

Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION
INTELLIGENCE DIVISION

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COSTA RICA: COUNTRY PROFILE

DEA Office Responsible	Costa Rica Country Office
Area	51,032 square kilometers (19,652 square miles)
Population	3,896,092 (July 2003 Est.)
Capital	San Jose
Type of Government	Democratic Republic

TOP COSTA RICAN OFFICIALS

President	Abel Pacheco
Vice Presidents	Lineth Saborio and Luis Fishman
Minister of the Presidency	Danilo Chaverri Soto
Minister of Planning	Lineth Saborio
Minister of Foreign Relations	Roberto Tovar Faja
Minister of Government, Police, and Public Security	Rogelio Ramos
Minister of Justice	Patricia Vega

Historical Comment

In 1502, on his fourth and last voyage to the New World, Christopher Columbus made the first European landfall in Costa Rica. Settlement of Costa Rica began in 1522 and for nearly three centuries Spain administered the country under a military governor. Costa Rica's current political system resulted from a brief civil war in 1948.

The Government of Costa Rica has remained stable from the early 1950s to the present. This stability is partly due to large-scale government spending on social programs by the ruling *Partido Liberacion Nacional* (PLN) and the re-incorporation of defeated ex-president Rafael Angel Calderon Guardia's followers into the political system as the major opposition party, the *Partido Unidad Social Cristiana* (PUSC). The PUSC managed to win the presidency in 1958, 1966, and 1978; however, the PLN remained the dominant party until 1990. Costa Rica's political system remained relatively stable throughout the country's social and economic crises of the 1980s and 1990s, as was evident through peaceful elections and alternating PLN and PUSC presidencies.

Overview

Costa Rica is a transshipment and staging area for cocaine and South American heroin destined for the United States and, to a lesser extent, Europe. Costa Rica's strategic location on the Central American Isthmus makes the country an important transshipment route for drug traffickers from Central and South America, especially Colombia-based organizations. The country's dual coastlines and the Pan-American Highway, which runs the length of the country, provide a variety of smuggling routes that are heavily used by traffickers. Drug traffickers use Costa Rica as a location to store and consolidate multihundred-kilogram cocaine shipments, as well as to stage heroin shipments for smuggling by means of couriers to the United States.

Costa Rica's cocaine seizure statistics doubled from 2001 to 2002 (from 1,500 kilograms to 3,547 kilograms), but did not reach the record amounts of cocaine seized in 1997 and 1998—over 7 metric tons each year. Heroin seizure statistics are equally impressive, nearly tripling from 2001 to 2002 (18.4 kilograms and 58.8 kilograms, respectively). Furthermore, heroin seizures in Costa Rica from January through April 2003 have already exceeded 56 kilograms. This has become a serious concern not only for the law enforcement authorities of Central America, but also for U.S. authorities, since the vast majority of this South American heroin is destined for the United States.

DRUG SEIZURES IN COSTA RICA 1998 - 2002

	1998	1999	2000	2001	2002
Cocaine (kilograms)	7,419	1,998	1,944	1,500	3,547
Heroin (kilograms)	24.5	2.0	8.6	18.4	58.8
Marijuana (kilograms)	305	1,357	1,227	2,800	N/A
Cannabis Plants Eradicated	731,580	2,152,648	2,043,006	1,057,704	2,027,193
Drug Arrests	688	881	109	154	75

Drug trafficking organizations, facing ever-improving interdiction capabilities of the Costa Rican police, constantly adapt their smuggling methods to reduce the chance of losing large cocaine shipments to law enforcement authorities. During 1999 and 2000, Colombian cocaine traffickers increasingly transported multiton drug loads directly to Guatemala and Mexico, using go-fast boats and aircraft to circumvent

police presence along the Pan-American Highway. In 2001, drug traffickers preferred a maritime route further out to sea in the East Pacific; however, in 2002, there was a marked increase in smuggling by go-fast boats along the Central American coastline. Drug traffickers with smaller shipments used sports utility vehicles and hidden compartments in regular passenger cars to transport hundred-kilogram quantities of cocaine through the Costa Rican-Panamanian border.

