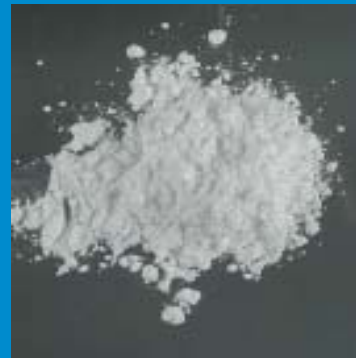


# THE DRUG TRADE IN THE CARIBBEAN: A THREAT ASSESSMENT



**COCAINE**



**MARIJUANA**

September 2003  
DEA-03014





Drug Enforcement Administration

## THE DRUG TRADE IN THE CARIBBEAN: A THREAT ASSESSMENT



This report was prepared by the South America/Caribbean Strategic Intelligence Unit of the Strategic Intelligence Section of the Office of Strategic Intelligence.

*September 2003*  
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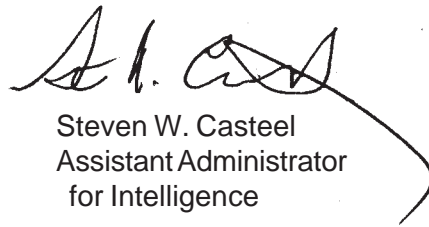
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## EXECUTIVE SUMMARY

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In the Caribbean, the ability to combat drug trafficking effectively varies from country to country. The Drug Enforcement Administration (DEA) seeks to aid the countries of the Caribbean in their efforts to prevent international drug traffickers from using the region for money laundering or as a transshipment area for illicit drugs destined to the United States and to other international markets. In order to achieve this goal, the DEA strives to strengthen the region's collective ability to track, interdict, arrest, and successfully prosecute money laundering and drug smuggling organizations that operate in the Caribbean.

The following assessment provides a broad overview of the Caribbean's role in the drug trade.



Steven W. Casteel  
Assistant Administrator  
for Intelligence





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## OVERVIEW

### Cocaine

The primary drug threat to the United States from the Caribbean is the transshipment of large amounts of cocaine from South America. In 2002, an estimated 27 percent of 544 metric tons of export-quality cocaine available to the United States flowed through the Caribbean corridor. As such, approximately 147 metric tons of cocaine were transported through the region to the United States, using a wide variety of routes and methods. The key cocaine trafficking routes are through Jamaica and Haiti; and, to a lesser degree, through Puerto Rico, The Bahamas, and the Dominican Republic. The secondary movement of cocaine from Jamaica, Haiti, and the Dominican Republic into Puerto Rico, and then to the United States, is significant.

Cocaine moving through the Eastern Caribbean usually is en route to either Puerto Rico (and then to the United States) or Europe. The primary method for smuggling large quantities of cocaine through the Caribbean is via maritime vessels. Go-fast boats, bulk cargo freighters, and containerized cargo ships remain the most common conveyances for moving multihundred-kilogram quantities of cocaine through the region. Traffickers also routinely transport multihundred-kilogram quantities of cocaine from Colombia to the Caribbean by single- or twin-engine aircraft to clandestine landing strips, or by air dropping cocaine loads to waiting land vehicles or maritime vessels.

Couriers generally transport smaller quantities of cocaine on commercial flights from the Caribbean to the United States. Couriers conceal multikilogram quantities of cocaine on themselves or in their luggage. Also, couriers can smuggle up to a kilogram of cocaine by ingesting it. Caribbean drug trafficking groups primarily are involved in drug transportation and money laundering. The trend of Colombian drug trafficking organizations to pay Caribbean transportation groups with cocaine has led to increased distribution and consumption of cocaine in the Caribbean.

### Heroin

Compared to cocaine, reports of heroin movement in the Caribbean are limited. Generally, heroin is not consumed in the Caribbean, but is rather transshipped from Colombia to Puerto Rico or the continental United States. All but a small fraction of the heroin transiting the Caribbean originates in Colombia. Couriers generally transport kilogram quantities of Colombia-produced heroin on commercial flights from South America to Puerto Rico or the continental United States. Couriers conceal the heroin on themselves, in their luggage, or internally. These drug couriers sometimes make one or two stops on various Caribbean islands to conceal their point of origin.

### Marijuana

Jamaica is the only significant Caribbean source country for marijuana destined to the United States. However, marijuana is known to be produced on various Caribbean islands for local consumption. Go-fast boats from Jamaica often transport multihundred-kilogram quantities of marijuana through Cuban and Bahamian waters to Florida.

### Synthetic Drugs

Seizures and anecdotal reporting indicate that traffickers are beginning to tap the potential of the Caribbean as a transit zone for moving synthetic drugs to the United States. The Caribbean provides an alternate route for European synthetic drugs into the United States by dispersing traffic and circumventing traditional synthetic drug routes monitored by U.S. law enforcement agencies. The trafficking of synthetic drugs compounds the challenges to law enforcement authorities faced by Caribbean countries already threatened by cocaine, heroin, and marijuana trafficking. Also, when Caribbean transportation groups receive a portion of their drug shipment as payment, as has occurred with cocaine, distribution and abuse of synthetic drugs in the Caribbean may soar. Since 1999, MDMA, (popularly known as *Ecstasy*), produced in Europe has been the most common synthetic drug detected transiting the Caribbean en route to the United States.

## Money Laundering

The Caribbean plays an important role in drug-related money laundering. Many Caribbean countries have well-developed offshore banking systems and bank secrecy laws that facilitate money laundering. In countries with less developed banking systems, cash often is moved in bulk shipments through the Caribbean and South America. According to recent United Nations (U.N.) reporting, approximately 42 percent of the world's offshore banks and 38 percent of the world's offshore corporate entities (also known as international business companies, or IBCs) are in the Caribbean and Latin America. In early 2000, the Caribbean Financial Action Task Force (CFATF)

estimated that US\$60 billion in drug trafficking and organized crime proceeds are laundered through the Caribbean every year.

## Chemical Diversion

Limited reporting on chemical diversion and seizures of diverted chemicals in the Caribbean is available. However, due to the large amount of commercial maritime shipping, several large economic-free zones, and lack of effective regulations and oversight in many islands, traffickers likely use the Caribbean as a transit zone for chemicals legally shipped to South America and then diverted for illicit drug production.



## Antigua and Barbuda

Antigua and Barbuda serves as a transshipment point used by drug traffickers. Traffickers use go-fast boats, airdrops, motherships, and commercial containerized shipping to move illicit drugs to the islands for transshipment to the United States (via

## ANTIGUA AND BARBUDA

### DEA OFFICE RESPONSIBLE

Bridgetown Country Office

### POPULATION

66,970

### TOTAL AREA

442 square kilometers

### COASTLINE

153 kilometers

### CAPITAL

St. John's

### TYPE OF GOVERNMENT

Constitutional Monarchy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Lester Bryant Bird

#### GOVERNOR GENERAL

James B. Carlisle

#### ATTORNEY GENERAL

Gertel Thom

### LOCAL CURRENCY

East Caribbean dollar (XCD)

XCD 2.7 = US\$1 (2002)

## Drug Seizures in Antigua and Barbuda (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine</b> (kilograms)	1	21	25	6	51.4
<b>Marijuana</b> (kilograms)	106	75	126	356	211.5

Source: Data for table derived from the U.S. Department of State's *International Narcotics Control Strategy Report (INCSR)*, as reported by the host nation.

Puerto Rico) and to Europe. Traffickers also use couriers to smuggle cocaine and heroin through Antigua and Barbuda. The drugs are concealed either on the couriers, in their luggage, or carried internally.

The Royal Antigua and Barbuda Police Force Narcotics Squad and the Antigua and Barbuda Coast Guard (ABCG) are responsible for drug interdiction in Antigua and Barbuda. The ABCG was formed in 1995, and it has limited assets for patrolling its coastal waters. Although the Financial Action Task Force (FATF), found that the Government of Antigua and Barbuda (GOAB) has complied with the FATF recommendations, the 2003 International Narcotics Control Strategy Report (INCSR) lists Antigua and Barbuda as a Jurisdiction of Primary Concern, as it relates to money laundering. A Jurisdiction of Primary Concern is a country that has been identified as a "major money laundering country." It is important to note that the analysis used in the INCSR report focuses on the amount of money that is estimated to be laundered through a jurisdiction. This is different than the FATF evaluations which focus on a country's anti-money laundering legal and regulatory measures. Antigua and Barbuda's offshore banking sector was established in the mid-1980s and grew rapidly. This growth, along with limited regulatory capabilities, has made Antigua and Barbuda one of the more vulnerable financial centers in the Caribbean. In addition, internet gambling in Antigua and Barbuda is sometimes used for money laundering. According to the U.S. State Department, the Government of Antigua and Barbuda reportedly has licensed more than 80 internet gaming websites and about 26 offshore banks.

Antigua and Barbuda has laws and regulations that criminalize money laundering and require financial institutions and other relevant institutions to report suspicious or unusual transactions to authorities. There also are laws that authorize the freezing or seizure and forfeiture of assets related to money laundering. In response to the U.S. Treasury Department's concerns about Antigua and Barbuda's weak anti-money laundering regime, the Government of Antigua and Barbuda has repealed several money laundering amendments that originally had strengthened bank secrecy and hampered money laundering investigations.

Antigua and Barbuda are not considered major transshipment points for essential chemicals that may be diverted for illicit drug production. Antigua and Barbuda has laws that criminalize the diversion of controlled chemical substances. However, there has been no recent reporting on their application.

Cocaine and crack cocaine are readily available in Antigua and Barbuda. Small amounts of cannabis are grown in Antigua and Barbuda, primarily for local consumption. Marijuana also is imported from South America and St. Vincent.

In November 1981, Antigua and Barbuda became an independent state, and signed the major international antidrug agreements, including the 1961 U.N. Single Convention and its 1972 Protocol;<sup>1</sup> the 1971 U.N. Convention on Psychotropic Substances; and the 1988 U.N. Drug Convention. However, Antigua and Barbuda has not signed the Inter-American Convention against Corruption.<sup>2</sup> In 1996, Antigua and Barbuda signed extradition and Mutual Legal Assistance Treaties (MLATs)<sup>3</sup> with the United States. Those treaties entered into effect in 1999. Antigua and Barbuda also has maritime drug law enforcement and overflight agreements with the United States, signed in 1995 and 1996, respectively. Antigua and Barbuda is a member of the CFATF.<sup>4</sup>

## ARUBA

### DEA OFFICE RESPONSIBLE

Curaçao Country Office

### POPULATION

70,007

### TOTAL AREA

193 square kilometers

### COASTLINE

68.5 kilometers

### CAPITAL

Oranjestad

### TYPE OF GOVERNMENT

Parliamentary Democracy, member,  
Kingdom of Netherlands

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Nelson Oduber

#### GOVERNOR GENERAL

Olindo Koolman

#### ATTORNEY GENERAL

Ruud Rosigh

### LOCAL CURRENCY

Aruban guilder/florin (AWG)

AWG 1.73 = US\$1 (2002)



Aruba has large free-zone facilities (areas that allow goods to be held and then re-shipped elsewhere without paying an import or duty tax), which provide opportunities for bulk shipments of cocaine to transit the area without the scrutiny of local officials. Cocaine shipments in containerized cargo increasingly are transiting the area, specifically through the free zone. The free-zone facilities on Aruba are conducive to transshipments, not only of drugs, but also chemicals used in illicit manufacture of drugs. Some firms in the free zone are suspected of involvement in money laundering.

Couriers on commercial flights and cruise ships smuggle small (usually from 1- to 10-kilogram) amounts of cocaine and, to a lesser extent, heroin, into and out of Aruba, either concealed in their luggage or taped to their bodies. Commercial air couriers, sometimes swallow up to 1 kilogram of cocaine or heroin per trip. Drug couriers easily blend into the hundreds of thousands of tourists who visit Aruba each year.

The proximity of Aruba to South America, a high standard of living in Aruba, and an underdeveloped law enforcement infrastructure make the country an attractive meeting place for South American, European, and U.S. drug traffickers. Colombian

## Aruba

The Caribbean island of Aruba was politically separated from the Netherlands Antilles in 1996, becoming an autonomous member of the Kingdom of the Netherlands the same year. Located only 20 miles off the coast of Venezuela, Aruba serves as a transshipment point for illicit drugs—primarily cocaine from South America.

Smugglers generally move large loads of cocaine into Aruba on fishing vessels, private yachts, and go-fast boats. They also move drugs out of Aruba inside maritime containerized cargo and airfreight. Drug trafficking organizations continue to exploit Aruba's air and sea links to the continental United States, South America, Europe, Puerto Rico, and other Caribbean nations. Most of the cocaine transiting Aruba is destined for European markets—primarily the Netherlands.

traffickers play a major role in the shipments of cocaine and heroin that transit the island, having forged trafficking relationships with local Arubans. In the past, some airline employees and cruise-ship personnel have smuggled drugs through Aruba.

Aruba plays a significant role as an offshore center for drug-related money laundering. Money laundering organizations are well established on Aruba and enjoy protection from considerable bank secrecy laws and a stable currency. The organizations use Aruba's offshore banking and incorporation systems, free-zone areas, and resort/casino complexes to transfer and to launder drug proceeds. Although money laundering was made illegal in 1999, the legislation requires a provable underlying crime with a penalty of at least 4 years. The Government of Aruba also has an asset-seizure law that allows for seizure at the time of arrest to prevent criminals from moving assets prior to conviction.

The Government of Aruba has recently issued several decrees on money laundering that include increased oversight of casinos and insurance companies. The Government of Aruba also is in the process of instituting reporting requirements for cross-border currency movements in excess of 20,000 Aruban florins (approximately US\$11,200). Aruba has a Financial Intelligence Unit (FIU), known as the *Meldpunt Ongebruikelijke Transacties* (MOT), and is a member of the Egmont Group,<sup>5</sup> an international group of FIUs.

Aruba is not a source country for any of the chemicals used in illicit drug production and has no specific legislation controlling essential chemicals. Difficulties abound when attempting to gauge the levels of chemical transshipment through Aruba, as most chemicals legally pass through Aruba's Free Trade Zone—an area in which local law enforcement has limited oversight due to local regulations and manpower shortages. The reporting of chemicals transiting the island is strictly voluntary.

The Aruba Organized Crime Unit, a small investigative team of the Aruba Police, or *Politie*, has responsibility for investigating large-scale drug trafficking crimes. The Coast Guard of the

Netherlands Antilles and Aruba (CGNAA) is responsible for maritime drug interdictions around Aruba and the Netherlands Antilles. The Governments of the Netherlands Antilles and Aruba have agreed to work more closely with the other coast guards operating in the region in order to present a united front against drug trafficking. The CGNAA has its own Criminal Intelligence Division (CID) which is separate from the *Politie*. However, due to Dutch law, unless the CGNAA can demonstrate that a given vessel is either coming from or going to territorial waters of the Netherlands Antilles or Aruba, any drug law enforcement, other than an administrative boarding, is considered illegal. Dutch investigators also support law enforcement investigations in the Netherlands Antilles.

Cocaine, heroin, and marijuana are readily available in Aruba. Wholesale amounts of cocaine sell for from US\$3,800 to US\$4,500 per kilogram among drug traffickers; heroin sells for about US\$23,000 per kilogram; and marijuana sells for about US\$2,000 per kilogram. These low prices suggest a heavy flow of drugs into Aruba. According to Aruban statistics, an estimated 14 percent of Arubans regularly use illicit drugs.

Aruba serves as one of two forward operating locations (FOLs) in the Caribbean for U.S. counterdrug aircraft. The FOL, located at Queen Beatrix Airport near Oranjestad, provides a landing and servicing area for counterdrug detection and monitoring missions in the region. The United States and Aruba do not have a formal maritime law enforcement agreement.

