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

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

COSTA RICA

EVALUATION OF PROGRESS IN DRUG CONTROL
2003-2004



INTRODUCTION

Costa Rica has a total area of 51,100 Km² and 639 km of border (Nicaragua 309 km and Panama 330 km), with 1,290 km of coastline. The country has a population (2003) of 4,167,000 with the following main ethnic groups: white, mestizo, and black, with a literacy rate of 96%. Costa Rica is a democratic republic divided into 7 different provinces. The country has a Gross Domestic Product (GDP) per capita of US\$3,768 (2003 est.) and an inflation rate of 9.2% (2002). Costa Rica's exports total US\$6.176 billion annually, 39.33% of its GDP (2003), relying on the principal exports of coffee, bananas, sugar, pineapples, textiles, electronic components, and medical equipment.

I. INSTITUTIONAL BUILDING/NATIONAL ANTI-DRUG STRATEGY

A. National Anti-Drug Plan and National Commission

Costa Rica's current National Anti-Drug Plan came into effect in October 2001. It is a five-year Plan that was approved by the central coordinating authority and the President. The Plan covers the major drug control areas, including demand and supply reduction, control measures, institutional framework and programme evaluation. The country reports that in all the areas covered by the plan, 100% of the established goals have been met.

The Plan is coordinated and implemented at the state level by the Costa Rican Drug Institute, (ICD), which was established in October 2002 by Law 8204. The ICD is comprised of high-ranking representatives from several Ministries and agencies including the President's Office. The country indicates that the current Plan is presently being updated by the ICD to adhere to the framework of Law 8204.

The country has an independent budget to finance the National Anti-Drug Plan, deriving from direct allocations from the central government, funds from seized and confiscated assets and funds from international sources. The approved national budget for the Plan for 2004 is \$1,202,320.

It is important to note that almost half of the funding for the National Anti-Drug Plan comes from confiscated assets, almost 40% more than the previous year.

The country informs that it has an independent budget for the ICD, and that the resources available to confront the drug problem are limited, according to the ICD, given Costa Rica's socio-economic situation. The budget assigned to the administration and direction of the national coordinating entity was US\$831,520 for 2003 and US\$893,073 for 2004.

CICAD observes that although the country reports on overall budgetary amounts the country is not in a condition to provide information on its distribution by areas, which would permit a focused integral and balanced evaluation of the budget.

B. International Conventions

Costa Rica has ratified the following international conventions:

- The Inter-American Convention Against Corruption (1996)
- The Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunitions, Explosives and other Related Materials (1997)



- The United Nations Single Convention on Narcotic Drugs, 1961 as amended by the 1972 Protocol.
- The United Nations Convention on Psychotropic Substances (1971)
- The United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988)
- The United Nations Convention Against Transnational Organized Crime and its three Protocols; the Protocol to this Convention against the Smuggling of Migrants by Land and Sea; the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, and the Protocol Against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition (2000)

Costa Rica signed the Inter-American Convention on Mutual Assistance in Criminal Matters (1992) on 3 August 2002. The country reports that this instrument is being discussed by the Legislative Assembly.

In compliance with the relevant international conventions, Costa Rica indicated that an Executive Decree No.31684 MP-H-COMEX-S was promulgated on 12 March 2004 to improve the regulatory framework applicable to drug issues and related activities.

An interagency committee is in place to ensure the effective application of the mandates established by the conventions.

Costa Rica further indicated that it has bilateral and sub-regional cooperation agreements with Chile, Colombia, Dominican Republic, Jamaica, Paraguay, Peru, the United States, and neighbouring Central American countries.

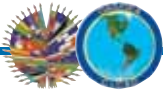
CICAD recognizes the efforts made by Costa Rica in ratifying the United Nations Convention Against Transnational Organized Crime and its three Protocols, thereby complying with a recommendation issued in the Second Evaluation Round, 2001 - 2002. Nevertheless, CICAD notes with concern that Costa Rica has not yet ratified the Inter-American Convention on Mutual Assistance in Criminal Matters, even though this was a recommendation formulated during the First Evaluation Round, 1999 - 2000.

RECOMMENDATION:

1. **RATIFY THE INTER-AMERICAN CONVENTION ON MUTUAL ASSISTANCE IN CRIMINAL MATTERS, A RECOMMENDATION REITERATED FROM THE FIRST EVALUATION ROUND, 1999-2000.**

C. National Information System

The National Drug Information and Statistics Unit, an agency of the ICD, is responsible for drug-related statistics and the evaluation of the effectiveness of the country's drug data collection capacity of the country. The country continues to use the Inter-American Uniform Drug Use Data System (SIDUC) and the Uniform Statistical System on Control of the Supply Area (CICDAT). In regards to SIDUC, the country informed that two studies were embarked upon in 2003, "Survey of Emergency Room Patients" and "Consumption of Psychoactive Substances in Forensic Medicine." Results of these studies are not yet available. A High School student survey was prepared, with OAS assistance, in 2004. Regarding CICDAT, the country advised that statistics in all supply-side categories were collected and reported in 2003.



Drug-related statistics are also reported on an annual basis to the International Narcotics Control Board (INCB) and the United Nations Office on Drugs and Crime. Costa Rica advises that ongoing communication between persons responsible in the Unit and their counterparts in other institutions and the support of higher-level interagency authorities, has minimized the problems encountered in gathering, organizing, analyzing and utilizing drug-related documentation.

