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ORGANIZATION OF AMERICAN STATES
Inter-American Drug Abuse Control Commission (CICAD)

Multilateral Evaluation Mechanism (MEM)
Governmental Expert Group (GEG)

CHILE

EVALUATION OF PROGRESS IN DRUG CONTROL
2003-2004



INTRODUCTION

Chile has a total area of 756,950 km² and 6,171 km of border (to the north with Peru, 160 km; to the northeast with Bolivia, 861 km; to the east with Argentina, 5,150 km), with 6,435 km of coastline. The country has a population of 15,823,957 (2004) with the following main ethnic groups: white, mestizo, and Amerindian, and a literacy rate of 96%. Chile is a constitutional republic divided into 13 regions (among these is the Metropolitan Region of Santiago, the country's capital), which are divided into 51 provinces, that are in turn divided into 342 municipal districts distributed throughout the country. The country has a GDP per capita of US\$5,982 and an inflation rate of 2.5% (2002). Chilean exports total US\$20,440 million annually, which is 21.59% of the GDP (2003), relying on the principal exports of copper, fish, fruits, paper and pulp, chemicals, and wine.

I. INSTITUTIONAL STRENGTHENING/NATIONAL ANTI-DRUG STRATEGY

A. National Anti-drug Plan and National Commission

During the 2003-2004 evaluation period, Chile has put into action the new 2003-2008 National Strategy on Drugs, which is a continuation of the National Plan for Drug Prevention and Control approved by Presidential Decree in 1993. This strategy covers the areas of demand reduction, supply reduction, control measures, institutional framework and program evaluation. The country reports that this strategy focuses on the search for effective results with a view to reducing drug trafficking and consumption by 2008.

The National Council for Narcotics Control (CONACE), is the lead agency responsible for coordinating implementation of the 2003-2008 National Strategy on Drugs.

A central government budgetary allocation funds the Strategy, which is part of the national budget, and specifically allocated for implementation of programs and activities related to the demand reduction area. It is noted that allocations have increased each year from 2002-2004:

Budget for Funding the National Drug Strategy

Year	Budget approved (US\$)	Actual budget (US\$)	Allocation
2002	13,976,623	13,976,623	100%
2003	14,315,523	14,315,523	100%
2004	18,056,577	18,056,577	100%
Total	46,348,723	46,348,723	100%

As part of the budget mentioned above, CONACE has funding to carry out its coordination efforts: in 2002, it invested US\$1,356,842; US\$1,606,537 in 2003; and US\$2,141,712 in 2004.

All municipalities have the technical and financial means to assume responsibility for developing drug use and drug trafficking prevention programs. Thus, the "PREVIENE: CONACE in Your Commune" program, which is being implemented with central government funding and municipal contributions, is intended to develop, organize, and coordinate a communal plan for drug prevention and control in the framework of the national strategy. This is taking place in 88 of the country's municipalities. Nonetheless, a series of school prevention programs are being implemented in the country's 342 municipal districts. In 235 of these, the "Family Prevention"



program is being conducted; and in another 78, different prevention programs are being carried out.

The following table shows the number of municipalities now implementing the central government-funded PREVIENE program in municipal districts with populations of over 30,000.

**Municipal Plans Related to the Fight
against Drugs Implemented in Chile**

Total population of the country	15,116,435
Total number of municipalities in the country	342
Number of municipalities carrying out municipal plans	88
Total number of inhabitants benefited	10,868,871

The financial resources needed to carry out supply reduction activities and control measures are part of the regular budget of the institutions with responsibility for their implementation (police, customs, mounted police, the courts, etc.). It is therefore difficult to quantify the amount of resources invested in relation to the implementation of the National Drug Strategy.

The information provided by Chile shows the progress that has been made in addressing the drug problem in several of its programs. It has a National Strategy 2004-2008, with a budget duly funded from government allocations and comprising part of the national budget. The country has a technical and administrative structure with responsibility for coordinating the development of different supply and demand programs and projects, which are implemented in all regions of the country.

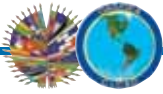
CICAD acknowledges the effort made by Chile to implement its National Strategy in order to address the drug problem.

B. International Conventions

Chile has ratified the following Conventions:

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

The country reports that Chilean authorities are in the process of studying the possibility of acceding to the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, of The United Nations Convention against Transnational



Organized Crime. However, it does not mention an approximate date for the completion of this process.

In the context of international conventions, Chile maintains bilateral cooperation agreements on drug trafficking with 24 states, 14 of which are OAS members.

CICAD acknowledges the efforts shown by Chile to ratify the United Nations Convention against Transnational Organized Crime and two of its protocols and encourages the country to ratify the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition.

RECOMMENDATION:

1. **RATIFY THE PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, THEIR PARTS AND COMPONENTS AND AMMUNITION, OF THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.**

C. National Information System

Chile has a National Observatory, an authority reporting to CONACE, that is responsible for coordinating, compiling and analyzing statistical information and studies conducted to determine the various indicators of the drug problem.

Chile has, for the last ten years, been conducting a nationwide program of biennial surveys, in two specific areas: general household surveys and surveys of 8th to 12th grade students. For these studies, the country does not utilize the methodology of the Inter-American Drug Use Data System (SIDUC), as it has implemented another research system. However, the data compilation instruments utilized by the country coincide with SIDUC, and provide information on the scale of drug use among the general public and students, and provide data on life prevalence, last 12 months, and last 30 days. Therefore, information from both systems may be compared.

