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

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

UNITED STATES OF AMERICA

**EVALUATION OF PROGRESS IN DRUG CONTROL
2003-2004**



INTRODUCTION

The United States of America (US) has a total area of 9,629,091 km² and 12,034 km of border (Canada 8,893 km - includes 2,477 km with Alaska - and Mexico 3,141 km), with 19,924 km of coastline. The country has a population of 290,342,554 (2003) with the following main ethnic groups: white, black, hispanic, asian and indigenous and a literacy rate of 97%. The country is a constitutional-based federal republic divided into 50 states, 1 district and associated territories. The country has a Gross Domestic Product (GDP) per capita of US\$36,300 (2005) and an inflation rate of 1.60% (2002). The United States' exports total US\$714.5 billion annually (2003 est.), approximately 6.7% of the GDP (2003 est.) principally automobiles, industrial supplies and raw materials, consumer goods and agricultural products.

I. INSTITUTIONAL BUILDING/ NATIONAL ANTI-DRUG STRATEGY

A. National Anti-Drug Plan and National Commission

The United States of America (US) has a National Drug Control Strategy in force, which is reviewed annually and approved in February by the President. The most recent review and approval during the evaluation period 2003 – 2004, took place in February 2004. The approval process involves Congress and the Office of National Drug Control Policy (ONDCP). The Plan covers the following areas of demand reduction, supply reduction, control measures, institutional building and evaluation of programs and is carried out at both central and departmental levels.

The central government has allocated a budget for financing the National Drug Control Strategy. For 2004, it has an approved budget of US\$12.082 billion, of which US\$5.377 billion is allocated to demand reduction and US\$6.705 billion to supply reduction. The following table shows that the budget has increased in recent years.

Budget for the National Drug Control Strategy (In billions)			
Area	2002	2003	2004
Demand reduction	US\$5.098	US\$5.190	US\$5.377
Supply reduction	US\$5.793	US\$6.206	US\$6.705
Total	US\$10.891	US\$11.397	US\$12.082

The Office of National Drug Control Policy (ONDCP) coordinates the different areas included in the national strategy. Its operations are financed from an annual budget, which facilitates administration of its structure, functions, and obligations. The following table shows the budgets for 2002-2004:

ONDCP Budget (In millions)			
Year	Proposed Budget	Approved Budget	Total Budget Received
2002	US\$519.1	US\$533.1	US\$533.1
2003	US\$523.1	US\$523.1	US\$520.6
2004	US\$523.6	US\$522.2	US\$522.2



CICAD recognizes the effort carried out by the US in annually reviewing and approving its National Drug Control Strategy to develop a more comprehensive and balanced policy. CICAD also notes that the budget to implement the Strategy has increased over the last years.

B. International Conventions

The United States of America has signed and ratified the following international instruments:

- Inter-American Convention against Corruption (1996);
- Inter-American Convention on Mutual Assistance in Criminal Matters (1992);
- United Nations Single Convention on Narcotic Drugs (1961), as amended by the 1972 Protocol;
- United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988);
- United Nations Convention on Psychotropic Substances (1971).

The Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Material – CIFTA (1997); the United Nations Convention against Transnational Organized Crime (2000), its Protocol against the Smuggling of Migrants by Land, Sea and Air and its Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children have been signed but not ratified. However, the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition is still pending signature.

The country does not provide information regarding legislation or regulations that have been issued in accordance with international conventions during the 2003-2004 evaluation period. Likewise, the United States did not provide information on the establishment of national follow-up mechanisms for the effective implementation of the mandates set forth in the international conventions. However, it provided copious amount of information on bilateral agreements with other countries of the Western hemisphere regarding: maritime anti-drug trafficking operations; agreements on cutting edge operational bases; and seizure and inspection of ships.

CICAD is concerned that no progress has been made towards ratification of the United Nations Convention against Transnational Organized Crime (2000) and two of its Protocols. The Protocol against the Illicit Manufacture of and Trafficking in Firearms and their Parts and Components and Ammunition, which was recommended for signature during the Second Evaluation Round, 2001 – 2002 is still pending. Furthermore, there has been no progress towards ratifying the Inter-American Convention against Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA), as recommended during the First Evaluation Round, 1999 – 2000.

RECOMMENDATIONS:

1. **RATIFY THE INTER-AMERICAN CONVENTION AGAINST ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS (CIFTA), A REITERATED RECOMMENDATION FROM THE FIRST EVALUATION ROUND, 1999 – 2000.**
2. **RATIFY THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME (2000), A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001 – 2002 AND ITS PROTOCOLS:**



- A. PROTOCOL AGAINST THE SMUGGLING OF MIGRANTS BY LAND, SEA AND AIR;
- B. PROTOCOL TO PREVENT, SUPPRESS AND PUNISH TRAFFICKING IN PERSONS, ESPECIALLY WOMEN AND CHILDREN;
- C. PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, THEIR PARTS AND COMPONENTS AND AMMUNITION.

C. National Information System

The Office of National Drug Control Policy (ONDCP) centralizes studies on drugs at a national level. This office does not participate in the Inter-American Drug Use Data System (SIDUC), nor in the Uniform Statistical System on Control of the Supply Area (CICDAT), both of which belong to the Inter-American Drug Abuse Control Commission (CICAD). The country informs that, as an alternative methodology, it finances approximately 70 data collection programs that provide information on drug-related issues, including treatment center patients, emergency room patients, consumption of psychoactive substances in forensic medicine, juvenile offenders, secondary school students, higher education students, national households and sale prices of drugs.

Regarding data collection capacity, the country reports that all its activities meet strict methodological research standards. In addition, the methods, results, tables, and publications of research conducted are available on the web pages of the corresponding organizations for the information of and inspection by the scientific community and the general public.

The country states it has a variety of means to distribute drug-related information: web pages, libraries, publications and press, as well as a telephone help line. The United States of America distributes information on prevention, treatment and rehabilitation programs. The country indicates that it has a budget to disseminate information, but is unable to estimate its amount, as all bodies produce and distribute information as part of their operating budgets. It has also developed innovative strategies to distribute drug-related information among particular target groups. Additionally, the country has extension programs, programs in communication media and community initiatives.

CICAD notes that the country has an adequate drug-related coordination, collection and data analysis system. In addition, CICAD recognizes the country's efforts to disseminate drug information, using various means and mechanisms that target different key groups.

II. DEMAND REDUCTION

A. Prevention

Various drug abuse prevention programs targeting children, adolescents and adults have been developed by the United States of America. Programs are offered in schools, communities, the workplace and penitentiaries. Regarding prevention among the prison population, the country reports that during 2002: 10.5% (35,490 inmates) of the 338,007 persons convicted who had consumed drugs or alcohol at some time during the month prior to their arrest, took part in self-help drug treatment programs in the penitentiaries, 5.1% (17,238 inmates) attended education or awareness classes, 3.0% (10,140 inmates) were in a special facility for substance abuse-treatment, 2.4% (8,112 inmates) participated in psychological support sessions, and 0.8% (2,704 inmates) took part in detox programs.



The United States of America states that it has enhanced its efforts to provide effective drug abuse prevention programs in American communities. In 2003, the Substance Abuse and Mental Health Services Administration's (SAMHSA) Center for Substance Abuse Prevention (CSAP) established a Strategic Framework to facilitate state and community efforts to provide effective prevention programs. This new and directed funding base joins an already existing funding program, the Drug-Free Communities Support Program, which provides grants of up to US\$100,000 to community coalitions to mobilize their efforts to prevent substance abuse among youth. To date, there are more than 600 Drug-Free Communities funded through this Program. Since its establishment in 1998, through 2004, there have been 75 million participants in the program nationwide.

Drug abuse prevention and treatment training programs are available for substance abuse professionals, university students and prevention specialists. Some of these courses are offered at the graduate as well as the undergraduate level. International study in the area of drug abuse prevention and treatment is also available for students through the International Coalition for Addictions Studies Education (INCASE). However, the country has not provided data on the number of participants in these programs and courses.

The country indicates that it has been actively involved in the evaluation of drug abuse prevention programs from 2002 - 2004. An evaluation of the process and impacts of the State Incentive Grants (SIG) program, a multi-state and multi-level initiative to prevent or reduce illicit drug use, is currently in progress. Preliminary results show the effectiveness of the Program in reducing alcohol, cigarette and marijuana use among young people participating in the SIG program when compared to non-participants. The results also indicated a greater awareness among young SIG participants as far as the risk of trying marijuana and using it regularly.