The Kingdom of the Netherlands, including Aruba, is party to the 1988 U.N. Drug Convention, a member of the Financial Action Task Force (FATF),<sup>6</sup> and has an MLAT agreement with the United States. The United States–Netherlands extradition treaty of 1980 extends to the Government of Aruba, and provides for the extradition of nationals. Aruba also has criminal procedure code that allows for the extradition of Aruban nationals, subject to their serving any sentences imposed in Aruba. In addition, Aruba is a member of the CFATF.

## THE BAHAMAS

### DEA OFFICE RESPONSIBLE

Nassau Country Office

### POPULATION

297,852

### TOTAL AREA

13,940 square kilometers

### COASTLINE

3,542 kilometers

### CAPITAL

Nassau

### TYPE OF GOVERNMENT

Parliamentary

Democracy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Perry Christie

#### GOVERNOR GENERAL

Ivy Dumont

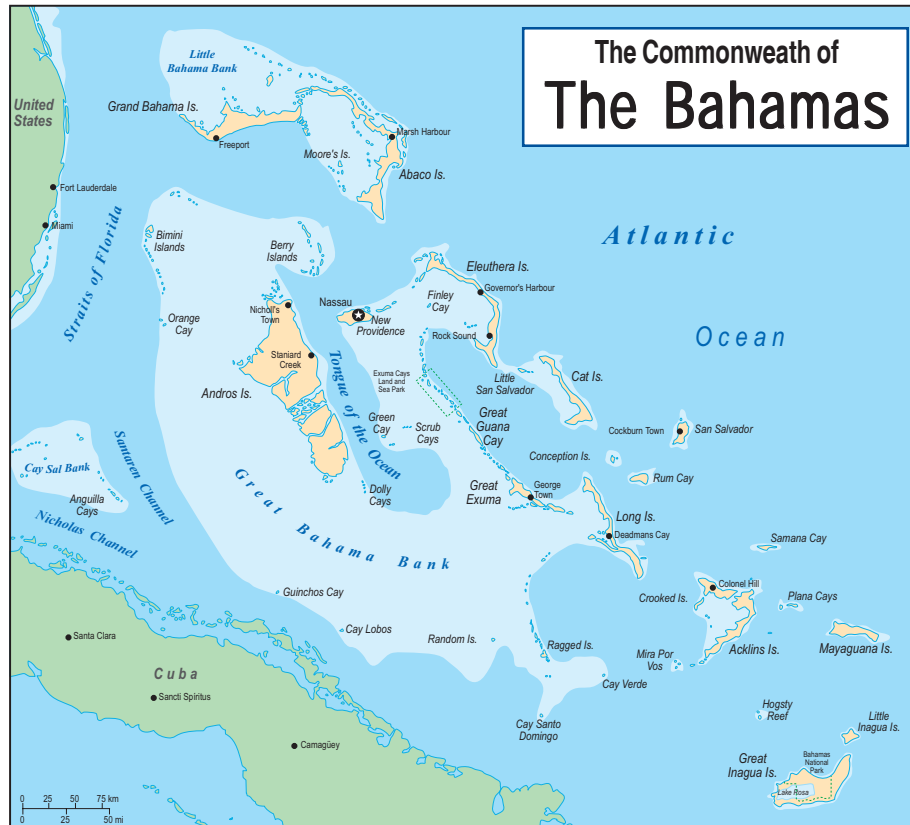
#### ATTORNEY GENERAL

Alfred Sears

### LOCAL CURRENCY

Bahamian dollar (BSD)

BSD 1.0 = US\$1 (2002)



## The Commonwealth of The Bahamas

transshipment, primarily to the United States and occasionally to other world markets.

In addition, traffickers have been noted smuggling cocaine via coastal freighter from Haiti through The Bahamas for further transshipment to the United States. Go-fast boats are believed to be the primary means used to smuggle cocaine into the United States from The Bahamas.

Couriers are frequently arrested at Bahamian airports for possession of cocaine (including crack), marijuana, and other illicit drugs. The larger islands have numerous international flights to the United States, Canada, and Europe.

Like many other Caribbean islands, traffickers have begun to use The Bahamas as an alternative transshipment location for European MDMA destined to the United States. The Government of the Commonwealth of The Bahamas has made numerous seizures of MDMA tablets en route to the United States from the Netherlands.

The Royal Bahamas Police Force (RBPF) has approximately 2,300 personnel, and is the main law

## The Bahamas

The Bahamas is a major transit country for drugs, primarily cocaine and marijuana, destined to the United States. The Bahamas is strategically located on the air and sea routes between Colombia and the southeastern United States, and is only 40 miles from South Florida at its closest geographic point. The Bahamian archipelago contains hundreds of small, deserted islands that may be used for drug transshipment and temporary drug storage.

Traffickers smuggle large quantities of cocaine and marijuana via go-fast boats from Jamaica to The Bahamas. Colombian traffickers also fly small aircraft through Cuban air space and drop bales of cocaine in the general area of Guinchos Cay–Cay Lobos, in or near Cuban waters. The cocaine is usually retrieved by Bahamian go-fast boats that take the drugs to The Bahamas for further

## Drug Seizures in The Bahamas (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine</b> (metric tons)	4.39	1.86	2.74	0.94	2.45
<b>Marijuana</b> (metric tons)	2.30	3.50	3.80	4.06	11.49

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

enforcement entity in The Bahamas. The RBPF's Drug Enforcement Unit (DEU) works closely with the DEA on drug investigations. In October 2000, The Bahamas established a FIU to receive suspicious transaction reports from financial institutions and to conduct analytical work formerly done by the DEU. The Royal Bahamas Defense Force (RBDF), a maritime force with coast guard duties, is the sole military unit in The Bahamas.

Operation Bahamas and Turks and Caicos Islands (OPBAT) is a cooperative program in Nassau involving the DEA, the U.S. Department of State, the U.S. Department of Defense, the U.S. Coast Guard (USCG), the Bureau of Customs and Border Protection (CBP), and the Governments of The Bahamas and the Turks and Caicos Islands. OPBAT uses a variety of radar and intelligence collection platforms to detect and monitor suspected drug smuggling operations. A joint U.S.-host-nation interdiction strike force operates from U.S.-funded helicopter bases to conduct patrols and interdiction missions. RBDF officers also are assigned to several USCG cutters to coordinate drug interdiction operations. OPBAT has been operational since 1982 and its activities have resulted in several large cocaine and marijuana seizures.

Cocaine and marijuana are readily available in The Bahamas. Wholesale amounts of cocaine sell from about US\$5,000 to US\$10,000 per kilogram, while marijuana sells for between US\$300 and US\$1,300 per pound. Jamaican and Colombian marijuana sometimes transits The Bahamas en route to the United States and Europe. Conversely, locally produced marijuana generally is consumed in The Bahamas.

The Bahamas is not a source country for any of the chemicals used in illicit drug production, and there is only limited reporting concerning the movement of illicit chemicals through The Bahamas. The Bahamian Ministry of Health is the government agency responsible for the control and prevention of the diversion of pharmaceuticals and controlled chemical substances. However, Bahamian law has

no criminal, civil, or administrative sanctions for the diversion of pharmaceuticals or controlled chemical substances.

The Bahamas is an attractive location for money launderers due to its status as an important financial center, and its estimated 400 offshore banks and 100,000 IBCs. In 2000 the FATF listed 15 countries that have failed to cooperate fully in the international fight against money laundering, and has urged a close watch on their financial activities. Several Caribbean nations are cited in the list, including The Bahamas, which has a weak anti-money laundering regime. In response, the Government of the Commonwealth of The Bahamas passed money laundering legislation that was designed to remedy the deficiencies highlighted by the FATF. Even though The Bahamas was removed from FATF consideration in June 2001, it remains a Jurisdiction of Primary Concern.

In The Bahamas, money laundering is criminalized under the Proceeds of Crime Act 2000, with predicate offenses including drug trafficking, bribery, public corruption, and other serious crimes. Under Bahamian law, only those assets used in the perpetration of a crime or the proceeds from a crime can be confiscated by the state. These assets cannot be forfeited until the defendant is tried and found guilty—a judicial process that often takes years to complete. The Attorney General's Office has had little success in forfeiting drug trafficker assets.

The Government of the Commonwealth of The Bahamas has enacted several important anti-money laundering and antidrug laws. The cross-border currency law requires individuals to declare any currency in excess of US\$10,000 when entering or

leaving The Bahamas. The Financial Transactions Reporting Act sets the financial transaction reporting threshold at US\$10,000, and details procedures for verifying the identities of customers and keeping records. The Criminal Justice (International Cooperation) Act 2000 establishes three classes of controlled drugs. The Bahamas also ratified the Inter-American Convention Against Corruption.

In July 1973, The Bahamas became an independent state. The Bahamas has signed the 1988 U.N. Drug Convention. The Bahamas has an MLAT agreement with the United States that includes collaboration in the investigation of criminal allegations within the offshore banking industry. The United States and

The Bahamas have had an extradition treaty since 1994. In May 1996, the U.S. Government and The Bahamas signed a maritime agreement that permits Bahamian law enforcement officers to act as shipriders on U.S. vessels operating in Bahamian waters. The agreement permits U.S. vessels to support these shipriders in Bahamian territorial seas to board, search, and, if evidence warrants, seize vessels suspected of involvement in drug trafficking and other criminal activities. This agreement also allows U.S. law enforcement aircraft to overfly Bahamian territory. The Bahamas is a member of the CFATF, but has not yet joined the Egmont Group.

## BARBADOS

### DEA OFFICE RESPONSIBLE

Bridgetown Country Office

### POPULATION

275,330

### TOTAL AREA

430 square kilometers

### COASTLINE

97 kilometers

### CAPITAL

Bridgetown

### TYPE OF GOVERNMENT

Parliamentary Democracy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Owen Arthur

#### DEPUTY PRIME MINISTER

Billie Miller

#### GOVERNOR

Sir Clifford Husbands

#### ATTORNEY GENERAL

Mia Mottley

### LOCAL CURRENCY

Barbadian dollar (BBD)

BBD 2.0 = US\$1 (2002)



## Barbados

Barbados is one of the small islands that comprise the eastern sector of the Caribbean transit zone for drugs traveling from South America to the United States, Canada, and Europe.



Drug traffickers use Barbados and the other islands of the Lesser Antilles as a staging area for airdrops and smuggling by small vessel. Most of the cocaine seized in Barbados comes from couriers who transit Barbados' Grantley Adams International Airport. The airport is a major international hub that provides daily direct flights to the United States, Canada, and the United Kingdom.

Multihundred-kilogram quantities of cocaine are estimated to transit Barbados each year. Cocaine enters the country, primarily by way of go-fast boats and couriers arriving from Venezuela and Guyana and the nearby islands of St. Lucia, St. Vincent, and Trinidad and Tobago. Traffickers sometimes use coastal freighters, which can carry 100- to 250-kilogram loads of cocaine from Guyana, Trinidad, and Venezuela, and which are then offloaded at night to small vessels near Barbados. The cocaine is then distributed to local traffickers who either distribute it locally or smuggle it by courier into the United States, Canada, or Europe. Cruise ships also have been used to smuggle small amounts of cocaine and heroin through Barbados to the U.S. Virgin Islands and Puerto Rico.

Marijuana is produced for local consumption on a small scale; however, Barbados receives the bulk of its marijuana shipments from St. Vincent and the Grenadines via go-fast boats and fishing vessels. Marijuana is imported from Colombia as well. Wholesale amounts of St. Vincent's locally-produced marijuana sell for US\$700 per pound, while Colombian marijuana can sell for as much as US\$2,000 per pound. Some local marijuana traffickers have received cocaine from Colombian traffickers as payment for transportation expenses.

The RBPF and the Customs and Excise Department are the two main entities responsible for drug law enforcement in Barbados. The RBPF, which includes the Coast Guard, provides coastal defense and maritime drug interdiction in Barbados. Cocaine and crack cocaine continue to be available in Barbados. Information received from the Royal Barbados Police Narcotics Unit indicates that the selling price of wholesale amounts of cocaine is between US\$7,000 and US\$10,000 per

## Drug Seizures in Barbados (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine (kilograms)</b>	35	133	59	N/A	47
<b>Marijuana (kilograms)</b>	1,650	334	2,641	N/A	690

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

kilogram. Crack cocaine sells for between US\$5 and US\$10 per rock. In recent years, there also has been a noticeable increase in the amount of cocaine-related arrests on the island.

Barbados is a relatively important offshore banking and international business center. Money laundering is a crime in Barbados. The Government of Barbados has established the Anti-Money Laundering Authority (AMLA) to oversee financial institutions and an FIU to analyze suspicious transactions received by the AMLA. Barbados also has asset seizure and forfeiture laws.

Barbados is not considered a major transshipment point for essential chemicals that may be diverted for illicit drug production. The Barbados Drug Service, in collaboration with the Customs and Excise Department, is the agency responsible for controlling the diversion of pharmaceuticals and controlled chemical substances. The Government of Barbados requires pre-export notifications of controlled chemical shipments to Barbados. Barbadian law criminalizes the diversion of controlled chemical substances and pharmaceuticals.

In November 1966, Barbados became an independent state. The Government of Barbados has signed the major international antidrug agreements including the 1961 U.N. Single Convention, the 1971 U.N. Convention on Psychotropic Substances, and the 1988 U.N. Drug Convention. However, the Government of Barbados has not signed the Inter-American Convention Against Corruption. In 1996, Barbados signed extradition treaties and an MLAT with the United States. In 1997, the Government of Barbados signed a maritime agreement with the U.S. Government, but has no overflight agreement. Barbados is a member of the CFATF.

## CUBA

### DEA OFFICE RESPONSIBLE

Miami Field Division

### POPULATION

11,184,023

### TOTAL AREA

110,860 square kilometers

### COASTLINE

3,735 kilometers

### CAPITAL

Havana

### TYPE OF GOVERNMENT

Communist State

### TOP GOVERNMENT

#### OFFICIALS

##### PRESIDENT

Fidel Castro Ruz

##### FIRST VICE PRESIDENT

General Raul Castro Ruz

##### ATTORNEY GENERAL

Juan Escalano Reguera

##### LOCAL CURRENCY

Cuban Peso (CUP)

CUP 0.97 = US\$1 (2002)



for Spain via Cuba. The seizure brought to light the fact that Cuba's role as a cocaine transshipment point, especially to Europe, was greater than previously suspected.

Cuba has experienced a surge in foreign tourist visits over the past decade. The tourist traffic not only provides drug couriers with a means to disguise trafficking activities, but it also creates a potential market in Cuba for illegal drugs. Reportedly, Cuban law enforcement officials have made occasional arrests of drug couriers. The majority of couriers were transporting kilogram-quantities of cocaine to European countries, although occasional deliveries were to be made to traffickers operating in Cuba. Cuban authorities have reported only limited instances of heroin couriers traveling through Cuba from South America.

Cuba's Ministry of the Interior is responsible for drug law enforcement. The Cuban Border Guard (*Tropas Guardas Fronteras*, or TGF) conducts maritime drug interdiction and maintains liaison with the USCG.

The Government of Cuba does not routinely release drug consumption statistics for the island. However, anecdotal reporting indicates a rise in drug consumption in Cuba over the past several years. The Government of Cuba claims that consumption

## Cuba

Although Cuba is not a major transit country for cocaine destined to the United States, drug traffickers continue to use Cuban waters and airspace to evade U.S. interdiction assets. Go-fast boats from Jamaica routinely travel just inside Cuban waters to avoid contact with U.S. vessels. Traffickers also fly small aircraft transporting cocaine from clandestine airfields on the Guajira Peninsula in Colombia through Cuban air space. Cocaine bales are dropped in the general area of Guinchos Cay–Cayo Lobos, in or near Cuban waters. The cocaine usually is retrieved by Bahamian go-fast boats that take the drugs to The Bahamas for further transshipment to the United States.

