

MEMM

Multilateral Evaluation Mechanism

Inter-American Drug Abuse Control Commission (CICAD)

Secretariat for Multidimensional Security (SMS)

Panama

EVALUATION OF PROGRESS IN DRUG CONTROL

2007-2009



Organization of American States

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- University of Panama (Office of the Vice-President for Research and Graduate Studies).
- Technical Judicial Police¹, Narcotics Division.
- Office of the Comptroller General, Vital Statistics Section.
- National Traffic Directorate of Panama.
- National Directorate of Pharmaceutical Products and Drugs, Ministry of Health.
- Controlled Chemical Substances Unit (UCQ – CONAPRED).
- Specialized Prosecutors for Drug-related Crimes.
- Ministry of the Interior and Justice².
- Financial Analysis Unit for Prevention of Money Laundering and Terrorist Financing.

1 Within the framework of the forty-eighth regular session of CICAD, 6-8 December 2010, Panama reported that due to legislative changes made during 2010 the Technical Judicial Police (PTJ), changed its name to the Judicial Investigation Department.

2 Within the framework of the forty-eighth regular session of CICAD, 6-8 December 2010, Panama reported that due to legislative changes made during 2010 the Ministry of the Interior and Justice, changed its name to Ministry of Public Security.



PREFACE

The Multilateral Evaluation Mechanism (MEM) is a diagnostic tool designed by all member states of the Organization of American States (OAS) to periodically carry out comprehensive, multilateral evaluations of the progress of actions taken by member states and by the hemisphere as a whole, in dealing with the drug problem. The Inter-American Drug Abuse Control Commission (CICAD), of the Secretariat of Multidimensional Security, an OAS specialized agency, implemented this Mechanism in 1998, pursuant to a mandate from the Second Summit of the Americas held in Santiago, Chile in 1998.

The MEM is not only an evaluation instrument, but has also become a vehicle for disseminating information on the progress achieved by individual and collective efforts of OAS member state governments, catalyzing hemispheric cooperation, promoting dialogue among member state government authorities and precisely channeling assistance to areas requiring greater attention by optimizing resources. The MEM process itself is assessed by the Intergovernmental Working Group (IWG), comprised of delegations from all member states, which meets before the onset of each MEM evaluation round to review and strengthen all operational aspects of the mechanism, including the indicators of the evaluation questionnaire.

National evaluation reports are drafted by experts from each member state, with experts not working on their own country's report, guaranteeing the transparent multilateral nature of the MEM. Each chapter is based on countries' responses to a questionnaire of indicators covering the main thematic areas of institution building, demand reduction, supply reduction and control measures as well as subsequent comments and updated information provided by the government-appointed coordinating entities.

This report covers the full country evaluation for the MEM Fifth Round evaluation period 2007-2009. The follow-up report on the implementation progress of recommendations assigned to the country will be published in June 2012. All MEM reports can be accessed through the following webpage: www.cicad.oas.org



INTRODUCTION

Panama occupies an area of 75,416.70 km.² with 555 km of borders: 225 km. with Colombia and 330 km. with Costa Rica. The coastline of Panama is 2,490 km. in length. The country has a population of 3,322,576 (2010), which is comprised primarily of mestizo, white and indigenous ethnic groups. Its literacy rate is 92.6%. Panama is a constitutional republic divided into nine provinces and one territory. The country has a per capita GDP (PPP)¹ of US\$ 5,615.00 (2009 est.) and an inflation rate of 2.4% (2009). Annual exports for the past three years total US\$ 3,091,834,597.00. The country's main exports include bananas, shrimp, coffee, sugar and apparel. Its main imports for the past three years total US\$ 23,680,425,608.00, which include mainly livestock, meat and edible meat offal, grain mill products, fuel, pharmaceutical products, plastics and its by-products, paper and cardboard, cast iron (iron and steel), electronic devices, and automobiles.

I. INSTITUTIONAL STRENGTHENING

A. National Anti-drug Strategy

During the evaluation period, Panama had a strategy which expired in 2008. The country informs that until the new strategy is approved, it continues to implement the anti-drug activities within the framework of the previous strategy.

All national agencies that comprise the National Commission for the Study and Prevention of Drug related Crimes (CONAPRED) are involved in the approval and execution of the National Anti-Drug Strategy including the Office of the Attorney General, Ministry of Interior and Justice, Ministry of Education, Ministry of Health, Ministry of Economy and Finance, Superior Court for Children and Adolescents, University of Panama, Archbishop of Panama (Catholic Church representative), Presidency of the Panamanian White Cross, a coordinator appointed by the executive, and the President of the Drug Committee of the National Assembly².

The country reports that the new National Anti-Drug Strategy, 2009-2014 is in the process of approval by the plenary of CONAPRED and by the National Assembly of Deputies.

The country indicates that the regional, provincial, municipal, and local authorities do not have jurisdiction in areas related to anti-drug policies. Panama reports that its activities are financed with money forfeited in favor of CONAPRED.

¹ Parity Purchasing Power.

² Within the framework of the forty-eighth regular session of CICAD, 6-8 December 2010, Panama reported that due to legislative changes made during 2010, the President of the Drug Commission of the National Assembly currently has the name of President of the Commission of Government, Justice and Constitutional Affairs of the National Assembly.



The National Commission for the Study and Prevention of Drug-Related Crimes (CONAPRED), created on December 30, 1986, is the national anti-drug authority comprised of government and nongovernmental institutions and the three branches of the state, i.e., the Executive (four State Ministers), Legislative, and Judicial Branches, in addition to the Public Ministry, which presides over it pursuant to the mandate of Law 23, enacted in 1986.

CONAPRED coordinates the following areas: demand reduction, supply reduction, control measures, drug observatory, international cooperation, and program evaluation.

The national authority has a central technical office to carry out its mandates: the National Executive Secretariat of CONAPRED, created by Resolution No. 4 of the Office of the Attorney General issued on March 5, 1997, and its budget for administrative management is assigned by law within the budget of the Office of Attorney General.

CONAPRED has an independent budget, and it reports that the sources of financing are self-financing (through application of the law) and international cooperation. The amounts of the assigned budget are given in the following table:

Annual budget of CONAPRED, 2006- 2009

Fiscal year	Total budget received (US\$)
2006	US\$ 147,262.00
2007	US\$ 146,155.00
2008	US\$ 177,147.00
2009	US\$ 179,216.00

B. International Conventions

Panama has ratified the following conventions:

- Inter-American Convention on Mutual Assistance in Criminal Matters, 1992;
- Inter-American Convention against Corruption, 1996;
- Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and other Related Materials (CIFTA), 1997;
- United Nations Single Convention on Narcotic Drugs, 1961, amended by the 1972 Protocol;
- United Nations Convention on Psychotropic Substances, 1971;
- United Nations Convention on Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988;
- United Nations Convention against Transnational Organized Crime, 2000, and its three Protocols:
 - Protocol against the Smuggling of Migrants by Land, Sea and Air;
 - Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children;



- o Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components, and Ammunition;
- United Nations Convention against Corruption, 2003.

