will fund program activities to strengthen national drug commissions; develop and implement comprehensive national drug strategies; promote regional cooperation on the control of drug smuggling, money laundering, chemical diversion, and arms trafficking; provide specialized law enforcement training, such as customs inspection and maritime interdiction; promote administration of justice reform; reduce or prevent drug abuse; develop or refine sub-regional models and curricula for drug

awareness and crime prevention/anti-gang education; promote best practices or establish regional standards for drug treatment; mobilize communities against drug abuse and trafficking; and promote sustainable alternative development in narcotics-producing regions. It will also be used to reinforce practical, effective sub-regional cooperation, such as in Central America, the Andes, and the Caribbean, to address cross-border or spillover effects of the drug problem.

**Colombo Plan.** INL funds will expand the Colombo Plan's regional networks of public/private sector demand reduction organizations, in addition to linking the Asian networks to their counterparts in Latin America and other regions. These regional and international networks will allow us to mobilize Asian and international opinion and cooperation against the drug trade, encourage governments to develop and implement strong antidrug policies and programs, and strengthen support for USG counternarcotics policies and objectives in the Asian region.

Increased FY 2002 funding will enable the Colombo Plan to assist Southeast and Southwest Asian countries to more adequately address the rapidly expanding Amphetamine Type Stimulant (ATS) epidemic that is sweeping across the region and becoming a threat to the United States. Programs will also include the development of research-based treatment programs to address methamphetamine and other ATS abuse; expansion of the life-skills drug prevention curriculum throughout school systems in South Asia; expanded technical assistance on the development of after-care facilities, with initial research findings benefiting U.S.-based programs; expansion of Asian regional prevention and treatment networks; and increased participation of Asian organizations in the Global Drug Prevention Network.

### **Effectiveness Measurements**

- Increase in scope of UNDCP programs to target all aspects of the drug problem and achievement of clearer demonstrations of recipient commitment and buy-in;
- Increase the number of INDC programs targeting sub-regions rather than individual countries, better responding to the transnational reality of the drug trade;
- Establishment of stronger evaluation components in all UN and OAS programs to ensure the achievement of genuine counternarcotics goals;
- Increase in the number of countries developing comprehensive national drug strategies;
- Increase in number of countries becoming party to the 1988 Convention and in the development of national institutions and laws needed to achieve the Convention's goals;

- Reduction/elimination of illicit drug crops; promotion of sustainable development as measured by drug cultivation areas converted to legitimate crops or other licit activities;
- Increase in the capabilities of counternarcotics personnel as indicated through increased arrest and prosecution rates, and reduction in drug use rates; and
- Increase in the number of national programs devoted to controlling transnational drug trafficking threats, notably maritime interdiction and chemical diversion control.

### International Organizations

#### INL Budget

(\$000)

	FY 2000	FY 2001	FY 2002
<b>UN International Drug Control Program</b>	<b>9,000</b>	<b>9,400</b>	<b>13,500</b>
<b>OAS/CICAD</b>	<b>2,800</b>	<b>2,300</b>	<b>4,200</b>
<b>Colombo Plan</b>	<b>200</b>	<b>300</b>	<b>300</b>
<b>Total</b>	<b>12,000</b>	<b>12,000</b>	<b>18,000</b>

### International Narcotics and Law Enforcement: FY 2002 Budget Justification

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

**May 2001**

#### Budget Summary (\$000)

FY 2000	FY 2001	FY 2002
Actual	Estimated	Request

9,000	10,000	12,000
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## **Objectives**

### **Regional Narcotics Law Enforcement Training**

### **Drug Awareness and Demand Reduction**

## **Justification**

**This program category includes two discrete functional activities. Regional narcotics training is designed to assist cooperating countries in creating effective national organizations for investigating drug trafficking and interdicting illegal narcotics. Drug Awareness and Demand Reduction seeks to reduce the worldwide demand for illicit drugs by motivating foreign governments and institutions into giving increased attention to the negative effects of drug abuse upon society. It is important to note that additional funding for these activities comes from other program categories within the INL budget.**

### **Regional Narcotics Training**

**International counternarcotics training is managed and funded by the U.S. Department of State and carried out by the DEA, the U.S. Customs Service and the U.S. Coast Guard. Since 1971, INL has transferred over \$126 million to DEA, Customs and the Coast Guard, resulting in training for more than 72,000 foreign counternarcotics officials. Generally, training programs in the U.S. are tailored to senior-level management and policy-level officials, while programs offered overseas are reserved for operational personnel.**

**Accomplishments. During the past year, INL training has become more specialized and focused. The training provided was tailored for the level of sophistication of the foreign law enforcement entity receiving the training, and more emphasis was placed on the countries that are major producers or transit countries. Additionally, where possible joint training was done by two or more U.S. agencies. Regional training courses were used as much as possible to bring together law enforcement officials from neighboring countries in order to foster increased cooperation and coordination of law**

enforcement activities. Basic instruction programs were provided only in countries having limited experience with counternarcotics activities.

Narcotics training dealt with all types of narcotics and drugs of abuse, with primary emphasis on heroin and cocaine trafficking and abuse. A greater emphasis was also placed on "designer" drugs such as Ecstasy, which are being abused by the youth in many countries. The International Law Enforcement Academies (ILEA's) in Budapest and Bangkok were used as venues for law enforcement training courses where possible.

**FY 2002 Programs.** Expansion of INL's narcotics training programs constitutes one of the surest means for implementing the current USG counternarcotics strategy for institution building and promotion of host nation self-sufficiency. Counternarcotics efforts overseas will be evaluated in terms of what they have done to bring about establishment of effective host country enforcement institutions, resulting in taking drugs out of circulation before they ever start their journey toward the U.S.

INL-funded training will continue to support the major U.S. and international strategies for combating narcotics trafficking worldwide. Emphasis will be given to promoting training on a regional basis, and to contributing to the activities of international organizations, such as the UNDCP and the OAS. INL will continue to furnish programs only to those countries considered to be high priority for U.S. counternarcotics interests. Through the meetings of major donors, the Dublin Group, UNDCP and other international fora, INL will coordinate with other providers of training, and urge them to shoulder greater responsibility in providing training that serves their particular strategic interests.

Programs dealing with financial crimes (i.e., methods for promoting asset seizure and combating money laundering) will continue to expand. INL will maintain its role of coordinating the activities of Washington-based agencies in response to assistance requests from U.S. embassies. This will avoid duplication of effort, and ensure that presentations represent the full range of USG policies and procedures.

The demand from foreign governments through U.S. embassies abroad for INL-sponsored training continues to exceed what can be provided with available resources. In addition to the resources

provided through this account and other parts of the INL budget, SEED Act and FSA monies (transferred from USAID) were used to fund counternarcotics training in Eastern Europe and the NIS. Continued funding will allow us to accommodate the growing emphasis on law enforcement training as a vehicle for achieving many of the basic objectives of USG counternarcotics policy.

#### **Drug Awareness and Demand Reduction**

Demand reduction refers to efforts to reduce use and abuse of narcotic drugs and psychotropic substances. The need for demand reduction is evident by the fact that escalating drug use and abuse continue to take a devastating toll on the health, welfare, security, and economic stability of all nations. As recognition of the domestic problem grows, foreign countries increasingly request technical and other assistance from the USG to address their problems, citing long-term U.S. experience and efforts in this area. Such assistance can play an important role in helping to preserve the stability of societies threatened by increasing drug abuse. On the other hand, extensive public/private sector networks (national and regional) of demand reduction programs are facilitating support for overall USG counternarcotics policies in foreign countries. Finally, foreign countries are collaborating with the USG on developing model research-based programs to improve the delivery of prevention/treatment services and reduction of drug-related violence among youth.

**Accomplishments.** Because of INL-funded training and technical assistance, host governments have been able to engage their own national institutions, communities and resources to address their demand for illicit drugs. Significant accomplishments include: countries in Southeast Asia continue to develop and staff their own treatment/prevention programs (e.g., in Thailand, the Department of Corrections instituted drug intervention programs in 75 institutions covering 2,500 drug addicted inmates daily); countries in South America implemented their own national-level antidrug media campaigns (e.g., local media advertisers and business in Venezuela and Brazil contribute between \$5-18 million annually to antidrug media advertisements); INL co-sponsored regional training events (Latin America, Asia, Russia/Eastern Europe) and specialized prevention projects for high-risk youth (Latin America) with the Governments of Spain, Italy, and Japan, UNDCP, OAS, Colombo Plan, Inter-American Development Bank and the Mentor Foundation; youth-based drug intervention programs in Latin American developed from INL training have produced high retention and success rates (i.e., reintegration into society) that are now being studied to help improve U.S.-based programs; and public/private sector demand reduction networks significantly

increased membership in the western hemisphere (3,000 organizations) and internationally (6,000 organizations from over 70 countries).

**FY 2002 Program.** INL-funded training will continue to strengthen host nation counternarcotics institutions so that they can conduct more effective demand reduction and public awareness programs on their own. The program will give particular attention to cocaine producing and transit countries in Latin America and address the heroin threat from Southeast Asia and Colombia. An expanded area of focus will be Eastern Europe and the former Soviet Union, which could benefit from the development of research-based demand reduction programs. These activities will be undertaken in collaboration with other donor countries and international organizations to reflect the Administration's emphasis on increased multilateral activities.

The training and technical assistance program in FY 2002 will be designed to prevent onset of use, to intervene at critical decision points in the lives of at-risk populations to prevent both initial use and further use, and to improve effective treatment programs for the addicted. The program will expand its emphasis on the development of national, regional, and international coalitions of public/private sector organizations to strengthen international cooperation and actions against the drug trade. Programs will continue to facilitate cross-cultural, comparative research to directly benefit foreign and U.S.-based demand reduction programs. The results of this research will be a compilation of best-practices, common program elements, and lessons learned from organizations in selected countries that have developed successful demand reduction programs, both INL and self-funded. In addition to the treatment and youth anti-gang/violence best practices studies initiated last fiscal year, new research in FY 2002 will evaluate juvenile correctional institutions and identify drug prevention best practices programs.