In December 1998, the Colombian National Police (CNP) seized 7.3 metric tons of cocaine from an outgoing containerized maritime shipment in Cartagena, Colombia. All available information indicated that the cocaine most likely was destined

## Drug Seizures in Cuba (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine</b> (metric tons)	N/A	N/A	3.14	1.28	N/A
<b>Marijuana</b> (metric tons)	N/A	N/A	8.80	6.00	N/A

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

primarily is limited to foreign tourists visiting Cuba. In 1998, Cubans reported for the first time the presence of crack cocaine on the island.

Although reporting is limited, money laundering in Cuba most likely is minimal because Cuba does not offer conditions conducive to international money laundering. Cuba is not an important offshore financial center; the Government of Cuba strictly controls all financial institutions, and the Cuban peso is difficult to convert into other currencies. In 1999, the Cuban government enacted laws that criminalized money laundering and mandated cross-border currency reporting. In addition, the Cuban central bank issued regulations that encouraged banks to identify their customers, investigate unusual transactions, and identify the source of funds for large transactions. Reportedly, no cases have been prosecuted under Cuban money laundering laws. There is no available information on Cuban asset seizure laws.

Cuba is not a known source country for chemicals that can be used for the illicit production of chemicals and there is no available reporting on the

movement of illicit essential chemicals through Cuba. There also is no available reporting on chemical control laws in Cuba.

The Government of Cuba signed the 1961 U.N. Single Convention Treaty and its 1972 protocol; the 1988 U.N. Drug Convention; and reportedly maintains bilateral antidrug agreements with 26 countries. The Government of Cuba and the U.S. Government have no formal, bilateral counterdrug treaties, but have worked together on an *ad hoc* basis. A USCG intelligence analyst is now stationed in Havana and is working with Cuban counterdrug officials.

The Limerick Seizure is the most notable case of drug law enforcement cooperation between the United States and Cuba. In 1996, Cuban authorities assisted U.S. law enforcement authorities in the seizure of 6.2 metric tons of cocaine from the M/V Limerick. Subsequently, Cuban law enforcement officials provided court testimony in the U.S. prosecution of the Limerick's captain and crew. According to the U.S. Department of State, the U.S. Government does not make formal extradition requests to the Cuban government, but considers the United States–Cuba extradition treaty of 1904 to still be in effect. Informal requests by the U.S. Government for the return of U.S. fugitives residing in Cuba have not been honored by the Cuban government. International criminals seeking to establish new bases of operations for illegal activities, including drug trafficking, will increasingly exploit Cuba's territory as it opens to tourists and businessmen from foreign nations.

## Dominica

Dominica is one of the small islands that comprise the eastern sector of the Caribbean transit zone for drugs traveling from South America to the United States, Canada, and Europe. Drug traffickers use Dominica and the other islands of the Lesser Antilles as a staging area for airdrops and small-vessel smuggling. Go-fast boats are the primary method used for smuggling drugs through Dominica. Traffickers have been known to

transport drugs, which arrive on the island, to stash locations until further transshipment can be arranged. Due to Dominica's limited commercial air infrastructure, drug couriers in Dominica generally travel through the nearby French island of Guadeloupe en route to Europe.

Limited amounts of cannabis are cultivated in the mountainous areas of Dominica, primarily for local consumption. The mountainous terrain hampers eradication operations. Crack cocaine and

## DOMINICA

### DEA OFFICE RESPONSIBLE

Bridgetown Country Office

### POPULATION

70,786

### TOTAL AREA

754 square kilometers

### COASTLINE

148 kilometers

### CAPITAL

Roseau

### TYPE OF GOVERNMENT

Parliamentary Democracy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Pierre Charles

#### PRESIDENT

Vernon Shaw

#### ATTORNEY GENERAL

David Bruney

### LOCAL CURRENCY

East Caribbean dollar (XCD)

XCD 2.7 = US\$1 (2002)



marijuana are the two major drugs of abuse in Dominica. Dominica has no specialized drug rehabilitation centers, but Dominican hospitals usually run detoxification programs.

In Dominica, money laundering is illegal, but believed to be growing, due, in part, to a rapidly developing offshore financial sector. Limited money laundering also may occur through Dominica's internet gambling industry. The Government of the Commonwealth of Dominica has yet to prosecute anyone for money laundering. In 2000, the FATF listed 15 countries that failed to comply fully in the standards governing international fight against money laundering, and has urged a close watch on their financial activities. Several Caribbean nations were cited in this list, including Dominica, largely for its unregulated offshore banking sector and outdated legislation. The U.S. Department of Treasury has issued an advisory to warn U.S. financial institutions about Dominica's weak anti-money laundering regime. In response to these reports, the Government of Dominica has passed

money laundering legislation designed to remedy the deficiencies highlighted by the FATF and U.S. Department of Treasury. The Government of Dominica also reviewed all offshore banks and improved offshore supervision. In October 2002, Dominica was removed from the FATF list. Dominica continues to be an INCSR Jurisdiction of Primary Concern.

The Government of Dominica enacted the Money Laundering (Prevention) Act (MLPA) in 2000 that expanded the predicate offenses for money laundering, and set up a regulatory body (including a FIU) to oversee offshore entities. Moreover, the MLPA requires persons to report to the FIU any cross-border currency movements that exceed US\$10,000.

Dominica allows foreign nationals to purchase economic citizenship. This practice has allowed some international criminals to use their Dominican citizenship to establish businesses in Dominica that may participate in illegal activity, to avoid extradition to certain countries, and to enter the United States

## Drug Seizures in Dominica (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine</b> (kilograms)	30	102	0	N/A	4.0
<b>Marijuana</b> (kilograms)	360	190	468	N/A	364

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

without a visa. According to the U.S. Department of State, the Government of Dominica has issued more than 500 economic citizenships.

The Commonwealth of Dominica Police Force (CDPF) has responsibility for drug law enforcement and money laundering investigations. The CDPF lacks the resources to effectively investigate complex money laundering operations. Dominica has asset seizure laws; but these laws are rarely enforced.

Dominica is not considered a major transshipment point for essential chemicals that may be diverted for illicit drug production. Dominican law criminalizes the diversion of controlled chemical substances and pharmaceuticals, but regulation and enforcement is limited.

In November 1978, Dominica became an independent state. Dominica has signed the major international antidrug agreements including the 1961 U.N. Single Convention, the 1971 U.N. Convention on Psychotropic Substances, and the 1988 U.N. Drug Convention. However, Dominica has not signed the Inter-American Convention against Corruption. In 1996, Dominica signed extradition and MLAT treaties with the United States. Those treaties entered into effect in 2000. Dominica also has a maritime drug law enforcement agreement with the United States, but not an overflight agreement. Dominica is a member of the CFATF.

## DOMINICAN REPUBLIC

### DEA OFFICE RESPONSIBLE

Santo Domingo Country Office

### POPULATION

8,581,477

### TOTAL AREA

48,730 square kilometers

### COASTLINE

1,288 kilometers

### CAPITAL

Santo Domingo

### TYPE OF GOVERNMENT

Representative Democracy

### KEY GOVERNMENT

#### OFFICIALS

#### PRESIDENT

Rafael Mejia Dominguez

#### VICE PRESIDENT

Milagros Ortiz Bosch

#### ATTORNEY GENERAL

Virgilio Bello Rosa



## LOCAL CURRENCY

Dominican Peso (DOP) DOP 17.4 = US\$1 (2002)

## Drug Seizures in the Dominican Republic (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine</b> (kilograms)	2,340	1,010	1,270	1,100	1,100
<b>Marijuana</b> (kilograms)	690	180	2,900	3,794	1,700
<b>Heroin</b> (kilograms)	8	12	20	17	115

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

## Dominican Republic

The Dominican Republic is an important transshipment point for illicit drugs smuggled from South America and destined to the United States. Cocaine is the principal drug smuggled through the Dominican Republic; however, heroin transshipment through the country is increasing. Drugs are smuggled into the Dominican Republic via maritime vessels, airdrops, couriers, and overland from Haiti. Once the drugs are in the Dominican Republic, traffickers often smuggle them in small maritime vessels to Puerto Rico for transshipment to the United States.

One of the primary methods for smuggling cocaine into the Dominican Republic involves go-fast vessels that depart Colombia or Venezuela and arrive at remote areas along the southwest or southeast coast of the Dominican Republic. Dominican crews in wooden *yola*-type vessels sometimes take the drug hand-off close to the shoreline. Although the quantity is difficult to assess, drug traffickers also likely transport large amounts of cocaine overland from Haiti. Other common methods used by traffickers include airdrops via general aviation aircraft; commercial vessels for transfer to go-fast boats or *yolas*; concealment in legitimate cargo; and by using couriers aboard commercial flights originating in Venezuela, Colombia, or Panama.

Cocaine shipments from the Dominican Republic bound for Puerto Rico are transported via go-fast boat or *yola* departing the Dominican Republic's eastern coast, and crossing the 70-mile stretch to Puerto Rico's western shoreline. Multihundred-kilogram amounts of cocaine occasionally are

shipped from the Dominican Republic to the United States via maritime containerized cargo.

In August 2002, 1,000 pounds (approximately 455 kilograms) of cocaine were seized at the Fort Lauderdale Airport. The drugs had been secreted on a Caribair turbo-prop aircraft arriving from the Dominican Republic, en route to Opa Loca, Florida. CBP inspectors discovered the contraband and arrested two Dominican nationals.

In recent years, heroin smuggling through the Dominican Republic has increased. Heroin is smuggled from Colombia or Panama into the country primarily by couriers on commercial airlines. These couriers hide heroin in their luggage or swallow up to a kilogram of the drug.

Since mid-1999, DEA and other law enforcement agencies have reported increased MDMA trafficking through the Caribbean. This information also has revealed the important role of Dominican trafficking groups. The Dominicans played a relatively limited role in international MDMA trafficking until early 2002, when European offices began reporting a sharp increase in the number of Dominican trafficking groups operating in Europe and using couriers on commercial air flights to the United States. These groups, consisting of at least eight major Dominican sources of supply in the Netherlands, are smuggling MDMA from the Netherlands, through Germany and other European countries, to major cities on the U.S. east coast. Investigations have identified 160 couriers arrested worldwide and the seizure of over 2 million tablets of MDMA in 2002.

Cocaine remains the drug of choice in the Dominican Republic, with the wholesale price among traffickers ranging from US\$8,000 to US\$10,000 per kilogram. Heroin generally sells from US\$50,000 to US\$60,000 per kilogram in the Dominican Republic. Marijuana is produced in the Dominican Republic to a limited extent, primarily for local consumption. The country attracts many European and American tourists, who provide a steady customer base for drugs distributed in the

Dominican Republic. There also have been some limited indications of MDMA use in the Dominican Republic. There are an estimated 50,000 users of cocaine and marijuana in the Dominican Republic. The Dominican National Drug Control Council (CND) has responsibility for demand reduction programs in the Dominican Republic.

The Dominican Republic is not a source country for any essential chemicals, and there is only limited reporting concerning the movement of illicit essential chemicals through the Dominican Republic. The Secretariat of Health has responsibility for the control of chemicals entering and departing the Dominican Republic. The CND prohibits the re-exportation of certain chemicals.

In addition to serving as a transshipment point, the Dominican Republic also serves as a drug trafficking command and control center. Dominican nationals have become major players in the drug transportation business throughout Puerto Rico and the Northeastern Caribbean, as well as the Eastern United States. They have not, however, reached the level of sophistication currently seen in Colombian or Mexican trafficking organizations. Initially, the role of Dominican drug traffickers was limited to couriers, runners, and as pick-up boat crewmembers under the supervision of a Puerto Rican or Colombian trafficker. As the drug trade flourished in the Caribbean, Dominican traffickers became more heavily involved in wholesale and retail drug distribution. Dominican trafficker's control drug smuggling networks in Puerto Rico and the surrounding region, and have expanded their local drug distribution cells. Dominican organizations facilitate transportation for most of the smuggling ventures that occur within the Eastern Caribbean. The Dominican Republic also has become a safe haven for an ever-increasing number of Dominican nationals who are criminal fugitives from the United States.

The Government of the Dominican Republic has criminalized drug-related money laundering, and requires financial institutions to document currency transactions in excess of US\$10,000 for inspection by law enforcement authorities. Financial institutions must also identify customers and report

any suspicious financial transactions to the Dominican Superintendency of Banks. The Superintendency of Banks has an FIU that analyzes and disseminates suspicious transactions to Dominican law enforcement officials. The Government of the Dominican Republic also allows for seizure and forfeiture of drug-related assets and international cooperation in forfeiture cases.

Most of the drug money entering the Dominican Republic from the United States and Puerto Rico passes through *casas de cambio* or *remesadoras*. These money exchange businesses facilitate the movement of money by Dominicans between the United States, Puerto Rico, and the Dominican Republic. These money exchange businesses are attractive to drug traffickers due to their large numbers (there are hundreds in the United States, Puerto Rico, and the Dominican Republic); their flexibility in transferring large amounts of currency; and their disregard for U.S. reporting requirements. Another incentive for drug traffickers to use these businesses for their illicit activities is that they are used by thousands of legitimate companies and individuals. Therefore, these businesses provide a legitimate cover to conduct drug-related financial transactions. In 2002, the Government of the Dominican Republic promulgated new money laundering legislation to better address this problem. The Dominican Republic remains a Jurisdiction of Primary Concern.

The National Directorate for Drug Control (DNCD) is the lead agency for combating drug trafficking and drug-related money laundering in the Dominican Republic. The DNCD is made up of personnel from the National Police, the armed forces, and the National Department of Investigations. The Dominican Navy also participates in maritime drug interdiction.

The Government of the Dominican Republic has signed the major international antidrug agreements, including the 1961 U.N. Single Convention, the 1971 U.N. Convention on Psychotropic Substances, and the 1988 U.N. Drug Convention. Also, the Government of the Dominican Republic is party to the Inter-American Convention against Corruption. The U.S. Government and the Government of the

Dominican Republic have had a bilateral extradition treaty since 1909. In 1998, the Government of the Dominican Republic enacted legislation allowing the extradition of Dominican nationals. In 2002, 15 fugitives were extradited from the Dominican Republic to the United States. Thirty fugitives have been extradited by the Mejia Administration since taking office in August 2000. The Government of the Dominican Republic does not have a formal MLAT with the Government of the United States, but

it generally cooperates with U.S. Government agencies in counterdrug and fugitive cases. In 1995, both governments signed a maritime law enforcement cooperation agreement. In November 2000, both governments concluded a 4-year overflight agreement that permits U.S. aircraft to fly through Dominican Republic airspace in pursuit of drug smugglers' aircraft. The Government of the Dominican Republic is a member of the CFATF and the Egmont Group.

## French West Indies

The French West Indies (Martinique, Guadeloupe, and French Guiana) are overseas departments of France, and thus subject to French law. The French West Indies, through France, are party to the major international antidrug agreements including the 1961 U.N. Single Convention and its 1972 Protocol; the 1971 U.N. Convention on Psychotropic Substances; and the 1988 U.N. Drug Convention. In 1993, France adopted the European Union's (EU) chemical regulation, which, in turn,

applied to the French West Indies. The United States–France extradition treaty also covers the French West Indies, although France generally does not extradite French nationals. The United States and France do not have a formal MLAT agreement, although there has been an arrangement since 1928 for the direct exchange of some drug trafficking-related information. Also, the United States and France do not have formal overflight and maritime law enforcement treaties covering the French West Indies. The French West Indies, through France, are part of the FATF.

