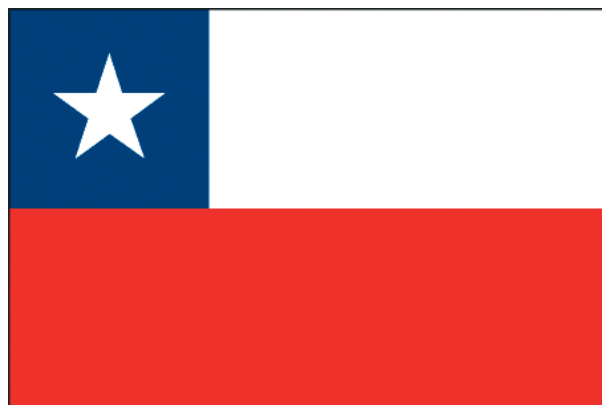


Multilateral Evaluation Mechanism MEM



Chile

**2005 PROGRESS REPORT IN DRUG CONTROL
IMPLEMENTATION OF RECOMMENDATIONS
FROM THE THIRD EVALUATION ROUND**



**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**

PUBLICATION DATE: JANUARY 2003

REITERATION DATE: JUNE 2005

Chile reports that an interagency working group has been established, coordinated by the Special Policy Directorate of the Ministry of Foreign Affairs to examine the various aspects involved in this Protocol. This working group shall issue a report that will be examined by the Legal Department of the Ministry of Foreign Affairs, which is the final body to examine Chile's accession to the Protocol, before it is submitted to Congress in 2006 for ratification. The country indicates that this recommendation has not been implemented because relevant analyses and studies on the matter are being conducted and its compatibility with national legislation examined.

CICAD recognizes the initial actions made for the completion of this recommendation and urges the country to increase its efforts to implement it, taking into account that the recommendation was assigned from the Second Evaluation Round, 2001–2002.

RECOMMENDATION 2:**CONDUCT A STUDY ON MORBIDITY ASSOCIATED WITH DRUG ABUSE**

PUBLICATION DATE: JUNE 2005

Chile reports that, through the Technical Study on the Direct Cost of Drugs in Chile, which was conducted in 2004–2005 with support from CICAD, it was able to determine the rate of morbidity attributable to illegal drug use in the country.

The study reports 13,400 absences on account of illness among patients and 8,406 absences on account of illness among non-patients, in the indicator that measures the job-related impact of illegal drug use¹.

CICAD views with satisfaction the implementation of this recommendation.

RECOMMENDATION 3:**CONDUCT A STUDY TO DETERMINE THE MORTALITY RATE ASSOCIATED WITH DRUG ABUSE**

PUBLICATION DATE: JUNE 2005

Chile reports that this recommendation has been implemented with the Technical Study on the Direct Cost of Drugs in Chile, which was carried out in 2004–2005 with support from CICAD,

¹ For more information, please refer to the following internet address: <http://www.cicad.oas.org/oid/MainPage/Costs/Informe%20Final%20Chile.pdf>



and which was able to determine the mortality rate attributable to illicit drug use in the country². CICAD views with satisfaction the implementation of this recommendation.

RECOMMENDATION 4:

CONSOLIDATE NATIONAL STATISTICS ON THE APPLICATION OF SANCTIONS FOR VIOLATIONS OF LEGAL PROVISIONS TO CONTROL THE DIVERSION OF PHARMACEUTICAL PRODUCTS

PUBLICATION DATE: JUNE 2005

Chile reports that, as a result of criminal procedure reform, effective throughout the country since 2005, the Justice Department's statistical system is fully operational and provides data on the outcome of the cases that constituted the criminal justice caseload in a given period. The system indicates the number of punishments for violations of legal provisions designed to control the diversion of pharmaceutical products throughout Chile.

CICAD views with satisfaction the implementation of this recommendation.