Chile also has a wide range of statistical data on drug use in other, more specific, populations, such as: young offenders; emergency room patients; higher education students; and the workforce; and also has forensic medical studies, all of which provide data comparable with that produced using the SIDUC methodology.

Chile also provides information within CICAD's Uniform Drug Supply Control Statistical System (CICDAT), to the International Narcotics Control Board (INCB), and to the United Nations Office on Drugs and Crime (UNODC).

Chile reports that it has a mechanism to measure the effectiveness of the country's data collection capacity as it has conducted studies on drug use in the general public every two years since 1994 and studies of student drug use, also every two years, since 1995. The country also carries out, on an ongoing basis, studies of specific populations and evaluations of the processes and results of prevention, treatment and rehabilitation programs. This is also the case for statistics on control of illicit drug supply.

The country informs that it has the capacity to disseminate material among the general population relating to drug use, and that it uses public documentation and information centers, a web page,



a telephone help-line system, publications and reports on the drug problem prepared by various institutions. Information is distributed periodically on prevention, treatment and rehabilitation programs nationwide, using media such as radio, television, distribution of printed material and public road signs.

Chile, through CONACE, has trained journalists and social communicators on the correct handling of drug-related issues, given its complexity as well as of the task of informing public opinion. In the context of state modernization activities, the first government portal on drugs was installed in July 2003 and recorded 81,000 visits in the first seven months. To develop these activities, CONACE has a specific budget and each program also has resources for information activity purposes. The budget for developing these activities was US\$574,037 in 2002 and US\$576,368 in 2003, with an allocation of US\$679,117 for 2004.

CICAD acknowledges the efforts of the country made by its Observatory in compiling, analyzing, and disseminating information on the drug problem in the area of demand.

II. DEMAND REDUCTION

A. Prevention

In keeping with the priorities set by its National Strategy on Drugs approved in 2003, Chile has a national system of broad coverage prevention programs targeting different key sectors of the population, strengthened by specialized training models.

The programs being implemented are aimed at strengthening the capacity of the family as an agent protecting against drug use in the educational, work and community environment.

The percentage of children and adolescents attending school is very high with respect to the total population in Chile and thus the educational system is given priority in the strategy. It includes drug use prevention programs from preschool to secondary school through a series of programs aimed at building up attitudes, values, knowledge, and skills that favor a commitment to a healthy lifestyle and a critical attitude toward drugs. Thus, a continuous, gradual and systematic preventive process is applied throughout the entire educational process, covering 64% of the country's schools in 2004.

In addition, programs implemented in the education system include the family as part of the intervention process. A specific intervention has been developed to train volunteer monitors from different sectors nationwide through the "Family Prevention" Program, which is replicated through community teams throughout the country.

Out-of-school youths can be reached through the program for at-risk children and youth, and the community prevention program through the "Family Prevention" program. These programs also cover children and adolescents subject to child labor.

The prevention program "Working with Quality of Life" in the labor sector supports companies that adopt a policy to prevent the use of alcohol and other drugs. A series of projects are implemented for socially vulnerable children and adolescents to promote their social and educational insertion, early detection of substance use, and their referral to specialized treatment programs.



The following table illustrates the coverage achieved by these programs:

Number of Participants in Drug Use Prevention Programs (2004)

Target Population	Number of Participants
Preschool (3 to 6 years)	569,765 boys and girls
Primary (6 to 13 years)	1,941,828 boys, girls and youths
Secondary (14 to 17 years)	655,476 students
Tertiary (university level)	70 projects in universities throughout the country
Street children/abandoned children	1,230 socially vulnerable boys, girls and youths
Community programs for adults	210,000 adults
Workplace	<input checked="" type="checkbox"/> Public sector No. of government agencies 30
	<input checked="" type="checkbox"/> Private sector No. of companies 200
Prisoners	3,000 prisoners in 10 penitentiaries of the country
Other at-risk groups Families	55,000 families
Conscripts and Armed Forces Officers	25,000 youths and 120 adults

As there is no specific nationwide program for the indigenous population in Chile, community prevention projects and the Family Prevention Program are being implemented in municipal districts with that type of population. It should be noted that the school prevention program is being implemented in all municipal districts in the country, including those with indigenous populations.

CONACE has a Competitive Fund for Prevention Projects which finances projects for social institutions and organizations. In 2003, it funded 535 projects nationwide.

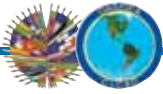
Chile's universities offer diploma courses and refresher and specialization courses in drug abuse prevention, treatment and research and various universities have specific programs covering aspects of the drug phenomenon. Chile has no masters or doctoral degree programs on the drug problem.

During the years 2003 and 2004, the following persons received training: 12,300 teachers, 12,000 family monitors, 700 health network team professionals and experts, 525 police officers, 400 army officers and noncommissioned officers, and 250 professionals and experts working with high-risk and socially vulnerable populations (National Children's Service), among others, were trained.

The departments of medicine, psychology, social work, nursing, sociology, and public health at various Chilean universities offer courses on drug prevention and treatment as part of students' curriculum. It is estimated that national student demand for this specialization is met by the existing supply. Chile also indicates that efforts are being undertaken to include a masters or postgraduate degree at the University of Chile, for which a framework agreement has been initially signed. Similarly, this will be done at the University of Concepción.