Panama reports the following reservations to the conventions indicated:

- United Nations Convention against Transnational Organized Crime, 2000;
- Inter-American Convention against Corruption, 1996;
- Inter-American Convention on Mutual Assistance in Criminal Matters, 1992;
- United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988.

C. National Information System

Panama has a national observatory on drugs that does not have an assigned budget. This observatory organizes and conducts studies and compiles and coordinates statistics and other information related to drugs.

During the evaluation period, the country conducted studies on demand reduction, including the following: survey on prevalence among high school students, 2008 and indigenous students in middle and high school, 2008. In addition, the country indicates that it has records that show the relationship between drug use and cause of death.

The following table shows information available on supply reduction for the period 2006-2009:

Information	2006		2007		2008		2009	
	Yes	No	Yes	No	Yes	No	Yes	No
Priority information								
Drug availability indicators		X		X	X			X
Quantities of drugs seized	X						X	
Number of persons charged with and convicted of drug use, possession and trafficking	X			X	X		X	
Recommended information								
Number of persons formally charged with and convicted of money laundering	X		X		X		X	
Number of persons formally charged with and convicted of trafficking in firearms, explosives, ammunition and related materials	X		X		X		X	
Number of persons formally charged with and convicted of diversion of chemical substances	X		X		X		X	
Quantities of chemical substances seized	X		X		X		X	
Drug sales prices (to the consumer)	X		X		X		X	



II. DEMAND REDUCTION

A. Prevention

Panama is developing drug abuse prevention programs targeting school children, which are consistent with the principles of CICAD’s Hemispheric Guidelines on School-Based Prevention. However, a decrease in the coverage of certain prevention programs is noted.

Target Population	% Coverage	Name of the program	Type of program
Children 5-7 years of age	13%	Únete a los Ganadores	Universal
Children 8-12 years of age	3%	Cazadores de Humo and Somos Triunfadores	Universal
Children 12-18 years of age	6%	Jóvenes Contra el Delito	Selective

The country reports that the “Somos Triunfadores” program is based on Law 57 of August 7, 2003, which created the national anti-drug education program. It further indicates that this program has instructional manuals for teachers and students for the 5th, 6th, 7th, and 8th grades.

Panama does not offer prevention programs for the youth and adults living in the street, families, gender, community, indigenous groups, migrants and refugees, workers in the workplace, and incarcerated individuals.

The country indicates that in 2006-2009 training courses were offered to police officers, teachers, social workers, health workers and regional and international training programs.

Name of course	Course subject	Participants	Number of participants			
			2006	2007	2008	2009
Somos Triunfadores	Prevention	Educators	-	0	0	351
H-90 Project Training Course and Update on Treatment Regulations	Treatment	Social workers and Drug Commission	11	0	60	40
Minimum treatment standards	Treatment	Health and social workers	0	0	30	0
Prevention in Communities	Prevention	Police officers	28	0	0	0

Panama reports that during 2006-2009, no diplomas, certificates, or undergraduate or masters or doctorate university degrees were offered in the areas of drug abuse prevention, treatment, or research.

Panama reports during 2006-2009, it conducted process evaluations and impact evaluations of the “Somos Triunfadores” prevention program targeting school children in the 5th, 6th, 7th, and 8th grades, in a study entitled: “Evaluation of Intervention of the Somos Triunfadores Program.”



B. Treatment

Panama reports that CONAPRED, the Ministry of Health, and NGO’s are the organizations responsible for the design and execution of public policies on treatment, and for their control and regulation, as well as financing and supervision of programs and training of human resources.

The country did not provide information on the national public budget allocated for treatment and indicates that CONAPRED is the entity that finances treatment activities on a project basis. The country reports the amount allocated for financing treatment programs in the following table:

Estimated amount allocated by CONAPRED for financing treatment programs (US\$)			
2006	2007	2008	2009
845,168.50	0.00*	52,000.00	142,757.10

* During 2007 CONAPRED did not approve treatment programs, consequently no funds were allocated.

Panama has official operating standards for specialized facilities that provide treatment services for persons with problems associated with drug use entitled the “Operating and care standards for centers that treat drug dependents and users,” established in Law 13.³

The country mentions that the “Operating and Care Standards for Centers that Treat Drug Dependents and Users” contain the official licensing procedures that authorize operation of the specialized facilities that provide treatment services for persons with problems associated with drug use. The country has a treatment center directory, which is an official register of specialized facilities that offer treatment services for persons with problems associated with drug abuse.

The country has a system for monitoring specialized facilities that provide treatment services to persons with problems associated with drug use.

Panama reports that facilities attached to the country’s Primary Health Care (PHC) network provide treatment to persons who enter in a state of intoxication from drug use and give them guidance. The country does not have data on the number of PHC facilities that provide specific treatment for problems associated with drug use in the country.

The country has data on the number of cases treated in officially licensed specialized treatment facilities for problems associated with drug use that were referred from the general care system (outpatient facilities or hospitals): 169 in 2006, 447 in 2007, 578 in 2008, and 897 in 2009.

The country has data on the number of cases treated in officially licensed specialized treatment facilities for problems associated with drug use: 992 in 2006, 1,217 in 2007, 1,034 in 2008, and 1,033 in 2009.

³ Law 13, date 27 July 1994 (Decree of the Ministry of Health, October 1996).



Panama reports that four of the country's nine states have officially-licensed specialized facilities for treatment of problems associated with drug use.

The country reports that the Ministry of Health has data on cases involving problems associated with drug use that were treated in officially-licensed specialized treatment facilities.

	2006	2007	2008	2009
Number of cases treated in officially-licensed specialized treatment facilities for alcohol and other drug problems	992	1,217	1,034	1,033
Estimated number of persons potentially in need of care	157,540	157,540	157,540	157,540

The following table is provided using available data on cases involving problems associated with drug use treated in officially-licensed specialized treatment facilities:

	Number of cases treated in officially-licensed specialized treatment facilities for drug problems			
	2006	2007	2008	2009
Male	857	937	892	937
Female	135	280	142	96
Total cases treated	992	1,217	1,034	1,033
Under 18 years old	216	207	231	200
19 - 25 years old	230	413	281	192
Over 25 years old	546	597	522	641
Total cases treated	992	1,217	1,034	1,033
Alcohol	130	164	154	113
Cannabis	240	252	249	236
Cocaine Hydrochloride	207	346	169	164
Crack	403	432	435	480
Tobacco	12	23	27	40
Total cases treated	992	1,217	1,034	1,033
Outpatient	868	928	854	844
Residential	124	289	180	189
Total cases treated	992	1,217	1,034	1,033

The country reports that it does not have data on the total number of cases treated for drug problems in unlicensed specialized treatment facilities. Panama reports that there are no treatment facilities that offer aftercare programs.