ICD publications and other materials related to the drug problem are widely circulated in hardcopy and by way of the Internet and through national journals, press and media bulletins. In addition, the government operates a Help-Line, 800IAFA800, which covers (a) intervention during crises; (b) general information on drugs, and (c) information on the types of care provided by Institute for Alcoholism and Drug Dependency (IAFA) or referral from another government department. In 2002, 2,000 persons used the service and 1,800 in 2003. In an effort to sensitize others to the drug problem, the ICD has arranged seminars and workshops with groups of authorities from the judicial branch, law enforcement, including prison and custom officials. The country indicated that it has a budget for the dissemination of information on the drug problem but did not specify the budgetary allocations.

CICAD recognizes the efforts made by the country to maintain its national information system, and for the work being undertaken in disseminating this information that it is carrying out in a systematic way.

II. DEMAND REDUCTION

A. Prevention

Demand reduction is included the national anti-drug strategy. Costa Rica continued to implement a national system of drug abuse prevention programs that targets key populations. In the evaluation period, the key populations targeted included school children and university students, out of school youth (working children and street children), community-based programs for adults, and programs for people in the workplace. Programs include learning abilities for life and promotion of healthy lifestyles and programs oriented to training multiplying agents. A total of 337,500 students from primary to tertiary level (800 from the pre-school level, 64,000 from the primary school level, 272,300 from the secondary school level, and 400 from the tertiary school level) participated in the promotion of healthy lifestyles programme and 20,544 participated in the community programs for adults. With respect to Drugs in the Workplace programs, Costa Rica indicated that there are such programs in 11 government departments (public sector) and 25 companies (private sector). The programme aimed at prison inmates had 21,585 participants, including members of their families. Costa Rica does not have any programs that are specifically aimed at women.

Professional specialized training is available at the undergraduate and graduate levels together with short refresher courses or in-service training for persons in the drug control area. The country reports on three courses that were offered in 2002 and 2003 to teachers and students in the areas of prevention, treatment and research. A total of 223 persons participated in the three training courses in 2002 and 215 in 2003. In 2004, 82,470 primary school children and 130 university students participated in programs. In addition, training was provided to 961 professionals from the education sector (teachers, instructors, professors, directors) and 1,145 officers of the country's corporations and ONGs. The community programs promoting healthy lifestyles worked with 1,896 multiplier agents, as well as 19,629 young people and adolescents, and 6,671 mothers and fathers were included.



The University of Costa Rica is the principal tertiary educational institution providing courses in the drug demand area. The country states that the current supply of courses does not meet the national demand for professional training.

Costa Rica reports that the evaluation on the fourth grade students drug abuse prevention programme "I am Learning to Take Care of Myself" will be completed in 2006. No evaluations of the other prevention programs that exist in the country have been carried out, and no research projects have been conducted on the impact of prevention programs or best practices during the last three years.

CICAD notes with concern that over the past three years, the efficiency and effectiveness of most existing prevention programs has not been assessed.

RECOMMENDATION:

2. **EVALUATE THE COUNTRY'S EXISTING PREVENTION PROGRAMS.**

B. Treatment

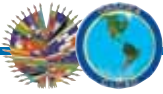
The country has established, on a national level, minimum standards of care for treatment of drug abuse, through the document "Instructions on the Basic Criteria for the Operation of Programs for Treating and Rehabilitating the Country's Alcoholics and Drug Dependents." These guidelines are mandatory.

The government keeps a national registry of treatment facilities and programs, that is maintained by the government. There are instruments for accrediting these facilities. The Ministry of Health, the IAFA and the "Patronato Nacional de la Infancia" (PANI) are the agencies in charge of registration and accreditation. The IAFA and PANI are also responsible for oversight and evaluation. The country informs that no evaluation of the quality of treatment services have been carried out thus far. Such an evaluation is expected to begin in 2005. Costa Rica has ambulatory outpatient and residential inpatient programs at the public level, 2 and 20 respectively. In the private sector, the country has 3 programs for outpatients and 68 programs for residential patients. These programs offer services to both adults and minors of both genders. There are 5 programs offered exclusively to women and 8 to adolescents. Moreover, there is a private clinic (am/pm) which offers services to adults. Jointly, these programs offer services for early detection, detoxication, treatment and rehabilitation and in one case, social reintegration.

In 2002, 14,260 people sought and received treatment. There was a slight decrease in 2003 to 13,853. Data were also provided on the number of treatment emergency and outpatient care programs in 2002 (91) and 2003 (82) and new treatment programs in 2003 (6).

Costa Rica has not conducted studies to evaluate early intervention in drug abuse treatment, rehabilitation and aftercare and social reintegration programs in order to assess their effectiveness.

CICAD recognizes the efforts made by the country to set care standards for treating drug abuse and to draw up a national register of treatment centers. However, it notes with concern that Costa Rica does not carry out evaluations of treatment service quality even though it reports the existence of a mechanism for checking compliance with care standards. Similarly, it has not conducted studies to assess the effectiveness of the different programs and treatment methods offered by the country.



RECOMMENDATIONS:

3. CONDUCT EVALUATIONS OF THE QUALITY OF THE TREATMENT SERVICES FOUND IN THE COUNTRY.
4. CONDUCT STUDIES TO ASSESS THE EFFECTIVENESS OF THE DIFFERENT PROGRAMS AND TREATMENT METHODS OFFERED BY THE COUNTRY.

C. Statistics on Consumption

Costa Rica provided estimates for the prevalence of drug abuse in the general population for the year 2001.

