



I. INSTITUTION BUILDING / NATIONAL ANTI-DRUG STRATEGY

Chile has a National Drug Prevention and Control Plan and Policy that was adopted by Presidential Decree in 1993. It covers the areas of supply reduction, demand reduction, control measures, institutional framework, and program evaluation. The implementation of the plan and policy are determined by a planning process that determines the objectives and goals on an annual basis. The country's central authority, pursuant to the 1990 Presidential Decree No. 683-90, is the National Council for Narcotics Control (CONACE). It coordinates activities related to demand reduction, supply reduction, control measures, drug-related statistics, planning of National Anti-Drug Plan activities, evaluation of institutional initiatives, and coordination of international assistance. CONACE has its own budget, US\$13,922,713 for the year 2001.

Chile has ratified the Inter-American Convention Against Corruption. It has also signed numerous bilateral agreements in the framework of the UN Single Convention of 1961, UN Convention on Psychotropic Substances of 1971, and the UN Convention Against the Traffic in Narcotic Drugs and Psychotropic Substances, Vienna 1988.

Ratification of the Inter-American Convention on Mutual Assistance in Criminal Matters, signed in 1992, and the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Materials (CIFTA), signed in 1997, is still pending in the National Congress.

Chile signed the UN Convention Against Transnational Organized Crime in 2000, but not its three Protocols.

CONACE organizes, compiles, and coordinates drug-related data and general information. It also reports regularly to the Inter-American Drug Use Data System (SIDUC) and the Uniform Statistical System on Control of the Supply Area (CICDAT) regarding all information on drug use and control of supply gathered regularly by CONACE through different studies and statistical research.

Chile employs a variety of methods to disseminate information, among other, a web page, a center for public information and documentation, a Fonodrogas, and the distribution of different publications and reports elaborated by CONACE and other public and private organizations, on the drug problem to policy-makers and to the general public. It also regularly conducts national prevention campaigns through the country's main media outlets, like radio and television.

RECOMMENDATIONS:

- 1. REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO RATIFY THE INTER-AMERICAN CONVENTION ON MUTUAL ASSISTANCE IN CRIMINAL MATTERS.**
- 2. REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO RATIFY THE INTER-AMERICAN CONVENTION AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS (CIFTA).**
- 3. RATIFY THE UN CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME AND SIGN AND RATIFY ITS THREE PROTOCOLS.**



II. DEMAND REDUCTION

In this area, Chile is implementing its General Plan to Prevent Drug Use, which is part of the National Drug Policy and Plan. This Plan has a national budget that has increased annually since 2000. The budgetary allotments have increased significantly since 2000 US\$11,074,885 for that year 2000, US\$12,680,727 for 2001, and US\$15,126,273 for 2002.

The aforementioned increases in the budgetary allotments have allowed for progress in the scope, diversity and coverage of the national prevention program system targeting key sectors of the population. An example is the coverage of school prevention, which extends nationally and emphasizes early prevention. In 2002 it reaches 50% of pre-schools (ages 4-5), 76% of primary schools (ages 6-13), and 22% of secondary schools (ages 14-17). Also, an integral community intervention strategy is being developed through the PREVIENE (Communal Prevention System) program, in which the municipality is the focus. The model contemplates actions aimed at key sectors of the population and the training of prevention agents. During 2002, this program is being developed in 89 communes of the country, which represents about 70% of the total population.

The country reports that, while its universities offer a variety of refresher or specialization courses in drug abuse prevention, treatment, and research, no master's or doctoral programs are yet available in these specialties. A number of universities do have faculty positions to teach specific content on the drug phenomenon as part of the core curriculum of some university programs. The drug phenomenon is also touched in some courses of study, particularly the social and medical sciences. According to the country, these courses do not totally meet national demand for professional prevention and treatment training.

In the evaluation period 2001-2002, there has been an increase in the number of evaluations of process and results of drug abuse prevention programs implemented by public and private institutions in the areas of prevention and community development, treatment and rehabilitation, prevention through intermediary agencies working in the country and education system prevention among others. Quality standards were prepared for drug abuse treatment programs, together with a national mechanism to verify compliance. Those standards are in the process of becoming mandatory. Chile evaluates the coverage and suitability of drug use treatment, rehabilitation, and social reinsertion services, as well as national demand for drug dependency treatment. Studies to evaluate processes and the results of the treatment and rehabilitation program now under way will be available in late 2003.

Chile has regular estimates of the scale of drug use among the general and school populations based on surveys conducted biennially since 1994 (all available at www.conace.gov.cl). In that connection, in 2002, the Fifth National General Population Survey is being conducted and, in 2001, the Fourth National School Survey was conducted. A series of surveys targeting specific populations has also been conducted. The surveys, in addition to measuring the scale of drug use by sociodemographic indicator, evaluate factors associated with drug use, such as the association between use and family characteristics, and the association between such use and environmental factors, among others.