### FRENCH GUIANA

**DEA OFFICE RESPONSIBLE**  
Port of Spain Country Office

**POPULATION**

177,562

**TOTAL AREA**

91,000 square kilometers

**COASTLINE**

378 kilometers

**CAPITAL**

Cayenne

**TYPE OF GOVERNMENT**

Overseas Department (France)

**KEY GOVERNMENT OFFICIAL**  
**PRESIDENT OF THE GENERAL COUNSEL**

Andre Lacante

**LOCAL CURRENCY**

Euro (EUR)

EUR 1.03 = US\$1 (2002)





## French Guiana

In French Guiana, drug seizures are rare, and there is little evidence that the amount of drugs moving through French Guiana is sufficient to have a significant effect on the United States.

Cocaine is smuggled in by land and riverine conveyances from neighboring countries, particularly Suriname. It is then transshipped primarily to Europe, generally via commercial air. Finally, small amounts of cannabis, primarily for local consumption, are believed to be cultivated in French Guiana.

### GUADELOUPE

#### DEA OFFICE RESPONSIBLE

Caribbean Field Division

#### POPULATION

426,493 (July 2000 est.)

#### TOTAL AREA

1,780 square kilometers

#### COASTLINE

306 kilometers

#### CAPITAL

Basse-Terre

#### TYPE OF GOVERNMENT

Overseas Department (France)

#### KEY GOVERNMENT OFFICIAL

#### PRESIDENT OF THE GENERAL COUNSEL

Marcellin Lubeth

#### LOCAL CURRENCY

Euro (EUR)

EUR 1.03 = US\$1 (2002)



Europe. In addition, Guadeloupe's air connections to Europe and its tourist industry promote the trafficking of small amounts of cocaine to Europe via commercial air courier.

## Guadeloupe

Guadeloupe is an archipelago of nine inhabited islands, including Basse-Terre, Grande-Terre, Marie-Galante, La Desirade, Iles des Saintes, St. Barthelemy, Iles de la Petite Terre, and St. Martin, which occupies the northern half of the island shared with Dutch St. Maarten.

Like other islands of the east Caribbean, drug traffickers use Guadeloupe as a transit point and stash location for multihundred-kilogram amounts of cocaine moving via maritime vessels up the Lesser Antilles Island chain towards Puerto Rico and

Like many other Caribbean islands, traffickers have begun to use Guadeloupe as an alternate transshipment location for European MDMA destined for the United States. French Customs at Pointe-a-Pitre Airport have seized significant amounts of MDMA pills in recent years. MDMA is generally smuggled via commercial air to Puerto Rico.

Money launderers are active in Guadeloupe, especially on the French side of St. Martin and on St. Barthelemy. St. Martin's offshore banking and tourist industries make it susceptible to money laundering.



## MARTINIQUE

### DEA OFFICE RESPONSIBLE

Caribbean Field Division

### POPULATION

414,516

### TOTAL AREA

1,100 square kilometers

### COASTLINE

350 kilometers

### CAPITAL

Fort-de-France

### TYPE OF GOVERNMENT

Overseas Department (France)

### KEY GOVERNMENT OFFICIAL

#### PRESIDENT OF THE GENERAL COUNSEL

Claude Lise

### LOCAL CURRENCY

Euro (EUR)

EUR 1.03 = US\$1 (2002)

## Martinique

Like other islands of the Eastern Caribbean, drug traffickers use Martinique as a transit point and stash location. Cocaine is later moved via maritime vessel up the Lesser Antilles Island chain towards Puerto Rico and Europe. Besides its prime

trafficking location, Martinique's air connections to Europe and tourist industry help promote the trafficking of small amounts of cocaine to Europe via commercial air courier.

## Grenada

Grenada, with the major outlying islands of Carriacou and Petit Martinique, is a former British colony and the southernmost windward island of the Lesser Antilles chain. Grenada is a transit point for drug shipments from Venezuela, Colombia, and Trinidad and Tobago to the other islands of the Lesser Antilles, as well as to the United States and Europe. Grenada's principal attractions for drug traffickers are its numerous remote, uninhabited islands and its proximity to South America and Trinidad and Tobago.

Drug traffickers primarily use maritime smuggling to move cocaine and marijuana into Grenada. Drugs are smuggled into and out of Grenada aboard a variety of maritime vessels including go-fast boats, fishing boats, pleasure craft, small merchant vessels

and commercial containerized cargo ships. Primarily small fishing vessels and pleasure craft carry cocaine from Venezuela north to Grenada (sometimes via Trinidad and Tobago) where the cocaine is stashed, pending transportation to primary markets in the United States and Europe. The outlying Grenadian islands of Carriacou, Petite Martinique, and Hog have been used as stash points for maritime drug shipments. Cocaine arrives in relatively large shipments, but often is broken down into smaller parcels for onward movement north.

Cannabis is cultivated on a small scale in Grenada, particularly on the western side of the island. However, the majority of marijuana found in Grenada is usually for local consumption and is smuggled in from neighboring islands—primarily St. Vincent—and Venezuela. Both cocaine and marijuana are readily available in Grenada.

## GRENADA

### DEA OFFICE RESPONSIBLE

Bridgetown Country Office

### POPULATION

89,227

### TOTAL AREA

340 square kilometers

### COASTLINE

121 kilometers

### CAPITAL

St. George's

### TYPE OF GOVERNMENT

Constitutional Monarchy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Keith Mitchell

#### GOVERNOR GENERAL

Daniel Williams

#### ATTORNEY GENERAL

Raymond Anthony

### LOCAL CURRENCY

East Caribbean dollar (XCD)

XCD 2.7 = US\$1 (2002)



Smuggled cocaine is sometimes converted into crack cocaine for local consumption. In recent years, there has been a large increase in the level of crack cocaine trafficking. As a result, there has been an increase in crime, primarily property crime; the majority of cocaine arrests involve crack cocaine. Grenada has a small, government-funded drug and alcohol treatment center and a psychiatric hospital that provides drug detoxification.

Grenada has an emerging offshore banking sector and an internet gambling industry. Some money laundering likely occurs through these areas because they lack any strict regulation. Money laundering in Grenada is criminalized if connected to drug trafficking or any other crime that is punishable in Grenada by at least 5 years in prison.<sup>7</sup> The Government of Grenada also requires that individuals must declare the exportation of currency greater than US\$37,000. However, no prosecutions have taken place under these laws. The Supervisory Authority and the Financial Services Authority are tasked to oversee

compliance with money laundering laws and the offshore sector. The Government of Grenada allows for asset seizure and forfeiture; however, a conviction is required prior to forfeiture.

The Government of Grenada allows foreign nationals to purchase economic citizenship. This practice permits international criminals to use their Grenadian citizenship to establish businesses in Grenada used for illegal activity; helps them avoid extradition to certain countries; and allows them to enter the United States without a visa.

The Royal Grenada Police Force and Coast Guard provide all coastal defense and law enforcement functions in Grenada.

Grenada is not considered a major transshipment point for essential chemicals that may be diverted for illicit drug production. Grenadian law criminalizes the diversion of controlled chemical substances and pharmaceuticals, but regulation and enforcement is limited.

## Drug Seizures in Grenada (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine</b> (kilograms)	27	37	96	N/A	77
<b>Marijuana</b> (kilograms)	84	203	103	N/A	357

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

In February 1974, Grenada became an independent state. Grenada is a signatory to the 1961 U.N.

Single Convention and its 1972 Protocol; the 1971 U.N. Convention on Psychotropic Substances; and the 1988 U.N. Drug Convention. However, Grenada has not signed the Inter-American Convention against Corruption. The Government of Grenada and the U.S. Government signed a maritime law enforcement cooperation agreement in 1995 and an overflight agreement in 1996. The United States–Grenada extradition and MLAT agreements, signed in 1996, entered into effect in January 2001. Grenada is a member of the CFATF.

## Guyana

Guyana's vast and largely unpopulated interior with its numerous major river systems, coupled with the limited effectiveness of law enforcement officials, make the country an attractive transshipment point for cocaine and marijuana smuggled from Venezuela, Brazil, and Suriname. These drugs

usually transit Guyana to the nearby islands of the Eastern Caribbean for onward transshipment to the United States and Europe. Some cocaine is transshipped directly from Guyana to the United States, Canada, and Europe via commercial air and commercial maritime means. The amount of cocaine entering the United States directly from Guyana is insignificant, but reliable reporting on drug trafficking through Guyana remains limited.

## GUYANA

### DEA OFFICE RESPONSIBLE

Caracas Country Office

### POPULATION

697,181

### TOTAL AREA

214,970 square kilometers

### COASTLINE

459 kilometers

### CAPITAL

Georgetown

### TYPE OF GOVERNMENT

Republic (British Commonwealth)

### KEY GOVERNMENT OFFICIALS

#### PRESIDENT

Bharrat Jagdeo

#### PRIME MINISTER

Samuel Hinds

#### ATTORNEY GENERAL

Doodnauth Singh

### LOCAL CURRENCY

East Caribbean dollar (XCD)

XCD 2.7 = US\$1 (2002)



Although some cannabis is grown in heavily forested and riverine areas, Guyana is not considered to be a major producer of marijuana. Because the cannabis-growing areas often are inaccessible by vehicle, it is difficult to assess the amount of cannabis cultivation. Regardless, most of the cannabis cultivated in Guyana likely is consumed locally.

Cocaine, crack, and marijuana are readily available in Guyana. Wholesale amounts of cocaine sell among traffickers for from US\$4,000 to US\$7,000 per kilogram, with marijuana selling for about US\$37 per pound. The street price of crack cocaine is about US\$34 per vial.

The Guyana Police Force (GPF), Defense Force, Coast Guard and Border Patrol, and the Customs Anti-Narcotic Unit (CANU) are responsible for law enforcement in Guyana. Furthermore, the GPF and CANU have responsibilities to conduct cannabis eradication missions in Guyana.

Guyana is not an important regional financial center, and the Government of the Republic of Guyana does not allow offshore banking. However, some money laundering likely occurs in Guyana through purchase price inflation, the sale of gold and diamonds purchased with illicit funds, independent currency exchanges, and account manipulation in unregulated Guyanese banks.

In 2000, the Government of Guyana passed the Money Laundering (Prevention) Bill, which criminalized money laundering in Guyana. The

predicate offenses include drug trafficking and other serious crimes. The Bank of Guyana is responsible for overseeing Guyanese financial institutions. Guyanese law requires that cross-border currency transactions over US\$10,000 be reported to the Bank of Guyana. However, Guyanese financial institutions are not required to report suspicious transactions. Guyana also has asset seizure and forfeiture laws.

Guyana is not a source country for chemicals used in illicit drug production, thus, only limited reporting is available concerning the movement of illicit chemicals through Guyana. Guyanese law criminalizes the diversion of pharmaceuticals and controlled chemical substances; however, regulation and enforcement are limited.

In May 1966, Guyana became an independent state. The Government of Guyana signed the 1971 U.N. Convention on Psychotropic Substances and the 1988 U.N. Drug Convention. In November 2000, the Government of Guyana ratified the Inter-American Convention against Corruption. As Guyana is a former British colony, extradition requests by the U.S. Government to the Government of Guyana continue to be covered under the 1931 United States–United Kingdom extradition treaty. The United States and Guyana do not have formal overflight and maritime law-enforcement treaties. In January 2001, however, the U.S. Government and the Government of Guyana preliminarily agreed to a maritime law enforcement agreement. Guyana is not a member of the CFATF.

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## Haiti

Haiti is one of the Caribbean's three most significant transshipment countries, along with Jamaica and the Dominican Republic, for cocaine smuggled from South America and destined to the United States. Drug traffickers exploit Haiti as a transshipment and storage site for large quantities of cocaine destined to the United States and other international markets. Significant amounts of heroin and marijuana also are smuggled through Haiti. Haiti attracts drug

traffickers due to its strategic geographic position between South America and the United States; its lengthy coastlines and uncontrolled borders; and the lack of law enforcement resources.

The primary method for smuggling cocaine into Haiti is via maritime vessels. Go-fast boats from Colombia remain the most common maritime trafficking method—usually transiting Colombia's Guajira Peninsula to arrival locations along the poorly guarded southern coast of Haiti. Traffickers

## HAITI

### DEA OFFICE RESPONSIBLE

Port-au-Prince Country  
Office

### POPULATION

6,964,549

### TOTAL AREA

27,750 square kilometers

### COASTLINE

1,171 kilometers

### CAPITAL

Port-au-Prince

### TYPE OF GOVERNMENT

Elected Government

### KEY GOVERNMENT OFFICIALS

#### PRESIDENT

Jean Bertrand Aristide

#### PRIME MINISTER

Yvon Neptune

#### MINISTER OF JUSTICE

Jean Baptiste Brown

#### DRUG CZAR

Rene Magloire

#### LOCAL CURRENCY

Haitian gourde (HTG)

HTG 27.9 = US\$1 (2002)

## Haiti

### Haitian Departments

1. Nord-Ouest
2. Nord
3. Nord-Est
4. Artibonite
5. Centre
6. Ouest
7. Sud-Est
8. Sud
9. Grand' Anse



Marijuana destined for Haiti usually is transported from Jamaica via go-fast boats and other maritime vessels. Anecdotal reporting indicates some small-scale marijuana production in Haiti, primarily for local consumption.

Haiti's lack of implemented currency regulations and money laundering laws continue to facilitate money laundering. Most of the detected money laundering involves transporting cash via courier, from the United States through Haiti to Panama. However, some money laundering likely takes place in Haiti's poorly regulated banks and currency exchanges.

Haitian financial institutions are required to report to the Government of Haiti currency transactions at or above 20,000 gourdes (approximately US\$10,000). Haiti does not currently possess any asset seizure or forfeiture laws. The Haitian legal code does not allow for conspiracy in drug cases. A suspect must be arrested in possession of drugs in order to be prosecuted for drug-related offenses.

Currently, chemical diversion activities in Haiti are negligible. The country has no essential chemical control law.

also routinely transport cocaine from Colombia to Haiti by single- or twin-engine aircraft to clandestine landing strips, or airdrop cocaine loads to waiting land vehicles or maritime vessels. Other common conveyances for smuggling cocaine into Haiti include bulk cargo freighters, containerized cargo vessels, fishing vessels, and couriers on commercial aircraft.

After cocaine enters Haiti, it is usually stored until it can be shipped to the United States or other international markets. Cocaine often is smuggled out of Haiti in containerized cargo or on bulk cargo freighters directly to Miami. The cocaine shipments aboard cargo freighters are occasionally offloaded to smaller vessels prior to arrival in the United States. Cocaine also is sometimes transferred overland from Haiti to the Dominican Republic for further transshipment to Puerto Rico, the continental United States, Europe, and Canada.

## Drug Seizures in Haiti (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine (kilograms)</b>	1,350	430	238	N/A	264
<b>Marijuana (kilograms)</b>	810	70	169	N/A	53

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

In Haiti, cocaine and marijuana are readily available, but are not widely consumed due mainly to poor economic conditions. Wholesale amounts of cocaine sell among traffickers from US\$6,000 to US\$7,500 per kilogram. Crack cocaine sells on the street for about US\$5 per rock. The Government of Haiti does not finance any demand reduction programs. The Association for Alcohol Prevention and Chemical Dependency, a private, nongovernmental institution, remains the only established organization with treatment programs for substance abuse in Haiti.

The Bureau of the War against Drug Trafficking (*Bureau de la Lutte Contre le Trafic des Stupefiants*, or BLTS) is the Haitian National Police counterdrug unit. The Haitian Coast Guard and Haitian Customs Bureau also have drug law enforcement responsibilities.

Haiti has signed the 1961 U.N. Single Convention and its 1972 Protocol; the 1988 U.N. Drug Convention; and the Inter-American Convention against Corruption. However, Haiti has not signed the 1971 U.N. Convention on Psychotropic Substances. A 1904 bilateral extradition treaty between the Governments of the United States and Haiti remains in force; however, the 1987 Haitian Constitution prohibits the extradition of Haitian nationals. Haiti has expelled third-country nationals to the United States on occasion. Haiti honors the terms of a 1997 maritime and overflight agreement with the United States. Haiti is not a member of the CFATF.

