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6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC		X		
17	NIO/CT		X		
18	D/OGI		X		
19	C/CPN		X		
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SUSPENSE _____
Date

Remarks

STAT

Executive Secretary
1 Nov 85
Date

3637 (10-81)

U.S. Department of Justice

Drug Enforcement Administration

Washington, D.C. 20537

NOV 1 1985

Honorable William J. Casey
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Casey:

Enclosed is the 1984 Narcotics Intelligence Estimate (NIE) produced by the National Narcotics Intelligence Consumers Committee (NNICC). This report is based on the combined expertise of NNICC member agencies and is the most comprehensive assessment prepared for the Federal Government on the worldwide illicit drug situation. Also enclosed are background material and suggested responses to questions we anticipate may arise following general release of the report next week.

Your representative to the committee will receive additional copies of the NIE for internal distribution.

We appreciate your agency's cooperation in the preparation of the 1984 report. If you require additional information, the NNICC will be pleased to be of assistance.

Sincerely,

Thomas G. Byrne
Chairman, National Narcotics
Intelligence Consumers Committee
Deputy Assistant Administrator
for Intelligence

Enclosures

cc:

STAT

P-205

NOV 1 1985

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Director
Central Intelligence Agency
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Sincerely,

Signed by THOMAS G. BYRNE

Thomas G. Byrne
Chairman, National Narcotics
Intelligence Consumers Committee
Deputy Assistant Administrator
for Intelligence

Enclosures

cc: [redacted]

STAT

NOTICE:

On behalf of the National Narcotics Intelligence Consumers Committee, the DEA Office of Congressional and Public Affairs has agreed to make a press announcement publicly releasing the 1984 Narcotics Intelligence Estimate on Wednesday, November 6, 1985. This will allow the principals several days access to the report before its release. It is embargoed for release on that date.

October 31, 1985

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The National Narcotics Intelligence Consumers Committee

Narcotics Intelligence Estimate

1984

BACKGROUND MATERIAL

October 31, 1985

The Narcotics Intelligence Estimate (NIE)

This annual publication is the product of cooperative efforts of federal agencies with drug-related law enforcement, foreign and domestic policy, treatment and research, and intelligence responsibilities. In 1978, the following agencies established the National Narcotics Intelligence Consumers Committee (NNICC) to coordinate collection, analysis, dissemination, and evaluation of drug-related intelligence:

U.S. Coast Guard
Customs Service
Department of Defense
Drug Enforcement Administration
Federal Bureau of Investigation
Immigration and Naturalization Service
Internal Revenue Service
National Institute on Drug Abuse
Department of State
Department of the Treasury
White House Drug Abuse Policy Office

The Committee is chaired by the Deputy Assistant Administrator for Intelligence of the Drug Enforcement Administration (DEA). Representatives of the Central Intelligence Agency (CIA) and the National Security Agency attend NNICC meetings as observers. Separate data bases and methodologies are used to produce separate estimates of drug production and use.

In recent years, the NNICC has reviewed and updated various estimation methodologies. This continuing effort has resulted in a number of revised estimates for previous years. The NIE, which is based on the best data currently available and on the combined available expertise of NNICC member agencies, is the most comprehensive assessment prepared for the Federal Government on the worldwide illicit drug situation.

The 1984 NIE is the eighth estimate prepared by the NNICC; the first report was prepared for 1977. From the outset, the NNICC's major emphasis has been to provide joint drug estimates to all federal agencies, but the estimates are now widely used in the private sector as well as by foreign and state governments.

Over the years the NIE report has changed in scope, often in response to needs of consumers and the availability of data. The broad categories of information generally include: the foreign origin of illicit drugs, the quantities cultivated and produced; illicit production, consumption, and availability in the United States; trafficking patterns; and money flows associated with drug trafficking. Efforts are underway to resume inclusion of an estimate of the retail value of drugs consumed in the United States. Because of gaps in some of the data used to derive the estimates, there has been a high degree of uncertainty to the

resulting estimates. The Committee has continually worked to close these gaps. The 1984 report brought together considerably more information than had been available in the past. Although the estimates will continue to be refined as improvements are made, the changes in the resulting numbers are expected to be less significant in the future than they were in the 1984 report. The estimates continue to be considered not only the best that are currently available, but also sufficiently accurate that the general trends portrayed can be considered reliable.

The NIE cycle is normally about seven months and usually begins late in the year covered by the estimate. In December, a draft outline is circulated to the committee which reflects format and content changes agreed upon during NNICC meetings over the previous year. Once the outline is finalized, committee members are tasked, usually in early January, to submit data within their areas of responsibility for inclusion in the NIE report. Concurrently, the NNICC Subcommittee on Production (DEA, State, and CIA) meets to prepare foreign drug production estimates for the Department of State's International Narcotics Control Strategy Report (INCSR) to Congress required by February. Although these estimates can be revised as additional data become available, they are the first concrete step in preparation of the NIE. Submissions are received from NNICC members in late February and a first draft is prepared in March. The draft is first coordinated within DEA and then within the NNICC. Areas of disagreement and questions are then reviewed to ensure that the data used were the best available. Before the final draft is begun every effort is made to resolve questions through conferences between NNICC members. If a disagreement remains unresolved, it is sometimes reflected in a footnote in the published report. The scrutiny the estimates are given during interagency coordination has strengthened the estimation process. The NIE is currently scheduled to be distributed in June of each year if there are no unanticipated delays, i.e., delays in receipt of data or in coordination.

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The National Narcotics Intelligence Consumers Committee

Narcotics Intelligence Estimate

1984

SUGGESTED RESPONSES TO INQUIRIES

October 31, 1985

Question

How was the domestic marijuana production estimate prepared?

Response

Because domestic cannabis cultivation differs so significantly from foreign cultivation, the same type of crop surveys cannot be conducted. Therefore, a different methodology had to be developed. The goal of the domestic cannabis eradication program was to eliminate all cultivation that was confirmed. The estimate of the amount of cannabis that was not eradicated is based primarily on a survey of data regarding reported cannabis cultivation maintained by the eradication coordinators in the 50 states; it is estimated that as much as 1,700 metric tons of domestically cultivated cannabis may have been available for use in the United States.

Question

How are the production and consumption estimates derived?

Response

The estimating process is lengthy and very involved. The production estimates are prepared by the NNICC Subcommittee on Production and are based on an analysis of all available data regarding cultivation, crop and weather conditions, eradication, loss, seizures, and potential yields. The consumption estimates are based on prevalence and frequency of use and purity data.

Question

Why were the consumption estimates for 1981-1983 revised?

Response

The consumption estimates for 1981-1983 were revised to be consistent with the estimates for 1984 and therefore provide a valid indicator of trends. An improved methodology was used for the estimates which brought together considerably more information than had been available for past estimates.

Question

You have stated that, as methodologies and data bases are improved, additional revisions may be made in the estimates published by the NNICC. In this regard, how much confidence can the public have in the current NNICC estimates?

Response

The major point to remember is that the estimates published by the NNICC represent the best information currently available from all possible sources. As noted in the Preface to the 1984 Narcotics Intelligence Estimate, the development of reliable data upon which to base estimates is difficult because production and distribution of illicit drugs are illegal, underground activities. We believe that the estimates, despite gaps in information, are sufficiently accurate to portray generally reliable trends.

We are continually working to close the various gaps in the information which goes into the estimates. Additional refinements in the consumption estimates for 1981-1985 will be made possible by research currently being sponsored by DEA and by updated survey information. Although the estimates are being refined as improvements are made, we can expect changes in the resulting numbers to be less significant in the years ahead because of an overall strengthening of the estimation process.

Question

What correlation is there between drug seizure figures and actual drug activity in the United States?

Response

Drug seizure data tend to reflect the results of law enforcement activity (e.g., the number of individuals arrested, quantities of drugs and assets seized, and conveyances from which seizures were made). They do not reflect the quantities of drugs which were not interdicted and which consequently reached user populations. Therefore, seizure statistics cannot be used by themselves as a basis for estimates of quantities of drugs available or consumed.

Question

What is the scope of the 'bazuco' threat in the United States?

Response

'Bazuco' is not a major problem in the United States. The smoking of coca paste and cocaine base was reported during 1984 in Miami, New York City, and Los Angeles. There has been little information regarding efforts by South American drug traffickers to introduce 'bazuco,' which is a more critical problem in South America, into the United States.

Question

What caused the sharp jump in cocaine-related injuries and deaths in 1984?

Response

The rise in cocaine-related injuries and deaths resulted from increased use of cocaine in combination with other drugs. There was also an increase in other more dangerous forms of use, such as "freebasing" and injection. The number of hospital emergencies resulting from intravenous use of cocaine and heroin in combination rose 37 percent. Fifty-nine (59) percent of those who died from cocaine-related causes were taking more than one drug. Emergency room admissions resulting from the use of cocaine in combination with alcohol, heroin, and PCP have been increasing since 1982.

Question

What is the degree of reliability for the current Heroin Signature Program as an indicator of the importance of various heroin-producing regions?

Response

The Heroin Signature Program, which through chemical analysis classifies heroin exhibits according to manufacturing process and then by region of manufacture, has generally been quite reliable. Heroin laboratory activity has become more geographically diversified in recent years, however, and processing methods are no longer always unique to a geographic area. Therefore, conclusions regarding the origin of the heroin are not as consistently valid as they were in the past. DEA has a number of programs underway to strengthen the program, including planned research to redefine the various signatures.

Question

Why was there was a 31 percent increase in heroin-related deaths in 1984?

Response

The longer an individual uses heroin, the more significant the resulting health consequences. Available statistics indicate that the addict population is aging and that there are a larger number of long-term users. There was a 57 percent rise in deaths among heroin users 35 to 39 years of age and a 60 percent rise in the 40 to 44 age group in 1984. In addition, the increase occurred almost exclusively among users of heroin in combination with other drugs.

Question

How do we explain the 42 percent rise in heroin consumption in 1982?

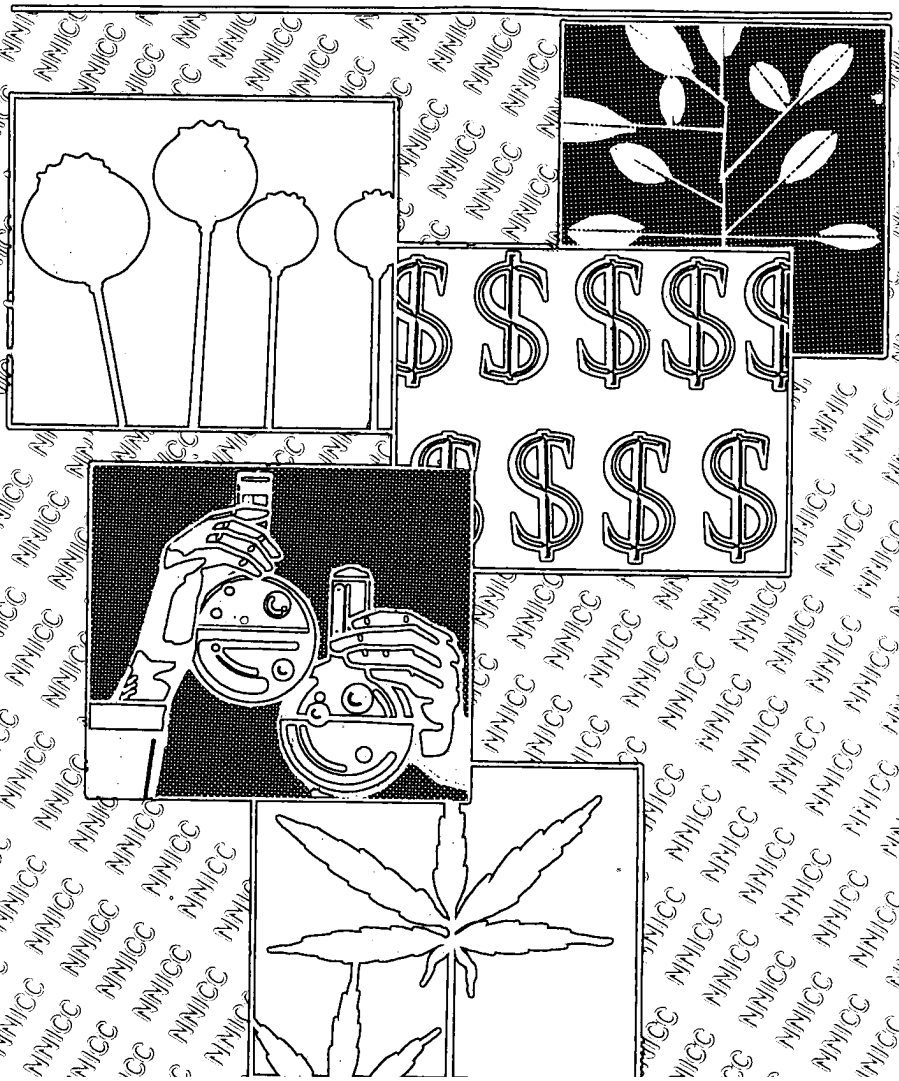
Response

The 42 percent increase in heroin consumption between 1981 and 1982 was caused primarily by a rise in retail purity from 3.9 percent to 5.0 percent. This purity increase alone required a 28 percent increase in quantity of pure heroin consumed. The remainder of the increase was probably caused by a combination of increased frequency of use and more users. As noted in the NIE, the number of heroin users in the United States was estimated at 490,000 in 1981. Although no later estimates have been made, heroin hospital emergencies in subsequent years suggest that the number of users has increased.

NNICC

The National Narcotics Intelligence Consumers Committee

Narcotics Intelligence Estimate 1984



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The National Narcotics Intelligence Consumers Committee

Narcotics Intelligence Estimate
1984

The Supply of Illicit Drugs to the United States From Foreign and Domestic Sources in 1984 (With Near Term Projections)

Queries should be directed to:
Office of Public Affairs
Drug Enforcement Administration
1405 Eye Street, N.W.
Washington, D.C. 20537
(202) 633-1333

Sanitized Copy Approved for Release 2010/05/18 : CIA-RDP87M00539R002804600026-1

Preface

Since production and distribution of illicit drugs are, by definition, illegal, there are little reliable data upon which to base estimates of the quantities of drugs involved. Most of those statistics which are available tend to reflect the results of law enforcement activity (e.g., the numbers of individuals arrested, quantities of drugs and assets seized, and conveyances from which seizures were made). They do not reflect the quantities of drugs which were not interdicted and which consequently were assumed to have entered user populations. Therefore, these statistics cannot be used by themselves as a basis for estimates of quantities of drugs available or consumed. Because of gaps in some of the data used to derive the estimates, there is a high degree of uncertainty to the resulting estimates. It is believed, however, that they are sufficiently accurate that the general trends portrayed can be considered to be reliable. Separate data bases and methodologies are used to produce separate estimates of drug production and use.

The Narcotics Intelligence Estimate is the product of cooperative efforts of Federal agencies with drug-related law enforcement, foreign and domestic policy, treatment and research, and intelligence responsibilities. In April 1978, these agencies established the National Narcotics Intelligence Consumers Committee (NNICC) to coordinate foreign and domestic collection, analysis, dissemination, and evaluation of drug-related intelligence. Membership consists of the U.S. Coast Guard, Customs Service, Department of Defense, Drug Enforcement Administration, Federal Bureau of Investigation, Immigration and Naturalization Service, Internal Revenue Service, National Institute on Drug Abuse, Department of State, Department of the Treasury, and White House Drug Abuse Policy Office. The Deputy Assistant Administrator for Intelligence of the Drug Enforcement Administration serves as Chairman. The Central Intelligence Agency and the National Security Agency participate as observers.

This Narcotics Intelligence Estimate for 1984 is the eighth estimate prepared by the NNICC. In recent years, the NNICC has reviewed and updated various estimation methodologies. This continuing effort has resulted in a number of revised estimates for previous years. This document, which is based on the best data currently available and on the combined available expertise of NNICC member agencies, is the most comprehensive assessment prepared for the Federal Government on the worldwide illicit drug situation in 1984.