RECOMMENDATION 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

PUBLICATION DATE: JANUARY 2003
REITERATION DATE: JUNE 2005

Chile reports that its Public Health Institute, through the National Control Information Management System (GICONA), has made available to its users an online one-stop device for electronic transactions, such as the Health Registry Certificate and the Use and Disposal Permit, which are essential to the process of exporting and importing of pharmaceuticals³.

This system involves the National Customs Service, the country's health services, and Chile's Public Health Institute, and enables the country to share information, promote interagency coordination, and allows targeted inspections for public health prevention purposes.

CICAD views with satisfaction the implementation of this recommendation.

² For more information, please refer to the following internet address: <http://www.cicad.oas.org/oid/MainPage/ Costs/Informe%20Final%20Chile.pdf>

³ For more information, please refer to the following internet address: <http://www.ispch.cl>

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

PUBLICATION DATE: JUNE 2005

Chile reports that the new Drug Act (20,000/2005) states that the Ministry of the Interior, through the National Narcotics Control Council (CONACE), is to administer a registry listing all juridical or natural persons who produce, manufacture, prepare, import, or export chemical precursors or substances that could be used to illicitly manufacture narcotics or psychotropic substances.

The registry makes it possible to centralize national statistics on the imposition of punishments for violations of legal provisions against the diversion of chemical substances.

CICAD views with satisfaction the implementation of this recommendation.

RECOMMENDATION 7:**INCLUDE TRAFFICKING IN PERSONS, TRAFFICKING IN ORGANS, EXTORTION, AND FRAUD AMONG MONEY LAUNDERING PREDICATE OFFENSES**

PUBLICATION DATE: JUNE 2005

Chile reports that it is aware that money laundering regulations should be continually broadened until they include the offenses indicated in this recommendation. However, the country's initial assessment shows that, since Act 19,913 was recently enacted, it is more important to correct or supplement that law in terms of other aspects that now hinder the prosecution of money laundering than the omission of the offenses listed in the recommendation.

The country considers it a priority for now to strengthen the regulatory achievements already secured and, with the results of their practical application, seek additional legal reforms.

CICAD encourages the country to include trafficking in persons and organs, extortion and fraud among money laundering predicate offenses.

RECOMMENDATION 8:**EXPAND ADMINISTRATIVE ANTI-MONEY LAUNDERING CONTROL ACTIVITIES TO INCLUDE ATTORNEYS AND ACCOUNTANTS**

PUBLICATION DATE: JUNE 2005

Chile reports that Act 19,913, which broadened the category of predicate offenses to money laundering, is very recent. The country informs that, during its establishment, the idea of including administrative controls to prevent the laundering of assets by attorneys was discussed and rejected by Congress after it read the reports issued by the bar association.

CICAD encourages the country to expand administrative anti-money laundering control activities to include attorneys and accountants.



CONCLUSIONS

During the Third Evaluation Round, 2003–2004, Chile was assigned a total of eight recommendations, out of which five have been completed, one is in progress, and two have not been initiated.

The recommendations that have been implemented by the country are related to the development of drug-abuse related morbidity and mortality studies; the consolidation of national statistics on the application of sanctions for violations of legal provisions to control the diversion of pharmaceutical products; and the development of inter-agency information and communication networks among the agencies responsible for the control of pharmaceutical products.

Regarding the recommendation that is being implemented, CICAD notes little progress with regard to the ratification of the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition supplementing the United Nations Convention against Transnational Organized Crime, given that it is reiterated from the Second Evaluation Round, 2001–2002.

As for the two recommendations that have not been initiated, to include trafficking in persons and organs, extortion, and fraud as predicate offenses to money laundering, and to expand administrative anti-money laundering control activities to include attorneys and accountants, CICAD takes note of the reasons expressed by the country and encourages it to implement them opportunistically.

CICAD recognizes Chile's participation in the MEM process, and notes with satisfaction that the country has completed five of the eight recommendations, reflecting the efforts made in controlling both drug demand and supply. CICAD encourages the country to continue applying all those strategies that would enable it to achieve greater progress in confronting the drug problem.