## JAMAICA

### DEA OFFICE RESPONSIBLE

Kingston Country Office

### POPULATION

2,665,636

### TOTAL AREA

10,990 square

kilometers

### COASTLINE

1,022 kilometers

### CAPITAL

Kingston

### TYPE OF GOVERNMENT

Parliamentary Democracy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

P.J. Patterson

#### DEPUTY PRIME MINISTER

Seymour Mullings

#### ATTORNEY GENERAL

A.J. Nicholson



## Jamaica

Jamaica is the largest producer and exporter of marijuana in the Caribbean, and is the only significant Caribbean source for marijuana consumed in the United States. Jamaican marijuana and hashish also are consumed in the Caribbean, Canada, and Western Europe. Furthermore, Jamaica's proximity to air and maritime routes from South and Central America, the Yucatan Channel, and the Windward Passage makes the island a key transshipment

## Drug Seizures in Jamaica (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine</b> (kilograms)	1,160	2,460	1,625	2,947	3,390
<b>Marijuana</b> (kilograms)	35,910	56,870	55,870	68,460	26,630
<b>Hash Oil</b> (kilograms)	144	371	578	211	497

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

point for cocaine destined for The Bahamas, the continental United States, Canada, and Europe.

Traffickers smuggle cocaine through Jamaica primarily via go-fast boats, commercial airlines, and commercial maritime vessels. Cocaine trafficking via private aircraft from Colombia to Jamaica has declined in recent years in favor of flights to Haiti, where law enforcement presence is less concentrated. Small amounts of cocaine and South American heroin sometimes are smuggled to the United States on commercial flights transiting Jamaica. According to the CBP, most arrests for cocaine possession at U.S. airports involved flights that originated in Jamaica.

Bahamian traffickers often work in concert with Jamaican traffickers to smuggle multikilogram shipments of cocaine and marijuana to The Bahamas and into the United States. In 2000, certain Colombian trafficking groups reportedly became more directly involved in trafficking cocaine through Jamaica—in some cases even discontinuing the use of Jamaican middlemen. This unconfirmed development may be a result of conflicts in the working relationship between certain Colombian and Jamaican trafficking groups.

Jamaican traffickers frequently use maritime containerized cargo and concealed compartments on maritime vessels to smuggle large marijuana shipments (i.e., 3,000- to 10,000-pound loads). Marijuana is concealed inside container walls, floors, roofs, and tires. Refrigerated units often are used to conceal the drug by replacing the inside insulation with marijuana. Hashish oil, a by-product of cannabis, also is produced in Jamaica.

Jamaica's north coast appears to be the center of activity for hashish oil production. Most of Jamaica's exported hashish oil is destined for Canada.

Jamaica has no laws against the possession or distribution of MDMA. The Government of Jamaica, however, has begun efforts to modify its Dangerous Drug Act to incorporate MDMA into existing regulations.

The Jamaica Constabulary Force (JCF) is the country's national police force. The JCF's Narcotics Division is responsible for drug enforcement operations in Jamaica. The Jamaica Defense Force (JDF) supports police efforts to monitor ports and airstrips. In 1999, the Government of Jamaica created a three-officer fugitive apprehension team to locate and apprehend known fugitives.

In Jamaica, cannabis eradication is accomplished by manual cutting rather than by the use of herbicides.

While Jamaica is not a major source country for any of the chemicals used in illicit drug production, chemical diversion still occurs. Illicitly obtained isopropyl alcohol is used to distill hashish oil. In April 2000, the Jamaican Parliament enacted the Precursor Chemicals Act that bans the unlawful production, manufacture, importation, distribution, and diversion of chemical substances used in manufacturing illegal drugs. The Ministry of Health, Pharmaceutical Division, was designated the competent authority for enforcing the legislation and was given authority to search business establishments without obtaining a warrant. DEA has provided training to Jamaican chemical control personnel.

Because Jamaica is not an important regional financial center, tax haven, or offshore banking center, drug money is most often laundered through the acquisition of real assets, such as cars and real estate. Because the U.S. dollar is legal tender in Jamaica, this increases the opportunities for drug traffickers to expand money laundering efforts.

In 1998, the Government of Jamaica amended its anti-money laundering law, by raising the required



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reporting of cash transactions from US\$10,000 to US\$50,000. In addition, the law now requires financial institutions to report all “suspicious” transactions, not merely ones above US\$50,000. In 2000, Jamaica passed legislation increasing the predicate offenses under the money laundering law to include arms trafficking, fraud, and corruption. In 2000, Jamaica established an FIU to receive and analyze suspicious activity reports.

The majority of asset forfeiture cases in Jamaica fall under amendments to the Dangerous Drugs Act of 1984 which provides for the forfeiture of vehicles used to convey drugs. The Drug Offenses and Forfeiture of Proceeds Act of 1994 allows for post-conviction forfeiture and pre-conviction restraint on all types of property. However, the 1994 Act is difficult for prosecutors to apply, as it requires a separate hearing and published public notice of the Jamaican Government’s intent to forfeit the property.

The Jamaican National Council on Drug Abuse consists of 58 agencies that discuss national initiatives and focus on national supply and demand for drugs in Jamaica. The Drug Abuse Secretariat, a secondary agency within the National Council on Drug Abuse, focuses on demand reduction. The Drug Abuse Secretariat also is responsible for collecting and maintaining trends relating to drugs including pharmaceutical products and illicit drugs. An annual report is generated outlining the trends based on data received from various health and social organizations.

Cocaine and marijuana are readily available in Jamaica. Wholesale amounts of cocaine sell among traffickers from US\$5,500 to US\$7,000 per kilogram. Low-grade marijuana sells for between

US\$23 and US\$35 per pound, while high-grade marijuana sells for between US\$66 and US\$178 per pound. The Jamaica Drug Abuse Secretariat reports that the number one illicit drug of abuse in Jamaica is marijuana, followed by crack cocaine. The Drug Abuse Secretariat also informed the DEA of several reports from resort personnel in Negril, Jamaica, about tourists inquiring about the purchase of MDMA. Heroin use in Jamaica is primarily limited to the tourist areas on the north coast.

Marijuana possession and use is currently illegal in Jamaica. According to the Jamaican press, fines for possessing marijuana are about US\$2.50 and fines for smoking marijuana are about US\$5. Individuals caught with more than 8 ounces of marijuana can be charged with drug trafficking and imprisoned for up to 18 months. Individuals possessing large quantities of marijuana for distribution can receive prison sentences of 3 years or more.

In August 1962, Jamaica became a fully independent member of the British Commonwealth. Jamaica has signed the major international antidrug agreements including the 1961 U.N. Single Convention and its 1972 Protocol; the 1971 U.N. Convention on Psychotropic Substances; and the 1988 U.N. Drug Convention. The Government of Jamaica has signed but not ratified the Inter-American Convention against Corruption. In 1983, the U.S. Government and the Government of Jamaica signed an extradition treaty. The Governments of the United States and Jamaica have had an MLAT since July 1995, and a maritime law enforcement cooperation agreement since April 1998. Jamaica is a member of the FATF.

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## **Netherlands Antilles**

The Netherlands Antilles consists of two groups of islands in the Caribbean Sea that are about 500 miles apart. The scattered geography of the Netherlands Antilles presents several attractive transshipment options for drug traffickers. Bonaire and Curaçao lie in close proximity to Venezuela and

provide a nearby route for drugs from Colombia, Venezuela, and Suriname. St. Maarten (which occupies the southern part of an island shared with French St. Martin), Saba, and St. Eustatius are located about 150 miles east of Puerto Rico. These islands provide strategic locations for moving cocaine and, to a lesser extent, heroin into Puerto Rico and the U.S. Virgin Islands.

## NETHERLANDS ANTILLES

### DEA OFFICE RESPONSIBLE

Curaçao Country Office

### POPULATION

212,226

### TOTAL AREA

960 square kilometers

### COASTLINE

364 kilometers

### CAPITAL

Willemstad

### TYPE OF GOVERNMENT

Parliamentary

Democracy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Miguel Pourier

#### GOVERNOR GENERAL

Jaime Saleh

#### ATTORNEY GENERAL

Fritz Goedgedrag



### LOCAL CURRENCY

Netherland Antillean guilder (ANG)

ANG 1.73 = US\$1 (2002)

The Netherlands Antilles are frequently used to internationally transship cocaine. The larger loads of cocaine entering these islands usually come from ocean-bound vessels and go-fast boats originating in Colombia; small fishing vessels from Venezuela; and small planes that land on unattended airstrips strategically located on the islands. Also, cocaine occasionally is airdropped into the waters around St. Maarten for pickup by waiting go-fast boats. The majority of cocaine entering St. Maarten is destined for Puerto Rico via go-fast boats. Traffickers occasionally store cocaine at secret locations on the islands until it is ready for further transshipment.

Curaçao and St. Maarten have large free-zone facilities (an area that allows goods to be held and then re-shipped elsewhere without paying an import or duty-tax) providing opportunity for bulk shipments of cocaine to transit the area without the scrutiny of local officials. The free-zone facilities on Curaçao and St. Maarten are conducive to transshipments of not only drugs but also essential chemicals. Some firms in the free zone also are suspected of involvement in money laundering activities.

Like many other Caribbean countries, high levels of tourism in the Netherlands Antilles provide a cover under which drug traffickers can operate. Couriers on commercial flights and cruise ship passengers also smuggle small (usually from 1- to 10-kilogram) amounts of cocaine and heroin into and out of the Netherlands Antilles.

The Netherlands Antilles' political, economic, and cultural ties to the Kingdom of the Netherlands create an environment suitable for increased illicit drug trafficking to the Netherlands and the rest of Europe. There are daily flights from the Netherlands Antilles to Amsterdam—where the street price of cocaine is often twice what it is in Miami—and sentences for drug traffickers are much lighter than in the United States.

Although cocaine is the principal illicit drug trafficked through their islands, Netherlands Antillean law enforcement officials have periodically arrested Colombian heroin couriers. Heroin is transshipped from Colombia through Bonaire,

## 2001 Drug Seizures in the Netherlands Antilles

<b>Cocaine</b> (kilograms)	1,043
<b>Marijuana</b> (kilograms)	3,772
<b>Heroin</b> (kilograms)	72

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

Curaçao, or St. Maarten via commercial airlines and cruise ships. Most of the heroin is destined for the continental United States via Puerto Rico. St. Maarten also is used as a stash location for Colombian heroin. Marijuana is smuggled into the islands both by local and South American drug traffickers, but it usually is for local use and is not transshipped.

Some Colombian traffickers use St. Maarten as a regional command and control center. Dominican nationals also control many of the drug transportation networks on the island. St. Maarten, with its free port and proximity to Puerto Rico and

the U.S. Virgin Islands, is generally considered an important staging ground for moving cocaine into the U.S. market.

The Curaçao Police (or *Politie*) have an antidrug unit known as the Curaçao Politie Narcotics Bureau. The Curaçao Politie CID develops drug-related criminal intelligence in support of the Curaçao Politie Narcotics Bureau. The Dutch legal system prohibits the use of some basic law enforcement tools such as undercover operations and electronic surveillance/monitoring. The CGNAA is responsible for maritime drug interdiction around Aruba and the Netherlands Antilles. The Governments of the Netherlands Antilles and Aruba have agreed to work more closely with other coast



guards operating in the region in order to present a united front against drug trafficking.

The CGNAA has its own CID, which is separate from the *Politie*. However, under Dutch law, unless the CGNAA can demonstrate that a given vessel is either coming from or going to territorial waters of the Netherlands Antilles or Aruba, any drug law enforcement action, other than an administrative boarding, is considered illegal. Dutch investigators also support law enforcement investigations in the Netherlands Antilles.

Cocaine and marijuana are readily available in the Netherlands Antilles. In Curaçao, wholesale amounts of cocaine sell among traffickers from US\$3,300 to US\$4,500 per kilogram; heroin sells for about US\$23,000 per kilogram; and marijuana sells for about US\$550 per kilogram.

Money laundering organizations are well established in the Netherlands Antilles due, in part, to the country's high per capita income and well-developed infrastructure. The Netherlands Antilles' large offshore financial sector, bank secrecy, casino/resort complexes, high volume of American and Dutch tourism, and stable currencies make the country conducive to money laundering.

Money laundering is a criminal offense in the Netherlands Antilles and no longer requires a separate and provable underlying crime. The Netherlands Antilles has an FIU known as MOT. In August 2000, the Government of the Netherlands Antilles enacted an asset seizure law, which allows the government to seize the proceeds of any crime once the crime is proven in a court of law.

The Netherlands Antilles is not a source country for any of the chemicals used in illicit drug production and has no specific legislation controlling essential chemicals. However, the existence of a free-trade zone on Curaçao, coupled by the absence of stringent legislation controlling the importation and exportation of essential chemicals, has provided traffickers with opportunities to ship essential chemicals through the islands. The Bureau of Pharmaceutical Affairs in Curaçao, in concert with Antillean Customs, has instituted a voluntary



program requiring importers of exploitable chemicals to register their imports. This has met with some success; however, the importation and transshipment of these chemicals is not illegal and, therefore, is difficult to control.

Curaçao serves as one of two FOLs in the Caribbean for U.S. counterdrug aircraft. The FOL, located at Hato Airport near Willemstad, provides a

landing and servicing area for counterdrug detection and monitoring missions in the region. The Netherlands Antilles and the United States do not have a formal maritime law enforcement agreement.

The Kingdom of the Netherlands, including the Netherlands Antilles, is party to the 1988 U.N. Drug Convention; a member of the FATF; and has an

MLAT agreement with the United States. The United States–Netherlands extradition treaty of 1980 extends to the Government of Netherlands Antilles, and provides for the extradition of nationals. In October 1997, the Government of Netherlands Antilles approved its own legislation affirming the extradition of nationals from the Netherlands Antilles. In addition, the Netherlands Antilles is a member of the CFATF and the Egmont Group.



## Puerto Rico

Puerto Rico is a commonwealth associated with the United States and is subject to United States federal laws. Due to its geographic location and association with the United States, Puerto Rico is a major Caribbean point of entry for large, metric-ton quantities of cocaine destined for the continental United States. The island also is a transit point and consumer market for Colombian heroin. An

important incentive for the traffickers in reaching Puerto Rico, or any U.S. overseas territories, is that, once they reach a U.S. territory, illicit drugs can be transported to the continental United States in cargo that is not subject to further inspection by CBP. Puerto Rico also is an attractive sea and air transportation site in the Caribbean because the island has one of the busiest seaports in North America, and an abundance of commercial airline flights to the United States.

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In recent years, traffickers have made less use of go-fast boats and airdrops directly from South America to Puerto Rico due largely to law enforcement efforts. Instead, much of the cocaine entering Puerto Rico is smuggled through nearby Caribbean islands. Go-fast boats and small maritime vessels carrying multihundred-ton quantities of cocaine enter Puerto Rico from islands to the east such as St. Maarten and the Virgin Islands. Cocaine also continues to enter Puerto Rico in small maritime vessels from the Dominican Republic across the Mona Passage. In addition, anecdotal reporting indicates that coastal freighters transport cocaine into Puerto Rico from Haiti.

Cocaine smuggled into Puerto Rico often is stored locally until transportation to the continental United States can be arranged. Cocaine leaves Puerto Rico via maritime bulk freighters and on commercial airlines either in the possession of couriers or concealed in cargo. Traffickers also use commercial maritime containers to smuggle metric-ton quantities of cocaine.

Puerto Rico is a major transshipment point for Colombian heroin destined for the northeastern United States, principally New York City. Heroin is often smuggled into Puerto Rico by commercial air couriers and cruise ship passengers. The couriers often conceal heroin internally, in luggage, or underneath clothes.