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Executive Summary

1984 in Perspective

Marijuana consumption in the United States dropped an estimated 3 percent in 1984, primarily as a result of declining use among young people (age 25 and under). Marijuana-related hospital emergencies decreased 9 percent although there was increased use of marijuana in combination with other drugs. Marijuana, including the more potent varieties, was readily available in all major metropolitan areas, but there were occasional shortages of Colombian marijuana as a result of curtailed imports from that country. Colombia, however, continued to be the major source of marijuana available in the United States. The supply of Mexican marijuana more than doubled, and that country became the second largest U.S. supplier. Net domestic production decreased.

Cocaine use remained widespread. Overall U.S. consumption rose 11 percent. Cocaine-related hospital emergencies and deaths rose significantly, reflecting the increased frequency and complexity of cocaine use. Coca paste and cocaine base smoking was reported in several U.S. cities. The wholesale price of cocaine hydrochloride (HCl) started to rise, but remained below prices in 1980 through 1983. Retail prices in most metropolitan areas were relatively constant. In spite of setbacks experienced by traffickers and an emerging role by other countries, Colombia remained the principal cocaine HCl processing and distribution country for the United States.

The consumption of all illicitly used dangerous drugs increased an estimated 15 percent, mainly reflecting increased use of methamphetamine and phencyclidine (PCP). Fentanyl analogs continued to be used. There was decreased use of methaqualone and the heroin substitute pentazocine.

Heroin consumption decreased an estimated 1 percent in 1984. The using population continues to be composed primarily of long-time users or recidivists. The most recent data available is for 1981 and estimates the number of heroin addicts in the United States at 490,000. Heroin/morphine-related hospital emergencies decreased 1 percent, but deaths increased 31 percent. The increase in deaths can be attributed almost exclusively to the use of heroin in combination with another drug. There has been a growing awareness of the strong connection between intravenous heroin use and the contraction of Acquired Immune Deficiency Syndrome (AIDS). According to DEA's Heroin Signature Program, the proportion of Southwest Asian (SWA) heroin available in the United States increased slightly, representing half of the total U.S. supply. Mexican heroin remained at about one-third nationally, while Southeast Asian

(SEA) heroin accounted for about 17 percent of the total available. Retail heroin averaged 4.7 percent purity.

Figure 1 compares the approximate quantities of drugs consumed illicitly in the United States during the last four years, as discussed in more detail in the following chapters.

Figure 1

Estimate of Approximate Quantities of Drugs Consumed Illicitly in the United States, 1981-1984*

	1981	1982	1983	1984
Cocaine (metric tons)**	33-60	45-62	50-68	55-76
Dangerous Drugs (billion dosage units)***	3.28	3.03	2.66	3.06
Heroin (metric tons)****	3.85	5.47	6.04	5.97
Marijuana (metric tons)	8,000-11,400	8,200-10,200	8,000-9,600	7,800-9,200

** These are consumption-based estimates. Estimates for 1981 through 1983 have been revised. For more detail, see Chapters 1, 2, and 4. One metric ton = 2,205 pounds.*

*** Supply-based data indicate that a larger quantity of cocaine was available for consumption. This difference is consistent with indicators suggesting that the supply of cocaine exceeded the demand. For more detail, see Chapter 2, Cocaine.*

**** Quantity is rounded to the nearest 10 million dosage units.*

***** The heroin consumption estimate in 1981 was based on Treatment Outcome Prospective Study (TOPS) information. Estimates for subsequent years are based on Drug Abuse Warning Network (DAWN) data; therefore, direct comparisons are not appropriate.*

Projections

Marijuana consumption trends are not expected to change in the near term. Decline in use among young people (age 25 and under) is expected to continue, and decreases in marijuana-related hospital emergencies are likely. A greater availability of generally higher potency varieties of U.S., Mexican, and Thai marijuana is projected.

Shortages of Colombian marijuana are possible in part as a result of a large-scale herbicidal eradication campaign in 1985. Resumption of herbicidal eradication in Belize would also prevent that country from increasing production. It is unclear how much of the void traffickers in other source countries will fill.

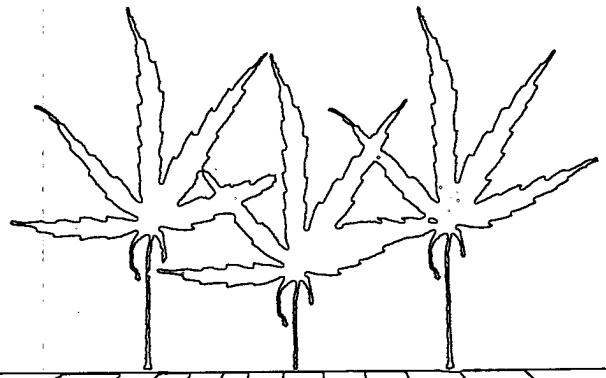
Cocaine availability will remain at high levels. The number of users is expected to stabilize, although intensified use patterns will continue to result in a high incidence of adverse health consequences. Although no significant expansion in the number of hectares of coca under cultivation in Bolivia, Colombia, or Peru is anticipated, an improved data base could show higher estimates. The Colombian Government is considering the feasibility of an herbicidal eradication campaign against coca. Colombian traffickers, however, are likely to continue supporting coca cultivation in Brazil, Ecuador, Panama, and Venezuela. Coca cultivation could also expand elsewhere in the world, such as in the Pacific Basin. Cocaine traffickers will continue to find it difficult to obtain sufficient quantities of ether for their laboratories. As a result, cocaine conversion activity outside Colombia will increase, particularly in Europe and the United States. Cocaine distribution and use throughout the world is likely to continue to expand in the near term.

Dangerous drugs use in the United States is expected to remain relatively unchanged from 1984. Use of methamphetamine, PCP, and codeine combinations is expected to increase, resulting in more hospital emergencies and deaths. No changes in use of 'look-alikes' and MDA are anticipated. Continued decreases in the use of methaqualone and pentazocine are expected, but some users will substitute other pharmaceutical opiates for pentazocine. Enforcement initiatives against laboratories producing synthetic narcotics, e.g., fentanyl and Demerol analogs, are likely to inhibit the emergence of these heroin substitutes.

Heroin use in the United States is not expected to change significantly. Because of adverse weather conditions and opium poppy eradication in the Golden Triangle, production is expected to decrease, but an increase in SEA heroin availability in the United States is nevertheless possible. Some increase is possible in the quantities imported from Mexico and increased imports are projected from Southwest Asia. ●

Chapter One

CANNABIS



Availability and Use in the United States

Marijuana consumption in the United States during 1984 was estimated at 7,800 to 9,200 metric tons, a 3 percent decrease from 1983 (see Figure 2). Athough demand for more potent grades of cannabis, especially sinsemilla, remained high, their higher cost has tended to limit use. Marijuana use among youth and young adults is believed to have declined steadily since 1979, based on a number of independent surveys. The proportion of high school seniors who admitted using marijuana or hashish during the year dropped from 51 percent in 1979 to 42 percent in 1983 and 40 percent in 1984, according to the National Institute on Drug Abuse (NIDA) Annual Survey of High School Seniors. Reported daily use by high school seniors has decreased steadily from 10 percent in 1979 to 5 percent in 1984.

Figure 2

Marijuana Consumption in the United States, 1981–1984*
(metric tons)

1981	1982 (% change)	1983 (% change)	1984 (% change)
8,000-11,400	8,200-10,200 (–5)	8,000-9,600 (–4)	7,800-9,200 (–3)

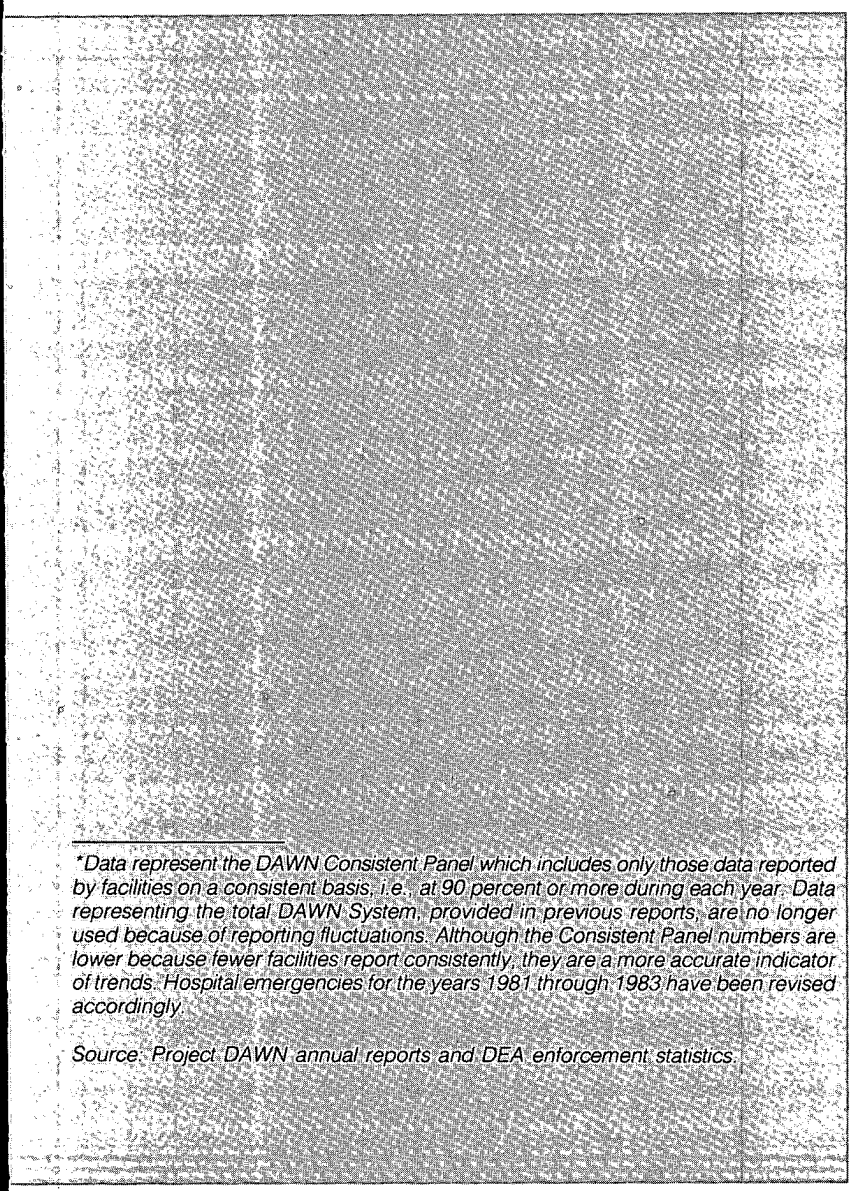
**Marijuana consumption estimates for 1981 through 1983 have been revised to be consistent with the 1984 methodology. Drug prevalence data from the National Survey on Drug Abuse for 1979 and 1982 were used in conjunction with estimates of the population not covered by the survey to determine the marijuana-using population within the various frequency of use categories in 1979 and 1982. These data were then combined with available information from other sources as an indication of population trends from 1981 to 1984. The resulting consumption estimates are consistent with supply estimates after adjustments for U.S. and transit country seizures and for loss in transit. All consumption estimates are subject to further revision upon receipt of updated marijuana prevalence, frequency, and dosage data. The percentage of change reflects the midpoints of the quantity ranges.*

Marijuana-related hospital emergencies decreased 9 percent from 1983 (see Figure 3). This decrease occurred for all age categories over 25, with the largest percentage decrease among persons age 35 and older. The percentage decrease was greatest for black females. The use of marijuana alone declined, but the use of marijuana in combination with other drugs increased. Alcohol, PCP, cocaine, and diazepam were the primary drugs used with marijuana in 1984. Increases were reported in Philadelphia, Chicago, Washington, D.C., and New Orleans; use also remained widespread in New York City and Los Angeles.

Figure 3

Marijuana Use and Trafficking Indicators, 1981–1984

	1981	1982	1983	1984
Hospital Emergencies Reported through the DAWN System*	3,031	3,615	3,752	3,397
Marijuana Wholesale Prices:				
Domestic Sinsemilla/lb.	$1,100	$1,000–$2,000	$1,000–$2,000	$1,200–$2,500
Domestic Commercial/lb.	$600	$350–$600	$350–$650	$350–$650
Colombian Commercial/lb.	$600	$350–$500	$400–$600	$400–$600
Jamaican Commercial/lb.	$500	$400–$600	$400–$600	$400–$650
Mexican Commercial/lb.	$350	$300–$400	$350–$550	$350–$600
Marijuana Retail Prices:				
Domestic Sinsemilla/oz.	$100	$100–$125	$100–$150	$120–$180
Domestic Commercial/oz.	$48	$40–$50	$40–$65	$45–$75
Colombian Commercial/oz.	$35–$60	$30–$40	$60–$75	$55–$75
Jamaican Commercial/oz.	$45–$65	$45–$65	$45–$65	$50–$75
Mexican Commercial/oz.	$45–	$40–$50	$40–$60	$50–$70



*Data represent the DAWN Consistent Panel which includes only those data reported by facilities on a consistent basis, i.e., at 90 percent or more during each year. Data representing the total DAWN System, provided in previous reports, are no longer used because of reporting fluctuations. Although the Consistent Panel numbers are lower because fewer facilities report consistently, they are a more accurate indicator of trends. Hospital emergencies for the years 1981 through 1983 have been revised accordingly.

Source: Project DAWN annual reports and DEA enforcement statistics.

The U.S. marijuana situation continued to be characterized by diversity, with both domestic and other foreign varieties competing with the dominant Colombian supply. Marijuana was readily available in all major metropolitan areas. More potent varieties of U.S., Jamaican, and Mexican marijuana were more widespread in terms of both distribution and consumption.

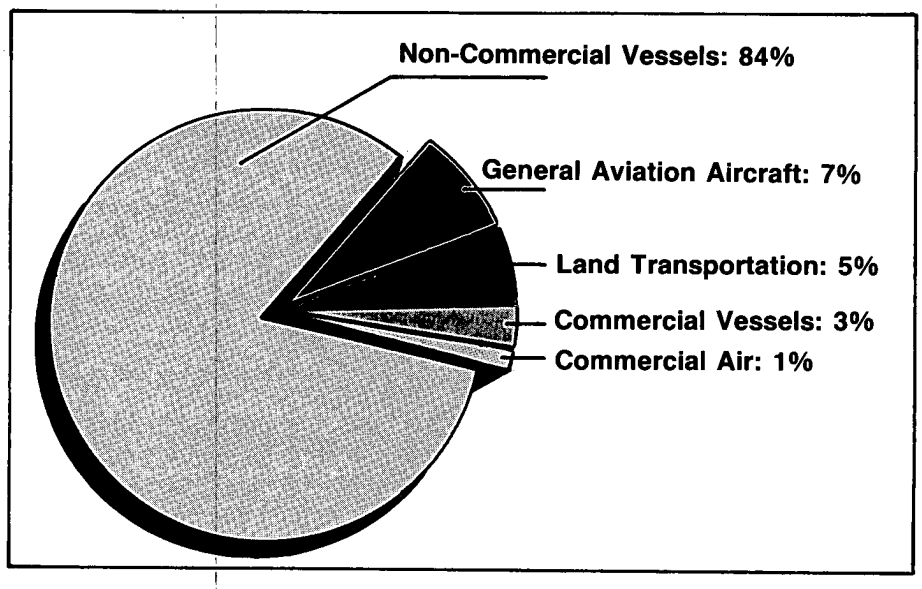
The average retail price for what is sold as Colombian marijuana remained relatively unchanged, but retail prices for other commercial grades of marijuana increased $5 to $10 per ounce, and the price of domestic sinsemilla increased $20 to $30 per ounce. Wholesale prices of all commercial varieties remained relatively unchanged in 1984.