Cannabis is cultivated throughout Costa Rica. The Costa Rican Government, working jointly with the U.S. Government, conducts extensive cannabis eradication campaigns. Overall, nearly 9 million cannabis plants have been eradicated in Costa Rica since 1998.

Cultivation and Production

Cannabis is grown in small plots in mountainous regions to the southwest of the Caribbean port city of Limon, especially in Sixaloo; in the Valle de la Estrella; in the Talamanca Mountains near the Panamanian border; and in the Valle del General near the Pacific coast. Such cultivations are usually small and are sometimes intermixed with legitimate crops, but they are numerous, especially in the Talamanca Region. Intelligence indicates that the marijuana produced in Costa Rica is for local consumption, and is not exported. This is partly due to the low THC* levels in Costa Rican marijuana and the availability of higher quality marijuana, which is smuggled in from other countries throughout the region.

Costa Rica was the first venue for Operation CENTRAL SKIES, which provides U.S. Department of Defense helicopters and maritime assets to Central American nations for eradication efforts. Since January 26, 1999, Costa Rica has hosted successful joint operations under this regional law enforcement effort, which, as of March 2003, has resulted in the destruction of nearly 9 million cannabis plants.

To date, there are no reports of coca or opium poppy cultivation in Costa Rica. No illicit drug laboratories have been detected or reported in Costa Rica since 1986, when one insignificant cocaine processing laboratory was discovered.

Chemicals

Costa Rica does not produce controlled chemicals. The Ministry of Health is responsible for chemical control in Costa Rica. Related legislation has been in effect since 1961, but the more significant statutes controlling the importation, exportation, and internal usage of 46 controlled precursor chemicals have been in effect only since 1989. In 1996, this legislation was amended to add five chemicals. Further amendments, in May 1998, strengthened controls and incorporated provisions of the Organization of American States (OAS) model regulation. All imports of precursor and essential chemicals must be approved by the Drug Department of the Public Health Ministry, and all manufacturers of such substances must register with this ministry and submit samples. The Public Health Ministry has effectively tracked the

* Delta-9 tetrahydrocannabinol (THC) is the primary psychoactive chemical of the cannabis plant. Potency is expressed as the percentage of THC in the dried plant material.

importation and distribution of precursor chemicals and prescription medicines for years, and in the process has built up a comprehensive computer database. The importation, exportation, or utilization of controlled chemicals requires a lengthy application and screening process, verification of necessary licenses, and background checks for prior violations. Firms also are subject to unannounced inspections. In addition, the Ministry of Health maintains contacts with international counterparts, particularly source countries exporting controlled chemicals.

Drug Trafficking Trends

The primary drug threat in Costa Rica is the transshipment of cocaine from South American source countries, particularly Colombia, to markets in the United States and Europe. Costa Rica's geographical position—coastlines on both the Caribbean Sea and Pacific Ocean and located directly north of Panama—explains its attractiveness to traffickers. Adding to its appeal is the Pan-American Highway, which runs the entire length of the country.

From the mid-1990s until 2001, drug traffickers frequently used commercial fishing vessels to smuggle cocaine into the Pacific Ports of Puntarenas–Puerto Caldera and Golfito. However, as a result of several extremely large seizures from fishing vessels, drug smugglers appear to have increased their reliance on go-fast boats. Go-fast boats transport multiton loads of cocaine from either the north coast of Colombia, or from San Andres Island, to the Caribbean coast of Costa Rica. Large cocaine shipments are transported primarily to the Caribbean coastline near the Port of Limon. The loads are then transferred to maritime containers. Perishable goods are often used as covers for illicit shipments of cocaine. These containers are then shipped on commercial maritime vessels, or transported overland by tractor-trailer trucks to San Jose, then northward to Guatemala via the Pan-American Highway. In 2002, however, traffickers used multiple logistical supply vessels (LSVs) to supply fuel, rations, and water, to go-fast boat crews, enabling the boats to transverse the entire Central America coastline en route to Mexico. During these refueling operations, the LSVs were positioned equidistant from each other to service multiple go-fast boats, which traveled several hours apart.