Chile reports that evaluations were made of processes and results to determine the efficacy, quality, and effectiveness of prevention program design and implementation. The results of such evaluations are enabling the country to reformulate its strategies with a view to obtaining better results.

Under its National Strategy on Drugs, Chile has a national system of prevention programs with broad regional and national coverage which target different key sectors of the population.



Chile has personnel specialized in handling prevention intervention methodologies to implement these programs.

CICAD acknowledges Chile's efforts to accomplish the objectives of its National Strategy, as can be seen in the development of a national prevention system with high levels of coverage in various population groups.

B. Treatment

The Chilean government has established technical and administrative standards of care at the national level for mandatory drug abuse treatment in accordance with Law 18,469 and voluntary standards provided as technical guidelines for implementation as deemed appropriate by treatment teams at each health facility.

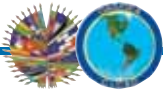
The Program to Support Treatment and Rehabilitation Plans, implemented by the agreement signed between CONACE, the Ministry of Health (MINSAL), and the National Fund for Health (FONASA), guarantees attention to low-income and socially disadvantaged persons, which is noteworthy. The program enables persons with drug problems to gain access to public and private treatment centers involving four modalities, differentiated by therapeutic objective and according to the characteristics, needs, and complexity of the persons seeking treatment. CONACE, through FONASA, is funding these treatments by means of agreements with different centers. This way of administering resources has facilitated expansion of treatment coverage, while safeguarding the quality of attention. In 2003, 227 agreements were entered into throughout the country; of these, 155 pertain to public centers and 72 to private centers.

Under an agreement among CONACE, the Ministry of Health and the National Health Fund, biannual reviews of the various treatment centers are conducted, and have detected the need to make changes and improve clinical aspects of treatment. In addition, the Public Health School of the University of Chile, as instructed by CONACE, conducted in 2003 and 2004 a qualitative and quantitative assessment of this program on the basis of a national sampling of public and private institutions. As a result of the study, the program was validated as an adequate response in terms of quality and timeliness to the treatment needs of those with drug use problems.

The total availability of treatment and rehabilitation programs offered in Chile is as follows: ambulatory programs at 165 public centers and 33 private centers; in-patient programs at 5 public centers and 44 private centers; and day and night care clinics, but only at the private level. In terms of treatment programs, there are 440 urban and rural primary care offices; 3 public centers for detoxification and various private centers; 170 public centers and 130 private centers for treatment and rehabilitation and 460 self-help groups; and, finally, 33 centers with specific programs for children and adolescents with drug use problems and 10 with specific programs for women.

An intervention program has been started with 450 adolescent offenders who, in addition to committing crimes, have drug use problems. In addition, 11 penitentiaries include outpatient and/or in-house centers that provide inmates with attention for drug use problems. In 2004, 220 such persons were treated.

In Chile, there is no center that carries out detoxification programs exclusively. There are, however, private clinics that treat psychiatric disorders and therapeutic communities that carry out detoxification plans as part of their activities.



In 2002 there were 7,235 patients recorded as having sought and received care, and 18,583 patients in 2003, not counting those patients about whom some private centers do not report information.

According to data from the Fifth Study on the General Population (2002), there are 37,340 persons suffering from drug abuse who have stated they are ready to be treated. With the number of people treated under the CONACE-MINSAL-FONACE Agreement, plus the number of people treated by the Ministry of Health (18,583 people), it can be said that treatment coverage in 2003 represented 49.7% of potential demand (37,340 people).

Public treatment centers are accredited to provide drug and alcohol abuse treatment and rehabilitation. Private treatment centers must undergo an accreditation process whose details differ depending on the geographic location of the corresponding health service. In order to operate, all private centers must be authorized by the corresponding health service, which imposes infrastructure and equipment requirements, and requires a written therapeutic program and staff with pertinent skills. However, in January 2004, the National Congress passed the Health Authority Act, which stipulates that for all health problems requiring care, those seeking to acquire skills to provide such care must obtain health authority authorization and that there must be supervision and oversight of treatment centers in order for them to obtain provisional certification. Therefore, at present, drug treatment and rehabilitation center accreditation provisions are being amended to impose more stringent requirements on both public and private treatment centers. A supervisory and evaluation system is also being organized for centers whose certification must be periodically renewed, for which the Ministry of Health's will have responsibility.

In 2002, Chile, through CONACE, launched a work reintegration project in conjunction with the Mirador Interactive Museum (MIM). This involves providing support for social and work reintegration for those leaving drug dependency treatment programs. In addition, a pilot project, the "Preparation Workshop for Therapists Working in Treatment Centers that Offer Intensive Residential Programs in the Metropolitan Area" was offered for persons leaving treatment programs in 2003.

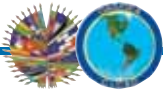
CICAD acknowledges Chile's work in implementing its national treatment, rehabilitation, and social reintegration system to meet public and private demand, which is guaranteed through the control of supervision of treatment facilities and using standards ensuring efficient treatment for those requiring this service. Moreover, it notes that Chile has information on patients treated in some private centers only, but not in all of them.

C. Statistics on Consumption

Chile states that it has periodic studies to measure drug use trends and has constructed an historical series on drug use trends in the country's general population as well as in specific population groups. These studies also measure other variables on patterns of use and factors associated with drug use.

CONACE conducted the Fifth National General Drug Use Study (2002) and the Fifth National School Drug Use Study (2003). Additionally, the survey for the Sixth National General Drug Use Study was begun in late September 2004, and its results are expected in mid-2005.