In 1984, 1,760 metric tons of marijuana were seized from all types of conveyances at U.S. ports of entry, along the United States/Mexico border, and destined for the United States, compared to 1,620 metric tons in 1983. Most seizures were from non-commercial vessels (see Figure 4).

Figure 4

Marijuana Seizures from Various Smuggling Conveyances, 1984

(percent of total volume)



Developments In Source Countries

United States: Domestic marijuana accounted for approximately 12 percent of the total U.S. supply, dropping slightly from 1983. Sinsemilla and high-potency cannabis continued to account for a large percentage of the U.S. cannabis crop in 1984. Indoor growing facilities and smaller cultivated plots continued to be used. Local trafficking organizations usually controlled the intrastate and interstate distribution of their marijuana.

During 1984, 48 states actively participated in the Domestic Cannabis Eradication Program, destroying 3.8 million cultivated cannabis plants. As much as 1,700 metric tons may have been available for distribution. An additional 9 million low-potency, fibre-type cannabis plants were destroyed, primarily in Indiana, Minnesota, and Oklahoma. The greatest number of cultivated cannabis plants were destroyed in Indiana, Hawaii, and Oklahoma. Arrests at cultivation sites increased approximately 14 percent over 1983.

Reports of violence and booby-trap devices at cultivation sites increased in 1984. In previous years, violence was confined primarily to the west coast states of California, Oregon, and Washington. In 1984, shootings, physical injuries, and assaults were reported in 11 southeastern states.

Colombia: Colombia remained the principal source of marijuana for the United States and Canada. It accounted for 42 percent of the U.S. supply in 1984 compared to 57 percent in 1983 (see Figure 5). This decrease was due to increased seizures and eradication. There was also a concomitant increase in cultivation and trafficking from other source countries.

Approximately 10,000 to 13,000 hectares of cannabis were cultivated in Colombia in 1984, mostly in the northeastern part of the country. There were also increased reports of cannabis cultivation in northern Colombia in the Gulf of Uraba region. Harvests occurred primarily in the spring and fall, with the spring harvest producing a relatively smaller crop. Occasionally, staggered planting extended the fall production cycle from August to December.

An experimental aerial herbicidal eradication campaign was initiated in Colombia in 1984. The Government of Colombia reported that 3,400 hectares were destroyed; additionally, a large number of seedbeds were destroyed. An additional 3,300 metric tons were seized, reducing the supply available from that country to 4,100 to 7,500 metric tons.

Figure 5

Estimated Sources of Marijuana Available for Use in the United States, 1982–1984*

Country	Quantity (metric tons)	Percentage of Total Imports**	Percentage of Total Supply**
1982			
Colombia	7,000– 8,000	67	57
Jamaica	1,750– 2,500	19	16
Mexico	750	6	6
Domestic	2,000	0	15
Other	840	8	6
Total Available	12,340–14,090	100	100
less: U.S. seizures, seizures in transit, and losses	3,640– 3,890		
Net Marijuana Available	8,700–10,200		

**Supply-based data indicate that a larger quantity of marijuana was available for export to or, in the case of domestically-produced marijuana, for distribution within the United States. The supply estimates have been adjusted for marijuana seizures in the United States and in international transit and loss in transit. The loss factor includes marijuana lost because of abandoned shipments, undistributed stockpiles, inefficient handling, etc.*

***The percentages reflect the midpoints of the quantity ranges.*

1983			
Colombia	6,900– 9,300	66	57
Jamaica	1,750	14	12
Mexico	1,300	11	9
Domestic***	2,000	0	14
Other	1,150	9	8
Total Available	13,100–15,500	100	100
less: U.S. seizures, seizures in transit, and losses	4,490– 5,090		
Net Marijuana Available	8,610–10,410		
1984			
Colombia	4,100– 7,500	48	42
Mexico	2,500– 3,000	24	20
Jamaica	1,500– 2,250	16	14
Belize	1,100	8	8
Domestic	1,700	0	12
Other	500	4	4
Total Available	11,400–16,050	100	100
less: U.S. seizures, seizures in transit, and losses	4,120– 5,290		
Net Marijuana Available	7,280–10,760		

****Net domestic marijuana production was underestimated in 1983 and has been revised to be consistent with the 1984 methodology. Gross U.S. production increased in 1983, but increased eradication held net production at 1982 levels.*

While use of marijuana and 'bazuco'* continued in Colombia, internal consumption had little impact on the amount available for export. Trafficking by maritime vessel continued to be the preferred smuggling method, and marijuana was sometimes concealed in cargo containers. General aviation aircraft continued to be a secondary form of transport to the United States. Both maritime and air activity tended to be concentrated on Colombia's north coast, but Colombia's Pacific coast was used on occasion.

Mexico: The supply of Mexican marijuana to the United States increased in 1984, as Mexico became the second largest foreign supplier. Net production available for export after removals increased from 1,300 metric tons in 1983 to between 2,500 and 3,000 metric tons in 1984, due in part to the use of sophisticated agricultural practices. Such techniques included landscaping, fertilization, mechanized cultivation, and the use of irrigation systems to support cultivation in remote arid regions. These sophisticated methods were encountered in November 1984 in Chihuahua, the location of the largest single marijuana seizure in the world. An estimated 2,400 metric tons of net marketable marijuana were seized, along with five large-scale cultivation sites and eight associated processing camps. Some highly organized Mexican trafficking groups had apparently combined their manpower and financial resources, probably to achieve a more efficient operation by sharing operating costs and risks.

Land transport was still the primary method of shipment to the United States. The wide assortment of airstrips on both sides of the border, however, suggests that substantial quantities may have been smuggled via general aviation aircraft.

Jamaica: Jamaica was the source of approximately 14 percent of the U.S. marijuana supply in 1984. Over 3,000 hectares of cannabis were cultivated, producing between 2,000 and 3,000 metric tons of cannabis before removals.

Three cannabis derivatives continued to be available for export from Jamaica: sinsemilla, commercial grade marijuana, and hashish oil. Although hashish oil is available for export in relatively small quantities, Jamaica remains the only significant source in this hemisphere and most is supplied to Canada; limited amounts are consumed locally. Sinsemilla production increased in 1984, but still accounted for only an estimated 5 to 10 percent of the total crop. The highest quality sinsemilla was grown along Jamaica's west coast. Commercial grade cannabis is cultivated throughout the island. Two can-

**The smoking of cocaine base or coca paste with marijuana or tobacco.*

nabis crops are planted each year, in January and June, and peak harvesting occurs in May and October; Jamaica's climate, however, allows some cultivation and harvesting year-round.

Local consumption, loss, conversion of cannabis to hashish oil, eradication, and seizures accounted for approximately 25 percent of Jamaica's gross production, leaving 1,500 to 2,250 metric tons of marijuana available for export in 1984. A large amount of marijuana was smuggled to the United States via general aviation aircraft from any of the approximately 73 airstrips, about half of which are clandestine. Many of these aircraft airdropped their marijuana to small pleasure craft in Bahamian and Florida waters. Occasionally multi-ton quantities were also transported via small motherships,* and to a lesser extent via pleasure craft and cruise ships. Jamaica was also the source for many small seizures from air passengers and commercial maritime cargo (including containerized cargo) shipments in the United States.

Belize: Belize became an increasingly significant marijuana source in 1984. Gross annual production was approximately 1,300 metric tons. An estimated 1,100 metric tons were available for export to the United States after seizures, local consumption, limited manual eradication, and shipment to other countries, about a 145 percent increase over the 450 metric tons available in 1983. Although net marijuana production increased, cannabis cultivation remained relatively unchanged at approximately 1,200 hectares. This was largely because the aerial herbicidal eradication campaign which was conducted in 1983 was not resumed in 1984.

Processed marijuana was generally exported to the United States via twin-engine aircraft from about 52 largely uncontrolled airstrips located throughout the country. Smuggling to the United States by pleasure craft and land transport was limited.

Other Countries: Other countries supplied approximately 4 percent of the marijuana available in the United States in 1984. Indonesia and Nigeria supplied limited amounts. Nigeria enacted legislation during 1984 designating drug smuggling as a capital offense; penalties for marijuana violations were also increased. Costa Rica, Panama, and Venezuela made a concerted effort to control production through manual eradication and increased investigative efforts. While Brazil continued to produce significant quantities of marijuana, most production was consumed locally. Brazil destroyed over 2,600 metric tons of marijuana by September 1984, nearly tripling 1983 eradication totals. Thailand continued to produce a signifi-

**Vessels carrying cargo weighing five tons or more.*

cant amount of marijuana for users in Southeast Asia and for export. Thai marijuana, which has a relatively high THC content* and is expensive, was smuggled to the United States in increasing quantities.

Cannabis was cultivated in 12 of the 17 provinces in northeastern Thailand. Cannabis cultivation, which is financed to some extent by Thai and foreign syndicates involved in international smuggling ventures, increased substantially. To control production, the Royal Thai Government initiated a large-scale eradication campaign in 1984 and destroyed 3,000 metric tons of marijuana.

Hashish Production and Trafficking: Hashish production throughout the world changed little in 1984. Lebanon, Pakistan, and Afghanistan continued to produce the bulk of North America's supply. Morocco remained an important source country, but most of its production was consumed internally or shipped to Europe. Nepal and India continued to produce small amounts primarily for local consumption (see Figure 6).

Figure 6

Hashish Production in Major Source Areas, 1984

(metric tons)

Lebanon	350–400
Afghanistan	200–400
Pakistan	200
Morocco	60–225

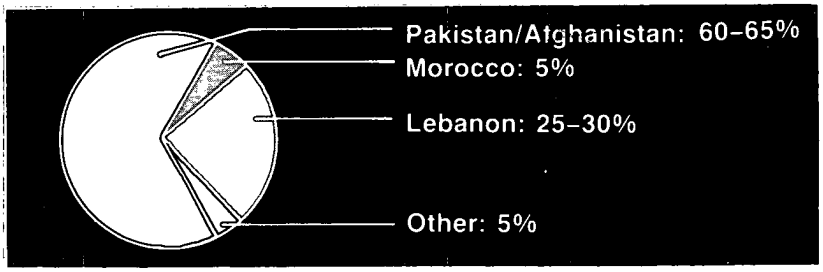
The sources of supply to the United States changed little in 1984. Although political and military disruptions in Lebanon continued to affect the movement of hashish out of the Bekaa Valley, the primary production area (see Figure 7), the level of exportation did not appear to change. In addition, the opening of the Lebanon/Israel border during the Israeli military presence in Lebanon inadvertently facilitated hashish trafficking into Israel. Traffickers also transshipped Lebanese hashish to Egypt through Israel.

**THC (delta-9 tetrahydrocannabinol) is the principal psychoactive ingredient in cannabis.*

Figure 7

Probable Sources of Hashish Available in the United States, 1984

(percent of total)

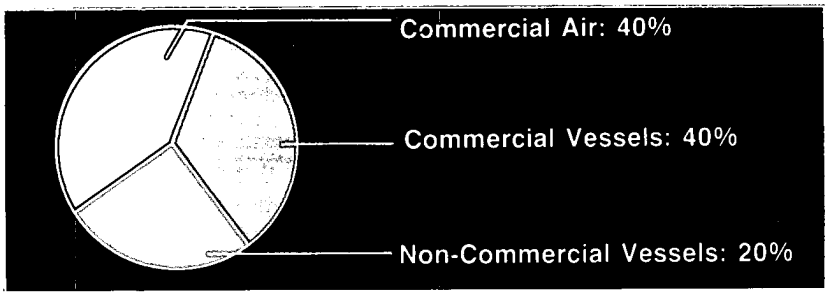


Based on reports of increased hashish trafficking activity, it appears likely that hashish importation during 1984 exceeded the 150 metric tons reported in 1983. Much of the seized hashish in the United States, moreover, was destined for Canada which has a greater hashish problem.

Figure 8

Hashish Seizures from Various Smuggling Conveyances, 1984

(percent of total volume)



Hashish trafficking patterns to North America may be changing slightly. To avoid increased interdiction activity in the Mediterranean Sea, some traffickers used alternative routes in 1984. For instance, a number of multi-hundred kilogram shipments which were seized during late 1984 had been routed from Pakistan or India through Southeast Asia and the Pacific Ocean to the U.S. west coast; both air freight and maritime transport were utilized. The hashish was allegedly destined for west coast traffickers as well as for traffickers in Canada and the Northeastern United States (see Figure 8).

Availability and Use in the United States

The availability and use of cocaine hydrochloride (HCl) remained widespread in 1984. Use continued to include all socio-economic levels. According to the NIDA 1984 Annual Survey of High School Seniors, cocaine use among that group during the last 30 days rose from 4.9 percent in 1983 to 5.8 percent in 1984.

There was a significant increase in the adverse health consequences of cocaine use for all age groups. Cocaine-related hospital emergencies increased 51 percent over 1983 (see Figure 9). The largest growth in cocaine-related hospital emergencies occurred among black males. As in the past several years, some of this increase was attributable to more dangerous forms of use, such as 'freebasing,' injection, and combining cocaine with other drugs.

The intravenous use of heroin/cocaine combinations known as 'speedballs' continued to expand within the narcotic addict population. The number of hospital emergencies resulting from 'speedballs' rose 37 percent. Increased use of 'speedballs' continued to be reported in Miami, Baltimore, New Orleans, New York City, Philadelphia, Chicago, and Washington, D.C. San Francisco surpassed Los Angeles in 1984 in the number of hospital emergencies associated with this combination.

During the year, there were at least 617 cocaine-related deaths, over one-third of which resulted from homicides. Among those who died from drug ingestion, 59 percent died from taking multiple drugs and 41 percent from taking cocaine alone. Total deaths increased 77 percent over the previous year. One study of cocaine use shows that daily users who snort or inject the drug consume approximately five grams per week; cocaine 'freebasers' consume over nine grams per week. Emergency room admissions resulting from the use of cocaine in combination with alcohol, heroin, and PCP have been increasing since 1982.

The smoking of coca paste and cocaine base was reported during 1984 in Miami, New York City, and Los Angeles. These drug forms are attractive to the trafficker because of the elimination of the refining process, including the use of ether and other dangerous chemicals required for processing cocaine HCl. Users were attracted to these drug forms because of the convenience and relative low cost.

Production-based data indicate that 71 to 137 metric tons of cocaine HCl were available for export to the United States in 1984 (see Figure

Figure 9

Cocaine Use and Trafficking Indicators, 1981–1984

	1981	1982	1983	1984
Hospital Emergencies Reported Through the DAWN System*	3,251	4,269	5,636	8,510
Cocaine-Related Deaths** (Less New York City)	194	202	328	579
New York City	140	37	21	38
Cocaine Retail Purity (%)	25–30	30–35	35	35
Cocaine Prices				
Wholesale (kg.) (thousands)	$55–$65	$55–$65	$45–$55	$40–$50
Retail (gm.)	$100–$150	$100–$140	$100–$125	$100–$120
Laboratories Seized (U.S.)	5	6	11	21

** Data represent the DAWN Consistent Panel which includes only those data reported by facilities on a consistent basis, i.e., at 90 percent or more during each year. Data representing the total DAWN System, provided in previous reports, are no longer used because of reporting fluctuations. Although the Consistent Panel numbers are lower because fewer facilities report consistently, they are a more accurate indicator of trends. Hospital emergencies for the years 1981 through 1983 have been revised accordingly.*

*** Data represent the total DAWN System. The DAWN Consistent Panel data base for medical examiner reports is so small compared to the total DAWN System that it is not a valid trend indicator. DAWN medical examiner data are not subject to the same reporting inconsistencies as DAWN emergency room data. Medical examiner data for New York City, however, are incomplete after 1981.*

10). Consumption-based data indicate that between 55 and 76 metric tons were consumed in the United States in 1984 (see Figure 11).* The production-based estimate continues to reflect uncertainty regarding the amount of coca cultivation in Bolivia and Peru.