Airports in Puerto Rico are principal entry points for marijuana shipments. Marijuana often is seized in 1- and 15-kilogram-size packages, and is typically concealed inside checked suitcases or hand-carried items. Traffickers have been known to route large quantities of marijuana, often with cocaine, from Mexican and Colombian sources through the

Eastern Caribbean and Puerto Rico, to destinations in Florida and along the U.S. east coast. Some small-scale marijuana production also occurs in Puerto Rico.

Like many other Caribbean islands, traffickers have begun to use Puerto Rico as an alternate transshipment location for European MDMA destined for the United States. However, Puerto Rico is not yet believed to be a major MDMA transshipment location. Couriers transport small amounts of MDMA from the Netherlands to Puerto Rico, sometimes via the Dominican Republic, and likely via other Caribbean Islands as well. Some MDMA remains in Puerto Rico for local consumption.

Cocaine, crack, heroin, and marijuana are readily available in Puerto Rico, and prices vary throughout the island. Prices of wholesale amounts of cocaine range from US\$12,500 to US\$20,000 per kilogram; heroin sells for between US\$80,000 and US\$100,000 per kilogram; and marijuana sells for between US\$1,200 and US\$1,500 per pound. Crack cocaine sells on the streets from US\$5 to US\$6 per rock. The DEA's Caribbean Field Division has noted temporary increases in drug prices in Puerto Rico due to the disruption of trafficker activities during regional law enforcement surge operations.

Due to its well-developed financial infrastructure and U.S. connection, Puerto Rico is an important center for money laundering in the Caribbean. Bulk currency is moved through Puerto Rico en route to Latin America. Drug money also enters the Dominican Republic from Puerto Rico through currency exchange houses (*casas de cambio* or *remesadoras*).

## ST. KITTS AND NEVIS

### DEA OFFICE RESPONSIBLE

Bridgetown Country Office

### POPULATION

38,756

### TOTAL AREA

261 square kilometers

### COASTLINE

135 kilometers

### CAPITAL

Basseterre

### TYPE OF GOVERNMENT

Constitutional Monarchy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Dr. Denzil Douglas

#### DEPUTY PRIME MINISTER

Sam Condor

#### GOVERNOR GENERAL

Dr. Cuthbert M. Sebastian

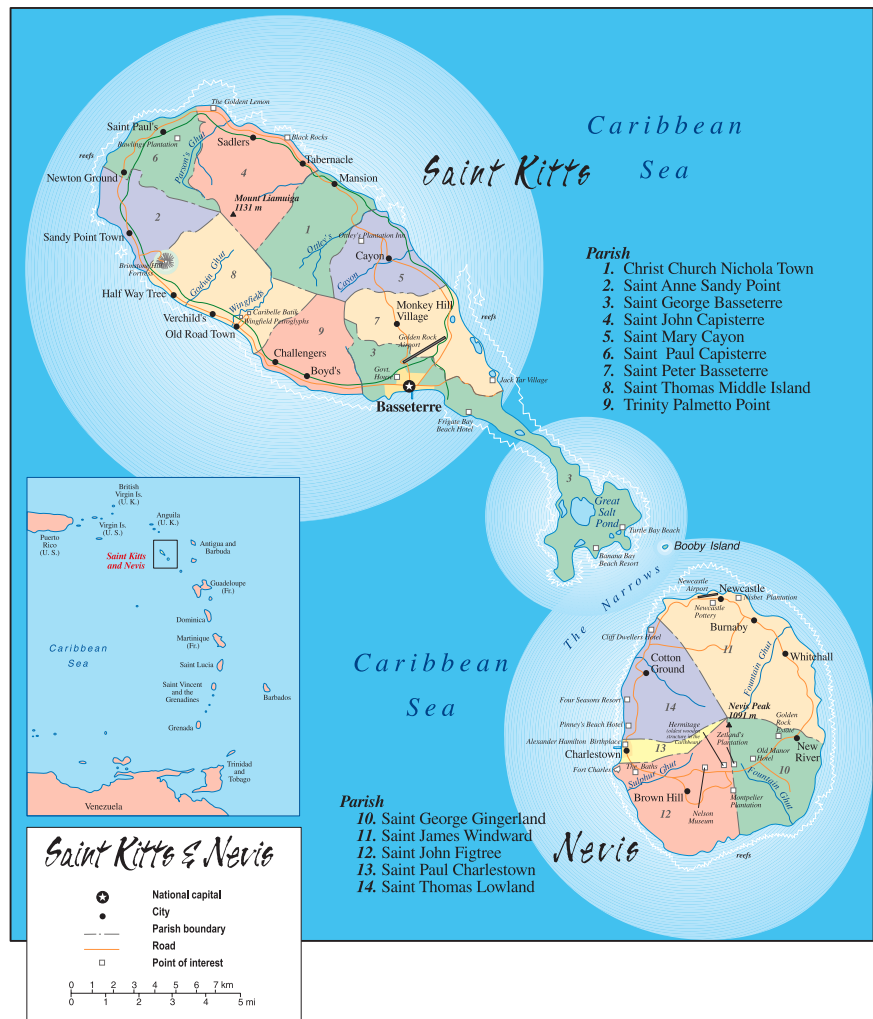
#### ATTORNEY GENERAL

Delano Bart

### LOCAL CURRENCY

East Caribbean dollar (XCD)

XCD 2.7 = US\$1 (2002)



## St. Kitts and Nevis

Like other islands in the Eastern Caribbean, drug traffickers use St. Kitts and Nevis as a transshipment point for cocaine from Colombia and Venezuela to the United States, Canada, and Europe. The close proximity of St. Kitts and Nevis to the U.S. Virgin Islands and Puerto Rico makes the country an attractive location for drug traffickers to stage airdrop and go-fast boat operations. Traffickers also use mothership deliveries of cocaine transferred to go-fast boats. Cocaine is sometimes stored in St. Kitts and Nevis until further transshipment can be arranged. The country's remote beaches and hidden coves also are conducive to other drug trafficking activities.

Like most other islands in the Eastern Caribbean, cocaine and crack cocaine are available readily in St. Kitts and Nevis. Moreover, cannabis also is both grown locally, and imported from St. Vincent for

local consumption. The Government of St. Kitts and Nevis continues to conduct cannabis eradication missions.

The St. Kittitian Police Force anti-narcotics unit and the St. Kittitian Defense Force are responsible for counterdrug efforts in St. Kitts and Nevis.

St. Kitts and Nevis has a banking system conducive to money laundering. Although money laundering is illegal, the only punishment is a fine. Financial institutions in St. Kitts and Nevis maintain strict bank secrecy, and are not required to report suspicious transactions. Most of the financial activity in the country is concentrated on Nevis, which has over 19,000 offshore companies. St. Kitts and Nevis also have opened up to various enterprises, such as Internet gambling, hotels, and resorts, which are sometimes gateways to money laundering. St. Kittitian law allows for seizure and forfeiture of assets connected with money laundering.

In 2000, the FATF listed 15 countries that failed to comply fully in the international fight against money laundering, and urged a close watch on their financial activities. Several Caribbean nations were cited in the list, including St. Kitts and Nevis. The U.S. Department of the Treasury has issued an advisory warning U.S. financial institutions about St. Kitts and Nevis' weak anti-money-laundering regime. In June 2002, St. Kitts and Nevis were removed from the FATF Non-cooperative Countries or Territories (NCCT) list.

Since 1984, the Government of St. Kitts and Nevis has allowed foreign nationals to purchase economic citizenship. This practice allows international criminals to use their St. Kittitian citizenship to establish businesses in St. Kitts and Nevis that may participate in illegal activity; to avoid extradition to certain countries; and to enter the United States without a visa.

St. Kitts and Nevis is not considered a major transshipment point for essential chemicals that

could otherwise be diverted for illicit drug production. St. Kittitian law criminalizes the diversion of controlled chemical substances, but regulation and enforcement is limited.

In September 1983, St. Kitts and Nevis became an independent state. St. Kitts and Nevis has signed the major international antidrug agreements including the 1961 U.N. Single Convention, the 1971 U.N. Convention on Psychotropic Substances, and the 1988 U.N. Drug Convention. However, the Government of St. Kitts and Nevis has not signed the Inter-American Convention against Corruption. In 1996, the Government of St. Kitts and Nevis signed extradition and MLAT treaties with the United States. Those treaties entered into effect in 2000. In 1995, the Government of St. Kitts and Nevis signed a maritime law enforcement agreement with the United States, and an overflight amendment to the maritime agreement in 1996. St. Kitts and Nevis is a member of the CFATF.

## ST. LUCIA

### DEA OFFICE RESPONSIBLE

Bridgetown Country Office

### POPULATION

158,178

### TOTAL AREA

620 square kilometers

### COASTLINE

158 kilometers

### CAPITAL

Castries

### TYPE OF GOVERNMENT

Parliamentary Democracy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Kenny Anthony

#### DEPUTY PRIME MINISTER

Mario Michel

#### GOVERNOR GENERAL

Dr. Perlette Louisy

#### ATTORNEY GENERAL

Petrus Compton

### LOCAL CURRENCY

East Caribbean dollar (XCD)

XCD 2.7 = US\$1 (2002)





## St. Lucia

Traditionally, traffickers have used St. Lucia for marijuana production and trafficking. Throughout the 1990s, there was a steady increase in the amount of cocaine transiting the island. Some drug trafficking organizations now use St. Lucia—like other islands in the Eastern Caribbean—as a base of operations to facilitate the movement of cocaine from South America to the United States and Europe.

Most of the cocaine enters St. Lucia via Trinidad and Tobago and, to a lesser extent, via St. Vincent and the Grenadines. Noncommercial vessels have replaced airdrops as the primary method of smuggling cocaine into St. Lucia. Traffickers also use couriers to smuggle small amounts of cocaine and heroin through St. Lucia. Couriers conceal the drugs in their luggage and sometimes by bodycarring or ingesting them.

The Royal St. Lucia Police Drug Squad and the Customs and Excise Department hold primary responsibility for antidrug enforcement in St. Lucia.

The Substance Abuse Advisory Council Secretariat handles demand reduction issues. Also, the Government of St. Lucia's Ministry of Health runs a drug treatment and rehabilitation facility known as "Turning Point." Marijuana, which is both grown locally and imported from St. Vincent, is the primary drug of abuse on the island. The Government of St. Lucia continues to conduct cannabis eradication operations.

Compared to many of its Eastern Caribbean neighbors, St. Lucia is not a regional financial

## St. Vincent and the Grenadines

St. Vincent and the Grenadines remain the Eastern Caribbean's largest producer and exporter of marijuana. However, most of the marijuana is exported to neighboring islands, rather than to the United States. St. Vincent's mountainous interior, and resistance by local cannabis growers, have hindered cannabis eradication efforts. Several

### Drug Seizures in St. Lucia (1998-2002)

	1998	1999	2000	2001	2002
Cocaine (kilograms)	58	122	111	N/A	152
Marijuana (kilograms)	352	349	1,804	N/A	230

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

center. However, St. Lucia has an emerging offshore financial sector that could become vulnerable to money laundering if it is not properly regulated. Currently, St. Lucian law criminalizes money laundering related to drug trafficking and other serious offenses, and mandates suspicious transaction reporting by financial institutions. St. Lucian law also allows for asset forfeiture after a conviction for drug trafficking.

St. Lucia is not considered a major transshipment point for essential chemicals that may be diverted for illicit drug production. St. Lucia has no essential chemical control laws or regulating body.

In February 1979, St. Lucia became an independent state. St. Lucia has signed two major international antidrug agreements: the 1961 U.N. Single Convention and the 1988 U.N. Drug Convention. However, St. Lucia has not signed the Inter-American Convention against Corruption or the 1971 U.N. Convention on Psychotropic Substances. In 1996, St. Lucia signed extradition and MLAT treaties with the United States. Those treaties entered into effect in 1999. In 1995, the Government of St. Lucia signed a maritime and overflight agreement with the U.S. Government. St. Lucia is a member of the CFATF.

Eastern Caribbean governments have attributed increased cannabis cultivation in the region to the decline of the Eastern Caribbean banana industry. Reportedly, as profits for banana cultivation have fallen, some farmers have turned to raising cannabis as a cash crop.

Like other islands in the Eastern Caribbean, some drug traffickers use St. Vincent and the Grenadines as a transshipment point for cocaine from Colombia

## ST. VINCENT AND THE GRENADINES

### DEA OFFICE RESPONSIBLE

Bridgetown Country Office

### POPULATION

115,942

### TOTAL AREA

389 square kilometers

### COASTLINE

84 kilometers

### CAPITAL

Kingstown

### TYPE OF GOVERNMENT

Parliamentary Democracy

### KEY GOVERNMENT OFFICIALS

#### PRIME MINISTER

Ralph Gonsalves

#### DEPUTY PRIME MINISTER

Louis Straker

#### GOVERNOR GENERAL

Sir Charles J. Antrobus

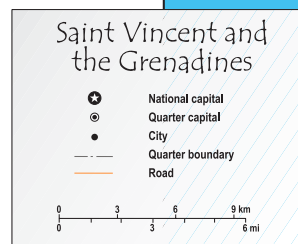
#### ATTORNEY GENERAL

Judith Jones-Morgan

### LOCAL CURRENCY

East Caribbean dollar (XCD)

XCD 2.7 = US\$1 (2002)



and Venezuela to the United States, Canada, and Europe. Drug traffickers use small maritime vessels as the primary method of conveyance used to smuggle cocaine to St. Vincent and the Grenadines. Traffickers sometimes use St. Vincent and the Grenadines for cocaine storage until further transshipment can be arranged.

The Government of St. Vincent and the Grenadines has participated in both regionally supported and unilateral cannabis eradication operations. The St. Vincent Police Force, Customs, and Coast Guard hold shared responsibility for antidrug law enforcement in St. Vincent and the Grenadines.

Marijuana is readily available in St. Vincent and the Grenadines and is the local drug of choice. As with

much of the Caribbean, cocaine and crack are readily available in St. Vincent and the Grenadines as well. The government psychiatric hospital provides drug detoxification, but no actual drug rehabilitation facilities exist.

St. Vincentian law criminalizes money laundering and authorizes the seizure of assets related to drug trafficking and money laundering. St. Vincent and the Grenadines has a small, but growing, offshore financial services sector, which is largely unregulated. St. Vincent and the Grenadines also has strict bank secrecy laws. In 2000, the FATF listed 15 countries that failed to cooperate fully in the international fight against money laundering, and urged a close watch on their financial activities. Several Caribbean nations were cited in the list,

## Drug Seizures in St. Vincent and the Grenadines (1998-2002)

	1998	1999	2000	2001	2002
<b>Cocaine</b> (kilograms)	13	15	51	N/A	13.2
<b>Marijuana</b> (kilograms)	1,300	7,120	1,709	N/A	7,400

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

including St. Vincent, largely for its lack of regulation, lack of customer identification or record keeping, and rudimentary licensing requirements for financial institutions. Although the U.S. Department of the Treasury issued an advisory to warn U.S. financial institutions about St. Vincent and the Grenadines' weak anti-money laundering regime, it was removed from FATF consideration in June 2003.

The Government of St. Vincent and the Grenadines allows foreign nationals to purchase economic citizenship. This practice allows international criminals to use their St. Vincentian citizenship to establish businesses in St. Vincent that may participate in illegal activity; to avoid extradition to

certain countries; and to enter the United States without a visa.

St. Vincent and the Grenadines is not considered a major transshipment point for essential chemicals that may be diverted for illicit drug production. Although St. Vincentian law criminalizes the diversion of pharmaceuticals and controlled chemical substances, regulation and enforcement are limited.