According to the Fifth National School Drug Use Study, the median age of first drug use is 13 years for alcohol and cigarettes; 14 years for marijuana and coca paste, and 15 years for cocaine HCL. The following table shows life prevalence figures by gender and type of drug, based on the results of the aforementioned study.



**Fifth National School Drug Use Study (2003)
Life Prevalence by Sex and Type of Drug**

Type of Drug	At some point in life (percentage)		
	M	F	Total
Alcohol	78.1%	79.2%	78.7%
Tobacco	72.3%	77.6%	75.0%
Solvents or inhalants	9.4%	6.6%	7.9%
Types of Cannabis	24.0%	19.4%	21.7%
Marijuana	24.0%	19.4%	21.7%
Hallucinogens	2.8%	1.2%	2.0%
Heroin	1.9%	0.8%	1.4%
Cocaine paste	6.8%	3.2%	5.0%
Cocaine HCL	7.8%	3.7%	5.7%
Crack	2.0%	0.8%	1.4%
Benzodiazepines*	8.9%	9.3%	9.1%
Stimulants	7.1%	4.7%	5.9%
MDMA (Ecstasy)	4.5%	2.1%	3.3%
All illegal drugs	25.3%	20.2%	22.7%

* Non-prescribed/non-therapeutic use only

The research conducted in Chile shows that the country has managed to halt the upward trend in the use of the main illicit substances. According to the Fifth National General Drug Use Study (2002), marijuana use declined slightly between 2000 and 2002, from 5.81% to 5.17%. The results for coca paste use are similar, with rates declining from 0.73% in 2000 to 0.51% in 2002, while cocaine use remained nearly constant in these two years, with prevalences of 1.52% in 2000 and 1.57% in 2002. Such data are confirmed in statements regarding use obtained from students in the Fifth National School Drug Use Study of 2003.

The data from the Fifth National School Drug Use Study (2003) also suggest that the percentage of students who consider it highly risky to try marijuana once or twice (experimental use) rose to 40.5%; and that 57.1% of students considered it highly risky to try cocaine once or twice (experimental use).

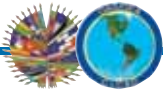
The "Study of Psychoactive Substances Identified in Cadavers Surveyed in the Metropolitan Area's Forensic Medicine Service" was conducted throughout 2001 and its results were released in 2002. It established a close association among aggression-related deaths, suicides, and (licit or illicit) drug use. It also established a close association between alcohol use, accidental poisoning-related deaths, and chemical substance exposure-related deaths, and between alcohol use and traffic accident-related deaths.

With regard to drug-related morbidity, Chile indicates that it only has information based on forensic reports, and that it has not found an association relationship between drug dependence and diseases such as HIV and Hepatitis B and C.

Chile informs that it has detected that the use of Ketamine, which was scarcely used over many years, has an increased presence during 2002 among drug users under treatment, according to studies.

The national research system implemented by Chile to measure drug use trends provides significant information on drug use, determining that the country has stabilized the use of the main illicit substances.

CICAD acknowledges Chile's efforts to develop the research system, implemented via the Observatory. However, the country does not provide information on mortality and morbidity associated with drug abuse.



RECOMMENDATIONS:

2. CONDUCT A STUDY ON MORBIDITY ASSOCIATED WITH DRUG ABUSE.
3. CONDUCT A STUDY TO DETERMINE THE MORTALITY RATE ASSOCIATED WITH DRUG ABUSE.

III. SUPPLY REDUCTION

A. Drug Production and Alternative Development

As can be seen in the table below, Chile reports that there are few and only open-air marijuana crops, with 1.9 hectares recorded in 2002 and 2.2 hectares recorded in 2003. These crops were eradicated manually. Other types of crops are not recorded and thus the creation of alternative development programs has not been required. The country indicates that the demand for marijuana is basically met through imported drug traffic, with a substance that has more tetrahydrocannabinol (THC) than the domestic plant and is therefore preferred by users.

Cultivated area		
Plant	2002	2003
Cannabis	1,9 Ha.	2,2 Ha.

Raw material production potential		
Raw material	2002	2003
Cannabis	7,6 Kg./Ha.	8,8 Kg./Ha.

Drug production potential		
Drug	2002	2003
Cannabis	2,66 Kg./Ha	3,08 Kg./Ha.

The country reports that during 2002 and 2003 one illegal synthetic drug laboratory was found and destroyed, although there is no information regarding potential annual production capacity.

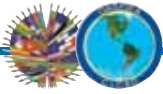
CICAD considers that, according to the information provided by Chile, there is not sufficient drug production to warrant the implementation of alternative development projects.

B. Supply Reduction and Control of Pharmaceutical Products and Chemical Substances

Pharmaceutical Products

Chile's Public Health Institute has responsibility at the national level for controlling and preventing the importation, exportation, production, and distribution of pharmaceutical products listed in the United Nations conventions. For their part, the local health services in each jurisdiction have responsibility at the local level for control of control of retail sales. Such activities are carried out in coordination with the National Customs Service.

Chile has regulations on the use and distribution of pharmaceutical products by health professionals. All anomalous situations are investigated directly by the competent health authority (health services or Public Health Institute). The country also indicates that it has a qualitative mechanism to evaluate the effectiveness of these agencies.



The country also indicates that the oversight entities are aware of difficulties they face in effectively fulfilling their responsibilities, such as: lack of human resources to perform oversight functions; manual recordkeeping systems that hamper information analysis; and regulations that do not prohibit the simultaneous prescription by the same prescriber of legally controlled medications in different prescriptions.