An estimate of intravenous drug use-related morbidity in the country was developed. In the evaluation period (2001-2002), no new drugs or drug abuse methods have been detected. It is reported that national data on mortality owing to specific causes only provided separate data on death by cirrhosis of the liver. No estimates are yet available on the number of deaths related to drug use.



RECOMMENDATION:

1. **ENHANCE, IN THE MEDIUM TERM, NATIONAL CAPABILITY IN THE AREA OF SPECIALIZED PROFESSIONAL TRAINING AT THE UNIVERSITY LEVEL ON DRUG ABUSE PREVENTION, TREATMENT AND REHABILITATION, AND RESEARCH, IN ORDER TO MEET NATIONAL DEMAND FOR PROFESSIONAL TRAINING IN THESE AREAS.**

III. SUPPLY REDUCTION

A. Drug Production and Alternative Development

Chile reports that there are no coca or poppy crops in its territory. In 2000 and 2001, marginal open-air cannabis crops were detected and eradicated; no indoor crops were found. Given the small area of illicit cultivation, alternative development programs did not need to be developed.

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

Chile reports that in the evaluation period (2001-2002), only a few small, rudimentary laboratories for drug production have been detected. Thus, in 2000 and 2001, two illicit drug (cocaine) laboratories, of negligible production potential, were destroyed.

The Public Health Institute (ISP), at the national level, and the country's 28 health services, at the local level entities - subordinate to the Ministry of Health - are responsible for controlling and preventing the diversion of pharmaceuticals. With respect to the use and distribution of such products by health professionals, a National System to Control Narcotics and Psychotropic Substances (PSICOEPSI) has been implemented, which consolidates information on annual dispensing by all Chilean pharmacies of pharmaceuticals controlled by law and drugs used in the manufacture of unique, patient-specific prescriptions. However, the country's control capacity must be reinforced.

In the area of the exchange of operational information and cooperation among national authorities responsible for controlling pharmaceuticals, there is an interagency committee comprising the Ministry of Health and the health services. Furthermore, joint operations are conducted among customs, the ISP, and the health services. Nonetheless, the absence of interagency information and communications networks impedes timely exchanges of operational information among the different control entities.

The ISP is the national entity responsible for information exchanges and cooperation with similar regulatory agencies in other countries regarding control of pharmaceuticals.

The country reports that it does not have a national agency with responsibility for controlling and preventing the diversion of controlled chemical substances, as different aspects of control are distributed among different State agencies. It also does not have appropriate regulations to control the manufacture or distribution of controlled chemical substances. The absence of appropriate regulation also affects information exchange and cooperation among the competent agencies. Notwithstanding, there are information and communication systems for this area, and joint operations are conducted among the different competent agencies. Likewise, the recent agreement between CONACE and the Chemical Industries Association of Chile, where a joint program will be initiated aiming at promoting and developing specific activities to control the diversion of controlled chemical substances, prohibited by the law No.19,366, essential for the production of drugs.



Chile has national laws and/or regulations that allow for the imposition of penal and administrative sanctions for the diversion of pharmaceuticals and penal sanctions for the diversion of controlled chemical substances.

The National Customs Service controls the export and import of controlled chemical substances. Pre-export notifications for such substances are transmitted by CICAD's Inter-American Drug Control Telecommunications Network (RETCOD) to countries in the Hemisphere that belong to the network. The pre-export notifications that Chile received gave rise to 7 investigations in 2000, and 12 in 2001, which represents 35% and 30% of total notifications received, respectively.

RECOMMENDATIONS:

1. **REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO STRENGTHEN CHILE'S REGULATORY AND OPERATIONAL FRAMEWORK FOR PREVENTING THE DIVERSION OF CONTROLLED CHEMICAL SUBSTANCES AND, TO THAT END, ESTABLISH A NATIONAL AGENCY WITH RESPONSIBILITY FOR SUCH TASKS.**
2. **DEVELOP INTERAGENCY INFORMATION AND COMMUNICATIONS NETWORKS AMONG THE NATIONAL ENTITIES RESPONSIBLE FOR CONTROLLING PHARMACEUTICAL PRODUCTS.**

IV. CONTROL MEASURES

A. Illicit Drug Trafficking

Chile reports that the Division of Citizen Security, Ministry of Interior, in 2001, launched a record-keeping system enabling existing information on drug enforcement procedures at the national and the regional levels to be consolidated. Therefore, only the number of seizures made in 2001 was provided. They are as follows

Type of Drug	Unit of Measure	Quantity		
		2000	2001	2002*
Heroin	kg.	25,671	33,234	0
Cocaine Paste	kg.	1,586.415	1,410.368	568.046
Cocaine Base	kg.	489.685	1,017.722	432.393
Cannabis Plants	Plants	63,621	98,892	60.309
Cannabis Leaf	kg.	3,277.341	2,418.497	4,210.357
MDMA (ecstasy)	Units		2,622	0

* Figures for first half of 2002.

