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GAO

Testimony

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**STATUS REPORT ON GAO REVIEW OF THE
U.S. INTERNATIONAL NARCOTICS CONTROL
PROGRAM**

Statement of
Joseph E. Kelley, Associate Director,
National Security and International Affairs
Division
U.S. General Accounting Office

Before the
Task Force on International Narcotics Control
Committee on Foreign Affairs
House of Representatives



NCJRS

MAR 24 1988

ACQUISITIONS

Mr. Chairman and Members of the Task Force:

We are pleased to be here today to discuss our ongoing reviews of U.S. international narcotic control efforts. As you know, these reviews were mandated by section 2007 of the Anti-Drug Abuse Act of 1986 which requires the Comptroller General to conduct a thorough and complete investigation to determine the effectiveness of the U.S. International Narcotics Control Program.

Our reviews have focused on the management and effectiveness of programs funded by the Department of State's Bureau of International Narcotic Matters (INM). A complete picture of U.S. narcotic control efforts in drug-producing and transit countries could not be drawn if we reviewed the INM programs in isolation. Consequently, we expanded the scope of our fieldwork to include the complementary efforts of the Drug Enforcement Administration (DEA) and the Agency for International Development (AID).

Although international concern over the adverse affects of illicit narcotics has escalated in recent years, their production and availability continues to grow. According to recent estimates by the National Narcotics Intelligence Consumer Committee (NNICC), worldwide opium production ranged from 1,680 to 2,815 metric tons in 1986; marijuana available for use in the United States ranged from 9,700 to 13,400 metric tons; and coca leaf production ranged from 152,800 to 188,800 metric tons, which equates to 306 to 377 metric tons of cocaine.

Approximately 95 percent of the narcotics consumed in the United States are imported. All of the cocaine used by Americans originates in the South American countries of Peru, Bolivia, and Colombia. Heroin and opium are derived from the opium poppy grown in Southeast and Southwest Asia and Mexico. While recent NNICC statistics indicate that Americans' use of marijuana decreased by 4 percent between 1982 and 1985, their use of cocaine grew at an alarming rate of 133 percent.

We are in the process of developing several reports on U.S. narcotic control efforts in seven countries (Bolivia, Burma, Colombia, Mexico, Pakistan, Thailand and Turkey) and one international organization (U.N. Fund for Drug Abuse Control). We are now analyzing and assessing the data obtained in the countries visited during our fieldwork. Therefore, we are not in a position to provide any overall conclusions as to the effectiveness of the U.S. international narcotics control program at this time. However, we do have some preliminary observations on some of the problems confronting the program as discussed in the following country summaries.

BOLIVIA

Bolivia is one of the two primary sources of coca leaf and coca derivatives and, increasingly, is a source of cocaine hydrochloride. Coca leaf produced in Bolivia is the raw material responsible for an estimated 30 to 40 percent of the cocaine entering the United States. NNICC reports that Bolivia produced between 42,000 and 53,200 metric tons of coca leaves during 1986.

U.S. narcotics control assistance to Bolivia began in 1972 with an AID public safety program. Most U.S. activities were halted in 1980, however, when a coup d'etat occurred and several military officers linked to the cocaine traffic were appointed to high government positions. U.S. assistance was resumed in 1982 when Bolivia returned to civilian rule.

In August 1983, the United States and Bolivia signed four agreements that tied \$30 million in narcotics control assistance and \$58 million in development aid over 5 years to the Bolivian government's gradually reducing coca production in the Chapare region to that required for legitimate purposes and eradicating

4,000 hectares of illicit coca by 1985. As of April 1987, Bolivia eradicated approximately 250 hectares of coca. Its failure to comply with the agreements led to the enactment of U.S. legislation making fiscal year 1986 economic support fund and military assistance contingent upon initiating a series of predetermined narcotic control actions. These actions included, among other things, enacting by Bolivia of narcotic-related legislation and achieving eradication targets established in the August 1983 agreements. Bolivia did not achieve the eradication targets and, therefore, did not receive half of its fiscal year 1986 economic support fund and military assistance.

INM's fiscal year 1987 program in Bolivia is funded at approximately \$12.2 million. These funds are being used primarily to provide the Bolivians with equipment, training and operational support to carry out enforcement and interdiction activities. INM has requested \$7.3 million for fiscal year 1988.

On February 26, 1987, the United States and Bolivia signed an agreement of "Principles of Narcotics Cooperation," outlining the framework for Bolivia's 3-year plan for coca control. This plan calls for the passage of a new anti-narcotics law outlawing coca cultivation in all but a small traditional growing area and a one year voluntary eradication program followed by a 2-year forced eradication period. The two countries are currently finalizing the

annexes to this agreement which will address U.S. support and Bolivian government obligations.

