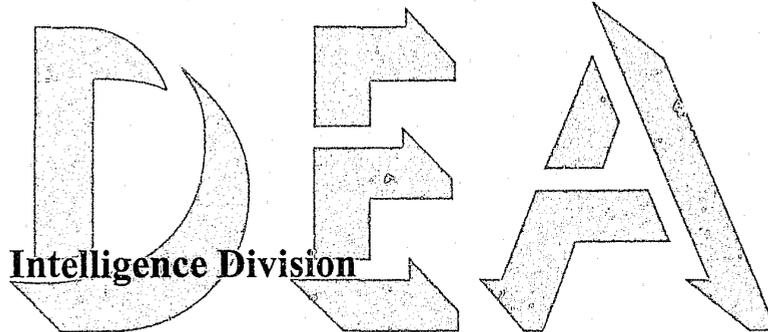


October 1993



# Worldwide Cocaine Situation

*Drug Intelligence Report*

150299 c.i



October 1993  
DEA-93048

Drug production, import-export, and consumption estimates contained herein may be preliminary and are not intended for use in testimony or speeches or for public dissemination. Data contained in the annual *National Narcotics Intelligence Consumers Committee Report* (NNICC) should be used for those purposes.

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Cover Photograph: Illicit coca cultivation mars the natural beauty of the land.

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Drug Enforcement Administration

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# Worldwide Cocaine Situation Report 1992

*Drug Intelligence Report*

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## **ADMINISTRATOR'S MESSAGE**

Cocaine remained our most serious drug problem during 1992. The cocaine cartels, headed by drug kingpins, continued their longtime efforts to move bulk shipments of cocaine to the United States and Europe. However, an intense, international, multilateral effort led by the Drug Enforcement Administration (DEA) disrupted some principal cartel criminal activity and led to the arrest of several high-level traffickers at home and abroad.

Domestically, Federal law enforcement officers seized over 119 metric tons of cocaine. In one operation alone, in New York City, DEA, in conjunction with state and local authorities, disrupted Cali Cartel operations by seizing 1.4 metric tons of cocaine, arresting 100 cocaine distribution cell members, and confiscating over \$26 million in cash and assets. In a Miami investigation, which culminated in April 1992, a major financial operator for the Cali Cartel was arrested and several metric tons of cocaine were seized in the United States.

Working with our allies abroad, DEA spearheaded operations designed to disrupt the flow of drugs and monies. In Panama, 5.3 metric tons of cocaine destined for the United States were seized, and a major front company was dismantled. In an international money-laundering operation, code-named GREEN ICE—which spanned some eight countries—\$54 million was seized. In Operations GHOST ZONE and GOLDEN BEAR, DEA and the Bolivian police attacked the cocaine support industry by seizing laboratories and disrupting trafficker air operations.

DEA places a high value on its cooperative efforts with State and local authorities and on its relationship with its allies abroad. At home, DEA has enjoyed immeasurable success in its education and demand reduction programs. Cocaine use in the United States appears to have stabilized but at levels that are still unacceptably high. It is apparent that our efforts must continue. DEA's strength lies in its global reach and in its capabilities to bring high-level traffickers to justice. In 1992, we increased the tempo of our efforts against the Cali Cartel with excellent results. We must sustain these efforts in order to reduce the availability of cocaine on our streets, which, in turn, will provide the necessary foundation for the long-term success of drug education, treatment, and demand reduction programs.

A handwritten signature in black ink, reading "Robert C. Bonner". The signature is written in a cursive style with a long, sweeping underline.

**Robert C. Bonner**  
Administrator of  
Drug Enforcement

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*Moving coca leaf to market.*

## **EXECUTIVE ASSESSMENT**

### **Overview**

Trafficking trends in 1992 highlighted the entrenchment of the cocaine trade as a relatively stable and mature, albeit illegal, international industry. Colombian criminal organizations increased their penetration of and consolidated their control over lucrative cocaine markets in the United States and Europe. They continued their use of violence and corruption to perpetuate and to expand their market dominance.

Control over cocaine trafficking to the United States remained primarily in the hands of Colombian criminal organizations during 1992. Cocaine was shipped to the United States by these organizations using traditional routes through Mexico to the U.S. Southwest border and through the Caribbean Sea to southern Florida.

### **International Enforcement Actions**

In 1990, the Colombian Government engaged in concerted action against the Medellín Cartel, destroying its major laboratories and incarcerating its top leaders. In late 1991, Colombian authorities, in concert with the U.S. Government, focused increased attention on the Cali Cartel. The targeting of the Cali Cartel continued throughout 1992 with a series of raids against Cali financial interests in Colombia and abroad.

In September 1992, Operation GREEN ICE, a multilateral financial investigation, which involved eight nations (Canada, the Cayman Islands, Colombia, Costa Rica, Italy, Spain, the United Kingdom, and the United States), resulted in 122 arrests—including the arrest of seven top cartel money launderers—the seizure of \$54 million in cash and assets, and the temporary disruption of major cocaine money-laundering activity in the United States, Latin America, and Europe. In Italy, a Dutch national, who had high-level connections to Cali Cartel leaders, was arrested, which consequently disrupted the movement of drugs through Italy to the Netherlands.

In 1992, Manuel NORIEGA, the deposed leader of Panama was placed on trial in the United States and was convicted of facilitating the trafficking of cocaine through Panama in collusion with the Medellín Cartel. On appeal, NORIEGA won the right to be treated as a prisoner of war, but he nevertheless remains incarcerated in a Federal prison.

In 1992, relations with Mexico were strained by a U.S. judicial decision that supported extraterritorial action in the ALVAREZ-Machain case. In 1990, Humberto ALVAREZ-Machain, a Mexican physician, was spirited out of Mexico to the United States where he was charged and subsequently tried as an accomplice in the 1985 abduction, torture, and death of DEA Special Agent Enrique Camarena at the hands of a Mexican drug trafficking group. The U.S. Supreme Court subsequently ruled that ALVAREZ's abduction did not violate the United States-Mexican extradition treaty.

In July 1992, Pablo ESCOBAR, a recognized principal leader of the Medellín Cartel, escaped from prison in Colombia. He remains at large and has been engaged in a campaign of terror against the Colombian Government. In late 1992 and early 1993, a series of terroristic car bombings attributed to ESCOBAR took a number of innocent lives in Bogota and Medellín.

Concerted international law enforcement successes in late 1991 and early 1992, particularly the disruption of cocaine pipelines and financial support structures, caused the price of cocaine to temporarily increase in major U.S. metropolitan markets during the second quarter of 1992. Purity levels fell slightly, confirming the temporary reduction of cocaine supplies. Traffickers responded, as they had in the past, by altering their smuggling routes and increasing the number of bulk shipments. They also made greater use of commercial air and maritime cargo shipments to conceal their drugs. By mid-year, prices again fell to levels seen in 1991, suggesting the ready availability of cocaine for the remainder of the year.

### **Cocaine Production**

In 1992, potential cocaine production in Latin American source countries, 955 to 1,165 metric tons, was slightly higher than in 1991. Potential coca leaf production reached 336,300 metric tons from cultivation of a total of 211,700 hectares. Law enforcement efforts resulted in the seizure of multi-ton drug shipments, chemicals, currency, and bullion in addition to the forfeiture of drug-related assets. Consequently, traffickers were forced to adopt more chemically efficient means of cocaine production. It is clear that the use of diverse methods by traffickers to spread their risks reflects the success of concentrated U.S. and foreign law enforcement operations.

### **Shifts in Trafficking Patterns**

The trend towards greater division of labor within cocaine trafficking organizations and the development of a defined trafficking "service industry" observed in recent years continued unabated in 1992. Certain smuggling organizations, particularly Mexican groups, specialized in

providing cocaine transportation and related services as well as engaging in the smuggling of other drugs.

Independent Peruvian and Bolivian cocaine organizations gained in their trafficking capability. Colombian cocaine traffickers who were closely associated with the Cali and Medellín Cartels also were deeply involved in the cultivation of opium poppies and the production and distribution of heroin. In the United States, evidence emerged of cocaine abusers using heroin to extend the euphoric effects of cocaine or to mitigate the adverse physical effects of crack withdrawal. Cocaine traffickers expanded their use of cocaine distribution routes to include the supply of heroin to U.S. consumers.

In 1992, previously identified patterns of increases in the use of commercial maritime cargo to conceal bulk shipments of cocaine hydrochloride (known on the street simply as cocaine) from South America to the United States continued. In one seizure in Miami, almost seven metric tons of cocaine were discovered hidden in a bulk shipment of broccoli from Guatemala. Cocaine also was transported from South America by general aviation aircraft to staging areas in Mexico and, increasingly, to Guatemala. Aircraft also flew routes that paralleled the coasts of Central America or that ran from South America into the Caribbean Sea or north into Bahamian territorial waters where the drugs were frequently airdropped to waiting vessels. In one instance, cocaine traffickers attempted to ship a large quantity of cocaine in a cargo aircraft that flew along the U.S. eastern seaboard and into Canada. In November 1992, four metric tons of cocaine was seized in Quebec from an aircraft that had flown from Colombia. From there, the drug was to have been moved into the United States to major markets in New York.

As noted above, Colombian drug smugglers made extensive use of general aviation aircraft to ship multi-hundred-kilogram quantities of cocaine into staging areas in Mexico and Guatemala. In 1992, traffickers sought to purchase larger aircraft—in one instance, from a former Soviet-bloc nation—in order to transport bulk quantities of cocaine. In the future, such aircraft could be used to ferry cocaine across the Atlantic to North Africa or Europe.

#### **Transit Through Africa: A Growing Problem**

Nations in northern Africa, such as Algeria, Morocco, and Tunisia, experienced increased use of their territory and territorial waters by criminal organizations to ship kilogram quantities of cocaine, usually in

maritime vessels, to destinations in Europe. There also was evidence that traditional hashish smugglers in Morocco smuggled some cocaine into Europe at the behest of Colombian traffickers.

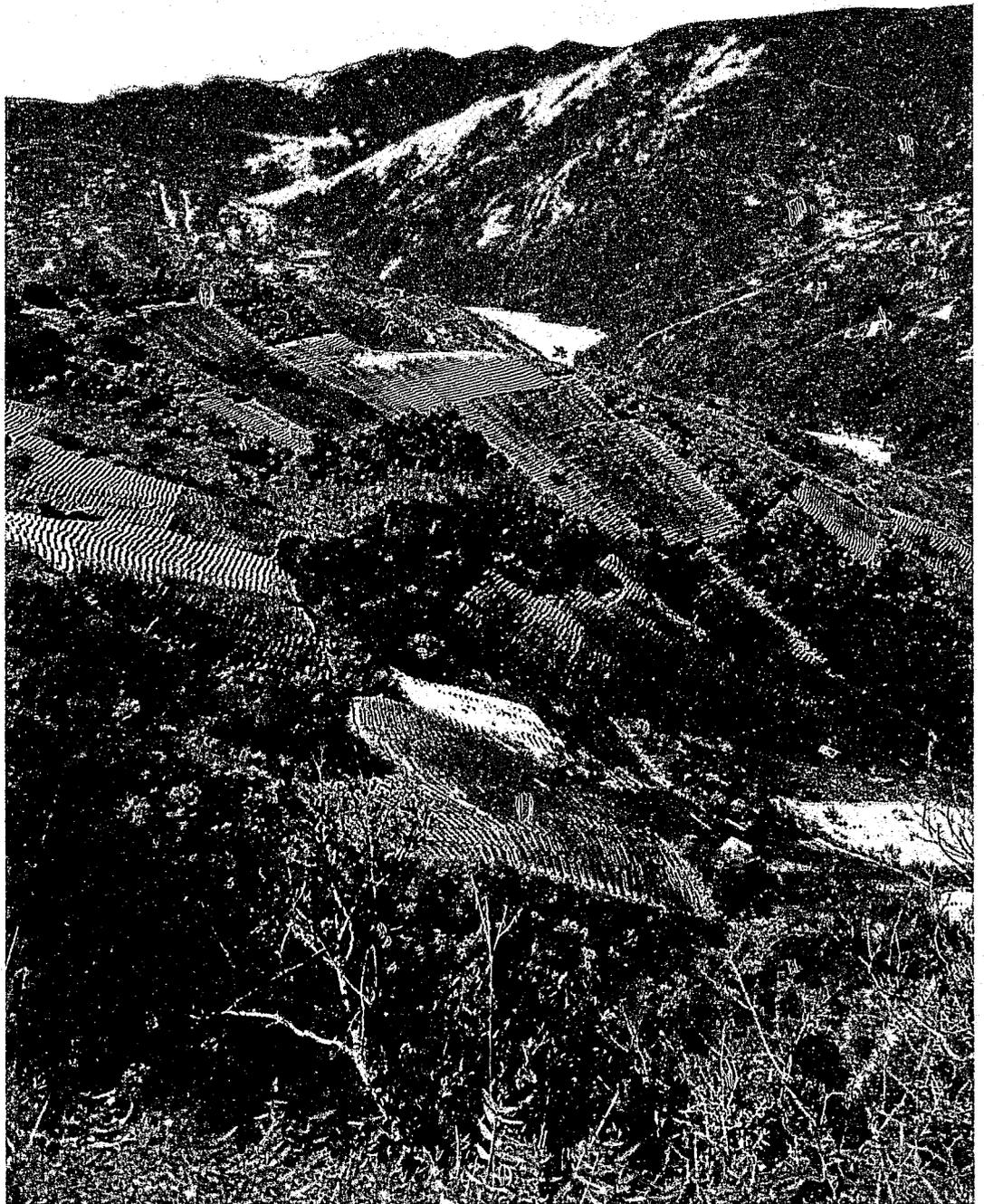
There was increased cocaine abuse in Casablanca, Tangiers, and Tétouan in 1992, and approximately 17 kilograms of cocaine were seized in Morocco. Moroccan smugglers also may have picked up cocaine in the Canary Islands for shipment to Spain in 1992, and a number of Senegalese were arrested in Morocco as they attempted to smuggle cocaine to Europe.

Several countries in Western Africa also experienced an upsurge in cocaine trafficking as some Nigerian groups carried cocaine from South America to Europe. In 1992, cocaine seizures in Nigeria doubled to 538 kilograms, and increasing amounts of the drug were available locally. Spain and Portugal remained gateways for traffickers who were moving cocaine to major European markets where the drug commanded high prices.

Ghana was used at an increased level in 1992 to transship cocaine from Latin America to Europe and, on occasion, to the United States. Ghanaians, often backed by Nigerian syndicates, traveled to Rio de Janeiro, Brazil, to pick up cocaine. In 1992, about seven kilograms of cocaine were seized in Ghana; most of these drugs were confiscated at Accra International Airport. Crack cocaine also began to appear on the streets of Accra during the year.

### **The DEA Response**

The growing worldwide trade in cocaine and the violence and corruption which it engenders cannot be allowed to proceed unchecked. The Colombian criminal organizations, which profit from this trade, must be confronted and stopped. As it has done in the past, DEA will continue to focus U.S. and international law enforcement resources against organization "Kingspins" in order to disrupt their activities and to reduce the availability of cocaine, both at home and abroad.



*Illicit coca cultivation mars the natural beauty of the land.*

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## INTRODUCTION

The Drug Enforcement Administration's (DEA) national cocaine strategy is multi-faceted. An important goal of this strategy is the rapid recognition and identification of changes in the production, trafficking trends, distribution patterns, and volume of cocaine—available in the United States and abroad—which impact, directly or indirectly, on the U.S. domestic situation. In order to accomplish this goal, DEA established an internal monthly reporting mechanism to identify and to monitor worldwide cocaine trafficking patterns as they evolve. Such reporting is crucial to the enhancement of law enforcement operations, to the allocation of resources, and to the evaluation of national and international drug enforcement programs.

This annual report (the third under this title) provides an overview of the worldwide cocaine situation in 1992, significant highlights of cocaine trafficking trends, and brief summary data on each DEA field division and pertinent foreign country office. DEA country attachés and State Department narcotics assistance sections are primary sources for information on coca cultivation, cocaine processing, and international cocaine trafficking trends. Wholesale cocaine price comparisons are provided for 1989 through 1992 for ready reference. A chart depicting cocaine purity levels for the period 1989 to 1992 is also included, as is a chart on potential cocaine production.

One by-product of the increased demand for and the resulting supply of cocaine during the past several years has been the abuse of a smokeable form of the drug known as crack. Crack (a form of cocaine base) is an inexpensive, highly addictive, physically and emotionally destructive form of cocaine that is being abused at high levels in the United States and a number of other countries. Generally, the conversion of cocaine hydrochloride to crack is performed by independent organizations in the consumer country, typically at the mid- to lower-level of the distribution chain. While DEA recognizes the significance of the crack problem, this report focuses primarily on the production and international trafficking of cocaine hydrochloride at the wholesale level.

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## HIGHLIGHTS

Reporting indicates that some South American cocaine traffickers used Central America and the Caribbean to intentionally bypass Mexico in 1992. Intelligence received by several DEA offices during mid-1992 also indicated that some Colombian cocaine factions were attempting to undermine those Mexican traffickers who were responsible for transporting cocaine through Mexico. The Colombians were alleged to have asserted themselves in an effort to control various clandestine air strips in Mexico as well as other aspects of cocaine transportation directed by the Mexican traffickers. The Colombians purported to be interested in maintaining the "well established" overland routes controlled by the Mexicans rather than in developing new routes.