Panama reports that it does not carry out activities to follow up on patients once their prescribed treatment is completed.



With regard to officially-licensed specialized treatment facilities for drug problems where care is supervised by professional staff specifically trained in the area, the country provides the following data:

Number of officially-licensed specialized treatment facilities for drug problems in which care is supervised by professional staff specifically trained in this area	16	Percentage (%) of facilities supervised by qualified treatment staff [(a) / (b)] x 100
Total number of officially-licensed specialized treatment facilities	20	80% of facilities are supervised by trained staff.

With regard to the number of cases that received treatment for drug problems in officially-licensed specialized treatment facilities and that completed the prescribed treatment plan and reported satisfaction with it, the country provides the following table:

	2006	2007	2008	2009
Number of cases that received treatment in officially-licensed specialized treatment facilities for drug problems and that completed their indicated treatment plan	992	1,217	1,034	1,033
Number of cases treated in officially-licensed specialized treatment facilities for drug problems	992	1,217	1,034	1,033

C. Statistics on Consumption

Panama reports⁴ that in 2008, it conducted the National Survey on Drug Use among Middle and High School Students. The country mentioned that it does not conduct surveys on a regular basis, and provides the following figures:

Table on prevalence⁵ among specific population groups

Year of the last survey: 2008	Target population of the study: Youth 14-18 years of age in school Representative sampling : Yes								
	Lifetime (percentage)			Last 12 months (percentage)			Last 30 days (percentage)		
	M	F	Total	M	F	Total	M	F	Total
Alcohol	58.8	47.8	52.5	40.0	31.8	35.3	25.7	16.4	20.5
Tobacco	24.9	17.7	20.8	10.7	7.0	8.6	6.0	3.8	4.8

⁴ The data presented in the tables are the substances included in the country's survey, and are a subset of the substances suggested by the MEM.

⁵ Rate of prevalence of drug use is defined as the number of people who used a drug during a specified period of time divided by the total number of people in the population at that time; and is generally multiplied by 100.



Year of the last survey: 2008	Target population of the study: Youth 14-18 years of age in school Representative sampling : Yes								
	Lifetime (percentage)			Last 12 months (percentage)			Last 30 days (percentage)		
	M	F	Total	M	F	Total	M	F	Total
Solvents & Inhalants	6.6	2.6	4.4	4.4	1.3	2.7	2.1	0.3	1.1
Marijuana	9.2	4.0	6.2	4.8	1.4	2.9	2.7	1.2	1.8
Cocaine HCL	2.8	1.7	2.2	1.9	1.3	1.5	1.5	1.0	1.2
Crack	1.4	1.0	1.2	1.1	1.0	1.0	1.0	0.9	1.0
Homemade tobacco	2	0.1	1.05	1	0	0.5	0.9	0	0.45
Tranquilizers / Sedatives/ Depressants	7.0	7.8	7.4	1.1	1.9	1.6	0.6	1.3	1.0
Stimulants	5.1	4.4	4.7	1.2	1.2	1.2	0.1	0.7	0.5
MDMA (Ecstasy)	1.4	1.4	1.4	1.0	1.1	1.0	0.8	1.0	0.9
Any drug	14.7	5.8	9.6	8.7	2.7	5.3	5.0	1.3	2.9

Panama provides data on the age of first use of different drugs among the school population in the following table:

Type of Drugs	Year 2008	
	Average	Median
Alcohol	13.30	14.00
Tobacco	13.50	13.00
Solvents or inhalants	13.10	13.00
Marijuana	14.00	14.00
Cocaine HCL	13.50	13.00
Other substances containing cocaine: crack	13.90	14.00
Ecstasy	14.00	14.00
stimulants	12.60	13.00

Panama has an estimate of the number of youth that perceive drug use as harmful to their health and well-being.

Panama has records on traffic accidents related to alcohol use and provides the following information: 45% in 2006, 56% in 2007, 67% in 2008, and 40% in 2009.

Panama does not have a record of alcohol or drug-related accidents at the workplace.

The country has guidelines, norms, and regulations on measures for prevention of drug and alcohol-related accidents, that are included in the "Vehicular Traffic Regulations of the Republic of Panama," issued by Executive Decree No. 640 of December 27, 2006.



SUPPLY REDUCTION

A. Drug Production

Panama informs that it does not have significant cultivated areas of coca, poppy or cannabis crops. However, it reports that it has detected and seized 200 marijuana plants grown indoors in 2008.

Panama reports that it does not have a formal program for coca, poppy or cannabis eradication.

No illicit laboratories for drugs of either natural or synthetic origin have been found.

B. Control of Pharmaceutical Products

Panama has national laws for the control of pharmaceutical products, in accordance with international conventions:

Title	Type	Date of entry into force
Import and re-export of controlled substances	Decree No. 284	15 June 1962
On medicines and other products for human health	Law 1 Decree 178 Decree 320	10 January 2001 12 July 2001 17 June 2009

The country reports that it controls all pharmaceutical products containing substances listed in international conventions. The country controls other pharmaceutical products that contain substances not listed in the conventions, such as Chlobenzorex and Misoprostol.

Panama reports that the National Pharmacy and Drugs Directorate of the Ministry of Health is the authority responsible for coordinating activities related to control of pharmaceutical products.

In the health sector, the country uses the following measures for control of pharmaceutical products and prevention of their diversion: register control; monitoring of distribution; control and monitoring of prescriptions; inspections; administrative sanctions; transfer of unusual cases detected by administrative authorities to judicial authorities; import controls; control of licenses; and registry of licensees.

In the private sector, the country carries out the following activities for control of pharmaceutical products and prevention of their diversion: import/export control; register control; manufacturing control; monitoring distribution; inspections; administrative sanctions; registry of licensees; registry of quantities of pharmaceutical products sold or manufactured; free trade zone control; and control of licenses.



However, despite these activities, the country does not have an integrated procedure in place to monitor and prevent the diversion of pharmaceutical products.

The country reports that it has a regulatory system for control of pharmaceutical products that employs 12 pharmaceutical inspectors.

Panama has mechanisms through which members of the health sector can communicate and share information with law enforcement or judicial authorities in order to report or prevent the diversion of pharmaceutical products and to apply sanctions.

The country has a system for compiling information on administrative and regulatory activities related to controlled pharmaceutical products and sanctions imposed in connection with them. In this regard, the country provides the following table:

	2006	2007	2008	2009
Regulated activities				
Number of licenses issued to:				
Manufacturers	2	4	4	6
Distributors**	59	61	65	87
Number of permits issued for:				
Importation*	780	693	670	563
Exportation*	1,330	1,663	1,469	1,049
Regulated entities				
Number of inspections conducted of:				
Pharmacies	50	53	60	395
Manufacturers	0	0	0	1
Distributors**	3	3	3	15

*Includes: psychotropic and narcotic substances and precursors.

**Includes importers and exporters.

The country carried out five training courses, which trained about 300 persons at the national level including: Proper Handling of Controlled Substances, Responsibilities and Repercussions, which addressed pharmacists and pharmacy assistants from both the public and private sector.