Since negotiations on the details of the annexes had just begun when we visited Bolivia during March and April 1987, we are unable to comment on the specifics or the results. We did, however, observe the following serious obstacles which have affected the current U.S. program in Bolivia and could affect the successful implementation of the planned agreement. These include:

- the failure of the government to capture and imprison known major traffickers,
- the ability of Bolivia to fund implementation of the new 3-year plan,
- reported corruption at all levels within the country, and
- public apathy towards efforts to curb narcotics production.

The Bolivian narcotics control plan is based on the assumption that wide-scale interdiction will make the production of coca leaves unprofitable and make other crops attractive alternatives. The results of "Operation Blast Furnace," the joint U.S. Bolivian military interdiction effort, in mid-1986, support this theory for the short term. However, questions still remain as to the

Bolivian's ability to initiate and maintain an interdiction effort of the magnitude necessary to ensure reduced coca prices.

Coca production estimates

During our fieldwork, we noted numerous estimates of the amount of coca actually being grown in Bolivia. For example, from 1981 through 1987, the State Department's INM bureau reported annual coca cultivation at 34,000 to 37,500 hectares. In five instances during this 7-year period, the INM estimate has been either 35,000 or ranges with a midpoint of 35,000 hectares. However, estimates of the number of hectares of coca under cultivation during 1986 range from 35,000 by INM and NNICC to 60,000 as estimated by the INM's Narcotics Assistance Unit (NAU) in La Paz to over 100,000 by the Bolivian Ministry of Agriculture.

An accurate estimate of Bolivia's narcotic-producing potential is essential to (1) develop a realistic narcotics control program, (2) monitor Bolivian progress in controlling narcotics, and (3) allow Congress and various government agencies to make informed decisions on the status and appropriate direction of the program. This becomes increasingly important as the two countries conclude negotiations on a new narcotics control agreement.

The government of Bolivia has provided minimal support for narcotics control. Bolivia is one of the poorer nations in the Western hemisphere, so the amount of financial support it can

provide is understandably limited. However, it can make a number of non-financial contributions; for example, the NAU in Bolivia wants to relocate some members of the special narcotics enforcement unit (UMOPAR) of the Bolivian government to more secure locations in the Chapare and provide them with adequate housing. We were informed that, when the government of Bolivia was broached on this subject, it informed NAU officials that the United States would have to lease the property and purchase the housing for the new camp.

COLOMBIA

Colombia has been a major source of both cocaine and marijuana for the U.S. market for the last 10 years. It currently, supplies an estimated three-quarters of the cocaine and one-third of the marijuana consumed in the United States. While Colombia is the world's third largest producer of coca, its principal role in international cocaine trafficking is processing Colombian, Bolivian, and Peruvian coca base into cocaine and distributing the final product to the United States.

The joint U.S. Colombian effort to control narcotics production and transshipment began with the signing of a 1973 bilateral agreement. Under this agreement, the U.S. has provided aircraft, vehicles, communications and investigative equipment, and supplies to Colombia's enforcement agencies. The primary objectives of the current U.S. program in Colombia are to eliminate the production of

narcotics at the source through aerial spraying of herbicides and manual eradication and to interdict the movement of these substances and the chemicals used in processing cocaine. INM plans to provide Colombia with \$10.5 million in narcotics control assistance during fiscal year 1987 and has requested \$13.9 million for fiscal year 1988.

Aerial spraying

The aerial spraying of marijuana with the herbicide glyphosate began in July 1984. Through 1986, 23,000 hectares of marijuana have been fumigated, an equivalent of more than 25,000 metric tons of marijuana. According to the NNICC, aerial spraying and interdiction efforts have reduced Colombia's market share of marijuana to the United States from 79 percent in 1981 to 27 percent in 1986. We observed that U.S. monitoring of Colombian marijuana controls tended to be informal and infrequent. We believe that oversight of this program could be enhanced if U.S. officials more closely monitored the operation.

Colombian anti-narcotics efforts involve the operation and maintenance of an air wing consisting of 16 helicopters and 13 fixed-wing aircraft--13 of which have been funded by the United States. During our visit to Colombia, we noted problems in the logistical support and maintenance of these aircraft:

(1) maintenance was not being scheduled or performed in a timely manner, (2) there was no inventory of aviation supplies, and

(3) too many consumable spare parts which should be on-hand were being procured on an urgently needed, and therefore more costly, basis. This has resulted in increased aircraft down time and the grounding of aircraft which would otherwise be available for operational use.

