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DCSA



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CONTENTS

FOREWORD

FIRST PART

Status and **world** trafficking trend

General aspects	9
North, Central and South America	11
Northwest Africa	19
Europe	23
Middle East, Central Asia and Russian Federation	25
South East Asia	32

SECOND PART

Status of country

Role of the organised crime group	
National criminal organizations	39
Foreign criminal organizations	42
Non-EU foreign crime groups	45
Turnover	55
National counter-narcotics activities	
Drug operations	56
Drug seizures	59
Persons reported to the Judicial Authority	63
Drug abuse deaths	77

THIRD PART

International cooperation

81

Foreword

The 26th edition of the Annual Report, covering activities in 2007, drawn up by the Direzione Centrale per I Servizi Antidroga is a survey on the status of the drug trafficking as well as a useful tool to identify an effective strategy to fight against the ever-increasing drug threat. Basically, this report is an analysis of the operational data provided by the Italian investigative services and based on the fundamental contribution of the Drug Experts, posted in the source and transit countries. This survey gives an idea of this multifaceted phenomenon, describing the geographical areas concerned, the drug trend at international level and finally identifying its impact on the national territory.

Several political and enforcement initiatives were taken by the international Community and by the Local Authorities in this field; however, the production and trafficking in narcotic drugs are still increasing and this alarming situation is particularly dangerous for the population and because of the direct involvement of trans-national criminal and terrorist organizations representing real and imminent threats for the public security worldwide.

The overall production of cocaine, and above all, of heroin is not decreasing and the European market is a prime target for the international drug trafficking organizations. The Old Continent, along with the U.S.A., is the first world market for the consumption of any kind of drugs, especially for cocaine and heroin, while the Italian one - considering the seizures carried out by the different law enforcement forces in our country - is currently ranked among the most important markets for cocaine and the second market for heroin (after the United Kingdom).

Thus, our Law Enforcement Forces have to face a major threat due to the increasing offer of

different types of narcotic drugs on the market and to the presence of criminal networks able to manage all phases of this illicit activity. Data pertaining to 2007 counter-narcotic actions clearly highlight a successful result that can be considered one of the best in the last fifteen years.

Italy, through the Direzione Centrale per I Servizi Antidroga - aware of the need to cope with such a complex and transnational phenomenon - is more and more involved in the most important international initiatives, sometimes as their promoter. These global forms of cooperation especially aim at curbing the drug flow towards the European market and at fighting against the toughest criminal organizations that, thanks to very high profits, are able to undermine public security at its base and destabilize numerous geographical areas all over the world. In this context, the opening of a Drug Expert's Office in Kabul really represents a strategic decision to accomplish an intelligence tool tailored for the main heroin source area and for its principal transit routes towards Italy and, at the same time, a fundamental instrument for counter-narcotics authorities. Moreover, international police cooperation is of paramount importance to successfully fight and finally dismantle the most dangerous criminal syndicates. To this purpose, a series of initiatives were taken, such as:

- the COSPOL Heroin Project, as "driver": this is a working group established by decision of the European Police Chiefs Task Force in order to draw up a short-term strategic and operational plan, to effectively fight against criminal networks operating in the heroin trafficking field, in Europe;
- the participation in the C.A.R.I.C.C. (Central Asian Regional Information and Coordination Centre), located in Almaty

(Kazakhstan), together with the Central Asian Republics, Russia, Azerbaijan and Afghanistan. This is the core of operational information exchange, of joint analysis of data and of international cooperation, and an essential tool for the harmonization of the enforcement efforts against the production and trafficking in opiates in Central Asia;

- *the participation in the MAOC(N) – Maritime Analysis and Operations Centre (Narcotics) – together with Spain, Portugal, France, England, Ireland and the Netherlands. This is an operational and intelligence centre, located in Lisbon, dealing with monitoring and controlling maritime cocaine trafficking, bound for Europe through the Atlantic Ocean, including the Mediterranean Sea;*
- *the promotion, along with the corresponding authorities in France and Spain, of the creation of an intelligence centre in the Mediterranean Sea, for the fight against the drug trafficking in the so-called “Mare Nostrum”, with the*

participation of all Countries located along the coasts of Western Mediterranean Area;

- *the start of a project of information sharing, with the contribution of all European Liaison Officers posted in the Western African Countries. This area is more and more used to receive and stock huge quantities of cocaine, that are here parcelled out and destined for European markets. This project also envisages professional training courses and technical and human support, in favour of the local police unit, to improve their effectiveness in the fight against drug trafficking.*

This brief overview demonstrates that drug trafficking is the key factor in the evolution of international organized crime.

This is why D.C.S.A. has a vital role as information and propulsive tool for all Police Forces operating in our country, even thanks to its high levels of expertise and specialization in this field and the cooperation with the different Institutions committed in safeguarding the national security system.

IL DIRETTORE CENTRALE
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FIRST PART

STATUS AND WORLD DRUG TRAFFICKING TREND

GENERAL ASPECTS	9
NORTH, CENTRAL AND SOUTH AMERICA	11
Colombia	12
Peru	13
Bolivia	14
Venezuela	15
Brazil	16
Argentina	17
United States of America	18
NORTHWEST AFRICA	19
Senegal	21
Morocco	22
EUROPE	23
Spain	24
Portugal	24
France	25
Ireland	25
Eastern Europe	25
MIDDLE EAST, CENTRAL ASIA AND RUSSIAN FEDERATION	25
Afghanistan	26
Central Asia Republics	27
Pakistan	28
Iran	28
Turkey	29
Lebanon	30
Russian Federation	30
SOUTH EAST ASIA	32
Myanmar	32
Laos	33
Thailand	34
Philippines	35

STATUS AND WORLD DRUG TRAFFICKING TREND

GENERAL ASPECTS

According to the United Nations Office on Drugs and Crime (UNODC) data, cocaine production in South America and heroin production in Afghanistan increased and respectively reached 984 tonnes and 610 tonnes in 2006. As to 2007, Afghan heroin peaked at 820 tonnes, that is 93% of the world production. The big international cartels exploited this over-production, trying to find new routes and new trafficking patterns. This illicit money was then re-invested in drug trafficking as well as in financing guerrilla and terrorist networks or the most dangerous crime groups. All these criminal syndicates had strong ties to respond to the increasing demand of the illicit markets.