** The consumption and supply estimates, which are based on independent data bases and methodologies, serve to corroborate each other. Consumption and supply may fall at any point within their respective ranges for a given year.*

Figure 10

Estimate of Illicit Cocaine HCl Available for Export to the United States, 1982-1984

(metric tons)

	1982	1983	1984
Maximum illicit cocaine HCl which could be produced from available coca leaf	115–140	135–227	210–296
Less cocaine not converted*	50	40–115	80– 90
Subtotal	65– 90	95–112	130–206
Less cocaine exported to other countries (Europe, Asia, Canada, and Latin America)	15	20	20– 30
Subtotal	50–75	75–92	110–176
Less amount seized worldwide	10	21	39
Total	40– 65	54– 71	71–137

** While removals are difficult to quantify accurately, 'cocaine not converted' includes removals which take place between maximum productive capacity and consumption. Included are such factors as source country consumption, crop/leaf spoilage, disease, parasites, inefficiencies of processing, and what might be described as the 'float' or that amount of the raw materials (leaf, paste, base) and cocaine HCl which may become delayed or stockpiled in the extensive, multi-stage pipeline which exists from field to ultimate consumer. There is a high degree of variability in estimates of cocaine not converted.*

Price/Purity Trends

By early 1984, cocaine was so plentiful that there were substantial wholesale price reductions in many U.S. cities. In the spring of 1984, kilogram prices were as low as $16,000 in south Florida and $30,000 in New York City. By the end of the year, however, kilogram prices had risen to between $33,000 and $38,000 in Miami, and between

Figure 11

Cocaine HCl Consumption in the United States, 1981-1984*

(metric tons)

1981	1982 (% change)	1983 (% change)	1984 (% change)
33-60	45-62(+15)	50-68(+10)	55-76(+11)

**Cocaine HCl consumption estimates for 1981 through 1983 have been revised to be consistent with the 1984 methodology. Drug prevalence data from the NIDA National Surveys on Drug Abuse for 1979 and 1982 were used to determine the cocaine using population within the various frequency of use categories in 1979 and 1982, and were combined with available information from other sources as an indication of population trends from 1981 to 1984. Since this produces a conservative estimate, a second estimate, which is believed to be exaggerated, was computed for each year based on consumption rates of treatment clients. The two estimates were used to determine a range which was then narrowed based on supply estimates. Actual consumption is believed to be near the midpoints. These estimates are subject to further revision upon receipt of updated prevalence, frequency, and dosage data. The percentage of change reflects the midpoint of the quantity ranges.*

$40,000 and $45,000 in New York City. The national average price of a kilogram of cocaine was $40,000 to $50,000 compared to the $45,000 to $55,000 range reported for 1983. Average wholesale purity continued at 1983 levels, around 90 percent.

In contrast, retail prices in most metropolitan areas remained relatively constant. Most cities continued to report gram quantities selling for $100 or more, but a few cities, such as Miami and New York, reported gram quantities selling for less. Average retail purities of gram quantities continued at 1983 levels, around 35 percent.

Trafficking Trends

The wholesale traffic continued to be dominated by Colombian organizations in 1984, although traffickers of Cuban (resident aliens) and other nationalities have become more prominent, particularly in southern California, south Texas, and New York. At the lower level of the wholesale and retail distribution network, the ethnic composition of traffickers remained mixed, although the number of black traffickers has increased as has the degree of organization in their operations.

Not all the cocaine that is smuggled into the United States arrives as processed cocaine HCl. Because the chemicals used to convert cocaine base into cocaine HCl can be obtained in the United States, some areas of the country, especially south Florida, have experienced increased cocaine conversion laboratory activity. The cocaine laboratories seized in the United States in 1984 varied in size and sophistication. Based on the chemicals found at nine laboratory sites, the production capabilities ranged from less than two kilograms to around 500 kilograms of cocaine HCl. During 1984, 18 of the 21 cocaine conversion laboratory seizures nationwide occurred in south Florida. The number of cocaine conversion laboratories seized in the United States has risen steadily, from three in 1980 to a total of 21 in 1984, a sevenfold increase; moreover, 1984 seizures were almost double the number seized in 1983.

Developments in Foreign Countries

The most significant factor impacting on the international cocaine traffic during 1984 was the expansion of all phases of the traffic including cultivation, processing, and distribution. Not only was illicit coca cultivation expanding in the source countries of Peru, Bolivia, and Colombia, but it was spreading into other countries, such as Ecuador and Brazil. As illicit coca cultivation increased, cocaine refineries and transshipment centers continued to emerge throughout the hemisphere. Overall expansion of coca cultivation and cocaine traffic was partly the result of intensified law enforcement activity in Colombia during 1984.

Coca Cultivation

Peru continued to be the major site of coca cultivation in 1984. Although some coca cultivation in Peru is licensed, production exceeded the amounts needed for licensed purposes; at least 75 percent of the total crop ultimately entered the international traffic as cocaine HCl. As in the past, most of this production was exported in the form of coca paste or cocaine base to Colombia for processing into cocaine HCl before distribution to the United States. During 1984, small quantities of coca paste continued to be smuggled into Brazil for refinement into cocaine HCl. Evaluation of coca cultivation trends in Peru is difficult because most cultivation is in remote areas. A particularly troublesome deficiency in production estimates in Peru is that, while coca is also grown in Peru's south-central and northwestern departments, most surveys to date have concentrated on Huanuco Department in the Upper Huallaga Valley in central Peru. Available data, however, suggest that 50,000 to 70,000 hectares were under cultivation in 1984 (see Figure 12).

Figure 12

Estimated Cocaine HCl Production by Country, 1984
(based on coca leaf origin)

	Peru*	Bolivia*	Colombia	Ecuador	Brazil
Gross Coca Cultivation (hectares)	50,000–70,000	30,000–45,000	15,000–17,000	1,000	Limited
Estimated Coca Leaf Yield** (metric tons)	50,000–70,000	42,000–63,000	12,000–14,000	1,000	Uncertain
Maximum Cocaine HCl Capacity (metric tons)***	100-140	84-126	24-28	2	Uncertain

Total Cocaine HCl Production: 210-296 metric tons

** Both yield figures and hectares under cultivation for Peru and Bolivia are speculative, and cultivation may have been substantially higher.*

*** Dry leaf yield conversion factors have been revised based on revised data reflecting regional variations in yield per hectare. The factors used are:*
Peru and Ecuador — one hectare yields one (1) metric ton of dry leaf.
Bolivia — one hectare yields 1.4 metric tons of dry leaf.
Colombia — one hectare yields .8 metric ton of dry leaf.

**** Five hundred (500) kilograms of dry leaf produce one kilogram of cocaine HCl.*

Coca cultivation is legal in Bolivia, which continued to be the second major source with an estimated 30,000 to 45,000 hectares under cultivation in 1984. Much of the coca grown in the Yungas area was believed to have been consumed locally, but overall 80 percent of Bolivia's coca was refined into products for illicit sale elsewhere. As in Peru, estimates of coca cultivation are speculative because the two current surveys of Bolivia's principal growing areas differed greatly. The Chapare and Yungas continued to be the main areas of cultivation. Local consumption appears to have had little, if any, influence on production, refining, and trafficking.

Coca cultivation is illegal in Colombia. Although the size of Colombia's crop, estimated at 15,000 to 17,000 hectares, was static over the last few years, cultivation was reported more widely throughout the country in 1984. Most concentrations of coca were located in Colombia's southern and eastern departments in the Llanos and Amazon regions. Coca leaves cultivated in Bolivia and Peru have a higher alkaloid content than the Colombian variety, and therefore approximately 85 percent of the cocaine base refined in Colombia is smuggled from Bolivia and Peru.

In 1984, for the first time, significant coca cultivation was confirmed in Ecuador, where an estimated 1,000 hectares were under cultivation. While this is not considered large-scale by Peruvian or Bolivian standards, there were mature, well-tended fields, some with bushes the size of small trees. The bulk of the country's cocaine and other coca derivative production was probably shipped to Colombia.

In Brazil, eradication campaigns in 1984 confirmed coca cultivation in the Amazon region. Apparently Colombian traffickers have been supporting coca cultivation in this area for three years. The variety of coca cultivated in the Amazon region is called 'epadu.' It resembles bamboo, grows in tropical forests, and can attain a height of 10 to 15 feet. The alkaloid content of the 'epadu' coca leaf is considerably less than that of the Andean variety grown in Peru and Bolivia.

In 1984, some small coca plots were reportedly destroyed in Panama near the Panama/Colombia border. There were also unconfirmed reports of coca cultivation in Venezuela.

Consumption

Latin America: Coca use has a long history in Peru. Approximately 25 percent of the coca leaf harvested is believed to be for chewing and medicinal use. There are an estimated three million coca leaf chewers in Peru. Accompanying the expansion of coca cultivation, however, has been an increase in the smoking of coca paste and cocaine base during the last several years. Domestic paste and base consumption has increased rapidly and is estimated by Peruvian officials to be around one-half metric ton annually. There are an estimated 156,000 users of refined coca products and an estimated 84,000 users of cocaine HCl in Peru, and domestic refining and consumption of cocaine HCl appeared to increase in 1984. Illicit refined drug consumption is largely concentrated in metropolitan Lima, but use in other cities and rural areas also increased during 1984.

Coca paste and cocaine base smoking has spread from Peru to Bolivia, Colombia, and Ecuador. In 1984, there were unconfirmed reports of coca paste and cocaine base smoking in Venezuela and Paraguay, as well as elsewhere in the hemisphere.

A few years ago the use of substances other than coca leaf was rare in Bolivia. Domestic annual legal consumption of coca leaf is estimated at 15,000 to 16,000 metric tons, primarily through chewing or incorporation into tea or locally prepared medicines. In 1984, illegal consumption of coca products gained momentum. There may have been as many as 40,000 to 50,000 habitual users of the leading drug, 'pitillo,' a cigarette made of tobacco and coca paste. Domestic use still accounts for minor quantities of coca products compared to those which are exported from Bolivia.

Domestic coca is consumed within Colombia, primarily through coca paste and cocaine base smoking. The use of 'bazuco' continued to be a serious problem in Colombia during 1984. It is similar to 'pitillo,' but consists of cocaine base or coca paste most commonly mixed with tobacco and occasionally mixed with marijuana. Overproduction of coca in source countries has been responsible for the increase in 'bazuco' use in recent years. Consultations at drug counseling centers for 'bazuco' problems rose from 25 percent of all cases in 1981 to 57 percent in 1983, a trend which continued in 1984. The problem is most serious among Colombian youth, and the Ministry of Health estimates that over 600,000 persons under age 18 regularly smoke 'bazuco.'

Western Europe: Cocaine availability and use in Europe increased in 1984. Although cocaine seizures were down slightly from 1983, they continued at high levels, totaling approximately 840 kilograms. Cocaine use, once confined to the more affluent, is now affecting all levels of society. Virtually all European countries reported some cocaine use, but the most serious problems were reported by The Netherlands, the United Kingdom, Italy, and the Federal Republic of Germany (FRG).

Laboratories/Refineries

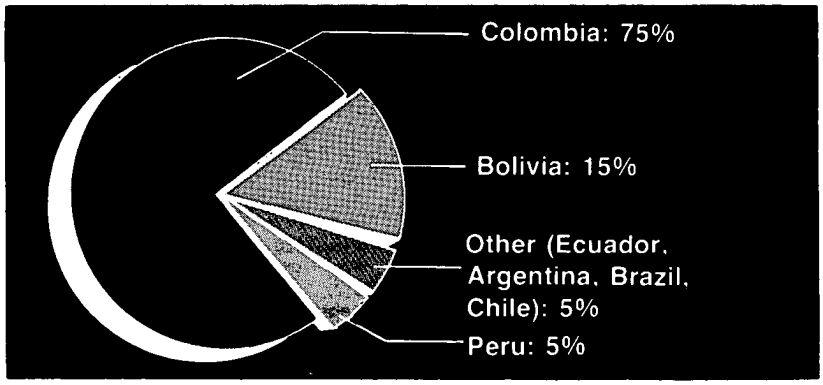
Colombia remained the principal cocaine HCl processing and distribution center for the United States and Canada in 1984. Colombian traffickers, however, experienced a number of setbacks throughout the year which, combined, caused some disruption in the traffic and slightly weakened their position vis-a-vis other competitors. Beginning in March 1984 with the seizure and destruction of a major processing complex in Caqueta Department and the loss of 10 metric tons of cocaine products and 10,000 barrels of

chemicals, Colombian traffickers quickly suffered other major losses including two other large-scale processing complexes in other departments in southern and eastern Colombia. Increased pressure by the Special Anti Narcotics Unit of the Colombia National Police and decreased availability of chemical supplies for cocaine conversion continued to force some traffickers to establish their cocaine processing operations outside of Colombia. Although they attempted to protect their operations by moving to adjacent border areas, Colombian traffickers lost other major laboratories in Panama and in Venezuela as well as thousands of barrels of essential chemicals. Drug-related violence and a growing drug use problem in the country have created a greater government awareness of the danger to society caused by drug trafficking, which led to extradition of four Colombian nationals to the United States in early January 1985. The threat of extradition has been disruptive to traffickers, causing some to remain mobile and in hiding.

Figure 13

Probable Sources of Cocaine Available in the United States, 1984*

(percent of total)



** These percentages are general estimates because it is difficult to trace drugs to their original source. Colombia may have been the source for at least 75 percent; the other countries may have been the sources for up to the percentages indicated.*

Along with increased cultivation of coca leaf, the refining of coca into coca paste, cocaine base, and cocaine HCl within Bolivia has increased in recent years, affecting both international trafficking and internal consumption patterns. In 1984, Bolivian traffickers established cocaine HCl laboratories capable of producing 100-kilogram quantities in the Santa Cruz and Beni regions. Law enforcement activity in Colombia in 1984 made Bolivian traffickers more reluctant

to continue to supply large quantities of coca paste and cocaine base to Colombian traffickers. Essential chemicals were smuggled from Brazil and other producing nations through Argentina and Paraguay. In addition, some Bolivian coca products went to northern Argentina and Brazil for conversion to cocaine HCl destined for Europe and the United States.

Cocaine conversion activity was noted elsewhere in the hemisphere during 1984. Increased coca cultivation in Peru resulted in increased domestic refining, but not to the extent as in Bolivia. A combination of coca eradication programs and increased seizures of cocaine HCl in Brazil in 1984 revealed that the cocaine trafficking community has gained a firm foothold at all echelons of production from cultivation, through processing, to international distribution. While no major laboratory seizures were reported in Brazil, the country's ether industry along with extensive commercial air routes to Europe make the development of cocaine processing facilities there feasible.