Regional air transport

In May 1987, a U.S.-Colombia project agreement was signed which would establish a regional air transport capability for South America. It was envisioned that this \$3.5 million project would provide neighboring countries with an airlift capacity to support various narcotic operations. To date, however, the three regional helicopters have remained under Colombian control and have briefly left the country in only one instance. However, no agreements or procedures have been established to govern the availability or operational use of the aircraft when they are to be used on a country-to-country basis.

Other Management Problems

During our fieldwork we also observed similar problems with the INM-funded narcotics control programs in both Bolivia and Colombia: (1) none of the INM-funded projects had been evaluated either by INM/Washington or the in-country NAU, (2) no inventories have been taken of the U.S.-provided equipment and commodities, and (3) there were few end-use controls or monitoring of U.S.-provided equipment.

MEXICO

The governments of the United States and Mexico have been long-term partners in a program to destroy opium poppy and marijuana fields in Mexico through aerial spraying of herbicides. Since 1983, at least \$137 million has been allocated to this program. Although the current flow of heroin from Mexico is significantly less than during the mid 1970s, it has been steadily increasing in recent years. The Department of State reported that in 1986 between two and four metric tons of heroin reaching the United States originated in Mexico and that although more opium poppy and marijuana had been eradicated in 1986 than during the preceding year, it did not keep pace with increased cultivation.

We identified several factors which appeared to contribute to the program's relatively modest performance, including

- changing and expanding cultivation patterns,
- inefficient management of personnel and resources,
- insufficient program data for planning and evaluation purposes,
and
- an unmeasurable but certainly dilutive effect of reported corruption.

Operational problems exist which appear to deserve the attention of both the Department of State and the government of Mexico. For example, responsibility for various aviation management functions were poorly defined, causing poor maintenance scheduling, overloaded repair facilities, and inadequate inventory controls. These problems resulted in underutilization of aircraft and lengthy maintenance which decreased aircraft availability.

Formal agreements between the United States and Mexico do not address areas which appear to require bilateral attention and solutions. Specifically, recent agreements do not

- address the need and methodology for comprehensive surveys of the Mexican cultivation base,
- include mutually acceptable annual eradication targets developed in accordance with pre-agreed standards for aircraft use and availability,
- provide for mutually acceptable programs to measure and verify eradication, and
- provide for a mutually acceptable program of periodic evaluation and audit.

These issues are important to program success and it would appear appropriate to include them in the program's formal agreement process.

PAKISTAN

It is estimated that about 50 percent of the heroin consumed in the United States passes through Pakistan. INM estimates Pakistan will produce about 100 to 130 metric tons of opium in 1987. Neighboring Afghanistan produces 400 to 500 tons of opium, and Iran produces 200 to 400 tons. With its own rapidly growing rate of heroin addiction, Pakistan itself is believed to be a net importer of opium. The U.S. drug control strategy in Pakistan is to eliminate cultivation, production, trafficking, and use of illicit drugs. INM, DEA, and AID narcotics programs in Pakistan are budgeted at about \$13 million for fiscal year 1987.

Although cultivation of opium poppy is believed to be about the same as last year, eradication in 1987 is expected to be more effective. For the first time, the government of Pakistan, with U.S. assistance, undertook aerial spraying of opium.

Eradication

In April, it was estimated that 2,000 to 3,000 hectares of poppy would be eradicated in 1987, compared with 200 to 300 hectares in

1986, but these figures may be high. Limited observation on the ground indicated that about one-third of what the Government of Pakistan claimed to be manually eradicated was not successfully destroyed. Our observation of some sprayed fields indicated that a significant number of plants remained 2 weeks after aerial spraying.

U.S. officials consider production, yield, and eradication estimates as useful for establishing trends but not for accurately indicating production. We believe procedures are needed for improving U.S. estimates in order to evaluate crop control program results.

Enforcement

About 4.2 tons of heroin were seized in 1986, and 4 tons were reported seized between January and March 1987. The government of Pakistan reported that 19 heroin laboratories were destroyed in 1986; however, INM and DEA officials believe that the government should increase its efforts to eliminate about 60 known heroin labs in the tribal areas. They also believe that many labs that have been closed are soon reopened because essential equipment and drugs are not always confiscated.

An asset seizure law was passed by the Pakistani Senate and, as of April, was awaiting approval by the National Assembly. DEA believes the bill's effectiveness will be limited unless it is

combined with a narcotic conspiracy law which would enable the authorities to arrest others who may be associated with the crime.