The number of people arrested under the drug law in Chile fell sharply in 2001 to 9,208, from 17,949 in 2000. Of the 2001 figure, 4,279 arrests were for illicit trafficking, 2,825 for illicit possession, and 2,104 for illicit possession for personal use. During the first half of 2002, 2,527 people were arrested for illicit trafficking, 2,172 for illicit possession, and 500 for illicit possession for personal use. According to the country, these figures can be explained by the police concentrating more on arresting traffickers than consumers as part of strategic planning in police methods that, combined with the use of well-placed informers, has produced more effective results.



Personal use is only punished as an offense when it takes place in public places, places open to the public, or in private with conspiracy.

Chile does not keep records centralizing existing information on persons prosecuted for illicit drug trafficking.

The country does not have statistics on the total number of persons tried and convicted for illicit drug trafficking.

Chile reports that exchanges of operational information among national authorities take place via an interagency committee and joint forces and operations, but that no formal mechanism is in place to evaluate their efficacy.

Chile keeps records of international letters rogatory, which by order of the Supreme Court are processed by Santiago Criminal Court No. 1. Three requests for judicial cooperation in the area of illicit drug trafficking were received during 2000, 1 in 2001, and 5 through October 2002.

Chile has provisions criminalizing corruption-related offenses, but no records are kept of government officials convicted of corruption in connection with drug trafficking.

B. Firearms and Ammunition

Chile reports that national entities responsible for the control of firearms and ammunition maintain an interagency communication committee and system/network. Law 17798 establishes administrative controls to prevent the diversion of firearms and ammunition, and defines the offense of illicit trafficking therein. No one was convicted of firearms trafficking-related offenses during the evaluation period, only the illegal possession and carrying of firearms: 212 people in 2000, and 45 in 2001.

Law 17798 also regulates the importation, exportation, and transit of firearms and ammunition. Chile sends pre-export notifications to consignee countries for firearms and ammunition, and requires licenses or permits to be issued before authorizing entry of such shipments into the country.

Chile reports that in the evaluation period (2001-2002), there were no forfeitures of firearms and/or ammunition for their entry into the country in violation of laws governing their import, export, or transit, nor were any forfeited in connection with illegal commercial transactions within the country.

The country maintains a national computerized record system on the importation, exportation, and transit of firearms and ammunition. Information is retained for two years.

The national entities responsible for the exchange of information and collaboration with similar entities in other countries for the control of firearms and ammunition maintain an interagency committee and information and communication networks/systems. Chile reports that it has not requested information from other countries, nor has it received such requests in connection with shipments of firearms and ammunition.

C. Money laundering

Chile criminalizes money laundering as an offense only when it is linked to illicit drug trafficking and other related offenses included in Law No. 19,366 on drugs. The country reports that the Executive Branch has introduced a bill in Congress that would create a financial intelligence unit and expand the range of money laundering predicate offenses to include terrorism, illicit arms trafficking, child pornography, child prostitution, illegal trafficking in persons, and other, related offenses.



Chile has regulations establishing administrative controls to prevent money laundering in the banking and insurance sectors. These controls do not include stock exchanges, real estate agencies, attorneys, notaries, and accountants. Moreover, the National Customs Services controls cash and monetary instruments of a value in excess of US\$10,000 entering the country. However, in the bill now before Congress, money laundering controls are increased or expanded to include stock exchanges, currency exchanges, notaries, registrars of land, mines, and industrial property, casinos, racetracks, gambling halls, etc.

In 2000 and 2001, 15 people were arrested for money laundering offenses, but only a small percentage of these cases were prosecuted. The country reports that there were no convictions for this offense in the evaluation period (2001-2002).

The country does not have a financial intelligence unit, nor is there any legal obligation to report suspicious or unusual transactions. The country also reports that a bill is now before the National Congress that includes such requirements.

There are specific control measures in place at the bank level, which provide for record-keeping on customers and verification of customer identity, appointment of an enforcement official, and implementation of "know your customer" policies, and establishing the need to distinguish between legitimate transactions and transactions whose purpose is money laundering, and the need for procedural manuals and adequate auditing coverage.

Chile reports that it was able to obtain documents and background data from banks and financial institutions in all investigations of money laundering in 2000 and 2001. There were no convictions for money laundering-related offenses in the evaluation period 2001-2002 and, therefore, no proceeds were forfeited in that connection.

Chile reports that its records of international rogatory letters, which by order of the Supreme Court are processed by Santiago Criminal Court No. 1, show no requests for judicial cooperation in connection with money laundering that involve the freezing of assets or lifting of bank secrecy in the 2000-2001 period. Chile reports that it made no requests to other States to freeze assets or lift bank secrecy in connection with money laundering in the same period. The Supreme Court also has a system for keeping records of extradition requests made or received by Chile.