In October 1979, St. Vincent and the Grenadines became an independent state. The Government of St. Vincent and the Grenadines has signed the 1988 U.N. Drug Convention. However, the Government of St. Vincent and the Grenadines has not signed the Inter-American Convention against Corruption, the 1961 U.N. Single Convention, or the 1971 U.N. Convention on Psychotropic Substances. In 1996, St. Vincent signed extradition and MLAT treaties with the United States. Those treaties entered into effect in 1999. In 1995, the Government of St. Vincent and the Grenadines signed a maritime law enforcement agreement with the U.S. Government, but has no overflight agreement. St. Vincent is a member of the CFATF.

## Suriname

Some drug traffickers use Suriname as a transshipment point for cocaine from Colombia to Europe, primarily to the Netherlands. Suriname's location outside the Caribbean Basin and its poorly developed transportation links to the United States, make it a less attractive transshipment point for cocaine to the United States. Although Suriname is not considered a major transit point for drugs destined to the United States or an important money laundering center, several other issues increase Suriname's importance as an international drug threat.

The vast jungles of Suriname, coupled with limited law enforcement resources, make for a situation rife for exploitation by various drug trafficking groups. Cocaine, the primary drug transiting Suriname, is smuggled into Suriname via ships from Brazil and

small aircraft arriving from Colombia, Venezuela, and Brazil. The small aircraft are able to land with impunity at clandestine airstrips in the jungle, at unpatrolled municipal airports, and even on wide public roads. The lack of proper border controls and the lack of an interior infrastructure are major obstacles in the detection of illicit drug and weapon shipments into and out of Suriname.

Some drug trafficking organizations use Suriname as a base for sending cocaine couriers to Europe. In addition, cocaine continues to be sent from Suriname to Europe in bulk (and occasionally containerized) shipments of shrimp, fruit, vegetables, rice, and lumber.

To a lesser extent, some drug traffickers send cocaine and MDMA couriers from Suriname to the United States via commercial airlines and cruise

## SURINAME

### DEA OFFICE RESPONSIBLE

Curaçao Country Office

### POPULATION

433,998

### TOTAL AREA

163,270 square kilometers

### COASTLINE

386 kilometers

### CAPITAL

Paramaribo

### TYPE OF GOVERNMENT

Constitutional Democracy

### KEY GOVERNMENT OFFICIALS

#### PRESIDENT

Rinaldo Ronald  
Venetiaan

#### VICE PRESIDENT

Jules Rattankoemar  
Ajodhia

#### MINISTER OF JUSTICE AND POLICE

Siegfried Gilds

#### LOCAL CURRENCY

Surinamese guilder (SRG)  
SRG 2,178 = US\$1 (2002)



ships. Since 1999, seizures of MDMA have become more common in Suriname. Surinamese Customs officials report the arrest of large numbers of drug couriers who were attempting to transit Suriname with cocaine or MDMA. MDMA produced in Europe and destined for the United States is predominately transported directly via air freight and express mail or carried by couriers traveling on commercial airlines. However, because of historic ties between the Netherlands and Suriname, and because the Netherlands is an important source country for MDMA, Suriname may represent an alternative transshipment point for European MDMA destined for the United States.

There have been reports of large-scale cultivation of cannabis in Suriname; however, the interior of the country is beyond the effective control of law enforcement officials so these reports are difficult to confirm. The antidrug brigade of the *Korps Politie Suriname* (KPS), Suriname's police force and

Surinamese Customs hold primary responsibility for counterdrug law enforcement. The KPS also has a financial unit in charge of money laundering investigations. Cocaine, marijuana, and heroin are readily available in Suriname. Marijuana is the main drug of abuse, followed by cocaine. Sometimes cocaine base is combined with heroin into a substance, known locally as *blakadjonko*, and smoked. Wholesale amounts of cocaine sell among drug traffickers for US\$4,000 per kilogram; heroin for between US\$10,600 and US\$13,500 per kilogram; and marijuana for about US\$285 per kilogram.

Suriname is not considered an important offshore financial center because the instability of Suriname's currency, the guilder, makes it unattractive to money launderers. Furthermore, local banks enforce strict currency controls limiting the amount of currency individuals and businesses are permitted to withdraw from banks per day. However, the U.S. dollar trades freely on the black market, and limited reporting indicates that some money laundering occurs in Suriname through overvaluation of purchase prices; the sale of gold

purchased with illicit funds; and manipulation of accounts in commercial and state-controlled banks. Money laundering, if drug-related, is a criminal offense in Suriname. Surinamese law allows for the seizure and forfeiture of assets connected to drug trafficking and money laundering.

The extent of the chemical diversion in Suriname is unknown. However, limited DEA reporting indicates that traffickers have diverted essential chemicals for use at clandestine cocaine processing laboratories in the interior of Suriname. Surinamese law enforcement officials continue to have difficulty in verifying these reports due to ongoing guerrilla activity in the Surinamese interior, and the lack of law enforcement manpower and equipment. There are no laws governing the importation and exportation of essential chemicals in Suriname.

In November 1975, Suriname gained independence from The Netherlands and became an independent state. Suriname has signed the major international antidrug agreements including the 1961 U.N. Single

### Drug Seizures in Suriname (1999-2002)

	1999	2000	2001	2002
Cocaine (kilograms)	150	207	2,274	340
Marijuana (kilograms)	0	107	5	205

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

Convention and its 1972 Protocol; the 1971 U.N. Convention on Psychotropic Substances; and the 1988 U.N. Drug Convention. The Government of Surinam has signed but not ratified the Inter-American Convention against Corruption. In 1998, the Government of Surinam signed a maritime law enforcement agreement with the U.S. Government, but has no overflight agreement. Suriname, a former Dutch colony, and the United States consider extradition requests to be covered under the 1904 United States–Netherlands Extradition Treaty. However, there have been no extraditions between the United States and Suriname since Suriname's independence in 1975. Suriname is a member of the CFATF.

## Trinidad and Tobago

Based on anecdotal reporting and several large cocaine seizures in recent years, Venezuelan and Colombian drug trafficking organizations appear to have increased their use of Trinidad and Tobago as a transit point for cocaine destined for the United States. These organizations have taken advantage of Trinidad and Tobago's proximity to Venezuela (Trinidad is 7 miles from Venezuela at its nearest point), as well as its largely unmonitored coastline, to facilitate the transshipment of drugs to the United States and Europe.

Thousands of small boats (*pirogues*) travel between Trinidad and Venezuela without inspection, because of a shortage of serviceable Trinidad Coast Guard boats. Once cocaine enters Trinidad, it is smuggled out on cargo vessels, in air cargo, and by couriers who conceal it on their person or in their luggage.

Cannabis is grown in the forest and jungle areas of northern, eastern, and southern Trinidad and, to a

minor extent, Tobago. This cannabis is primarily grown for local consumption and is usually not transshipped, except occasionally in small amounts. In Trinidad and Tobago, cannabis eradication is conducted by manual cutting rather than herbicides. In recent years, local eradication efforts supported by the U.S. Government have resulted in the importation of marijuana from South America and nearby islands to meet local demand.

Trinidad and Tobago may be emerging as a transit country for South American heroin destined for the United States.

The Trinidad Police Organized Crime and Narcotics Unit (OCNU) and the Trinidad Coast Guard hold primary responsibility for drug law enforcement in Trinidad and Tobago.

Cocaine, crack, and marijuana are available readily in the Trinidad and Tobago. Wholesale amounts of cocaine sell among drug traffickers for about US\$6,400 per kilogram, with marijuana selling for

## TRINIDAD AND TOBAGO

### DEA OFFICE RESPONSIBLE

Port of Spain Country Office

### POPULATION

1,169,682

### TOTAL AREA

5,128 square kilometers

### COASTLINE

362 kilometers

### CAPITAL

Port of Spain

### TYPE OF GOVERNMENT

Parliamentary Democracy

### KEY GOVERNMENT OFFICIALS

#### PRESIDENT

Arthur Robinson

#### PRIME MINISTER

Patrick Manning

#### ATTORNEY GENERAL

Glenda Morean

### LOCAL CURRENCY

Trinidad and Tobago dollar (TTD)

TTD 5.98 = US\$1 (2002)



### 2001 Drug Seizures in Trinidad and Tobago

Cocaine (kilograms)	772.0
Heroin (kilograms)	14.5

Source: Data for table derived from the U.S. Department of State's *INCSR*, as reported by the host nation.

about US\$224 per kilogram. Crack cocaine sells on the street for between US\$.79 and US\$3.97 per "hit." Cocaine and crack use is prevalent in Trinidad and Tobago.

Trinidad and Tobago is not an important regional or offshore financial center. However, drug traffickers reportedly have laundered money using overvalued purchase prices, real estate, casinos, stockbrokers, insurance companies, and other nonfinancial establishments. In Trinidad and Tobago, money laundering is illegal and predicate offenses include drug trafficking and other serious crimes. The money laundering laws include suspicious reporting requirements and provisions allowing seizure of proceeds for serious crimes.

Trinidad and Tobago is not a source country for chemicals used in illicit drug production; however, some essential chemicals imported for Trinidad and Tobago's petrochemical industry potentially may be diverted for illicit drug production in South America. Trinidadian law criminalizes the diversion of pharmaceuticals and controlled chemical substances. The Chemistry, Food, and Drug Division of the Ministry of Health has responsibility for oversight of the diversion of controlled chemical substances.

In August 1962, Trinidad became an independent state. Trinidad and Tobago has signed the major international antidrug agreements including the 1961 U.N. Single Convention and its 1972 Protocol; the 1971 U.N. Convention on Psychotropic Substances; and the 1988 U.N. Drug Convention. The Government of Trinidad and Tobago is party to the Inter-American Convention against Corruption. The Government of Trinidad and Tobago has an MLAT agreement, a maritime law enforcement agreement, and an extradition treaty with the United States. Trinidad and Tobago is a member of the CFATF.

## United Kingdom's Caribbean Overseas Territories

Anguilla, the British Virgin Islands, the Cayman Islands, Montserrat, and Turks and Caicos are part of the United Kingdom's Caribbean Overseas Territories, while Bermuda is a self-governing Overseas Territory of the United Kingdom. The Caribbean Overseas Territories and Bermuda, through the United Kingdom, are parties to the major international antidrug agreements including the 1971 U.N. Convention on Psychotropic Substances and the 1988 U.N. Drug Convention. In 1994, legislation

was adopted in the U.K. that enabled the Caribbean Overseas Territories to comply with the requirements of the 1988 U.N. Drug Convention, including asset seizure and forfeiture, and control of precursor and essential chemicals. The Caribbean Overseas Territories—but not Bermuda—are subject to the U.S.–U.K. MLAT and asset-sharing agreements. The U.S.–U.K. extradition treaty also covers the Caribbean Overseas Territories and Bermuda. The United States and the United Kingdom also have several maritime cooperation and overflight agreements covering the Caribbean.

### ANGUILLA

#### DEA OFFICE RESPONSIBLE

Caribbean Field Division

#### POPULATION

12,132

#### TOTAL AREA

91 square kilometers

#### COASTLINE

61 kilometers

#### CAPITAL

The Valley

#### TYPE OF GOVERNMENT

Constitutional Monarchy  
Overseas Territory  
(United Kingdom)

#### KEY GOVERNMENT OFFICIALS

##### CHIEF MINISTER

Hubert Hughes

##### GOVERNOR

Alan Hoole

#### LOCAL CURRENCY

East Caribbean dollar (XCD)  
XCD 2.7 = US\$1 (2002)



Anguilla's economy is heavily dependent on offshore banking and specialized luxury tourism. The potential for money laundering exists in Anguilla, based on bank secrecy laws and a small, but growing, offshore financial sector.

Anguillan law criminalizes money laundering and defines predicate offenses as any indictable offense. Anguilla requires suspicious transaction reporting. Anguilla does not distinguish between local and offshore companies. Anguillan law allows companies to incorporate quickly with minimal cost. Anguilla allows certain types of companies a great deal of secrecy, not enforcing audits or accounting practices, and not requiring some types of companies to publish a list of shareholders or directors. Anguilla is a member of the CFATF.

## Anguilla

Anguilla is not considered an important transshipment point for drugs coming into the United States, in part due to its limited transportation infrastructure. However, Anguilla, like other small islands in the Eastern Caribbean, may be used as an occasional staging point for go-fast-boat and airdrop operations, especially considering Anguilla's proximity to Puerto Rico.

## BERMUDA

### DEA OFFICE RESPONSIBLE

Newark Field Division

### POPULATION

63,503

### TOTAL AREA

58.8 square kilometers

### COASTLINE

103 kilometers

### CAPITAL

Hamilton

### TYPE OF GOVERNMENT

Parliamentary Government  
Overseas Territory  
(United Kingdom)

### KEY GOVERNMENT OFFICIALS

#### PREMIER

Jennifer Smith

#### GOVERNOR

Thorold Masefield

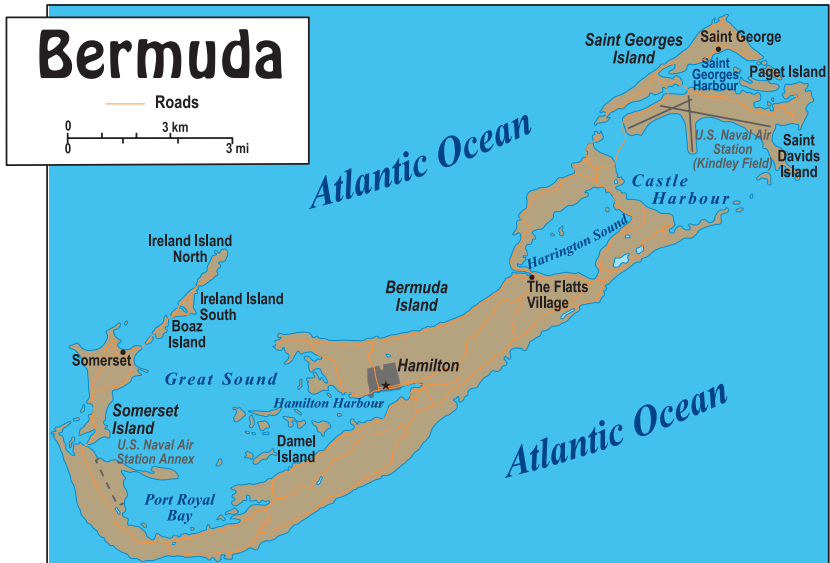
#### ATTORNEY GENERAL

Lois Brown Evans

### LOCAL CURRENCY

Bermudan dollar (BMD)

BMD 0.97 = US\$1 (2002)



location and limited flight connections. Some illegal substances consumed in Bermuda are transhipped to Bermuda by way of the United States.

Bermuda is an important offshore financial and business center and maintains a fixed exchange rate with the U.S. dollar. In 1997, a Proceeds of Crime Act was passed that imposed strict reporting requirements on financial institutions. Bermuda has an FIU and is a member of the Egmont Group and the CFATF. Bermudan law, which criminalizes money laundering, includes drug trafficking and several other crimes as predicate offenses. The law also requires suspicious transaction reporting.

## Bermuda

Bermuda is a self-governing Overseas Territory of the United Kingdom. It is not an important transshipment point for drugs coming into the United States, in part due to Bermuda's isolated geographic

## CAYMAN ISLANDS

### DEA OFFICE RESPONSIBLE

Miami Field Division

### POPULATION

35,527

### TOTAL AREA

259 square kilometers

### COASTLINE

160 kilometers

### CAPITAL

Georgetown

### TYPE OF GOVERNMENT

Parliamentary Government  
Overseas Territory  
(United Kingdom)



### KEY GOVERNMENT OFFICIAL

#### GOVERNOR AND PRESIDENT, EXECUTIVE COMMITTEE

Peter Smith

### LOCAL CURRENCY

Caymanian dollar (KYD)

KYD 0.80 = US\$1 (2002)



## Cayman Islands

The Cayman Islands are occasional transshipment points for cocaine from South America and marijuana from Jamaica—both intended for import into the United States. Cayman authorities occasionally seize Jamaican go-fast boats that transit their territory. The Royal Cayman Island Police (RCIP) occasionally seizes drugs in air or maritime cargo destined for the United States—usually just small amounts of marijuana. Typically, the amount of drug trafficking between the Cayman Islands and the United States is not significant. However, the need for mutual support is important.