Seizures of pharmaceutical products made in 2002-2003 are shown in the table below.

Pharmaceutical Products Seized

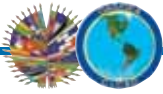
Pharmaceutical Product	Number of Seizures		Unit of measure	Quantities seized	
	2002	2003		2002	2003
Codeine	4	4	Bottle	13	64
Diazepam	47	29	Tablet	9,953	1,671
Alprazolam	39	16	Tablet	2,093	1,356
Flunitrazepam	85	44	Tablet	4,271	1,442
Phenobarbital	1	-	Tablet	232	3
Bromazepam	6	1	Tablet	17,748	38
Clonazepam	13	13	Tablet	331	363
Clordiazepodio	4	2	Tablet	81	18
Lorazepam	3	1	Tablet	28	71
Midazolam	2	1	Tablet	120	12
Amfepramone	13	6	Tablet	881	167
Femproporex	10	13	Tablet	1,358	16,797
DL-amphetamine	15	16	Tablet	384	328
Methamphetamine	6	-	Tablet	238	363

The methods utilized in Chile to dispose of pharmaceutical products are: dilution, dissolution, neutralization, and incineration. The following table shows the amounts of pharmaceutical products that were disposed of in 2002 and 2003.

Disposed Pharmaceutical Products

Pharmaceutical product	Unit of measure	Amounts disposed of	
		2002	2003
Codeine	Bottle	4	-
Diazepam	Tablet	9,065	799
Alprazolam	Tablet	2,093	754
Flunitrazepam	Tablet	3,121	917
Phenobarbital	Tablet	177	-
Bromazepam	Tablet	17,630	-
Clonazepam	Tablet	75	133
Midazolam	Tablet	55	-
Amfepramone	Tablet	610	85
Femproporex	Tablet	1,213	16,460
DL-amphetamine	Tablet	161	132
Methamphetamine	Tablet	140	310

The country reports that legal provisions are in place for the application of penal, civil, and administrative sanctions to control the diversion of pharmaceutical products. Although there is no nationally consolidated information, records in each entity are accessible. Regarding the penal sanctions applied, the Attorney General's Office keeps the relevant records and civil sanctions appear in the registers of the Judiciary.



CICAD recognizes that Chile has made significant progress in controlling the diversion of pharmaceutical products, as it has in place a legal framework, and technical and administrative regulations. However, it is necessary for Chile to consolidate its system for maintaining records of the application of sanctions according to national legislation, as well as to take measures to strengthen the agencies that monitor pharmaceutical companies so they can effectively fulfill their responsibilities.

RECOMMENDATIONS:

4. CONSOLIDATE NATIONAL STATISTICS ON THE APPLICATION OF SANCTIONS FOR VIOLATIONS OF LEGAL PROVISIONS TO CONTROL THE DIVERSION OF PHARMACEUTICAL PRODUCTS.
5. DEVELOP INTER-AGENCY INFORMATION AND COMMUNICATION NETWORKS AMONG THE AGENCIES RESPONSIBLE FOR THE CONTROL OF PHARMACEUTICAL PRODUCTS, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.

Controlled Chemical Substances

The country reports that during 2002 and 2003 a total of three illegal laboratories producing organic drugs were found. These were destroyed without gathering information on potential annual production capacity.

Chile indicates that the National Customs Service controls the importation and exportation of controlled chemical substances listed in the U.N. conventions with a view to preventing their diversion. It does not have a qualitative formal mechanism to evaluate the effectiveness of this entity, its greatest difficulty being the lack of sufficient regulatory measures.

To correct this lack of regulation, especially in the prior notification area, internationally accepted systems such as the Inter-American Telecommunications Network for Drug Control (RETCOD) of OAS/CICAD and RILO of the WTO are being utilized.

Chile reports that the bill approved by Parliament in November 2004 establishes a series of measures to control essential chemical precursors and substances.

In keeping with the international conventions, Chile has in place legal and/or regulatory provisions enabling penal and civil sanctions to be imposed for diversion of controlled chemical substances. There have been no convictions during 2003 for that offense. The minimum criminal sanction is three years plus one day's imprisonment and a fine of approximately US\$2,000. The maximum sanction is ten years' imprisonment and a fine of approximately US\$20,000.

The number of pre-export notifications of controlled chemical substances sent by Chile was 345 in 2002, 167 in 2003, and 36 in 2004. Pre-export notifications received by Chile were 45 in 2002, 15 in 2003 and 8 in January 2004, all of which were handled within the timeframe indicated in the regulations with no rejected notifications recorded.

The use of RETCOD for sending pre-export notifications has allowed the country to comply with international agreements on the subject of controlled chemical substances. In the case of imports to Chile, the country has its own inspection systems for monitoring the entry of substances.

The monitoring of controlled chemical substances in Chile is conducted through the National Customs Service Systems.



In 2002 and 2003, Chile recorded seizures of controlled chemical substances as follows:

Controlled Chemical Substance Seizures

Chemical products 2002 (3 seizures)			Chemical products 2003 (4 seizures)		
Ephedrine	600 gr.	1 seizure	Benzene	1,048 cc.	4 seizure
1-phenyl-2-propanone	261 gr.	1 seizure	Acetone	600 cc	1 seizure
Benzene	174 cc	1 seizure			

In Chile, the law establishes that when controlled chemical products are seized, they are subject to forfeiture, meaning the transfer of any form of ownerships. The judge in the case determines the conditions for forfeiture.