Numerous violent incidents in 1992, including many execution-style murders, reflected the volatile state that existed between the Colombians and the Mexicans. Reporting indicated that at least two different Colombian cocaine organizations were seeking new transportation routes or connections in order to bypass Mexico and ship cocaine directly to New York City and Miami. In each report, there was a subtle reference to problems over transportation by way of Mexico. Traffickers were forced to use Central America and the Caribbean, in part, due to the increasing effectiveness of Mexico's Northern Border Response Force (NBRF) air interdiction campaign.

The exchange of cocaine for heroin was reported in Boston, Miami, San Diego, and New York City as well as in Bogotá, Colombia and Rome, Italy. The frequency of such exchanges appeared to increase and involved overseas and domestic heroin traffickers who were seeking cocaine sources in the United States. Moreover, the transactions did not require currency to be transported among the respective traffickers or to be laundered.

During 1992, some cocaine traffickers used the United States as a transit country for multi-kilogram shipments of cocaine being sent to Europe and the Far East. Southwest Asian heroin trafficking organizations sent heroin and other opiates to the United States and then purchased cocaine for export to Europe. In one DEA investigation, a number of East Europeans, resident in the United States, were sending cocaine to Europe as payment for heroin that their organization had imported into the United States. DEA arrested one individual at John F. Kennedy International Airport in New York City who was traveling to England with four packages of cocaine strapped to his body. Traffickers also sent kilogram amounts of cocaine to Hong Kong.

One seizure, which occurred overseas, consisted of 8.8 percent cocaine and 81.5 percent heroin that had been pressed into 5/8-in. diameter, double convex, gray tablets. This was the first instance in which DEA had encountered cocaine and heroin pressed into a tablet.

South American drug traffickers may have had difficulty during 1992 in obtaining chemicals and may have resorted to shipping cocaine base to the United States for final processing. As a consequence, four cocaine base conversion laboratories were seized within the United States, two in New York City, one in California, and one in Florida. Of the two laboratories seized in New York City, one was the first operational cocaine laboratory seized there since 1987. This laboratory used a vapor eliminating device, which was the first encountered by DEA that employed dry ice to adsorb processing vapors. The device allowed the laboratory to be operated in a densely populated area without concern about release of the strong chemical odors normally associated with clandestine cocaine conversion laboratories.

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## SIGNIFICANT DEVELOPMENTS

### SMUGGLING ROUTES

#### Importation Points

The primary importation points for cocaine meant for U.S. consumption in 1992 were in Arizona, southern California, southern Florida, and Texas. The primary cities used by Colombian cartels for distribution of multi-hundred and multi-thousand kilogram quantities of cocaine included Houston, Los Angeles, Miami, New York, and Phoenix. The Cali Cartel controlled most of the cocaine brought into New York City—a major U.S. market for this drug—shipping it from staging sites in California, Florida, and Texas. Stockpiling occurred at some staging sites while awaiting transportation. Mexican smugglers, who used couriers or concealed the drug in tractor-trailers, other vehicles, and commercial cargo supplied staging sites in the Southwest. Organized groups of Cubans, Dominicans, Jamaicans, and Mexicans, as well as African-American gangs, provided retail-level distribution of the drug in major U.S. cities in 1992. Los Angeles, Miami, and New York City were pickup points for cocaine trafficking proceeds.

The Medellín and Cali Cartels maintained operational headquarters in major U.S. cities in order to control their wholesale distribution networks. In 1992, as in previous years, traffickers shifted their distribution patterns following major cocaine seizures by law enforcement authorities. Traffickers appeared to be only temporarily affected by the interdiction of their pipelines, taking, on average, only 10 to 14 days to displace, to reestablish, and, once again, to meet demands at the wholesale level. This suggests continued use of imaginative concealment methods and the use or maintenance of multiple delivery pipelines and systems in order to avoid law enforcement operations.

Primary importation points for cocaine meant for U.S. consumption were located along the United States–Mexican border in California, Arizona, and Texas. Cocaine traffickers, who perceived increased law enforcement presence along the United States–Mexican border or in the western Caribbean, shifted their use of some smuggling routes to the United States. DEA field divisions reported that cocaine traffickers were using routes previously employed four to six years ago. The shifts to alternate routes included greater use of the eastern Caribbean and the eastern Bahamas, and increased importation into the eastern United States. This trend was highlighted by the July 1992 seizure of 5.3 metric tons of cocaine in Panama that had been en route to Baltimore. Moreover, DEA reported that the Medellín Cartel has maintained a significant presence in The Bahamas, using that area as a transit point for cocaine bound for southern Florida, a location traditionally used by the Cali Cartel.

Increased law enforcement efforts targeted against drug trafficking along the southern U.S. border and in the Caribbean resulted in tactical changes in U.S.-bound smuggling routes used by cocaine traffickers. One of these route changes was to import cocaine directly into the northeastern United States. Intelligence suggested in early 1992 that the Medellín Cartel had been testing the Boston area to determine the feasibility of importing cocaine shipments from South America directly to New England. During early February, special agents of the DEA Boston Field Division seized 25 kilograms of cocaine and arrested two Colombian couriers, who had been en route to New York City from Lowell, Massachusetts, by automobile.

Additionally, more circuitous routes from source countries through Canada and Europe with final destinations in the United States were established. Cocaine from Canada was transported into the United States aboard small vessels by means of internal waterways.

Most of the cocaine smuggled into southern Florida was under the control of Cali Cartel interests in 1992. Favorable situations for traffickers who shipped cocaine into the area included weak political and law enforcement infrastructures as well as poor economic conditions throughout the Caribbean. Nevertheless, aggressive U.S. law enforcement and interdiction in the region contributed to more frequent use of payment in kind among traffickers, i.e., exchanges of cocaine for services rendered, a trend that had been noted in 1991 as well.

### **Caribbean Developments**

In response to increased law enforcement activity in the Caribbean, cocaine traffickers in the area shifted their smuggling activities to the eastern- and southern-most portions of the Caribbean in the direction of the Lesser Antilles. In early January 1993, over one metric ton of cocaine was seized by officials in St. Vincent. Traffickers also explored the establishment of major operations on Sint Maarten (Saint Martin) and the Netherlands Antilles, probably to support shipments to Low Countries<sup>1</sup> ports in Europe.

Increased cocaine trafficking through the eastern Caribbean during 1992 included greater use of Puerto Rico by traffickers. Puerto Rico appears to have been a primary target of cocaine traffickers, who used it as a transshipment point for cocaine being shipped to the continental United States, Canada, and Europe. Cocaine smuggling by general aviation aircraft into Puerto Rico was complemented by an increase in maritime smuggling; in fact, it is believed that more cocaine entered the island on

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<sup>1</sup> Low Countries is the name given to the region bordering on the North Sea, comprising the Netherlands, Belgium, and Luxembourg.

maritime vessels than on aircraft. The appeal of Puerto Rico as a cocaine transit point was enhanced by two factors, the first being the proximity of Puerto Rico to South America, and the second being that the southernmost U.S. Customs ports of entry are located in Puerto Rico and the U.S. Virgin Islands. Once cocaine was successfully smuggled into Puerto Rico, it could then be shipped to the United States with little likelihood of additional customs screening.

Major criminal organizations operating in Puerto Rico and the U.S. Virgin Islands provided smuggling, distribution, and transshipment services for the Cali Cartel and other Colombian cocaine trafficking organizations. Not only are these islands in range of aircraft capable of making airdrops and returning to Colombia without refueling or landing, but they are also within range of sleek, high-capacity, wooden, go-fast and low profile boats employed by traffickers to transport metric ton quantities of cocaine from Colombia. Similar shipments were made to Aruba and the Dominican Republic as traffickers increased their operations in the eastern Caribbean.

Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines are members of a regional security system that experienced increased cocaine trafficking during 1992. Traffickers transited these nations while smuggling cocaine to the United States or to island possessions of European nations. In addition to the use of airdrops, cruise ship couriers and fishing vessels were used to smuggle cocaine to the United States. In June 1992, Grenadan authorities seized five kilograms of cocaine from a Venezuelan fishing vessel. The Antiguan Coast Guard seized 500 kilograms of cocaine during the year. Several vessels were intercepted by St. Kitts and Nevis authorities, and 17 kilograms were seized from a vessel in St. Vincent and the Grenadines territory.

From these islands, cocaine was smuggled to its final destination with a lower degree of customs scrutiny. For example, the French portion of St. Martin was used to stage cocaine for transfer to the Dutch controlled side of the island and onward shipment to Low Countries ports. In 1992, 109 kilograms of cocaine were seized in St. Martin by French authorities. In addition to cocaine smuggling, considerable money laundering occurred, disguised among the large volumes of monies being generated by the tourist and gambling industries in St. Martin.

Extensive cocaine trafficking also took place in the Netherlands Antilles. Cocaine from Colombia, Venezuela, and Suriname was often sent to those islands and concealed in commercial, maritime cargo that was being shipped to European ports. In 1992, Curacao and Netherlands-based police conducted a joint investigation that led to the arrest of six people and the seizure of 50 kilograms of cocaine in the Netherlands and nine kilograms in Curacao.

Cocaine trafficking occurred in the western Caribbean as well. Traffickers increased their use of San Andrés Island, which lies off the coast of Nicaragua. San Andrés is a Colombian possession and has several air and port facilities that can be used by traffickers to refuel smuggling vessels and to stage cocaine from Colombia for shipment to Central America and the United States. In some instances, cocaine was concealed in commercial, maritime cargo or transferred to smaller vessels that were waiting in the San Andrés area.

### **Central American Developments**

Throughout 1992, there was a marked increase of reports by DEA field divisions, which cited Central American countries as transshipment points for U.S.-bound cocaine shipments. These were highlighted by the April seizure of 6.7 metric tons of cocaine in Miami that had been concealed in frozen broccoli, which was then transshipped through Guatemala, and by the July seizure in Panama noted above. During 1992, every Central American country was used as a transshipment point for U.S.-bound cocaine. Cocaine was carried from source countries to Central American countries by land, air, and sea conveyances. From Central America, cocaine shipments were transported to the United States by sea and air directly or by land through Mexico.

Peruvian traffickers, who operated independently of Colombian organizations, were reported to have shipped cocaine concealed in maritime vessels and aircraft to the United States and to have distributed this cocaine in the Houston area. The use of Peru as a transit area for multi-ton shipments of cocaine was illustrated during January 1992 by the seizure of 4.6 metric tons of cocaine aboard the maritime vessel, *Harbor*. The vessel's voyage had originated in Peru and she was reported to have been headed for the United States and Canada before being interdicted in the Caribbean.

### **Internal U.S. Movement**

Law enforcement activities along the United States-Mexican border forced regional cocaine traffickers to alter their routes. In response to increased law enforcement operations in the Houston area, a limited number of traffickers bypassed Houston and moved their operations to Dallas. Some cocaine traffickers avoided stash houses in Tucson until increased law enforcement pressure there subsided. Additionally, during early 1992, the U.S. Border Patrol in southern Arizona reported diminished use of traditional smuggling routes in that area. The decline prompted some concentration on non-traditional routes and "track spotting" searches by Border Patrol agents.

Cocaine traffickers in southern California may have moved their "stash" locations to rural areas in response to law enforcement pressure in the Los Angeles area. Also in response to law enforcement in southern California, U.S. ports of entry as far east as Arizona and Texas were increasingly used for the smuggling of cocaine to California. During April through June 1992, law enforcement agencies seized approximately 6.7 metric tons of cocaine that had been transported into southern Arizona. This was almost three times the amount of cocaine seized in southern Arizona during the previous three months. Hidalgo and McAllen, Texas; and Yuma, Arizona, were reported to have been used as transit points for cocaine being shipped to California.

The San Joaquin Valley in California was a major transshipment area for Colombian cocaine. Reporting also indicated that Colombian organizations used a Pacific Ocean route from Colombia via the Marquesas Islands to the Hawaiian Islands area. There, cocaine was transferred at sea from a mother ship to fishing vessels bound for the U.S. mainland.

DEA and U.S. Border Patrol seizures during early 1992 indicated that cocaine traffickers were transporting numerous, multi-hundred-kilogram cocaine shipments across the United States-Mexican border. The seizures seemed to suggest that cocaine traffickers had shifted away from more frequently used border crossing points, such as San Ysidro, California, in favor of smaller ports of entry, such as Calexico and Tecate. While the use of less-trafficked entry points continued throughout 1992, traffickers also decreased the size of their cocaine shipments to 10 to 50 kilograms by mid-year, thus minimizing their losses if the cocaine were intercepted.

During the first four months of 1992, the U.S. Customs Service seized three large cocaine shipments totaling approximately four metric tons near New Orleans. A February 1992 seizure of 1.5 metric tons of cocaine bound for New York City was the second largest ever encountered at the Port of New Orleans.

Domestically, during 1992, cocaine seizures reported by the Federal-wide Drug Seizure System (FDSS) amounted to nearly 120 metric tons compared to 127.6 metric tons in 1991. Significant seizures also occurred in Colombia, Guatemala, Mexico, and island countries in the Caribbean during the year, suggesting that the political will of those nations to continue fighting illicit drug trafficking remained strong.

## **SMUGGLING METHODS**

### **Maritime Cargo Concealment**

The use of commercial, containerized cargo to smuggle bulk quantities of cocaine into the United States continued to challenge U.S. drug interdiction efforts during 1992. Many DEA field divisions reported the use of containers to transport cocaine concealed within legitimate cargo. DEA reporting indicated an increased demand by cocaine traffickers for cargo ships in order to transport bulk quantities of cocaine to the United States. The U.S. Customs Service reported that the tremendous volume of cargo arriving at domestic ports coupled with their capability to inspect only a small portion of this cargo were factors that operated in favor of smuggling organizations.

In 1992, cocaine was concealed in commercial cargo vessels in a myriad of imaginative ways. Cocaine was hidden in the walls and support beams of cargo containers, within legitimate bulk cargo such as coffee, and in, or attached to, the cargo vessels themselves. Due to the sheer volume of commercial traffic entering the United States, the use of commercial, containerized shipments and bulk cargo to conceal the cocaine as well as the employment of front companies to facilitate the shipments caused numerous problems for law enforcement agencies in 1992.

Cocaine trafficking organizations also relied heavily on the use of non-commercial, maritime vessels. Pleasure craft and fishing vessels were used to smuggle cocaine from source countries to the United States. Pleasure craft carrying cocaine sailed into U.S. waters, blending in with normal traffic along the southeastern coast where weekend vessel activity was heavy. Fishing vessels were also used to carry cocaine directly to the United States as well as to transfer the cocaine to other vessels off the U.S. coast.

### **Low-Profile Vessels**

Use of low-profile vessels by cocaine traffickers has made maritime interdiction around Puerto Rico extremely difficult. DEA reporting indicates that these vessels, which are fabricated of wood or fiberglass and which measure up to 40 feet in length, were sailed directly from Colombia to Puerto Rico's coast on many occasions without being detected. Detection of these vessels is very difficult as they are hard to see against the seascape and do not readily appear on radar. Intelligence indicated that some of these vessels embarked from Colombia with up to three metric tons of cocaine on board.

## **Airdropping**

In the United States, DEA reporting reflected that cocaine trafficking organizations increased their use of airdrop operations compared to previous years. Cocaine traffickers not only used airdrop operations off the coast of Central America and in Mexico, but within the Mississippi Sound<sup>2</sup> as well. It was reported that a combination of law enforcement successes, including those of the joint United States–Mexican Northern Border Response Force and conflicts among trafficking organizations, contributed to trafficker reluctance to land their aircraft in Mexico. It also was reported that some smuggling organizations, including traffickers associated with the Cali Cartel, felt that it was less risky to airdrop cocaine shipments to ground or maritime crews in Mexico, Central America, and the Caribbean than to land aircraft in Mexico.

## **Packaging**

Kilogram bricks remained the predominant form of cocaine packaging. DEA field offices frequently encountered rubber and other waterproofed packages of cocaine. Tile-shaped packages of cocaine (approximately 2 by 8 by 8 inches), vacuum packed in metallic material, also were noted. Some organizations used color coded package wrappings to reflect the quality of their cocaine. Several DEA field divisions reported seizing multi-hundred-kilogram amounts of cocaine concealed in U-Haul cardboard boxes. In other instances, cocaine was concealed in 55-gallon drums. Several cocaine seizures also involved multiple concealment sites within the same vehicle, a smuggling technique often associated with marijuana trafficking. Additionally, there was an increase in the use of sophisticated hidden compartments in passenger vehicles, vans, and pickups.

DEA and the U.S. Customs Service reported that traffickers were smuggling liquid cocaine<sup>3</sup> into the United States; the liquid cocaine was concealed in water tanks of mobile homes and recreational vehicles. Some traffickers labeled 55-gallon drums of liquid cocaine to reflect climatic conditions, e.g., a shipment to Chicago in the winter might be labeled antifreeze. During May 1992, U.S. Customs Service officers made the first seizure of liquid cocaine in the Houston area—at the Houston Intercontinental Airport—from an Ecuadorian national, who was en route to New York City. The DEA Miami Field Division reported the seizure of small amounts of liquid cocaine contained in liquor bottles.