Drug Smuggling/Trafficking Patterns

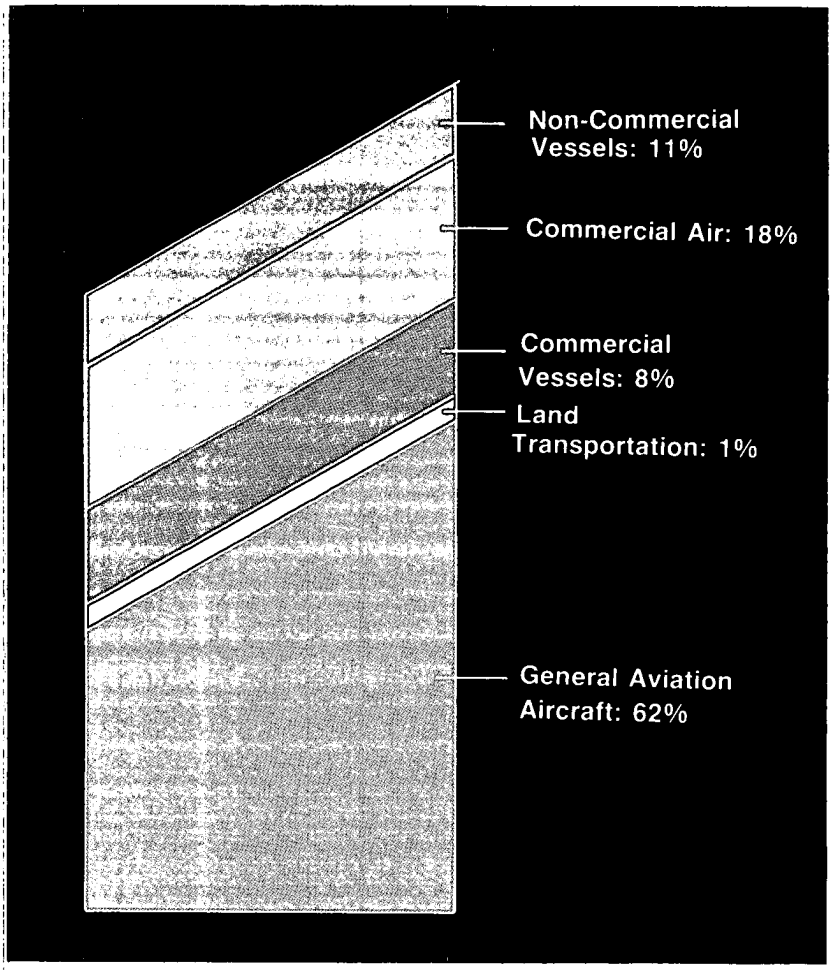
United States: Cocaine smuggling to the United States continued to be dominated by Colombian organizations. Florida was the principal point of entry and the location of 94 percent of the cocaine seizures from all conveyances in 1984. Significant quantities also were seized in Texas and Arizona. The majority of the cocaine reaching the United States in 1984 was shipped by general aviation and commercial aircraft. The seizure of quantities of cocaine ranging from 330 to 1,100 kilograms from maritime vessels in Jamaican, Haitian, and Honduran waters clearly demonstrates that significant volumes also were smuggled by sea. There was considerable diversification of transportation modes in 1984 (see Figure 14).

Additionally, the seizure of three cocaine HCl laboratories in Mexico, one laboratory in Canada, major complexes in Panama and Venezuela, and 21 laboratories in the United States is indicative of increased smuggling of cocaine base to the United States and other countries where essential chemicals are more readily available. In July 1984, more than one metric ton of cocaine base was seized from a single air cargo shipment to south Florida.

Western Europe: Cocaine from Peru, Bolivia, and Colombia is smuggled to Western Europe, frequently through cities in other South American countries. Almost all Western European countries were used as transit points. The largest seizures of cocaine were in the FRG, Spain, Belgium, France, and The Netherlands, each reporting totals of over 50 kilograms by yearend. Commercial air couriers

Figure 14

Cocaine Seizures from Various Smuggling Conveyances, 1984
(percent of total volume)



were the most commonly used means of smuggling small quantities, while commercial aircraft and vessels were used to transport large quantities. In November 1984, Dutch officials seized cocaine base at the Port of Amsterdam from a freighter originating in Cartagena, Colombia, which is significant because cocaine conversion facilities have been encountered in Europe only in the last five years.

Drug Control Efforts

Peru: The Government of Peru (GOP) continued to make progress in implementing coca and drug control programs in 1984. Although eradication and interdiction efforts suffered because of violence in the Upper Huallaga Valley, more than 3,100 hectares of illicit coca cultivation were destroyed, a significant increase over the 700 hectares destroyed during an eight-month period in 1983. This was the largest amount of coca that has been eradicated in any country to date. The Upper Huallaga Valley was declared an emergency zone in July, and the Army restricted the narcotics control efforts of the Guardia Civil's mobile narcotics police unit while directing all its efforts against insurgents. By yearend, the GOP committed to resume the interdiction and other drug control activities of the 300-man unit. Coca eradication in the Upper Huallaga Valley continued until mid-November, when efforts were temporarily suspended after the murders of 19 field workers. Seizures of coca paste in Peru exceeded 3 metric tons in 1984.

Bolivia: The government did not sustain effective narcotics control programs in 1984. A U.S.-supported special narcotics police strike force was deployed in August to reestablish government control in the Chapare region, but was withdrawn several weeks later. A special law enforcement unit to investigate and prosecute major narcotics traffickers was deployed in the Beni in late summer and fall. Although it seized a number of ranches, laboratories, and small planes, it was not successful in arresting and prosecuting major traffickers. Seizures of coca paste, cocaine base, and cocaine HCl in Bolivia totalled approximately 2 metric tons. Organizations formed to carry out eradication programs and control sales of legitimate coca were largely ineffective. Control of legitimate coca production remained in the planning stage.

Colombia: The United States and Colombia are working together to develop an environmentally safe herbicide which will be effective in Colombia. A parallel objective of stepping up interdiction of drug shipments and the destruction of coca processing sites was realized in 1984. Following a strategy of deploying alternately for interdiction and eradication operations, the Special Anti Narcotics Unit organized periodic raids against coca processing sites. In 1984, Colombian authorities seized 16 metric tons of cocaine base and cocaine HCl, compared to 2.5 metric tons in 1983.

Ecuador: Two coca eradication operations were mounted by the

Ecuadorian national police after the new administration took office in August and approximately 100 hectares were destroyed. An expansion of eradication efforts in 1985 with U.S. Government funding is anticipated. ●

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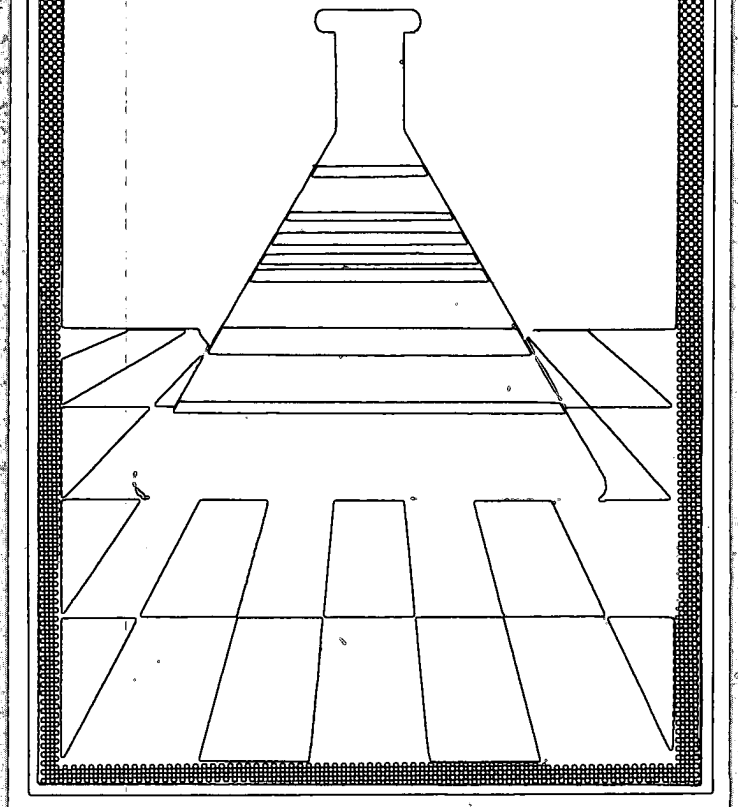
Chapter Three

DANGEROUS DRUGS



The term 'dangerous drugs' refers to a category of substances, both licit and illicit, which include the following: stimulants other than cocaine; narcotics/analgesics other than heroin and opium; psychomimetics/hallucinogens other than cannabis products; and all depressants and sedatives.

During 1984, the trafficking and use of controlled stimulants, sedative-hypnotics, hallucinogens, and narcotic analgesic heroin substitutes and supplements were generally similar to those reported for 1983 (see Figure 15).

Total dangerous drugs consumption during 1984 was estimated at over three billion dosage units, a 15 percent increase over 1983 (see Figure 16). This was largely a result of the increased use of methamphetamine and PCP.

Clandestine Laboratories

In 1984, clandestine laboratories continued to produce a large proportion of the illicit dangerous drugs supply. It is estimated that all of the PCP, almost all of the methamphetamine, and approximately 80 percent of injectable amphetamine available illicitly in the United States were produced in clandestine laboratories operating in this country. During 1984, a total of 312 domestic clandestine laboratory seizures were reported, of which DEA participated in 209. The number of laboratory seizures in 1984 increased 38 percent over 1983. Methamphetamine, amphetamine, and PCP accounted for 82 percent of all clandestine laboratory seizures in 1984, about the same as in 1983. Cocaine processing laboratory seizures, discussed in Chapter Two, almost doubled (see Figure 17).

Stimulants

Methamphetamine: The illicit manufacture, trafficking, and use of methamphetamine increased during 1984. This increase was most evident in the central Texas and Philadelphia, Pennsylvania areas. San Francisco also experienced serious methamphetamine use problems in 1984. Clandestine laboratories remained the principal source of methamphetamine in 1984, and outlaw motorcycle gangs were a major factor in methamphetamine manufacture and trafficking. Methamphetamine-related hospital emergencies and deaths each increased 20 percent over 1983 levels (see Figure 15).

Amphetamine: In contrast to methamphetamine, there was a

Figure 15

Selected Dangerous Drugs Use and Trafficking Indicators, 1981–1984

	1981	1982	1983	1984
Hospital Emergencies Reported through DAWN System *				
Amphetamine/ D-Amphetamine (oral dosage form)	1,297	1,157	1,132	974
Methamphetamine	1,677	1,726	1,618	1,948
Methaqualone	3,629	2,764	1,611	885
PCP	2,722	3,384	4,376	4,527
LSD	1,138	1,148	789	721
Drug-Related Deaths * *				
Amphetamine/ D-Amphetamine (injectable)	45	42	47	57
Methamphetamine	38	41	65	78
Methaqualone	165	74	49	11
PCP	99	166	239	224
LSD	1	0	4	1
Prices				
Wholesale				
Amphetamine/ D-Amphetamine (d.u.)	$1.50	$1.50	$1.50	$1.50
Methamphetamine (oz.)	$900–$1,400	$1,400–$1,800	$1,000–$2,000	$1,100–$2,000
Methaqualone (d.u.)	$1.50–$2.00	$2.00–$2.50	$2.00–$2.50	$1.75–$2.50
PCP (oz.)	$900	$1,500	$900–$1,200	$1,200
LSD (d.u.)	$1.00	$1.50	$1.50	$1.50
Retail				
Amphetamine/ D-Amphetamine (d.u.)	$3.00	$3.00	$3.00	$3.00
Methamphetamine (gm.)	$65	$80–$100	$60–$120	$60–$100
Methaqualone (d.u.)	$4.00–$6.00	$5.00–$8.00	$5.00–$8.00	$4.00–$15.00
Methaqualone (counterfeit)–(d.u.)	$3.00–$4.00	$3.00–$5.00	$3.00–$5.00	$3.00–$5.00
PCP (d.u.)–100 mg. (5% pure)	$10.00–$12.00	$10.00–$15.00	$10.00–$15.00	$10.00–$15.00
LSD (d.u.)	$2.00–$3.00	$3.00–$5.00	$3.00–$5.00	$2.00–$5.00

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** * Data represent the total DAWN System. The DAWN Consistent Panel data base for medical examiner reports is so small compared to the total DAWN System that it is not a valid trend indicator. DAWN medical examiner data are not subject to the same reporting inconsistencies as DAWN emergency room data. Medical examiner data for New York City, however, are incomplete after 1981.*

decrease in the availability and use of oral dosage forms of amphetamine in 1984, a continuation of a trend since 1981. The oral dosage amphetamine supply has historically been dependent upon diversion from legitimate distribution channels. In 1984, the amount of amphetamine which the U.S. Government permitted to be manufactured legitimately was decreased, which probably accounted for the lowered incidence of oral amphetamine use during the year. The decline is reflected in a 25 percent decrease in amphetamine-related hospital emergencies since 1981 (see Figure 15). In contrast, there was an increase in the incidence of amphetamine-related deaths reported for the second straight year. Almost all such deaths resulted from intravenous use.

After 1981, most oral dosage forms of amphetamine used illicitly, and other stimulants, phentermine (Ionamin), and fenthylline (Captagon), were smuggled into the United States from Mexican sources.

'Look-Alikes': The term 'look-alikes' refers to capsules or tablets containing non-controlled ingredients and manufactured to closely resemble controlled substances. Although still considered a problem in some states, the overall availability and use of these stimulant drugs continued to decline during 1984. 'Look-alikes' are now limited by federal regulation to contain only one active ingredient, such as caffeine, rather than a potentially synergistic and dangerous combination of ingredients. Legislation enacted in 47 states further requires that 'look-alikes' no longer physically resemble controlled substances. 'Look-alikes' continued to be sold through the mail as

Figure 16

Dangerous Drugs Consumption in the United States, 1981–1984*

(dosage units)

1981	1982 (% change)	1983 (% change)	1984 (% change)
3.28	3.03	2.66	3.06

** Drug prevalence data derived from the National Survey on Drug Abuse for 1982 formed an integral part of the 1982 drug consumption estimates. Since there were no surveys in 1983 and 1984, the estimates were developed using a nationally representative sample of consistently reporting hospital emergency rooms. Quantity is rounded to the nearest 10 million dosage units.*

Figure 17

Clandestine Laboratory Seizures in the United States, 1981–1984

	1981	1982	1983	1984
PCP	35	47	39	30
Methamphetamine	89	133	119	185
Amphetamine	14	18	25	40
Methaqualone	13	7	10	4
Cocaine	5	6	11	21
Other Drugs	27	14	22	32
Total	183	225	226	312

stimulants, diet aids, and decongestants to people who desired the mild stimulant effects of these caffeine-, ephedrine-, or phenylpropanolamine-containing products. The excessive use of any of these drugs alone or in combination, however, may still pose health hazards to users.

Depressants

Methaqualone: The availability and use of methaqualone continued to decline during 1984 due to worldwide shortages of bulk methaqualone powder in international commerce, a consequence of international controls which have been adopted by virtually all major producing and exporting countries. Some foreign countries, however, currently have large inventories of methaqualone powder in stock. Additionally in 1984, the U.S. Government placed methaqualone in Schedule I of the Controlled Substances Act. This action legally precludes the manufacture, distribution, or possession of methaqualone in the United States and its territories except for research purposes. Methaqualone-related hospital emergencies and deaths decreased 45 and 78 percent, respectively, from 1983 levels (see Figure 15). Miami and New York City experienced the most serious methaqualone use problems in 1984.

In 1984, the bulk of purported methaqualone tablets available in the United States were counterfeit, generally containing an alternative depressant or sedative-hypnotic such as diazepam, phenobarbital,

secobarbital, or diphenhydramine. Diazepam remained the primary active ingredient in counterfeit methaqualone tablets smuggled into the United States from Canada; tablets smuggled from Mexico contained secobarbital.

Clandestine methaqualone laboratories in the United States continued to be a significant factor in the availability of the drug. During 1984, the focus of illicit trafficking activities remained in south Florida. Available intelligence suggests that counterfeit Quaaludes are reputed by users to be of generally poor quality and consistency. The retail price per dosage unit of genuine methaqualone ($4 to $15) continued to be significantly higher than that for the counterfeit product ($3 to $5), as in 1983.

Diazepam: Diazepam was available and used as a street depressant during 1984, as it has been for many years. Generally, the drug was used in combination with other psycho-active substances. As in the past, most diazepam available illicitly was diverted from domestic licit channels, but there continue to be reports of significant diversion and smuggling of the product from Canada, Mexico, and Colombia. There was a 10 percent decrease in hospital emergencies and deaths in 1984.

Hallucinogens

PCP: PCP continued to dominate the illicit hallucinogen situation in the United States as it has for the past nine years. The entire supply of PCP available to illicit users is produced in clandestine laboratories and is distributed by small, locally-oriented groups and outlaw motorcycle gangs. In 1984, PCP availability and use continued to expand significantly in specific cities, notably Los Angeles, New York City, and Washington, D.C. Recent reporting has indicated an increase in use in San Francisco and New Orleans. PCP-related hospital emergencies increased 3 percent over 1983 levels (see Figure 15).