The regular decrease of coca bush crops in Colombia (since 2002 -23.52%) has caused a cautious optimism that cannot be observed from the results of the actual yield of cocaine in the whole region. At present, the "cocaleros" have four crops per year and every harvest of coca leaves has been significantly larger with respect to the past years. Moreover, the innovative farming methods and the use of up-to-date chemical substances has improved coca leaves productivity. In addition, the pressure of the International Community and of the Colombian Police Forces has created a slow but constant increase of crops and production in Bolivia and Peru, where the Colombian (FARC, AUC and Norte del Valle Cartel) and Mexican drug traffickers groups are more and more interested in the farming methods of family clans or of small organized groups. Furthermore, the Colombian FARC have crossed the neighbouring countries borders such as Ecuador, Venezuela and Brazil in order to control the ports of departure of drug shipments bound for European and American markets. The flexibility of Colombian drug Cartels was mostly demonstrated by their great ability to change the cocaine transit routes. Besides the well-known, but always vulnerable, sea routes from South America to Europe – first of all, the one directly coming from the Iberian Peninsula – the African Route has gradually become more important. At first, it was used to smuggle drugs, through the Atlantic Ocean, to the Guinea Gulf Countries and to the Western African Countries: once here, drugs were transported overland to the African coasts



Venezuela - Cocaine seizure

of Southern Mediterranean Sea (Morocco, Algeria, Libya and Tunisia) and then, by sea on board fishing boats, onto Europe.

In this context Italy, through D.C.S.A., has been participating in the most important initiatives on international cooperation, sometimes as promoter. In particular, Italy:

- established, together with France, Ireland, the Netherlands, Portugal, United Kingdom and Spain, the MAOC (N) (Maritime Analysis and Operations Centre – Narcotics), located in Lisbon (Portugal), that is a real intelligence barrier along the European and North African coasts of the Atlantic Ocean, to combat the cocaine trafficking by sea;
- is carrying out, in partnership with French and Spanish corresponding Agencies, a project aimed at improving the intelligence system in the Western Mediterranean Sea. This project will be performed through the Liaison Officers network in African and European countries concerned and the establishment, in Europe, of a data collection centre for the analysis and coordination of the counter-narcotics investigations, to combat drug trafficking in the Mediterranean Sea.

As previously said, 93% of heroin was produced in Afghanistan and this production outnumbered, by about 30%, the global demand. Reasonably, in the next two years in Europe, a new flow of heroin at low prices and high purity degree, might cause an

increase in injecting drug use and in drug overdose deaths. Heroin manufacture in Afghanistan is essentially something new. In the past, the Afghan raw opium was exported and then processed and transformed – into morphine and then into heroin – in Pakistan and Turkey. Nowadays, about 70% of Afghan opium is processed in Afghanistan and then transported to the final destination markets, in particular to Russia, Europe, China and U.S.A. . This trafficking also fuelled illicit markets in the transit areas where drug addiction and HIV infection have increasingly spread. Moreover, the trafficking in precursors and chemical substances from Europe and China used the same routes backwards. This phenomenon is of paramount importance for two reasons: first of all, it lays out illicit trafficking routes and then it represents a necessary stage for the production of heroin, that cannot do without these specific chemicals. The Afghan borders – scarcely controlled because of their particular orographic shape and of the inadequate enforcement capacity - are crossed by the crime groups smuggling opium and heroin into the neighbouring countries. The latter are starting points of heroin shipments towards the illicit markets, in particular to the Russian one, along the so-called Northern Route, as well as transit areas to Northern European Countries and Europe, through Iran and Turkey, on to the Balkan Route. Large-scale production and trafficking are controlled by the Warlords, and are carried out through heavy taxation (rights of way of vehicles transporting drugs, loans to farmers, taxes on the use of laboratories and on crops, imposition of protection services). Italy is strongly committed to combat heroin trafficking at international level. In particular, on August 1st 2007 the Drug Expert Office in Kabul was opened. In this way, our investigative units and the Judicial Authorities will have effective results, ensuring the exchange of information with local judicial and police services. In addition, Italy is leading the COSPOL Project on Heroin Trafficking, as driver: this is a European Task Force conducting a short-term operational and strategic plan to combat the criminal networks involved in heroin trafficking destined for the European Union. However, cannabis resin (hashish) was the most abused illicit drug. Notwithstanding the decrease of cannabis crops in the Reef area, Morocco was the major zone of hashish production that will then reach the illicit European markets, above all

through the Iberian Peninsula. Moreover, other routes originating from Algerian, Libyan and Tunisian ports were used by the local criminal organizations to smuggle drug shipments to the EU Countries, above all to Italy, Spain and France. Furthermore, in the course of 2007 marijuana trafficking from Albania was stabilized and most of seizures carried out in Italy were made along the coasts of Puglia and in the Otranto Channel. As far as the international cooperation is concerned, Italian investigative units supported Albanian police services to carry out seizures of cannabis bound for the Italian market, directly in Albania. Finally, the phenomenon of the European production of synthetic drugs – in particular, ecstasy – cannot be neglected: this problem is not only fuelling the European trade but also the illicit market all over the world (above all, US and Australian markets). Synthetic drugs trafficking was extremely parcelled out and difficult to detect. Major Italian criminal organizations did not seem interested in this illicit trade: they preferred large scale shipments abroad or they swapped synthetic drugs for other narcotics, especially cocaine. Europe has become the centre of major trafficking routes originating from the West and East area and from Africa because of the saturation of the US cocaine market, of a new demand of heroin, of an increasing demand of cannabis derivatives and of the presence of crime groups that are able to manage significant quantities of drugs. Drug trafficking routes and methods of transportation depended upon the quantities of narcotics transported, upon the ability of the crime syndicates involved and upon the counter-narcotics measures adopted by the different enforcement forces operating in the destination and transit Countries. However, a difference should be made between:



Bolivia - Destruction of coca leaves

- small drug lots, almost exclusively smuggled by couriers travelling by air and transporting small quantities in corpore, on their bodies, or inside their luggage;
- more significant shipments, transported by organized crime groups and concealed inside legal goods, onboard vehicles or inside the metal frames of containers;
- multi-tonnes shipments, carried out by the most important international criminal organizations, mainly regarding cocaine. In most cases, drugs are bound for Spain, playing the role of "entry point" into Europe.