Panama has regulatory provisions for the application of penal sanctions against illicit production, diversion, and illicit trafficking of pharmaceutical products. Civil sanctions are applied pursuant to Law No. 1 from January 10th, 2001.

On the subject of sanctions applicable to the illicit production, diversion, or trafficking of pharmaceutical products, the country reports as follows:

- Illicit production: five to 10 year prison term;
- Diversion: five to eight years in prison.



The country reports that the number of administrative sanctions applied during the evaluation period are one in 2006 and 15 in 2009.

Panama reports that administrative sanctions may close down an establishment and impose a fine of up to US\$ 25,000.00. If criminal conduct is involved, the case is referred to the appropriate court.

The National Directorate of Pharmaceutical Products and Drugs of the Ministry of Health is in charge of reviewing pharmacies, procedures, book keeping, prescription verification, inventories and balances. If it finds any improper handling gives rise to an investigation, it applies the appropriate sanction and, if necessary, refers the case to the office of the public prosecutor. The country indicates that it did not seize any pharmaceutical products during the evaluation period.

C. Control of Chemical Substances

Law No. 19 of June 13, 2005, entitled “Law on Measures for Prevention, Control, and Supervision of the Production, Preparation, and others, of Controlled Chemical Substances and Precursors, according to Tables I and II of the 1988 Vienna Convention” is in place for the control of chemical substances.

National legislation covers the control and supervision or monitoring of all chemical substances listed in the international conventions. With respect to chemical substances that are not listed in the international conventions, the country reports that it controls the following: isopropyl acetate, butyl alcohol, ethyl alcohol, isobutyl alcohol, methyl alcohol, benzene, potassium carbonate, chloroform, methyl chloride, bromobenzyl cyanide, cyclohexanone, ammonium chloride, diethylamine, potassium hydroxide, hexane, sodium sulfate, trichloroethylene, xylene, ethyl acetate, butyl acetate, and methyl isobutyl cetone.

The country has mechanisms through which the institutions responsible for preventing and imposing sanctions for the diversion of controlled chemical substances can communicate and share information.

The national authorities that are responsible for enforcement of laws and regulations for control of chemical substances are the following:

- In the administrative area: the Chemical Control Unit of CONAPRED;
- In the judicial area: Public Prosecutors and Courts Specializing in Drug-related Crimes;
- In the area of customs: National Customs Authority;
- In other areas: Panamanian Fire Brigade.

The Controlled Chemical Substances Unit, as the responsible entity, implements the following activities to control diversion of chemical substances: national registry of licensees; license control (manufacture and distribution); import and export controls; inspections; transaction audits;



distribution control; control of final sales; transport control; pre-export notices; and imposition of sanctions.

These activities are carried out as part of an integrated procedure. The Controlled Chemical Substances Unit registers, inspects, and audits operators, and in this work it receives support from other institutions, such as the National Pharmacy and Drugs Directorate, National Police, Judicial Investigation Directorate, Aero naval Service, National Customs Authority, Fire Brigade, and the Special Criminalist Service, among others. All of these institutions cooperate in inspections, audits, review of technical files, and monthly reports. In this way, they ensure that the request for substances for industrial or pharmaceutical use is used for the purpose indicated.

Panama has a regulatory and administrative system for the control of chemical substances, and reports that the Chemical Control Unit has 16 permanent inspectors to perform inspections and investigations.

The country offers refresher courses annually on the subject of chemical precursors, with the participation of about 200 people from public and private institutions such as: the National Directorate of Pharmaceutical Products and Drugs of the Ministry of Health; Panama's Fire Department; the Judicial Investigation Directorate and the Criminal Investigation Unit of the National Police of Panama, the Drug Control Unit of the Public Ministry; the Aero-Naval Service; the National Customs Authority; Panama's Judicial Body; the Chemical Control Unit; and personnel from private companies in the industrial and pharmaceutical field, such as the Industrialists Syndicate of Panama (SIP) and the Panamanian Association of Business Executives (APEDE).

Panama uses an automated system for the safe and efficient management of information, to facilitate control of diversion of chemical substances. The country has programs such as Pen On Line, which is strengthened with international cooperation and coordination.

The country reports that the Controlled Chemical Substances Unit has a register of 1,096 national companies at the national level handling controlled monitored chemical substances.

Panama has legal provisions for penal sanctions against the illicit production, diversion, and trafficking of controlled chemical substances, but not for civil sanctions.

With regard to penal sanctions applicable to the illicit production, diversion, and trafficking of controlled chemical substances, the country reports as follows:

- Illicit production: eight to 15 year prison term;
- Diversion: five to 10 year prison term;
- Illicit trafficking: five to 10 year prison term.

The country indicates that the administrative sanctions for illicit production of controlled chemical substances include the suspension of permission to handle substances from 15 days to six months and license cancellation: for substance misuse, fines of US\$ 550 to US\$ 50,000 may be imposed.



The following table shows the number of times that sanctions were applied during the 2006-2009 period:

Type of sanction	Number of sanctions			
	2006	2007	2008	2009
Penal	1	0	0	0
Administrative	11	10	12	38

Panama exports controlled chemical substances and manages these substances when they are in transit. The following table shows the quantity of exports for the 2006-2009 period:

Importing/ transshipment countries	Number of controlled chemical substance exports			
	2006	2007	2008	2009
Colombia	13	22	9	17
Nicaragua	19	0	2	0
Dominican Republic	3	0	0	0
Puerto Rico	6	0	0	0
Guatemala	0	0	2	0
Spain	5	0	0	0
Costa Rica	9	0	2	0
Honduras	0	0	0	1
El Salvador	2	0	0	0
Total	57	22	15	18

With regard to pre-export notifications of controlled chemical substances sent by Panama to other importing or transshipment countries, the following data was reported:

Importing / Transshipment countries	Number of pre-export notifications sent		
	2007	2008	2009
Colombia	22	9	17
Nicaragua	0	2	0
Dominican Republic	0	0	0
Puerto Rico	0	0	0
Guatemala	0	2	0
Spain	0	0	0
Costa Rica	0	2	0
Honduras	0	0	1
El Salvador	0	0	0
Total	22	15	18



The country reports that the total exports of controlled chemical substances are equal to the total pre-export notifications issued. However, Panama indicates that it commenced the pre-export notifications report in 2007. The country indicates the number of pre-export notifications issued that were not approved by the importing or transit countries were three in 2008 and two in 2009.

Panama reports that it imports and handles chemical substances in transit. With regard to the number of imports of controlled chemical substances, the country received 57 in 2006, zero in 2007, 20 in 2008, and 32 in 2009.