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<sup>2</sup> The Mississippi Sound is an inlet of the Gulf of Mexico between the mainland of southern Mississippi and southwestern Alabama and an island chain off the coast.

<sup>3</sup> Liquid cocaine is a term used to describe cocaine that has been dissolved in water or other suitable solvent.

## **Couriers and Private Vehicles**

Some Mexican trafficking groups used couriers, who traveled in "family groups" with women and children in order to avoid suspicion at border checkpoints, to transport cocaine into the United States. Other Mexican trafficking groups hired non-Mexicans to transport cocaine from United States-Mexican border areas to Los Angeles. Some cocaine smuggling organizations also recruited "Anglo" drivers and females to transport their cocaine shipments. Backpackers and animal caravan smugglers were frequently intercepted in 1992 while transporting multi-hundred-pound shipments across the United States-Mexican border.

Within the United States, cocaine traffickers used commercial and private vehicles, trains, buses, airlines, and the U.S. Postal Service to transport their cocaine. Concealed compartments within vehicles were commonly encountered by DEA field office agents during 1992. Law enforcement seizures prompted cocaine "transportation cells" to use smaller vehicles such as vans and pickups to transport smaller shipments in order to spread their risks. Nissan vehicles were vehicles of choice for some traffickers while mini-vans also remained popular. Some organizations used rental vehicles in order to circumvent interdiction and vehicle seizures.

## **Use of Commercial Land Transport**

Cocaine traffickers who used tractor-trailers employed several methods to circumvent law enforcement authorities. For example, they made extensive use of false gas tanks and elaborate hidden compartments within the tractor-trailers to conceal their cocaine. Such compartments were found in air conditioning units, radiators, batteries, containers welded in tire rims, and false walls. Additionally, cocaine was often hidden among legitimate produce such as onions and watermelons. Tractor-trailers were commonly loaded with cocaine in Mexico, Guatemala, or elsewhere in Central America and driven across the border, parked at a metropolitan area hotel, then driven by another person to a warehouse for unloading.

In the Southwest, the use of large trucks and other commercial vehicles was a primary method for transporting cocaine. On the West Coast, tractor-trailers arrived in California's San Joaquin Valley to load produce that could conceal cocaine destined for the Midwest and East Coast cities. There was an increase over previous years in the use of tractor-trailers to transport large cocaine shipments into the Chicago area. DEA reported that truckers transported cocaine sealed in wax and hidden within legitimate cargo to avoid detection by smell at checkpoints and scales. Traffickers made extensive use of commercial trucks to transport cocaine from the Los Angeles metropolitan area to destinations throughout the United States. They also sought and exploited opportunities to bribe officials at ports of entry in order to facilitate large cocaine shipments being brought into the United States from Mexico by tractor-trailer.

### **Air-Related Concealment**

Traffickers who used aircraft resorted to dangerous flight strategies, including flying at low altitudes and during hours of darkness in order to avoid detection and interdiction. Decoy aircraft were used in The Bahamas and elsewhere in the Caribbean to attract or divert interdiction assets from actual smuggling operations that were being conducted in a different locale. South American cocaine traffickers acquired and increased their use of large, jet cargo aircraft as transport vehicles, as a result, increasing cargo capacity and overcoming the limited flight range of smaller aircraft. On the other hand, the use of smaller jet aircraft served several purposes. Such aircraft did not routinely fit previous profiles of drug trafficking aircraft, and many governments in the region lacked pursuit aircraft capable of keeping up with the jets. Reportedly, cocaine trafficking organizations also were concerned about finding methods by which to obtain aircraft that could not be seized subsequent to their purchase.



*Traffickers have sought large aircraft such as this AN-72 from the former Soviet Bloc.*

## **Trafficker-Employed Countermeasures**

Interdiction radar along the United States–Mexican border may have been hampered in some cases by corrupt officials who sold radar site and duty status information to cocaine traffickers. Reportedly, smugglers monitored radar balloons and radio frequencies used by the U.S. Coast Guard and U.S. Customs Service. Traffickers also made it their practice to fly routes just outside the edge of radar coverage.

Drug traffickers used high-tech equipment, including night vision goggles and radios with scramblers, as well as military hardware, including assault rifles, grenades, and bullet-proof vests. Trafficking organizations employed radio-equipped scouts to monitor law enforcement activity along the United States–Mexican border. In Texas, some local cocaine organizations attempted to purchase hand-held radios for counter-surveillance and body armor for their street-level dealers. Some traffickers used scanners tuned to police frequencies to monitor law enforcement operations.

Countermeasures employed by cocaine traffickers against law enforcement officers included the use of counter-surveillance and paid informants. Some traffickers studied law enforcement methods by reviewing documents obtained from court proceedings. It was reported that defense attorneys employed by traffickers obtained investigative documents through the discovery process and then facsimiled those reports to Colombia.

## **DRUG DISTRIBUTION**

### **Use of Ethnic Gangs**

Hispanic criminal organizations, particularly Colombian and Mexican, maintained their earlier dominance of wholesale cocaine distribution within the United States. However, a greater diversity of ethnic groups involved in trafficking cocaine within the United States at all levels was reported in 1992.

An increase in the number of Jamaican groups who were trafficking in cocaine was reported in Atlanta, Boston, Cincinnati, and Dallas. Jamaicans from Miami travelled to Tucson to obtain large quantities of cocaine for their customers in New York City and Miami. In North Carolina, conflict between established cocaine dealers from New York City and new Jamaican gangs led to violence between the rival groups.

During the third quarter of 1992, a large influx of Dominican cocaine traffickers into the York, Pennsylvania, area occurred. Additionally, an increase in trafficking among Dominicans was observed throughout the central New York area. Dominican criminal groups increased their activity in high-level trafficking, including importation and wholesale distribution.

Chicago, Dallas, and Detroit reported Middle Eastern and Southwest Asian ethnic groups increasingly involved in distributing cocaine. A number of Middle Eastern cocaine traffickers functioned as mid-level distributors in the Cincinnati metropolitan area. In Texas, Nigerians attempted to establish a foothold in the Dallas-northern Texas cocaine trade.

Mexican groups became more active in the Mid-West. In Detroit, several Colombian-backed organizations and a Los Angeles-based Colombian-Mexican consortium associated with the Medellín Cartel made a concerted effort to move into the area. Moreover, Mexican organizations cooperated with Colombians to transport cocaine into the Chicago area. Southeast Asian gangs, including ethnic Chinese, Filipino, and Vietnamese, were reported to be trafficking in kilogram amounts of cocaine on the West Coast and in Utah.

In Washington, D.C., a local trend emerged among African-American cocaine violators who employed trafficking methods used on the United States-Mexican border. Couriers, who picked up cocaine in New York City, were told neither to whom nor the exact location to which they were to deliver the cocaine. Upon arrival in Baltimore, the couriers proceeded to a predetermined street location where they were contacted with further instructions. Generally, the couriers were African-American women with insignificant or no criminal records, and who frequently were on public assistance.

Urban cocaine violators in Boston and Atlanta expanded their distribution networks to rural areas. This trend was due to the belief held by traffickers that rural areas had minimal police activity and limited law enforcement resources. Consequently, the traffickers believed it less likely that they would come under investigation in such areas.

## **"Cartel" Operations in the United States**

The Cali Cartel's method of operation in the United States remained highly sophisticated and compartmentalized. U.S. bases of operation were comprised of multiple cells operating within major metropolitan areas including Chicago, Houston, Los Angeles, Miami, New York, Philadelphia, and San Francisco. The controllers in these cells received their orders directly from Colombia and operated independently of other cells within the same metropolitan area. Cell operators used the latest technology in their daily operations such as computers, pagers, facsimile machines, and other hardware. They often bought cellular telephones in bulk quantities and then discarded them after just a few weeks or even a few days use in an attempt to thwart law enforcement telephone intercept efforts.

In general, the Medellín groups' methods of operation in the United States were not as highly structured as that of the Cali organizations. The drug trafficking groups that comprise the Medellín Cartel employed centralized decision making at the highest levels. At lower levels, however, Medellín trafficking groups were able to exercise greater day-to-day operational independence than were those associated with the Cali Cartel.

Throughout this report, reference is made to the two principal cocaine cartels. These groups do not operate as cartels in the true economic sense. Rather, they are consortiums of individuals or groups who share common illicit business interests. At the top, however, the Cali and Medellín organizations are controlled by major traffickers, referred to by DEA as "Kingpins," who possess access to vast resources and who remain capable of exerting significant influence over drug trafficking not only in Colombia but abroad as well.

## COCAINE INDICATORS

<b>Cocaine Prices per Kilogram</b>				
Metropolitan Area	1989	1990	1991	1992
National Range	\$11,000-\$35,000	\$11,000-\$40,000	\$11,000-\$40,000	\$11,000-\$42,000
Chicago	\$19,000-\$25,000	\$18,000-\$35,000	\$18,000-\$30,000	\$17,500-\$37,000
Los Angeles	\$14,000-\$20,000	\$14,000-\$32,000	\$12,000-\$28,000	\$11,000-\$20,000
Miami	\$16,000-\$22,000	\$16,000-\$25,000	\$14,000-\$25,000	\$13,500-\$25,000
New York	\$17,000-\$25,000	\$20,000-\$38,500	\$14,000-\$29,000	\$12,500-\$35,000

<b>Cocaine Purities (percent)</b>				
Unit Size	1989	1990	1991	1992
Kilogram	87	80	86	83
Ounce	75	58	72	74
Gram	66	54	59	64

<b>Cocaine Laboratory Seizures in the United States</b>				
	1989	1990	1991	1992
Number of Seizures	1	4	4	4

## **AVAILABILITY, PRICE, AND PURITY**

Cocaine was readily available in all major U.S. metropolitan areas during 1992 although intensified international enforcement activities in late 1991 led to short-term price rises early in the year. Following a period of adjustment, however, cocaine traffickers found alternative routes and conveyances for shipping multi-ton quantities of cocaine to the United States. Changes in price and purity of cocaine varied with changes in supply. Cocaine prices in 1992 ranged from \$11,000 to \$42,000 per kilogram, nationally. While these prices were consistent with those observed in 1991, there were some temporary rises in kilogram prices in some major metropolitan areas such as New York City during the first two quarters of 1992, principally at the high end of the range. By mid-year, prices began to fall at the lower end of the range where most transactions among major distributors take place.

Average purities at the gram level increased from those observed in 1991. Purity of a gram of cocaine in 1992 averaged 64 percent compared to 59 percent in 1991, while the average purity of a kilogram was 83 percent during 1992 compared to 86 percent in 1991. Purity averaged 74 percent at the ounce level in 1992 compared to 72 percent in 1991. (See charts on page 16.)



**United States**

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## **UNITED STATES: DEA FIELD DIVISIONS**

### **ATLANTA FIELD DIVISION**

It was reported that the average age of cocaine "street dealers" in Atlanta decreased to just 12 to 15 years of age. Nashville emerged as a hub for cocaine being transported from Los Angeles to Detroit. The DEA Birmingham Resident Office reported a noticeable product shift with some traffickers who previously had dealt in "crack" cocaine returning to distributing "powder" cocaine hydrochloride.

On December 15, 1992, the North Carolina Highway Patrol seized 775 kilograms of cocaine from a tractor towing a box-type trailer. The cocaine was hidden in U-Haul boxes under some used furniture. This was the largest cocaine seizure in the country (in 1992) made as the result of a traffic stop.

### **BOSTON FIELD DIVISION**

The DEA Burlington Resident Office reported an influx of African-American violators from New York City and Dominican criminals from Manchester, New Hampshire; and Boston, Massachusetts.

### **CHICAGO FIELD DIVISION**

The DEA Indianapolis Resident Office reported during the first quarter that cocaine had replaced marijuana in popularity in the Indianapolis area. The DEA Minneapolis Resident Office reported a drop in seizures at the airport, which was attributed to visible enforcement activities by airport police.

### **DALLAS FIELD DIVISION**

The DEA Tulsa Resident Office noted that Hispanics of Cuban and Colombian heritage had reemerged as cocaine traffickers in the Tulsa area. Other recent reporting indicated that identified crack violators smuggled larger quantities of cocaine hydrochloride into the Dallas area than previously recorded. Auto repair and body shops, nightclubs, and restaurants were frequently used by traffickers as "business" locations not only for negotiations, distribution, and storage of cocaine, but also as a way to launder the proceeds derived from their illicit drug sales in Texas.

## **DENVER FIELD DIVISION**

The Colorado ski areas experienced increases in cocaine trafficking along with increases in population during the winter months. An increase in the availability of cocaine in Wyoming was evident during the first six months of 1992. During March, the DEA Cheyenne Resident Office and the Wyoming Highway Patrol seized 201 kilograms of cocaine subsequent to a traffic stop. This was the largest cocaine seizure ever made in Wyoming.

Denver also reported new cooperation between African-American gangs and Mexican cocaine traffickers. The Mexicans may have supplied cocaine to the gangs for local conversion into crack. Previously, most crack had been made in Los Angeles and imported into the area.

## **DETROIT FIELD DIVISION**

In addition to being an area of substantial illicit drug consumption, Detroit became a regional source city for heroin and cocaine.

## **HOUSTON FIELD DIVISION**

The building of hidden compartments in motor vehicles was big business in Houston. Smugglers paid \$2,000 to \$5,000 for well-constructed, hidden compartments built into vehicles.

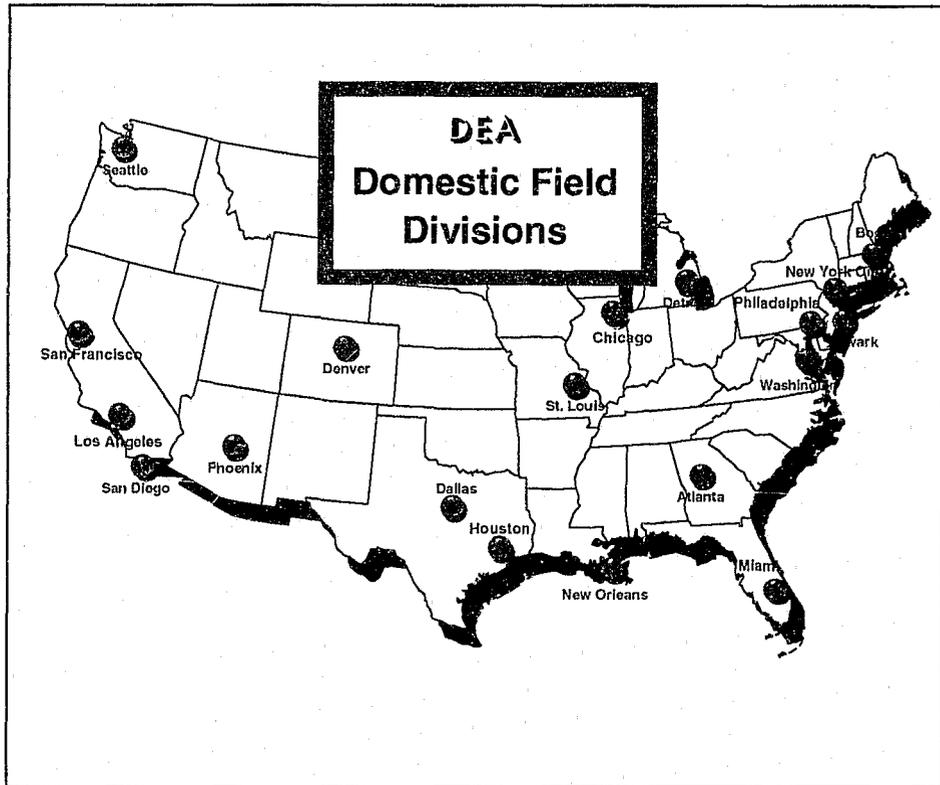
## **LOS ANGELES FIELD DIVISION**

The DEA Honolulu Resident Office reported that a "Mexican connection" had established a presence in Hawaii and was distributing cocaine on Maui and Oahu.

## **MIAMI FIELD DIVISION**

Traffickers continued to fly through commercial air corridors over Cuba in order to enter Bahamian airspace safely. Increased use of The Bahamas as a transit location occurred in 1992.

The San Juan District Office reported a marked increase in drug trafficking through the eastern Caribbean islands of St. Kitts, Nevis, Antigua, Barbuda, and Anguilla. Colombian groups set up bases of operations in Dutch and French territory to smuggle drugs to Europe and the United States.



### **NEWARK FIELD DIVISION**

Newark reported increases in the number of couriers who had ingested cocaine and brought it in directly from Colombia. In mid-December, almost 1.1 metric tons of cocaine, which was concealed in electrical transformers imported from Brazil, was seized at Port Newark by the U.S. Customs Service. There also was an increase in the use of the mails to send cocaine from Colombia to New Jersey in 1992.

### **NEW ORLEANS FIELD DIVISION**

The DEA Birmingham Resident Office reported that some cocaine traffickers, who had been selling crack cocaine, had returned to distributing cocaine hydrochloride. It was speculated that these traffickers were seeking to avoid increased penalties associated with the distribution of crack, if they were caught.

## **NEW YORK FIELD DIVISION**

The New York Field Division noted an increase in "swallow" couriers, who were transporting cocaine directly from Colombia. There also was increased violence in Syracuse associated with crack distribution. Organized distribution groups, which had migrated from New York City, fought with local groups for control of the local market.