Drug trafficking between Panama and Costa Rica often involves go-fast boats or dugout canoes to move cocaine via the coastal and riverine waterways along the Caribbean coast. Once in Costa Rica, the cocaine shipments are consolidated and then loaded onto tractor-trailers for further transport northward.

Cocaine shipments frequently enter Panama in maritime containers from Colombia at the Panamanian Port of Colon. The containers are loaded onto tractor-trailers, sealed, and transported north through Central America using the Pan-American Highway. Previously, drug traffickers concealed multihundred-kilogram shipments of cocaine in tractor-trailers in Panama. During 1999 and 2000, drug traffickers became increasingly reluctant to use this method, because the tractor-trailers were subjected to closer inspection in Costa Rica. Due to a series of large seizures in late 1998 and early 1999, drug traffickers changed their methods of smuggling cocaine from Panama through Costa Rica. Drug traffickers have increasingly used smaller vehicles to smuggle cocaine into Costa Rica through multiple informal crossing points along the Pacific side of the Costa Rican-Panamanian border. In addition,

drug traffickers are sending smaller shipments directly to Nicaragua, as quickly as possible, instead of consolidating them in San Jose.

Drug trafficking organizations have also increased their use of the Sixaloe port of entry (POE) on the Caribbean side of the Panamanian-Costa Rican border as an overland smuggling route for loads of cocaine frequently hidden in shipments of lumber. The cocaine is shipped northward to the Caribbean Port of Limon, where the drug traffickers can either conceal it in cargo containers or ship it overland to San Jose.

The single POE along Costa Rica's northern border with Nicaragua at Peñas Blancas contrasts with the relatively porous border with Panama. The Costa Rican Government and the Drug Control Police (PCD) have initiated procedures that focus law enforcement efforts at Peñas Blancas, which is a logical chokepoint for interdiction.

Costa Rica has not experienced the increase in air smuggling that has plagued other countries in Central America. The pilots of airplanes carrying illicit drugs bypass the over 200 clandestine airstrips in Costa Rica, preferring to travel farther northward before refueling. Nonetheless, there have been reported airdrops to waiting vessels off the Pacific coast of Costa Rica near the Playa del Coco area in northern Costa Rica and in the Osa Peninsula area in the south.

Heroin smuggling through Costa Rica by drug trafficking groups has increased drastically from 2001 through 2002. Between January and mid-October 2003, Costa Rican authorities seized approximately 102 kilograms of heroin, which nearly doubled seizures for the previous year. Furthermore, recent seizures indicate that heroin is being smuggled in conjunction with cocaine shipments. Typically, drug traffickers employ couriers, or "mules," to carry less than 5 kilograms of drugs through Costa Rica and on to the United States. These couriers travel on commercial airlines, cruise lines, private vehicles, and buses. Concealment methods include external body carry, internal body carry, luggage linings, and inside the soles of shoes.

SIGNIFICANT SOUTH AMERICAN HEROIN SEIZURES IN COSTA RICA IN APRIL 2003

The two largest documented heroin seizures in Costa Rica's history occurred during April 2003, bringing the total heroin seizures for the first 4 months of 2003 to nearly the total amount seized in 2002. On April 5, 2003, Costa Rican authorities seized 13 kilograms of South American heroin and arrested a Spanish national at the Juan Santamaria International Airport in San Jose en route to Miami, Florida. On April 9, 2003, a pickup truck carrying two people arrived at a police checkpoint 37 kilometers north of the Paso Canoas POE. The police noticed the nervous behavior of the driver and what appeared to be a false wall in the bed of the pickup truck. The PCD responded to the checkpoint with a K-9 that alerted to the truck bed for the presence of drugs. As a result of a complete inspection, the police discovered 40 kilograms of heroin and 101 kilograms of cocaine.