Prevalence in the General Population 2001

Type of Drug	Once in a lifetime (%)			Past 30 days (%)		
	M	F	Total population	M	F	Total population
Alcohol	65.3	43.2	54.3	36.8	16.4	26.6
Tabacco	41.1	18.8	29.9	23.3	8.2	15.8
Solvents and inhalants	1.0	0.1	0.6	0.1	0	0.04
Marijuana	9.0	1.9	5.5	0.04	0	0.02
Other opioids*	4.0	5.2	4.6	1.9	2.9	2.4
Cocaine Hydrochloride	3.0	0.6	1.8	0.3	0.1	0.2
Crack	1.4	0.1	0.7	0.3	0	0.1
Other tranquillizers, sedatives, and depressants*	2.0	2.1	2.0	0.5	0.7	0.6
Other stimulants**	2.3	1.4	1.9	0.6	0.3	0.5

*Only when they are not prescribed or are not administered for therapeutic purposes.

**Includes all the methyphenidate-type and anorexigenous stimulates prepared with codeine.

The country notes that the results of two surveys of specific populations of adolescent inmates and school children in 2004 are currently being analyzed. The study on "Drug Use Among the Prison Inmate Population in Costa Rica and its Relationship to the Perpetration of Crime" revealed the following results: It was determined that, in Costa Rica, 33% of crimes are to some degree related to infringing the Law on Psychotropic Substances. Furthermore, 34.3% of the persons interviewed reported that their crimes were committed under the influence of drugs, 22.6% associated their crimes with activities aimed at acquiring drugs for their own use, 33.8% associated them with drug trafficking. Regarding this, there is a significant difference between women and men, in the perpetration of crimes related to drug trafficking (60% versus 24%). Tobacco, marijuana, and crack were the principal drugs actively consumed (monthly prevalence), reported both by perception and directly. The "Drug Use Among Costa Rican Youth" study revealed that the age of first use of tobacco is lower now than it was ten years ago, and that the average number of cigarettes smoked daily, as well as the number of days of the month that smokers usually smoke, is greater. Regarding alcohol, on the contrary, the age of first use is earlier but there is a decline in the lifetime prevalence.

The country reports that it plans to carry out a National Drug Use Survey during 2005, together with studies among secondary-school students. This survey will include an inquiry into risk perceptions.

Costa Rica indicates that in 2000, a study was conducted on secondary school students in the seventh and eighth grades regarding the perception of severe risk from consuming drugs. The results show that between 1999 and 2000, this perception increased from 39.9% to 42.6%.



The country does not have an estimate of drug-related morbidity among injecting drug users. Notwithstanding, it provides information on persons infected with Hepatitis B, Hepatitis C and HIV. No estimates were provided on the strength of association between drug use and those diseases. The country indicated that data have not been gathered from medical examiners reports, emergency room reports and police reports.

Regarding new trends and patterns of drug abuse in the country, Costa Rica observes Ecstasy, Ketamine and LSD and amphetamine derivatives as the new drugs being administered orally.

The country provides an estimate of the number of deaths related to alcohol consumption in 2002 (16 males and 4 females) and related to consumption of all illicit drugs (6 males and 4 females).

Costa Rica indicates that records are kept on alcohol-related accidents, as well as traffic accidents in which alcohol was a contributing factor. The percentage increased slightly from 1.78 % in 2002 to 2.99% in 2003.

CICAD notes it would be useful to update the existing studies of drug use prevalence among the general population, bearing in mind that the last study was carried out in 2001. Similarly, it would be useful to update studies on average / age of first use of drugs and risk perceptions, since the information the country has is from 2000. In addition, the country has no studies on morbidity related to drug use. CICAD notes that the country is to conduct a national drugs survey in 2005. CICAD urges Costa Rica to include in that survey indicators dealing with those areas for which the country has no information.

RECOMMENDATIONS:

5. CONDUCT A STUDY ON THE MAGNITUDE OF DRUG USE IN THE GENERAL POPULATION.
6. CONDUCT STUDIES INTO MORBIDITY ASSOCIATED WITH DRUG CONSUMPTION.

III. SUPPLY REDUCTION

A. Drug Production and Alternative Development

Costa Rica reports that coca and poppy are not grown in its territory and the area under cannabis cultivation detected and eradicated decreased slightly from 7.07 hectares in 2002 to 6.59 hectares in 2003. The country does not have suitable instruments for calculating the total area under cannabis cultivation or production potential.

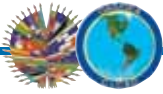
In regards to marijuana plants grown indoors, the country reports that 416 plants were seized in 2003; none were seized in 2002. The country does not have a mechanism to calculate the potential production of cannabis grown indoors.

The country did not have information regarding the variation of illicit crops by type of plant and year.

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

The country states that no illicit laboratories for organic or synthetic drugs have been found.

Ecstasy, LSD and amphetamine derivatives were the most frequently seized synthetic drugs in 2002-2004.



Pharmaceutical Products

The Office of Registry and Controls of the Ministry of Health is the entity responsible for controlling exportation, importation, production and distribution of United Nations listed pharmaceutical products, and preventing their diversion. Controls cover all areas in the commercial field: control of import/export, license control, distribution monitoring, inspection, investigation, regulatory controls, administrative sanctions, registry of licensees and transport control. In the health care sector, controls cover: licenses, monitoring distribution, monitoring of prescriptions, inspections, investigations, regulatory control, administrative sanctions and registry of pharmacy licensees.

The Drug Monitoring Board is the formal qualitative mechanism to evaluate the effectiveness of this entity in both the commercial and health sectors. The country states that limited resources and poor regulations are impediments in the efficient functioning of this mechanism.

The country has a mechanism to monitor and regulate the use and distribution of pharmaceutical products by authorized health officials. Included in this mechanism are prescription requirements, distribution through pharmacies or other authorized outlets, monitoring distribution or purchases, monitoring of prescribing, inspection/investigation, and administrative sanctions.