The country provides the number of pre-export notifications of controlled chemical substances it received and those to which it replied in a timely manner during the years 2006-2009:

	2006	2007	2008	2009
Number of pre-export notifications received	57	22	20	18
Number of responses sent	56	0	20	18
Number of timely replies sent (maximum of 15 days)	56	0	20	18

The following number of pre-export notifications was not approved during 2006-2009:

	2006	2007	2008	2009
Number of pre-export notifications not approved	1	0	0	2
Number of investigations initiated	1	0	0	2

With regard to use of a computerized information system, software, or another similar system for processing pre-export notifications, the country reports that during the evaluation period it had the Pen on Line program, as well as the National Drug Control System (NDS) which has been installed but not implemented.

Panama reports the following quantities of controlled chemical substances seized during the 2006-2009 period:

Controlled chemical substances	Unit of measure	Quantities seized			
		2006	2007	2008	2009
Ergotamine tartrate	Kilograms	5	0	0	0
Potassium permanganate	Kilograms	1,050	0	0	0
Sulfuric acid	Liters	37.85	0	0	0
Sodium carbonate	Kilograms	45.37	0	0	0
Ephedra	Tons	0	10	0	0



Controlled chemical substances	Unit of measure	Quantities seized			
		2006	2007	2008	2009
Hydrochloric acid	Gallons	0	275	0	0
Ethyl alcohol	Liters	0	0	-	25,000
Calcium hydrochloride	Kilograms	0	0	-	46,000

The country reports that the competent authorities share information on the volume of seizures and forfeitures in cases of diversion of controlled chemical substances. In this regard, the country reports that when a suspicious situation arises involving chemical substances, arrangements are made with the Controlled Chemical Substances Unit, together with the Specialized Prosecutors for Drug-Related Crimes, to complete the investigation and obtain the final data.

Regarding controlled chemical substances that were forfeited and disposed of, the country reports that in 2008 1,050 Kg. of potassium permanganate and 10 tons of ephedra were disposed of. No chemical substances were disposed of in 2006, 2007 or 2009.

IV. CONTROL MEASURES

A. Illicit Drug Trafficking

Panama provides the following quantities of drugs forfeited during the evaluation period:

Type of illicit drug or raw material	Unit of measure	Quantities of drugs forfeited			
		2006	2007	2008	2009
Heroin	Kilogram	81.76	51.70	115.21	90.66
Cocaine HCl	Kilogram	13,088.01	21,373.86	45,057.12	52,443.29
Crack	Kilogram	8,323.98	90.89	12.77	193.74
Cocaine base	Kilogram	1.54	-	-	-
Leaf Cannabis (grass)	Kilogram	7,209.88	6,015.50	2,320.62	3,647.44
Other amphetamine-like stimulants	Kilogram	-	-	-	65.06
MDMA (Ecstasy) and derivatives	Grams	-	10	-	1.04
	tablets	3,448	-	-	-
Ephedrine	Kilogram	-	10,122.50	-	3.77

The country reports that it has no specialized studies or analysis for the characterization and profiling of seized substances.

In the following table, Panama reports on the number of persons who were formally charged with and convicted of illicit drug trafficking:



Year	Number of persons formally charged	Number of persons convicted
2006	103	63
2007	277	213
2008	135	154
2009	677	89

The following table shows the number of public officials formally charged with and convicted of crimes related to illicit drug trafficking:

Year	Number of public officials formally charged	Number of public officials convicted
2006	20	7
2007	15	12
2008	12	1
2009	5	0

With regard to how the country handles illicit drug possession for personal use, Panama reports that it applies alternative sentences to punishment, such as therapeutic measures and community service.

In the following table, the country indicates how many persons were formally charged with and convicted of illicit drug possession for personal use:

Year	Number of persons formally charged	Number of persons convicted
2006	7	2
2007	9	3
2008	21	23
2009	8	14

The country criminalizes the illicit possession of drugs, as established in the Single Text of the Penal Code of the Republic of Panama adopted by Law 14 from 2007, with the Amendments and Additions Introduced by Law 26 from 2008.

In the following table, the country shows the number of persons who were formally charged with and convicted of illegal possession of drugs during 2006-2009:

Year	Number of persons formally charged	Number of persons convicted
2006	1,883	1,120
2007	267	235
2008	154	89
2009	417	179

The country has alternative sentencing measures for the crime of illicit possession of drugs, such as therapeutic measures and community service. During the period evaluated, therapeutic



measures were applied to 97 persons. However, the country reports that the results have not been evaluated.

The competent authorities responsible for control of illicit drug trafficking are as follows:

- Specialized Prosecutors for Drug-Related Crimes, Public Ministry (coordinating authority for matters related to illicit drug trafficking).
- Ministry of Interior and Justice, National Police of Panama, Narcotics Division.
- Ministry of Interior and Justice, Aerial Service.

To promote the timely exchange of information and collaboration among authorities responsible for the control of illicit drug trafficking, Panama holds inter-agency meetings under the leadership of the Specialized Anti-Drug Prosecutors.

Panama has implemented several mechanisms of international cooperation used by national authorities responsible for the control of illicit drug trafficking to promote or facilitate the timely exchange of operational information and collaboration with national authorities of foreign countries responsible for the control of illicit drug trafficking.

Panama reports that it has developed specialized training courses on countering illicit drug trafficking for police security forces, customs security officers, prosecutors and judicial officers.

Panama has implemented the International Ship and Port Facility Security Code (ISPS) of the International Maritime Organization (IMO). These regulations are implemented in coordination with private enterprise, since port administration in the Republic of Panama has been licensed out by the government. The country did not provide the percentage of ports implementing the ISPS.

The ISPS program is financed by the government. The institutions that coordinate implementation of the anti-drug port security program are the National Customs Authority and the Air-Sea Service of the Republic of Panama.

The country does not have a common interagency database or mutual access to databases to gather, analyze, exchange, and share information and intelligence among the national and public entities involved in drug control activities in ports. The country reports that it uses inter-agency working groups, information exchanges between participating private and public sector entities, review of manifests and other documents for targeting purposes, regular inter-agency meetings, information on electronic monitoring from other countries or agencies, informants, shipping documents, and law enforcement agencies in other countries.

The country reports that it has manual control mechanisms, operated by the Panamanian Maritime Authority that records commercial and noncommercial movements of vessels in its ports. Both commercial and noncommercial information is compiled by observation and monitoring and reporting by vessels to the competent port agency.



The country has a methodology to determine which vessels, cargo or containers should undergo a more complete inspection or examination in person.

Panama carries out maritime drug detection, monitoring, and interdiction activities. The country engages in continuous patrols and monitoring of the coasts, territorial waters, and areas bordering rivers, where maritime drug movements occur most frequently, and also coordinates maritime operatives. Panama reports that the agencies responsible for coordinating maritime monitoring and interdiction operations are the Public Prosecutor's Office and the Aero-Naval Service. The agencies that participate in these operations are the Public Prosecutor's Office, Customs, the National Police, and the Aero-Naval Service.

The country reports that during the evaluation period it carried out operations related to maritime interdiction and as result two vessels were seized in 2006, two vessels in 2007, 10 vessels in 2008 and eight vessels in 2009.