The routes envisaged:

- the transit in different airports, before reaching the final destination;
- the direct arrival of drug lots, concealed inside legal goods, in the destination Country;
- the transshipment of drug loads in Atlantic waters, where narcotics are recovered by speedy boats (often from Galicia) or Spanish and Northern African fishing-boats, and then introduced into the Iberian Peninsula;
- the unloading of shipments in the Canary Islands or in the archipelago of Cape Verde or in the Western African Countries, where they are stocked and then parcelled out to the final destination, using the above-mentioned methods or overland, to the Mediterranean coasts, where they are loaded onboard fishing-boats.



The geographical position of our country - a sort of land and maritime issue to the so-called Balkan Route – the presence of major international criminal organizations, in particular the 'Ndrangheta and the Camorra, and the increasing demand of narcotic drugs, especially cocaine, have made Italy an interesting target for the

criminal networks operating in the narco-trafficking sector and one of the major destination markets of the whole European Union. This factor determined, also in 2007, an increase in the activities of counter-narcotics enforcement.

NORTH, CENTRAL AND SOUTH AMERICA

According to UNODC, a slight increase in South-American cocaine production was noticed: it passed from 980 tonnes of 2005 to 984 tonnes in 2006. Out of them 610 tonnes were produced in Colombia, 280 in Peru and 94 in Bolivia.

These data can be compared to the cultivations trend, indicating a decrease in their extent (from 159,600 hectares in 2005 to 156,900 hectares in 2006). So, it is evident that notwithstanding the eradication methods and air fumigation as well as the strong efforts of the national Authorities and international Organizations (such as, the UN Organization mentioned above), the narco-traffickers crime groups kept on supplying the world illicit markets. The US cocaine market is completely saturated; on the contrary, in Europe a rise in the demand of this drug was recorded. The use of modern farming methods and of specific chemical substances in the processing and refining stages of cocaine led to a major productivity. The crops have in fact increased – from 1.86 tonnes of dried leaves per hectare to 1.47 tonnes in 2000 – and also the final product grew up (in 2006, to get 1 kg. of cocaine, 297 kg. of dried leaves were used while, in 2000, 370.6 kg. were used for the same result). Another negative consequence of the use of chemical substances and air fumigation was the environmental pollution, mainly caused by the chemicals disposal into rivers and woods. In addition, the illicit trafficking in chemical substances which are necessary to process cocaine caused another threat factor and a major business for criminal organizations.

Organized criminal syndicates were active in all phases of cocaine trafficking, from the cultivation of coca leaves to the trade in chemical substances, and to the production and transport of large quantities of this drug. Drug traffickers strategies are continuously looking for new trafficking patterns in order to elude the counter-narcotics efforts that are concentrated in South America, especially in Colombia. As a consequence, an involvement of other regions, such as Venezuela, Brazil and, above all, the Western African Countries was

noticed. These areas are used to stock huge quantities of cocaine ready to fuel the illicit markets (in particular the European ones) and are considered enormous warehouses where to move, in a quite safe way, the bulk of narcotic drugs. In Europe, the second world cocaine market, powerful criminal organizations have been operating in this sector: they are able to get huge quantities of drugs and easily distribute them. Among them, in Italy, the 'Ndrangheta and the Camorra have always had a key role. However, it is necessary to analyse the situation in Colombia in order to fully understand the phenomenon of cocaine production and trafficking in South America.

Colombia is the main cocaine producing country and the scene of major drug trafficking organizations that, controlling the whole cocaine productive chain as well as its illicit trade – besides that of heroin destined for North American market – are the international “actors” of the whole scenario.

The counter-narcotics enforcement strategies in Colombia mostly focused on the reduction of cultivations through air fumigations and on forced or voluntary eradications. In 2006, the local Authorities, considerably supported by the international organizations, achieved significant results: the coca bush crops were restrained below 80,000 hectares (UNODC data in cooperation with the Colombian Antidrug Agency) and reached the best results since 1997. However, cocaine production was stable, because a wide part of Colombian territory is controlled by the crime syndicates – even terrorist ones – that updated the coca leaves growing and processing methods and produced about 610 tonnes of cocaine. This production, even with a slight drop (-4.68%) with respect to 2004 and 2005 - when it totalled approximately 640 tonnes - recorded a remarkable increase with respect to previous years and represented about 62% of the world production. Moreover, Colombia - even thanks to the international police cooperation – is also strongly committed in the enforcement field. By now, for many years, the largest seizures in the world have been carried out in this Country (over 214 tonnes in 2005 with an average of 150 tonnes per year). In particular, in the course of the first semester of 2007, 42 tonnes of cocaine were seized and 980 laboratories for the manufacture

of cocaine paste, 69 for the manufacture of cocaine hydrochloride and 2 laboratories for the production of potassium permanganate (chemical substance used in the transformation phase of cocaine paste into hydrochloride) were dismantled. The Colombian Police Forces paid high tribute in human lives fighting everyday against tough, well-equipped and organized crime groups (108 police officers died and 103 were wounded during armed conflicts with the drug traffickers from 2000 to 2007).

In fact, the Colombian criminal organizations can be considered the major threat in this scenario: they managed to control the whole drugs productivity process and organized the global illicit trafficking. In this country, there are essentially three big crime groups:

- the Fuerzas Armadas Revolucionarias de Colombia – Revolutionary Armed Forces of Colombia (FARC): this is a guerrilla movement and is considered the oldest and largest group of Marxist origin. It was established in 1964 and, nowadays, it controls a large area of the Colombian territory, above all in the South-East regions and in the Sub-Andean zones where the coca crops are mainly grown. In the past, the FARC's had only a revolutionary aim but nowadays, they make their own profits from the almost complete control on drug trafficking;
- the Autodefensas Unidas de Colombia – United Self-Defense Forces of Colombia (AUC): a paramilitary conservative federation established to protect peasants, farmers and landowners from the FARC actions and then transformed into a narco-trafficking organization, first as a self-financing method and then as an income source. A recent governmental programme demobilized the AUC in order to bring back peace in this area. Following this demobilization, new paramilitary groups were set up, always operating in the drug trafficking field;
- the Norte del Valle Cartel, one of the most powerful organizations and the only survived to the counter-narcotics enforcement efforts of the State against the large Cartels of the past (the most famous were the Medellin and Cali Cartels). This Cartel operates in the North of the Valle del Cauca region and in the course of the years, has always dealt with both the above-mentioned organizations, improving its skills in the drugs trafficking sector.