## **PHILADELPHIA FIELD DIVISION**

Los Angeles emerged as a source of supply for the Philadelphia area. In southern Delaware, there was increased use of crack as a popular replacement for cocaine hydrochloride.

## **PHOENIX FIELD DIVISION**

Tucson Metropolitan Area Narcotics Traffic Interdiction Squads (MANTIS) seized 959 kilograms of cocaine during the second quarter of 1992. One of the seizures was the largest in Tucson history.

## **SAN DIEGO FIELD DIVISION**

Cocaine seizures at ports of entry in the division averaged 20 to 50 kilograms, which reflected the use of multiple, smaller shipments in order to spread the risk.

## **SAN FRANCISCO FIELD DIVISION**

The DEA San Francisco Field Division reported that local dealers were using public storage lockers to store cocaine. During July 1992, the DEA Fresno Resident Office seized 673 kilograms of cocaine—concealed in U-Haul boxes—in the San Joaquin Valley city of Bakersfield. This was the largest cocaine seizure in Kern County history.

## **SEATTLE FIELD DIVISION**

DEA Seattle Field Division reporting indicated that some U.S. smugglers were basing their operations in Canada in an effort to avoid U.S. law enforcement authorities.

## **ST. LOUIS FIELD DIVISION**

The DEA St. Louis Field Division reported that cocaine was being injected more frequently than heroin. Increased cocaine trafficking within the St. Louis Field Division necessitated the creation of a bus-rail interdiction team. The DEA Cape Girardeau Resident Office reported that Chicago, St. Louis, and some Texas cities had become the major sources of cocaine for the local area.

## **WASHINGTON FIELD DIVISION**

Low-level street dealers had formed themselves into "crews" or loosely-built gangs in order to pool their limited finances and to travel to New York City to purchase cocaine. After a few trips, the groups were able to purchase—or were "fronted"—kilogram amounts of cocaine. New York City continued to be the primary source while Miami was a close second for most of the cocaine in the Baltimore area. Cocaine also was brought into the Baltimore area from Philadelphia, Providence, and, occasionally, Washington.

There was increasing evidence of large organizations using the Roanoke, Virginia, area as a transshipment point for cocaine from the Southeast and Southwest that was being transported to cities in the Northeast. The use of Virginia and the Washington, D.C., metropolitan area as transshipment points for cocaine being sent to New York City increased in 1992. There also was increased use of the mails to send cocaine directly from South and Central America.



Canada

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## CANADA

Canada was a final destination for cocaine from Latin America as well as a transit location for cocaine being sent to the United States. Cocaine was occasionally shipped from Canada into the Detroit area and also into New York City. Colombian organizations made use both of internal waterways and commercial traffic between the two countries to effect these shipments. The potential for staging cocaine in isolated areas in Canada close to the U.S. border for shipment into the United States was a major concern for both U.S. and Canadian authorities.

Traffickers are known to have purchased large-capacity aircraft to transport cocaine from Latin America via commercial air routes along the U.S. eastern seaboard. In November 1992, Canadian authorities seized four metric tons of cocaine from a Convair 580 aircraft which had flown directly from the Guajira Peninsula to Quebec. The ultimate consignees of this cocaine were to have been trafficking organizations in New York City. During that same month, three metric tons of cocaine were reported to have gone down with the Luciana, a vessel scuttled by its crew off the coast of Newfoundland when it was confronted by a U.S. Coast Guard cutter. The ultimate destination of this shipment is not known.

There are large Colombian populations in Toronto and Montreal. Colombian traffickers took advantage of those populations to mask their illicit trafficking and money-laundering operations. Canadian officials estimate that approximately 10 billion in Canadian dollars is laundered annually by South American cocaine and marijuana traffickers. These monies are then converted into U.S. dollars for subsequent use by Colombian drug trafficking organizations.



*A typical coca paste-cocaine base laboratory.*

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## **OVERVIEW: LATIN AMERICA**

Total potential cocaine production in Latin America increased slightly in 1992 to a range of 955 to 1,165 metric tons from the revised 1991 range of 940 to 1,150 metric tons.

Colombian cocaine trafficking organizations expanded their operations in neighboring nations and made greater use of Venezuela, Suriname, and Brazil as transit locations for cocaine being shipped to the United States and Europe.

Peruvian traffickers continued their previously established independent production of cocaine base. Most of their cocaine base was transported by air, and, to some extent, by river from Peruvian staging areas to Colombia for conversion to cocaine hydrochloride. Some cocaine base was also shipped by air, river, or land from Peru to Brazil or Ecuador. According to DEA reporting, cocaine base also was processed in Bolivia for delivery to the United States and Europe.

Colombian cocaine traffickers took advantage of historical and ethnic links between Suriname, the Netherlands Antilles, and the Netherlands to ship large quantities of cocaine through Dutch seaports to other countries in Western Europe. Officials in the Netherlands estimate that upwards of 50 percent of the cocaine bound for Europe entered through Low Countries ports, particularly Amsterdam and Rotterdam.

In 1992, both the Medellín and the Cali Cartels found themselves under increasing pressure from the Colombian Government. Law enforcement authorities seized or destroyed over 38 metric tons of cocaine in Colombia during the year. The Colombian National Police and the Colombian armed forces targeted the drug infrastructure in Colombia, concentrating initially on organizations in Cali and, later in the year, turning toward the Medellín Cartel after the escape of Pablo ESCOBAR from Envigado Prison and a rise in indiscriminate car bombings attributed to him late in the year.

ESCOBAR claimed to be involved in a political fight with the Colombian Government and attempted to clothe himself in revolutionary political rhetoric. The rhetoric was prelude to a wave of violence, which swept Colombia as the bombings instigated by ESCOBAR resulted in reprisals, ostensibly by Los Pepes, an anti-ESCOBAR group.



Venezuela  
Guyana  
Colombia Suriname  
Ecuador  
Peru Brazil  
Bolivia  
Pacific Ocean Chile Paraguay  
Atlantic Ocean  
Argentina Uruguay

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## SOUTH AMERICA

### ARGENTINA

Small quantities of Bolivian cocaine base were processed in Argentina into cocaine and shipped to Europe and the United States. Small laboratories were reported to be producing cocaine hydrochloride in Córdoba, Jujuy, Salta, and Tucumán Provinces. Cocaine hydrochloride also was smuggled through Bolivia, Chile, and Paraguay by courier to Argentina on commercial aircraft and overland vehicles. The cocaine was then shipped to Europe and the United States by air courier or concealed in maritime cargo.

The Government of Argentina seized 80.2 metric tons of coca leaf in 1992 compared to 47.8 metric tons in 1991, and a total of about 1.21 metric tons of cocaine was seized comparable to the 1.3 metric tons seized the year before. The organizations responsible for major trafficking in Argentina were primarily Bolivian, but they used Argentine couriers. Colombian traffickers also were reported to be operating in Argentina.

According to the *International Narcotics Control Strategy Report*, 17 small cocaine laboratories were discovered in Argentina in 1991 and six small laboratories were destroyed there during 1992. Argentina is a large-scale producer of essential chemicals, which were legally purchased in Argentina and illegally shipped to front or bogus companies in Bolivia for eventual use in clandestine laboratories. Increases in illicit drug consumption and drug seizures suggest that trafficking has increased in Argentina over the past few years. Over 4,700 drug-related arrests were made in 1992 though this was a drop from the approximately 6,000 made during the previous year. Money laundering increased and instances of official corruption were reported from time to time. The Argentine armed forces became more involved in interdiction in 1992, providing support for law enforcement interdiction operations and aggressively conducting airspace control operations. The government plans to establish—with DEA assistance—a Joint Information Coordination Center.

## BOLIVIA

### Cultivation

Bolivia was the world's second largest cultivator of coca in 1992. An estimated 50,649 hectares of coca were cultivated in Bolivia, down from 53,386 hectares in 1991. The crop could have produced 80,300 metric tons of coca leaf, which had a potential yield of 245 to 410 metric tons of cocaine. This compared to 78,400 metric tons of coca leaf that could have been produced in 1991. Primary growing areas remained in the Apolo, the Chaparé, and the Yungas de La Paz. About 75 percent of the illicit cultivation occurred in the Arani, Carrasco, and Chaparé Provinces in Cochabamba Department. In the Yungas, cultivation occurred between Guanay and Inquisivi, cities northeast of La Paz on the eastern slope of the Andes. Nearly all of the legal cultivation occurred in the Yungas. In 1992, however, there was increased illicit cultivation in the Yungas.

In 1992, as in 1991, the Bolivian Government failed to meet preset eradication goals. The government eradicated 5,149 hectares in 1992 and 5,486 hectares in 1991, falling short in both years of the goal of 7,000 hectares agreed to with the U.S. Government.



*Coca leaves are collected and dried in the open air.*

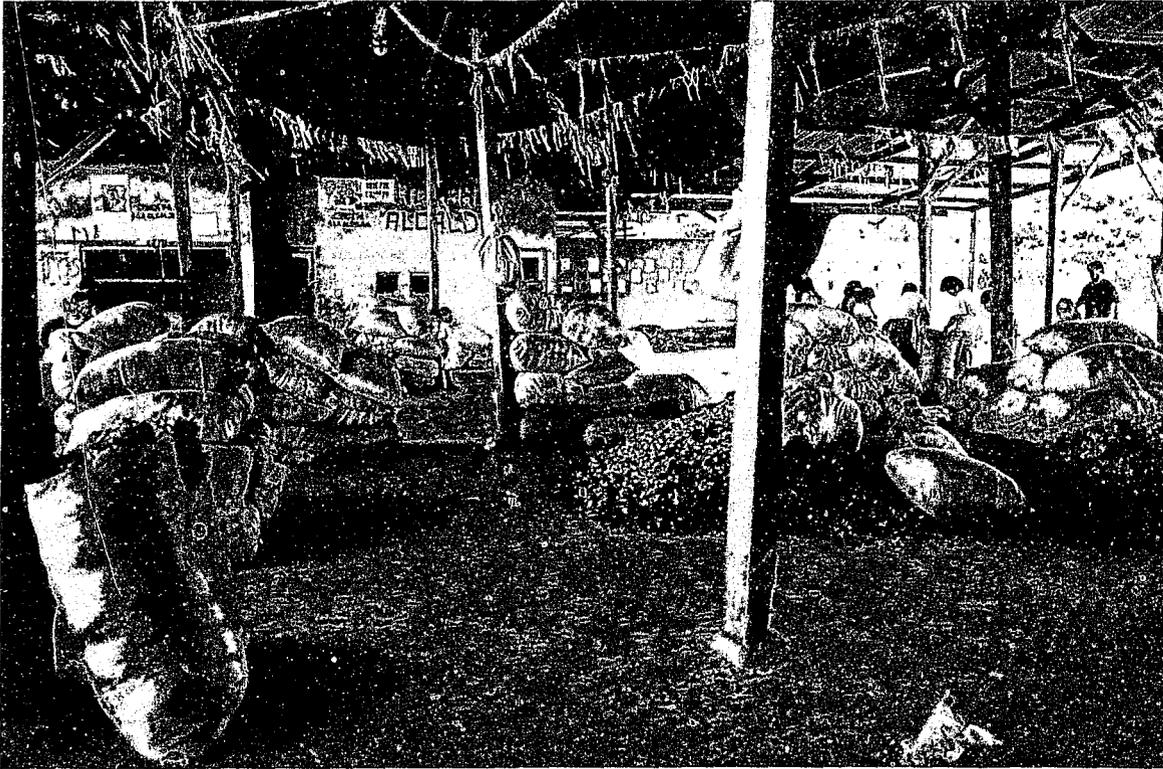
## Processing

Coca growers in the Chaparé, continuing a trend first noted in late 1991, converted coca leaf directly to cocaine base (omitting the separate coca paste processing step) in small-scale, *pozo* (maceration pit) laboratory operations. The cocaine base was often dissolved in a sulfuric acid solution, known as *agua rica*, for storage and transportation. Cocaine base produced in Chaparé laboratories was then consolidated by buyers for transportation to larger laboratories in the Departments of Pando, Beni, and rural Santa Cruz, where the cocaine base was further purified or processed into cocaine hydrochloride prior to its shipment from Bolivia.

Essential chemicals used in all phases of cocaine production were smuggled across Bolivia's borders from Argentina, Brazil, Chile, and Paraguay, primarily by road, railroad, and river networks, and secondarily by air. Equipment used to synthesize and to recycle solvents required for cocaine processing was encountered in clandestine laboratories in the Departments of Beni and Santa Cruz. Such equipment let many laboratories reduce their need during the year for some chemicals as well as reduce the time necessary to produce cocaine base.



*Coca leaves are processed into coca paste in crude maceration pits (pozos).*



*A coca market in Bolivia.*

### **Trafficking**

Cocaine base was transported from the Chaparé, primarily by small aircraft. Larger, twin-engine aircraft were used to transport cocaine base from outlying laboratory and transshipment sites in the Departments of Beni, Pando, and rural Santa Cruz to Colombia and Brazil for conversion to cocaine hydrochloride. However, increasing amounts of cocaine base were converted to cocaine hydrochloride in Bolivia prior to being transported to Colombia. Although Colombian cartels controlled or strongly influenced most of Bolivia's cocaine production and trafficking during 1992, several Bolivian groups were directly involved in shipping cocaine to European markets through Argentina, Brazil, Chile, and Paraguay.

### **Drug Enforcement**

Bolivian drug enforcement agencies seized a total of almost 51,000 liters of *agua rica*. In 1992, Bolivian traffickers expanded their participation in cocaine base and cocaine hydrochloride production under the sponsorship of Colombian traffickers. Colombian trafficking organizations increased their presence in Bolivia in 1992.

Chemicals required for processing cocaine were brought into Bolivia, generally by truck from Chile or by train and aircraft from Argentina and Brazil. Paraguay was another probable source for chemicals. Increasingly, rivers bordering Brazil were used to transport essential chemicals into and coca products out of Bolivia. In response, the Bolivian Navy's Blue Devils counter-drug riverine force increased its presence on key waterways.

DEA and Bolivian Government forces conducted large-scale operations against drug traffickers in the Departments of Beni and Santa Cruz. In January 1992, Operation GHOST ZONE was initiated against traffickers in the Chaparé. Thirteen major buyers and laboratory operators were arrested. Several laboratories, real properties, and aircraft, as well as large quantities of drugs were seized. Bolivian police followed up by conducting Operation GOLDEN BEAR later in the year against targets in the Departments of Santa Cruz and Beni.

Operation GOLDEN BEAR provided for the establishment and deployment of quick response teams against known laboratory and transshipment sites. The Bolivians arrested 1,226 violators and destroyed 17 cocaine hydrochloride laboratories, 349 coca paste laboratories, 321 cocaine base operations, and 640 *agua rica* production sites during the year. Several ranches and residences, 64 vehicles, aircraft hangars, and 26 aircraft also were seized. In total, DEA and Bolivian police seized 188.9 metric tons of coca leaf, 0.33 metric tons of coca paste, 7.7 metric tons of cocaine base and 0.7 metric tons of cocaine hydrochloride.

In 1991, eight major traffickers surrendered under a government program, which guaranteed that the criminals would not be extradited to the United States. Seven of the individuals remain incarcerated—scheduled to serve fewer than six years each—after pleading guilty to minor charges. In 1992, only one trafficker was extradited to the United States. In July, Asunta ROCA-Suarez was sent to the United States to stand trial on drug trafficking charges. In December, the Bolivian Government refused to extradite Ronald IRIARTE on the grounds that his alleged offenses occurred prior to Bolivia's signing of the 1988 United Nations Convention Against Illicit Traffic of Narcotic Drugs and Psychotropic Substances.

The Bolivian Government undertook a worldwide campaign in 1992 to promote the use of coca products such as coca tea, gum, and toothpaste. Since thousands of Bolivian farmers are engaged in coca cultivation and illicit coca paste production, the government hoped to legitimize some coca product uses as an alternative to mounting extensive eradication operations and their attendant adverse political and economic consequences.

## BRAZIL

Brazil is a major legitimate producer of ether, acetone, and other essential chemicals used in cocaine processing. Despite governmental controls, substantial amounts of these chemicals have been diverted to illicit cocaine processing laboratories in Bolivia, Colombia, and Peru. Coca product seizures by Brazilian authorities amounted to 2.4 metric tons overall in 1992, somewhat less than the 1991 amount of 3.7 metric tons. Cocaine trafficking in Rondônia Province in northwest Brazil continued to experience an increase that began in previous years. Rondônia shares an extensive border with Bolivia, much of which has been unregulated.

The Brazilian Federal Police (*Departamento Polícia Federal* or DPF) conducted combined operations with DEA in order to interdict the export of diverted chemicals used in Peru and Bolivia to process coca leaf. These operations targeted both Brazilian and foreign firms residing in Brazil. The DPF also attempted to monitor illicit drug activity in the Amazonas region.

Most drug trafficking through Brazil consisted of coca products refined in neighboring countries, which were being transshipped to the United States and Europe. Maritime smuggling occurred from the ports of Belém, Manaus, and São Paulo. In addition, Corumbá, Recife, Rio de Janeiro, and São Paulo have been identified as land or air transshipment points. Virtually all major operations in Brazil were controlled by Colombians, Bolivians, or Peruvians. To date, Brazilian drug traffickers have participated mainly in supporting roles. Several Brazilian investigations also uncovered connections between Colombian drug traffickers and Italian criminal groups who were intent on smuggling cocaine through Brazil to Europe and the United States. Nigerian groups also arranged for the shipment of cocaine to Europe from Brazil.