Both the illicit manufacture and distribution of PCP were increasingly dominated by black and Hispanic traffickers in 1984. The PCP-using populations also consisted increasingly of black and Hispanic youth. The major exception to this pattern was in the Queens section of New York City and adjacent Long Island where PCP is heavily used by white males between the ages of 15 and 25.

LSD: The availability and use of lysergic acid diethylamide (LSD) appear to have decreased in 1984 following a brief period of resurgence in the early 1980's. LSD-related hospital emergencies decreased 9 percent from 1983 levels (see Figure 15). In addition, only one LSD-related death was reported through DAWN during 1984. The principal cities experiencing serious LSD use problems in 1984 were New York, San Francisco, Chicago, and Los Angeles. The most prevalent forms of LSD in 1984 remained the

low-potency 'microdots' and 'blotter paper,' tested at 15 to 60 micrograms per dosage unit. By comparison, the tablet forms of LSD trafficked during the late 1960's typically averaged 100 to 200 micrograms in potency.

MDA: The availability and use of MDA remained unchanged from 1983. Although MDA has pharmacological properties of amphetamine, it is classified as a hallucinogen because of its effect on users. Three MDA laboratories were seized in 1984, compared with five in 1983. The clandestine manufacture of MDA was concentrated in Atlanta and on the west coast.

Narcotics/Analgesics and Heroin Substitutes/ Supplements

Pharmaceutical products containing narcotics continued to be a significant part of the illicit drug traffic during 1984. These products were used alone or in combination, both as substitutes for and supplements to heroin, and were primary drugs of choice for a substantial portion of the narcotics addict population in the United States (see Figure 18).

Codeine/Glutethimide combinations ('fours and doors'), hydromorphone (Dilaudid), and oxycodone (Percodan) continued to be used in significant quantities. Many users of these narcotics and heroin substitutes preferred these combinations as drugs of choice. The trafficking and use of Talwin (pentazocine) in combination with triplennamine ('T's and Blues'), however, continued to decrease significantly as a consequence of the reformulation of Talwin with the narcotic antagonist, naloxone. Addicts are reportedly rejecting the drug due to the adverse effects of the antagonist. The DAWN data reflect the decreasing use of pentazocine and continued use of other pharmaceutical opiates.

The clandestine synthesis, trafficking, and use of synthetic heroin substitutes emerged as a problem on the west coast in 1984. Fentanyl analogs, with analgesic potencies up to 1,000 times greater than that of morphine, have been associated with several deaths in California and Oregon. Although the use of illicitly produced Demerol-type drugs (MPPP) was reported in California, availability has not been confirmed by laboratory analysis since 1982. A by-product (MPTP) formed during the synthesis of MPPP has caused Parkinson's-like symptoms, a progressive, degenerative disorder of the central nervous system.

International Developments

The diversion of dangerous drugs from licit channels has become a major worldwide problem. International diversion of pharmaceuticals and precursors is accomplished primarily through the use of falsified importation documents. The U.S. Government has cooperated with various international organizations such as the United Nations in efforts to eliminate this type of diversion. Addi-

Figure 18

Narcotics/Analgesics and Heroin Substitutes/ Supplements Use and Trafficking Indicators, 1981–1984

	1981	1982	1983	1984
Hospital Emergencies Reported through DAWN System*				
Pentazocine	2,235	2,177	1,461	679
Hydromorphone	654	685	726	710
Oxycodone	1,271	1,283	1,189	1,207
Drug-Related Deaths **				
Pentazocine	59	54	28	13
Hydromorphone	21	19	14	13
Oxycodone	5	17	11	12
Prices Retail				
Pentazocine/ Triplennamine ('set')	$8.00	$10.00	$10.00–$12.00	$15.00
Codeine/ Glutethimide ('set')	$6.00	$6.00–$8.00	$6.00–$12.00	$7.00–$14.00
Hydromorphone (per 4 mg.) (Dilaudid)	$40.00	$40.00	$40.00	$40.00

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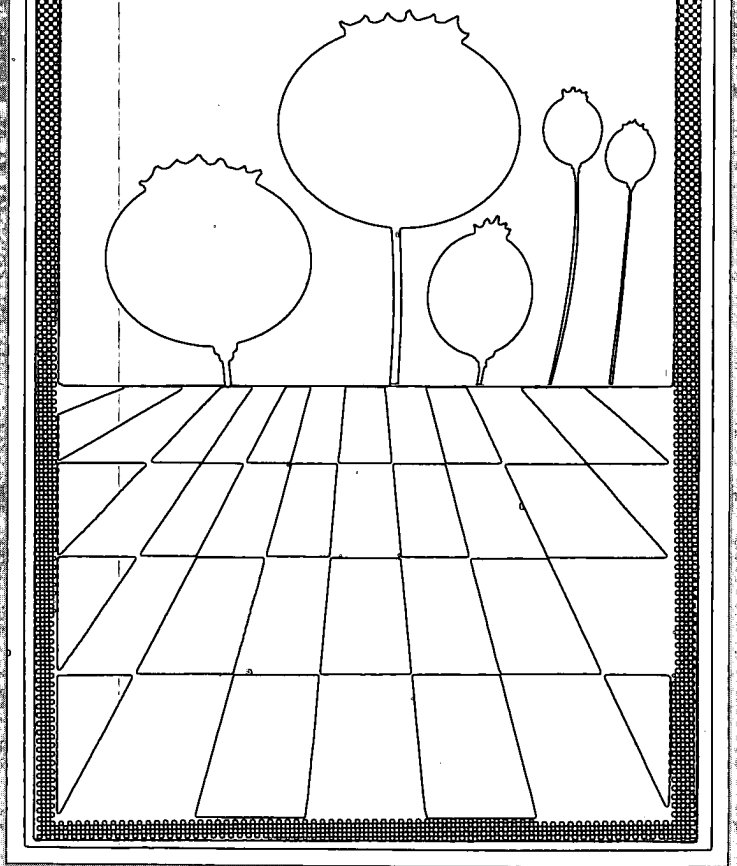
*** Data represent the total DAWN System. The DAWN Consistent Panel data base for medical examiner reports is so small compared to the total DAWN System that it is not a valid trend indicator. DAWN medical examiner data are not subject to the same reporting inconsistencies as DAWN emergency room data. Medical examiner data for New York City, however, are imcomplete after 1981.*

Source: Project DAWN annual reports and DEA enforcement statistics.

tionally, U.S. Government programs to interdict suspicious shipments at selected major ports continued during 1984. For example, 4.8 million dosage units of dangerous drugs originating outside of the United States were seized at U.S. borders from all conveyances in 1984, about 98 percent in Texas. Most of this contraband was shipped as air cargo. Thirty percent of the dangerous drugs reported seized at Texas points of entry was counterfeit methaqualone composed of secobarbital and was smuggled by land conveyances.

During 1984 there were increased efforts toward international cooperation among those nations which manufactured controlled substances and precursors. This cooperation was evident in such activities as the exchange of timely intelligence, specialized law enforcement operations, and joint cooperative investigations. ●

Chapter Four
OPIATES



Availability and Use in the United States

The number of heroin addicts/users in the United States in 1981 was estimated at 490,000. Although no later estimates have been made, heroin hospital emergencies in subsequent years suggest that the number of users increased between 1981 and 1983. The preponderance of heroin users since 1979 have not been first-time users, but long-time users or recidivists. There also have been some new initiates to heroin use; however, data from the national household surveys show that individuals who first started using heroin between 1979 and 1984 use it less frequently than those who began their heroin use in previous years. In the 1980's, heroin users, including new initiates, were older than their counterparts in the 1960's and 1970's. Based on year of first use data from treatment programs, an increasing proportion was white. It is estimated that in 1984 heroin users consumed about six metric tons, a stabilization after increases during recent years (see Figure 19).

Figure 19

Heroin Consumption in the United States, 1981–1984*

(metric tons)

1981	1982 (% change)	1983 (% change)	1984 (% change)
3.85	5.47 (**)	6.04 (+10)	5.97 (–1)

*Heroin consumption estimates for 1982 and 1983 have been revised to be consistent with the 1984 methodology. The revised heroin consumption estimate for 1981 was based on Treatment Outcome Prospective Study (TOPS) information applied to data in the DEA publication, Heroin-Related Crime. Estimates for subsequent years are based on Drug Abuse Warning Network (DAWN) Consistent Panel reporting of hospital emergencies. Because the size of the user population and quantity of the drug actually consumed are small compared to other drugs, pure-drug heroin quantities are estimated to the one-hundredth of a metric ton to indicate trends.

**Because of the different data bases used in computing the 1981 and 1982 heroin consumption estimates, those estimates are not comparable.

Rates of change in heroin consumption during the past four years have been heavily influenced by regional changes in availability, as reflected by retail purity and price and by related trends in use. The heroin situation of the 1980's has reflected the impact of the three competing sources of supply. Heroin use and trafficking patterns generally vary between different geographic regions of the United States (see Figure 20), and sometimes within a region as well.

Overall trends in the Northeast have been influenced by the availability of Southwest Asian (SWA) and Southeast Asian (SEA) heroin. Most of the heroin in that region as well as in the Southeast was SWA in 1984. According to the DEA Heroin Signature Program,* SWA heroin, primarily heroin refined along the Afghanistan/Pakistan border, accounted for 51 percent of the U.S. supply, a proportion comparable to that of the three previous years. The Signature Program indicates that only 17 percent of the U.S. heroin supply came from Southeast Asia in 1984; however, the large opium production in Southeast Asia and newly identified smuggling routes suggest that there may have been more SEA heroin available. This area remains the principal source of heroin for Canada. Trends in the West have been influenced by the supply of Mexican heroin, which in 1984 constituted 32 percent of the U.S. supply and had a higher purity at wholesale levels.

The connection between the supply and use can be seen by two regional increases in heroin use which occurred in the past six years, one in the Northeast and one in the West. The first, which started during 1979 in the Northeast corridor, resulted from an increase in SWA heroin. The second began during 1981 in southwest cities as a result of an increase in the availability of Mexican heroin. In addition, SEA heroin became more readily available between 1982 and 1984. By 1983–1984, heroin indicators for the Northeast had started to decline, while those reflecting heroin use in the West continued to increase. In 1984, the conflicting trends offset one another, together resulting in a slight decline at the national level.

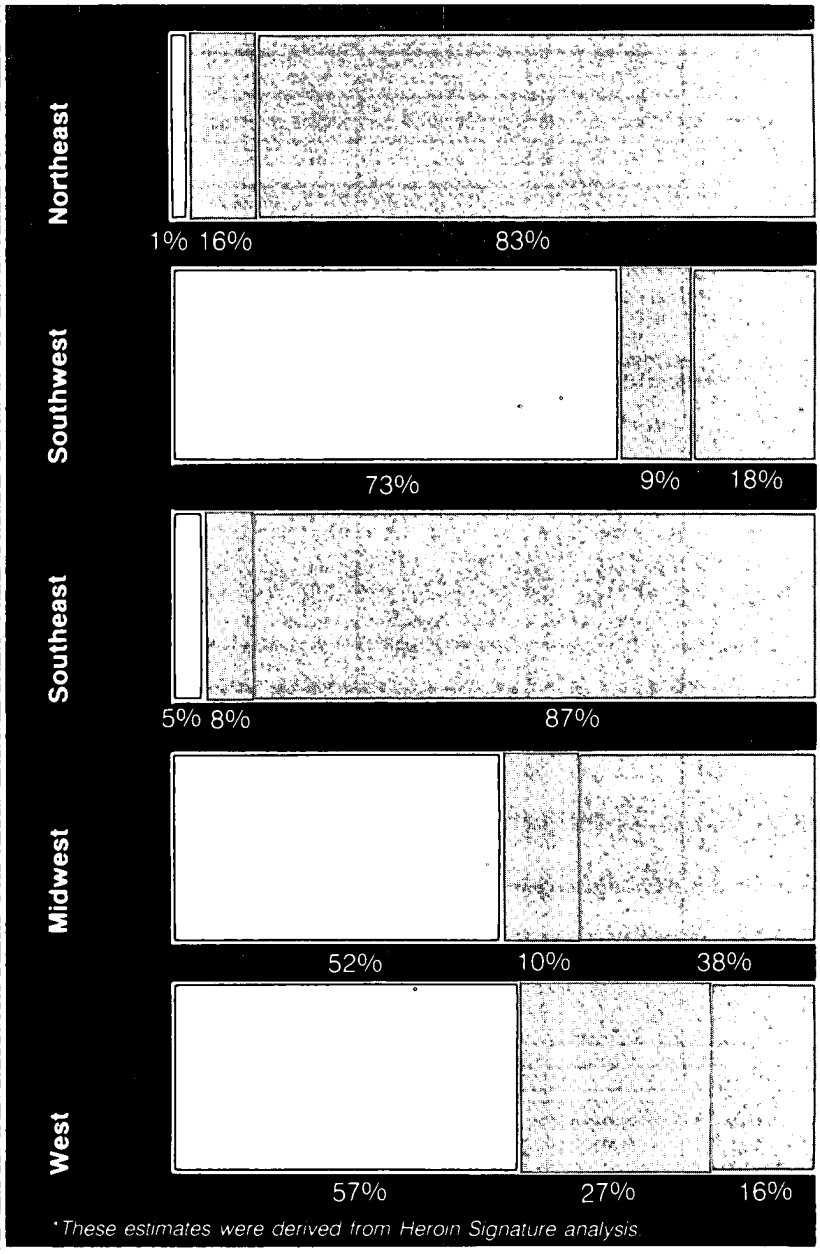
The number of heroin/morphine-related hospital emergencies also varied by region. These emergencies rose significantly between 1980 and 1982, a period characterized by rapidly rising heroin availability, increasing retail purities, and lower prices. Since 1982, the rate of increase has been much less pronounced. During 1984, heroin/morphine-related hospital emergencies decreased 1 percent from 1983 levels (see Figure 21). New York City reported a 16 percent decrease. Detroit and Los Angeles also experienced declines, while Chicago, Miami, and Washington, D.C. showed increases. The number of heroin-related deaths reported in 1984 increased 31 percent; this increase occurred almost exclusively among that population which uses heroin in combination with other drugs. In addition, death data are weighted more heavily by trends in the West because of the absence of death data from New York City.

**Heroin signature chemical analysis identifies and quantifies selected heroin characteristics and secondary constituents. From the resultant data, heroin exhibits are classified according to the process by which they are manufactured, which in turn enables the association of exhibits with geographic regions.*

Figure 20

Origin of Heroin Encountered in the United States by Geographic Area, 1984*

Mexican: ○ Southeast Asian: ◉ Southwest Asian: ○



*These estimates were derived from Heroin Signature analysis.

The connection between intravenous heroin use and the contraction of AIDS is now clearly documented. Treatment officials in New York City and Newark reported large numbers of AIDS victims among heroin users in 1984, and projected that the numbers would increase substantially because of the large number of addicts who have been exposed and will most likely develop symptoms after the incubation period. This is a concern in other states as well.

Approximately 79 percent of the heroin reaching the United States in 1984 arrived by commercial air (see Figure 22). Smuggling conveyances continued to differ between the three main source areas. Although commercial air was the principal mode of transportation for SWA and SEA heroin, most Mexican heroin arrived by land transportation. Commercial and non-commercial vessels have a minor to negligible role in opiate smuggling.

The primary suppliers of wholesale quantities of SWA heroin in the Northeast and Southeast in 1984 included not only traditional organized crime groups, but also Pakistanis, Lebanese, Nigerians, and Turks. Import/export companies were sometimes used as fronts for narcotics smuggling. Nigerians supplied SWA heroin to black organizations in Washington, D.C., as well as to those in smaller cities such as Durham and Greensboro, North Carolina.