In addition, there is a myriad of small low-profiled

crime groups and it is very difficult to find them out and destroy. These clans sometimes operate through front companies and have technical equipment, legal consulting networks and cover identities. They developed a high skill in making temporary alliances with the above-mentioned most important criminal organizations, carrying out even significant trafficking and laundering large sums of drug money.

The strong pressure of Colombian counter-narcotics Authorities, forced the most powerful organizations to move the bulk of cocaine produced out of the Colombian borders, to places located near the ports of departure for the illicit consumption markets, that is in Venezuela, Brazil and Ecuador. Later on, cocaine is moved to its final destination through different methods, according to the quantities and crime groups concerned. Such a huge cocaine trafficking corresponded to an incredible drug-money flow. The narco-traffickers organization could not undervalue the primacy of Euro with respect to the US Dollar. With regard to the cocaine trafficking – that is entirely carried out in US Dollars (from the production to the distribution within the two American Continents) – European criminal organizations had an additional type of profiteering, because they used a hard currency and re-invested their profits, with the abatement of the operating costs (transportation expenses, corruption, money-laundering and so on). The interest of drug trafficking organizations in this currency (Euro) was so strong that recent assessments of the European Central Bank have highlighted a 500 € banknotes circulation in Spain that has been decidedly above the average in comparison with the other EU Countries. Moreover, DEA information revealed that in Colombia a flow of European currency, much higher than in the whole South-American Continent, was noticed. Although Colombia confirmed its primacy as main cocaine producer, the effective national and



Colombia - Air fumigation of coca field

international counter-narcotic measures have been progressively shifting this illicit business to Peru.

In **Peru**, according to 2006 statistics, 280 tonnes of cocaine were produced (+7.7% with respect to 2005), that is the major quantity produced since 1997. In that year, Peruvian coca crops and production exceeded the Colombian ones. This rise in production was facilitated by several factors, in particular:

- the Peruvian Constitution prohibits the use of chemical substances for air fumigations and, as a consequence, the reduction of illicit crops can only be made manually, on a voluntary or forced basis;
- the reconversion of illicit crops in the forests is forbidden: obviously, these areas are the most used to grow coca bushes;
- the farmers have lately stopped the voluntary eradication programmes, opposing to the local Authorities.

Furthermore, the trade in coca leaves represented one of the most lucrative activities in the whole sector, thus hindering the reconversion programmes of illicit crops.

In 2007, there were several cases of "Cocaleros" who, supported by the drug trafficking crime groups, laid mines near or inside the illicit cultivations. Moreover, in Peru there were no criminal organizations actually monopolizing this

illicit activities and, as a consequence, cocaine production became the target of the most powerful crime groups located in Colombia and Mexico. The links with the Colombian syndicates go back to the nineties when coca paste was processed and refined in that country. As to Mexican criminal networks, key figures of at least five Mexican Cartels were detected in Peru. Mexican criminal rings were dominating the illicit markets in the North American Continent and played a prominent part as heroin and synthetic drugs producers. Moreover, Peru, after Argentina and Brazil, was the major destination country for the Mexican investments.

Peru was strategically important for its ports (70% of cocaine consignments were smuggled by sea): the main port of departure for large cocaine shipments destined for North America was that of Callao (30-32% of US cocaine market was fuelled from Peru). The remaining 30% of cocaine was smuggled overland, through Bolivia and Colombia, in the Amazon Region, towards Brazil and through Bolivia and Chile to Argentina. Then, cocaine reached the illicit consumption markets, including the European one.

The methods of concealments were numerous and, sometimes, very unusual: inside food (milk or frozen food, above all frozen fish or fruit), handicrafts, electronic devices and tissues (here drugs were diluted and soaked with special chemical procedures). Couriers smuggled drugs by air, through new different routes to deceive the investigators, on to the destination Countries swallowing drugs or concealing them inside their luggage.

In the first six months of 2007 the strong commitment of Local Police Forces have given the following results:

- 6,038 drug operations were carried out and led to the arrest of 6,126 persons (out of them, 147 minors);
- 7.46 tonnes of cocaine (2.7 tonnes were coca paste), 586 tonnes of coca leaves (dried and/ or macerated) and 496 tonnes of chemical substances were seized;
- 2,396 hectares of areas (that might have produced a potential of over 6 tonnes of cocaine hydrochloride) were eradicated;
- In addition, 251 laboratories for cocaine processing were dismantled (243 for cocaine paste and 7 for cocaine hydrochloride), 443 maceration pits and 1 clandestine airstrip.

Bolivia played a minor but significant role, also due to the policy adopted by the local Authorities on coca bush cultivation: in fact, the national legislation authorizes this type of crops (up to 1,200 hectares) in order to ensure the consumption of coca leaves (by chewing) to the native populations.

According to UNODC data, in 2006, the coca crops increased by 8.26% with respect to the previous year, reaching 27,500 hectares, mainly concentrated in the Natural Park of Yungas, in the La Paz Department, in the Chapare and in the central Department of Cochabamba. In this area the highest increase of coca crops was recorded, inflicting serious damage on the ecosystem. The annual production of Bolivian cocaine, destined for Brazilian, Argentine and European markets, from 2000 to 2006, recorded an increase by 118.6% reaching, according to UNODC data, 94 tonnes, that is 10% of the world production. Most of Bolivian crime groups operating in cocaine production and trafficking were small and family-type. These groups were not so dangerous, even if they had weapons to solve disputes with rival clans. Also the trafficking sector management was really elementary if compared to the Colombian crime syndicates. The trafficking sector was based on several subjects who were active in this