In 1992, there were modest gains in chemical control legislation, changes to Brazilian seizure laws, which allow the government to seize land under illicit cultivation, and new reporting requirements for bank deposits over \$10,000. Police officials also increased their riverine capabilities. In one incident, police forces intercepted a boat on the Solimoes River and seized 15 kilograms of cocaine following a fire fight with traffickers. Subsequently, information was received that revealed that some 100 kilograms of cocaine had been on the boat. During the action, 85 kilograms were tossed overboard.

Despite these successes, Brazilian law enforcement efforts were hampered in 1992 by a political crisis engendered by the impeachment and forced resignation of President Fernando Collor de Mello. The new government of President Itamar Franco named a series of Justice Ministers and reorganized the police forces. President Franco declared that increased emphasis would be placed on capping drug trafficking in 1993.

Brazil extradited two individuals to the United States during 1992 to face trial on drug-related charges. Ten U.S. requests for arrest were still pending with Brazilian authorities at the end of the year.

## CHILE

Chile shares its northern border with Bolivia and Peru. Compared to previous years, increased amounts of cocaine were transshipped through Chile to the United States and Europe during 1992, principally by drug traffickers from Bolivia. Chile's northern ports were known to be used by cocaine traffickers, who were taking advantage of agreements that allow Bolivian products to transit Chile without inspection and who sought alternate maritime shipping routes to Europe and the United States in order to smuggle cocaine concealed in commercial cargo. Some cocaine also was smuggled to Santiago for export, usually by commercial air.

In January 1992, almost five metric tons of cocaine were seized in the Caribbean from a Panamanian-registered, but Chilean-owned vessel, the *Harbor*, which had embarked from Valparaíso. In October 1992, 15 kilograms of cocaine were seized from a vessel in Punta Arenas. This confirmed reports that drug traffickers occasionally made use of vessels that transited the Straits of Magellan to ship cocaine to European markets.

Chilean companies were sources of essential chemicals for traffickers in Peru and Bolivia, and the country's financial institutions were used increasingly during the year to launder drug proceeds. The Government of Chile proposed tougher legislation in 1992, which allowed for the prosecution of money-laundering and chemical diversion offenses; the legislation was yet to be enacted by the end of the year. The government also signed agreements with Bolivia and Peru on anti-drug cooperation and increased the number of police personnel assigned to drug investigations. There were, however, some instances of drug-related corruption. Although the Chilean Supreme Court refused to allow extradition to the United States of a high-ranking police investigations official, the government did discipline several lower-ranking enforcement personnel found to have been suborned by drug traffickers.

## COLOMBIA

### Cultivation

Colombia ranks third in worldwide coca cultivation, all of it being illicit. In 1992, there was widespread cultivation in the *llanos* (plains), which encompass almost one-half of eastern Colombia. Heavy coca growth occurred in Caquetá Department, Guaviare Commissariat, Putumayo Intendency, and Vaupés Commissariat. There was substantial crop expansion in Bolívar Department as well as cultivation in southern and southwestern Colombia. Cultivation in 1992— after eradication—was about 37,100 hectares, down from 37,500 hectares in 1991. About 32,000 metric tons of dry coca leaf were produced in 1992, which could yield approximately 60 metric tons of cocaine.

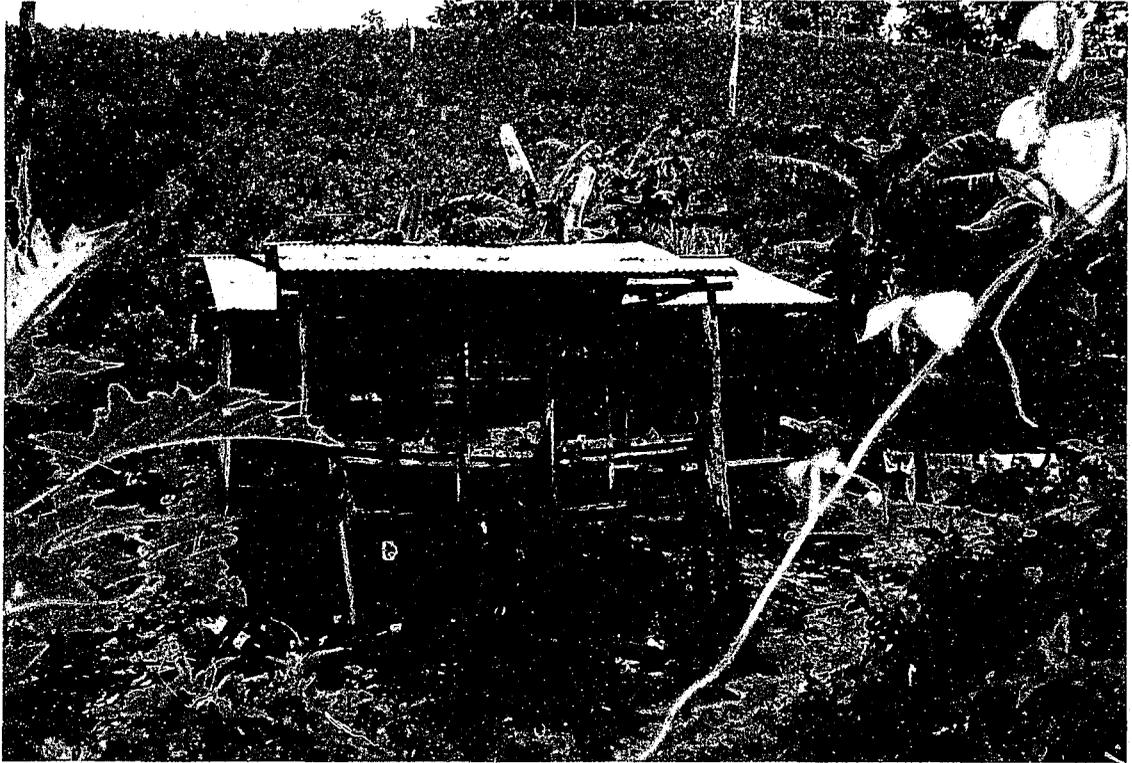
### Processing

Most of the cocaine hydrochloride in the world is produced in Colombia. Laboratories there used some domestically produced cocaine base during 1992, but relied mostly on Bolivian- and Peruvian-produced cocaine base. Colombian cocaine laboratories ranged from small, simple operations to large, sophisticated laboratory complexes, which often were located in remote areas. Large-scale laboratories were discovered in the Amazonas, Guainía, Guaviare, Vaupés, and Vichada Commissariats, the Putumayo Intendency, and the Caquetá, Tolima, and Valle del Cauca Departments. The Colombian National Police destroyed some 223 cocaine laboratories in 1992.

### Trafficking

Although several hundred groups in Colombia traffic in cocaine, two "cartels," centered in Medellín and Cali, dominate this traffic. Special chemical trafficking organizations were formed by cocaine trafficking groups to obtain the chemicals necessary for processing cocaine. Government initiatives to control the chemical trade prompted traffickers to adopt new processing formulas that use alternative chemicals. Traffickers also experimented with other technologies in an effort to reduce their dependence on the commonly used essential chemicals. In some cases, traffickers produced or recycled essential chemicals on-site at clandestine laboratories.

Coca paste, cocaine base, and cocaine hydrochloride were smuggled into Colombia during the year, and cocaine was smuggled out, mostly by private aircraft and, increasingly, by means of oceangoing vessels. Smuggling aircraft made use of numerous unimproved and private



*Cocaine laboratories come in all shapes and sizes.*

airstrips to transport multi-hundred-kilogram shipments across the Caribbean and into Mexico and Central America—particularly Guatemala—for transshipment to the United States. Multi-ton shipments of cocaine, which were destined for abroad, were concealed in maritime commercial cargo; smaller amounts were smuggled out by every imaginable means.

Colombian insurgent groups such as the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia* or FARC) and the National Liberation Army (*Ejército de Liberación Nacional* or ELN) also benefited from the illicit cocaine trade. They “taxed” drug profits to protect crops, laboratories, airfields, and storage facilities, occasionally extracting payment in weapons. In earlier years, insurgent groups carried out kidnapping and terrorism in support of traffickers’ aims. These groups, however, do not always get along. In 1992, a feud erupted between the Cali Cartel and elements of the FARC. The FARC kidnapped the sister of Cali Cartel kingpin, Jose SANTACRUZ-Londono, and held her for a ransom of several million dollars. The Cali Cartel subsequently organized a campaign of murder and violence against FARC members and related political front organizations. Following a dozen killings, the kidnapped sister was released unharmed with no ransom paid.

## Drug Enforcement

In 1991 and 1992, the Colombian National Police (*Policía Nacional de Colombia* or CNP) and the Colombian armed forces targeted the drug trafficking infrastructure in Colombia, concentrating their initial efforts on the Cali Cartel's financial support structure. In 1991, the CNP conducted two series of raids against Cali money-laundering organizations. In 1992, two additional series of financial raids were conducted.

In April, the CNP, assisted by DEA, struck at businesses belonging to Ivan URDINOLA-Grajales, a cocaine trafficker suspected of growing participation in Colombia's opium poppy cultivation and heroin production industry. URDINOLA was subsequently arrested, tried, and convicted in Colombia on drug trafficking charges. The Colombian Prosecutor General's Office, a new office created in July 1992, also prepared a murder charge against URDINOLA, who remained incarcerated under a 55-month sentence.

In August 1992, a series of raids was undertaken against Humberto GONZALES-Piedrahita, a major Cali money launderer. The Cali Raids, as the 1991 and 1992 raids have become known, seriously disrupted Cali Cartel financial operations and resulted in a heightened level of concern within the trafficking organizations for the security of their operations.

The Colombian Government began to direct its efforts against the Medellín Cartel following Pablo ESCOBAR's escape from Envigado Prison in July 1992 and his increasing use of terror tactics to secure a political settlement with the government. Following ESCOBAR's escape, the government acted quickly to censure or retire officials believed to be culpable for the escape.

Subsequent to ESCOBAR's escape, the Prosecutor General's Office charged him with the murder of Luis Carlos Galan, a presidential candidate who was assassinated in 1989. In an effort to characterize his differences with the Colombian Government as political, not criminal, ESCOBAR, in early 1993, renamed his private vendetta against the government the "*Antioquian Rebellion*." In the last six months of 1992, over 50 police officers may have been murdered by ESCOBAR assassins.

In August, the CNP and the Army formed a special task force to locate Pablo ESCOBAR. The task force offered a considerable reward for information on the whereabouts of ESCOBAR. Although ESCOBAR was not located, the offer of reward money helped lead to the arrest or death during drug-related raids of several high-level assassins in the Medellín Cartel. On December 30, 1992, one of ESCOBAR's senior assassins was captured. In early January 1993, Leonidas VARGAS-Vargas, a known associate of ESCOBAR, was arrested.



*Air mobility is a critical component of anti-drug operations in the Andean region.*

Other enforcement actions in Colombia resulted in the seizure or destruction of almost 39 metric tons of cocaine and cocaine base, though this was significantly less than the nearly 83 metric tons seized in 1991. The decline was attributed to several factors including the diversion of resources to the manhunt for Pablo ESCOBAR and added attention to the eradication of opium poppy plants.

Coca plants in Colombia were eradicated manually in conjunction with laboratory raids, often in insurgent-held territory. Some 959 hectares were eradicated in 1992. In addition, the government destroyed 218 cocaine processing laboratories and made some 2,422 drug-related arrests compared to 1,170 arrests in 1991. The police also seized more than 6,000 55-gallon drums of chemicals and over 30 aircraft. Unfortunately, intelligence suggested that some air traffic controllers in Colombia either cooperated with drug traffickers to conceal drug flights or warned traffickers of impending law enforcement activity.

In late 1990, the Government of Colombia offered reduced sentences to drug traffickers who surrendered and confessed to a single criminal offense. Fabio OCHOA, Jorge Luis OCHOA, and Juan David OCHOA were imprisoned under this program, although there was speculation about the degree to which they continued to oversee their drug operations from their prison cells.

In 1992, as in 1991, police killed several mid-level enforcers and lieutenants of major Medellín traffickers in gun battles ancillary to government raids. However, the government paid a heavy price for their successes. Many Colombian National Police officers were killed or wounded during the year.

In 1991, the government suspended the extradition of drug offenders. Since then, however, public order courts have tried numerous drug and terrorism cases. The Prosecutor General's office has initiated over 12,500 criminal actions under counter-drugs and counter-terrorism statutes. It also revived 70 percent of previously dormant cases including cases against major violators such as ESCOBAR, the OCHOAs, Ivan URDINOLA, and other members of the Cali and Medellín Cartels.

Changes in Colombian banking rules in June 1991 removed some of the restrictions that Colombians previously faced when buying U.S. dollars for business and travel. A \$10,000 limitation was eliminated, which allowed Colombians to bring in or take out of Colombia any amount of foreign currency. The new rules also permitted money exchange houses to purchase from and sell foreign currency to the public. These rule changes not only made it easier for money launderers but facilitated the transfer of millions of dollars directly to Colombia.

During 1992, U.S. domestic and international programs such as Operation GREEN ICE forced Colombian traffickers to forego their employment of traditional overseas money havens. Instead, they transferred bulk cash directly to Colombia, often employing concealment methods similar to those used to ship cocaine to the United States. Some estimates place the amount of drug money transferred to Colombia in 1992 at over \$700 million. Additionally, the Colombian Government received almost \$2.5 million as a result of asset sharing agreements with the United States.

**COCAINE PRODUCTION ESTIMATES**  
**Estimated Coca Cultivation and Potential Cocaine Production**  
**1991-1992**

Country	Year	Net Coca Cultivation (hectares)	Estimated Coca Leaf Yield (metric tons)	Potential Cocaine Hydrochloride Production (metric tons)
Bolivia	1991	47,900	78400	235 - 400
	1992	45500	80,300	245 - 410
Colombia	1991	37,500	30,000	60
	1992	37,100	32,000	60
Peru	1991	120,800	222700	645 - 690
	1992	129,100	223,900	650 - 690
<b>Total Potential Production</b>	<b>1991</b>			<b>940 - 1,150</b>
	<b>1992</b>			<b>955 - 1,160</b>

Source: *International Narcotics Control Strategy Report 1993*

## ECUADOR

Ecuador served as an important transit nation for chemicals needed by clandestine laboratories in Colombia. Aggressive eradication by the Government of Ecuador over the past few years has led to a virtual absence of any coca cultivation in the country, and there was no evidence of any large-scale cocaine processing. Government forces did not find any coca plants to eradicate in 1992, but did discover and destroy several hectares of opium poppies. In the past, some coca cultivation had occurred along the northern border with Colombia and in the Pacto area of Pichincha Province. Cultivation remained patchy there at best although, in 1991, seedbeds were discovered and eradicated in the northwest in Esmeraldas Province.

A few clandestine laboratories were seized in the country in previous years, and a small number of laboratories were reported to be operating during 1992 near the Colombian and Peruvian borders. Chemicals were often trucked from Guayaquil into the eastern jungles. Once there, they were transported into Colombia by truck or river boat.

In 1992, authorities seized an estimated four metric tons of cocaine including one seizure of approximately 3.4 metric tons in a single raid near the Colombian border in February. More than 1,800 Ecuadorian nationals and 165 foreigners were arrested during the year on drug-related charges. In June, the Ecuadorian National Police conducted a series of raids against financial interests of the Jorge REYES-Torres cocaine trafficking and money-laundering organization. As a result of those raids, authorities moved to seize over \$30 million in drug-related assets held in Europe (\$17 million in Liechtenstein and over \$11 million in Switzerland), Latin America, and the United States (over \$800,000). Sixty individuals including Jorge REYES-Torres were arrested and remain incarcerated in Ecuador awaiting trial. This organization was linked to drug trafficking groups in Colombia. In conjunction with these arrests, the Ecuadorian Government seized several real properties, vehicles, communications equipment, and aircraft. Information derived from these actions also led to the arrest of several corrupt officials associated with a military-owned bank. Also, the judge who had been responsible for releasing REYES-Torres from jail in the late 1980s was indicted, tried, and sentenced to five years in prison.

The government continued its enforcement activities at Quito and Guayaquil International Airports during 1992 and employed roadblocks, border checkpoints, and port checks to excellent effect. The government's drug law enforcement agency also operated a riverine unit in the provinces of Esmeraldas and El Oro. The Army increased its patrols along the northern border with Colombia and created an Army riverine unit to operate in El Oriente. There was greater cooperation between the police and the armed

forces, which resulted in several successful actions in remote areas near the Colombian border. In 1992, U.S. assistance was used to expand police presence to all of Ecuador's provinces.