The country reports its commitment to the evaluation of drug abuse prevention programs, through the creation and maintenance of a website for Model Programs. This website posts only those programs that have been rigorously evaluated and that offer evidence of program impacts in preventing or reducing substance abuse and other related high-risk behaviors. The National Institute on Drug Abuse (NIDA) funds relevant efforts undertaken by researchers from universities, governments and profit and non-profit organizations on the impact of prevention interventions.

CICAD notes that the country has not provided specific data on the number of beneficiary participants involved in the country's prevention programs that target key populations and the coverage of these programs¹. CICAD's ability to evaluate the nature and coverage of the country's national prevention system was limited due to the lack of information in this area.

RECOMMENDATION:

3. ESTABLISH A NATIONAL REGISTER OF PREVENTION PROGRAMS TO INCLUDE THE NATURE, NUMBER OF PARTICIPANTS, AND COVERAGE OF THE DIFFERENT PROGRAMS.

¹ On May 6, 2005, the country reported that complete data were not provided as this information is not centralized.



B. Treatment

The United States of America reports that it has national guidelines and regulations on standards of care for drug abuse treatment. Mandatory regulations exist to govern the use of the Food and Drugs Administration (FDA) approved medications such as methadone, ORLAAM and buprenorphine in maintenance and detoxification treatment of opiate addicts (supported by Section 823 (g), 21 U.S. Code of the Controlled Substances Act). Beyond these very specific regulations, only voluntary guidelines, provided for under the country's Treatment Improvement Protocols (TIPS), exist. Varying standards exist across the country as states and municipalities assume responsibility for licensing or certifying providers. Only states that receive federal money for substance abuse treatment are expected to meet specific federal standards concerning service delivery².

The Substance Abuse and Mental Health Services Administration (SAMHSA) keeps a national registry of treatment services and programs. This directory is updated on an annual basis and contains over 11,000 residential treatment centers and outpatient treatment programs.

However, government evaluations of the quality of treatment services are limited to those under the authority of the federal US Department of Health and Human Services, for example, those involving the use of FDA approved medications in the treatment of opiate addicts or those receiving federal funding. There are approximately 1,200 programs for the treatment of opiate addicts, which are subject to these regulations. SAMHSA provides donations and technical assistance to help the programs comply with the certification standards, in addition to the federal regulations for treatment with opiates. By February 2004, 1,050 programs had been certified.

Responsibility for mandatory accreditation of treatment services falls within the jurisdiction of the U.S. Department of Health and Human Services. However, the accreditation of these services governed by voluntary guidelines is the responsibility of individual states and several Non-Governmental Organizations (NGOs), such as the Joint Commission for the Accreditation of Healthcare Organizations and the Commission for the Accreditation of Rehabilitation Facilities (CARF).

The United States of America has both private and public ambulatory and residential drug treatment programs, with a number of these programs designated for the treatment of adolescents and women only. Both private and public institutions offer a range of services including detoxification, treatment and rehabilitation, social reintegration and transitional services, as outlined in the following table:

Type and Number of Treatment Services		
Services	Public	Private
Detoxification	582	2,688
Treatment/Rehabilitation	1,958	11,484
Social Reintegration/Aftercare	1,841	10,456
Transitional Services	1,920	10,798

The country has no information on the number of institutions that work on early detection, outreach and referral, or on self-help groups³.

² On May 6, 2005, the country reported that most states in the United States receive federal money for such treatment.

³ On May 6, 2005, the country reported that this information was not provided because of the number of different national, state and local data sources which are not centralized.



According to data from the National Survey on Drug Use and Health (NSDUH), 1,136,287 persons sought and received treatment for drug abuse in 2002. This number is similar to previous years. During the same year, there were 446,000 people who sought but did not receive treatment.

Training in the area of treatment is supported through access to up-to-date, evidence-based information on best practices and treatment techniques made available by the Addiction Technology Transfer Centers (ATTCs). These ATTCs, initially established by the Center for Substance Abuse Treatment (CSAT) within the SAMHSA in 1993, offer services to all 50 States, Puerto Rico and the U.S. Virgin Islands. ATTC activities include networks of competent multi-disciplinary practitioners reflective of the treatment population. The ATTCs strengthen the infrastructure of the substance abuse treatment field by providing ongoing information dissemination. Additionally, they use current health services research to develop and disseminate curricula to guide practitioners functioning in multiple settings.

Assessments of the impact or effectiveness of the various treatment modalities available within the United States of America are undertaken on a periodic basis at the national level. Recently, the Persistent Effects of Treatment Studies (PETS), carried out from 1997-2003, noted a decline in the use of substances and substance-related problems.

In determining treatment effectiveness, the United States of America assesses change in individuals at discharge from clinical treatment compared to admission, through seven key performance indicators including: decreased drug/alcohol use; work or school reintegration; decreased criminal justice involvement; increases in stabilized family and living conditions; increased access to services; increased retention in treatment and increased social supports.

CICAD is concerned that the United States has not demonstrated progress in terms of ensuring the mandatory nature of the minimum standards of care for drug abuse treatment nationwide, as recommended in the Second Evaluation Round, 2001 – 2002.

CICAD views with concern the high number of persons who sought but did not receive treatment for drug use, which highlights the existent breach between the supply and demand for treatment in the country ⁴.

RECOMMENDATION:

4. **ADOPT THE NECESSARY MEASURES TO ENSURE THE MANDATORY NATURE OF THE MINIMUM STANDARDS OF CARE FOR DRUG ABUSE TREATMENT NATIONWIDE, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001 - 2002.**

C. Statistics on Consumption

The United States of America periodically estimates the magnitude of drug abuse by implementing the National Survey on Drug Use and Health (NSDUH), from which data on the general population and the specific population are drawn. The main results of the most recent studies conducted are provided below.

⁴ On May 6, 2005, the country reported that in response to this gap identified for those needing access to treatment, the US President implemented in 2004, the Access to Recovery Initiative intended to address this gap and reach additional Americans in need of treatment.



Prevalence in the General Population Last 12 months (aged 12 and above)						
Type of drug	2002			2003		
	M	F	Total	M	F	Total
Alcohol	70.7	61.8	66.1	69.6	60.8	65.0
Tobacco	43.6	28.9	36.0	42.4	28.2	35.1
Solvents/Inhalants	1.2	0.6	0.9	1.0	0.7	0.9
Marijuana/Hashish	13.6	8.4	11.0	13.2	8.2	10.6
LSD	0.5	0.3	0.4	0.3	0.2	0.2
PCP	0.1	0.1	0.1	0.1	0.1	0.1
Heroin	0.3	0.1	0.2	0.2	0.1	0.1
Cocaine HCL	3.5	1.6	2.5	3.4	1.6	2.5
Crack	1.0	0.4	0.7	0.8	0.4	0.6
Tranquilizers	2.1	2.0	2.1	2.2	2.1	2.1
Sedatives	0.4	0.4	0.4	0.3	0.4	0.3
MDMA (ecstasy)	1.6	1.1	1.3	1.0	0.8	0.9
Methamphetamines	0.8	0.6	0.7	0.7	0.4	0.6

According to the 2003 survey, the most widely consumed drugs among the general population in the previous year were alcohol (65%), tobacco (35.1%), marijuana (10.6%), cocaine (2.5%), and tranquilizers (2.1%). The country did not provide data for the year 2004.

In addition, the Monitoring the Future Study, conducted annually by the University of Michigan, surveyed 50,000 students in grades 8, 10 and 12 from public and private schools. The study reveals a 6% decline in illicit drug use among students in the 2003-2004 evaluation period.

Prevalence of Use of any Illicit Drug among Students by Grade in School (2003 and 2004)						
	8th grade		10th grade		12th grade	
	2003	2004	2003	2004	2003	2004
Last month	9.7	8.4	19.5	18.3	24.1	23.4
Last year	16.1	15.2	32.0	31.1	39.3	38.8
Sometime in life	22.8	21.5	41.4	39.8	51.1	51.1

Regarding the nature of the relationship between perceived risk and actual drug use among students, the results of studies demonstrate a consistent inverse relationship between perceived risk and prevalence of use, whereby the higher the perceived risk, the lower the rate of drug use.

New drugs or new patterns of drug administration have been identified in the United States of America from 2002-2003 by the U.S. Community Epidemiology Work Group (CEWG), as shown in the following table. These trends stem primarily from drug-abuse related emergency department (ED) visits between 2001 and 2002.



New Patterns of Drug Use 2001-2002			
Drug-Abuse Related Emergency Room Visits			
Name of Drug	Number of visits in 2001	Number of visits in 2002	Percentile Variation
Amphetamine	18,555	21,644	17% increase
PCP	6,102	7,648	25% increase
LSD	2,821	891	68% decrease
Inhalants	522	1,496	187% increase
Narcotic analgesics/ combinations	3,720	4,961	33% increase

On the other hand, new modalities of polysubstance use have been recorded since 2003, such as phencyclidine combined with cocaine and marijuana or MDMA. Other reports indicate the use of benzodiazepines either combined or administered later to increase or decrease the effects of other abused drugs such as cocaine, methamphetamines or opiates.