Bolivia - Seizure of coca leaves

field and had a specific task. In particular, once grown, harvested and dried, the coca leaves were transported by the so-called "hormigas" (ants) to very simple laboratories where the "pisacocas" put the leaves in specific rudimentary maceration pits. Then, traders supplied the necessary chemical substances and purchased manufactured goods and then introduced them onto the illicit market. These purchasers were usually wealthy persons, deeply knowing the markets strategies and having complete freedom of movement. Cocaine was then recovered and moved to safe places in the areas of Santa Cruz de la Sierra and Cochabamba for the oxidation process. Finally, cocaine is put on the illicit market by other subjects who, in the whole chain, were the weak points, susceptible to the enforcement actions and to the rival groups competition. For this reason, they usually control all the operations at a safe distance. Until now, the counter-narcotics enforcement in Bolivia was strongly supported by the US Drug Enforcement Administration (DEA). However, after the recent different political viewpoints of these two countries, the DEA announced a significant reduction in financial and human resources destined for the fight against drug trafficking in Bolivia. However, up to November 2007, the F.E.L.C.N. – Special Anti-narcotics Force (Fuerza Especial por la Lucha contra el narcotráfico), in the course of 9,680 drug operations:

- seized 14.2 tonnes of cocaine (of them 13.6 of coca paste), 1.5 tonnes of coca leaves, 623 tonnes of solid chemical substances and 1,300 litres of liquid chemical substances;
- dismantled over 9,400 production sites (over 5,800 maceration pits and 3,640 laboratories).

The strategies of drug criminal syndicates - based on the shift of the cocaine bulk towards the South American countries having maritime links that could be useful to transport the illicit narcotics to the consumption markets - led to the opening of new markets and to the strengthening of local crime groups, with a direct negative impact on the security of those territories.

Because of its geographic position, (the presence of so many rivers - above all, the Orinoco river, that is navigable by high tonnage ships and whose delta is composed of 34 navigable "channels" - of the wide Caribbean coastline - about 4,000 km. -), of the overseas connections and, at the same time, of the scarcity of internal controls, **Venezuela**

was a transit country for the Colombian cocaine (to European and US markets) and heroin (to the USA).

Compared to its extension (916,000 square kilometres) Venezuela, above all in the interior regions - South of the Orinoco river and in the valleys covering one third of the whole Country - is almost desert. These areas were used as stockpiling centres of enormous quantities of drugs that had to reach their final destination markets. Furthermore, the most powerful Colombian criminal organizations, year by year, have taken the control over vast lands and, building clandestine airstrips, used them to receive huge quantities of cocaine and heroin from Colombia. The local crime groups were more and more interested in these illicit activities and have progressively increased their criminal abilities. Moreover, along the borders with Colombia, there were small plots of land used to grow coca bushes, opium poppy and cannabis as well as small laboratories only used for some phases of cocaine processing. Undoubtedly, the Colombian FARC had their branches in this Country: their presence was facilitated by the declaration of neutrality with respect to the Colombian conflict proclaimed by Venezuela in 1999. The smuggling methods depended upon the importance of the drug traffickers organizations, while the transit routes corresponded to all roads available. In particular:

- by land, drugs were introduced in Venezuela onboard trucks, adequately equipped with false-bottoms, or concealed inside legal cargos;
- by air, passengers on commercial flights arriving or departing Venezuela were mostly used; irregular flights making air drops of narcotics arriving in this country; clandestine airstrips for arriving and departing shipments. This last system was frequently used for cargos bound for Western Africa;
- by sea, often containers, leaving the country and loaded at the ports along the Orinoco river, were used to transport legal goods to the ports of Cabello and La Guaira. Even speedboats, fishing boats or private crafts were used to load and unload cocaine in the open sea.

Venezuela was a major stocking area for cocaine then leaving the Country to reach the final destination markets. In this framework, maritime shipments bound for Western African Countries were very frequent. In fact, these areas can be considered a large stockpiling location of cocaine



Venezuela - Destruction of a clandestine airstrip

destined for Europe: cocaine was shipped along the maritime route covering the shortest distance between Venezuela and Guinea Conakry (10 degrees of latitude north, the so-called "highway 10"). Moreover, large quantities of cocaine were smuggled on board private planes departing from Venezuelan clandestine strips to reach remote areas in Mauritania, Guinea Bissau, Guinea Conakry and Sierra Leone. This phenomenon was also facilitated by the deficiency of law enforcement capacities and by the lack of air monitoring systems in the internal areas of this region. As to the seizures, in 2006 the Venezuelan Police Authorities seized 60.3 tonnes of cocaine, 21.1 of marijuana and 0.27 of heroin, while in the first months of 2007 15.9 tonnes of cocaine, 12.5 of marijuana and 0.1 of heroin were seized. Said data clearly showed a decrease in 2007 but, at the same time, highlighted the dimension of this phenomenon - above all of the cocaine problem in Venezuela.

Notwithstanding its extension, its fertile land and its diversified geographical shape, **Brazil**, has not recorded a significant drug production, apart from cannabis (maconha). Brazil was classified as transit and consumption country: here, maconha, solvents and cocaine were abused but there were no data on the consumption of opium and its

derivatives. Besides cannabis sativa (maconha) production, in the North and North-East region, exclusively destined for the domestic market and scattered cases of cocaine hydrochloride production in the South-East region, Brazil was mostly used as a transit route to transport drugs produced in the neighbouring countries, in particular maconha from Paraguay and cocaine. Brazil was also seen as a potential supplier of chemical precursors.

The causes of these trends are different and can be found in the long landline borders with almost all South American Countries and above all with Colombia, Peru and Bolivia as well as in the large

barren areas of the internal regions and in the lack of resources to face this problem, linked to a widespread corruption. Furthermore, Brazil has all characteristics to become a major drug transit route in the near future. In fact, new projects improving the Brazilian infrastructures and increasing exports were approved by Government. New roads, railways and river ports as well as an increase in the airports area might facilitate drug trafficking activities. At present, only the port of San Paulo has a 14 km. loading dock, moving about 2 million containers per year, among them 80% were destined for Europe and, in the near future the ports of Rio de Janeiro, Manaus, Salvador, Recife, Vitoria and Porto Alegre will be added. Moreover, 15 daily flights to Europe, with an average of 4,500 passengers, left from San Paulo international airport. In addition, there were the international airports of Rio de Janeiro, Salvador, Fortaleza, Porto Alegre, Recife and Manaus.