The Cayman Islands are known for their bank secrecy laws. The Caymans were once a haven for investing drug profits, and money laundering reportedly still occurs. However, this trend has decreased with increased currency seizures from the banking system.

The FATF has listed 15 countries that allegedly have failed to cooperate fully in the international fight against money laundering, and has urged a close watch on their financial activities. Several Caribbean nations are cited in the list, including the Cayman Islands. The FATF report noted that in the Cayman Islands there are no legal requirements for customer identification or record keeping; no mandatory regimen for reporting suspicious transactions; and a large group of management companies are unregulated. However, the FATF also noted that the Cayman Islands is considered a leader in developing anti-money laundering programs in the Caribbean. The U.S. Department of the Treasury has issued an advisory to warn U.S. financial institutions about the weak anti-money laundering regime of the Cayman Islands. The Cayman Islands is a member of the CFATF.

## MONTSERRAT

### DEA OFFICE RESPONSIBLE

Caribbean Field Division

### POPULATION

6,409 (July 2000 est.)

### TOTAL AREA

100 square kilometers

### COASTLINE

40 kilometers

### CAPITAL

Brades (interim site)

### TYPE OF GOVERNMENT

Constitutional Monarchy Overseas  
Department (United Kingdom)

### KEY GOVERNMENT OFFICIALS

#### CHIEF MINISTER

John Osborne

#### GOVERNOR

Anthony John Abbott

## Montserrat

Like other islands in the Eastern Caribbean, drug traffickers likely use Montserrat as a transshipment point for cocaine and marijuana carried by small

maritime vessels. However, Montserrat is not considered a major transshipment point for



commercial shipments of drugs, due to volcanic eruptions that disrupt the island's infrastructure and tourist industry. The eruption of Soufriere Hills volcano in July 1995 devastated much of Montserrat and caused an estimated two-thirds of the 12,000 inhabitants to flee the island. In June 1997, a full-scale eruption closed the air and seaports. In March 1999, the British Government, deciding that the island was now safe, began funding the return of evacuees to Montserrat. A restoration of Montserrat's infrastructure, including the airport and

cruise ship handling facilities, will increase Montserrat's vulnerability to cocaine trafficking by commercial means.

Some money laundering may continue to occur through Montserrat's offshore financial sector. Montserratian law criminalizes money laundering connected to any indictable offense and requires suspicious transactions reporting. Montserrat is a member of the CFATF.

## TURKS AND CAICOS

### DEA OFFICE RESPONSIBLE

Nassau Country Office

### POPULATION

18,122

### TOTAL AREA

430 square kilometers

### COASTLINE

389 kilometers

### CAPITAL

Cockburn Town

### TYPE OF GOVERNMENT

Constitutional Monarchy  
Overseas Territory  
(United Kingdom)

### KEY GOVERNMENT OFFICIALS

#### CHIEF MINISTER

Derek H. Taylor

#### GOVERNOR

John Kelly

### LOCAL CURRENCY

U.S. dollar



## Turks and Caicos

The scattered geography of Turks and Caicos, and its close proximity to the United States, attracts some drug traffickers who use the islands as transshipment points for cocaine and marijuana destined for the United States. Drug trafficking patterns through Turks and Caicos, involving go-fast boats and stash locations, are similar to those of The Bahamas, but on a smaller scale. Anecdotal reporting and past seizures indicate that traffickers

occasionally move multihundred-kilogram quantities of cocaine through Turks and Caicos via commercial maritime means. Turks and Caicos, along with The Bahamas and various U.S. Government agencies, participates in OPBAT.

Drug traffickers launder illicit drugs proceeds in Turks and Caicos primarily through the offshore financial sector and construction industry. In 1998, Turks and Caicos passed the Proceeds of Crime Ordinance, criminalizing money laundering related to any crime, and established asset forfeiture provisions. However, no reporting authority has been established. Turks & Caicos is a member of the CFATF.

## BRITISH VIRGIN ISLANDS

### DEA OFFICE RESPONSIBLE

Caribbean Field Division

### POPULATION

20,812

### TOTAL AREA

150 square kilometers

### COASTLINE

80 kilometers

### CAPITAL

Road Town

### TYPE OF GOVERNMENT

Constitutional Monarchy

Overseas Territory

(United Kingdom)

### KEY GOVERNMENT OFFICIALS

#### CHIEF MINISTER

Ralph I. O'Neal

#### GOVERNOR

Francis J. Savage

## U.S. VIRGIN ISLANDS

### DEA OFFICE RESPONSIBLE

Caribbean Field Division

### POPULATION

122,211

### TOTAL AREA

352 square kilometers

### CAPITAL

Charlotte Amalie

### Type of Government

Territory of the United States

### KEY GOVERNMENT OFFICIALS

#### GOVERNOR

Dr. Charles W.

Turnbull

#### LEUTINANT GOVERNOR

Gererd Luz James II



### LOCAL CURRENCY

U.S. dollar

## British Virgin Islands (BVI)

Traffickers use the British Virgin Islands as a transshipment point and a temporary storage location for drug shipments—primarily cocaine—destined for the U.S. Virgin Islands, Puerto Rico, and the continental United States. These drug shipments often are smuggled into the BVI via small maritime vessels. Traffickers have staged numerous cocaine smuggling operations using go-fast boats from the nearby island of St. Maarten. In addition, Tortola (part of the British Virgin Islands) is a major transit area for drugs entering St. Thomas (part of the U.S. Virgin Islands). Anecdotal reporting indicates that traffickers sometimes smuggle cocaine from the British Virgin Islands to the U.S. Virgin Islands via local inter-island ferry services.

BVI law criminalizes money laundering and defines all criminal conduct as predicate offenses. The law also requires suspicious activity reporting. The British Virgin Islands has an FIU and is a member of the Egmont Group and the CFATF. The 2003 INCSR lists the BVI as a Jurisdiction of Concern.

## **U.S. Virgin Islands**

The U.S. Virgin Islands is an unincorporated territory of the United States, and is subject to U.S. federal laws. Traffickers use the U.S. Virgin Islands as a transshipment point and a temporary storage location for drug shipments—primarily cocaine—destined for Puerto Rico and the continental United States. These drug shipments often are smuggled into the U.S. Virgin Islands via maritime vessels from the British Virgin Islands and the Lesser Antilles. Traffickers have staged numerous cocaine smuggling operations using go-fast boats from the nearby island of St. Maarten. In addition Tortola is a major transit area for drugs entering St. Thomas.

Traffickers smuggle cocaine from the U.S. Virgin Islands to the continental United States and Puerto Rico via maritime vessels and commercial airlines.

Cocaine, crack, and marijuana are readily available in the U.S. Virgin Islands. The wholesale price range of cocaine is between US\$9,000 and US\$14,000 per kilogram, while wholesale amounts of marijuana range between US\$250 to US\$1,250 per pound, depending upon the grade and quality of the product. Crack cocaine tends to be the drug of choice, and sells for about US\$20 per rock. The second most popular drug in the U.S. Virgin Islands is marijuana. Some cannabis is locally grown.

### Note 1

The 1961 U.N. Convention codified internationally applicable control measures in order to ensure the availability of drugs and psychotropic substances for medical and scientific purposes, and to prevent their diversion into illicit channels. It also included general provisions on illicit trafficking and drug abuse. The 1971 U.N. Convention established an international control system for psychotropic substances. The Convention was in response to the diversification and expansion of the spectrum of drugs of abuse, and it introduced controls over a number of synthetic drugs. The 1988 U.N. Convention established comprehensive measures against drug trafficking, including provisions against money laundering and the diversion of chemicals used in illegal drug production. It helped establish international cooperation regarding the extradition of drug traffickers, controlled deliveries, and the transfer of case proceedings.

### Note 2

The Inter-American Convention against Corruption requires signatory countries to criminalize solicitation or acceptance of bribes and other corrupt acts, and to eliminate bank secrecy or political grounds as a basis for refusal to cooperate in criminal investigations. Signatories also are encouraged to take important preventative measures to reduce their vulnerability to corruption. The Convention is limited to members of the Inter-American Drug Abuse Commission (CICAD). CICAD Caribbean member states include: Antigua and Barbuda, The Bahamas, Barbados, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

### Note 3

Mutual Legal Assistance Treaties (MLATs) allow generally for the exchange of evidence and information in criminal investigations.

### Note 4

The Caribbean Financial Action Task Force (CFATF) is a regional body developed to advance anti-money laundering initiatives within the Caribbean. Its 25 members include Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Bermuda, the British Virgin Islands, the Cayman Islands, Costa Rica, Dominica, the Dominican Republic, Grenada, Jamaica, Montserrat, the Netherlands Antilles, Nicaragua, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Turks and Caicos, Trinidad and Tobago, and Venezuela.

### Note 5

The Egmont Group, created in 1995, is an international group of Financial Investigative Units (FIUs) that meet annually about financial crimes. According to the Egmont Group, FIUs are centralized agencies that, at a minimum, receive, analyze, and disclose to competent authorities information provided by financial institutions (and other mandated entities) concerning possible money laundering and other financial crimes.

### Note 6

The Financial Action Task Force (FATF) was created in 1989 and has 29 member nations, including the United States, and two regional organizations. One of the goals of the FATF is to develop standards of openness in banking and to discourage money laundering.

### Note 7

Grenada was listed on the FATF Non-Cooperative Countries or Territories (NCCT) list in 2001. Due to improvement in their anti-money laundering legislation, they were removed in February 2003.

## APPENDIX 2: COMMONLY USED ACRONYMS

<b>ABCG:</b> Antigua and Barbuda Coast Guard	<b>IBC:</b> international business companies
<b>AMLA:</b> Anti-Money-Laundering Authority	<b>INCSR:</b> International Narcotics Control Strategy Report
<b>BLTS:</b> <i>Bureau de la Lutte Contre le Trafic des Stupefiants</i> (Bureau of the War against Drug Trafficking)	<b>JCF:</b> Jamaica Constabulary Force
<b>CANU:</b> Customs Anti-Narcotics Unit	<b>JDF:</b> Jamaica Defense Force
<b>CBP:</b> Bureau of Customs and Border Protection	<b>KPS:</b> Korps Politie Suriname (Suriname Police Force)
<b>CDPF:</b> Commonwealth of Dominica Police Force	<b>MDMA:</b> 3,4-methylenedioxyamphetamine (also commonly referred to as Ecstasy)
<b>CFATF:</b> Caribbean Financial Action Task Force	<b>MLAT:</b> Mutual Legal Assistance Treaty
<b>CGNAA:</b> Coast Guard of the Netherlands Antilles and Aruba	<b>MLPA:</b> Money Laundering (Prevention) Act
<b>CICAD:</b> Inter-American Drug Abuse Commission	<b>MOT:</b> <i>Meldpunt Ongebruikelijke Transacties</i> (Aruba or Netherlands Antilles FIU)
<b>CID:</b> Criminal Intelligence Division	<b>OCNU:</b> Trinidad Organized Crime and Narcotics Unit
<b>CND:</b> Dominican National Drug Control Council	<b>OPBAT:</b> Operation Bahamas and Turks and Caicos
<b>DEA:</b> U.S. Drug Enforcement Administration	<b>RBDF:</b> Royal Bahamas Defense Force
<b>DEU:</b> Drug Enforcement Unit	<b>RBPF:</b> Royal Bahamas Police Force
<b>DNCD:</b> <i>Dirección Nacional de Control de Drogas</i> (National Directorate for Drug Control)	<b>RCIP:</b> Royal Cayman Islands Police
<b>FATF:</b> Financial Action Task Force	<b>TGF:</b> Tropas Guardas Fronteras (Cuban Border Guard)
<b>FIU:</b> Financial Intelligence Unit	<b>UK:</b> United Kingdom
<b>FOL:</b> Forward Operating Location	<b>UN:</b> United Nations
<b>GPF:</b> Guyana Police Force	<b>USCG:</b> U.S. Coast Guard

### APPENDIX 3: TREATIES AND LAWS BY COUNTRY

	Anguilla	Antigua and Barbuda	Aruba	The Bahamas	Barbados	Bermuda	British Virgin Islands	Cayman Islands	Cuba	Dominica	Dominican Republic	French Guiana	Grenada	Guadeloupe	Guyana	Haiti	Jamaica	Martinique	Montserrat	The Netherlands Antilles	St. Kitts and Nevis	St. Lucia	St. Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
1961 UN SINGLE CONVENTION	N	Y	1	Y	Y	N	N	N	Y	Y	Y	2	Y	2	N	Y	Y	2	N	1	Y	Y	N	Y	Y	N
1971 UN CONVENTION ON PSYCHOTROPIC SUBSTANCES	N	Y	1	Y	Y	N	N	N	Y	Y	Y	2	Y	2	Y	Y	Y	2	N	1	Y	N	N	Y	Y	N
1988 UN DRUG CONVENTION	3	Y	1	Y	Y	3	3	3	Y	Y	Y	2	Y	2	Y	Y	Y	2	3	1	Y	Y	Y	Y	Y	3
INTERAMERICAN CONVENTION AGAINST CORRUPTION	7	N	7	Y	N	7	7	7	7	N	Y	7	N	7	Y	Y	4	7	7	7	N	N	N	4	Y	7
MLAT WITH UNITED STATES	3	Y	1	Y	Y	N	3	3	N	Y	N	N	Y	N	N	Y	N	3	1	Y	Y	Y	N	Y	3	
EXTRADITION TREATY WITH THE UNITED STATES	3	Y	1	Y	Y	3	3	3	6	Y	Y	2	Y	2	Y	5	Y	2	3	1	Y	Y	Y	Y	Y	3
MARITIME AGREEMENT WITH THE UNITED STATES	3	Y	N	Y	Y	3	3	3	N	Y	Y	N	Y	N	N	Y	Y	N	3	N	Y	Y	Y	Y	Y	3
OVERFLIGHT AGREEMENT WITH THE UNITED STATES	3	Y	Y	Y	N	3	3	3	N	N	Y	N	Y	N	N	Y	Y	N	3	Y	Y	Y	N	N	N	3
MEMBER OF CFATF	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
MEMBER OF EGMONT GROUP	N	N	Y	N	N	Y	Y	N	N	N	Y	N	N	N	N	N	N	N	N	Y	N	N	N	N	N	N
MONEY LAUNDERING LAWS	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	2	Y	2	Y	Y	Y	2	Y	Y	Y	Y	Y	Y	Y	Y
ASSET SEIZURE LAWS	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	2	Y	2	Y	N	Y	2	Y	Y	Y	Y	Y	Y	Y	Y	Y
CHEMICAL DIVERSION LAWS	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y	2	Y	2	Y	N	Y	2	Y	N	Y	N	Y	N	Y	Y

- Y PARTY TO THE AGREEMENT/TREATY OR HAS APPLICABLE LAWS
- N NOT PARTY TO THE AGREEMENT/TREATY OR DOES NOT HAVE APPLICABLE LAWS
- 1 PARTY TO THE AGREEMENT/TREATY AS PART OF THE KINGDOM OF THE NETHERLANDS
- 2 PARTY TO THE AGREEMENT/TREATY OR HAS APPLICABLE LAWS AS A DEPARTMENT OF FRANCE
- 3 PARTY TO THE AGREEMENT/TREATY THROUGH THE UNITED KINGDOM
- 4 SIGNED BUT NOT RATIFIED
- 5 EXTRADITION OF HOST GOVERNMENT NATIONALS IS NOT PERMITTED
- 6 TREATY NOT RECOGNIZED BY HOST GOVERNMENT
- 7 NOT A MEMBER OF THE INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION (CICAD)