Not included within this monitoring mechanism are special licenses or permits to prescribe certain drugs and registry of licenses. The country does not have a formal mechanism to evaluate the effectiveness of this monitoring mechanism. Again, limited resources and poor regulations are cited as impediments to the effective functioning of these entities. The country further states that practically all of the actions are carried out, but there are no statistical data to evaluate the effectiveness of the mechanism.

Costa Rica's national laws and regulations contain penal, civil and administrative sanctions against the diversion of pharmaceutical products. In 2003, three penal and five administrative sanctions were applied; in 2004, one penal and three administrative sanctions have been applied. Minimum/maximum sanctions range from 3 months to 8 years (penal) and 3 to 6 months (administrative).

The country reports that although during the period under review no seizures of pharmaceutical products took place, when such products are seized, they are disposed of by means of incineration; if the products meet consumption criteria as indicated by quality control analyses, however, they can be used in state-run hospitals and clinics.

CICAD notes that the country reported a need to update its legislation in relation to the Drug Monitoring Board of the Ministry of Health. On the other hand, CICAD observes that the country does not have a formal mechanism to evaluate the effectiveness of the existing controls on the use and distribution of pharmaceutical products by health care professionals. Finally, CICAD urges the country to continue its efforts to surpass the lack of resources and lack of regulations that it reports in this area.

RECOMMENDATIONS:

7. UPDATE THE REGULATIONS OF THE MINISTRY OF HEALTH'S NARCOTIC DRUGS CONTROL BOARD.
8. IMPLEMENT A FORMAL MECHANISM FOR EVALUATING THE EFFECTIVENESS OF CONTROLS IN PLACE ON THE USE AND DISTRIBUTION OF PHARMACEUTICAL PRODUCTS BY HEALTH CARE PROFESSIONALS.



Controlled Chemical Substances

The Unit for the Control of Chemical Precursors of the ICD is the entity responsible for controlling the exportation, importation, production and distribution of controlled chemical substances listed in the United Nations Conventions and preventing their diversion. All substances shown in Tables I and II of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) are controlled and regulated. Costa Rica expanded, in March 2004, the list of controlled chemicals in accordance with the guidelines set in the CICAD Model Regulations. Included in the scope of responsibilities of the ICD in this regard are import/export controls, license control, monitoring distribution, inspection, investigation, regulatory control, administrative sanction, registry of licensees, transport control and pre-export notifications. The country advises that the goals stated in the annual operating plan of the ICD, specifically provide indicators to facilitate the evaluation of the effectiveness of these entities.

Limited human resources is cited as a major problem encountered by the ICD in fulfilling its responsibilities.

Costa Rica's national laws and regulations contain penal, civil and administrative sanctions against the diversion of controlled chemical substances. No sanctions were issued for 2002-2004. The country reports that pertinent administrative penalties could include denial of importation or exportation proceedings and warnings or reprimands due to problems in managing inventories.

With respect to minimum/maximum sanctions, the country informed that penal sanctions range from 3 months to 20 years in prison; and administratively, license suspension for 3 months to permanent cancellation.

The country indicated that it issued 57 pre export notifications to countries importing or transshipping controlled chemical substances in 2002, 22 in 2003 and 8 in 2004. These notifications were issued primarily to Panama and Nicaragua, but also Mexico, Honduras and El Salvador. No pre-export notifications were rejected by importing or transit countries.

In respect of pre-export notifications for controlled chemical substances 73 notifications were received by Costa Rica in 2002, 82 in 2003 and 17 to March 2004. The country reports that it responded to all requests submitted in a timely manner (minimum of 15 days).

In 2002, the country rejected 7 notifications, 12 in 2003, and 7 in 2004. Two notifications resulted in investigations by Costa Rican authorities in 2002; none in 2003. The country advised that the fact that the ICD is not notified directly but rather through an international agency or through foreign offices, contributes to the delay in this process.

During the period covered by this review, no seizures of controlled chemical substances took place. The country states that in the event that chemical substances are seized and need to be disposed of, the method appropriate for the type of substance involved would be used, i.e., either dilution, neutralization, dissolving, or incineration.

CICAD recognizes the efforts made by the country to prevent the diversion of controlled chemical substances.



IV. CONTROL MEASURES

A. Illicit Drug Trafficking

There has been an increase in the number of drug seizures in Costa Rica from 2002 to 2003 in respect of cocaine hydrochloride: from 200 to 267; crack cocaine: from 527 to 1,021; leaf cannabis: from 962 to 2,238; and MDMA (ecstasy): from 2 to 5. The quantities of drugs seized increased in the case of cocaine hydrochloride, coca leaf and ecstasy, as illustrated:

Type of Drug	Number of seizures		
	2002	2003	2004 (*)
Heroin	22	17	6
Cocaine hydrochloride	200	267	188
Crack	527	1,021	401
Cannabis plants	78	71	77
Cannabis (grass)	962	2,238	452
MDMA (ecstasy) and derivatives	2	5	1
Other (ketamine 50 mg x ml)	1	0	

(*) Preliminary data for 2004.

Type of Drug	Unit of measure	Amount of drug seized		
		2002	2003	2004 (*)
Heroin	Kg	58.77	121.30	63.42
Cocaine Hydrochloride	Kg	2,994.54	4,291.18	4,526.07
Crack	unit	100,381	72,650	84,087
Cannabis plants	unit	1,235,119	979,681	542,030
Cannabis (grass)	Kg	728.78	1,779.27	2,963.47
MDMA (ecstasy) and derivatives	Dose	83	1,341	1,622
Other (ketamine 50 mg x ml)	Bottles	2	0	0

(*) Preliminary data for 2004.

Seized drugs are destroyed by incineration.