The country reports that it did not perform maritime counter-drug operations undertaken in partnership with other countries during the evaluation period.

Panama reports that it carries out interdiction activities to control illicit drug trafficking by air. However, the country did not provide information on the number of operations carried out and seizure of aircrafts made in relation to aerial interdictions.

Panama reports that the Public Prosecutor's Office and the Aero-Naval Service are the agencies responsible for coordinating surveillance and aerial interdiction operations. Other entities, such as Customs and the National Police participate in these activities with the Public Prosecutor's Office and the Aero-Naval Service.

Panama does not have laws or regulations that can be applied or used in some way to control drug sales via the Internet.

The country reports that it has not carried out activities or programs directed to administrative, judicial, law enforcement, postal, customs, or other authorities to increase their awareness of illicit drug sales over the Internet.

B. Firearms, Ammunition, Explosives, and other Related Materials

Panama has official agencies that regulate and authorize licit activities (import, transit, purchase, sale, shipment, movement or transfer, registration, marking, transport, possession, carrying, storage, and marketing) of firearms, ammunition, explosives, and other related materials. Manufacture and export are not included.

The Ministry of the Interior and Justice (through the Judicial Investigation Directorate), the Ministry of Economy and Finance (through the General Directorate of Land Registry and Capital Assets), and the National Customs Authority are the institutions responsible for said control. The



current legislation that regulates these activities is: Law 69 from 2007, Law Decree 1 from 2008 and Resolution No. 093-R-49 from March 31 2008 that approves the Internal Bylaw of the Judicial Investigation Directorate of the National Police of Panama.

The country reports that administrative controls on the manufacture, import, export, transit, legal transfer of firearms, ammunition, explosives, and other related materials, authorization of commercial transactions (purchase-sale) and establishment of the crime of trafficking in and illicit manufacturing of firearms, ammunition, explosives, and other related materials are contained in the Penal Code, Law 14 of 2007, with the amendments and additions introduced by Law 26 of 2008.

The country reports that, in accordance with the Inter-American Convention against the Illicit Manufacture of and Trafficking in Firearms, Ammunition, Explosives, and other Related Materials, the domestic laws require the marking of firearms at the time of manufacture, for their import, and for official use after they are forfeited or confiscated.

The country does not have mechanisms for exchange of information and cooperation among national and international institutions for the control of activities related to firearms, ammunition, explosives, and other related materials, in all their modalities.

The country informs that during the years 2006-2009 there were no registered cases where the entry of a shipment of firearms, ammunition, explosives and other related materials was not authorized because the necessary licenses or permits were not issued.

Panama has a manual registry for import, export, and transit of firearms, ammunition, explosives, and other related materials that is not updated. The country does not have a computerized national registry.

The country reports that it does not have a national data base on confiscation of firearms, ammunition, explosives, and other related materials. The registries are kept manually.

The country provides in the following table the quantities of firearms, ammunition, explosives, and other related materials linked to drug trafficking that were seized during the years 2006-2009:

Quantities seized				
Year	Firearms	Ammunition	Explosives	Other related materials
2006	1,896	41,249	268	0
2007	1,673	18,334	9	0
2008	1,886	34,959	98	0
2009	2,031	30,110	80	0

Panama indicates that seized firearms, ammunition, explosives, or other related materials linked to drug trafficking are forfeited to state security agencies. Once the process is complete they are



given in custody to the National Police and to other state security agencies. The country reports that weapons of war are destroyed.

The following table provides the number of firearms, ammunition, explosives, and other related materials linked to drug trafficking that were seized, in relation to the number of arrests for drug trafficking:

Year	Number of arrests	Quantity of firearms	Quantity of ammunition	Quantity of explosives	Quantity of other related materials	Number of operations
2006	560	1,896	41,249	268	0	373
2007	644	1,673	18,334	9	0	322
2008	714	1,886	34,959	98	0	476
2009	1013	2,031	30,110	80	0	675

The country informs that it does not have statistics on the seizures of ammunition, explosives, and other related materials linked to drug trafficking that were forfeited, in relation to the number of arrests for drug trafficking.

The following table provides the quantity (units) of firearms seized from persons formally charged with illicit activities related to firearms, ammunition, explosives, and other related materials, linked to drug trafficking:

Year	Long guns	Short guns	Explosives	Ammunition
2006	546	1,350	268	41,249
2007	421	1,252	9	18,334
2008	375	1,511	98	34,959
2009	383	1,648	80	30,110

Panama does not have records on the number of traces or investigations of firearms initiated to determine the source of the forfeited firearm (or other related material).

The country does not have records on the number of investigations initiated or assisted as a result of a trace request from another country, nor on the number of international firearms trace requests received or on the number of international firearms trace requests completed.

C. Money Laundering

Law 14 of May 18, 2007, which adopted the new Penal Code of the Republic of Panama, criminalizes money laundering and related crimes, and establishes sanctions of five to 12 years in prison.



The country has established the following crimes as predicate offenses for money laundering: illicit drug trafficking, trafficking of firearms, illicit trafficking of migrants, trafficking of human beings, kidnapping, extortion, corruption and crimes against the public administration, fraud or financial crimes, international bribery, crimes against intellectual property, crimes against industrial property, crimes against humanity, illegal association for the purpose of committing drug-related crimes, aggravated fraud, embezzlement, homicide for a price or compensation, crimes against the environment, illicit enrichment, terrorism, financing of terrorism, pornography and corruption of minors, commercial sex trade, and international theft or trafficking of vehicles. Organ trafficking is not included.

Panama reports that it is not necessary for a person to be convicted of a predicate offense in order to be convicted of laundering the proceeds of that offense. Money laundering is an autonomous offense.

The country identifies undercover operations, use of informants, controlled deliveries, electronic surveillance and sentence reduction for cooperating witnesses as special investigative techniques permitted under national law in money laundering investigations.

Panama belongs to the Caribbean Financial Action Task Force (CFATF). The last evaluation conducted of the country was in September 2006. Furthermore, the country reports that since 2010 it is a member of the Financial Action Task Force of South America (GAFISUD).

Panama reports that the following sectors and activities are subject to the requirement to submit reports of suspicious transactions to prevent money laundering: the banking sector, offshore banks, currency exchange sector, stock exchange, insurance sector, transfer of funds, cash, or valuables, real estate, and casinos and gambling. Attorneys, notaries and accountants are not subject to the obligation to report their operations.

With regard to sectors and activities subject to the requirement of sending in objective information reports to prevent money laundering, the country informs that the following entities are required to provide to the Financial Analysis Unit, in accordance with Executive regulations, declarations on all cash and quasi-cash transactions (as defined by Executive Decree 234 of October 17, 1996, Article 3, item 3,) that exceed ten thousand balboas (US\$ 10,000.00): companies established in the Free Zone of Colón and other free and processing zones; National Welfare Lottery; casinos and other gambling and game establishments; real estate developers and brokers; and, insurance and reinsurance companies and reinsurance brokers.