The country reports that in 2000 training in handling money-laundering cases was provided to 20 judges and 58 prosecutors. Training was provided to 18 judges and 65 prosecutors in 2001, while 35 judges and 14 prosecutors were trained in 2002. Fifty administrative officials also received training in 2000.

Chile indicates that, based on information available to date regarding trends in different aspects of the drug phenomenon in Chile, it cannot be said that new trends in the global phenomenon of the mobility of the different manifestations of the drug problem may be observed.

RECOMMENDATIONS:

- 1. DEVELOP AN INFORMATION SYSTEM ON NUMBERS OF PERSONS ARRESTED, TRIED AND CONVICTED FOR ILLICIT DRUG TRAFFICKING, ILLICIT TRAFFICKING IN FIREARMS AND AMMUNITION, AND OTHER RELATED OFFENSES.**
- 2. EXPAND THE DEFINITION OF THE OFFENSE OF MONEY LAUNDERING TO INCLUDE AS PREDICATE OFFENSES OTHER SERIOUS OFFENSES IN ADDITION TO ILLICIT DRUG TRAFFICKING.**



3. **EXTEND ADMINISTRATIVE CONTROLS TO PREVENT MONEY LAUNDERING TO INCLUDE THE ENTIRE FINANCIAL SYSTEM, AS WELL AS OTHER PERTINENT SECTORS OF THE ECONOMY.**
4. **REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO ESTABLISH, WITHOUT DELAY, A FINANCIAL INTELLIGENCE UNIT AND TO ESTABLISH THE OBLIGATION TO REPORT SUSPICIOUS OR UNUSUAL TRANSACTIONS.**

V. CONCLUSIONS

Chile has a national strategy to fight the drug problem that clearly prioritizes demand reduction. An area in which it has demonstrated a vast experience and notable progress was made in that area, as reflected in the sustained development of prevention policies, in relation to its geographic coverage and the sectors of the population reached, and the steadily increasing budget allocations for the mentioned policies.

Regarding supply reduction, it should be noted that Chile is not a major drug producing or transit country. The State's institutional structure is basically adequate for carrying out actions to suppress the illicit transit of drugs. However, some weaknesses lie in the country's lack of a regulatory and operational framework for preventing the diversion of controlled chemical substances. There are also difficulties in the compilation of information related to the judicial activities.

Chile has also made progress in its money laundering prevention and control strategy. However, some significant shortfalls persist in the system, which the country has committed to correcting. It has presented a bill to that end, which is being examined by the Congress.

Finally, ratification of some important international instruments is still pending.

In short, Chile is clearly committed to the hemispheric strategy to fight the drug problem and has exhibited strengths and demonstrated strong willingness to overcome its weaknesses.



SUMMARY OF RECOMMENDATIONS

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3. RATIFY THE UN CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME AND SIGN AND RATIFY ITS THREE PROTOCOLS.
4. ENHANCE, IN THE MEDIUM TERM, NATIONAL CAPABILITY IN THE AREA OF SPECIALIZED PROFESSIONAL TRAINING AT THE UNIVERSITY LEVEL ON DRUG ABUSE PREVENTION, TREATMENT AND REHABILITATION, AND RESEARCH, IN ORDER TO MEET NATIONAL DEMAND FOR PROFESSIONAL TRAINING IN THESE AREAS.
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6. DEVELOP INTERAGENCY INFORMATION AND COMMUNICATIONS NETWORKS AMONG THE NATIONAL ENTITIES RESPONSIBLE FOR CONTROLLING PHARMACEUTICAL PRODUCTS.
7. DEVELOP AN INFORMATION SYSTEM ON NUMBERS OF PERSONS ARRESTED, TRIED, AND CONVICTED FOR ILLICIT DRUG TRAFFICKING, ILLICIT TRAFFICKING IN FIREARMS AND AMMUNITION, AND OTHER RELATED OFFENSES.
8. EXPAND THE DEFINITION OF THE OFFENSE OF MONEY LAUNDERING TO INCLUDE AS PREDICATE OFFENSES OTHER SERIOUS OFFENSES IN ADDITION TO ILLICIT DRUG TRAFFICKING.
9. EXTEND ADMINISTRATIVE CONTROLS TO PREVENT MONEY LAUNDERING TO INCLUDE THE ENTIRE FINANCIAL SYSTEM, AS WELL AS OTHER PERTINENT SECTORS OF THE ECONOMY.
10. REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO ESTABLISH, WITHOUT DELAY, A FINANCIAL INTELLIGENCE UNIT, AND TO ESTABLISH THE OBLIGATION TO REPORT SUSPICIOUS OR UNUSUAL TRANSACTIONS.