The Public Awareness Program will enhance the ability of host countries to build public support and strengthen the political will for implementing strong counternarcotics programs. Training will focus the development of national-level drug awareness campaigns that demonstrate connections between the drug trade and other concerns such as economic growth, democracy and the environment. On the local level, training will focus on the establishment of effective drug awareness/education campaigns in schools and the community, including the use of the media and advertising resources. Technical assistance will focus on helping host governments conduct sustained drug awareness campaigns by developing linkages between the corporate sector and the mass media.

The Demand Reduction Program budget request will accommodate the increased need for training, enhance the development of international, regional and national counternarcotics partnerships, and facilitate cross-cultural, comparative research designed to improve U.S.-based services. At the policy level, the program will focus assistance on building and strengthening national-level counternarcotics institutions with the capacity to develop comprehensive policies, programs, and strategies. At the international and regional levels, the program will enhance regional and international coalitions of NGOs developed from FYs 1996-2001, to mobilize international opinion against the drug trade, to and encourage governments to develop and implement strong counternarcotics policies and programs.

At the grassroots level, the program will continue to help establish and sustain strong community partnerships and coalitions of publican private sector programs for drug prevention, expand community mobilization efforts, and create or enhance effective community- and school-based prevention programs. A goal of strong community-based partnerships is to establish demand reduction programs, which address drug-related crime and violence and support national policies.

The demand from foreign countries for INL-sponsored technical assistance on drug prevention programming continues to increase at a rapid rate. At the same time, membership in INL-sponsored international and regional demand reduction networks has exceeded all expectations, and initial findings from INL-funded research have the potential of directly benefiting U.S.-based programs. Increased funding will allow us to better mobilize international opinion and cooperation against the drug trade, encourage governments to develop and implement strong antidrug policies and programs, and strengthen support for USG counternarcotics policies and initiatives.

Effectiveness Measurements

Regional Narcotics Training

Drug Awareness and Demand Reduction

Regional Narcotics Training, Drug Awareness and Demand Reduction

INL Budget

(S000)

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Regional Narcotics Training</b>			
Drug Enforcement Admin. Training	2,947	2,700	3,000
Customs Service Training	1,683	2,100	2,300
Coast Guard Training	389	500	500
Training Operations Support	55	200	200
<b>Subtotal</b>	<b>5,074</b>	<b>5,500</b>	<b>6,000</b>
<b>Drug Awareness &amp; Demand Reduction</b>			
Contracts/Grants/Agreements	3,570	2,500	4,000
Training	356	2,000	2,000
<b>Subtotal</b>	<b>3,926</b>	<b>4,500</b>	<b>6,000</b>
<b>Total</b>	<b>9,000</b>	<b>10,000</b>	<b>12,000</b>

- Establishment of community partnerships and NGO coalitions; and
- Host nations establish and fund treatment, prevention and public awareness programs.
- Appropriate foreign personnel receive professional training and are subsequently utilized to carry out counternarcotics activities;
- Host nations become less dependent on U.S. assistance and are able to deliver a wide range of counternarcotics training on their own; and
- Closer cooperation between U.S. and foreign enforcement agencies, leading to enforcement actions that are disruptive to the illicit drug trade.
- Strengthen the ability of host nations to conduct more effective demand reduction efforts on their own;
- Encourage drug producing and transit countries to invest resources in drug awareness, demand reduction, and training to build public support and political will for implementing counternarcotics programs;

- Improve coordination of, and cooperation in, international drug awareness and demand reduction issues involving the U.S., donor countries and international organizations; and**
- Utilize accomplishments in the international program to benefit U.S. demand reduction services at home.**
- Contribute to the basic infrastructure for carrying out counternarcotics law enforcement activities in cooperating countries;
- Improve technical and investigative skills of counternarcotics law enforcement personnel in key narcotics countries; and
- Increase cooperation and coordination between U.S. and foreign law enforcement officials.

**International Narcotics and Law Enforcement: FY 2002 Budget Justification**

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

**May 2001**

**Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
5,000	4,000	6,000

**Objectives**

- Provide program cost savings through standardization of services, support and upgrade aviation performance characteristics through economy of scale procurement;
- Provide standardization and sustained support to those countries having received C-26 aircraft from the United States; and
- Provide flexibility for contracting cost fluctuations by maintaining a separate account for equipment upgrades and other contracting requirements.

## **Justification**

The **Systems Support and Upgrade Project** has historically included C-26 support, an airborne surveillance initiative, refurbishment of OV-10 Broncos, and upgrade of UH-1H helicopters. Through this funding, specialized systems that were previously not available were to be provided to meet counternarcotics mission requirements in support of surveillance, detection, eradication, interdiction and logistics. This project also allowed INL to improve the performance characteristics of existing systems to better utilize their capability, extend their useful life, and increase the effectiveness of reconnaissance, eradication and interdiction efforts.

INL has contracted for engineering and modification services to modify C-26 aircraft with a suite of surveillance sensors. To ensure effective utilization of these powerful resources, host countries must be taught the appropriate tactics, techniques, and related doctrine that will lead to a "systems" approach in their counternarcotics surveillance and interdiction efforts. Additionally, with appropriate information management protocols in place, these host nation operations will generate surveillance information of import to the U.S. and other donor nations. As C-26 operations mature, the need for optimized sparing protocols (both airframe and sensor system) will be of increasing importance. An appropriately tailored sparing protocol could save C-26 user nations as much as 50 percent of the cost of traditional spares packages.

## **C-26 Support**

Host nation aviation operations are significantly affected by their ability to fund the procurement of spares and general operating and maintenance expenses. It is, however, one of the fundamental tools that can be applied in an effort to reduce capital expenditures and recurring costs associated with spares replenishment and associated logistics. For FY 2002, INL will support C-26 programs in Barbados, Trinidad and Tobago, and for Colombia's National Police. Program support will include training of sensor operators and pilots, contract logistical support, and provision of spare parts and maintenance.

## **Airborne Surveillance Initiative**

One of the critical shortfalls in the current counternarcotics operational structure overseas is the lack of host government surveillance, detection, and monitoring capability. Traffickers operate with near impunity as they violate border integrity while transporting a variety of forms of contraband. Customs laws have been

meaningless as air, land and maritime conveyances choose arrival points at their discretion. In short, many nations lack the fundamental means of assuring their own sovereignty.

INL will continue to modify C-26 aircraft with surveillance systems and to train host nation forces to utilize this technology in a manner that benefits domestic, international and U.S. counternarcotics objectives. Training will include the disciplines of data management and analysis and will strongly promote the development and implementation of information sharing protocols across host nation interagency and regional counternarcotics communities. A systems approach to maritime- and land-based surveillance operations will emphasize the requirement for effective coordination between strategic and tactical airborne surveillance units as well as those directly involved in ground-based interdiction activities. INL will take advantage of contractor, U.S. military, and other law enforcement expertise to populate the international C-26 "community" with the tools to effectively prosecute their drug law enforcement missions.

#### **OV-10 Refurbishment/A-10 Testing**

INL received 22 OV-10D aircraft previously used by DOD that increased capabilities for conducting massive coca and opium aerial eradication campaigns throughout Latin America compared to existing T-65 aircraft. The employment of these additional aircraft equipped with armored cockpits and twin engines has increased speed, range, pilot safety and herbicide-carrying capacity. The OV-10 refurbishment program will allow for major modification of these airframes to reduce weight and modernize electrical, avionics, cockpit configuration, and special mission equipment to take full advantage of the aircraft's capability and extend its useful life. Aircraft so modified will have a full day and night eradication capability.

In connection with the OV-10 program, INL intends to conduct testing to determine the feasibility of using excess A-10 aircraft as the next generation spray platform. Successful testing could lead to the eventual employment of these aircraft as spray planes with dramatically increased range, speed, payload and pilot protection.

#### **Effectiveness Measures**

- Ability to provide specialized systems, especially air assets, to meet counternarcotics mission requirements; and
- Improve performance capability of existing systems to extend their effectiveness and useful life.

**Systems Support and Upgrades**

**INL Budget**

(\$000)

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>C-26 Support</b>	<b>5,000</b>	<b>2,250</b>	<b>4,000</b>
Support contract for parts, maintenance and training			
<b>Airborne Surveillance Initiative</b>	—	<b>1,250</b>	<b>1,500</b>
Surveillance upgrades for aircraft platforms			
<b>Other Costs</b>	—	<b>500</b>	<b>500</b>
OV-10 upgrades, A-10 testing			
<b>Total</b>	<b>5,000</b>	<b>4,000</b>	<b>6,000</b>

**International Narcotics and Law Enforcement: FY 2002 Budget Justification**

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

**May 2001**

**Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
9,800	11,500	13,000

## **Objectives**

- Develop and manage narcotics control and anticrime activities of the U.S. Department of State;
- Coordinate counternarcotics and law enforcement policy with other U.S. Government agencies; and
- Provide program, financial, procurement, and administrative guidance and assistance for narcotics and anticrime programs worldwide.

## **Justification**

The Bureau of International Narcotics and Law Enforcement Affairs (INL) is charged with developing strategies and programs to achieve international counternarcotics and criminal justice foreign policy objectives. INL maintains a cadre of program and technical experts to carry out its initiatives, both overseas and domestically. Washington staff activities include but are not limited to the following: budget formulation, overall policy formulation, guidance and analysis; developing, guiding, evaluating and backstopping programs overseas; conducting periodic visits to embassy narcotics affairs sections to review, analyze, and make recommendations on programs and funds control; developing or sponsoring management control seminars for overseas staff; developing training programs for new personnel; and coordinating policy and programs with other agencies and governments.