According to the local Federal Police Authorities, 70% of cocaine reaching Brazil came from Bolivia and the high availability of this drug determined a fall in prices in San Paulo where a kilogram of cocaine - with a high degree of purity - was sold for 5,000 US Dollars, with respect to 7,000/8,000 of the previous year. In San Paulo there was a real stock drug trade centre where, every day, prices

and quotations were fixed and where the major criminal organizations of world drug traffickers were represented. The members of the Brazilian crime groups were generally employed as brokers or, in most cases, as logistic support to foreign syndicates, only running the local illicit activities. The small local crime groups usually joined their forces to reach the target and were characterized by flexible and elastic operational patterns. In this scenario, the foreign crime groups profitably entrenched: above all, the Nigerian networks, whose involvement in drug trafficking surfaced in 80% of drug operations carried out by the Brazilian Authorities. The links with Western African Countries were evident and were further facilitated by the maritime route connecting Brazil with Africa, representing the shortest distance between these two Continents. In addition, there was an increase of Brazilian commercial relations and investments in Africa, fuelled by a sort of "debt of deportation" deriving from the slavery phenomenon of 19th Century and from the linguistic ties with some African Countries, such as the Guinea Bissau (one of the most involved Countries). Most of cocaine reaching Africa originated in San Paulo and departed from its main port, that of Santos.

Another business jointly made by the Nigerian and Brazilian crime groups was that of the couriers recruitment: in fact, there were extremely favourable conditions, due to the serious social situation, to unemployment, poverty and continuous migration from the poor regions of this Country, that made San Paulo the ideal place for this type of illicit activities.

As to law enforcement efforts, there was not a common database for all information resulting from the operations of the different Police Forces (there are about 27 civil and military police forces in Brazil). For this reason, only data provided by the Federal Police could be taken into account. In the first six months of 2007, the Federal Police services seized approximately 15 tonnes of cocaine and 155 of maconha, 70 kg. of heroin, 70 kg. of morphine and 300 kg. of crack as well as 163,000 doses of synthetic drugs (L.S.D., ecstasy and amphetamines).

Argentina has close social, cultural and commercial links with Europe and is more and more used as a transit area of Peruvian and Bolivian cocaine destined for the EU Countries

(about 55%), by sea and by air routes. In the last few years, Colombian drug traffickers organizations have established mobile clandestine laboratories in Argentina, in order to process coca paste. In 2007, 13 "cochinas" (kitchens) were seized in this Country. The low cost of cocaine (5,000 US Dollars per kilogramme) on the illicit market caused a staggering rise in the consumption and in drug addiction, even though the quality of the drug could vary according to the social group of the abuser. To this purpose, in the poorest areas of this Country, the use of the so-called "paco" - a very noxious residual part of the cocaine hydrochloride processing - was recorded. The domestic cocaine trafficking was managed by small clans while the international trafficking was operated by organized crime groups, above all by Colombian networks. Cocaine was introduced in Argentina mostly overland, via Bolivia and Paraguay (also most of marijuana originated there), but also by air shipments - on board small private aircrafts, landing on clandestine strips or by air-drops. The drugs leaving the Country were usually transported by couriers on flights, or inside legal goods (coal, handicrafts or other goods). The involvement of Argentine drug traffickers also surfaced in the framework of important Italian investigations, some of them into mafia-like criminal organizations (the 'Ndrangheta and Cosa Nostra).

The **United States of America** represent the most important consumption market for all types



Brasile - Policia Federal destruction of a drug shipment

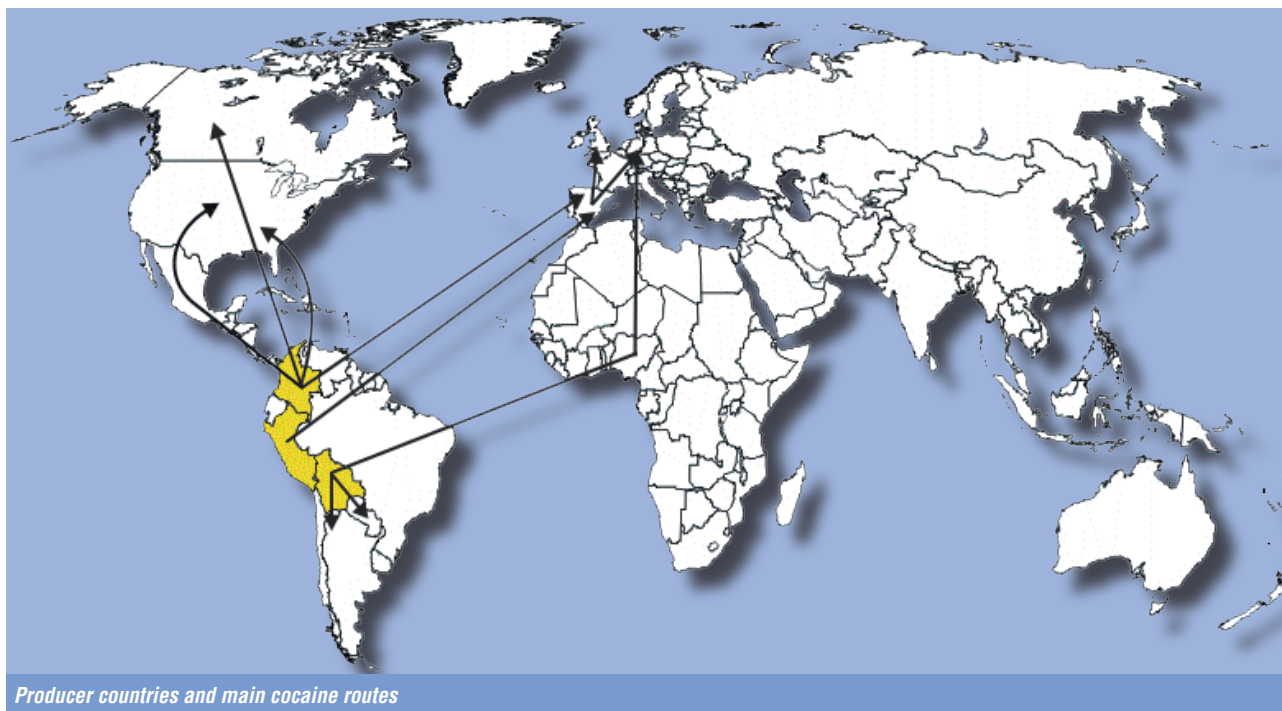
of narcotic drugs – even those used for medical purposes – in the world. Most of these drugs were produced in South and Central America. Thus, the US market was the main target of numerous international crime groups controlling the illicit trafficking in all types of substances.