CICAD recognizes that Chile has strengthened its regulatory and operational framework for preventing the diversion of controlled chemical substances.

Nevertheless, it is necessary for the country to take measures to implement a mechanism to evaluate the effectiveness of National Customs Service activities, which is the agency that controls the importation, exportation, inspection, investigation, and notifications of controlled chemical substances in order to avoid their diversion. It is also necessary for the country to improve its regulations, so that the National Customs Service can fulfill its responsibilities more effectively, and to consolidate its record keeping system on sanctions imposed for the diversion of controlled chemical substances.

RECOMMENDATION:

6. CONSOLIDATE NATIONAL STATISTICS ON THE APPLICATION OF SANCTIONS FOR VIOLATIONS OF LEGAL PROVISIONS TO CONTROL THE DIVERSION OF CHEMICAL SUBSTANCES.

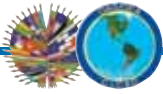
IV. CONTROL MEASURES

A. Illicit Drug Trafficking

Chile reports that it carried out 6,401 operations in 2002, 6,890 in 2003 and 8,901 during 2004. The following table shows the type of drug and the amounts seized during these years.

Quantities of Drugs Seized

Type of Drug	Unit of Measure	Quantities seized		
		2002	2003	2004
Heroin	Kilos	15.62	4.64	14.23
Cocaine Paste	Kilos	1,441.19	1,561.50	1,526.03
Cocaine HCL	Kilos	821.12	849.01	3,737.33
Cannabis plants	Units	69,891	79,228	166,878
Marihuana (Herb)	Kilos	8,832.67	4,620.46	4,990.36
MDMA (Ecstasy)	Units	424	5,244	413
Pharmaceuticals	Units	101,365	178,649	165,927



The country reports that, under the provisions of Article 26 of Law 19.366, drugs must be surrendered within 24 hours of seizure to the corresponding health service (authority delegated in the Public Health Institute), which must destroy them after setting aside an amount for analysis protocols. These must be forwarded to the Office of the Attorney General and the sample retained for two years, after which it is destroyed.

A Ministry of Health technical provision is in place which contains the specific procedures. As a rule, such substances are incinerated. The health services are responsible for receiving and destroying cannabis.

The Police Investigations Division, the Carabineros, The National Customs Service, and the General Maritime and Merchant Marine Office (DIRECTEMAR) are the Chilean entities with responsibility for the control of illicit drug trafficking. The statistics provided show that in 2002 and 2003 there was a substantial increase in the number of arrests, trials, and convictions for illicit drug possession and trafficking.

**Persons Arrested, Tried and Convicted
for Illicit Drug Trafficking**

	Persons arrested	Persons tried	Persons convicted
2002	4,801	1,493	281
2003	4,507	1,695	470
2004	4,481	N/A	N/A

**Persons Arrested, Tried and Convicted
for Illicit Drug Possession**

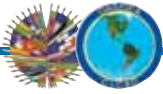
	Persons arrested	Persons tried	Persons convicted
2002	4,465	1,005	456
2003	4,012	2,303	1,480
2004	4,104	N/A	N/A

It should be noted that the numbers of individuals prosecuted and convicted each year do not necessarily correspond to those arrested that year, as proceedings usually last longer than twelve months.

Exchange of operational information and collaboration among the national authorities with competence in the drug trafficking control area is carried out through an interagency committee, in joint operations and training, and via interagency communication network systems. Evaluations are also made of these activities via intersectoral coordination in the framework of the National Strategy on Drugs in force.

The country reports that CONACE has served as the central authority, in keeping with Article 7 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, with regard to two requests for judicial assistance: in July 2004, a request was received from another country, which was fulfilled, and a request made by Chile is now being processed.

CICAD recognizes that Chile has made progress in illicit drug trafficking control, for which it has legal and administrative instruments which are applied by the competent entities.



B. Firearms And Ammunition

In Chile, the National Mobilization Office, the Oversight Authorities (AA.FF.), the Ministry of Defense, the criminal courts, military courts, police entities, and the Ministry of Foreign Affairs are the national entities with responsibility for controlling activities related to firearms, ammunition, and explosives. For that purpose, they have an interagency communication and information system enabling them to carry out different activities evaluated via oversight and control mechanisms to prevent the diversion of firearms, ammunition, and explosives, which is criminalized by law.

Law No. 17.798 governs the importation, exportation, and transit of firearms, ammunition, and explosives. Chile issues pre-export notifications to destination countries and requires licenses or permits to be issued prior to authorizing the entry of such articles into the country. In 2002 there were 405, and in 2003, 445 forfeitures of firearms. To prevent these objects from returning to the illicit market, authorities destroy the forfeited weaponry or donate it to government agencies.

The number of persons that were arrested, tried and convicted for illicit possession and traffic of firearms and ammunition during 2002-2004 is shown in the following table:

Persons Arrested, Tried and Convicted for Illicit Possession and Trafficking of Firearms and Ammunition

	Arrested	Tried	Convicted
2002	2,855	1,099	366
2003	2,871	1,034	539
2004	3,093	1,116	595

Chilean legislation requires firearms to be marked at the time of manufacture, time of importation, and for official use after seizure or forfeiture.