The country provided data on the number of persons arrested, tried and convicted for illicit drug trafficking for 2002 and 2003. For persons arrested and tried, 1,322 (2002) and 1,065 (2003); 730 people were convicted in 2002, and 500 in 2003.

The country provides data on the number of persons arrested for illicit drug possession (8,132 people in 2002 and 3,952 in 2003) and for illicit possession of drugs for personal use (6,810 in 2002 and 2,887 in 2003).

The country has laws at the national, provincial, state and local levels, that allow for the possession of drugs for personal consumption. These laws cover all drugs and there is no limit to the amount.

Because of this, and in accordance with Costa Rican law, there were no prosecutions or convictions for illicit drug possession. This is because law enforcement forces arrest individuals caught consuming drugs in public, in order to seize their drugs. The competent authorities can then decide whether or not to prosecute for trafficking depending on the amount of drugs being carried. If not charged with trafficking, the person is released.



Operational information exchange and collaboration among national authorities is facilitated by way of interagency committees, joint forces/operations, joint training and interagency communications systems/network. There is, however, no formal mechanism in place to evaluate the effectiveness of these means. The country highlights that one of the main obstacles encountered in the exchange of information is the timely transfer of the information to the ICD. The country indicates that its principal achievement is being able to answer to the different questionnaires of the international organizations specialized in drugs, in a timely manner.

Costa Rica has made judicial requests to other countries regarding drug trafficking based on international agreements. Five requests were made in 2002, and 3 in 2003. The requests were made to Canada, England, Panama, Nicaragua, Spain and the United States.

There were 6 requests received by Costa Rica in 2002 and 7 in 2003, with 4 and 3 replies granted respectively. The country reports that during 2002 and 2003 no extradition requests in illicit drug trafficking cases were made.

The country reports that it received 6 extradition requests in 2002, 7 in 2003, and 5 in 2004. The requests came primarily from the United States, although others were made by France, Germany, and Italy.

CICAD notes that although the country encourages exchanges of information and cooperation among the authorities responsible for combating drug trafficking, there is no formal mechanism for assessing the effectiveness of the methods used to achieve that goal.

RECOMMENDATION:

9. ESTABLISH A FORMAL MECHANISM FOR ASSESSING THE EFFECTIVENESS OF EXISTING METHODS FOR INFORMATION EXCHANGE AND COOPERATION AMONG AUTHORITIES RESPONSIBLE FOR COMBATING DRUG TRAFFICKING.

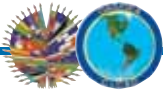
B. Firearms and Ammunition

The Office of the Director General for Weapons is the national entity responsible for the following activities relating to firearms and ammunition: record keeping, the issuance of import and in-transit licenses and permits, the issuance of export licenses and permits, the cancellation of licenses and permits, information exchange with relevant authorities and training and technical assistance. The confiscation and seizure of firearms, ammunition, and explosives falls under the responsibility of the police.

Joint training is the means used to facilitate information exchange among the responsible entities. There is no formal mechanism in Costa Rica to evaluate the effectiveness of national entities in controlling the movement of firearms and ammunition.

The Firearms and Explosives Law criminalizes the ownership, possession, trafficking, and illicit manufacture of firearms, munitions, and explosives. In addition, the country has a Law Banning Antipersonnel Mines (Law 8231 of April 2, 2002).

Costa Rica does not have systematized information on the number of persons arrested, tried and convicted for illicit possession and trafficking of firearms, ammunitions and explosives.



The Firearms and Explosives Law and the Law Banning Anti-personnel Mines establish administrative controls over the importation, exportation and in-transit movement of firearms and explosives.

Costa Rica has laws and/or regulations that require the issuance of import, transit or nationalization licenses or permits before entry into the country of shipments of firearms, explosives or other related materials can be authorized. The country also has laws and/or regulations that require that, before an export license or permit is issued, a license or permit be issued by the country importing firearms, ammunition or explosives, or by the country through which they will transit.

The National Customs System detains any shipment of firearms, ammunition and explosives without an importation permit until the Office of the Director General of Weapons has given approval for its release. The country reports that to date no shipment has been rejected at the point of entry, since there is a formality prior to the nationalization of the merchandise that requires that it be physically inspected.

Costa Rica provides data on the quantities of firearms seized in illicit trafficking cases. There were 1,047 firearms confiscated in 2002, 1,002 in 2003, and 3,241 in 2004. No data are provided for ammunition and explosives. The country reports that in drug trafficking cases, it seized 66 firearms during 2002 and 83 during 2003.

Year	Number of arrests	Number of firearms seized	Number of operations
2002	114	66	45
2003	122	83	48
2004	81	58	26

The country states that its domestic law requires that all firearms, ammunitions, and explosives for official use are marked after seizure or confiscation, and not when they are manufactured or imported.

Costa Rica indicated that confiscated firearms, ammunition and explosives are donated to governmental agencies where appropriate. Timely evaluations are carried out to decide which weapons are to be destroyed.

The country has a national database that maintains a record of the importation, exportation and in-transit of firearms, ammunition and explosives. Records are kept for up to five years. In the case of firearms and ammunition, the records are computerized.

The Office of the Director General for Weapons is the national entity responsible for the exchange of information and collaboration with agencies in other countries.

The country has no information regarding the number of requests it made to other countries for information concerning the shipment of firearms, ammunition and explosives, nor did it have data on the number of requests received from other states.

CICAD notes that the country has no formal mechanism for evaluating the effectiveness of the national agencies charged with controlling the movement of firearms, ammunitions, and explosives and with preventing their diversion. Furthermore, there is no system for reporting the number of individuals arrested, tried, and convicted for the illicit possession of and trafficking in firearms, ammunition, explosives, and other related materials.