Program Development and Support (PD&S) funds provide for the domestic administrative operating costs associated with the Washington-based INL staff. Approximately 70 per cent of the requested PD&S funds will be used for salaries and benefits of direct-hire INL employees, in addition to other part-time employees, contractors, reimbursable support personnel and re-hired annuitants. Currently, these funds support 100 domestic direct-hire staff. Another twelve domestic positions are not funded from PD&S; one is based in Miami and is funded from Latin America Regional program funds, and the rest are in direct support of interregional aviation activities and are therefore funded from that portion of INL's budget.

Staff travel is also provided under PD&S funding and is essential to review and evaluate the many programs INL supports worldwide, as well as to promote and advance international counternarcotics and criminal justice foreign policy objectives. In addition, PD&S funds are used for the following: other services including computer service personnel, computer maintenance and payments to the U.S. Department of State for the support services it provides; utilities, primarily telephone; computer equipment,

software and office furniture; printing and reproduction (e.g., the Congressional Budget Justification and the International Narcotics Control Strategy Report); and supplies and materials.

Headquarters staff provides administrative support to personnel working on anticrime functions of INL. However, salaries and expenses of some of these positions are funded by the Department of State's Diplomatic and Consular Programs account. The PD&S budget request for FY 2002 will also cover the annualized portion of wage increases for 20 INL positions that are planned to be filled during FY 2001 and FY 2002 to improve program oversight and expanded programs. In addition, the request will cover the annual government-wide cost of living adjustment approved by Congress, justified promotions and in-grade step increases, employee transfer costs, office renovation expenses, upgrading information management systems, and inflation.

### Program Development and Support

#### INL Budget

(\$000)

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Salaries and Benefits</b>			
Direct-hire Staff	6,697	7,800	8,500
Other Staff (contract, reimb., WAE)	497	550	800
<i>Subtotal</i>	<b>7,194</b>	<b>8,350</b>	<b>9,300</b>
<b>Travel and Transportation of Persons and Things</b>	<b>344</b>	<b>570</b>	<b>700</b>
<b>Rents, Communications and Utilities</b>	<b>217</b>	<b>290</b>	<b>400</b>
<b>Printing and Reproduction</b>	<b>138</b>	<b>140</b>	<b>140</b>
<b>Other Services</b>	<b>1,226</b>	<b>1,670</b>	<b>1,800</b>
<b>Supplies and Materials</b>	<b>133</b>	<b>140</b>	<b>160</b>
<b>Equipment</b>	<b>548</b>	<b>340</b>	<b>500</b>
<b>Total</b>	<b>9,800</b>	<b>11,500</b>	<b>13,000</b>

## **International Narcotics and Law Enforcement: FY 2002 Budget Justification**

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT  
AFFAIRS

**May 2001**

**Budget Summary<sup>1</sup> (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
30,000	45,000	55,000

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<sup>1</sup>In FY 2000, INL was transferred or allocated \$15.6 million in FREEDOM Support Act (FSA), \$81.16 million in Support for Eastern European Democracy (SEED) Act funds, and \$25.9 million in PKO funds. INL anticipates receiving FSA, SEED Act, ESF and PKO funds in FY 2001 and FY 2002.

The international crime threat to U.S. interests is manifest across three broad, interrelated fronts: threats to Americans and their communities, threats to American businesses and financial institutions, and threats to global security and stability. The impact of international crime is felt directly on the streets and in the communities of the United States; hundreds of thousands of individuals enter illegally each year, and there is wide-scale smuggling of drugs, firearms, stolen cars, child pornography, and other contraband across our borders. Criminals seek to protect their anonymity and their wealth by laundering their profits through the vast, complex, and unevenly regulated international banking and financial systems. We need to confront these activities and those who carry them out decisively with comprehensive, coordinated, and effective law enforcement, intelligence and diplomatic efforts that include forging crime control alliances with our international partners.

The U.S. is making strides globally towards enhancing international cooperation in the fight against international organized crime. In FY 2000, over 4,000 law enforcement officers worldwide received training under INL's Anticrime Training and Technical Assistance Program. In addition to training, INL provides technical assistance, equipment and other assistance to countries to combat transnational crimes such as alien smuggling, trafficking in stolen vehicles, illegal trafficking in small arms and firearms, trafficking in persons, and money laundering and other financial crimes. INL also has programs in anticorruption, border controls, rule of law, critical infrastructure protection, and intellectual property rights. INL will continue these training and technical assistance programs in FY 2002.

INL uses federal, state and local law enforcement agencies, the International Criminal Investigative Training Assistance Program (ICITAP), the Office of Overseas Prosecutorial Development and Training (OPDAT), and other organizations to provide law enforcement training programs and technical assistance to Russia and other countries in the NIS, Central and Eastern Europe, Latin America, Africa and Asia. Multilateral organizations are another implementation mechanism, and INL provides contributions to several, including the UN Center for International Crime Prevention, the Financial Action Task Force, the Caribbean Financial Action Task Force, and the Group of States Against Corruption (GRECO), a group created under the auspices of the Council of Europe.

**FY 2002 Programs.** The FY 2002 budget request is based on the requirements set forth in PDD-42, "International Organized Crime," and the Administration's International Crime Control Strategy and reflects the consolidated management of law enforcement and police training programs. INL will use federal, state and local law enforcement agencies, the International Criminal Investigative Training Assistance Program (ICITAP), the Office of Overseas Prosecutorial Development (OPDAT), and other organizations to provide law enforcement training programs and technical assistance to the NIS, Russia, Central and Eastern Europe, Latin America, Africa and Asia. The program will place significant emphasis on combating organized crime, financial crimes, money laundering, migrant smuggling, and weapons trafficking. Funding for these programs will continue to come, as they have in the past, through a combination of International Narcotics Control and Law Enforcement (INCLE) funds, FREEDOM Support Act funds, and Support for Eastern European Democracy (SEED) Act funds. FY 2001 and FY 2002 programs in Africa will be funded from the Africa Regional Anticrime budget, while they were funded out of the Anticrime program in FY 2000.

### **Alien Smuggling**

### Budget Summary (\$000)

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
1,092	1,250	3,400

### Objectives

- Interdict and halt alien smuggling as far from our borders as possible;
- Attack criminal smuggling organizations at all points of their organizational structure;
- Work closely with international partners to combat alien smuggling;
- Provide technical assistance and training to foreign immigration and police officials; and
- Coordinate the activities of the interagency alien smuggling community in its efforts to disrupt major alien smuggling rings operating both domestically and overseas.

### Justification

Smuggling in illegal migrants is a widespread, expanding, and increasingly sophisticated criminal industry. The United Nations estimates that nearly four million human beings are smuggled and trafficked across national boundaries every year, and roughly \$7 billion are paid to criminal organizations involved in alien smuggling. Viewed from a global perspective, smuggling in illegal migrants is a widespread criminal industry. This trade has a serious and direct impact on the United States. According to the U.S.

Government's recent International Crime Threat Assessment, some 500,000 illegal aliens are brought into the United States annually by organized crime smuggling networks. They arrive from around the world; Mexico, Central America, and the Caribbean Islands are the major sources in the Western Hemisphere; China, India, and Pakistan are the major sources in Asia. They often take indirect routes to get here; Chinese organizations, for instance, will frequently direct their operations through South and Central America. Eventually, most of the illegal aliens enter the United States by way of Mexico and Canada.

Foreign governments and law enforcement authorities are sometimes reluctant to dedicate resources to alien smuggling cases because they see this as a victimless crime. The reality is that migrants are often subjected to inhumane or dangerous treatment and in some cases to violence. In addition, alien smuggling

has a corrosive effect on the integrity of public institutions since bribery is a key component of the alien smuggler's trade.

INL is increasing efforts to combat alien smuggling. We have provided funding to ICITAP to conduct a training course for mid-level managers in developing countries on ways to combat international migrant smuggling and illegal migration. The course is designed to provide technical, legal, and managerial training to enhance the participating foreign official's ability to professionally and effectively implement border security. INL has also provided funding to ICITAP to deliver a training course designed to provide senior instructors and training managers with the skills to develop and manage basic immigration law enforcement training. INL initiated a project to improve the Dominican Republic's passport controls by providing a machine-readable passport issuance system. The system is designed to prevent the issuance of improper or illegal passports with fraudulent data, to prevent the alteration or photosubstitution of legitimately issued passports, and to control the stocks of blank passports to prevent theft and/or illegal issuances. INL also provide technical assistance to help the Government of Costa Rica draft an alien smuggling statute. This was only a small part of a larger INL effort to encourage governments throughout the world to sign and begin implementing the UN Transnational Organized Crime Convention's protocol on alien smuggling. INL played a major role in negotiating and drafting the convention and its protocols that were signed in Palermo, Italy in December 2000. The Convention creates an obligation for the United States to assist developing countries in implementing their terms.

In response to the migrant smuggling challenge and to further our anti-alien smuggling objectives, INL is establishing an inter-agency Migrant Smuggling and Trafficking in Persons Coordination Center (MSTPCC). The Departments of State, Justice, and Transportation, and agencies in the intelligence community signed a charter approving the Center in December 2000. The Center will provide a mechanism to foster greater integration and overall effectiveness in U.S. government enforcement and other response efforts, and to promote similar intensified efforts by foreign governments and international organizations, to combat migrant smuggling and trafficking in persons. This initiative will bring together federal agency representatives from the policy, law enforcement, intelligence, and diplomatic arenas to work together on a full-time basis to achieve increased progress in addressing these problems, particularly in terms of converting intelligence into effective enforcement actions.

**FY 2002 Programs.** INL will continue to fund the interagency Migrant Smuggling and Trafficking in Persons Coordination Center (MSTPCC). The Center's efforts will be fundamentally supportive rather than

directive in nature, consisting primarily of strategic assessments, identifying issues that might benefit from enhanced interagency coordination and/or attention, and coordinating or otherwise supporting agency or interagency efforts in appropriate cases. In FY 2002, INL will expand the capabilities of the Center by sponsoring regional alien smuggling conferences and providing funding to experts to conduct research in the field of alien smuggling. Separate from the Center, INL will also provide technical and other support to help countries implement the terms of the United Nations protocols on alien smuggling and trafficking in persons. Many of these countries need help in drafting alien smuggling legislation, organizing their border police, training their immigration officials, and upgrading their equipment and border infrastructure. INL will provide funding and technical assistance to these countries to improve their ability to combat smugglers and traffickers.