Additionally, the country indicates an increase in the availability and production of methamphetamines, and a concerning increase in the availability of the most potent marijuana. The country also notes that while the use of depressive drugs has kept stable, there has been a decrease in MDMA consumption and among high school students, there is a continuing trend of the use of prescription medications containing controlled substances for non-medical purposes.

The United States of America also provides estimates of the number of licit and illicit drug abuse related deaths in the country. The most recent data available indicate a total of 41,680 drug abuse related deaths in 2001 compared to 40,749 deaths in 1999.

The Arrestee Drug Abuse Monitoring Program (ADAM) gathers data on the prevalence and types of drug use among male and female adult and juvenile arrestees. For 2003, the average percentage of male (data from 39 sites) and female arrestees (data from 25 sites) testing positive for any of 5 drugs (cocaine, marijuana, methamphetamine, opiates, and phencyclidine) at the time of arrest was 67% and 68% respectively. The comparative data for 2002 are shown in the table below.

Recent Arrestees Testing Positive on Drug Use Tests (%)		
GENDER	2002	2003
Men	63.9%	67%
Women	67.1%	68%

According to the country, records of alcohol and drug-related accidents are not collected nationwide, although some of this information is gathered by individual states.

CICAD notes that the United States of America carries out periodic studies and research on drug consumption and related factors enabling the country to have an objective view of the magnitude of the problem and implement effective follow-up measures. Among the main results of those studies, CICAD notes with satisfaction that consumption of any illicit drug among high school students has decreased by 17% during the years 2002 - 2004.

However, CICAD observes that there is a continuous trend by high school students of non-medical use of medications that require prescriptions.



RECOMMENDATIONS:

5. IMPLEMENT ON-GOING TRAINING COURSES FOR HEALTH PROFESSIONALS ON PRESCRIBING AND DISTRIBUTING CONTROLLED PHARMACEUTICAL PRODUCTS IN A RESPONSIBLE MANNER IN ORDER TO AVOID POSSIBLE DIVERSION TO ILLICIT CONSUMPTION.
6. ESTABLISH A NATIONAL SYSTEM TO KEEP RECORDS ON ACCIDENTS RELATED TO DRUG USE.

III. SUPPLY REDUCTION

A. Drug Production and Alternative Development

The United States of America reported that no coca or poppy crops have been detected. However, regarding cannabis, the Domestic Cannabis Eradication/Suppression Program (DCE/SP) which collects statistical information, indicates that 3,427,923 outdoor-grown plants and 223,183 indoor-grown plants were seized during 2003.

No technology is available to determine the extent of outdoor and indoor cultivation of cannabis in the country. However, the ONDCP is financing a study to evaluate possible technologies to estimate outdoor cannabis cultivation results which will be published in 2005. The country noted that to date it has been unable to develop reliable technology to calculate the amount of indoor cannabis cultivation.

Eradication with herbicides is carried out on cannabis crops and "wild marijuana" in only four states in strict compliance with the procedures and regulations of the National Environmental Policies Act (NEPA). Those states are: Oklahoma, Hawaii, South Dakota and Indiana. Additionally, the country reports that it uses manual eradication.

CICAD notes that the United States is unable to estimate the areas of cannabis cultivation as recommended during the First Evaluation Round, 1999 – 2002 and consequently the potential production of marijuana.

RECOMMENDATION:

7. IMPLEMENT MECHANISMS TO CALCULATE AREAS OF ILLICIT CANNABIS CROPS, AS RECOMMENDED DURING THE FIRST EVALUATION ROUND, 1999 – 2000.

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

The United States of America reports that no illicit laboratories for organic drugs have been found in the country during the years 2002 – 2004. Additionally, the country reports that there is no evidence of heroin- or cocaine-processing clandestine drug laboratories. The country, however, reports that 9,055 laboratories producing synthetic drugs were destroyed in 2002, including 151 super-laboratories⁵, while 9,758 were destroyed in 2003, including 138 super-laboratories. The country has not provided data for 2004. The vast majority of laboratories discovered produced

⁵ The country defines as a "super-laboratory" one that produces 10 or more pounds of drug per batch or per production cycle.



methamphetamine, the most frequently seized synthetic drug in the US. On the other hand, the most frequently seized precursor was pseudoephedrine, usually seized in tablet form, which indicates a diversion from the licit channels of the pharmaceutical trade.

Pharmaceutical products

The entity responsible for controlling the exportation, importation, production and distribution of pharmaceutical products listed under the United Nations Conventions and preventing their diversion in the country is the US Department of Justice, through the Drug Enforcement Administration (DEA). The Department of Homeland Security (DHS), through the Bureau of Immigration and Customs Enforcement (ICE), also has an important role at the import/export stages.

The country controls all pharmaceutical products included in the United Nations listings. The DEA is responsible for controlling pharmaceuticals in commerce through import/export control; license control for manufacture and distribution; monitoring distribution; inspection; investigation; regulatory control; administrative sanctions; registry of licensees; transport control; and the establishment of production limits for certain controlled substances. The DEA also regulates health care professionals' use and distribution of pharmaceuticals through license control (distribution); monitoring distribution; inspection; investigation; regulatory control; administrative sanctions; and registry of licensees including pharmacies. However, the DEA does not control the prescribing practices of physicians or other authorized medical personnel. The country has a qualitative mechanism to assess the effectiveness of this entity, both in the commercial and health care sectors. In this regard, the country states that the manufacturers of controlled substances used for medical reasons are subject to routine inspections and investigations that may lead to cancellation of their licenses in cases of noncompliance with regulations in force.

There is no national prescription-monitoring program in the country. However, the DEA has access to systems that analyze pharmaceutical product prescription issuing practices in the United States.

The control and regulations of the use and distribution of pharmaceutical products by health care professionals is done primarily through regulatory bodies in the 50 states and territories. This mechanism include all the possible control elements, except for the control of the prescribing practices of physicians or other authorized medical personnel, as indicated earlier. The country has a formal mechanism to assess the effectiveness of these control measures but does not rely on the percentage of inspections resulting in an investigation and the percentage of health professionals that comply with regulations as indicators of the effectiveness of these measures.

Concerning the criteria applied per year using this mechanism, the number of licenses to practice issued is notable as it reflects a slight increase between 2002 and 2003, from 1,092,000 to 1,116,703. As of January 14, 2004, the number of licenses issued was 1,148,893. The number of investigations initiated has remained above 1,400 during these years. Data for 2004 were not available for this report.

To the extent the DEA regulates health professional's use and distribution of pharmaceutical products, limited human resources has been reported by the entity as the major problem or impediment that it has encountered in fulfilling its responsibilities in this regard.

Legal rules to prevent diversion of pharmaceutical products exist in the country. These include penal sanctions that vary from up to 1 to up to 20 years imprisonment; civil sanctions that vary from up to US\$10,000 to up to US\$25,000; and administrative sanctions that vary from reprimands to loss of license.



The country reports that 492 penal sanctions were imposed in 2002 and 518 in 2003; while only 32 and 30 civil sanctions were imposed in 2002 and 2003 respectively. In 2002, 383 administrative sanctions were imposed and in 2003, 295 administrative sanctions were imposed. Data for 2004 were not available.

The United States of America registered a substantial increase in seized pharmaceutical products from 1,475 seizures in 2002 to 4,524 in 2003. The figures for the amount of seized opioid analgesics also showed noticeable increases with 66,874 seized doses in 2002 and 144,239 in 2003. Another significant increase is reported for methylphenidate from 1,828 seized doses in 2002 to 4,798 doses in 2003. Given the quantity involved, the country highlights the seizure of 5,009,872 dextroamphetamine tablets; 125,767 alprazolam tablets and 113,922 diazepam tablets in 2002; and 934,542 dextroamphetamine tablets, 75,882 diazepam tablets and 75,428 alprazolam tablets in 2003. Data for the year 2004 were not available.

The method employed to dispose of seized pharmaceutical products is incineration, and in the case of those products that are not destroyed, they are kept in safety chambers as evidence until conclusion of the criminal proceeding.

Federal efforts to combat the diversion of synthetic drugs (methamphetamine) and chemical precursors have been improved by the country. Also, authorities continue to cooperate with Canadian and Mexican authorities to fight against diversion of pharmaceutical products.