RECOMMENDATIONS:

10. IMPLEMENT A MECHANISM FOR EVALUATING THE EFFECTIVENESS OF THE NATIONAL AGENCIES CHARGED WITH CONTROLLING MOVEMENTS OF FIREARMS, AMMUNITIONS, AND EXPLOSIVES AND WITH PREVENTING THEIR DIVERSION.
11. CREATE A REGISTER THAT WILL PROVIDE SYSTEMATIC INFORMATION ON THE NUMBER OF INDIVIDUALS ARRESTED, TRIED, AND PROSECUTED FOR ILLEGALLY OWNING, POSSESSING, AND TRAFFICKING IN FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS.
12. ENACT THE NECESSARY LEGISLATION TO ENFORCE THE MARKING OF FIREARMS AT THE MOMENT OF MANUFACTURE AND FOR IMPORTATION.

C. Money Laundering

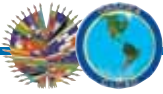
Law 8204 of January 11, 2003, The Narcotics, Psychotropic Substances, Drugs of Unauthorized Use, Legitimization of Capital, and Related Activities Act, defines the offense of money laundering in Article 69. The sanctions applicable is 8 to 20 years in prison. Illicit trafficking in drugs, firearms, or human beings and organs, prostitution, pornography, abduction, extortion, offenses against the administration (corruption), terrorism and its financing, and fraud are considered predicate offenses.

In Costa Rica, a person who has been convicted of the predicate offense cannot be tried for money laundering. In order to establish that certain assets are the proceeds of an offense, a conviction for such conduct is not necessary. However, in order for assets to be seized, the person accused of money laundry must have been convicted. The law provides for the following special investigation techniques in combating money-laundering activities: undercover police operations, the use of informers, controlled delivery, and plea-bargaining or cooperating testimony, but does not allow for electronic surveillance.

To prevent money laundering, there are administrative controls on banks, off-shore banks, currency exchanges, stock exchanges, and the movement of cash or securities across borders. However, these measures do not apply to insurance companies, casinos, real estate companies, attorneys, notaries, or accountants. With respect to non-regulated sectors, following a recommendation to Costa Rica issued in the Second Evaluation Round, 2001-2002, the country reports that its Legislative Assembly's Special Permanent Commission on Drug Trafficking is currently reviewing the draft Law for Strengthening Anti-Terrorism Legislation, which amends Law 8204 and also expands the list of persons subject to its provisions. The country also reports that, in March 2004, it issued the General Regulations for Law 8204 by means of Decree No. 31684-MP-MSP-H-COMEX-S, incorporating accountants and lawyers into the list of clients subject to the oversight of the financial agencies.

The number of persons arrested for money laundering dropped, from 7 in 2002 to 3 in 2003, and the number of persons tried from 5 to 3. The country also reports that there was one conviction in 2003 and another conviction in 2004.

National legislation requires financial and other institutions to report suspicious transactions to the authorities, with exemptions from liability for reporting them. Included in the Costa Rican regulations are the following control measures: reporting large transactions, client registry, verification of client identity, transaction registry, preservation of records, existence of an enforcement official, existence of independent audits, know-your-client policies, know-your-employee policies, and prohibition of anonymous accounts . In addition, ongoing training and



supervision programs are provided. The number of suspicious transactions reported to the authorities – and the number of related investigations – rose from 142 in 2002 to 256 in 2003; in 2004, 34 were presented. The country reports that 314 criminal proceedings commenced as a result of investigations carried out in 2003, and one in 2004. The country reports that in 2003 there were no convictions for money laundering based on investigations arising from suspicious transaction reports.

Costa Rica states that it has a system for follow-up on reports of suspicious transactions, but does not have a means of evaluating the system's effectiveness. In the 2002-2004 period, no sanctions were imposed on financial institutions or other obligated parties for failure to report suspicious transactions, or for failure to abide by money-laundering control regulations. In Costa Rica it is possible to obtain financial documents and records on cases of this offense, for financial intelligence and prosecution purposes, documents were requested in 142 cases in 2002, in 256 cases in 2003, and in 36 cases in 2004.

Costa Rica reports that during 2002 and 2003 no assets related to money laundering were seized, whereas in 2004 there was a seizure of \$716,588.00 in connection with a money-laundering conviction.

The office in charge of the management and/or disposition of property seized and forfeited in connection with illicit drug trafficking and money laundering offenses is the Unit for Administration of Confiscated and Seized Property. The Unit reports to the Ministry of the Presidency, has its own budget, and has no manuals on the management of temporarily seized property. The country states that although the ICD has a detailed inventory of all the assets seized, it has been impossible to have the services of an expert to estimate its value. Also reporting to that Ministry is the Financial Analysis Unit established for financial investigation (UAF), which has its own budget, is autonomous, has a staff of 8, and is empowered to inspect bank accounts directly, and even to request the supporting documents for suspicious operations. The UAF has analysis and investigation functions, and receives information from, and issues information to, other state institutions and similar institutions abroad, but does not impose sanctions.

The number of financial disclosures/reports/cases analyzed/investigated by the UAF was 142 in 2002, 256 in 2003, and 36 in 2004. The country reports that there were no convictions in 2003. The UAF reports are transmitted to the Office of the Attorney General and to the Drug Enforcement Agency, as is obliged to report the findings of its studies.

The UAF is a member of the Egmont group and has signed memoranda of understanding with Colombia, El Salvador, Guatemala, Honduras, Mexico, Panama, and Venezuela, although its legal framework permits it to share information with a foreign financial intelligence unit without signing a memorandum of understanding.

Costa Rica reports that no requests for extradition relating to money laundering were made or received, nor for freezing of assets. Nor were requests made for the lifting of bank secrecy in money laundering cases. The country has no information on requests received in this regard.