The permeability of the Mexican border, the long maritime coastline – both on the Atlantic and on the Pacific Ocean – the importance of maritime trades and the presence of several international airports were the main factors facilitating the introduction of enormous quantities of drugs from South America. The Mexican criminal organizations played a fundamental role and their involvement either in trafficking or in controlling the internal market of cocaine (90% of cocaine on the US market passed through Mexico) and heroin was evident all over the US territory. The above-mentioned networks are also active in the production of synthetic drugs, in the USA and in Mexico (in particular, of metamphetamine hydrochloride, the so-called ice) and in the marijuana trafficking, competing against the Asian organizations. The Mexican criminal syndicates – organized in Cartels and able to supply regularly the illicit market – could also respond to the market variations, resulting from the continuous counter-narcotics enforcement. The Colombian crime groups, active in the North and South-East regions, were the main cocaine and heroin suppliers, although their direct involvement was

not so evident. According to the US Authorities, in fact, the Colombian organizations, because of an overexposure to the enforcement activities, probably tried to interject other organizations between them and the law enforcement forces. They mostly chose Mexican groups for the transport and wholesale distribution and the Dominican groups for the retail and middle level distribution.

The Dominican networks, concentrated in the South and North-East regions, were the most involved in the cocaine, heroin and ecstasy retail distribution, on behalf of Colombian and Mexican organizations.

In the last few years, the Asian criminal organizations have progressively become active in all States and, in particular, in the great metropolitan areas where the widest Asian communities had established (in New York, San Francisco, Los Angeles, Houston, San Diego and Dallas). Chinese, Vietnamese and Korean crime groups operated in the synthetic drugs great distribution and smuggled marijuana (produced in Canada), ecstasy (coming from Europe) and, to a lesser extent, Asian heroin. Recently, they have had problems with Russian-Israeli criminal organizations for the predominance of MDMA supplies. These criminal rings mainly operated in the North-East regions, in particular in the metropolitan area of the State of New York and controlled the significant MDMA trafficking coming



from Europe.

The wholesale market of Asian heroin, and to a lesser extent of the South American one, above all in the Great Lakes region was mainly run by the Nigerian networks. The Jamaican crime groups worked for the Colombian and Mexican organizations in the transport of the South American cocaine and heroin and of the Mexican marijuana. This latter also comes from Jamaica and represents their "traditional" business. In many US regions the drug retail distribution was mainly carried out by the so-called "independent" dealers, while the so-called street gangs, the criminals operating inside prisons and the motorcyclists groups, were the predominant organized groups of dealers since a long time. Because of their structure, the gangs represented a significant threat (some of them were composed of more than one hundred thousand members), above all in the metropolitan areas. Moreover, these gangs had remarkably increased their influence in the drug distribution, either because many of them developed their criminal profile becoming sophisticated criminal enterprises or because they came to a pact with the Mexican organizations, taking control over free areas in the Country. The most famous among these gangs, such as the Latin Kings, the Gangster Disciples and the Vice Lords, have a solid central structure ensuring the drug distribution all over the States. The Colombian and Mexican organizations controlled drug-money laundering, generating, moving and then laundering between 8.3 and 24.9 billion dollars per year.

They mainly used the following money laundering techniques:

- the so-called Black Market Peso Exchange (BMPE), based on the purchase of American assets in US narco-dollars. These assets were then moved to Central and South America through the South West border, especially to Colombia, where local brokers purchased them in pesos. This local currency was then transferred backwards to the drug traffickers organizations which started this scheme;
- the electronic funds transfers (the Colombian traffickers wire transferred money directly to Colombia from New York, Miami and so on, while the Mexican criminals wire transferred illegal drug-money to stockpiling locations - warehouses, houses, and so on - near the South Western border). The wire transferred

funds generally amount to less than 3,000 USD and are made by several people. The Canadian border was also used to move large sums of money, smuggled into Canada as a payment for marijuana and MDMA supplies;

- the open system, meant as the use of prepaid deposit cards, that are very similar to the common credit cards, used on the main world circuits. These cards ensure the holder's anonymity and are not registered.

NORTHWEST AFRICA

The enormous rise in large cocaine seizures mostly carried out in the Northwest area and in the Atlantic waters facing this coastline, clearly showed the importance of this region as a large stockpiling location of cocaine, fuelling the European illicit market.

Last October, UNODC estimated that:

- the annual average of cocaine seizures performed by the local Authorities between 1998 and 2003 amounted to 0.6 tonnes; in 2004, the first peak was recorded with 3.6 tonnes; in 2005 and 2006 were respectively seized 2.5 and 2.8 tonnes (these latter were almost exclusively composed of two seizures carried out in Ghana and Guinea Bissau). In 2007, until September 30th, 5.7 tonnes of cocaine were seized (+103.57% with respect to the previous year), 99% were subdivided between Senegal, Mauritania, Guinea Bissau, Cape Verde, Benin and Guinea;
- in 2006 the Spanish and British Authorities seized, in the Atlantic international waters, a total of 9.85 tonnes of cocaine on board five motor-vessels departed from African ports. These figures, in comparison with those pertaining to 2005 when 3.7 tonnes of cocaine were found out (and seized) aboard only one ship, highlighted an increase by 166%;
- in June 2007, in Venezuela a cargo of 2.5 tonnes of cocaine was seized. It was concealed on board a private aircraft destined for Sierra Leone.

Small private aircrafts were often used to smuggle even significant drugs shipments between the above-mentioned Continents. The numerous clandestine airstrips located in South America (Venezuela and Brazil) and in Africa (Mauritania, Guinea Bissau, Guinea Conakry and Sierra Leone) were used to this illicit purpose. In June 2007,



Senegal - Cultivation of cannabis plants

also in the Canary Islands 800 kg. of cocaine were seized. They were concealed on board a private aircraft departing from Mauritania, close to the Sahara Desert. Cocaine allegedly originated from Venezuela, by air.

Moreover, cocaine transactions were clearly facilitated by the Colombian criminal organizations entrenched in Senegal, Guinea Bissau and Guinea Conakry, having easier contacts with the European crime groups because of their proximity and of the deficiency of law enforcement capacities.