CICAD notes that in the United States of America, the DEA is responsible for controlling the exportation, importation, production and distribution of pharmaceutical products and preventing their diversion. Nonetheless, it views with concern the increased diversion of pharmaceutical products from licit sources. To counteract this diversion, it is necessary for the country to review its enforcement mechanisms, and carry out necessary actions such as the development of a national system to monitor the trends of prescription issuing practices and to increase coordination among authorities, the pharmaceutical industry, health professionals, internet service providers and courier postal services. CICAD notes that the agency responsible for controlling these products indicated that limited human resources hampered its ability to fulfill its responsibilities.

RECOMMENDATION:

8. **UNDERTAKE A REVIEW OF ENFORCEMENT MECHANISMS RESPONSIBLE FOR CONTROLLING THE DIVERSION OF PHARMACEUTICAL PRODUCTS, IN ORDER TO IDENTIFY PROBLEMS AND ADDRESS WEAK AREAS.**

Controlled Chemical Substances

The DEA, with the support of the Department of Homeland Security's Bureau of Immigration and Customs Enforcement (DHS/ICE), is the entity responsible for controlling the exportation, importation, production and distribution of chemical substances under international controls and preventing their diversion.

The areas of responsibility of the DEA are import / export control, license control, monitoring distribution, inspection, investigation, regulatory control, administrative sanctions, registry of licensees, transport control and pre-export notifications.

One major problem or impediment encountered by the DEA in its capacity as a national authority responsible for controlling chemical substances has been to pass legislation and regulations which



keep pace with changes in trends as criminal organizations shift their activities in response to law enforcement efforts. Other impediments have been the limitation of financial resources, which affects the way in which investigations are carried out and the technical and scientific complexities involved in the investigation of cases of chemical products' diversion. The country reports that updated legislation and additional technical training or assistance would improve the ability of investigators to carry out their work.

Among the measures adopted to overcome these impediments is the constant review of laws and regulations in force and the training of agents and prosecutors related to chemical products⁶. In addition, in 2004, the Administration announced the National Synthetic Drug Action Plan, which included recommendations in response to evolving diversion trends⁷.

The country has legal provisions to prevent diversion of controlled chemical substances. These include penal sanctions with maximum sentences of 1, 4, 10 or 20 years imprisonment, depending on the offense; civil sanctions, with maximum penalties that range from up to US\$10,000 to up to US\$25,000 and up to US\$250,000, depending on the offense; and administrative sanctions, ranging from reprimand to the removal of the DEA license.

The total number of penal sanctions imposed during the years 2002 and 2003 was 43 and 37, respectively; 8 civil sanctions were imposed in 2002 and 5 in 2003; 103 administrative sanctions were imposed in 2002 and 74 in 2003. Data for 2004 in this area were not available.

The United States of America registers controlled chemical substances pre-export notifications sent to importing or transshipping countries; these pre-export notifications totaled 2,807 in 2002 and 2,810 in 2003, with only one rejected in 2002 and 32 in 2003. Data for 2004 were not available.

No problems have been identified in sending pre-export notifications to a transshipping or importing country. The DEA does not require replies to its pre-export notifications, except in the case when the importing country has a problem with the import.

Regarding controlled chemical substance pre-export notifications received, the country reports that it rejected 2 pre-export notifications in 2002 and 21 in 2003, and initiated 593 and 512 investigations initiated in the years 2002 and 2003, respectively. Data for 2004 were not available.

The country highlights that through the use of these pre-export notifications, it has been able to verify that US chemical companies have been informing about their imports of listed chemical products in compliance with import and export regulations.

The System to Retrieve Information from Drug Evidence (STRIDE) records all chemical substances seized by the DEA and various federal organizations (including US Customs Service). In addition, the country informs that the main methods for disposing of seized chemical substances are neutralization and incineration.

⁶ The review and training is conducted by the DEA and the US Justice Department (DOJ), Criminal Division through the Narcotic and Dangerous Drug Section (NDDDS).

⁷ DEA, NDDDS, and other DOJ components also participate in an inter-agency working group charged with implementing the Action Plan's recommendations.



CICAD observes that in the United States, the DEA has the ability to control the exportation, importation, production and distribution of controlled chemical substances and prevent their diversion. However, it notes with concern the existence of limited financial resources for the entity responsible for controlling such substances, which could affect the way in which investigations are carried out, given that the technical and scientific complexities involved in the investigation of cases of chemical substance diversion, could require training or special assistance.

IV. CONTROL MEASURES

A. Illicit Drug Trafficking

The number of drug seizure operations by law enforcement agencies reported by the country for the years 2002–2003, is as follows:

Number of Drug Seizure Operations		
Type of drugs	2002	2003
Opium	45	60
Morphine	40	92
Heroin	4,560	3,930
Cocaine Base	9,201	7,346
Cocaine Hydrochloride	7,927	6,691
Cannabis plants	192	117
Leaf Cannabis (grass)	13,846	13,260
Cannabis Resin (hashish)	43	46
LSD	14	19
Amphetamine/methamphetamine	7,985	8,814
MDMA (Ecstasy) and derivatives	2,354	1,658
GHB	81	61
Methadone	87	72

The quantity of drugs seized by law enforcement agencies for the years 2002–2003, is as follows:

Quantities of Drugs Seized		
Type of drugs	2002	2003
Opium	95.8 kg	178.180 kg
Morphine	652 Dosage units	3,170 Dosage units
Heroin	2,756.6 kg	2,732.3 kg
Cocaine Base	101,904.5 kg	114,930.9 kg
Leaf Cannabis (grass)	1,100,525.4 kg	1,216,060.8 kg
Cannabis Resin (hashish)	620.9 kg	154.9 kg
LSD	1,624 Dosage units	669 Dosage units
Amphetamine/methamphetamine	32,692,111 tabs 1,987 caps 3,122.1 kg 136,198 mls 26 paraphernalia	12,330,554 tabs 240 caps 3,029.6 kg 3,029,640 ml 929 paper
MDMA (Ecstasy) and derivatives	37.7 kg	101.1 kg
GHB	78.1 lts	133.4 lts
Methadone	4,321 Dosage units	1,015 Dosage units



The United States of America routinely disposes of its seized illicit drugs by incineration. It indicates that all drugs seized as evidence are held under secure conditions until a court has disposed of the criminal case, whereby the drug is then subsequently destroyed via incineration.

The following table shows the number of persons charged and convicted of illicit drug trafficking:

Persons Charged and Convicted of Illicit Drug Trafficking*		
Persons	2002	2003
Charged	30,575	30,427
Convicted	26,266	26,511

* These figures represent partial data from government sources as comprehensive national statistics for federal, state and local prosecutions were not available or published for 2002 through 2004.

In the United States of America there are no laws or regulations at the federal, state, or local levels that legalize the illicit possession of drugs for personal consumption. There are also no laws or regulations at the federal level that legalize the possession of drugs (such as marijuana) for personal use for medical or therapeutic purposes. However, several states have laws that permit the possession of marijuana for personal consumption for medical purposes. The number of persons charged and convicted for illicit possession of drugs is shown in the following table:

Persons Charged and Convicted for Illicit Possession of Drugs*		
Persons	2002	2003
Charged	323	218
Convicted	251	218

* These figures represent partial data from government sources as comprehensive national statistics for federal, state and local prosecutions were not available or published for 2002 through 2004.

Alternatives to the traditional judicial processes exist in the country and, in some instances, to incarceration, when a person is accused, prosecuted and declared guilty of the illicit possession of drugs for personal use. Measures include drug tribunals in the 50 states of the union and US territories, educational and awareness courses on drugs and private and public drug treatment programs. In that connection, the US Department of Justice's Bureau of Justice Assistance (BJA) has summarized the findings from studies conducted by nongovernmental organizations on the use of drug courts. Such studies conclude that while offenders are participating in drug courts, drug use and criminal behavior are substantially reduced. In addition, participation by many drug offenders in long-term treatment has resulted in minimizing the public safety risk. Studies also show substantial cost savings due to factors such as lower criminal justice system costs, reductions in incarceration time, and reduced recidivism. Further information is available at: www.bja.evaluationwebsite.org/psi_drug/drug2.shtml.

Inter-agency committee, joint forces/operations, joint training, inter-agency information systems/networks and inter-agency communications systems/networks are used to facilitate or promote operational information exchange and collaboration among national authorities responsible for controlling illicit drug trafficking. With most inter-agency efforts, a multi-agency committee may be established to review and assess the effectiveness of the cooperative effort. The committee identifies deficiencies or areas for potential improvement and facilitates the appropriate responses.



However, the different agencies at federal, state and local levels employ a multitude of tracking and recording methods and incompatibility/inaccessibility can slow the exchange process. This notwithstanding, there has been a great increase in cooperation/sharing of valuable investigative/interdiction information and increased officer security. Redundancy caused by multiple uncoordinated investigations has been reduced. Both tactical and strategic drug intelligence information are shared bilaterally and multilaterally.