Panama has the Financial Analysis Unit for Prevention of Asset Laundering and Financing of Terrorism.

The country reports that this Unit is under the authority of the Ministry of the Presidency. Panama further reports that the unit has an annual budget. The Unit is a member of the Egmont Group, and has access to its secure network.



The following table provides the number of information requests received and responses sent through the Egmont Group’s secure network:

Year	Information requests received	Responses to information requests sent
2006	30	30
2007	144	144
2008	223	86
2009	161	146

Panama reports that it does not have limitations on obtaining documents and registers in money laundering cases (Law # 9, 1998).

The country has limitations on obtaining documents in money laundering cases subject to secrecy, confidentiality, or reserve agreements. In this regard, it reports that tax evasion in Panama is not a criminal offense, hence it cannot be a predicate offense for money laundering.

Panama reports that the Public Ministry is the entity that manages and disposes of goods seized and forfeited in cases of illicit drug trafficking and money laundering offenses.

The country reports that in the case of goods, instruments, money, or securities seized, they are managed by the Custodial Center of the Public Ministry. The property, instruments, money, or securities forfeited, in a final judgment, are placed at the disposal of the National Commission for the Study and Prevention of Drug-Related Offenses (CONAPRED), if so indicated by the judge in his ruling. The country reports that the entity does not have manuals for the management of temporarily seized assets.

Panama’s constitutional legislation provides for mechanisms related to the judicial disposition of assets related to illicit drug trafficking. Panama reports that its national legislation permits the presale and disposition of seized property. The law permits four operations: management, safe-keeping, donation, and sale of property, and establishes procedures in each case.

The following table indicates the number of investigations initiated on the basis of a Financial Intelligence Report submitted by the Financial Intelligence Unit during the years 2006-2009:

Year	Investigations initiated through a Financial Intelligence Report
2006	576
2007	73
2008	71
2009	80

In the following table, the country indicates the number of criminal proceedings initiated for money laundering offenses during the years 2006-2009:



Year	Criminal proceedings initiated for money laundering offenses
2006	732
2007	73
2008	71
2009	80

In the following table, the country shows the number of persons who were formally charged and convicted following investigations initiated during the years 2006-2009:

Year	Number of persons formally charged	Number of persons convicted
2006	732	147
2007	73	49
2008	71	39
2009	80	61

D. Judicial Cooperation

Panama reports that under its legal system, extradition is possible for drug trafficking and money laundering crimes. It further specifies that extradition of its nationals is not permitted.

The country reports that, in accordance with the international legal framework, it has complied with the obligation to designate a competent authority to receive, respond to, and transmit extradition requests.

The country's national laws provide for the possibility that nationals whose extradition has been denied in cases of drug trafficking or money laundering can be tried for these offenses in Panama.

Panama's national laws permit the provision of reciprocal judicial assistance. To this end, the following activities may be carried out: taking evidence or statements from persons; effective service of judicial documents; executing searches and seizures; examining objects and sites; providing information and evidentiary items; providing original or certified copies of relevant documents and records, including bank, financial, corporate, or business records; and identifying or tracing the proceeds, property, instruments, or other items for evidentiary purposes.

The country reports that it uses secure technological resources to facilitate communication among the authorities directing criminal investigations.

The country reports that bank secrecy or other confidentiality laws are not an obstacle or impediment to providing reciprocal judicial assistance.

Panama reports that the basic principles of its domestic law allow it to attend to a request for a controlled delivery, and that there are substantive and procedural laws that permit recourse to the technique of controlled delivery.



The country has a mechanism for recovery of assets confiscated abroad, based on the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

The following table indicates the number of active extradition requests made regarding illicit drug trafficking and money laundering cases:

Active extradition requests regarding illicit drug trafficking cases				Active extradition requests regarding money laundering cases			
2006	2007	2008	2009	2006	2007	2008	2009
3	1	3	3	3	1	3	3

The following table indicates the number of passive extradition requests related to illicit drug trafficking and money laundering that were answered:

Passive extradition requests answered Illicit drug trafficking				Passive extradition requests answered money laundering			
2006	2007	2008	2009	2006	2007	2008	2009
8	11	9	9	1	2	5	5

The following table indicates the number of requests for reciprocal judicial assistance related to illicit drug trafficking and money laundering cases that were made:

Requests for reciprocal judicial assistance made Illicit drug trafficking				Requests for reciprocal judicial assistance made money laundering			
2006	2007	2008	2009	2006	2007	2008	2009
13	12	17	9	16	19	18	16

The following table indicates the number of requests for reciprocal judicial assistance related to illicit drug trafficking and money laundering cases that were answered:

Requests for reciprocal judicial assistance answered Illicit drug trafficking				Requests for reciprocal judicial assistance answered money laundering			
2006	2007	2008	2009	2006	2007	2008	2009
19	27	29	22	21	41	43	31



EVALUATIVE SUMMARY

In the area of institutional strengthening, CICAD acknowledges that Panama has a national anti-drug authority with a National Executive Secretariat to carry out its mandates. CICAD notes that during the evaluation period, the country started the process to prepare and adopt the new National Anti-drug Strategy.

On the subject of international conventions, CICAD acknowledges that Panama has ratified all international instruments recommended by the MEM to control drugs and related criminal activities.

In relation to national information systems, CICAD notes that Panama has a national observatory on drugs, which organizes available drug-related information and coordinates the carrying out of studies among specific populations.

In the area related to demand reduction, CICAD observes that Panama is in the process of developing prevention programs aimed at school children, and notes that during the evaluation period, the country conducted training courses on prevention and treatment. However, CICAD notes that the country does not carry out prevention programs aimed at street youth or adults, family, gender, community, indigenous groups, migrants and refugees, workplace, or incarcerated individuals.

Likewise, CICAD notes that the country has not extended the coverage of prevention programs to target elementary and high school students.

Regarding treatment, CICAD acknowledges that there are entities in Panama responsible for designing, financing, implementing, monitoring programs, offering human resource training, controlling and regulating the provision of treatment and the “Standards of Operation and Care for Drug Abuse Treatment Centers”. Moreover, the country has official authorization procedures for enabling the operation of specialized treatment facilities.

In relation to statistics on consumption, CICAD notes that Panama has national-level estimates on drug use among elementary and high school students.

CICAD notes that the country has a traffic regulation in place aimed at preventing accidents resulting from alcohol and drug use.

CICAD notes that the country has not conducted studies of drug use among the general or university-based population and lacks records of accidents occurring in the workplace due to drug use.

In the area of supply reduction, in particular with respect to drug production, CICAD notes that the country does not have significant areas of coca, poppy and cannabis, and has not detected marijuana grown indoors.



In relation to the control of pharmaceutical products, CICAD acknowledges that Panama has a regulatory framework in place to control and enforce sanctions against their diversion. CICAD acknowledges that Panama takes actions both in the health and private sector. However, CICAD observes that the country lacks a comprehensive process to track and prevent the diversion of pharmaceuticals.