Costa Rica trained 35 prosecutors in 2002 and 33 in 2003 to administer cases of money laundering offenses. The country reports that it does not have information on how many remain in the same posts. The country has not begun to train judges in this area. In 2003, 150 administrative officials assigned to the financial intelligence unit and other administrative regulatory agencies in the money laundering area were trained. The country does not provide data for 2004.



CICAD notes with concern that although the country has a draft law that would expand the list of individuals bound thereto, as was recommended during the Second Evaluation Round, 2001-2002, it has not yet secured its passage through the Legislative Assembly. It should be noted that the Bill was presented before the Assembly in February 2003. In addition, although training in administration of money laundering cases has been offered, these efforts have not included the country's judges.

CICAD notes with concern that it is not possible to determine the effectiveness of the international cooperation system for preventing money laundering in Costa Rica, since the country has no information on the following: requests for extradition and freezing of assets issued and received by Costa Rica, together with requests for the lifting of bank secrecy issued and received by the country.

RECOMMENDATIONS:

13. EXPAND THE LIST OF INDIVIDUALS SUBJECT TO ADMINISTRATIVE CONTROLS TO INCLUDE INSURANCE COMPANIES, CASINOS, REAL-ESTATE BROKERS, LAWYERS, AND NOTARIES, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001-2002.
14. PROVIDE JUDGES WITH SPECIALIZED TRAINING FOR THE ENFORCEMENT OF LAWS CRIMINALIZING MONEY LAUNDERING.
15. IMPLEMENT A SYSTEM FOR REPORTING DATA ON EXTRADITION REQUESTS AND REQUESTS FOR PREVENTIVE EMBARGOES OF ASSETS ISSUED AND RECEIVED BY COSTA RICA, AND ON REQUESTS RECEIVED BY THE COUNTRY FOR BANK SECRECY TO BE LIFTED.
16. INTRODUCE REGULATORY MODIFICATIONS THAT WILL ALLOW FOR A PERSON CONVICTED OF A PREDICATE OFFENSE TO BE CONVICTED FOR MONEY LAUNDERING.

D. Corruption

The country reports that from 2003-2004 it has not enacted any new national laws related to the Inter-American Convention against Corruption. It does state, however, that the Legislative Assembly's Permanent Commission on Legal Matters is studying a bill that deals with corruption among public officials.

Costa Rica reports that one public official was arrested for corruption offenses in 2003. There have been no convictions. In respect of public officials arrested, tried and convicted for illicit drug trafficking, Costa Rica indicates that in 2003, one official was arrested and tried. The country notes there have been no convictions.

CICAD urges the country to continue working on its corruption legislation and recognizes the existence of registries of public officials that have been arrested, tried and convicted for corruption.

E. Organized Crime

Costa Rica reports that a draft bill on terrorism as an organized crime is currently being passed through the Legislative Assembly, and notes specifically that organized crime is being countered by means of Law 8204 and some articles of the Criminal Code, which cover the following offenses: participation in an organized criminal group, money laundering, corruption, obstructing



justice, trafficking in persons, trafficking in migrants, and illicit manufacturing or trafficking of firearms and their parts, components, and ammunition.

Cooperation measures included under Costa Rican law are extradition, mutual and joint legal assistance, seizure and confiscation, interdiction operations, victim protection and assistance, and memoranda of understanding. Special investigation techniques allowed by law include undercover operations, telephone-line tapping, and controlled delivery.

The principal institutions responsible for enforcing laws against transnational organized crime in relation to illicit drug trafficking and related crimes are the Judiciary, with investigative and jurisdictional functions; the Costa Rican Drug Institute, the policy-making body in the preventive and repressive area; the supervision and oversight offices, and the Customs Office. They do not have training programs for officials responsible for enforcing laws against transnational organized crime or mechanisms for evaluating the efficiency of responsible entities.

Although no systems are in place for screening public officials in related institutions – each institution has sanctions and internal control mechanisms before these officials are hired to ensure their honesty.

In 2002, 107 persons were arrested and tried, and 81 convicted for offenses related to transnational organized crime. In 2003, 100 persons were arrested and tried. These figures refer to the crimes contemplated in the Narcotics, Psychotropic Substances, Drugs of Unauthorized Use, Legitimization of Capital, and Related Activities Act when they are committed by a group of three or more people, or when these crimes are committed at the international level.

In Costa Rica, the new Criminal Procedural Code (Article 13) and Law 8204 (Article 22.b) allows for “plea bargaining.”

The country reports that there is no internal procedure for an adequate compilation of data on transnational organized crime. No information has been given on the number of requests for assistance received and made in connection with this crime between 2002 and 2004. Costa Rica notes that it ratified the United Nations Convention against Transnational Organized Crime on July 24, 2003, and that a few months later the Interagency Committee on Terrorism (CISTE) was established, which is coordinated by the Ministry of Foreign Affairs and Worship and chaired by the Vice Minister of the Presidency. It is responsible for liaison and coordination of follow-up to international commitments in this area. Mechanisms for coordination with hemispheric bodies have yet to be set up regarding this subject.

CICAD recognizes that the country has the general framework for the control of organized crime related to illicit drug trafficking.



V. CONCLUSIONS

CICAD acknowledges the efforts made by Costa Rica in ratifying the international conventions, although, it notes with concern that the country has not yet ratified the Inter-American Convention on Mutual Assistance in Criminal Matters, even though this was a recommendation assigned during the First Evaluation Round in 1999-2000.

CICAD recognizes the efforts made by the country to maintain its national information system, and for the work in disseminating this information being undertaken in a systematic way.