In illicit drug trafficking cases for the period 2002-2004, the United States of America made a total of 59 requests for judicial cooperation in 2002, 71 in 2003 and 6 as of February 2004. In 2002 the number of replies granting requests were 26, 15 in 2003 and 0 as of February 2004. During the same period, the country received a total of 62 requests for judicial cooperation in 2002 and 2003 and 2 as of February 2004 and granted a total of 35 replies to judicial cooperation requests in 2002, 22 in 2003 and 1 as of February 2004. The country has not provided full data for 2004.

Regarding extradition requests for illicit drug trafficking cases made to other countries, the United States of America indicates a total of 156 requests made in 2002, 300 in 2003 and a total of 24 as of February 2004. During the same period, the country received 68 responses granting its request for extradition for such cases in 2002, 52 in 2003 and 1 as of February 2004. The country has not provided full data for 2004.

Concerning the time between making the request and the actual extradition to the United States of America, the country notes that it often takes several months to four years. In addition, the country expresses that it cannot estimate a more precise time due to limitations of resources and accessibility of data contained in the case tracking system.

No data are available regarding the non-granting of extradition requests. The country notes however, that common reasons for denial of an extradition request are absence of dual criminality (which depends on the stipulations of the treaty), insufficient evidence, technical deficiencies (such as contradictions among Spanish and English documents), the nationality of the fugitive, statute of limitations, double jeopardy (non bis idem), and insufficient assurances.

The country has extradition treaties with 33 Organization of American States (OAS) member states.

The US Department of Justice, Criminal Division, Office of International Affairs is responsible for making and receiving requests for extradition to and from other countries. The country indicates that extradition treaties have facilitated extradition requests made and received for illicit drug trafficking cases.

During 2002-2004, the United States of America received requests for extradition in illicit drug trafficking cases as shown in the following table:

Extradition Requests Received (US Estimates)						
Country requesting extradition	Amount of requests			Number of responses granting requests		
	2002	2003	2004	2002	2003	2004
Argentina	0	1	0	0	1	0
Canada	2	2	0	0	3	0
Colombia	0	1	1	0	0	0
Mexico	13	2	0	0	0	0



The United States of America indicates that while no data are available regarding the reasons for not granting a request and the situation of the person subject to the request, the common reasons for denial of foreign extradition requests, which are also the major impediments encountered in receiving those requests, include insufficient identification information, insufficient evidence, lack of probable cause and inaccurate or insufficient fugitive location information.

CICAD notes that the country has adequate legislation and institutionalization for the control of illicit drug trafficking. However, it notes the reduced number of US responses to extradition requests from other states for illicit drug trafficking in accordance with international conventions. The country is encouraged to improve international cooperation in this aspect.

B. Firearms and Ammunition

The institutions responsible for controlling activities in relation to firearms, ammunition, explosives and other related materials in the United States of America are the Bureau of Alcohol, Tobacco and Firearms (ATF) of the US Department of Justice; US State Department; US Department of Commerce; and US Customs. The mechanisms used by the country to promote or facilitate information exchange and collaboration among responsible entities are inter-agency committee, joint forces/operations, joint training and interagency information system/networks. The type of information exchanged by the participating national entities is related to bombing and arson incidents and firearms-trace. There is no formal mechanism in the country to evaluate the effectiveness of these entities in controlling the movement of firearms, ammunition, explosives and other related materials and in preventing their diversion. The major impediments encountered in ensuring effective information exchange and collaboration among responsible national entities are incompatibility of computer systems.

Laws which criminalize the illicit possession, trafficking and manufacture of firearms, ammunition, explosives and other related materials, include the Gun Control Act of 1968, 18 U.S.C. 44, the Arms Export Control Act, 22 U.S.C. 2778, federal explosives laws and various regulations under these Acts. The sanctions vary from fines of up to US\$250,000 to ten years imprisonment. The country informs that in 2002, 10,669 persons were charged for illicit possession and trafficking of firearms and ammunition and 13,084 in 2003; for this offense, there were 7,767 convicted in 2002 and 9,577 in 2003. No data was provided for the year 2004.

The country states that in addition to providing for penal sanctions, the Gun Control Act of 1968 and the Arms Export Control Act 22 U.S.C also provide for administrative penalties such as debarment and license or permit revocation. The country did not provide any data on the application of sanctions during the evaluation period 2003 - 2004.

In the case of explosives, 18 U.S.C. 842 requires an importer to have a license before US Customs releases any shipment, but the country does not require verification that an exporting country has first issued the necessary license or authorization before issuing an import license.

The Gun Control Act 1968 governs the export of firearms, ammunition, explosives and related materials from the United States of America. The country indicates that whereas the exporter from the United States of America must first have a license to export, there is no requirement for the US to ensure that the importer has a permit or license, except in the case of shotguns, parts and shells which require importers from OAS member countries and US exporters to have licenses before shipments are released.

The 1976 Arms Export Control Act, 22 U.S.C. 2778 and the International Traffic in Arms Regulations, section 123, are the national laws which require that in-transit countries first issue the



necessary licenses before authority for embarkation of shipments of firearms, ammunitions, explosives and related materials is given. The country did not provide information regarding the number of exports denied due to the lack of necessary licenses or the number of times shipments were not authorized because the in-transit country did not first issue the necessary licenses.

During the years of 2002-2004, the following amounts of firearms, ammunition and explosives have been forfeited. The country has not provided complete data for 2004.

Amounts of Firearms, Ammunition, and Explosives Forfeited			
	2002	2003	2004
Firearms	12,422	10,855	4,354
Ammunition	5,832	5,603	1,891
Explosives	1,110	789	n/d

National laws require that firearms be marked at time of manufacture, on importation and when officially used after confiscation or forfeiture if necessary. Data pertaining to confiscations related to arrests for illicit drug trafficking is not available for the years 2002-2004 or is not currently tracked by the U.S. at the national level.

The country states that it is unable to estimate the percentage of confiscated items that were destined for illicit drug trafficking organizations and advises that in order to prevent the return of seized items to the illicit trade, they are either destroyed or donated to a government agency.

A non-computerized national record keeping system for the import, export and in transit of firearms, ammunition, explosives and other related materials is available in the country. The only requirement is that manufacturers, importers and dealers with licenses maintain detailed records of firearms and ammunition importations. The explosives records are maintained in the form of licenses and authorizations kept by the manufacturer, importer or dealer. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) of the US Department of Justice maintains non-computerized records of requests for importing firearms and ammunition indefinitely. The registered licensees engaged in importation businesses should keep records for six years, while other records, generally belonging to licensees are kept indefinitely.

The national entities with responsibility for information exchange and collaboration with institutions of other countries in connection with firearms, ammunition, explosives, and other related materials are the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) of the US Department of Justice; the US Customs; the US Department of Commerce; the Office of Defense Trade Controls (ODTC) of the US Department of State; and the Transportation Security Administration (TSA) of the US Department of Homeland Security. The means used for controlling the exchange of information with other countries are an interagency committee, joint training and joint forces/operations. Interaction takes place through joint task forces and joint committees established on an ad hoc basis as authorized by each agency.

The United States of America did not provide any information regarding the number of requests made to and received from other countries for information concerning the shipment of firearms, ammunition, explosives and related materials.

CICAD notes that the country does not have a national computerized database for keeping records on the importation, exportation, and in-transit of firearms, ammunition, explosives and related materials.



In addition, it is concerned that in the case of explosives importation, the country does not require verification that the exporting country has first issued the necessary license or permit before issuing an import license.

CICAD notes with concern that there is no formal mechanism to evaluate the effectiveness of the national entities responsible for the control of firearms, ammunition, explosives and other related materials. In addition, it notes that the main obstacle facing effective information exchange among such entities is the incompatibility of information systems.

RECOMMENDATIONS:

9. SET UP A NATIONWIDE DATA GATHERING SYSTEM ON CONFISCATED WEAPONS CONNECTED WITH ARRESTS FOR ILLICIT DRUG TRAFFICKING.
10. SET UP A FORMAL MECHANISM TO EVALUATE THE EFFECTIVENESS OF THE NATIONAL ENTITIES RESPONSIBLE FOR THE CONTROL OF FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS.
11. ESTABLISH A NATIONAL COMPUTERIZED DATABASE FOR KEEPING RECORDS ON THE IMPORT, EXPORT AND IN-TRANSIT OF FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS.