Ecuador was a major transit country for finished Colombian coca products being shipped to the United States and Europe. Colombian trafficker aircraft routinely violated Ecuadorian air space to transport coca products from Peru to Colombia. Some traffickers used Ecuadorian territory for refueling aircraft, and there were several Ecuadorian criminal organizations capable of shipping commercial quantities of illicit drugs through the international transportation infrastructure. Most of these illegal products were exported from Ecuador concealed in commercial maritime cargo from Guayaquil. There were a number of cocaine seizures made in 1993 from vessels that had embarked from Ecuador, including 500 kilograms seized in Spain in February, 300 kilograms seized in Los Angeles in April, and 900 kilograms seized in Miami. In addition, some five metric tons was seized by the U.S. Coast Guard in April from a vessel which had departed Ecuador for the Caribbean and the United States. There also was growing evidence of significant Colombian money laundering as an adjunct to traditional Colombian investment in Ecuador.

## **GUYANA**

There was at least some potential for cocaine trafficking to occur through Guyana. That small nation shares sparsely populated borders with Venezuela, Suriname, and Brazil where more extensive trafficking takes place, and there are numerous unregulated airfields in the country. The police have a 31-man counter-drug unit and conduct joint enforcement operations with the armed forces. Guyana authorities seized 41 kilograms of cocaine during 1992 compared to seven kilograms in 1991. Over 60 people were charged in 1992 with drug violations relating to the possession of cocaine. Money laundering was not a problem in Guyana. There was, however, evidence that Guyanan criminals carried small quantities of heroin between Georgetown and New York City during the year.

## **PARAGUAY**

Paraguay has long, unpatrolled borders with Bolivia, Brazil, and Argentina, and the country was used as a cocaine transit route from Bolivia to the other two countries, particularly by small aircraft. Some members of the Paraguayan military services are suspected to have been overseeing drug trafficking operations in their areas of responsibility. There are many unregulated and clandestine landing strips in Paraguay near Brazil, and Paraguay may also have been used for the transit of cocaine processing chemicals to Bolivia.

The government integrated its 35-man joint military-police strike force with the Interior Ministry's anti-narcotics police (*Dirección Nacional de Narcóticos* or DINAR) and executed 30 successful field operations in 1992. This unit established roadblocks near the Brazilian border and also checked airstrips periodically. Those police actions resulted in the seizure of 67 kilograms of cocaine including a 19-kilogram seizure in the border town of Pedro Juan Caballero. Over 330 individuals were arrested on drug charges during the year.



*The coca leaf is chewed in the growing regions for its stimulant properties.*

## PERU

### Cultivation

Most of the world's coca was grown in Peru in 1992, with an estimated 129,100 hectares of coca under cultivation compared to 120,800 hectares under cultivation in 1991. Coca leaf production in Peru was estimated to be 223,900 metric tons in 1992, which had a potential yield of 650 to 695 metric tons of cocaine. Although most of the illicit cultivation in Peru

occurred in the Upper Huallaga Valley, which includes portions of Huánuco, San Martín, and Ucayali Departments, cultivation expanded in the Central Huallaga and Aguaytía areas. There was additional illicit growth in La Convención and Lares Valleys in Cuzco and in Huanta and La Mar Provinces along the Río Apurímac in the Ayacucho Department. There were smaller areas of growth in Pasco and Puno Departments and in Juanjui and Ucayali. A soil fungus destroyed some cultivation in Peru in 1991, but this was not a significant factor in 1992.

### **Processing**

Peruvian traffickers are major processors of coca paste and cocaine base. Most of this processing occurs in the Upper Huallaga Valley, where the coca leaves are processed into paste in crude maceration pits (*pozos*) positioned near cultivation sites. The coca paste is then collected for processing into cocaine base at clandestine laboratories. These laboratories range from small, single structures to sophisticated complexes. Smaller laboratories are favored in order to spread the risk and reduce losses in the event of seizure.

Increased laboratory operations took place outside the Upper Huallaga Valley in 1992 where the average laboratory produced about 200 kilograms of cocaine base per day. There also were a small number of cocaine hydrochloride laboratories in Peru. Cocaine production, though not widespread, continued to rise in 1992 with information suggesting that some cocaine was exported directly from Peru to Europe. Traffickers moved some of their laboratories from isolated, jungle locations into or near towns in the Upper Huallaga Valley where corrupt officials or dependent workers could provide protection.

### **Drug Enforcement**

U.S. and Peruvian joint interdiction operations were limited in 1992 as a result of President Alberto Fujimori's suspension of democracy in April. Shortly thereafter, a U.S. C-130 aircraft flying a counter-drug mission previously approved by the Peruvian government was shot at by Peruvian fighter aircraft. One U.S. airman was killed and two others were wounded. As a result of this incident, most U.S. assistance to Peru was suspended. The Peruvians, for their part, did increase the tempo of their counter-drug operations during the year including increasing the level of cooperation between Peruvian military and police forces.

In November, the police, assisted by air and ground forces, seized 1.4 metric tons of cocaine. The Peruvian Air Force formed an air defense zone in Santa Lucía in the Upper Huallaga Valley equipped with fighter

aircraft, destroyed or prevented access to clandestine landing strips, and took control of seven municipal airfields used by traffickers. The traffickers responded by increasing the number of night flights since the Peruvian Air Force did not have a sustained night operations capability. In spite of these positive actions, corruption in the military remained pervasive, particularly in the Upper Huallaga Valley. The Peruvian National Police created a consolidated anti-drug unit in 1992, which destroyed 89 cocaine base laboratories during the year.

Essential chemicals required by clandestine laboratories in Peru were diverted from legitimate chemical shipments, which entered through the country's seaports. Chemicals also reportedly entered Peru from Brazil, Chile, and Ecuador.

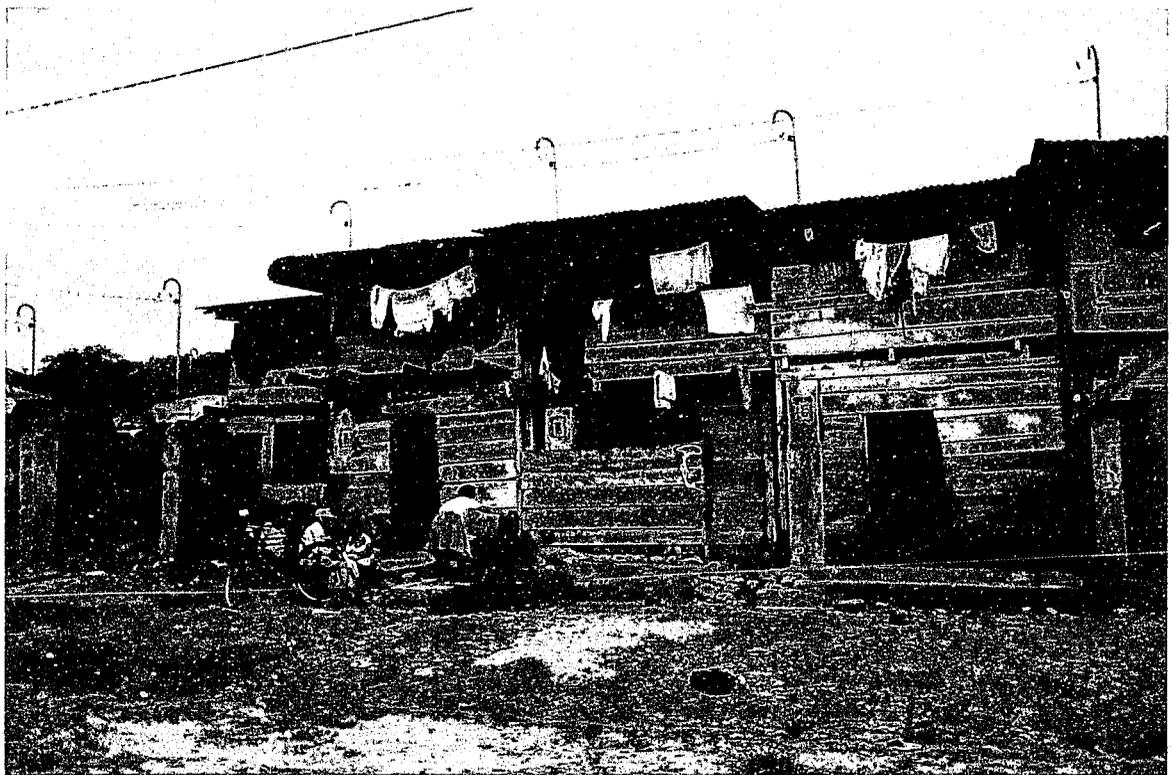
Although Colombians controlled a sizeable portion of the cocaine processing in Peru, Peruvian traffickers developed their own independent cocaine base processing capability. Cocaine base was transported by air and, to some extent, by river from Upper Huallaga Valley staging areas to Colombia for conversion to cocaine. Some cocaine base was also shipped by air, river, and land from Peru to Brazil and Ecuador.

Eradication of coca plants in Peru traditionally has been hampered because it is not politically acceptable. Additionally, coca cultivation areas are also areas of strong Sendero Luminoso insurgent presence. Activities by Sendero Luminoso insurgents caused some growers to leave the Upper Huallaga Valley in search of productive land in less tumultuous areas in 1992. Continued turmoil and fighting in the area may have contributed to coca paste price rises in 1992. It was reported that prices for a kilogram of coca paste in the Upper Huallaga Valley rose over the summer from \$200 to \$600 in some instances. Coca leaf production in the Upper Huallaga Valley overshadowed all other cash crop activity.

## **SURINAME**

There was some reporting in 1992, which suggested that illicit drug traffickers were enjoying a wide degree of latitude in Suriname, often receiving protection from high-level military and government officials. Some officials are suspected of using the Suriname Central Bank to avoid financial reporting requirements and to launder drug monies. Corruption also extended to lower echelon government employees in the police and customs service as well as to quasi-official organizations.

Anti-drug law enforcement operations were further complicated by a general lack of government control over the interior of the country, which persisted throughout most of 1992. In August, however, a political



*Traffickers exploit the harsh realities of life in Peru and Bolivia.*

accommodation was reached with local rebel forces, the leaders of which have had close ties to some members of the Surinamese military command—who, in turn, have been accused of condoning drug trafficking in insurgent-controlled regions.

Over 200,000 Surinamese reside in the Netherlands; cocaine traffickers took advantage of historical and ethnic links among Suriname, the Netherlands Antilles, and the Netherlands to ship cocaine through Dutch seaports to other countries of Western Europe. Cocaine was shipped to the Netherlands concealed principally in commercial air and sea cargo. There is also some concern that Suriname could become a major transit country for cocaine destined for the United States, but little concrete evidence has emerged about any such shipments. A former Surinamese military official who had been indicted, tried, and incarcerated in the United States on drug charges was freed in 1991 and returned to Suriname. There, he continued to enjoy close ties to the military establishment, and his known associates continued to engage in money laundering and cocaine trafficking, principally to Europe. Cocaine traffickers also may have used Suriname to smuggle essential chemicals from Europe to Latin America.

## URUGUAY

Uruguay was used as a minor but growing transit country for cocaine being sent to the United States and Europe. One 1992 DEA investigation found that some 200 kilograms of cocaine per month were being transported from Argentina through Uruguay to Brazil and then abroad. Three kilograms of cocaine were seized in-country during 1992, and authorities implemented controls over essential chemicals. Uruguay hoped to establish a Joint Information Coordination Center (JICC) in 1993 with U.S. assistance.

Strict bank secrecy laws also make Uruguay attractive to Colombian money launderers. In one 1992 investigation, Uruguayan authorities froze about \$630,000 dollars in assets that belonged to a suspected money launderer who was facing trial in the United States. Uruguayan police officials gave testimony in U.S. court concerning that investigation.

## VENEZUELA

Venezuela was a significant cocaine transit country in 1992. Multi-ton quantities of cocaine were shipped to the United States by maritime vessel from Venezuelan ports such as La Guaira, Maracaibo, Puerto Cabello, and Puerto La Cruz. Staging facilities were maintained by Colombian and Venezuelan traffickers in Barquisimeto, Caracas, Maracaibo, Maracay, and Puerto Cabello.

Cocaine was smuggled into Venezuela from Colombia and then sent onward by air courier, as commercial air cargo, or as sea freight. Colombian traffickers made use of Venezuelan front companies in order to conceal their shipments of cocaine to the United States.

Coca cultivation, though not yet a significant problem, occurred along the border with Colombia in an area known as the Sierra de Perijá. An aerial survey conducted in 1992 verified that this cultivation existed; most plantings were in small plots of less than two hectares in size. The total coca cultivation area was about 100 hectares. Some coca processing may have taken place in the same region. Seizure data suggests that greater numbers of Venezuelans were directly involved in illicit drug trafficking in 1992.

Venezuela also was used as a transit country for essential chemicals that were being diverted to clandestine laboratories in Colombia. Chemicals, which had originated in the United States or Europe, were imported into Venezuela

either legally or illegally at ports such as Cabello, La Guaira, Maracaibo, and Puerto La Cruz. The chemicals were diverted to Colombian traffickers through front companies. In March 1992, acting on information provided by the Venezuelan Coast Guard, DEA and Venezuelan authorities seized approximately 68 metric tons of methyl ethyl ketone, a solvent used in the production of finished cocaine. The shipment had been destined for Colombian cocaine interests in Bogotá.

The Venezuelan Government acknowledged the expanded use of its territory as a base of operations by Colombian traffickers. President Carlos Andres Perez declared a "war on drugs" and moved to create a unified drug command under the Minister of Interior. Major players in this effort were the *Guardia Nacional*, the Judicial Technical Police (*Policía Técnica Judicial* or PTJ), and the Directorate for Intelligence and Prevention. Some drug investigations were hampered, however, by the diversion of resources to internal security missions following coup attempts in early February and again in November 1992.

In past years, Colombian and Venezuelan traffickers made use of Venezuelan cultural connections with Italy to forge links with organized crime groups who distributed cocaine in Italy and other European countries. Venezuelan and Italian organized crime groups also cooperated in money-laundering schemes. In 1992, asset seizures as a result of international financial investigations led to the sharing of \$1.4 million with the Venezuelan Government.

Over three metric tons of cocaine were seized in Venezuela in 1992 and information provided by Venezuelan authorities as well as separate investigations led to the seizure of more than 30 metric tons of cocaine abroad that had transited the Latin American nation. In a joint investigation, DEA and the PTJ dismantled the CUNTRERA-Caruana cocaine trafficking organization. Three CUNTRERA brothers were expelled to Italy where they were arrested. To date, over \$30 million in assets have been seized as a result of this international investigation. A similar investigation of the Jairo ECHEVERRIA organization also led to major seizures overseas.

Corruption of local government and, perhaps, military officials was an acknowledged problem in Venezuela although the government vigorously investigated all such allegations. Special agents of the DEA Miami Field Division arrested a Venezuelan Army general in 1992 following his attempt to sell 70 kilograms of cocaine to an undercover agent. The former head of the Guardia Nacional's anti-drug division and several colleagues also came under investigation for protecting drug trafficking operations.



Mexico

Caribbean  
Sea

Pacific  
Ocean

Belize  
Guatemala Honduras  
El Salvador  
Nicaragua  
Costa Rica  
Panama

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## **CENTRAL AMERICA AND MEXICO**

### **BELIZE**

The use of Belize as a cocaine transshipment country, noted in 1990 and 1991, continued in 1992. Belize has an extensive coastline, numerous cays and waterways, and only a very limited law enforcement capability. There are over 100 unmonitored landing strips in the sparsely populated areas of Belize. One indication of increased cocaine smuggling through Belize was the tripling of seizures compared to 1991. In one seizure, 200 kilograms of cocaine were confiscated and, in another, 480 kilograms. The Belize Defense Force and the police conducted joint operations during 1992. In the operation in which 200 kilograms of cocaine were seized, Belize authorities arrested 13 people including four Colombians. Authorities conducted regular liaison along the border with Mexican law enforcement authorities, exchanging intelligence on cocaine shipments that were traveling through both nations on their way to the United States.

In San Ignacio and Belize City, police arrested several individuals who were processing crack cocaine for domestic consumption. Police cracked down on increased drug-related violence in the Orange Walk area and occasionally arrested Colombian violators. The U.S. Coast Guard conducted joint anti-drug maritime operations with the United Kingdom and Belize. DEA established a country office in Belize in 1992.

### **COSTA RICA**

Costa Rica was a transit nation for cocaine being shipped to Mexico and the United States in 1992. Limited resources and the lack of trained personnel in the various agencies responsible for drug law enforcement made interdiction in that nation difficult. The Judicial Police are a very professional constabulary, but they were limited by a lack of resources. Air and maritime units of the Ministry of Public Security also were used to perform anti-drug missions.

Both coasts of Costa Rica are readily accessible to small pleasure craft and fishing boats, and there are over 200 small, unattended landing strips in this Central American republic. The radar coverage from San Jose's international airport extends only about 40 miles; however, in July, the Costa Rican government installed radar at Cerro Azul, which extended coverage along the eastern Pacific corridor.

The Costa Rican police seized 1.8 metric tons of cocaine during the year, including a record 1.09 metric tons seized in one investigation in March. The U.S. Government transferred a yacht to Costa Rica for police use in accordance with asset sharing agreements.

## **EL SALVADOR**

El Salvador's importance as a cocaine transit country grew in 1992. The Executive Anti-Narcotics Unit (*Unidad Ejecutivo Antinarcóticos* or UEA) formed in 1990 improved its capabilities in 1992. In 1992, this unit seized 350 kilograms of cocaine and arrested over 175 suspects on drug-related charges. The UEA also arrested a Salvadoran Air Force colonel for selling explosives to Colombian traffickers.