The United States has an extradition treaty with Pakistan, but it has never been used to extradite a Pakistani citizen for a narcotics offense. DEA continues to work on an extradition request made to Pakistan in 1984. As of April, there was a warrant in Pakistan for the individual's arrest. DEA is preparing additional cases so that it will be ready to submit more requests, if and when the case in progress is decided in favor of extradition.

Development Programs

Twelve of AID's projects in Pakistan contain clauses that would terminate assistance if poppies were found growing in the project areas. One project aimed specifically at narcotics control, has an enforcement schedule. AID actively monitors narcotics production in project areas and coordinates eradication efforts closely with the government. In March 1987, AID held up payment for its Tribal Area Development Project after poppies were discovered in the service area of a water project. AID was preparing to use the clause again in April after discovering opium poppies being grown in an area serviced by a project irrigation system. The Tribal Area Development Project recently expanded into the Bajaur and Mohmand Tribal Areas, which are both major poppy growing areas.

Recently AID began funding a drug awareness program and development of a drug abuse information and resource center. It is currently planning a major area development project that will continue project activities in Gadoon and expand them into the adjacent Black Mountain area.

INM also funds some development assistance activities in opium poppy growing areas. The Malakand Area Development Project is funded at \$6 million over 5 years. Opium poppy cultivation has been reduced from about 1,100 acres in 1981 to virtually none in 1987 and the project is coming to an end. However, as with other narcotics control/development assistance projects, there is a question about what will happen after assistance is terminated. If opium prices are high, agencies administering narcotics programs assume that poppy cultivation will be resumed. One possible solution would be for AID to provide longer term development assistance in the area.

In summary, some recent progress has been made in drug control. The introduction of aerial spraying, increased eradication in 1987, large seizures, new legislation regarding asset seizures, and the expansion of AID development assistance tied to narcotics control in the opium poppy growing areas, and increased funding for drug awareness activities, support U.S. goals.

However, more needs to be done to reduce the flow of heroin through Pakistan to the United States. Among other things, the government of Pakistan needs to increase efforts to identify and prosecute major traffickers and eliminate heroin labs and to uphold its commitment to the existing U.S./Pakistan extradition treaty.

BURMA

Burma produces the world's largest illicit opium poppy crop. In the 1985-86 growing season an estimated 190,000 to 205,000 acres of opium poppies were cultivated in Burma, which produced an estimated 700 to 1,100 metric tons of opium.

Since fiscal year 1984, the United States has given the government of Burma about \$21.5 million in support of its narcotics control program; \$9.7 million of that amount was provided in fiscal year 1987 to support the aerial spraying and interdiction efforts of the Burmese army.

Despite U.S. and Burmese efforts, major reduction in production appear unlikely. Most opium is grown in remote areas of northern and eastern Burma, which are under the control of insurgent groups who use narcotics revenue to finance their existence. Also, the Burmese lack the mobility and resources to simultaneously fight an insurgency and eradicate opium poppy fields. The consequences of this limitation was seen in January of this year, when, faced with

the need to mount a military campaign against the Communist insurgents, all eradication efforts ceased.

Some constraints and problems of the eradication program are as follows:

- The United States is limited in what it can do in Burma. Burma will accept support for its eradication program but will not accept other economic or military assistance.
- The United States is unable to verify Burmese eradication claims, and reported eradication levels are generally believed to be overstated.
- Aerial surveys are needed to estimate acres under cultivation and to target eradication. The United States has provided aircraft and communications equipment and training, but the Burmese have used the equipment for tactical purposes and have not made a comprehensive aerial survey.

THAILAND

Thailand is a small opium producer. In 1986 production was estimated at 23 metric tons, down from an estimated 40 metric tons in 1984. Most of Thailand's production is consumed in country. Nevertheless, Thailand is a significant trafficking country. According to the NNICC, at least 20 percent of the heroin coming to

the United States transits Thailand. INM, DEA, and AID narcotics programs in Thailand are budgeted at about \$12 million for fiscal year 1987.

Continued U.S. support is needed for the Thai government crop control program and to improve program performance. Issues that need to be addressed include:

- The Thai government should be encouraged to reduce reported corruption and to enact conspiracy and asset seizure laws.
- Consideration should be given to changing the focus of U.S. strategy, placing more resources in enforcement and interdiction efforts.
- Consideration should be given to whether AID can or should play a greater role in contributing to the narcotics control program in Thailand; this is not now an AID priority and limited AID resources are devoted to this objective.
- Thai eradication claims need to be more systematically verified; it is generally believed that eradication results reported by the Thai government are considerably overstated.

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Mr. Chairman, this includes my prepared statement. I would be pleased to respond to any questions you or members of the Committee may have.