**Effectiveness Measurements**

- Number of foreign immigration and police officials trained;
- Implementation of action items generated at alien smuggling conferences and meetings sponsored or organized by INL;
- INL participation in international working groups devoted to the subject of alien smuggling; and
- Number of alien smugglers or organizations negatively impacted by INL diplomatic initiatives and law enforcement coordination efforts.

**Anticorruption**

**Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
2,233	4,500	4,200

**Objectives**

- Promote comprehensive internationally recognized norms for actions governments should take to prevent, disclose, investigate and punish corruption among public officials;

- Develop political will by governments to implement comprehensive measures against public corruption;
- Support development of effective regional anticorruption regimes, commitments and activities;
- Enhance the institutional capabilities of individual countries where U.S. interests are important to implement effective practices at the national level to promote public integrity and prevent, deter and punish official corruption;
- Initiate and support systematic international research and scholarship to improve understanding and enhance public comprehension of factors that encourage, promote, or combat public corruption; and
- Encourage and support selected pilot activities in cooperation with non-governmental organizations, the media, business groups and civil societies to develop laws, practices and capabilities to enable non-government parties to contribute to and provide political support for national anticorruption efforts.

### **Justification**

Corruption threatens U.S. interests on many levels. It is inevitably and inextricably linked to all forms of organized and transnational crime. Criminal groups employ corruption to frustrate action by governments that impede illegal activities, and to protect the organizations, their leaders, members and assets from government actions in response. Corruption within a country also impairs the functioning and political legitimacy of democratic institutions of government. Corruption can rise to levels where it impairs or jeopardizes the ability of a legitimate government to maintain the rule of law and in extreme cases, can lead to the institutional collapse that characterizes a "failed state." It distorts the operation of free markets, impairs economic stability and growth, impairs or jeopardizes privatization and economic rationalization, and it is a serious impediment to foreign investment, and free and fair competition. Corruption affecting multilateral or bilateral foreign economic assistance not only deprives recipient countries of benefits, but also makes continued political support for such programs in donor countries problematic.

The U.S. Government has led international efforts to prevent bribery of foreign public officials in commercial transactions for two decades. In February 1999, INL assisted and supported the first Global Forum on Fighting Corruption: Safeguarding Integrity Among Justice and Security Officials. Since then, the United States has sought to advance comprehensive national programs and to promote consolidated, internationally recognized anticorruption norms. In the fall of 2000, the UN General Assembly decided to

begin work on a global instrument against corruption, and anticorruption initiatives have become prominent in a growing number of regional organizations and groups. The United States has been working with the Dutch and contributing to their effort to host Global Forum II in The Hague in May 2001.

U.S. bilateral economic and crime control assistance, participation in International Financial Institutions (IFIs) activities, public diplomacy and diplomatic engagement with the UN and other organizations and programs are employed to further these goals. INL has coordinated the Global Forum process and other growing USG international efforts against corruption, including helping to organize and participate in several regional conferences to advance regional-based anticorruption institutions. For instance, INL contributes dues to the Group of States Against Corruption (GRECO), the formal mechanism created by the Council of Europe (COE) to monitor implementation of the COE Criminal Law Convention Against Corruption. GRECO uses the dues to fund evaluations of member states. INL also contributed funds to the OAS and participated in its negotiations to create a mechanism for mutual evaluation of the implementation of the Inter-American Convention Against Corruption.

INL is continuing to implement a growing range of bilateral and multilateral anticorruption assistance projects. We have funded a Department of Justice anticorruption advisor to assist Caribbean countries—the Bahamas, Dominican Republic, Guyana, and Trinidad and Tobago—that have signed and ratified the Inter-American Convention on Corruption. We will expand this as more countries sign and ratify the convention. And in April 2001, we produced the congressionally mandated International Anticorruption and Good Governance Act report that further identifies likely priority countries for our anticorruption assistance.

**FY 2002 Programs.** During FY 2002, INL will continue to promote internationally accepted comprehensive norms against corruption in negotiations at the UN to begin in 2002, including support for participation by appropriate officials from developing or transitional countries. We will also continue support for the Global Forum on Fighting Corruption as a U.S.-initiated process that has developed important international political support for effective measures against public corruption, including follow-up to the May 2001 Global Forum II in The Hague, Netherlands, and regional follow-up meetings or activities. We will support anticorruption norm-setting, implementation review, and institutional development activities of regional organizations and groups such as the OAS, the Stability Pact Anticorruption Initiative in Southeast Europe, the Global Coalition for Africa, and for other regional or multilateral organizations or groups whose activities against corruption are important to U.S. national and programmatic interests. For FY 2002, a total of \$200,000 is requested for the U.S. annual compulsory

contribution to the Group of States Against Corruption (GRECO), an organization established under the auspices of the Council of Europe to promote adherence to anticorruption norms. We will develop a project-oriented approach emphasizing strengthening key democratic institutions and the rule of law with training for police, prosecutors, judges, ethics officers, internal oversight institutions and law enforcement officials. We will similarly develop a culture of integrity and lawfulness in governments and societies which reaches beyond investigation and prosecution to address preventive measures, internal controls, transparency systems, business and economic governance, and engagement of civil society in national anticorruption efforts.

In the bilateral area, we will strengthen cooperation and anticorruption assistance with strategic partners, focusing particularly in transitional countries such as Mexico, Brazil, Colombia, Nigeria, Czech Republic, Slovak Republic, the Baltic states, Romania, Nepal and other emerging democracies. We will elaborate new or enhanced INL international training activities that address specifically relationships between corruption and other forms of transnational crime of strategic concern to the U.S., such as trafficking in persons, cybercrime, environmental crime, and money laundering including drug trafficking and "kleptocracy" situations. We will seek to provide full-time anticorruption advisers for selected emerging democracies in priority geographic regions (e.g. the Caribbean, Eurasia). Funding will include training initiatives for three or four selected countries in each region. Meanwhile, we will develop sustained, multi-year interagency USG approaches for selected countries that display genuine political commitment, at government and popular levels, to act against corruption.

### **Effectiveness Measurements**

- Progress toward international acceptance of comprehensive norms for government action against corruption, along lines of the Guiding Principles for Fighting Corruption of the First Global Forum;
- Agreement by governments that the effectiveness of their implementation of anticorruption commitments will be subject to mutual evaluation by other governments on a permanent, continuing basis, and the results at country level that are attributable to such mutual evaluation processes in appropriate regional, global or specialized intergovernmental fora or groups;
- Establishment and continued implementation by governments of effective national ethics laws, integrity standards, transparency measures and practices to engage civil society in national efforts against corruption; and

- Prosecution and conviction, on a regular basis, of public officials found to have been engaged in corrupt acts, or adverse action against elected officials found engaged in corrupt activities in subsequent elections.

### **Border Controls**

#### **Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
714	100	600

#### **Objectives**

- Assess the current border control capabilities of various developing countries;
- Provide training and equipment to improve the proficiency of customs, immigration, and other border control officials;
- Recommend physical improvements at selected ports of entry; and
- Improve the integration and coordination among the various law enforcement entities at the borders.

#### **Justification**

Lax border controls greatly enhance the ability of international criminals to expand their operations and avoid arrest. In seeking to move their contraband around the world, they will typically try to avoid these controls, suborn them through corruption, negate them with falsified documentation, or overwhelming them if they are under-equipped. In many countries, effective control of the movement of persons, vehicles, and cargo across national land borders is non-existent. Border control officials are poorly trained and equipped, and inspections facilities are substandard.

As the first line of defense for many countries, stiff border controls can create substantial deterrents to smugglers and other traffickers. Controls can force them into other routes and measures that raise their operational costs and make them potentially more vulnerable to law enforcement countermeasures. And they are points at which to collect important intelligence. Information gleaned from seizures, arrests, and

documents at borders can provide leads that are useful to making even bigger cases that dismantle major international syndicates. They can also be a powerful instrument for generating greater public support for fighting transnational crime.

Last year, INL conducted assessments of immigration controls in five Central American countries: Guatemala, El Salvador, Nicaragua, Honduras, and Costa Rica. Based on those assessments, INL provided computer equipment to each country to enhance their border control capabilities for screening passengers as they enter the country through airports. In addition, INL funded an evaluation of Nicaragua's border control software equipment, and INL has selected a software system to be delivered to the Government of Nicaragua. INL is also responding to a request by the Government of Haiti for an evaluation of major land border crossings between Haiti and the Dominican Republic. In January 2001, the U.S. Customs Service and INS completed a series of border studies in Southern Africa that revealed serious structural and systemic problems along the borders of a number of countries in the region.

**FY 2002 Programs.** Effective border control programs depend on having adequate automated systems to track the movement of cargo and people through ports of entry. INL will identify several of the most vulnerable countries and will work with them to upgrade their automated systems by providing hardware, software, and training. INL will implement a program in Haiti, Central America, and Southern Africa to improve border controls in countries with identified border weaknesses. A recent survey of the Malpasse border station in Haiti revealed serious vulnerabilities that INL will address through a training and technical assistance program. INL will address the border control problems identified in the Southern Africa survey through a series of border improvement projects. One of the featured pieces of assistance for the countries identified as needing help will be to provide them with the necessary software and hardware to create fully automated ports of entry.