C. Money Laundering

Title 18 of the United States Code (U.S.C.), 1956, 1957, 981 and 982 criminalize money laundering and impose sanctions in case of noncompliance. Sanctions may include a fine, or imprisonment or both. These statutes, in force since 1986, have been frequently amended to add predicate offenses and correct problems encountered by the courts.

Regarding predicate offenses, the country includes illicit drug trafficking, traffic of firearms, traffic of human beings, organ trafficking, prostitution, pornography, kidnapping, extortion, corruption, terrorism and its financing, fraud and more than 200 offenses committed both in the country and abroad, in compliance with sections 1956 and 1957. Notwithstanding criminalization of predicate offenses, money laundering is considered an autonomous offense. The law does not require one to be convicted for a predicate offense in order to obtain evidence that certain goods are the proceeds of such a crime and subsequently convict a person for laundering those proceeds. It is also possible to initiate a trial for money laundering if there is a conviction for a predicate offense.

In 2002, there were 2,271 persons charged and 1,152 convicted for money laundering offenses, while in 2003, 3,035 persons were charged and 1,210 were convicted for said offenses. The country has not provided data for the year 2004.

There is no national law authorizing the use of undercover special operations, the use of informants, or controlled deliveries in connection with special investigation activities to repress money laundering. However, these practices have been approved by jurisprudence (judicial precedents) in the Courts. Section 1956(a)(3) of the United States Code specifically provides for the use of such techniques in money laundering prosecutions by allowing a money laundering charge to be brought where law enforcement or their agent has "represented" property to be the proceeds of specified unlawful activity.



Electronic surveillance is authorized, but must be ordered by a court. The Code of Criminal Procedure (CCP) in Rule 11 authorizes prosecutors to request reduction of the applicable penalty in case the suspect pleads guilty; and Rule 35 of said Code authorizes requesting sentence reduction according to the accused person's substantial assistance in the investigation or indictment of another person.

According to the United States of America, the Bank Secrecy Act and the Internal Tax Code, subject the following sectors to anti-money laundering reporting and record-keeping rules: banks, money services businesses (money transmission businesses or giros, money order businesses, currency exchanges, and check cashiers), stock exchanges, insurance companies, casinos, real estate agencies, lawyers, notaries, accountants, cross border movements of currency & negotiable bearer instruments, investment funds and insurance brokers.

All financial institutions subject to the Bank Secrecy Act must establish controls to prevent money laundering⁸. In compliance with the Bank Secrecy Act and its regulations, banks, security purchase-sale intermediaries, casinos and money services businesses must report large currency transactions (greater than US\$10,000), suspicious cash transactions and keep financial records of some high-risk transactions (amounts above US\$3,000 when these are in cash).

US nationals and other entities, such as financial institutions, must report transportation to or from the United States of quantities equivalent to or above US\$10,000 in cash and certain monetary instruments. In addition, they must report accounts held in a foreign country with values equivalent to or above US\$10,000.

Other control measures established by the country for financial institutions and others responsible are: currency transaction reports for currency transactions greater than US\$10,000; verification of client identity; preservation of records; existence of an enforcement official; existence of independent audits; and prohibition of anonymous accounts. The United States of America reports that it does not have general requirements relating to transaction registry and know-your-employee policies. The country reports that the Bank Secrecy Act requires financial institutions to keep records of certain high-risk transactions.

Regarding the measures of client registry and know-your-client policies, the country indicates that it has requirements for private banks for non-U.S. citizens using the services of private banks. In addition, while there are no procedures denominated as "know-your-customer" procedures under the Bank Secrecy Act, the Act and its implementing regulations contain a number of requirements that address the need to understand a customer's true identity and the nature of the customer's business.

The Bank Secrecy Act orders the imposition of civil sanctions of up to US\$100,000 in cases of intentional failure to comply with the Act or its regulations, structuring transactions to avoid the established requirements, negligent failure to comply with the law or failure to comply with special measures. Through enforcement of said Act, penal sanctions are imposed that consist of fines up to US\$250,000, imprisonment for 5 years, or both.

⁸ On May 6, 2005, the country reported that currently, regulations under the Bank Secrecy Act have deferred this requirement for some financial institutions while the government studies what the appropriate anti-money laundering program should be for those institutions. However, the regulations require the following financial institutions to have anti-money laundering programs in place now: banks, money services businesses, casinos, securities broker-dealers, investment funds, futures commission merchants and credit card system operators.



The United States of America reports it has sanctioned financial entities and others responsible with 1 administrative sanction in 2002 (US\$100,000) and 3 sanctions of this kind in 2003 (the minimum for US\$1,100,000 and the maximum for US\$20,000,000) due to failure to report suspicious transactions; none were imposed in 2002, only 1 in 2003 (US\$350,000) and 2 (as of February 2004) for 2004 (US\$25,010,000) for failure to comply with money laundering control regulations. The country indicates that these sanctions were imposed by the US Treasury Department and are independent from the penal sanctions that may be imposed by the courts. The country has not provided complete data for 2004.

In 2002, one bank was criminally prosecuted for failure to file suspicious activity reports, failure to file accurate currency transaction reports and failure to maintain an effective anti-money laundering compliance program. The bank was fined US\$4 million. In 2003, two banks were criminally prosecuted for failure to file suspicious activity reports. As part of the agreements with the banks, one bank agreed to an administrative forfeiture of US\$21.6 million and the other agreed to an administrative forfeiture of US\$950,000. In 2004, 1 bank was prosecuted for failure to file suspicious activity reports. The bank agreed to a civil forfeiture in the amount of US\$40 million, and FinCEN and the Fed Reserve jointly assessed the bank with a US\$10 million civil penalty. In the first quarter of 2005, one bank was prosecuted for failure to file suspicious activity reports and was fined US\$16 million.

Financial institutions and others responsible have reported 302,328 suspicious transactions during 2002 and 661,334 during 2003 to the competent authorities. No data was provided for the year 2004.

The country did not provide information on the number of investigations carried out, trials brought before courts, and persons convicted or the value of the property forfeited based on the number of indicated reports. It states that its financial intelligence unit does not have a follow-up system of suspicious transactions reports and the achievements obtained from said reports. However, the country states that it is undertaking the routine revision of the forms filed by the financial institutions and others responsible.

The United States of America reports that it can obtain necessary documents and financial records for intelligence purposes and prosecution of money laundering offenses.

The Consolidated Assets Tracking System (CATS), which is an inventory or registry system, does not distinguish between property forfeited in cases of money laundering and property confiscated in cases based on other criminal offenses. For this reason, the value of property forfeited and deposited with the US Justice Department Forfeiture Fund for the years 2002-2004 is global figure and cannot be used to assess the effectiveness of the forfeiture system in money laundering cases.

With respect to the proceeds of forfeited property, the United States of America reports that these proceeds are used to cover expenses derived from forfeiture operations; administration and disposition of property; third parties' interests; fair distribution; case-related expenses; Automatic Data Processing (ADP) equipment; special contract services; training and printing; operation of programs; storage; protection and destruction of controlled substances; contracts to identify forfeitable property; rewards in exchange of information; investigation expenses; purchase of evidence; equipment and transportation vehicles; and joint law enforcement operations.

Assets forfeited under federal forfeiture statutes in connection with illicit drug trafficking and money laundering are managed by the US Marshals Service for the US Justice Department Fund, and by the Treasury Department's Executive Office for Asset Forfeiture for the US Treasury Department Fund. These entities have their own budgets and manuals that establish the regulations for such management. The total value of forfeited assets managed by these entities was



US\$1,271,484,120 in 2002; US\$1,331,710,375 in 2003 and US\$867,570,252 in the first fiscal quarter of 2004. Since the Consolidated Assets Tracking System (CATS), does not distinguish between assets forfeited for money laundering cases and cases based on other criminal offenses, the users should introduce the information on the complete violation and the laws on asset forfeiture, which they are currently not doing. The country reports that this is a data quality problem which is being addressed through training.

The Financial Crimes Enforcement Network (FinCEN) is the entity responsible for receiving, requesting, analyzing and distributing information to the competent authorities concerning transactions that may result in money laundering offenses. This entity has its own budget and is within the US Treasury Department.

The United States of America points out that FinCEN's Research Support Office consults commercial, financial and law enforcement data bases in reply to requests by the law enforcement authorities and produces pro-active reports. During the 2002 fiscal year, this office analyzed and investigated 6,498 cases, while for the 2003 fiscal year 6,461 cases were analyzed. Cases corresponding to 2004 are being determined. The country states that it does not have information on the number of criminal proceedings initiated, the number of persons convicted or the value of assets forfeited for money laundering offenses as it relates to the cases analyzed and investigated by FinCEN.