Furthermore, other important factors contributed to a thorough analysis of this scenario. In fact, in the Caribbean area and in the Atlantic waters the interdiction efforts of the European Police Forces – in particular, Spain and Portugal - were strengthened and traffickers looked for alternative smuggling routes. Large illicit maritime shipments were loaded on board “mother ships” and then were transhipped, offshore, onto speedboats, with the fundamental support of the Galician crime groups. Then, the Western African area was used as a hub (in particular, Cape Verde, Senegal, Guinea Bissau and Guinea Conakry, Ghana, Nigeria and Togo) by Colombian cocaine traffickers who received, stocked and sent back smaller quantities of this drug on to Europe.

Moreover, the geopolitical situation of the Western African region was fertile ground for international narco-traffickers organizations, in fact:

- there were many difficulties in law enforcement capacities that were completely under-resourced : on the contrary the criminal organizations had enormous financial resources, facilitating the phenomenon of corruption;
- some African Countries suffered from extreme poverty and social instability;
- the neighbourhood of the two Continents and that of Northwest Africa to Europe induced the South American criminal organizations to use the Western African area as a stockpiling location to

fuel the European illicit market (the shortest route connecting Guinea Conakry to Brazil is 2,160miles, with respect to 3,150 miles between Brazil and Portugal);

- the ECOWAS free trade zone , of free circulation of persons and goods (Benin, Burkina, Cape Verde, Ivory Coast, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo).

Besides cocaine trafficking, Africa was particularly affected by hashish trafficking, mainly produced in Morocco. According to UNODC, in 2005, over 138 tons of this drug were seized in the whole African Continent. These estimates were incomplete because there were no data on the seizures carried out in the Central Western region, on those conducted in the Southern area and in the major Countries of the Eastern region. The bulk of seizures were performed in the Northern area where 109 tons of hashish were seized.

Even the Afghan heroin was spreading all over the African Continent, in transit to the European and American consumption markets and also fuelling the local illicit trade. As highlighted by UNODC data, in 2007 heroin found new routes to the consumer: from Pakistan, by sea or overland, through the Arabian Peninsula and then to the East coast of Africa. Heroin is then transported to

the West coast and then put onto the European and American consumption market. In 2005, in the African Continent, the most affected areas were located in the Eastern region where about 68.5 kg. of heroin were seized (23 kg. in Kenya and 20 in Ethiopia) and in the Western region where 81.8 kg. were seized (70 kg. in Nigeria). However, this phenomenon was also present in North Africa (57 kg. of heroin seized in Egypt and in Libya); while in the Southern Africa area the seizures of this drug amounted to 49.5 kg. (37 kg. in South-Africa and 12 kg. in Malawi).

Smuggling methods, recorded in 2007, changed according to the need to introduce drug lots into Africa or to export them towards Europe. In particular, for the consignments entering the territory, the following systems were used:

- fishing boats or commercial cargo vessels, above all coming from Brazil, Venezuela and Guyana, that reached the maritime area including Senegal, Cape Verde, Canary Islands and Guinea Gulf (Ghana, Togo and Benin) waters and then transhipped the drugs on board private yachts or speedboats. These small vessels then reached the coast of Guinea Bissau, Guinea Conakry, Cape Verde, Ghana and Sierra Leone where there were large storage depots;
- Small private aircrafts departing from Brazil and, above all, from Venezuela, and landing on airports, aerodromes, and clandestine airstrips in Guinea Bissau and Conakry, Mauritania and Sierra Leone;
- Containers, goods and vehicles passing across the sea, and often concealing huge cocaine shipments, and then re-embarked towards the final destination, with commercial and customs documents different from those issued at the moment of the departure.

On the contrary, for the consignments leaving the territory and destined for the European market, the following methods were mostly used:

- offshore speedboats, having powerful outboard motors, anchored at the ports in Senegal, Guinea Bissau and Morocco, transporting huge cocaine consignments to the coasts of Morocco, Spain and Portugal;
- numerous couriers, swallowing drugs (body packing) or concealing them inside luggage, smuggling small quantities of cocaine departing from the airports of Conakry (Guinea C.), Dakar (Senegal), Accra (Ghana), Lagos (Nigeria),

Praia and Sal (Cape Verde), often in transit to Casablanca (Morocco), Tunis (Tunisia) and Tripoli (Libya);

- SUV, trucks, camper vans crossing the almost desert land borders, or loaded onboard ferry-boats from Senegal, Mauritania and Morocco. This *modus operandi* was mostly used by European traffickers, reaching Africa to supply cocaine.

In this scenario **Senegal**, Guinea Bissau and Guinea Conakry became actual regional markets of remarkable quantities of cocaine mostly run by Colombian and Nigerian-Ghanaian organizations. For this reason, a continuous flow of European couriers to Dakar was noticed. They arrived there in order to purchase, and then smuggle, cocaine - with a very high purity degree - for about 9,000 € per kilogramme. Among them, French, Belgian, Romanian, Bulgarian, Ukrainian and British are the most common. In June 2007, the Senegalese Authorities seized 2,540 kg. of cocaine, coming from South America by air, stocked inside a villa by the sea, near Dakar. As a consequence of this seizure, the Law Enforcement Forces completely dismantled a vast and well-equipped criminal organization composed of Colombian, Venezuelan and Ecuadorian nationals, that received, stored and finally smuggled the narcotic drug into Europe. The production of hashish in Senegal (the so-called *yamba*), concentrated in the region of Casamance (far South of this Country), and of marijuana in Nigeria, Ghana and Ivory Coast were mostly for local consumption and the remaining part was exported, by air, to Northern Europe (Holland and Great Britain). This was also a transit area for some shipments of Moroccan hashish destined for the European market (in 2007, in Niger, 5 tons of cannabis resin were seized; it came from Morocco and could not be reasonably justified by the limited local trade).

Moreover, in transit shipments of Afghan hashish were also recorded: they came by sea from Pakistan and were bound for the European illicit market.

Even a part of Afghan heroin passed through West Africa. The new airlines departing from Kenya and Ethiopia facilitated the smuggling of small quantities of heroin destined to US and European markets. Heroin reached the Eastern African coastline (above all Kenya, Ethiopia and Somalia), after calling at the port in Karachi (Pakistan).