Drug Abuse and Prevention

Drug use in Costa Rica consists of cocaine, primarily crack cocaine, and marijuana. Since 2000, use of MDMA has emerged in the more urban and tourist areas. Current drug use statistics indicate that there are about 120,000 drug addicts (4 percent of the country's population) in Costa Rica.

Crack cocaine is widely abused throughout Costa Rica. An estimated 85 percent of Costa Rica's drug addicts abuse crack cocaine. As is the case in the rest of Central America, Colombian trafficking organizations pay local Costa Rican transporters in cocaine that is then converted to crack by local groups seeking to distribute it in Costa Rica's urban areas.

Cocaine hydrochloride (HCl) is readily available along the Panamanian border and Atlantic coastline, and can be purchased for as little as US\$3.00 per gram. The majority of cocaine HCl smuggled into Costa Rica is en route to the United States and Europe via Guatemala and Mexico.

Marijuana is the most widely abused illegal drug in Costa Rica and is readily available in nightclubs and discos, and from small-time street dealers. The majority of the marijuana consumed in Costa Rica is produced locally, primarily in the Valle del General in southwestern Costa Rica and in the Talamanca area. In 2003, an investigation revealed that traffickers were cultivating hydroponic cannabis in Costa Rica and selling it in the central Pacific coastal towns of Jaco and Playa Hermosa. As a result of this investigation, in September 2003, DEA's Costa Rica Country Office (CRCO) and the PCD seized an indoor hydroponic cannabis grow in San Jose. The operation resulted in the seizure of 416 female hybrid cannabis plants, 12 kilograms of packaged hybrid buds, and 8 MDMA tablets. This seizure is believed to represent the first recorded indoor hydroponic cannabis grow in Central America. Intelligence indicates that other hydroponic cannabis farms may exist in Costa Rica.

Since 2000, the club drug MDMA has become increasingly available and popular in the urban and tourist areas of Costa Rica, especially in several clubs in San Jose that cater to techno-music events. These events are commonly advertised on the radio and within the club counterculture via locally distributed flyers. This relatively new phenomenon of MDMA abuse in Costa Rica may be attributable to the demand caused by the influx of young western European and U.S. citizens vacationing—and partying—in Costa Rica. The city of San Jose, supplying towns on the Caribbean coast, has been identified as a primary distribution point for MDMA.

Although the availability of Colombian heroin has increased in Costa Rica, the overwhelming majority of the drug is en route to the United States. Abuse of heroin in Costa Rica is minimal, partly due to its high price, and the relatively low prices of more easily obtainable crack cocaine and marijuana.

The Prevention Unit of the Costa Rica Counternarcotics Institute oversees drug prevention efforts and educational programs throughout the country, primarily through well-developed educational programs for use in public and private schools and community centers. The Institute and the Ministry of Education expanded their 2001

distribution of demand reduction materials for middle school students by inaugurating educational materials for high school students early in 2002. All public school children are now given demand-reduction instruction from primary school through graduation. The Costa Rican Drug Abuse Resistance Education (DARE) Foundation, modeled after its U.S. counterpart, conducts drug awareness programs at over 500 public and private schools.

Money Laundering

Costa Rica is increasingly being used to launder money, partly due to a lack of a comprehensive conspiracy law and also a lack of sufficient training in money laundering investigative methods. An indication that Costa Rica's status as a money laundering center has increased is reflected by its new designation as a country of "primary concern" by the U.S. Department of State in January 2003.

Costa Rica is a popular location for Internet gaming companies, specifically sports betting, with over 100 companies presently operating out of the country. In addition, offshore banking activity is increasing. Offshore banks receive or transfer funds in foreign currency, generally using corresponding accounts in other countries, thus avoiding most of the financial laws of Costa Rica.