The primary source of heroin in the Midwest and Southwest was Mexico; seizures of kilogram quantities were more common than in the late 1970's and early 1980's. Houston was a major transshipment point for Mexican heroin from the Durango area destined for distribution in Chicago. Lebanese, Pakistani, and Iranian nationals also controlled wholesale quantities of SWA heroin in the Midwest. Arizona was the principal Southwest point of entry for Mexican heroin, although Texas was also frequently used.

In most areas along the west coast, Mexican heroin availability and purity increased. The availability of 'black tar,' a poorly processed heroin, but sold at the street level with higher than average purity, also increased. The lowest 'black tar' purities reported were 40 percent, but most samples were of higher purity. While Mexican heroin remains the most widely used variety of heroin on the west coast, it continues to compete with SWA and SEA varieties. California was the principal point of entry for the majority of Mexican and SEA heroin entering the west coast area, but SEA heroin also entered via Hawaii and Seattle, Washington.

Figure 21

Heroin and Morphine Use and Trafficking Indicators, 1981–1984

	1981	1982	1983	1984*
Hospital Emergencies Reported through the DAWN System*	7,037	9,967	11,028	10,901
Heroin/Morphine-related Deaths (less New York City)**	698	894	771	1,005
New York City	232	97	29	41
Retail Heroin Purity	3.9	5.0	4.5	4.7
Origin (%)***				
Southwest Asia	54	52	48	51
Mexico	36	34	33	32
Southeast Asia	10	14	19	17
Heroin Prices (New York City):				
Wholesale (per kg.) (thousands)	$225	$200	$215	$215
Retail (per 1.5 gm.)	$50–$60	$45–$60	$45–$60	$45–$65
Laboratories Seized	0	0	2	2

**Data represent the DAWN Consistent Panel which includes only those data reported by facilities on a consistent basis, i.e., at 90 percent or more during each year. Data representing the total DAWN System, provided in previous reports, are no longer used because of reporting fluctuations. Although the Consistent Panel numbers are lower because fewer facilities report consistently, they are a more accurate indicator of trends. Hospital emergencies for the years 1981 through 1983 have been revised accordingly.*

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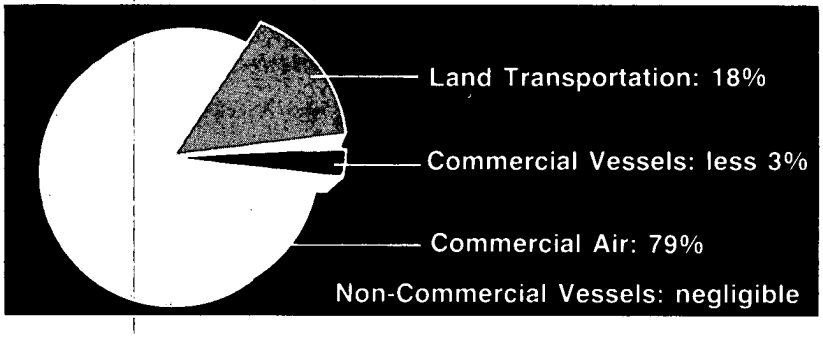
****Percentage of total supply of source area is based on the DEA Heroin Signature Program.*

Source: Project DAWN annual reports and DEA enforcement statistics.

Figure 22

Heroin Seizures from Various Smuggling Conveyances, 1984

(percent of total volume)



Developments in Source Countries — Southwest Asia

Opium Production: Estimates of illicit opium production in Southwest Asia are lower in 1984, due to the availability of better data on Afghanistan (see Figure 23). In the absence of intelligence in that regard, there is no reason to believe that Iranian opium poppy cultivation declined from the level of the past four years. Pakistani opium production, however, declined slightly. Unconfirmed reports of significant cultivation in Lebanon surfaced during 1984.

Figure 23

Opium Production — Southwest Asia, 1981–1984

(metric tons)

	1981	1982	1983	1984
Afghanistan	225	250–300	400– 575	140–180
Iran	400–600	400–600	400– 600	400–600
Pakistan	75–125	50– 75	45– 60	40– 50
Total	700–950	700–975	845–1,235	580–830

Despite the decrease in the regional opium poppy harvest in 1984, there were no indications that major opium shortages resulted. Stockpiles held in the North-West Frontier Province (NWFP) of Pakistan may have prevented large price increases. Prices for opium, however, have more than doubled compared with 1983. Whereas in 1983 a farmer received about $30 to $35 per kilogram, in 1984 he was paid at least $70 for the same quantity.

The Government of Pakistan has been successful in its effort to reduce gradually the country's opium poppy cultivation. The decrease in 1984, however, was caused in part by an absence of winter rains; with sufficient water, the poppy crop could have exceeded that of 1983.

The apparently enormous reduction in the Afghan opium poppy harvest may have been due to a combination of less than ideal weather and a change in the methodology used to estimate opium poppy cultivation in Afghanistan.

In Iran, the long war with Iraq, the ongoing rebellion by the Kurdish minority, and economic stagnation prevented the government from pursuing an effective narcotics control program in 1984. In addition, the large and growing opiate addict population has likely increased demand. As a result, opium poppy cultivation probably has not decreased over the past four years.

The licit opium poppy harvest in India was 434 metric tons in 1984, lower than the expected 700 metric tons because of adverse weather conditions early in the year. If world demand remains stable, the large opium stockpile managed by the Government of India will decrease marginally. Although illicit cultivation in India is believed to be insignificant, this activity reportedly is expanding in non-traditional growing areas.

Consumption: Heroin use in Pakistan continued to escalate. By the end of 1984, it was estimated that there may have been 200,000 to 300,000 addicts in the country, as well as at least 300,000 opium users. Drug treatment and education programs were improved, and public awareness of the situation was heightened by greater media attention.

The number of opium addicts in Afghanistan probably remained in the 100,000 to 125,000 range, while heroin smoking reportedly increased.

Prior to the 1979 revolution in Iran there were in excess of one million opium addicts in the country, in addition to about 50,000 regular heroin smokers. While opium use may have decreased somewhat, heroin addiction has increased, particularly among the urban, unemployed youth; there probably were at least 100,000 heroin addicts in Iran by the end of 1984.

In 1984, there were an estimated three to five million individuals in India who used* drugs diverted from licit Indian production or smuggled across the India/Pakistan border. An estimated 200 to 300 metric tons may be diverted annually from licit supplies to the

**Opium users in this region are of varying degree, from the occasional user to the addict.*

illicit market. Heroin addiction in India, which was negligible two years ago, has become a significant problem. Drug using Afghan and Iranian refugees have increased the number of addicts within India.

Laboratories/Refineries: The large quantities of heroin seized in Pakistan — about two metric tons annually since 1982 — reflect continued heroin laboratory activity in the tribal areas of Pakistan and eastern Afghanistan. Pakistani authorities confiscated three operational heroin laboratories during 1984; all were located in remote areas of the Khyber Agency, NWFP. The seizure in December involved a facility larger and more sophisticated than any prior laboratory seized in Pakistan, and also included approximately 500 kilograms of partially refined heroin base.

There were numerous active heroin laboratories in eastern Afghanistan; most of their output was exported to or through Pakistan. The laboratories in southwestern Afghanistan may have been the sources for some of the heroin smuggled to Iran. Laboratory activity in Iran was believed to have been concentrated in or near the cities of Tabriz, Tehran, and Zahedan, as well as along the Iran/Turkey border.

Illicit heroin production in India continued to be minimal compared to other source areas. Most of the laboratory activity was located in north-central India, in close proximity to the licit poppy growing areas. There were reports of two new refinery areas, one in western India, and the other near the India/Nepal border.

Conversion of morphine base and opium gum in Turkey, first noted in late 1983 after a two-year lapse, continued to escalate in 1984. Four laboratories were seized in 1984, two in eastern Turkey, one in south-central Turkey, and another in Istanbul. These new laboratories were crude and the facilities were poor, but the product was a high-purity heroin. It was usually sold in multi-kilogram quantities to other Turkish traffickers who then sold it to customers in Europe. While there is no illicit production of essential chemicals in Turkey, an increasing trade in diverted acetic anhydride has developed over the past few years to meet the needs of heroin chemists both in Turkey and elsewhere in the Middle East. There is no evidence that Turkey was the primary source for the opium processed there.

In Syria, Kurdish and Armenian traffickers with transborder ties re-

mained active in the conversion of opiates to heroin during 1984, primarily in the northern border area around Aleppo and Latakia. No laboratory activity was confirmed in Lebanon during 1984; however, the civil war has virtually eliminated police action. It was likely that opiate refining continued in the Baalbek area, Tripoli, and Beirut.

Trafficking Trends: Pakistan remained a major heroin refining and trafficking site. Much of Afghanistan's opiate production was exported across its mostly open border with Pakistan. Iran continued to be an important outlet for both Pakistani and Afghan opiates. The proportion of these imports consumed within Iran and the amount transshipped to Turkey, Western Europe, and North America in 1984 are unknown. Since late 1982 the Persian Gulf States have been popular transit areas, in part because of their large populations of expatriate Pakistanis.

India continued to serve as both a transshipment and consumption country for much of the opiates produced in Afghanistan and Pakistan and also as a transshipment country for SEA heroin. Chemicals used in the heroin conversion process, particularly acetic anhydride, were produced in India and smuggled across the India/Burma border to SEA heroin refineries. Some heroin produced in these laboratories was smuggled back across the Burma/India border for shipment elsewhere. Drug trafficking from India by members of separatist groups increased during 1984.

The number of Nigerian nationals arrested with heroin increased significantly during 1984, and the quantity of heroin seized more than doubled. Alternative methods of operation, including the use of non-Nigerian couriers and less conspicuous routing, have evolved in response to worldwide drug law enforcement pressure.

Turkey's location between opium producing areas in Pakistan and Afghanistan and consumers in Western Europe and North America continued to make it a natural transit country for illicit narcotics. The quantities of opiates transiting Turkey were substantial. Opium gum, morphine base, and heroin were smuggled to Turkey from the east — generally from Iran but also from Iraq — and were shipped either directly west to Syria or south to Turkey's Mediterranean coast. The drugs were then moved to Western Europe and the United States. The most common route from Turkey was overland through Eastern Europe. There were indications that traffickers increasingly were shifting to sea routes via Syria, Lebanon, and southern Turkey, and then to Italy, other Western European countries, or the United States.

Syrian traffickers continued to deal primarily in heroin for central and Western Europe, and the United States. Most were from Aleppo and

Azaz, although the use of couriers from Jordan and other Arab nations has increased. All modes of commercial transportation were used. The political disruptions in Lebanon have forced traffickers to use a number of new routes. Increased heroin seizures in Damascus during 1984 indicate that traffickers continued to use the Damascus rather than the Beirut airport. Additionally, violators were using small vessels for transportation to intermediate destinations in the Mediterranean.

Heroin seizures in Europe during 1984 totaled approximately 1,500 kilograms, the same as in 1983. SWA heroin commanded approximately 80 percent of the supply in Europe. The European countries reporting the largest quantities of heroin seized during 1984 were: Italy, the United Kingdom, the FRG, France, and Belgium. The majority of Western European countries reported an increase in heroin use. While data concerning drug-related deaths and drug use in European countries are not comparable due to varied indicator systems, the data in most countries reflected increases. Over the last four years, nearly all Western European countries reported increases in drug-related deaths. Heroin overdose deaths accounted for over 90 percent of all drug fatalities. Addict population figures remained relatively constant during the same period, with the exception of Italy and Spain which reported increases.

Most of the SWA heroin in the United States entered directly from SWA source countries or was transported via Europe. Trafficking groups based primarily in Italy, France, and Spain transshipped substantial quantities of heroin from Europe to the United States in 1984. Italian organized crime elements located in those countries have direct contact with their U.S. counterparts. In many cases heroin was concealed within legitimate commercial goods transported to the United States in air or sea freight shipments. During 1984, an increase was noted in heroin trafficking by Lebanese and Syrian groups which have established operations in France and Spain. These groups were capable of smuggling multi-kilogram quantities of heroin, favoring transshipment to the United States via courier.

Drug Control Efforts: In 1984, the Government of Pakistan continued to improve its opium poppy crop reduction efforts. Government eradication efforts and drug law enforcement pressure against planting opium poppy in NWFP areas receiving development assistance contributed to the decline in the country's opium production to about 45 metric tons for the 1984 harvest. In September 1984, implementation of Pakistan's Special Development and Enforcement Plan, administered by the United Nations Fund for Drug Abuse Control, began in the Dir area of Pakistan's NWFP. The U.S. Department of State likewise provided assistance to the Dir area in

1984. Opium poppy eradication in the Malakand and Buner Subdivisions and the Gadoon/Amazai region continued in 1984. Despite these efforts, there was clearly enough opium available to fuel heroin laboratories in the region, with Pakistani opium supplemented by production from Afghanistan.

The Government of Afghanistan may have been partially responsible for a drop in that country's opium poppy cultivation in 1984. This outcome, however, would have been incidental, as the government's measures were designed to destroy the food production systems in some areas controlled by guerrilla forces. Poor weather could also have been a contributing factor.

In 1984, the Iranian government was reported to have instituted severe measures, including the death penalty, against large numbers of narcotics traffickers. Since 1980 the Government of Iran has submitted reports to the United Nations of unverified enormous aggregate annual seizures of narcotics. There have been no reports of opium poppy eradication in Iran since 1980.

Turkish enforcement efforts remained effective in suppressing opium production during 1984, but that country continued to be a conduit for SWA opiates. There were some signs that Turkish enforcement efforts were stimulating a shift in trafficking routes to Syria and Lebanon, where there are virtually no controls.

Developments in Source Countries — Mexico

Opium Production: Mexico remained a significant source for heroin during 1984. Opium poppy cultivation continued to expand, with an estimated 5,200 hectares under cultivation, a 40 percent increase over the 3,700 hectares cultivated in 1983. The Government of Mexico (GOM) reported that opium poppy eradication also increased, from 2,000 hectares destroyed in 1983 to more than 3,100 hectares in 1984. Although the heaviest concentration of opium poppy cultivation was in the traditional tri-state area of Durango, Chihuahua, and Sinaloa, poppy growth was scattered throughout the country. There is a degree of uncertainty regarding the GOM estimate of opium poppy hectarage and amount eradicated; therefore, the U.S. and Mexican Governments are planning joint survey activities in 1985 to better estimate the extent of cultivation and the effectiveness of the eradication program.

Despite eradication efforts in 1984, about 21 metric tons of opium are believed to have been produced during the year, surpassing production during each of the previous four years (see Figure 24).

Figure 24

Opium Production — Mexico, 1981–1984
(metric tons)

	1981	1982	1983	1984
Mexico	16	17	17	21

Based on a yield factor of ten kilograms of opium to one kilogram of heroin, and considering that almost 100 kilograms of opiates were seized during the year, an estimated 2.0 metric tons of heroin are believed to have been available for export. The majority of the heroin produced in Mexico is shipped to the United States.

Consumption: An insignificant quantity of opiates and other drugs continued to be consumed in Mexico, generally in the major metropolitan areas.

Laboratories/Refineries: Heroin conversion laboratory seizures in Mexico increased from five in 1983 to twelve in 1984. Several laboratory seizures were made in unusual locations such as Mexico City and Nuevo Laredo on the United States/Mexico border.

The GOM reported 70 kilograms of opium seized in 1984, a 42 percent increase over the 49 kilograms seized during 1983. Heroin seizures in Mexico rose 38 percent from 9 kilograms in 1983 to 24 kilograms in 1984.

Trafficking Trends: Drug-related violence, primarily in Culiacan, Sinaloa, and Guadalajara, Jalisco, increased in 1984. This activity is underscored by increased competition among traffickers and a continuation of severe economic problems. 'Black tar' heroin of Mexican origin, noted in 1983, continued to appear in the Southwestern United States. Known as 'chapapote' or 'tar,' this gummy heroin is relatively inexpensive and of high purity.