FinCEN is a member of the Egmont Group and has signed Memoranda of Understanding for the exchange of information with similar units in 16 countries. Notwithstanding, national laws authorize it to share information without the need of signing said documents.

The extradition of the country's nationals is authorized by its laws and the central authority responsible for making and receiving the extradition requests is the Office of International Affairs, Criminal Division of the US Justice Department. Regarding extradition requests made to other countries, in 2002 there were 25 requests made; 54 in 2003; and 3 in 2004 as of February 2004. On the other hand, the numbers of responses granting requests made by the US were 14 in 2002; 8 in 2003; and 0 as of February 2004. Normally, it takes from several months to 4 years for a fugitive to be effectively extradited to the US, once the request has been made. Regarding the number of requests received by the country from other countries for money laundering cases, there were 20 in 2002; 1 in 2003 and 0 as of February 2004. In addition, the numbers of US responses granting the extradition requests were 0 for the 3 years (2002, 2003, and as of February 2004). The country indicates that it normally takes from 3 to 18 months for the US to extradite a fugitive, in accordance with a request introduced by another country.

In connection with requests to freeze assets and to lift bank secrecy in money laundering cases which have been made or received, the country states it has no information available due to limited resources and classification, accuracy and accessibility of the data contained in the case monitoring system. The country considers that the signature of treaties on these issues facilitates international cooperation and states that the major impediments encountered in achieving an effective cooperation are mainly due to the fugitives' nationality or to insufficient or imprecise information as to their location, delays in the issuance of arrest orders, delays in judicial proceedings, suspension of processing, delay at ministry level, insufficient identification information, insufficient evidence, an insufficient legal basis or limitations imposed by laws.

As regards the training of judges, prosecutors and administrative officials to enforce criminal laws to repress money laundering offenses, the country indicates the Criminal Division's Asset Forfeiture and Money Laundering Section of the US Justice Department annually offers 12 training courses on money laundering and forfeiture of assets for assistant federal prosecutors throughout the United States of America. Additional training is provided by the Department's Office of Legal



Education/National Advocacy Center from the US Justice Department, who offers other training courses. A total of 1,324 prosecutors received this training in 2002, and 1,468 in 2003. Information is not available regarding the number of judges and administrative officials trained in 2004. For their part, in fiscal year 2004, 61 prosecutors took an advanced money laundering course offered by the US Department of Justice's Office of Legal Education. In 2004, the Criminal Division's Asset Forfeiture and Money Laundering Section of the US Department of Justice trained 1,000 prosecutors in nine seminars on money laundering and asset forfeiture. In addition, this Section trained 910 police officers over the course of 12 seminars on conducting financial investigations in money laundering and asset forfeiture cases.

CICAD is concerned that no progress has been made in implementing control measures, such as client registry, transaction registry, know-your-client policies and know-your-employee policies. The first two measures had been recommended during the First Evaluation Round, 1999 – 2000.

CICAD notes that the country does not have a follow-up system for suspicious transaction reports and the achievements obtained from said reports, including an updated register of assets and securities forfeited that are proceeds of money laundering offenses.

In addition, CICAD views with concern that the country does not have information related to the requests to freeze assets and to lift bank secrecy in cases of money laundering made or received by the country, due to resource limitations and problems with the classification, accuracy and accessibility of the information contained in the case monitoring system.

CICAD also notes that the country has partial information available on the number of criminal and civil sanctions applied to financial institutions and others responsible for not reporting suspicious transactions or complying with money laundering control standards.

RECOMMENDATIONS:

12. INCLUDE CLIENT REGISTRY, TRANSACTION REGISTRY, KNOW-YOUR-CLIENT POLICIES AND KNOW-YOUR-EMPLOYEE POLICIES, WITHIN THE CONTROL MEASURES FOR MONEY LAUNDERING PREVENTION.
13. IMPLEMENT A SYSTEM TO FOLLOW-UP ON THE SUSPICIOUS TRANSACTION REPORTS AND ACHIEVEMENTS OBTAINED FROM SAID REPORTS.
14. SET UP A SYSTEM THAT CONTAINS INFORMATION RELATED TO THE REQUESTS MADE AND RECEIVED BY THE COUNTRY, TO FREEZE ASSETS AND TO LIFT BANK SECRECY IN MONEY LAUNDERING CASES.
15. ESTABLISH A MECHANISM TO REGISTER THE NUMBER OF PENAL AND CIVIL SANCTIONS APPLIED TO FINANCIAL INSTITUTIONS AND OTHERS RESPONSIBLE FOR NOT REPORTING SUSPICIOUS TRANSACTIONS OR COMPLYING WITH MONEY LAUNDERING CONTROL STANDARDS.

D. Corruption

During the period 2003 - 2004, the US indicated that it did not pass or amend any law establishing acts of corruption as offenses or defining them as administrative misdemeanors, pursuant to the Inter-American Convention against Corruption 1996. However, the country points out that the United States Code (U.S.C.) has a series of statutes that establish acts of corruption as offences and sanctions them.

It further indicates that no data are available regarding the number of public officials charged or convicted for corruption offenses related to illicit drug trafficking. However, the country reports that



1,136 persons were charged at the federal level for public corruption in 2002 and 1,011 were convicted. Of this figure, there were 249 indictments and 188 convictions respectively of private citizens.

The United States of America reports that no data are available regarding the number of public officials charged and convicted for offenses related to illicit drug trafficking. It indicates that it does not keep separate statistics regarding the number of public officials convicted for crimes related to illicit drug trafficking.

CICAD is concerned about the lack of statistics on public officials charged or convicted for crimes involving corruption related to illicit drug trafficking and on public officials charged or convicted for illicit drug trafficking.

RECOMMENDATIONS:

16. CREATE A REGISTRY AT THE FEDERAL LEVEL THAT WILL ALLOW TO OBTAIN THE NUMBER OF PUBLIC OFFICIALS CHARGED AND CONVICTED FOR CORRUPTION OFFENSES RELATED TO ILLICIT DRUG TRAFFICKING, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001 – 2002.
17. CREATE A REGISTRY AT THE FEDERAL LEVEL THAT WILL ALLOW TO OBTAIN THE NUMBER OF PUBLIC OFFICIALS CHARGED AND CONVICTED FOR OFFENSES RELATED TO ILLICIT DRUG TRAFFICKING.

E. Organized Crime

The United States of America indicates that it has many different national legal provisions to combat transnational organized crime as outlined in the country's International Crime Control Strategy (ICCS).

There are a number of national laws that criminalize such offenses as, participation in an organized criminal group; money laundering; corruption; obstruction of justice; trafficking of persons; illicit trafficking of migrants; illicit manufacture and trafficking of firearms, their parts, components and ammunition on an international level, as well as drug trafficking. The legislation also covers cooperation measures such as extradition, mutual joint legal assistance, seizure and confiscation, interdiction operations, victim protection and assistance. In addition, the special investigation techniques permitted are undercover operations; telephone line tapping; controlled deliveries; use of cooperating criminals; witnesses; informants and task forces at the federal, state and local levels.

The country reports that four key federal departments or offices assume some responsibility for enforcing laws against transnational organized crime. Within the U.S. Department of Justice, the Criminal Division, the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Bureau of Alcohol, Tobacco and Firearms (ATF) and the Organized Crime Drug Enforcement Task Force (OCDETF) are all actively involved in a number of key activities including intelligence gathering, investigations, training and serving as liaisons. The US Department of Homeland Security's Bureau of Immigration and Customs Enforcement (ICE) and the US Secret Service (USSC) and the US Department of Treasury's Internal Revenue Service (IRS) undertake similar activities. The US Coast Guard, which is under the Department of Homeland Security, also carries out similar enforcement activities, but in direct relation to federal maritime and criminal offenses in the US's territorial waters and on the high seas, while the High Intensity Drug Trafficking Area (HIDTA) program of the Office of National Drug Control Policy (ONDCP) provides federal assistance for the coordination of federal, state and local anti-drug law enforcement efforts in designated high intensity drug trafficking areas.



The United States of America indicates that it provides many different types of training programs for officials responsible for enforcing laws against transnational organized crime. One program, offered by the US Justice Department's National Advocacy Center (NAC), trains more than 10,000 state and federal prosecutors, litigators, law enforcement agents and staff annually. The U.S. Department of Justice also provides innovative training tactics against the trafficking in persons through educational articles printed in law enforcement magazines; these articles were distributed to a total of 19,000 state and local law enforcement agencies in 2002 and 2003.

The country reports that it also offers training programs internationally, for example, the US Department of Justice offers the International Criminal Investigative Training Assistance Program (ICITAP). Similarly, the Office of Prosecutorial Development Assistance and Training (OPDAT), within its Justice Department's Criminal Division, provides training overseas to prosecutors, police, legislators and judges.