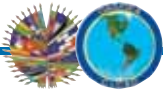
Records of imports, exports, and transit of firearms, ammunition, and explosives are maintained in a computerized database created for that purpose. Information exchange is effected among the entities with responsibility for controlling such activities in the countries, for which the country has an interagency committee and joint training. The country reports that it has not requested information on this topic from other countries, nor has it received requests from other countries regarding shipments of firearms, ammunition, and explosives.

CICAD recognizes that Chile has controls in place to prevent the diversion of firearms, ammunition and explosives, and that to this effect it has a juridical framework, interagency coordination mechanisms, and joint training.

C. Money Laundering

In December 2003, Chile enacted Law 19.913, creating the Financial Analysis Unit (FAU), a public agency under the Ministry of the Treasury. This law expands money laundering predicate offenses to include crimes such as: drug trafficking, trafficking in firearms, prostitution of minors, child pornography, kidnapping, terrorism and the financing of terrorism, crimes against government, kidnapping of minors, trafficking in persons for purposes of the sex trade, and offenses included in the General Banking Law and the Stock Exchange Market Law. It does not include trafficking in persons, trafficking in organs, or extortion and fraud.

In Chile, it is possible to initiate a process for money laundering to a person convicted for a predicate offense. Also, it is not necessary that a person be convicted for a predicate offense in order to be processed for money laundering. Thus, this crime is considered to be autonomous in Chile.



Chile reports that it has established administrative control activities to prevent money laundering in banks, stock exchanges, and insurance. Law 19.913 requires currency exchanges, casinos, real estate brokers, and notaries to report suspicious transactions to the FAU. Article 4 of this Law establishes the obligation to report anyone who carries or transports cash of negotiable bearer instruments into the country of an amount exceeding 450 Development Units (equivalent to US\$12,000). At present, there are no plans to expand the reporting obligation to include other parties than those now included in Law 19.913.

Chilean legislation contains provisions for special investigations to control money laundering, such as: undercover police operations, electronic surveillance, use of informers, controlled deliveries, and providing state's evidence or cooperative testimony.

Entities are required to provide information when money laundering is suspected in banks, stock exchanges, insurance, general fund management companies, investment fund management companies, and other entities authorized to receive foreign currency, credit card issuing and operating companies, commodities exchanges, insurance companies, casinos, game rooms, stock brokers, free trade area legal representatives, general customs agents, auction houses, real estate brokers, notaries, and accountants, among others.

Parties subject to the obligation to report must maintain records of cash transactions in excess of US\$12,000 or its equivalent in other currencies, and report to the Analysis Unit whenever it so requests (which must take place at least once each year).

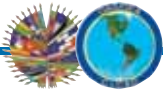
The FAU is authorized by law to receive and analyze information reported by parties subject to reporting, in order to exchange information with similar units overseas, commission reports from experts, instruct parties subject to reporting and check their compliance and make recommendations to the public and private sectors to prevent money laundering. It has direct access to confidential banking information where an operation has previously been reported as suspicious by the bank. In such cases, it may not request further information regarding the person who is the subject of the report or additional confidential information on that person. Furthermore, the law only allows it to pass information on to the Office of the Attorney General so that the latter can initiate the corresponding criminal proceedings.

For 2003, Chile has records of 8 individuals arrested and prosecuted for money laundering. Due to its recent establishment, the FAU does not yet have information on the number of reports of suspicious transactions or of sanctions imposed.

The value of assets seized in connection with money laundering in 2003 was US\$1,500,000. As seizure is a provisional cautionary measure, this sum is in the custody of the courts. In 2004, a judgment was issued in a lower court ordering the forfeiture of assets valued at US\$14,000,000.

The Under-Secretariat for Regional and Administrative Development of the Ministry of the Interior of Chile administers goods seized and confiscated in connection with illegal drug trafficking and money laundering crimes. The value of goods administered was approximately US\$265,800 in 2002, US\$18,760 in 2003, and, through August 2004, US\$254,700.

During the evaluation period, Chile did not make extradition requests to other countries for money laundering cases nor has it received any such requests. In 2003, the country received 1 request for freezing of assets. As for requests to lift bank secrecy through Egmont, Chile issued 3 in 2002 and 8 in 2003, and these latter requests were accepted. Similarly, in this period it responded to 10 requests for the lifting of bank secrecy.



In the 2003-2004 period, training was provided for 41 judges, 221 prosecutors and 23 administrative employees on the application of criminal laws relating to money laundering.

With regard to the number of trained officials who remain in their positions, the country indicates that this information is hard to compile as, in general, judges and prosecutors change positions within their own branch or office (the judiciary and the Attorney General's Office) through transfer and/or promotion. It is very unusual for them to cease to perform the same functions.

CICAD considers that Chile has made significant progress in its money laundering prevention and control strategy through enactment of Law 19.913, which creates the Financial Intelligence Unit (FAU), currently in the process of being implemented, and encourages the country to consolidate it as soon as possible. Although the new set of laws expand predicate offenses for money laundering, it needs to be further extended to include trafficking in human beings, organ trafficking, extortion and fraud. It is also important for the country to expand its administrative control activities to prevent money laundering to lawyers, and accountants. Also, it is necessary for Chile to maintain records on the number of officers that are trained in application of criminal laws relating to money laundering and remain in their positions.

RECOMMENDATIONS:

7. INCLUDE TRAFFICKING IN PERSONS, TRAFFICKING IN ORGANS, EXTORTION, AND FRAUD AMONG MONEY LAUNDERING PREDICATE OFFENSES.
8. EXPAND ADMINISTRATIVE ANTI-MONEY LAUNDERING CONTROL ACTIVITIES TO INCLUDE ATTORNEYS AND ACCOUNTANTS.