In early 2001, the CRCO began to monitor hundreds of millions of U.S. dollars being legally declared at the San Jose International Airport. Based on the unusually high volume of currency entering San Jose International Airport, it is believed the proceeds are derived from illicit drug activities and are a form of money laundering. Several Colombian trafficking organizations have been identified as introducing this money into Costa Rica. These groups are, on the surface, not committing any crimes. They comply with outbound currency declaration laws in Colombia by reporting to the *Departamento de Impuestos y Aduanas Nacionales* (DIAN). Likewise, upon arrival in Costa Rica the inbound currency amounts are declared to the PCD. The currency is then deposited into bank accounts in Costa Rica for future transfers to the United States and Colombia. Unless the cash can be directly linked to criminal activity, the Costa Rican authorities cannot take action to seize the declared cash under their present banking and financial laws.

The current drug code, signed into law on May 5, 1998, strengthened existing drug-related financial laws. The 1998 law requires the reporting of suspicious transactions—transactions over \$10,000, and cross-border currency movements. In addition, the 1998 law established a Financial Investigations Unit (FIU) that is responsible for receiving and analyzing suspicious financial transaction reports and for investigating money laundering. The FIU has since been accepted as a member of the Egmont Group—an international anti-money laundering network involving nearly 50 countries—which is also known as the International Association of Financial Investigation Units. The Costa Rican FIU also has established direct relations with the Financial Crimes Network (FINCEN) in the United States.

Prices

Costa Rican Government sources report that marijuana sells for as little as 45 cents per dosage unit and US\$200 per kilogram.

The street price of cocaine HCl is approximately US\$11 per gram in San Jose. Cocaine is widely available along the Panamanian border and the Atlantic coastline, and can be purchased for as little as US\$3 per gram. Kilogram quantities sell for between US\$3,500 and US\$4,500 throughout Costa Rica.

Heroin prices are not cited, as Costa Rica is only a transshipment point for heroin.

MDMA retails from US\$12 to US\$18 per dosage unit.

LSD sells for US\$15 per dosage unit.

Counterdrug Enforcement

The primary counterdrug agencies in Costa Rica are the Judicial Investigative Police (OIJ) and the PCD. Unlike the rest of Central America, Costa Rican law allows for drug-related wiretaps, undercover operations, and controlled deliveries, all of which routinely occur. The Costa Rican Ministry of Public Security controls the Public Forces (with 3,000 officers) and the Border Guard (with 2,000 officers).

The OIJ falls under the Costa Rican Supreme Court of Justice. This institution includes a 30-member drug unit, which is based at its headquarters in San Jose. Additionally, most of the OIJ delegations in the rural areas throughout the country have one or two agents assigned to drug enforcement efforts. The OIJ also includes a Financial Investigation Office in San Jose. The OIJ is adept at complex investigations and bears the responsibility of conducting follow-up investigations of all drug cases nationwide.

The PCD falls under the Ministry of Public Security and investigates both domestic and international drug smuggling operations. The PCD also is responsible for airport interdiction as well as land-based interdiction at the primary points of entry. The San Jose-based unit of the PCD is composed of approximately 70 officers, with smaller units stationed in rural areas. The PCD has seven five- to seven-man delegations in Costa Rica's larger outlying cities. The Ministry of Public Security commissioned the first of four mobile police stations in December 1998. These stations are fully self-supporting units built in the trailers of tractor-trailer trucks. They have rooms for booking suspects, computer access to the OIJ's main computer system, living quarters for eight police officers, and are escorted by other police vehicles when traveling outside of San Jose.