In the area of demand reduction, CICAD recognizes the efforts made by the country to set care standards for treating drug abuse and to draw up a national register of treatment centers, and urges the country to develop evaluations for the prevention and treatment programs.

CICAD urges the country to update the existing studies on the magnitude of drug consumption in the general population, taking into account that the last studies were carried out in 2001.

CICAD acknowledges that the country has regulatory problems regarding the functioning of the Ministry of Health's Narcotic Drugs Control Board and that the country does not have a formal mechanism for assessing the effectiveness of the controls on the use and distribution of pharmaceutical products by health care professionals. CICAD recognizes the efforts made by the country to prevent the diversion of controlled chemical substances and the recent incorporation of new substances under the aegis of those controls.

CICAD observes that there is no formal mechanism for assessing the effectiveness of the methods used to exchange information among the authorities responsible for controlling illicit drug trafficking.

On the subject of firearms, ammunition, and explosives, CICAD notes that the country has no formal mechanism for assessing the effectiveness of the national agencies charged with their oversight; neither does it have a system for reporting the number of individuals arrested, tried, and convicted for the illicit possession of, and trafficking in firearms, ammunition, explosives, and other related materials.

With regard to money laundering, CICAD notes that although the country has draft legislation that would expand the scope of persons subject thereto, as recommended during the Second Evaluation Round, the bill has not yet been approved by the Legislative Assembly. It should be noted that the bill was presented before the Assembly in February 2003. Furthermore, although some training has offered regarding the administration of money laundering cases, this training has not included the participation of judges. Finally, it is not possible to determine the effectiveness of the international cooperation system for preventing money laundering in Costa Rica, as the country has no information regarding requests issued and received by Costa Rica for extradition or freezing of assets, or requests issued by the country for the lifting of bank secrecy.

CICAD recognizes the country's participation in the Multilateral Evaluation Mechanism and urges Costa Rica to persevere with its efforts, particularly in those areas in which weaknesses are currently to be found.



VI. SUMMARY OF RECOMMENDATIONS

The following recommendations are assigned to Costa Rica 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 BUILDING

1. RATIFY THE INTER-AMERICAN CONVENTION ON MUTUAL ASSISTANCE IN CRIMINAL MATTERS, A RECOMMENDATION REITERATED FROM THE FIRST EVALUATION ROUND, 1999-2000.

DEMAND REDUCTION

2. EVALUATE THE COUNTRY'S EXISTING PREVENTION PROGRAMS.
3. CONDUCT EVALUATIONS OF THE QUALITY OF THE TREATMENT SERVICES FOUND IN THE COUNTRY.
4. CONDUCT STUDIES TO ASSESS THE EFFECTIVENESS OF THE DIFFERENT PROGRAMS AND TREATMENT METHODS OFFERED BY THE COUNTRY.
5. CONDUCT A STUDY ON THE MAGNITUDE OF DRUG USE IN THE GENERAL POPULATION.
6. CONDUCT STUDIES INTO MORBIDITY ASSOCIATED WITH DRUG CONSUMPTION.

SUPPLY REDUCTION

7. UPDATE THE REGULATIONS OF THE MINISTRY OF HEALTH'S NARCOTIC DRUGS CONTROL BOARD.
8. IMPLEMENT A FORMAL MECHANISM FOR EVALUATING THE EFFECTIVENESS OF CONTROLS IN PLACE ON THE USE AND DISTRIBUTION OF PHARMACEUTICAL PRODUCTS BY HEALTH CARE PROFESSIONALS.

CONTROL MEASURES

9. ESTABLISH A FORMAL MECHANISM FOR ASSESSING THE EFFECTIVENESS OF EXISTING METHODS FOR INFORMATION EXCHANGE AND COOPERATION AMONG AUTHORITIES RESPONSIBLE FOR COMBATING DRUG TRAFFICKING.
10. IMPLEMENT A MECHANISM FOR EVALUATING THE EFFECTIVENESS OF THE NATIONAL AGENCIES CHARGED WITH CONTROLLING MOVEMENTS OF FIREARMS, AMMUNITIONS, AND EXPLOSIVES AND WITH PREVENTING THEIR DIVERSION.
11. CREATE A REGISTER THAT WILL PROVIDE SYSTEMATIC INFORMATION ON THE NUMBER OF INDIVIDUALS ARRESTED, TRIED, AND PROSECUTED FOR ILLEGALLY OWNING, POSSESSING, AND TRAFFICKING IN FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS.
12. ENACT THE NECESSARY LEGISLATION TO ENFORCE THE MARKING OF FIREARMS AT THE MOMENT OF MANUFACTURE AND FOR IMPORTATION.



13. EXPAND THE LIST OF INDIVIDUALS SUBJECT TO ADMINISTRATIVE CONTROLS TO INCLUDE INSURANCE COMPANIES, CASINOS, REAL-ESTATE BROKERS, LAWYERS, AND NOTARIES, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001-2002.
14. PROVIDE JUDGES WITH SPECIALIZED TRAINING FOR THE ENFORCEMENT OF LAWS CRIMINALIZING MONEY LAUNDERING.
15. IMPLEMENT A SYSTEM FOR REPORTING DATA ON EXTRADITION REQUESTS AND REQUESTS FOR PREVENTIVE EMBARGOES OF ASSETS ISSUED AND RECEIVED BY COSTA RICA, AND ON REQUESTS RECEIVED BY THE COUNTRY FOR BANK SECRECY TO BE LIFTED.
16. INTRODUCE REGULATORY MODIFICATIONS THAT WILL ALLOW FOR A PERSON CONVICTED OF A PREDICATE OFFENSE TO BE CONVICTED FOR MONEY LAUNDERING.