There has been little change in Mexican heroin smuggling methods over the past few years. The predominant conveyance method continued to be ground transportation, mainly automobiles, trucks, buses, and pedestrians; small aircraft may also have been used.

The average purity of the heroin seized from both air and land conveyances along the border rose from almost 19 percent in 1983 to approximately 52 percent in 1984; the increase was actually less dramatic because one large seizure of low-purity heroin (around 6

percent) in 1983 affected the overall average for that year. Most of the Mexican heroin seized along the border in 1984 was at California points of entry. Seizures along the southern borders of Arizona and New Mexico increased during 1984 and those along the Texas border decreased.

Drug Control Efforts: The air wing of the Mexican Attorney General's office continued widespread aerial opium poppy eradication efforts using herbicides in 1984. The helicopter and fixed wing aircraft fleet was expanded to permit the establishment of an independent verification component directed by the Inspector General's office. In 1984, a strike force concept also was implemented, whereby eradication forces were concentrated in the key sectors of the country. Sweep operations took place in the states of Oaxaca, Guerrero, and Chihuahua. The Mexican Army also continued its manual eradication effort.

Developments in Source Countries — Southeast Asia

Opium Production: Another abundant opium crop was harvested in the Golden Triangle during the 1983/1984 growing season, an estimated 145 metric tons more than the previous year (see Figure 25). Ideal weather and expanded planting in Burma caused the increased production. Burma produced approximately 90 percent of the total, while Thailand and Laos supplied the balance. As in the past, between one-half and two-thirds of Burma's opium poppy crop was produced in insurgent-controlled areas of the eastern and northern Shan State where the Burma Government exerts little control. Thousands of small poppy fields were dispersed across rugged and remote terrain in an area about the size of Louisiana.

Figure 25

Opium Production — Golden Triangle, 1980–1984*

(metric tons)

	1980/81	1981/82	1982/83	1983/84
Burma	550	600	600	740
Thailand	50	57	35	45
Laos	50	50	35	30
Total	650	707	670	815

**The Thailand figures are based on annual Thai Government surveys, the Burmese figures on ground surveys in government-controlled areas and estimates of BCP-controlled growing areas, and the Laos estimates on assumed number of hectares under cultivation.*

An estimated 85 to 90 percent of Thai opium was consumed locally; in the past many politically active Thai, including most government leaders, believed that the problem of hill tribe opium production could be solved without recourse to such confrontational methods as eradication. This position has changed, however, and a Thai government policy has emerged which favors eradication in instances in which farmers have benefited from development assistance, have alternative means of income, and yet continue to grow opium for sale. It is anticipated that this policy will result in considerable reductions in opium production.

Since Laos is a denied area, the narcotics situation is difficult to estimate. Lao hill tribe growers reportedly were selling increasing amounts of opium on the illicit market to Burmese buyers who pay more than the official price offered by the Laotian government. In the past, the government has sold opium to Communist Bloc countries for medicinal purposes.

Consumption: Southeast Asia remained the primary recipient of Golden Triangle opiates in 1984. Burma, Thailand, Malaysia, and Hong Kong were the major opiate consumers and, while estimates vary, there may be more than one million narcotics addicts in the Far East. Elsewhere in the region, an estimated 35,000 to 45,000 Australian heroin addicts were primarily consumers of SEA heroin. Some SEA heroin entered the United States and Europe.

Laboratories/Refineries: As in past years, some of the opium produced in Burma was converted in the Shan State in territory controlled by the Burmese Communist Party (BCP) into impure morphine base and heroin base to reduce bulk and prepare it for conversion at heroin refineries. These products, along with opium, were moved to refineries concentrated along the Burma/Thailand border. These remote refining areas, outside government control, continued to be run by well-armed insurgent forces and trafficking organizations. These numerous heroin refineries do not all produce continually, but are subject to such factors as availability of raw materials and supplies, orders for their products, and security considerations. The refineries vary in size and design from isolated and temporary thatched huts to more permanent wooden structures with living quarters and defensive positions.

In 1984, the two dominant opiate producing and refining groups in the Golden Triangle continued to be the BCP and the Shan United Army (SUA), once an insurgent force, but now strictly a trafficking organization. The BCP moved into a SUA-controlled area at the Thailand/Burma border in 1983, but was forced out within a few

months. While the two remain antagonists, they find it mutually beneficial to do business with one another. The BCP continued to sell opium and opiate products to the SUA, other trafficking groups, and independent refinery operators along the border in 1984. Some of the opiates produced by refineries along the Burma/Thailand border and BCP refineries in the Shan State were smuggled to India and from there to other countries.

Heroin refineries for conversion of heroin base to SEA No. 3 (smoking) heroin also operated in Malaysia, primarily in Penang and in jungle terrain along the Thailand/Malaysia border. Some of this heroin was exported, but most went to Malaysian addicts.

Trafficking Trends: A variety of ethnic and political insurgent and trafficking groups along the Burma/Thailand border were engaged in various facets of opiate smuggling, refining, and sales to finance their organizations. Traditionally, major ethnic Chinese traffickers in Bangkok controlled much of the foreign sale and movement of Golden Triangle heroin from Thailand. A combination of drug law enforcement pressure, publicity, and the drought had reduced their share of the market for a few years; but in 1984, with heroin becoming abundant again, the major Chinese traffickers were once again controlling a sizeable portion of the drug traffic. In addition, there was an increase in the number of Sino-Thai traffickers, both in Bangkok and other parts of Thailand, who controlled smaller amounts of opiates for shipment elsewhere.

While Thailand remained the primary route through which Golden Triangle heroin was distributed, alternative transportation routes continued to be used more frequently in the face of stepped-up pressure from both Bangkok and Rangoon police and military units operating against the Burma/Thailand border refineries and trafficking groups. An increasing amount of opiates moved south through Burma along the Tenasserim Coast, both overland and by sea, to southern Thailand and Malaysia, for conversion at heroin refineries along the Thailand/Malaysia border and in Penang. Several routes to India through the Burmese cities of Mandalay, Taunggyi, and Maymyo were also used to bring large quantities of precursor chemicals the other way for use at refineries in BCP-controlled areas and along the Thailand/Burma border.

Malaysia appeared to be emerging as an important refiner and transshipper of Golden Triangle opiates. Some Malaysian narcotics

officials speculate that the country's growing addict population consumes approximately five metric tons of heroin annually and that even more heroin is exported or transshipped abroad every year; moreover, they believe that the great majority of that heroin is now processed within Malaysia using morphine or heroin base from the Golden Triangle. While these estimates are unofficial, they may represent a growing perception of heroin production, export, and use in Malaysia.

Hong Kong, a primary consumer of Golden Triangle opiates, imported large amounts of heroin base for local conversion into heroin No. 3, or smoking heroin. Seizures of heroin base in Hong Kong have risen steadily over the past several years; more than a thousand kilograms were seized in 1984. Many heroin couriers travelling from Asia, particularly to Europe, were Hong Kong Chinese. Hong Kong was also a major financial and money laundering center for narcotics sales and purchases. Some of the heroin produced in the Colony for local consumption was shipped elsewhere, but there are no reliable estimates of the amount.

SEA heroin activity in Europe continued at high levels, especially in The Netherlands, Belgium, and France. Although seizures decreased from 1983 levels, SEA heroin commanded approximately 20 percent of the supply in Europe. In The Netherlands, moreover, two heroin laboratories that were converting heroin base to smoking heroin were seized from Chinese traffickers who have become more active in the SEA heroin traffic.

Drug Control Efforts: The governments of Thailand and Burma took a number of actions in 1984 to stem the flow of narcotics from the Golden Triangle. As most of the opium and heroin entering Thailand originates in Burma, Thai government narcotics control efforts were focused on destroying heroin refineries inside Thailand, disrupting trafficking routes from Burma, and preventing the smuggling of precursor chemicals into Burma. As a result, Burmese trafficking groups have been denied the use of Thai territory for sanctuary, and heroin refineries have moved deeper into Burma. Some progress was made in opium poppy eradication in Thailand. Increased eradication is expected during the next growing season.

The Burma government continued to emphasize opium poppy eradication, and in late 1984, conducted an aerial poppy eradica-

tion test program. The Burma government has agreed to an expanded eradication program for the next growing season. In the 1983/1984 growing season, the government reportedly manually destroyed approximately 4,450 hectares of poppy, an 11 percent increase over the number of hectares destroyed in the 1982/1983 season. The government also continued its interdiction efforts aimed at disrupting the activities of insurgents and opiate traffickers.

Chapter Five

DRUG MONEY

As has been the case for several years, south Florida, specifically Miami, continued to be the center for drug money activity in 1984. South Florida's prominence in this regard is attributable in large measure to its status as a major importation and distribution center for both marijuana and cocaine; moreover, Colombians launder the greatest amount of proceeds generated by the sale of these drugs. Successful law enforcement operations in southern Florida have caused some drug trafficking organizations to change their methods of operations, including their financial activities. Some traffickers, most notably those dealing in marijuana or cocaine, have moved at least part of their money laundering activity to other major U.S. cities such as New York, Los Angeles, and Houston. These cities, and Miami, serve as collection points for monies associated with all types of illicit drugs.

Drug monies were transported to these collection points by a variety of methods. Currency was physically transported by couriers using land vehicles, and private and commercial aircraft. Drug monies were also moved through financial instruments, such as cashier's checks, wire transfers, and checks drawn on corporate and personal accounts. The transactions using these instruments were usually concealed to resemble a legitimate business transaction or accomplished through nominee names which disguise the true identity of the drug monies' owner(s). Money couriers travelled to specific areas to pick up drug monies and then purchased cashier's checks, often in nominee names, from different banks in denominations of less than $10,000 to avoid U.S. Treasury Department reporting requirements.* These checks were then physically transported or mailed to an individual who deposited them in a bank account. Once in an account, these monies are easily wire transferred to either another domestic or an overseas financial institution.

Some drug monies never left the United States. Instead, they were either used to support expensive lifestyles, or were invested in local business and real estate ventures, certificates of deposit, and, to a lesser degree, collector items and precious stones and metals.

On rare occasions, drug traffickers buried their drug monies in the ground. A trafficker in St. Louis, for example, buried over $340,000. Another trafficker buried on his Virginia property gold, platinum, and jewelry, primarily proceeds of his illicit drug trafficking activity.

** Provisions of the U.S. Bank Secrecy Act require that financial institutions report currency transactions in excess of $10,000. This act also requires the reporting of the movement of over $10,000 in currency or negotiable instruments by individuals into or out of the United States.*

Wire transferring funds overseas was just one of the methods utilized by traffickers to transport their drug monies out of the United States during 1984. Drug monies, in the form of bank drafts or U.S. currency, were also transported by seamen or commercial air couriers. Private aircraft were used to physically transport boxes of U.S. currency.

The methods used to return laundered funds to the United States were also very diverse, although the most common appeared to be loans or gifts from a foreign entity or asset acquisition by a foreign entity. One method in 1984 was the use of a credit card issued by a tax haven bank. The U.S. citizen can charge items to his credit card in the United States which results in a debit against the foreign account.

The banking system in the Caribbean and Central America continued to be the primary recipient of drug monies associated with South American cocaine, Mexican heroin and marijuana, and Colombian and Jamaican marijuana during 1984. The principal recipient of these monies was Panama, the center preferred by Colombian traffickers. Panama's appeal is attributed to the country's ideal location, and its bank and commercial secrecy laws. Panama also offers the Latin drug trafficker an opportunity to deal with a banking community that speaks a common language and an economy that is closely tied to the United States. Traffickers of other nationalities and some Colombians patronized The Bahamas, the Netherlands Antilles, and the Cayman Islands. The Turks and Caicos Islands, Antigua, St. Vincent, and Montseratt also were reported to be actively promoting themselves as havens since the United States has become increasingly successful in gaining access to data which previously were withheld from law enforcement scrutiny in some of the more prominent havens. The Cayman Islands was the preferred money laundering center in the Caribbean for Jamaican traffickers. Drug monies may remain in the Caribbean banking system for only a brief period and are then transferred to a second financial center, such as Switzerland, or the United States for investment purposes. Some investigations involve more than one country: a trafficker may utilize one country to maintain bank accounts, another to incorporate a company or trust, and a third in which to locate the parent company. Secrecy regulations in three countries must be considered in documenting a transaction for law enforcement purposes.

Financial centers in Europe and the Middle East were the primary recipients of drug monies associated with SWA heroin and hashish. Switzerland was probably the most significant recipient of drug monies; Liechtenstein, the Channel Islands, and Luxembourg were also significant recipients. Banking officials in Switzerland and Lux-

embourg have indicated that monies associated with cocaine and marijuana trafficking in Europe are deposited in these countries. DEA has received information that a number of Colombian and more recently Pakistani citizens have stayed at hotels in Luxembourg for one or two nights, possibly to act as financial couriers for cocaine, marijuana, and heroin traffickers. Again, the above-mentioned financial centers may only serve as transit centers for much of the drug monies they receive. It is known, for instance, that some Italians and Pakistani nationals involved in SWA heroin trafficking have used Switzerland merely as a transit center. Very little Pakistani drug money, however, is repatriated to Pakistan; most of it is believed to be held in dollar accounts in the Persian Gulf area. The money is often deposited in a fiduciary account which permits a financial advisor or a bank to make transactions on behalf of a client without identifying the beneficiary.

In the Far East, Hong Kong has been the leader in the financial and banking sector. Some SEA heroin traffickers have reportedly relocated their money laundering activities, since Hong Kong will revert to Chinese control in 1997 and its future economic status is uncertain. If an exodus of SEA heroin monies from Hong Kong does in fact occur, Singapore would undoubtedly receive a sizeable portion of these monies. Singapore's bank secrecy law already attracts a considerable flow of drug monies. There is also speculation that some SEA heroin monies may be laundered domestically in the large Asian communities in California. Interestingly, both the Los Angeles and San Francisco Federal Reserve offices reported considerably higher surpluses in 1984 than in 1983.

International Cooperation

International concern over the magnitude of existing and potential problems generated by the illicit drug traffic has increased significantly in the recent past. The increase in the number of treaties and informal agreements that permit the exchange of financial records is evidence of such concern and cooperation.

The United States signed a financial information agreement on July 27, 1984, with the United Kingdom and the Government of the Cayman Islands which entered into force on September 13, 1984. The agreement requires that, upon request, the Cayman Islands provide federal prosecutors with financial data, documents, and records relating to U.S. drug and organized crime investigations. U.S. prosecutors successfully used this agreement to obtain bank information on several occasions in 1984.

The United States and Switzerland signed a Mutual Legal Assistance Treaty on Criminal Matters in 1977 and since then the United States has made over 250 requests for assistance. In the past two years, the Swiss Government has frozen over $100 million in drug-related assets with expected forfeiture to the Swiss Government. The treaty enables law enforcement agencies to gain access to banking information in criminal matters. The United States has similar treaties with Italy (not yet in force) and The Netherlands, with the exception that seized assets are forfeited to the government requesting the action. Treaties with Panama and The Bahamas are currently in the negotiation stage.

Several other countries have existing laws that provide for the seizure of drug assets. These countries include Ecuador, Denmark, Finland, Iceland, Norway, Sweden, Egypt, Venezuela, Brazil, Costa Rica, and Bolivia. Egypt has used its drug asset removal laws to seize $16.5 million in drug-related assets.

Limited use has been made of the drug asset removal laws available in several of the above-mentioned countries, primarily because the forfeiture requires a greater burden of proof by the prosecution. In these countries, law enforcement and some legislators have recognized the need for new legislation. Several other countries including Thailand, Malaysia, Jamaica, and Argentina are in the process of enacting drug asset removal legislation or at a minimum, are studying the matter. In addition, in 1984, a financial group was established at Interpol Headquarters in St. Cloud, France. The group's activities are intended to emphasize and facilitate financial investigations as a way to deal with international drug trafficking, and to encourage multilateral approaches to the problem. ●