The United States of America reports that mechanisms exist to both evaluate the efficiency of the main institutions responsible for the prevention, control and repression of transnational organized crime and to properly screen employees before and then following hiring. Regarding the evaluation of the efficiency of the efforts of the main institutions, the country has developed a National Money Laundering Strategy to measure the results and the effectiveness of the country's activities to combat money laundering. In addition, the Office of National Drug Control Policy has implemented a performance measurement system for evaluating the overall effectiveness of the United States' drug control efforts. In addition, the US General Accounting Office assists the US Congress in overseeing federal programs and operations through financial audits, program reviews, investigations, legal support and policy analysis. Finally, federal agencies have published five-year strategic plans that include programmatic goals and specific criteria to evaluate program performance as required under the Government Performance and Results Act (GPRA). The country indicates that given the broadness of the institutions responsible for the prevention, control and repression of transnational organized crime, it was not possible to describe the nature of the sanctions, if any, applied to institutions or persons.

CICAD views with satisfaction that the United States of America has a broad legislative and institutional framework to combat transnational organized crime, including laws, criminalization of offenses, cooperation measures and special investigation techniques. In addition, it has a number of institutions responsible for law enforcement against transnational organized crime and offers training programs for public officials responsible for enforcing laws on this matter.



V. CONCLUSIONS

CICAD acknowledges the efforts of the United States to develop a comprehensive and balanced anti-drug strategy, and recognizes that the budget for the Strategy's implementation has grown over the last years.

However, CICAD views with concern that the country has not yet ratified the United Nations Convention against Transnational Organized Crime (2000) and two of its Protocols, and has yet to sign and ratify the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition, all of which were recommended in the Second Evaluation Round, 2001–2002. In addition, it has not ratified the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA), as was recommended during the First Evaluation Round, 1999–2000.

Since the United States of America constitutes a significant demand source for illicit substances, CICAD values the country's effort to reduce such a phenomenon. In particular, it is relevant to highlight the number of prevention programs implemented at the community and school levels. In this sense, CICAD views with satisfaction that drug use among students has fallen by 17% in the 2002-2004 triennium.

CICAD notes that the country has an adequate system for compiling and analyzing data related to the drug phenomenon. It also recognizes the country's effort to disseminate drug-related information, using different means and mechanisms, and targeting various groups. However, it notes that there are limitations in the registry and nature of existing prevention programs as well as in the number of participants.

CICAD recognizes the existence of a treatment and rehabilitation service and programs network of drug dependents. However, it notes that a high number of persons seek but do not obtain treatment in specialized services. This illustrates the breach between the supply and demand of treatment and the need for this to be reduced.

CICAD notes that a continuous trend persists among secondary school students of use of medications requiring prescription for non-medical purposes.

CICAD notes the existence of controls for the exportation, importation, production and distribution of both pharmaceutical products as well as controlled chemical substances and for the prevention of their diversion. However, the increasing diversion of pharmaceutical products from licit sources is a concern and the country is encouraged to review its enforcement mechanisms in this regard. CICAD expresses concern that the country reports that limited human resources is an obstacle to effectively controlling pharmaceutical products and controlled chemical substances.

The existence of adequate legislation and institutions to control illicit drug trafficking in the country is noted by CICAD. However, regarding money laundering, CICAD notes that no progress has been made in implementing control measures on suspicious transactions. It also notes that the country's financial intelligence unit does not have a follow-up system of such suspicious transaction reports and the results obtained based thereon. On the other hand, CICAD observes that the country still does not have a national computerized database on the importation, exportation and in-transit of firearms, ammunition, explosives and related materials.

The lack of information related to judicial cooperation with other states, as noted by CICAD, has impeded an adequate evaluation of the country's cooperation with the rest of the countries.



CICAD recognizes the United States' progress in the area of demand reduction as well as its commitment to the Multilateral Evaluation Mechanism and encourages it to persevere in the prevention of drug use, provide treatment and rehabilitation opportunities for those in need, and to impede the operation of the illicit substances market.



VI. SUMMARY OF RECOMMENDATIONS

The following recommendations are assigned to the United States of America 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 AGAINST ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS (CIFTA), A REITERATED RECOMMENDATION FROM THE FIRST EVALUATION ROUND, 1999 – 2000.
2. RATIFY THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME (2000), A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001 – 2002 AND ITS PROTOCOLS:
 - A. PROTOCOL AGAINST THE SMUGGLING OF MIGRANTS BY LAND, SEA AND AIR;
 - B. PROTOCOL TO PREVENT, SUPPRESS AND PUNISH TRAFFICKING IN PERSONS, ESPECIALLY WOMEN AND CHILDREN;
 - C. PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, THEIR PARTS AND COMPONENTS AND AMMUNITION.

DEMAND REDUCTION

3. ESTABLISH A NATIONAL REGISTER OF PREVENTION PROGRAMS TO INCLUDE THE NATURE, NUMBER OF PARTICIPANTS, AND COVERAGE OF THE DIFFERENT PROGRAMS.
4. ADOPT THE NECESSARY MEASURES TO ENSURE THE MANDATORY NATURE OF THE MINIMUM STANDARDS OF CARE FOR DRUG ABUSE TREATMENT NATIONWIDE, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001 - 2002.
5. IMPLEMENT ON-GOING TRAINING COURSES FOR HEALTH PROFESSIONALS ON PRESCRIBING AND DISTRIBUTING CONTROLLED PHARMACEUTICAL PRODUCTS IN A RESPONSIBLE MANNER IN ORDER TO AVOID POSSIBLE DIVERSION TO ILLICIT CONSUMPTION.
6. ESTABLISH A NATIONAL SYSTEM TO KEEP RECORDS ON ACCIDENTS RELATED TO DRUG USE.

SUPPLY REDUCTION

7. IMPLEMENT MECHANISMS TO CALCULATE AREAS OF ILLICIT CANNABIS CROPS, A RECOMMENDATION REITERATED FROM THE FIRST EVALUATION ROUND, 1999 – 2000.
8. UNDERTAKE A REVIEW OF ENFORCEMENT MECHANISMS RESPONSIBLE FOR CONTROLLING THE DIVERSION OF PHARMACEUTICAL PRODUCTS, IN ORDER TO IDENTIFY PROBLEMS AND ADDRESS WEAK AREAS.



CONTROL MEASURES

9. SET UP A NATIONWIDE DATA GATHERING SYSTEM ON CONFISCATED WEAPONS CONNECTED WITH ARRESTS FOR ILLICIT DRUG TRAFFICKING.
10. SET UP A FORMAL MECHANISM TO EVALUATE THE EFFECTIVENESS OF THE NATIONAL ENTITIES RESPONSIBLE FOR THE CONTROL OF FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS.
11. ESTABLISH A NATIONAL COMPUTERIZED DATABASE FOR KEEPING RECORDS ON THE IMPORT, EXPORT AND IN-TRANSIT OF FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS.
12. INCLUDE CLIENT REGISTRY, TRANSACTION REGISTRY, KNOW-YOUR-CLIENT POLICIES AND KNOW-YOUR-EMPLOYEE POLICIES, WITHIN THE CONTROL MEASURES FOR MONEY LAUNDERING PREVENTION.
13. IMPLEMENT A SYSTEM TO FOLLOW-UP ON THE SUSPICIOUS TRANSACTION REPORTS AND ACHIEVEMENTS OBTAINED FROM SAID REPORTS.
14. SET UP A SYSTEM THAT CONTAINS INFORMATION RELATED TO THE REQUESTS MADE AND RECEIVED BY THE COUNTRY, TO FREEZE ASSETS AND TO LIFT BANK SECRECY IN MONEY LAUNDERING CASES.
15. ESTABLISH A MECHANISM TO REGISTER THE NUMBER OF PENAL AND CIVIL SANCTIONS APPLIED TO FINANCIAL INSTITUTIONS AND OTHERS RESPONSIBLE FOR NOT REPORTING SUSPICIOUS TRANSACTIONS OR COMPLYING WITH MONEY LAUNDERING CONTROL STANDARDS.
16. CREATE A REGISTRY AT THE FEDERAL LEVEL TO SEPARATE THE NUMBER OF PUBLIC OFFICIALS CHARGED AND CONVICTED FOR CORRUPTION OFFENSES RELATED TO ILLICIT DRUG TRAFFICKING, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001 – 2002.
17. CREATE A REGISTRY AT THE FEDERAL LEVEL THAT WILL ALLOW TO OBTAIN THE NUMBER OF PUBLIC OFFICIALS CHARGED AND CONVICTED FOR OFFENSES RELATED TO ILLICIT DRUG TRAFFICKING.