D. Corruption

The country reports that in 2003-2004, it amended provisions defining corruption-related offenses, and that four public officials were prosecuted and two convicted. The statistical system of the Office of the Attorney General does not have information as to whether public officials committed illicit drug-trafficking related offenses. Chile indicates that it prosecuted a public official implicated in this offense, and only found one record of such, from 2003.

Law 19.829 of October 8, 2002, incorporated Article 250 bis-A to the Penal Code, which defines international bribery as a crime subject to the sanctions provided in the law.

CICAD notes that Chile has changed its regulations in order to define crimes of corruption.

E. Organized Crime

Chilean legislation includes laws such as the Law to Sanction Illicit Drug Trafficking, the Law on Money Laundering, the Law on Acts of Terrorism, the Law on Internal State Security, the Law on Violence in Stadiums, and the Law on Control of Weapons, whose purpose is to prevent, control, and suppress transnational organized crime as related to illicit drug trafficking and related crimes. The crimes defined by these national laws include: participation in an organized criminal group, money laundering, corruption, obstruction of justice, trafficking in persons, illegal smuggling of migrants, and international manufacture and illicit trafficking in firearms, their parts and components, and ammunition.



The Police Investigations Division, the Carabineros, and the Office of the Attorney General of Chile are the entities charged with enforcing the laws, using for this purpose special investigative techniques, such as undercover operations, interception of telecommunications, and controlled deliveries. Chilean legislation includes cooperation mechanisms for extradition, mutual and joint judicial assistance, seizure and confiscation, interdiction operations, and victim protection and assistance.

CICAD recognizes that Chile is making major efforts to control organized crime in its relation with illicit drug trafficking, where various institutions participate within a broad legal framework.



V. CONCLUSIONS

The information provided by Chile shows the progress achieved in addressing the drug problem through different programs. Chile has the 2003-2008 National Strategy on Drugs, funded with central government allocations and included in the national budget. The country has an institutional, technical, and administrative structure with responsibility for coordinating different supply and demand projects which are implemented in all regions.

Ratification of the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, of The United Nations Convention against Transnational Organized Crime is still pending.

CICAD observes that Chile has made important progress in the demand reduction area, by developing sustained prevention policies targeting different key sectors of the population and at the national level. These are subject to evaluation, which has made it possible to reduce drug use among the student population. Similarly, with respect to the national treatment, rehabilitation and social reintegration system, Chile has also made significant progress with its national coverage, under regulations that govern and control the quality of care to drug users, thus guaranteeing the provision of efficient services provided by properly trained professionals.

CICAD notes with satisfaction that Chile has a sustained drug use research system that targets several sectors of the population, but it has to expand its studies on mortality and morbidity related to drug use. It is also necessary for the country to strengthen its system for compiling, producing and analyzing information, consolidating the statistics on judicial activity, chemical substances and pharmaceuticals at the national level.

The country has made progress in implementing a regulatory and operational framework for preventing the diversion of controlled chemical substances as well as in its money laundering control and prevention strategy with approval of Law 19.913, creating the Financial Analysis Unit (FAU). This law expands the predicate offenses for money laundering.

Chile has implemented controls to prevent to prevent the diversion of firearms, ammunition and explosives, such as a legal framework, interinstitutional coordination mechanisms and joint training.

Chile demonstrates that it has taken measures to prevent, control and repress transnational organized crime related to illicit drug trafficking, where several agencies participate, based on a broad legal framework. The same applies to corruption crimes.

CICAD recognizes the significant efforts made by Chile in developing its National Strategy on Drugs and in the context of the Multilateral Evaluation Mechanism (MEM).



VI. SUMMARY OF RECOMMENDATIONS

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

INSTITUTIONAL BUILDING

1. RATIFY THE PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, THEIR PARTS AND COMPONENTS AND AMMUNITION, OF THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.

DEMAND REDUCTION

2. CONDUCT A STUDY ON MORBIDITY ASSOCIATED WITH DRUG ABUSE.
3. CONDUCT A STUDY TO DETERMINE THE MORTALITY RATE ASSOCIATED WITH DRUG ABUSE.

SUPPLY REDUCTION

4. CONSOLIDATE NATIONAL STATISTICS ON THE APPLICATION OF SANCTIONS FOR VIOLATIONS OF LEGAL PROVISIONS TO CONTROL THE DIVERSION OF PHARMACEUTICAL PRODUCTS.
5. DEVELOP INTER-AGENCY INFORMATION AND COMMUNICATION NETWORKS AMONG THE AGENCIES RESPONSIBLE FOR THE CONTROL OF PHARMACEUTICAL PRODUCTS, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.
6. CONSOLIDATE NATIONAL STATISTICS ON THE APPLICATION OF SANCTIONS FOR VIOLATIONS OF LEGAL PROVISIONS TO CONTROL THE DIVERSION OF CHEMICAL SUBSTANCES.

CONTROL MEASURES

7. INCLUDE TRAFFICKING IN PERSONS, TRAFFICKING IN ORGANS, EXTORTION, AND FRAUD AMONG MONEY LAUNDERING PREDICATE OFFENSES.
8. EXPAND ADMINISTRATIVE ANTI-MONEY LAUNDERING CONTROL ACTIVITIES TO INCLUDE ATTORNEYS AND ACCOUNTANTS.