#### **Effectiveness Measurements**

- Number of border control officials trained;
- Number of foreign inspections facilities upgraded;
- Number of border assessments conducted;
- Number of border posts receiving equipment and technical assistance;

#### **Critical Infrastructure Protection and Intellectual Property Rights**

### Budget Summary (\$000)

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
281	100	100

### Objectives

- Expand USG international efforts on Critical Infrastructure Protection cooperation with like-minded and friendly nations;
- Coordinate Critical Infrastructure Protection international outreach by USG agencies;
- Assess potential INL funding of Critical Infrastructure Protection technical assistance and training;
- Expand USG efforts to fight Intellectual Property Rights crimes;
- Establish country priorities for Intellectual Property Rights assistance; and
- Coordinate Intellectual Property Rights training within the context of the Interagency Working Group

### Justification

The Internet revolution and the spread of information technology (IT) generally have led to tremendous productivity gains in the global economy. However, these advances have created new challenges for the USG in the areas of law enforcement and national security, including economic security. The open access nature of the Internet, while facilitating free exchange of ideas, goods and services, also means that people and organizations are exposed to attacks in cyberspace. The reliance of many key sectors like the electrical grid and air traffic control on information technology has created new vulnerabilities. Moreover, the growing salience of IT as a factor in the transnational crime threat also impacts the area of intellectual property rights (IPR).

Under a Presidential Decision Directive (PDD 63) in May 1998, the USG is to take all necessary measures to eliminate significant CIP vulnerabilities within its borders. The strategy also appoints the Assistant Secretary of INL as coordinator of all USG foreign affairs activities to encourage international cooperation in managing the global CIP problem.

The Department of State has also long been engaged on issues related to protection of IPR. The 1998 Crime Control Strategy directed U.S. agencies to protect IPR rights by enhancing foreign and domestic law enforcement efforts. State is tasked with a mission to help combat IPR theft worldwide and to help create predictable legal and economic environments so American business interests can prosper.

In FY 2000, at the direction of the NSC, State developed an interagency-approved four-track strategy for international CIP outreach. The plan calls for an expanding circle of outreach, starting with key allies, moving eventually to encompass all other concerned nation-states, multilateral and multinational organizations, and the private sector. INL has participated in a series of initial meetings with members of the first track and has now begun to assess priorities and methods for conducting further outreach in accordance with the four-track plan.

INL has funded a number of training courses for foreign judicial and law enforcement officials in IPR enforcement, including officials in Russia, Vietnam, and Central America. We will continue to support such programs, using in-country or ILEA facilities, based on several indicators, including: adequacy of a foreign nation's IPR laws; willingness on the part of the foreign government to implement IPR reforms; input from U.S. missions; input from State's IPR IWG; and country status in the U.S. Trade Representative's 301 report.

**FY 2002 Programs.** INL will continue international outreach under the four-track plan for Critical Infrastructure Protection in FY 2002. This will include working with our closest allies to facilitate sector-to-sector relationships and connectivity between our law enforcement organizations on law enforcement-related CIP issues. We will also begin to expand our circle of contacts to selected countries and multilateral organizations in the remaining three tiers. In addition, we will assess and monitor training assistance for IPR and consider future demand for INL CIP-related training funding. Finally, we will help strengthen USG interagency coordination on CIP and IPR through participation in the inter-agency CIP and IPR coordination groups, that, among other objectives, will determine priority countries that warrant our CIP and IPR attention, and assess their training or other technical assistance needs.

#### **Effectiveness Measurements**

- Extent of INL efforts as lead coordinator of USG international CIP outreach efforts and as a participant in the EB-chaired IPR IWG.; and

- Extent of international contacts, both government and private sector, who are aware of and support USG international CIP and IPR efforts.

### **Financial Crime and Money Laundering**

#### **Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
2,891	2,612	2,700

#### **Objectives**

- Combat money laundering by denying criminals access to financial institutions and by strengthening enforcement efforts to reduce inbound and outbound movement of criminal proceeds;
- Enhance bilateral and multilateral cooperation against all financial crime by working with foreign governments to establish or update enforcement tools and to implement multilateral anti-money laundering standards; and
- Encourage the formation of Financial Intelligence Units (FIUs) and enhance their ability to share critical financial intelligence through membership in the Egmont Group of FIUs.

#### **Justification**

Financial crime and money laundering are a growing global phenomenon and continue to pose a significant national security threat to the United States and other countries around the world. They have the power to corrupt officials, distort economies, skew currency markets, undermine the integrity of financial systems, and destabilize governments. Criminals seek to access the financial systems of countries to launder funds stemming from a variety of illegal activities, including drug trafficking, corruption, terrorism, arms trafficking, theft of state assets, and a variety of other financial crimes. Experts estimate that global money laundering exceeds \$750 billion per year and continues to grow through a variety of new innovative schemes only limited by the imagination of criminals and their organizations. Our ability to conduct foreign

policy and to promote our economic security and prosperity is hindered by these threats to our democratic and free-market partners.

INL has developed an aggressive program to combat international financial crime and money laundering. In FY 2000, INL implemented an \$11 million training program that delivered 64 courses to bank regulators, bankers, law enforcement, prosecutorial, and judicial personnel from 35 governments. A multi-agency team of experts representing the Departments of State, Treasury, Justice and the Federal Reserve Board delivered the training courses. INL provides contributions to multilateral organizations such as the Financial Action Task Force (FATF), the Caribbean Financial Task Force (CFATF) and other regional bodies. The members of these bodies have committed to meet international anti-money laundering standards and undergo mutual evaluations by their peers. Our contributions assist in supporting the ongoing operations of these bodies, as well as funding for special programs, such as mutual evaluation training seminars.

In 2000, INL participated in the development of the Financial Action Task Force's Non-Cooperating Countries and Territories (NCCT) program to identify jurisdictions not cooperating in the fight against money laundering. The 15 jurisdictions that FATF identified as NCCTs were subject of U.S. Treasury Department advisories, warning all U.S. financial institutions to pay enhanced scrutiny to financial transactions with the listed NCCTs. INL is providing training and technical assistance to many of these jurisdictions to help them correct the deficiencies identified by the FATF so that they can be taken off the NCCT list. A new round of NCCT reviews will span FY 2001 and 2002.

**FY 2002 Programs.** In FY 2002, INL will continue to provide training and technical assistance to countries to improve their ability to combat financial crimes and money laundering. Training will focus on developing anti-money laundering laws and regulations, training bank supervisors to develop anti-money laundering examination procedures, providing law enforcement with financial investigative skills, and training prosecutors to develop money laundering cases. Country advisors will also assist in the development of financial intelligence units to analyze suspicious transaction reports. We will continue to work closely with other USG agencies, including the U.S. Secret Service, U.S. Customs Service, Internal Revenue Service and the Federal Reserve Board of Governors to provide this assistance. It is expected that training will focus on many of the NCCT jurisdictions including Russia, Lebanon, the Marshal Islands, and NCCT jurisdictions and other countries located in the Western Hemisphere. In addition, assistance will be

provided to many emerging jurisdictions that are in need of technical assistance to develop anti-money laundering laws to protect their economy and financial services sector.

We will continue to support multinational anti-money laundering organizations such as the FATF, Asia-Pacific Group, Council of Europe, CFATF, the Organization of American States Inter-American Commission on Drug Abuse Control (OAS/CICAD) and the Egmont Group. We will place special emphasis on expanding support to the two new FATF-like regional organizations that have been created in Africa, and a third that has been established in South America. We will continue to participate in bilateral negotiations to develop, enhance, and improve anti-money laundering regimes around the world. We are currently looking at some of the NCCT jurisdictions and others such as Romania and Thailand. We will support the creation of Financial Intelligence Units in those jurisdictions that have passed the necessary anti-money laundering legislation and are in need of technical assistance.

#### **Effectiveness Measurements**

- Greater compliance with international anti-money laundering norms;
- Enactment of more and stronger national laws against money laundering;
- Creation of Financial Intelligence Units;
- Increased exchanges of money laundering information among anti-money laundering enforcement and regulatory agencies and officials;
- Increased investigation and prosecution abroad of important money laundering cases; and
- Enhanced collegial effort among FATF members and greater willingness to undergo mutual evaluations.

#### **Firearms and Small Arms Trafficking**

##### **Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
716	75	100

#### **Objectives**

- Support implementation of the protocol to the Transnational Organized Crime Convention that calls for effective import, export, marking laws, regulations and practices for firearms that is being negotiated in FY 2001;
- Limit the spread of Small Arms and Light Weapons to regions of conflict through effective laws, strong enforcement and international cooperation;
- Promote enforcement by urging states to adopt appropriate laws, policies and regulations;
- Provide training and technical assistance to facilitate the advancement of law enforcement;
- Ensure a successful outcome of the 2001 UN Conference on the Illicit Trade in Small Arms and Light Weapons; and
- Encourage and support regional initiatives calling for the development of norms, promotion of best practices, advancement of model legislation and regulations, and strong enforcement of border control and firearms laws.

### **Justification**

Firearms, small arms, and light weapons are responsible for most of the killing and injuries, especially of non-combatants, in the many intrastate conflicts that have occurred since the end of the Cold War. They figure heavily in growing violent crime rates plaguing many states where internal security has been negatively affected by conflict, weak governments, or economic turmoil. Illicit small arms contribute to regional instability and ultimately hinder economic and political development. Africa has suffered the most, but small arms have exacerbated and prolonged conflicts, undermined peace agreements, and complicated peace-building efforts in large parts of Asia, the Balkans, and Latin America as well.

The easy availability and diverse sources of these weapons have exacerbated the problems. Consistent regulations are needed to identify illicit small arms. Many countries lack adequate legislative and enforcement controls over manufacturing, marking, export, import, diversion, brokering, and other key aspects of the small arms trade. Even those with control structures must confront corrupt officials and others who divert legally sold weapons for illegal ends. Smugglers and rogue suppliers have access to old stocks and supplies left over from civil and international wars. Excess small arms and ammunition production capacity in the developed world, and indigenous production in areas of conflict, also contribute to proliferation.

The United States has taken a wide range of steps to address growing international concern about trafficking in small arms and light weapons. U.S. efforts focus on a combination of law enforcement and arms control approaches, and are geared toward promoting regional security and to shutting down illicit arms markets that fuel the violence associated with terrorism and international organized crime. The U.S. led efforts to negotiate the 1997 OAS Convention Against Illicit Firearms Trafficking. This agreement brings the other nations in the Western Hemisphere closer to U.S. export standards by requiring proper authorization for firearms exports, marking of firearms, cooperation on law enforcement training, and information sharing. The U.S. is now following up on efforts begun during the negotiations on the 2000 UN Convention Against Transnational Organized Crime to produce a final protocol on controlling the illicit traffic in firearms worldwide.