Colombian cartels have an established presence in El Salvador in order to oversee shipments through that country to the United States. Salvadoran criminal organizations took advantage of links with drug organizations in Guatemala, Honduras, Nicaragua, and Panama to increase their level of trafficking. Cocaine was transported by commercial aircraft through Comalapa International and Ilopango Airports, by small aircraft that used rural airstrips, by sea, and overland by tractor-trailers to Mexico.

During the long civil war between the government and the insurgents in El Salvador, contraband networks were used to smuggle arms, munitions, chemicals, and medicines. Following the peace initiatives and subsequent cease-fire, these same networks probably were used to smuggle drugs and essential chemicals through El Salvador. El Salvadoran criminals also were linked to criminals in the United States who were involved in smuggling illegal aliens, cars, and counterfeit U.S. currency to the United States.

The government may reorganize following agreements with the former rebel movement. A National Civilian Police and an Attorney General's office are to be created. DEA established a country office in El Salvador in 1992.

## GUATEMALA

Guatemala was used as a major staging location for cocaine that had come directly from Colombia as well as that transshipped through Panama, and transshipment of cocaine through Guatemala increased in 1992 compared to earlier years. The volume of money-laundering activity also increased in Guatemala in 1992. The country has no substantial radar capability, and hundreds of uncontrolled landing strips were used to refuel aircraft from Colombia or to offload cocaine for transshipment by land or sea to the United States.

In April, 6.7 metric tons of cocaine, which had been smuggled on a vessel from Guatemala concealed in a shipment of broccoli, was seized in Miami. In July 1992, Guatemalan authorities seized three metric tons of cocaine in Guatemala City. Guatemalan authorities also extradited the former mayor of Zacapa and two associates to face drug charges in the United States, moved to dismiss officials suspected of corruption, increased the number of Treasury Police involved in drug enforcement, and strengthened its cooperation with DEA on drug investigations.



*Law enforcement personnel prepare for a strike against a hidden laboratory.*

Combined cocaine interdiction efforts on the part of Guatemalan and U.S. agencies under Operation CADENCE (Central American Drug ENforcement CEter) resulted in the seizure or controlled delivery of approximately 9.6 metric tons of cocaine. Operation CADENCE was also instrumental in the seizure of 11 aircraft. The scope of Operation CADENCE was expanded in 1992 to include Honduras and Belize.

## **HONDURAS**

Honduras lies midway along the route to North America from Colombia, has a long, virtually unguarded Caribbean coastline, and possesses a number of offshore islands traditionally used by smugglers. Smuggling of illicit drugs by aircraft and small boats easily goes undetected, and smaller cocaine shipments can be consolidated in relative security for forwarding by land, sea, and air.

Information obtained in conjunction with seizures outside of Honduras suggested that significant trafficking occurred there, not only in cocaine, but in essential chemicals as well. The Honduran Government actively pursued aggressive anti-drug programs and cooperated with U.S. air interdiction efforts. Honduran authorities seized 1.46 metric tons of cocaine in 1992, more than double that of the year before. The Honduran Air Force aggressively pursued suspect aircraft that violated Honduran airspace and downed one plane during the year.

Domestically, consumption of cocaine and crack cocaine increased, with traffickers feeding the market by making payment in kind for services rendered. During 1992, the Honduran police seized over 230 ounces of crack cocaine. DEA worked with the Hondurans to establish a Joint Information Coordination Center which became operational in 1993.

## MEXICO

Drug-laden flights from Colombia to Mexico were numerous in 1992. A joint United States–Mexican Northern Border Response Force (NBRF), formed in 1990, forced traffickers to use less preferable staging areas in southern Mexico and Guatemala rather than areas in northern Mexico near the U.S. border. Pressure from the NBRF also caused traffickers to make greater use of night operations and, in some instances, to airdrop shipments of cocaine into Mexican waters. Since its inception, the NBRF has seized 65 metric tons of cocaine, 50 aircraft, and 98 vehicles and has made 139 arrests.

Aggressive interdiction by Mexican authorities also caused traffickers to shift to maritime cocaine smuggling in late 1992, and large numbers of cocaine staging and transshipment locations in Mexico were reported. Anticipating a possible increase in the use of maritime cargo shipments, the NBRF expanded the scope of its operations in 1992 to include maritime interdiction programs.

The Mexican Army prosecuted a regional commander, a battalion commander, and four lower-ranking officers following their involvement in the 1991 fire fight with Mexican Federal Judicial Police who had been pursuing a drug-laden aircraft. Seven police officers were killed during that action. Some additional police and military commanders were removed from office or arrested for illegal activity related to drug smuggling. Unfortunately, corruption in the Army continued in spite of these attempts to eradicate it, and it was endemic in certain local areas. Moreover, the Army traditionally has been somewhat independent of federal civilian control.

In 1992, relations with Mexico were strained by a U.S. judicial decision that supported extraterritorial action in the ALVAREZ-Machain case. In 1990, Humberto ALVAREZ-Machain, a Mexican physician, was spirited out of Mexico to the United States where he was charged and subsequently tried as an accomplice in the 1985 abduction, torture, and death of DEA Special Agent Enrique Camarena at the hands of a Mexican drug trafficking group. The U.S. Supreme Court subsequently ruled that ALVAREZ's abduction did not violate the United States–Mexican extradition treaty. This decision also resulted in strained relations with other Latin American countries since those countries' governments felt that the Court decision condoned "illegal" extraterritorial action by the United States.

The Salinas administration emphasized "Mexicanization" of its counter-drug efforts in 1992, stressing its independence of U.S. support. In June, a national Center of Planning for the Control of Drugs (*Centro de Planificación para El Control de Drogas* or CENDRO) was created by the Government of Mexico. This center engaged in strategic planning, evaluation, and operational coordination and encouraged the exchange of information on drug trafficking under the auspices of the Attorney General's Office (*Procuraduría General de la República* or PGR). In October, a 24-hour watch center was opened by CENDRO.

The PGR arrested Rafael and Eduardo MUNOZ-Talavera, reputed heads of the Juárez Cartel. Javier PARDO-Cardona, a high ranking Medellín Cartel member also was arrested in Mexico. Rafael CARO-Quintero, Miguel Angel FELIX-Gallardo, and Ernesto CARRILLO-Fonseca, all major traffickers, were transferred to a maximum-security, federal prison in Almoloya de Juárez.

## NICARAGUA

Nicaragua played a growing role in cocaine trafficking due to its proximity to traditional air and sea smuggling routes to the United States. Drug traffickers shipped cocaine from Colombia's San Andrés Island to Nicaragua's Corn Island and the ports of Puerto Cazebas and Bluefields. The cocaine was then transported north or was carried to the Pacific coast and then shipped north. Although some large seizures were made on the Pacific coast, Nicaraguan police efforts were complicated by the lack of an operational anti-drug force. The National Police were authorized in October 1992 to create a dedicated anti-drug unit, which is scheduled to become operational in 1993. Police seized 72 kilograms of cocaine in 1992, an increase over previous years. Rumors that former Sandinista officials within the security services were directly involved in illicit drug trafficking abounded; however, there was little documented evidence to support those rumors.

## PANAMA

Panama remained a key transit country for Colombian cocaine being sent to the United States in 1992. Panama also served as a major money-laundering location for the drug cartels. Although Panama has extensive regulations governing financial transactions, the Colón Free Zone remained an attractive location for South American money launderers. Despite the large volume of trade conducted in Panama, there was no indication that any large-scale diversion of chemicals took place there over the past year.

In July 1992, Panama's *Policía Técnica Judicial* raided a front company for Colombian drug traffickers, viz., CELESTE INTERNATIONAL, S.A., which was located in Panama's Colón Free Zone. Raids on the company resulted in the arrest of the company owner and his daughter and the seizure of approximately 5.3 metric tons of cocaine concealed within ceramic tiles.

In December, Panama's Attorney General, Rogelio CRUZ, was suspended following his release of previously frozen drug-related bank accounts. Ariel ALVARADO, the anti-drug chief, also was suspended because of his alleged involvement. Charges were subsequently dropped against ALVARADO.



The  
Bahamas

Caribbean  
Sea

Cuba

Haiti  
Dominican  
Republic

Jamaica

Trinidad  
and Tobago

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## **THE CARIBBEAN**

### **THE BAHAMAS**

The eastern Caribbean was a major operational area for traffickers in 1992. Although there was some significant trafficking through that area, increased enforcement operations around The Bahamas forced traffickers to adopt routes that avoided that country and its waters. The Bahamas and the United States continued their joint patrolling of the seas and airspace around The Bahamas, which resulted in more than 4.8 metric tons of cocaine being seized during the year.

The Bahamian Government tightened its laws relating to money laundering and its commitment to drug law enforcement. The Bahamian Government extradited Nigel Bowe, a lawyer for known drug traffickers, to the United States, and three police officers were arrested prior to a planned break-in of a police evidence locker, which contained confiscated drugs.

A Joint Information Coordination Center became operational in 1992 and exchanged data with the DEA El Paso Intelligence Center. Operation BAT (OPBAT), a joint operation of the Royal Bahamian Police and U.S. law enforcement agencies, was active along with Operation OPBANDIT, a similar effort based in South Florida. Bahamian officials rode on U.S. ships in the area and engaged in drug interdiction patrols.

Traffickers used twin-engine aircraft to airdrop drugs to go-fast boats in 1992. Favored airdrop sites included the southern Bahamas in the vicinity of Acklins Island, Andros Island, Cay Sal Bank, Long Island, Mayaguana, Ragged Island, and Great Inagua. Traffickers who flew to those areas enjoyed unimpeded routes over Cuba and Hispaniola by flying in commercial air corridors. Intelligence indicated that smugglers used legitimate flight plans to mask their activity.

### **CUBA**

Although the Cuban Government increased its cooperation with foreign drug enforcement organizations in 1992, cocaine traffickers used international air corridors to cross Cuban air space and Cuban territorial waters to avoid U.S. interdiction at sea. The Cuban Government attempted to deny the use of its territory to traffickers; however, Cuba experienced shortages of fuel and spare parts, which hampered its law enforcement and interdiction activities, and rumors persisted about the

involvement of senior Cuban Government officials close to Fidel Castro in drug trafficking.

Cuban Government information reflected the seizure of some 313 kilograms of cocaine plus an additional 724 kilograms that had washed ashore. Thirty-seven defendants from two Cuban trafficking organizations were sentenced to prison for up to 11 years. Twelve additional traffickers were arrested by Cuban border guards in 1992. Drug traffickers who are apprehended by Cuban authorities are charged not only with drug smuggling as appropriate but also with illegal entry into Cuba, adding to their prison sentences. Drug smugglers are routinely released, however, after serving only three to six years.

The U.S. Coast Guard and the Federal Aviation Administration routinely provided data to Cuban border guards on suspicious vessels or aircraft operating in or around Cuban territory. In the past, the Cuban Government has threatened to shoot down airspace violators; however, there have been no such downings for several years.

## **DOMINICAN REPUBLIC**

Hispaniola also was used by traffickers as a transit area for cocaine in 1992. The Dominican Republic's proximity to the United States and its large number of airstrips and coastal areas make it vulnerable to drug trafficking, and local criminals with links to Dominican gangs in New York engaged in cocaine trafficking. Cocaine seizures in the Dominican Republic by the National Drug Control Directorate (DNCD) came to 2.36 metric tons in 1992 compared to 1.81 metric tons the year before. The DNCD seized \$186,298, more than 200 weapons, 211 vehicles, 197 motorcycles, and eight vessels. More than 4,480 Dominican nationals were arrested on drug charges in 1992 along with 264 foreign nationals. The armed forces increased their participation in counter-drug missions. The Dominican Air Force was hampered, however, by a lack of night flying capability. The Dominican Republic was not a major money-laundering center.

## **HAITI**

Haiti was another significant transshipment point for cocaine being smuggled to the United States during 1992. Colombian traffickers have operated in that nation with virtual impunity since a government coup d'état occurred in September 1991. The lack of effective indigenous law enforcement resources combined with a large number of uncontrolled air strips, an unguarded coast line, and a mountainous interior made Haiti an attractive way station for illicit drug traffickers. Corruption in Haiti was

widespread. In 1992, although the military regime stated its intent to expel any individual involved in illicit drug trafficking, several mid-ranking officers and enlisted personnel were expelled, but they were not charged or tried in court. The Haitian government did allow hot pursuit of suspect aircraft and maritime vessels into Haitian territorial waters, but there were only limited cocaine seizures in the country. Intelligence suggests that large shipments of cocaine routinely passed through Haiti unimpeded. Haitians were arrested in large numbers in the United States for making multi-kilogram deliveries of cocaine.

The Haitian National Narcotics Bureau, which reports to the Chief of Staff of the Armed Forces, investigated drug violations. A Center for Information Coordination was established, which collected, analyzed, and disseminated information on drug trafficking.

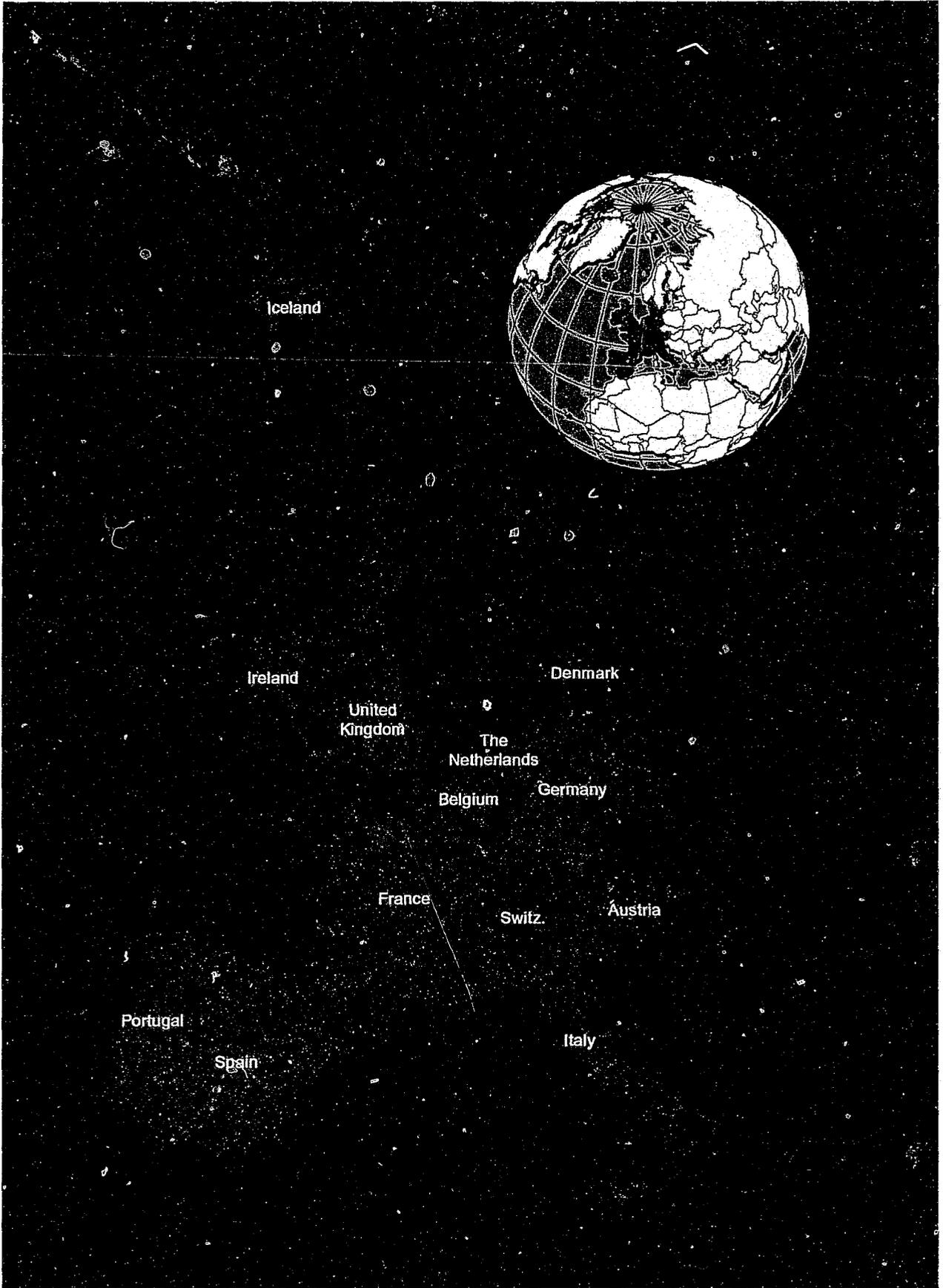
## **JAMAICA**

Jamaica's long coastline and small security forces make conditions ideal for drug smuggling. The nation's strategic position near sailing routes also enhances its attractiveness as a way station for drug smuggling vessels. Couriers regularly transit Jamaican airports with cocaine. In 1992, couriers made use of Jamaica's two international airports to carry one or two kilograms of cocaine in their luggage or on their persons. Over 4,000 Jamaicans and some 500 foreigners were arrested on drug charges during the year. Sixty kilograms of cocaine were seized by Jamaican authorities and some 412 kilograms were confiscated as a result of a DEA-controlled delivery.