In relation to the control of chemical substances, CICAD acknowledges that Panama has national laws and regulations governing its control, which provide for the control and monitoring of all chemical substances found in international conventions. CICAD likewise acknowledges that Panama undertakes activities to control the diversion of chemical substances within an integrated process involving different institutions.

CICAD notes that the country has installed, but has not implemented the National Drug Control System (NDS) for the control of chemical substances, nor has it incorporated into its legal framework civil sanctions against the illicit production, diversion and illicit trafficking in said substances.

In the area of control measures, in particular with respect to illicit drug trafficking, CICAD notes that Panama has criminal sanctions governing the illegal possession of drugs for personal use and considers drug possession an offense.

CICAD notes that the country controls and records persons formally charged and convicted of illicit drug trafficking and public officials formally charged and convicted of crimes related to illicit drug trafficking. Also, CICAD notes that Panama keeps records of persons formally charged and convicted of illicit drug possession and drug possession for personal consumption.

CICAD notes that the country has provided specialized training to combat illicit drug trafficking targeting police security forces, customs officials, prosecutors and judiciary workers.

CICAD notes that the country implements the International Ship and Port Facility Security Code (ISPS Code), and has manual control over the commercial and non-commercial movement of ships at port. It also notes that the country has conducted maritime and air interdiction operations.

CICAD notes with concern that Panama did not implement research or training activities related to preventing and controlling illicit pharmaceutical products and other drugs over the Internet.

Regarding firearms, ammunition, explosives and other related materials, CICAD views with satisfaction that Panama has laws and regulations in place, as well as entities or official government agencies responsible for regulating, authorizing and controlling activities related to their import, transit, acquisition, sale, delivery, transportation, transfer, registration, marking, transport, possession, carrying, storage and marketing.

CICAD acknowledges that there are laws in place that criminalize the trafficking and illicit manufacture of firearms, ammunition, explosives and other related materials, as well as legal



norms that establish administrative controls for transactions between natural and legal persons from the initial transfer to the final end user, as well as applicable sanctions.

CICAD notes that the country has not established mechanisms for information exchange and cooperation among national and international institutions for the control of activities related to firearms, ammunition, explosives and other related materials.

CICAD notes with concern that Panama has not implemented a computerized system to register the import and transit of firearms, ammunition, explosives and other related materials, and does not record the number of firearms trackings or investigations that were initiated to determine the source of the seized firearm (or other related material), or the number of tracking requests that were sent, initiated, received or concluded.

CICAD notes that Panama has a normative framework in place that considers money laundering an offense, as well as criminal provisions establishing that money laundering is an autonomous offense. The country also engages in special investigative techniques in money laundering cases.

CICAD acknowledges that the country's constitutional legislation includes mechanisms on the legal disposition of assets related to illicit drug trafficking activities and the anticipated transfer and disposal of seized assets.

CICAD notes with concern that the legal framework does not include organ trafficking as a predicate offense of money laundering, nor does it include lawyers, public notaries or accountants among those required to comply with administrative controls aimed at preventing money laundering.

CICAD notes that the provisions on bank secrecy, confidentiality or proprietary information do not constitute obstacles to obtaining documents in money laundering cases.

In the field of judicial cooperation, CICAD acknowledges that the country has a designated authority to receive, respond to and process extradition requests, and that its legal framework allows for the extradition for crimes of illicit drug trafficking and money laundering. CICAD notes that extradition is not applicable to Panamanian nationals, however, domestic law does allow for Panamanian nationals to be tried for committing said crimes in Panama.

CICAD notes that the regulatory framework of Panama allows for the provision of mutual legal assistance, and that according to the country's legal framework, bank secrecy or other forms of confidentiality do not pose an obstacle or impediment to providing mutual legal assistance, or responding to a request for controlled delivery. Moreover, CICAD notes that the country keeps a record of active and passive extradition requests that are made, received and responded to in cases of illicit drug trafficking and money laundering.

CICAD recognizes Panama's efforts in the context of the Multilateral Evaluation Mechanism (MEM) and encourages the country to continue to participate actively in the process.



RECOMMENDATIONS

The following recommendations are assigned to Panama in order to assist the country in strengthening its policy to combat the problem of drugs and related activities and increase multilateral cooperation in the hemisphere:

INSTITUTIONAL STRENGTHENING

1. APPROVE A NATIONAL ANTI-DRUG PLAN THAT SERVES AS THE FRAMEWORK FOR ALL ANTI-DRUG ACTIVITIES.

DEMAND REDUCTION

2. EXTEND THE COVERAGE OF PREVENTION PROGRAMS TARGETING PRIMARY AND SECONDARY SCHOOL STUDENTS.
3. CONDUCT A STUDY TO ESTIMATE THE EXTENT OF DRUG USE AMONG THE GENERAL POPULATION.

SUPPLY REDUCTION

4. IMPLEMENT A COMPUTERIZED OR SIMILAR INFORMATION SYSTEM FOR THE CONTROL OF CHEMICAL SUBSTANCES.

CONTROL MEASURES

5. CARRY OUT RESEARCH AND TRAINING ACTIVITIES RELATED TO THE PREVENTION AND CONTROL OF THE ILLICIT TRAFFICKING OF PHARMACEUTICAL PRODUCTS AND OTHER DRUGS VIA THE INTERNET, WHICH WILL ENABLE THE COUNTRY TO IDENTIFY ITS REGULATORY AND OPERATIVE NEEDS, A RECOMMENDATION REITERATED FROM THE FOURTH EVALUATION ROUND, 2005-2006.
6. ESTABLISH MECHANISMS FOR THE EXCHANGE OF INFORMATION AND COOPERATION OF NATIONAL AND INTERNATIONAL INSTITUTIONS FOR THE CONTROL OF ACTIVITIES RELATED TO FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS.
7. IMPLEMENT A COMPUTERIZED REGISTRATION SYSTEM FOR THE IMPORT, EXPORT, AND TRANSIT OF FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS, A RECOMMENDATION REITERATED FROM THE FOURTH EVALUATION ROUND, 2005-2006.
8. ESTABLISH A MECHANISM THAT ALLOWS HAVING REGISTRIES AND STATISTICS ON TRACES/ INVESTIGATIONS OF ILLICITLY TRAFFICKED, DIVERTED AND SEIZED FIREARMS IN ORDER TO IDENTIFY THE POINT OF DIVERSION OF FIREARMS FROM LICIT MARKETS TO ILLICIT USE.
9. INCLUDE ORGAN TRAFFICKING IN THE LIST OF PREDICATE OFFENSES FOR MONEY LAUNDERING.



10. INCLUDE ACCOUNTANTS, ATTORNEYS AND PUBLIC NOTARIES AMONG THOSE OBLIGATED TO REPORT SUSPICIOUS OPERATIONS TO PREVENT MONEY LAUNDERING.



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