INL-sponsored training provided Basic Firearms Trafficking courses in Latin America, the Caribbean, Africa, the Newly Independent States and the Middle East. INL is funding the United Nations African Institute for the Prevention of Crime and the Treatment of Offenders (UNAFRI) to survey the small arms legislation, regulations, and law enforcement capacities of African countries to provide a benchmark for future work. UNAFRI will provide technical support through a regionally based center focusing on Small Arms. INL also provides technical assistance, principally training, to a number of West African states to assist them in controlling flows of small arms and light weapons. This will improve their capacities to administer and enforce the 1998 Economic Community of West African States (ECOWAS) moratorium on the import, export and manufacturing of small arms in West Africa. Finally, INL is working closely with INTERPOL to overhaul the International Weapons and Explosives Tracking System (IWETS) to better facilitate law enforcement agencies to solve weapons related criminal activity.

**FY 2002 Programs.** The FY 2002 programs will continue to focus on expanding the exchange of small arms and firearms control information between governments and law enforcement organizations. Specifically, our assistance will facilitate developing countries to write and enact legislation to implement the firearms protocol. In addition, we will continue to provide and expand technical assistance, including training, in Asia, Africa, and the Newly Independent States. We will also focus on helping countries to enact the program of Action emanating from the 2001 UN Conference on the Illicit Trade in Small Arms and Light Weapons.

#### **Effectiveness Measurements**

- Improved cooperation between U.S. law enforcement agencies and their counterparts, resulting in solving international cases of mutual concern;
- Number of international tracing requests conducted and assistance provided to solving crimes;
- Number of foreign governments adopting export, import and firearms legislation and regulations to implement their enforcement;
- Number of law enforcement officers trained; and
- Degree of implementation of Plan of Action emanating from UN 2001 conference.

### **International Law Enforcement Academies**

#### **Budget Summary (\$000)**

	<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
<b>Bangkok</b>	3,053	3,500	3,500
<b>Budapest</b>	—	125	500
<b>Gaborone</b>	1,500	3,500	3,500
<b>Roswell</b>	5,000	—	5,000
<b>South America</b>	—	175	2,000
<b>Total</b>	<b>9,553</b>	<b>7,300</b>	<b>14,500</b>

#### **Objectives**

- Support regional and national criminal justice institution-building;
- Strengthen national law enforcement capabilities;
- Assist foreign law enforcement entities in the professionalization of their forces;
- Foster cooperation and improve regional coordination of law enforcement activities;
- Build stronger linkages between U.S. law enforcement entities and foreign law enforcement authorities and future criminal justice leaders; and
- Facilitate strengthened partnerships among countries in regions served by ILEAS aimed at addressing problems of drugs and crime.

## **Justification**

International Law Enforcement Academies (ILEAs) help advance U.S. interests through international cooperation while promoting social, political and economic stability by combating crime. INL funding has established ILEAs in Budapest, Hungary (1995); Bangkok, Thailand (1999); and, most recently, Gaborone, Botswana (2001). Since opening, ILEA Budapest has provided training to over 2,500 officials from 25 countries; while ILEA Bangkok provided training to over 600 officials from 10 countries. Funding for these academies is shared with the host country.

The Department of State works with the Departments of Justice and Treasury and with foreign governments to implement the ILEA program. State's primary roles are to provide foreign policy guidance to the ILEA Directors, ensure availability of adequate funding to support ILEA operations, and provide oversight that will ensure that U.S. foreign policy objectives are achieved.

The ILEAs have been successful. For example, extensive surveys from a number of ILEA graduates showed that criminal investigators adopted more rational, democratic solutions to administrative and operational challenges. Participation in ILEA is associated with an increased willingness to share information with U.S. police. Surveys taken of a large pool of students showed that former ILEA participants are more likely than any other police to exchange information with foreign police. Building on this success, we are opening a graduate-style ILEA at the de Bermond Training Center in Roswell, New Mexico; the first courses will begin in late 2001. We are also considering a future ILEA for Latin America.

**FY 2002 Programs.** INL will continue to support the work of the established ILEAs in Budapest and Bangkok. INL will complete the building of new facility for Gaborone, Botswana and complete the construction/renovation of the facility at Roswell, New Mexico. Following an area survey of available locations, INL will begin to negotiate the establishment of a new ILEA in Latin America. Meanwhile, for all ILEAs, INL will develop and implement training initiatives targeting growing areas of international criminal activity which are normally not included in ILEA programs: for example, expand core curriculum and specialized training to include hazardous waste dumping, smuggling proscribed hazardous material, and trafficking in protected natural resources and endangered species. INL will place added emphasis at the ILEAs on trafficking in women and children.

## **Effectiveness Measurements**

- Network of intra-regional and U.S. law enforcement contacts resulting in increased information-sharing and operational cooperation;
- Willingness to advocate and use modern investigative concepts and techniques; and
- Merit-based recruitment, retention, and advancement of mid- and senior-level law enforcement officials.

### **Law Enforcement and Police Science**

#### **Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
7,699	5,128	4,030

#### **Objectives**

- Support regional and national criminal justice institution-building;
- Promote regional cooperation and coordination of law enforcement activities;
- Assist in the professionalization of foreign law enforcement organizations;
- Strengthen the basic infrastructure for carrying out law enforcement activities in cooperating countries;
- Improve technical and investigative skills of law enforcement personnel; and
- Develop long-lasting relationships between U.S. law enforcement entities and foreign law enforcement authorities.

#### **Justification**

Law Enforcement and Police Science training is managed and funded by the Department of State and carried out by the Departments of Justice and Treasury, as well as several other smaller federal law enforcement organizations. It helps to advance U.S. interests through international cooperation while promoting social, political and economic stability by combating crime. INL will emphasize regional approaches to training and will coordinate with other training providers, such as the European Union and UNDCP, to provide training that serves our common strategic interest.

INL has increased the specialization and focus of its training over the past year, tailoring courses to better meet the needs and advance the skills of the foreign law enforcement students. Our program addresses virtually every type of international crime and related issues including the following: auto theft, alien smuggling, border control, corruption, narcotics trafficking, domestic violence, trafficking in women and children, illicit firearms, intellectual property rights, money laundering and financial crime, organized crime, rule of law, and law enforcement and police sciences. The courses increasingly provide joint training by two or more U.S. agencies. Where feasible, INL relies on regional training courses to bring together law enforcement officials from neighboring countries to foster increased law enforcement cooperation and coordination.

Foreign government demand for it continues to exceed what we can provide with current resources. In FY 2000, nearly 5,000 foreign officials from approximately 90 countries participated in INL-funded international narcotics and crime control training programs. Continued funding will accommodate the growing emphasis on law enforcement training as a vehicle for achieving many of the USG's basic international law enforcement and foreign policy objectives.

**FY 2002 Programs.** In FY 2002, INL-funded training will continue to support the major U.S. and international strategies for combating crime worldwide. Expansion of INL's law enforcement training programs constitutes one of the surest means of institution-building and promotion of host nation self-sufficiency. Law enforcement efforts overseas will be evaluated in terms of what they have done to bring about establishment of effective host country enforcement institutions. INL will maintain its role of coordinating the activities of Washington-based agencies in response to assistance requests from U.S. embassies. INL will focus increasingly on ensuring that training course are provided within the larger context of overall program or project development. In other words, INL and Washington agencies will increasingly evaluate requests for training on the basis of how that training is going to be applied toward achieving concrete law enforcement project objectives by the host government.

#### **Effectiveness Measurements**

- Network of intra-regional and U.S. law enforcement contacts resulting in increased information-sharing and operational cooperation;
- Willingness of trainees to advocate and use modern investigative concepts and techniques;

- Appropriate foreign personnel receive professional training and subsequently conduct law enforcement activities;
- Host nations become less dependent on U.S. assistance and are able to deliver a wide range of law enforcement training on their own; and
- Closer cooperation between U.S. and foreign enforcement agencies, leading to enforcement actions that disrupt the organizations and incarcerate individuals involved in criminal activities.

**Rule of Law**

**Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
852	750	1,500

**Objectives**

- Assist countries to revise and update their current statutes;
- Assist countries introduce laws to combat such new crime threats as corruption and money laundering; and
- Train prosecutors and judges to implement these laws effectively.

**Justification**

There is growing realization in the post-Cold War era that many forms of transnational organized crime pose a serious threat to democracies generally, and particularly to the developing world and economies in transition. To prevent and combat transnational organized crime more effectively, nations must improve their criminal law techniques and expand international cooperation. In cooperation with appropriate U.S. federal agencies, INL provides training and technical assistance programs in the criminal justice sector, especially for judges and prosecutors. The programs require sustained, multi-year training efforts, in-country residency assistance and temporary assignments, and focus on criminal legislation, code revisions and regulatory reform. Such assistance assures that criminal investigations respect the rights of all citizens and that prosecution flows from criminal investigations.

Rule of Law programs complement other INL international crime programs in two important aspects: legislation and prosecutions. For countries that lack the expertise to mount complex or sustained investigations against international criminals, the Rule of Law strategy calls for expanded training and technical assistance programs to turn foreign prosecutors and judges into more effective crime fighters. In countries where the basic institutions of justice are not adequate to meet the everyday challenges of common crime, let alone the sophistication of an ever-expanding international crime threat, the INL program maintains a country-specific, flexible approach to fostering development of effective criminal justice institutions.

United Nation members took a giant step forward in 2000 in their efforts to combat international crime through the adoption of a Transnational Organized Crime Convention. The purpose of the Convention is to prevent and combat transnational organized crime more effectively through international cooperation. It requires states parties to have laws criminalizing the most prevalent types of criminal activities associated with organized crime groups, including obstruction of justice, money laundering, corruption of public officials, and conspiracy. The Convention will expand significantly the ability of the United States to work with countries around the globe on organized crime investigations, adoption or revision of their criminal laws, and prosecutions, particularly those countries with which we do not have mutual legal assistance treaties.