A U.S. National Guard radar system, installed in western Jamaica in 1991, was used to track suspect aircraft, and a Jamaican Joint Information Coordination Center (JICC) exchanged intelligence data with U.S. and other law enforcement organizations. A Contraband Enforcement Team and the Port Security Corps made several seizures during the year. Jamaican authorities seized 709 "rocks" of crack cocaine during 1992, in addition to the cocaine cited above.

## **TRINIDAD AND TOBAGO**

Trinidad and Tobago lies off the coast of Venezuela and was used by cocaine traffickers to facilitate maritime shipments of cocaine to the United States. The local police and customs services were hampered by corruption and a lack of resources. U.S. and British authorities worked with local agencies during 1992 to professionalize anti-drug capabilities and to root out corruption. Rumors persisted, however, of high-level official corruption. Three cocaine seizures of nine to 26 kilograms in size occurred in 1992.



Iceland

Ireland

United Kingdom

Denmark

The Netherlands

Belgium

Germany

France

Switz.

Austria

Portugal

Spain

Italy

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## **WESTERN EUROPE**

Growing quantities of cocaine were shipped to Europe in 1992 where kilogram prices were higher than those in the United States. Sporadic reporting indicated that U.S. traditional organized crime families with European ties may have used the United States as a base of operations for the export of cocaine to Europe in exchange for heroin.

### **AUSTRIA**

Austria was used as a transshipment point for cocaine. Seizures were made at Austrian airports and at train stations. The cocaine was smuggled, principally by body carry or in personal luggage. In 1992, Austrian authorities seized 69 kilograms of cocaine. They also monitored suspicious bank accounts in the names of known South American drug dealers.

### **BELGIUM**

Belgium was also used by Colombian drug traffickers to ship cocaine destined for markets in the Netherlands and Germany. In 1992, Belgian authorities arrested several Cali Cartel operatives and seized over one metric ton of cocaine.

### **DENMARK**

Denmark occasionally was used by traffickers to transship cocaine to markets in other European countries, particularly in the Scandinavian countries.

### **FRANCE**

There was increased cocaine availability in Paris and in southern France near its borders with Italy, Spain, and Switzerland. The wholesale cocaine market in France was dominated by Colombian organizations, which sometimes worked in collusion with Italian Mafia interests, particularly in southern France. Over 1.6 metric tons of cocaine were seized in France in 1992, including the single largest seizure of cocaine to date in France (613 kilograms seized in late summer).

Cocaine was also transshipped through France to other major European markets, concealed in commercial air and maritime cargo. The French Government cooperated with DEA in drug money-laundering cases.

## **GERMANY**

Germany was a major consumer country for South American cocaine, and there were some limited seizures of crack cocaine in Germany. Germany was a major source of chemicals used in cocaine processing, and Cali Cartel operatives made extensive use of the German banking system for money-laundering purposes.

## **ICELAND**

Cocaine has transited Iceland and authorities were concerned about the growing purity of cocaine encountered at the street level there.

## **IRELAND**

Ireland has the potential to become a transit country for cocaine being shipped from Latin America to Europe although no large amounts were seized in 1992. In the past, rumors have suggested that some members of the Provisional Irish Republican Army may, from time to time, have engaged in the production and sale of amphetamines in order to raise money for their cause.

## **ITALY**

South American traffickers increased their exports to and through Italy. They sought links with organized crime families through cultural and ethnic ties with Brazil and Venezuela. Some small amounts of cocaine also may have transited Malta to Italy.

## **NETHERLANDS**

South American traffickers took advantage of historical and cultural links between Suriname, the Netherlands Antilles, and the Netherlands in order to facilitate cocaine distribution in other European countries. Cocaine was shipped in bulk to the Netherlands in commercial air and sea cargo. Schiphol International Airport as well as port facilities in Amsterdam and Rotterdam were key transit points for South American traffickers who were servicing the European market.

Dutch authorities believe that between \$6 million and \$2 billion in drug-related proceeds are laundered in their nation each year. In addition, Dutch authorities arrested 29 Ghanaians in 1992 who had shipped cocaine and heroin into the Netherlands by way of Ghana. The Dutch also signed an asset-sharing agreement with the United States in November 1992.

## **SPAIN AND PORTUGAL**

Traffickers used Spain and Portugal as entry points for cocaine at significant levels, reflecting their exploitation of cultural, ethnic, and historical ties with the peoples of Latin America. Spanish seizures of Colombian cocaine in 1992 were less than those in 1991 although Spain remained a principal gateway to Europe for the drug.

Evidence came to light that showed that Colombian traffickers were making greater use of those North African nations, which lie in close proximity to the Iberian Peninsula, in order to stage and transport large shipments of cocaine. The Colombians are suspected of having purchased large aircraft, in part, to transport cocaine in bulk from Africa to Europe. Some cocaine was also shipped to the Iberian Peninsula from the Cape Verde Islands. Spanish authorities participated with Portuguese law enforcement officers in the 1992 seizure of 1.8 metric tons from a vessel that was sailing off the coast of Portugal. Portuguese authorities seized another 1.9 metric tons of cocaine, and Portuguese police arrested over 3,200 individuals on drug-related charges during the year.

## **SWITZERLAND**

Switzerland was used as a transit country by Colombian traffickers, who were shipping cocaine to major markets in Europe. Switzerland stepped up its enforcement actions against drug money laundering, and Swiss authorities received almost \$2.5 million in 1992 as a result of asset-sharing agreements with the United States. Swiss police seized 168 kilograms of cocaine at Zurich and Geneva airports.

## **UNITED KINGDOM**

The United Kingdom was a consumer country for both cocaine and crack cocaine. Crack was readily available in London and other metropolitan areas in the United Kingdom. The amount of cocaine shipped to the United Kingdom as well as to the rest of Western Europe increased during the year. It was shipped to the United Kingdom, both directly from Latin America as well as from the Continent, often concealed in the large volume of commercial cargo that is shipped to and through the country. In 1992, British authorities seized over 2.5 metric tons of cocaine, including a single seizure of one metric ton. The United Kingdom moved to tighten currency restrictions in order to reduce the use of financial institutions in the Channel Islands and the Isle of Man by drug money launderers. Almost \$12 million was frozen or forfeited in 1992. In addition, 24 prosecutions for drug money laundering were undertaken by the Crown during the year.



Russia

Poland

Hungary

Romania

Bulgaria

Albania

Armenia

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## **EASTERN EUROPE**

The emerging Eastern European democracies were targeted throughout 1992 by Latin American cocaine trafficking organizations, which were seeking new routes for sending cocaine to Europe. There was also a potential for cocaine traffickers to take advantage of evolving financial regulations in Eastern Europe to launder their drug profits.

According to the financial press, about \$10 billion in drug monies enter Europe's financial systems each year. European countries in which significant money-laundering activities have been identified include Switzerland, Luxembourg, and Liechtenstein. The emergence of the single European market in 1993 will result in an increase in the free movement of people, goods, services, and capital within Europe. This development will be fully exploited by drug traffickers. The recent dramatic changes in Eastern Europe and the newly independent states there already have provided traffickers with new opportunities. The emerging democracies may develop into significant money-laundering centers. The movement toward market economies, expanded foreign trade, and convertible currencies will continue to offer new avenues for international organized criminal activities.

## **ALBANIA**

Italian Mafia elements increased their presence in Albania, principally to support heroin importation from Southwest Asia. However, Operation GREEN ICE revealed on-going links among such criminal elements, traffickers from the Low Countries, and Colombian cartel operatives.

## **ARMENIA (Former Soviet Republic)**

In 1992, 12 kilograms of cocaine were seized in Armenia, suggesting that international traffickers are looking for new markets and transit locations and already are capable of exploiting the current political situation in Transcaucasia for their own benefit.

## **BULGARIA**

Intelligence suggested that Colombian organizations had established contacts with local criminal elements in Bulgaria, possibly to send cocaine to Western Europe through the "soft underbelly of Europe," by taking advantage of opening trade links and limited law enforcement capabilities in the Balkans.

## **HUNGARY**

Hungary has established a banking system that permits the use of numbered accounts and false names. Such a system could attract money launderers who could make Hungary a repository for accounts transferred from Austria and other countries. Hungary has, however, shown its willingness to cooperate on international drug cases.

## **POLAND**

Poland was another transit country for cocaine in 1992, and Poland has the potential to serve as a transit location for the shipment of essential chemicals as well. Large quantities of acetone have been shipped through Gdansk to Venezuela from German chemical firms.

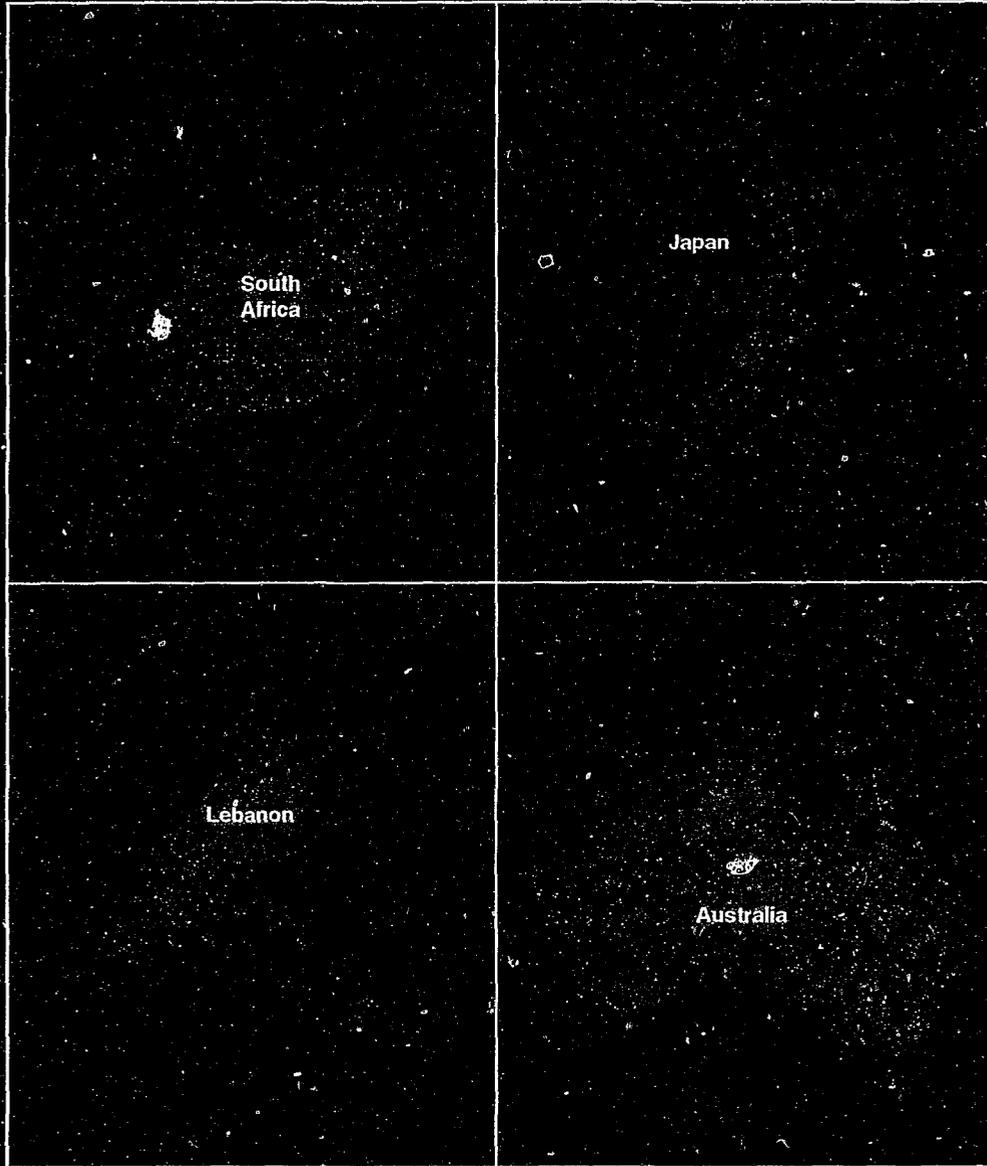
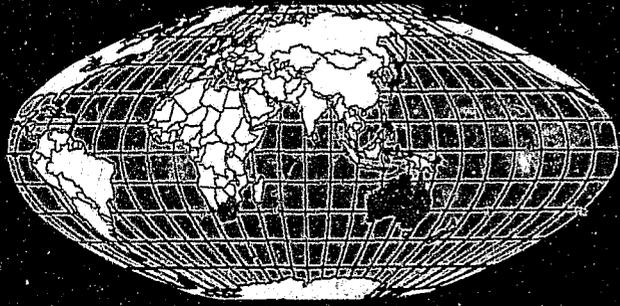
## **ROMANIA**

In March 1993, 95 kilograms of cocaine were seized in Romania from marble statues that had been shipped to Romania from Venezuela.

## **RUSSIA**

In early 1993, law enforcement elements in Russia seized over 1 metric ton of Colombian cocaine that had transited Finland. That cocaine shipment, which was meant for European markets, had been arranged by Israeli criminals who had links to Russian traffickers. Kilogram quantities of cocaine have been seized at Moscow's Sheremetyevo International Airport over the last few years. In all cases, the shipments were intended to transit Russia on their way to more lucrative markets in Western Europe.

In January 1993, Peruvian police seized 6.7 kilograms of cocaine that had been concealed in a shipment of shoes being sent to Moscow. Small quantities of cocaine transited the Baltic Republics of Estonia and Latvia to Western Europe, particularly Scandinavia.



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## **OTHER COUNTRIES**

### **AUSTRALIA**

Cocaine trafficking to Australia was accomplished principally by individuals who smuggled quantities of the drug concealed on their persons. Most of these smugglers flew to the continent from the United States. Overall, seizures declined during 1992; most seizures were below two kilograms. There was some evidence suggesting that an unknown quantity of cocaine was transshipped through Australia to other nations in Asia. In 1992, 6.3 kilograms were seized in New Zealand.

### **JAPAN**

Since 1988, South American traffickers have attempted to raise the demand for cocaine in Japan. Japanese prosperity is attractive to traffickers who are seeking to expand their markets. As far back as 1986, cocaine prices were very high in Japan, at \$160 to \$180 per gram and \$160,000 to \$180,000 per kilogram. By late 1989, prices ranged from \$70,000 to \$75,000 per kilogram. In 1991, the price for a gram of cocaine was only \$560 and just \$70,000 per kilogram. In 1992, a growing number of Colombians with possible links to the cocaine cartels visited Japan. In spite of Colombian cartel efforts, there still does not appear to be any significant penetration of Japan nor does there appear to exist any sizeable cocaine user population.

Previous intelligence reveals that Japanese organized crime groups (Yakuza) were involved to an unknown degree in domestic cocaine trafficking. DEA believes that any expansion of the cocaine trade in Japan by South American cocaine traffickers will only come through collaboration with the Yakuza. In 1991, Japanese authorities reported that a total of 22.5 kilograms of cocaine was confiscated. In 1992, the police seized approximately 31 kilograms of cocaine. Although there have been no large cocaine seizures in Japan in recent years, Japanese authorities remained concerned that the cocaine problem was increasing in their island nation.

## **LEBANON**

Lebanon was a principal processing location for cocaine base that had been imported from Latin America, principally from Colombia. Cocaine was refined from cocaine base in several hundred cocaine conversion laboratories located in the Bekaa Valley. The cocaine was packaged and then shipped—sometimes through Jordan—to markets in the Persian Gulf or Europe where prices are very high.

Cocaine has been smuggled to Israel in exchange or payment for heroin refined in Lebanon, which Israeli organized crime groups then smuggled to the United States. As cocaine production continues in Lebanon, its availability also may increase in Israel.

Enforcement in Lebanon was only sporadic and limited during 1992. In December, a cocaine processing laboratory and a small amount of cocaine were seized by Lebanese authorities in conjunction with a 7.5 metric-ton hashish seizure in the Bekaa Valley. In May 1993, 130 kilograms of cocaine base were seized at Beirut's port, and several cocaine laboratories were destroyed by Lebanese Judiciary Police in the Bekaa Valley.

## **SOUTH AFRICA**

Although not yet a major transit or destination point for South America cocaine, South Africa has the potential to become a significant drug transshipment location. South Africa has long enjoyed good trade relations with Latin American nations such as Chile and Argentina. Its excellent international maritime and air connections, which are likely to improve dramatically following the lifting of international economic sanctions and the resolution of constitutional issues, will likely be exploited by cocaine traffickers who are seeking new markets and new routes.

Nigerian traffickers used Varig Airlines from Rio de Janeiro to smuggle cocaine into South Africa in 1992, probably for onward shipment to Europe. It is also possible that Nigerian traffickers could take advantage of direct flights from South Africa to the United States.

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## CONCLUSION

The ability of the cocaine cartels in Colombia and the many trafficking groups in countries throughout the world to feed a growing demand for this drug has been amply illustrated during the past several years. In every country mentioned in this report, the level of trafficking and the amount of cocaine being smuggled has risen every year over the previous year. In spite of the sometimes heroic efforts exerted by law enforcement agencies, the cartels have had the resources and the ruthlessness not only to maintain, but to increase the size of their illicit trade, their profits, and their empires.

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