In January 1999, with U.S. Government assistance, the PCD installed a permanent office at Peñas Blancas. Improvements to the Peñas Blancas POE include improved inspections of south-bound traffic to search for illegal arms, currency, precursor chemicals, and stolen equipment. This post at Peñas Blancas provides a unique opportunity for law enforcement officials to reduce overland cocaine trafficking through Central America. All large trucks must pass through Peñas Blancas to exit or

enter Costa Rica's northern border with Nicaragua. During most of the year there are no alternative routes for large vehicles to bypass the main crossing. Although there are about 15 secondary crossing points along the Costa Rican-Nicaraguan border, most of these are passable by smaller vehicles only during the dry season. A dedicated cargo inspection program in Peñas Blancas is expected to greatly reduce the ability of trafficking groups to use Costa Rica as a staging area for large overland cocaine shipments.

The Fiscal Police fall under Costa Rican Customs and are responsible for investigating tax fraud cases. It is the only agency with the authority to open containerized cargo without a court order.

The current administration continues in an effort to professionalize the executive branch police forces under the 1994 National Police Code. The OIJ and the Public Prosecutor's Office enacted a criminal code in January 1998 that requires police investigators and prosecutors to work closely in all criminal cases. However, the most significant accomplishment enhancing law enforcement efforts was the approval and implementation of the bilateral maritime counterdrug agreement between the United States and Costa Rica, which entered into force in November 1999.

Legislation, Treaties, and Conventions

On December 1, 1998, U.S. and Costa Rican representatives signed the Bilateral Maritime Counterdrug Agreement, also known as the Shipriders Agreement and Companion Memorandum of Understanding. This maritime agreement serves as the model for Central America and the Caribbean, and has promoted closer cooperation in the efforts against maritime smuggling. Results under the maritime agreement in 2002 include conducting combined maritime counterdrug operations, facilitation of 42 U.S. law enforcement ship visits to Costa Rica in support of Eastern Pacific and Caribbean counterdrug patrols, and response to six search and rescue cases.

The United States and Costa Rica have had an extradition treaty in force since 1991. Although Costa Rican law does not permit the extradition of its nationals, the treaty has been successful in obtaining extradition of fugitives who are U.S. citizens and persons who hold citizenship in other countries. The United States and Costa Rica signed a stolen vehicles treaty in 1999. Costa Rica is a party to the 1988 United Nations (U.N.) Drug Convention. Costa Rica and the United States are also parties to bilateral drug information and intelligence sharing agreements dating from 1975 and 1976. Costa Rica has signed the U.N. convention against Transnational Organized Crime; the Protocol against the Smuggling of Migrants; and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms in November 2001.

Conclusions and Projections

- Colombian trafficking groups will continue to use Costa Rica as a transshipment point for cocaine and South American heroin.
- Trafficking groups will continue to avoid law enforcement authorities by alternating smuggling routes and methods.

- Cocaine shipments of 150 kilograms or less will continue to enter Costa Rica overland from the Panamanian border, while larger shipments will be smuggled by go-fast boats along the Caribbean and Pacific coasts.
- Costa Rican society will continue to suffer from drug addiction, especially from crack abuse, in areas on the Atlantic coast and in San Jose.
- Cannabis cultivation will continue throughout the country, but sales will remain restricted primarily to the domestic market as Costa Rican cannabis, because of its low THC level, is not highly sought after in foreign markets.
- Costa Rica, with its pristine beaches and active nightlife, will continue to be an attractive vacation location for young western Europeans and U.S. citizens who may contribute to local MDMA abuse.

The prospects for successful interdiction campaigns and prosecution of traffickers, while challenging, are better in Costa Rica than any other country in Central America. Costa Rican law enforcement institutions enjoy an excellent working relationship with law enforcement agencies from other nations, including the United States. Costa Rica does not have a history of armed conflict, and thus does not have large groups of demobilized guerrillas and soldiers who need to be reincorporated into society. In addition, the Costa Rican judicial system functions more effectively than judicial systems in the rest of Central America. Costa Rica has experienced fewer incidents of judicial and police corruption. The current administration is determined to fight drug trafficking and has demonstrated a willingness to cooperate with the United States. The Bilateral Maritime Counterdrug Agreement between the United States and Costa Rica represents a formalized level of cooperation that is unique in Central America.