**FY 2002 Programs.** In FY 2002, INL will expand the Resident Legal Advisor (RLA) program, establishing RLAs in South Africa, Costa Rica, and Thailand. The RLAs will work with foreign prosecutors, legislators, and judges to more effectively combat crime. Toward this end, they will also assist countries to improve their criminal legislation, code, or regulations. INL will also work to expand the exchange program it has had with judges and prosecutors from Russia and the former Soviet Union states to work with United States jurists at the federal and state levels. INL will also institute a number of similar exchange projects with several Central American countries, South Africa, India, and Thailand. These programs will help foreign officials better understand the U.S. judicial system and how it deals with criminal proceedings. INL will continue to review the core curriculum at the International Law Enforcement Academies (ILEAs) to ensure that they include Rule of Law training if necessary.

#### **Effectiveness Measurements**

- Stronger criminal statutes;

- Better trained prosecutors and judges capable of adjudicating more complex cases, more expeditiously; and
- Greater appreciation by foreign jurists of U.S. legal system resulting in improved bilateral cooperation.

**Stolen Vehicles**

**Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
—	—	100

**Objectives**

- Strengthen the international web against trafficking in stolen vehicles through the negotiation and implementation of a series of bilateral treaties that establish procedures for the return by either party of vehicles stolen from the territory of one party and found in the territory of the other;
- Support implementation of recently ratified stolen vehicle treaties with Belize, Costa Rica, the Dominican Republic, Guatemala, and Panama through training and technical assistance;
- Continue to support negotiations for the successful completion of stolen vehicle treaties with Poland, Venezuela, Honduras, Nicaragua, El Salvador, and Colombia; and
- Raise global awareness of and promote further commitment for the need to combat trafficking in stolen vehicles by highlighting this threat in regional, international and multilateral crime control fora.

**Justification**

International trafficking of stolen vehicles—a \$10-\$15 billion a year global trade—is an increasingly sophisticated activity of organized international crime, and the United States is a major victim of this illegal trade. Some 200,000 vehicles worth some \$4 billion on the black market abroad are smuggled out of the United States each year. Stolen vehicles transit many countries before arriving at their final destination: U.S.-owned stolen vehicles may now be found in virtually any country. Scarcely one percent of these

vehicles are recovered and repatriated. The trade is particularly appealing to international traffickers, increasingly those from Russia, Eastern Europe and China, because of the apparent low risks they face and the strong demand for high-end, luxury cars that fetch approximately \$20,000 apiece on international black markets. These organizations are reportedly working with criminal associates in the United States to steal automobiles and ship them abroad. In some cases, they appear to be operating with Mexican-based organizations in a broad international conspiracy to acquire U.S. vehicles, smuggle them to Mexico, and from there redistribute them to markets in Russia and China. Some groups reap additional benefits from trafficking stolen vehicles because they use them to conceal and transport narcotics and other contraband.

Much of the United States' past international efforts to combat stolen cars have been focused on Mexico and Central America because of the geographic proximity of this region and our long relationship with Mexico to address stolen cars. The United States has had a stolen car treaty in force with Mexico since 1983. More recently, we have focused on expanding our bilateral efforts by negotiating stolen car treaties with several other countries in Central and South America and Eastern Europe. The recent ratification of treaties with Belize, Costa Rica, the Dominican Republic, Guatemala, and Panama should greatly enhance our anti-stolen car efforts by creating a stronger regional defense against this problem. We are working on additional treaties with Poland, Venezuela, Honduras, Nicaragua, El Salvador, and Colombia. We have provided training to authorities in countries where we have negotiated stolen car treaties on how to detect stolen automobiles and investigate these crimes. And in selected cases, we have provided equipment to set up automated databases to help detect and track stolen cars.

**FY 2002 Programs.** A major objective of FY 2002 will be to promote the completion of bilateral treaties with Poland, Venezuela, Honduras, Nicaragua, El Salvador, and Colombia that are in various stages of negotiation. These agreements will provide standard procedures for the recovery and return of stolen U.S. vehicles. In countries where we have stolen vehicle agreements, we will continue fund training for law enforcement officials and provide them with browser access to the stolen vehicle and boat data base of the National Crime Information Center to encourage and speed the identification of stolen U.S. vehicles and boats located in those countries.

#### **Effectiveness Measurements**

- Training initiated with, and technical assistance requirements identified for, countries that have signed bilateral treaties.

- The number or rate of stolen vehicles repatriated to the United States.
- Number of international stolen car rings identified and dismantled through enhanced investigations and prosecutions.
- Additional bilateral treaties signed.

**Trafficking in Persons**

**Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
1,021	3,936	4,270

**Objectives**

- Coordinate international USG programs to combat violence against women and children through a strategy of prevention, investigation and prosecution of traffickers/perpetrators, and protection and assistance for victims/witnesses;
- Assist source and transit countries of trafficking in persons to meet the minimum standards outlined in the "Victims of Trafficking and Violence Protection Act of 2000" as well as the provisions of the UN "Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime;"
- Assist emerging democracies to strengthen their national judicial and law enforcement institutions' capabilities to counter violence against women and children through training, equipment, technical assistance, and by sponsoring coordination task forces;
- Assist non-governmental organizations to provide services to victims of violence against women and children; and
- Ensure that violence against women and children issues continue to be addressed in multilateral fora.

**Justification**

Trafficking in persons, domestic violence, sexual assault and child sexual exploitation are some of the crime issues that violate the human rights of victims. These crimes are increasingly linked. Over 700,000 people, especially women and children, are trafficked every year around the world for sexual exploitation, sweatshop labor, domestic servitude and other forms of forced labor. The information technology era is facilitating sex tourism and child pornography on the Internet on both the supply and demand sides. The United States is not immune from this trade. Some 45,000 to 50,000 women and children are trafficked to the United States annually, and there have been a few cases where U.S. women have been trafficked abroad.

The United States has taken the lead internationally in giving violence against women and children a much higher foreign policy profile. INL has been a key supporter in this effort diplomatically and programmatically. In December 2000, 81 countries signed the UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children, supplementing the Convention against Transnational Organized Crime. INL led the effort on behalf of the U.S. to introduce the trafficking protocol and successfully conclude negotiations.

In FY 2000, INL broadened its programmatic efforts to a project-based approach that complements existing training programs in the area of violence against women and children outside of Russia and the New Independent States. In India, INL supported a public information campaign that brought together numerous antitrafficking NGOs, international organizations, civic leaders, law enforcement officials and Indian film celebrities that resulted in further sensitizing the police force to trafficking issues and, among other accomplishments, the creation of an antitrafficking police unit.

In Chiang Mai, Thailand, INL provided start-up funds to upgrade an existing shelter for abused women and children and to establish the Coordination Center for the Protection of Child Rights. The shelter houses a specialized interview room for child victims and serves as multi-disciplinary intake center. The Center oversees the shelter, contains a database to track trafficking cases and provides meeting rooms and rooms for family counseling. And in Ethiopia, INL also provided start-up funds for the creation of the first Addis Ababa rape crisis intervention center.

Congress recently authorized the State Department, under the Victims of Trafficking and Violence Protection Act of 2000 to establish the Office to Monitor and Combat Trafficking in Persons. This office will be responsible for assisting a Cabinet-level task force, chaired by the Secretary of State, to implement

the provisions of the Act, through policy and programmatic coordination of domestic and international USG efforts. This new office is also taking the lead in drafting the annual report to Congress on countries' efforts to meet minimum standards as outlined in the Act.

**FY 2002 Programs.** INL will work in FY 2002 to make the Office to Monitor and Combat Trafficking fully operational. The Office will work with USAID, the Departments of Labor and Justice, and other State Department bureaus to fully coordinate international USG antitrafficking programs in the areas of prevention, protection and assistance for victims, and investigation and prosecution of traffickers. The congressionally mandated annual report will help identify countries that recognize that they have a trafficking problem and want to address it. In an effort to assist countries to meet the minimum standards to combat trafficking as well as implement the provisions of the UN trafficking protocol, the Trafficking Office will direct programs at those countries that are attempting to address trafficking. INL will continue its technical assistance programs in other violence against women and children areas, especially in Africa, Latin America and the Caribbean. INL will also lead the U.S. Delegation to the 2<sup>nd</sup> World Congress against Child Sexual Exploitation in Tokyo, December 2001.

**Effectiveness Measurements**

- Ratification of the UN trafficking protocol by a majority of the signatories;
- Improved coordination between governments and civil society in the provision of services for victims and witnesses;
- Implementation of antitrafficking laws; and
- Increased prosecutions against traffickers and perpetrators.

**Program Development & Support**

**Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
1,808	2,000	2,000

Anticrime Program Development and Support (PD&S) funds provide for the domestic administrative operating costs associated with the Washington-based crime staff. PD&S funds are used for staff salaries and benefits, staff travel, payments to the U.S. Department of State for the support services it provides; utilities, primarily telephone; computer equipment, software and office furniture; printing and reproduction; translations, supplies and materials, and office renovations expenses.

## **International Narcotics and Law Enforcement: FY 2002 Budget Justification**

### **BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS**

#### **May 2001**

#### **Budget Summary (\$000)**

<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Request</b>
—	7,500	7,500

#### **Objectives**

- Encourage countries to adopt and implement strong narcotics control legislation, improve the efficiency and effectiveness of criminal justice institutions to bring drug offenders to account, and develop bilateral and multilateral mutual legal assistance cooperation;
- Strengthen host nation counternarcotics law enforcement capabilities to deal with drug trafficking, money laundering, and other crimes;
- Help nations and regional organizations develop institutions capable of combating the potentially destabilizing corruption and lawlessness that accompany large sums of narcotics dollars; and
- Develop governmental and NGO capabilities to address drug abuse and prevention.

#### **Justification**

As recently as 1985, African criminal organizations were inconsequential in the international drug trade. Now they are major players, moving a substantial amount of the world's heroin and cocaine. Neither growers nor street-level retailers, the African criminal groups are the middlemen of the drug trade. Africa, with its porous borders and poorly paid civil servants, is an important transit region for heroin bound for the United States and Europe, and cocaine bound for Europe. Major African cities are increasingly the destination for drug shipments as well as being transshipment hubs.

Most of the limited counternarcotics and anticrime funds spent in Africa have been focused on narcotics problems in Nigeria and South Africa. African criminal groups that operate in these countries are now spreading throughout the region and increasing their geographic diversification. Countries as disparate as Malawi, Ethiopia, and the Ivory Coast have become transit routes. Nigerian and South African criminal organizations have matured and become transnational concerns that exploit whatever weakness they can find or, with their growing sums of money, create. The law enforcement assault on these organizations must be region-wide and closely coordinated.

The USG should dedicate more funds to fight this growing regional problem. Future programs will continue to concentrate on Nigeria and southern Africa, but will also aid other governments and regional organizations so that African organized crime will be reduced and eventually eliminated, not just displaced to other countries in the region.

Training will remain paramount in the Africa program. Customs training, police science training, specialized training for counternarcotics units, demand reduction programs, technical assistance and public education campaigns will account for the majority of Africa regional funding. Material assistance will also increase, with communications equipment, vehicles, computer databases and other equipment being provided to police organizations that work closely with U.S. law enforcement on transnational crime problems that affect the U.S. In addition, the U.S. is working closely with other donors to coordinate assistance efforts.

### **South Africa**

Largely because of South Africa, the most developed economy in Africa, southern Africa possesses the most advanced crime-fighting infrastructure on the continent. Still, South Africa faces a violent crime problem that could impede its progress as a nonracial democracy. Its murder rate is eight times higher than

that of the U.S., and extremist Islamic terrorism is a growing threat. As the most powerful member of the Southern African Development Community (SADC), South Africa's stability is crucial to the region.

The USG must do more to help South Africa combat its rising crime threat. South Africa's police lack sufficient training and equipment to fight crime effectively. The average policeman often has less than a high school education. South Africa has founded the Directorate for Special Operations (DSO), an elite, independent agency they plan to pattern after the FBI. INL has funded basic new agent training for the first two contingents of agents, and advanced, train-the-trainer training for experienced agents. INL will continue to support the development of the DSO. The South African Police Service (SAPS) is also in need of technological and material support. Vehicles, communications equipment and other essential investigative equipment are often in short supply. Cases built on scientific evidence require modern forensic equipment; and the country's law enforcement databases must be upgraded and integrated.

#### **Southern Africa (excluding South Africa)**

Crime is a growing menace throughout the southern Africa region, including narcotics and small arms trafficking and illegal migration. A border control program covering ports of entry in South Africa, Swaziland, Mozambique, Tanzania and Zambia will address this concern. While some training will be conducted on a bilateral basis, most resources will be targeted at regional training programs conducted primarily through the new International Law Enforcement Academy in southern Africa, or with the cooperation of regional and international organizations. INL will complement training with carefully selected commodity assistance such as computers, communication equipment, and vehicles.

#### **West Africa**

Nigeria is the key to crime control efforts in West Africa. Nigerian organized crime syndicates are major players in worldwide narcotics trafficking and financial crimes. Organized crime, coupled with decades of corrupt military rule, has undermined Nigeria's relatively advanced institutional development, and threatens the other West African states. While Nigeria's police institutions are not as well developed as South Africa's, Nigeria will be INL's second major anchor for regional anticrime and counternarcotics efforts. Country-appropriate training, material assistance, and modernization programs will be tailored for Nigeria. As with southern Africa, West African crime will be addressed bilaterally, through independent regional programs, and through cooperation with regional organizations.

## **East Africa**

Major East African cities, such as Nairobi, Mombassa and Addis Ababa, are significant transit points for heroin headed for the U.S. from Asia. The will to fight narcotics trafficking exists in East Africa. Kenyan authorities, for example, have participated in European and UN counternarcotics programs. INL will take advantage of this to establish aggressive programs that will enhance police, immigration, and airport authorities' capabilities. As with other subregions, this will be accomplished through a combination of bilateral programs, regional programs, and programs conducted with organizations such as UNAFRI and the African Women's Center for Justice in Dar es Salaam.

## **Effectiveness Measurements**

- Increased national political and financial commitment to combat crime and illegal narcotics trafficking;
- Increased institutional capacities of law enforcement agencies in the region measured by quantities of drugs interdicted, arrests of major criminals and disruption of trafficker networks;
- Adoption of effective counternarcotics and money laundering legislation and countercorruption measures;
- Effective use of counternarcotics legislation, including conspiracy and asset forfeiture statutes;
- Reduction in the volume of illegal narcotics transiting the region; and
- Increased public awareness of the dangers of drug abuse, decreased levels of drug abuse, and increased resources committed to the problem by host governments.

## **International Narcotics and Law Enforcement: FY 2002 Budget Justification**

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT  
AFFAIRS

**May 2001**

**Budget Summary (\$000)**

<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Actual</b>	<b>Estimated</b>	<b>Request</b>
—	10,000	10,000

### **Objectives**

- Maintain permanent U.S. police cadre for assignment overseas;
- Enhance U.S. capability to deploy police overseas;
- Increase U.S. involvement in UN, OSCE, EU and other organizations to enhance their capacities to train and deploy police

### **Justification**

U.S. participation in international civilian police (CIVPOL) operations has increased to over 855 experienced police officers assigned in Bosnia, Croatia, Kosovo, and East Timor in CY 2001. While we have greatly improved our capacity to respond to requests from the UN and other organizations for U.S. participation by enhancing procedures for recruitment, selection, and preparation of personnel for CIVPOL operations, further refinements are necessary to improve our overall capability for rapid response.

The FY 2002 request builds on current year efforts to establish a voluntary reserve of some 2,000 law enforcement personnel who remain in their regular jobs until called for CIVPOL duty. The FY 2002 program includes implementing standardized organizational structures, operating procedures, and systems needed to effectively manage personnel identified for the ready roster. Through this program, U.S. CIVPOL will have opportunities to participate in specialized law enforcement training that is designed to meet domestic in-service training requirements, as well as basic and advanced instruction that is unique to the organizational and operational challenges presented by international CIVPOL missions.

International CIVPOL deployments can range from short-term assessment and advisory services requiring only a few weeks, to long-term secondments to CIVPOL operations for one-year or more. To be prepared for such operations, personnel included in the U.S. contingent will need basic uniforms and personal equipment applicable to all deployments. Special equipment and materials needed to accommodate a particular operating environment would be provided immediately prior to an actual deployment, such as appropriate communications equipment, clothing to meet weather conditions and camping gear in the event

lodging accommodations are not available. Long-term operational support to U.S. CIVPOL participation in international peacekeeping operations will continue to be provided from other regional or special accounts, such as Support for Eastern European Democracy (SEED) or Peacekeeping (PKO).

The FY 2002 program also includes establishment of logistical capabilities to ensure timely U.S. response to calls from the UN or other organization to contribute American police on an expedited basis to address a special circumstance or participate in an international effort to assist a country emerging from a crisis situation. Key elements of this capacity will be contingencies for transporting personnel and equipment, providing emergency medical support, administrative and logistical support in the field, and an operational communications system.

In FY 2002, program activities will continue to support outreach efforts to U.S. local, state, and federal law enforcement, agencies and professional associations for the purpose of attracting and encouraging law enforcement interest and participation in CIVPOL operations. In addition, we will also engage in efforts to assist CIVPOL programs, planning, training, and operations of other countries, regional or international organizations. Administration of such a comprehensive CIVPOL program will continue to strengthen existing and developing capacities designed to assess, conceptualize, prepare, plan, implement, manage, and evaluate U.S. participation in international police missions.

#### **Effectiveness Measurements**

- Select cadre of U.S. CIVPOL, management and leadership;
- Deliver comprehensive basic program and initiate specialized training programs;
- Provide basic equipment to U.S. contingent;
- Complete development of a logistical capability for rapid deployment of U.S. police for timely participation in international civilian police operations; and
- Involve selected countries in the U.S. civilian police training program and related activities.

#### **Anticrime, Civilian Police, Africa Regional**

#### **INL Budget**

**(\$000)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Anticrime Programs<sup>1</sup></b>			
Alien Smuggling	1,092	1,250	3,400
Anticorruption	2,233	4,500	4,200
Border Controls	714	100	600
Civilian Police Program <sup>2</sup>	1,000	—	—
Counternarcotics	140	—	—
Critical Infrastructure Protection /Intellectual Property Rights	281	100	100
Financial Crime and Money Laundering	2,891	2,612	2,700
Firearms and Small Arms Trafficking	716	75	100
International Law Enforcement Academies	9,553	7,300	14,500
Law Enforcement and Police Science	7,699	5,128	4,030
Rule of Law	852	750	1,500
Stolen Vehicles	—	—	100
Trafficking in Persons	1,021	3,685	4,270
Program Development & Support	1,808	2,000	2,000
<b>Subtotal</b>	<b>30,000</b>	<b>27,500</b>	<b>37,500</b>
<b>Civilian Police Program</b>	<b>—</b>	<b>10,000</b>	<b>10,000</b>
<b>Africa Regional Anticrime Programs</b>	<b>—</b>	<b>7,500</b>	<b>7,500</b>
<b>Total</b>	<b>30,000</b>	<b>45,000</b>	<b>55,000</b>

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<sup>1</sup> The FY 2000 budget does not reflect FSA (\$15.6 million) and SEED Act (\$81.16 million) funding from USAID. The FY 2001 and 2002 budgets do not reflect FSA and Seed Act funding which is included in the USAID budget request and will be transferred to INL.

<sup>2</sup>In FY 2000, INL funds were reprogrammed for civilian police activities in East Timor.