



**Directorate of  
Intelligence**

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# **Narcotics Review**



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**October 1985**

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**Narcotics Review** [Redacted]

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1      **Thailand: Drug Trafficking in the South** [Redacted]  
[Redacted]

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Southern Thailand is growing in importance as a transit area for Golden Triangle narcotics destined for Malaysia and en route to markets throughout Asia and Europe. Enforcement efforts in the south, although recently improved with the advent of cooperation between the Thai and the Malaysians, have had little effect on the drug trade. [Redacted]

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7      **International: Covert Ether Production, Viable Alternative for Cocaine Traffickers** [Redacted]  
[Redacted]

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Efforts to control the movement of ether, a key cocaine-processing chemical, have caused significant bottlenecks in the cocaine supply chain. Our analysis indicates that a simple and cheap method of manufacturing this chemical is available to traffickers that would allow them to manage more efficiently the cocaine-refining process and boost cocaine output. [Redacted]

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11      **Saudi Arabia: A Developing Drug Problem** [Redacted]  
[Redacted]

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The drug problem in Saudi Arabia is small in comparison with other Middle Eastern countries, but it is growing rapidly. The presence of a large foreign community and the increased exposure of Saudi youth to Western drug cultures are primarily responsible for the recent proliferation of drugs in the Kingdom. Government enforcement efforts, currently hampered by lack of cooperation and coordination, are likely to be expanded to fight the problem. [Redacted]

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15      **India: Gandhi's New Drug Initiatives** [Redacted]  
[Redacted]

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Prime Minister Rajiv Gandhi has pushed tough legislation through Parliament to crack down on India's growing drug problem. Although the new laws update obsolete, century-old statutes, official corruption, trafficker intransigence, and the rising number of addicts signal an uphill battle ahead. [Redacted]

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**Italy: Organized Crime and the Drug Trade**

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Italian law enforcement authorities view drugs and organized crime as inextricably linked and classify them as the top law enforcement priority. The government is increasing the amount of resources devoted to narcotics and has reorganized groups involved in drug control. Despite some progress, we believe the Mafia cannot be defeated as long as virtually unlimited supplies of drugs are available in the Mediterranean region.

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**Worldwide Narcotics Highlights**

[Redacted]

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A summary of key developments from 1 August to 1 October 1985.

[Redacted]

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**Narcotics Smuggling: Major Routes and Cultivation Areas**

[Redacted]

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Included at the back of this issue is an unclassified map showing international trafficking routes, major narcotics crop areas, and drug money centers.

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*This review is published bimonthly by the Directorate of Intelligence and examines international, regional, and functional issues related to the worldwide drug problem. Appropriate articles produced by other elements of the CIA as well as other US Government agencies will be considered for publication. Comments and queries are welcome and may be directed to the Chief, Terrorism/Narcotics Analysis Division.*

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**Thailand: Drug Trafficking in the South** [Redacted]

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Drug trafficking through southern Thailand, for years a secondary method for transporting Golden Triangle opiates to markets in Malaysia and Europe, is becoming a lucrative and growing business. Tighter enforcement in northern Thailand has periodically disrupted trafficking to Bangkok, traditionally the primary exit for narcotics leaving the Golden Triangle. Favorable market conditions in the south also appear to be responsible for the increased activity. The price of heroin in southern Thailand has dropped steadily in the past three years, but it is still more than two times higher than in northern Thailand. Traffickers are expanding their businesses and handling larger shipments to accommodate the growing demand. Although the number of seizures in the south has been relatively constant in the past few years, US Drug Enforcement Administration (DEA) officials in Songkhla report that the weight seized has risen 20 to 30 percent each year, a clear indication that the drug trade in the south is big business and not the small-time operation it used to be. [Redacted]

by addicts in the United States has few users in Southeast Asia and transits southern Thailand on its way to markets in Europe. [Redacted]

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[Redacted] Thai and Malaysian officials deny that there is opium processing in the area. The great volume of opium coming to southern Thailand, however, suggests that opium is being processed in the Thai-Malaysian border area. Small heroin laboratories have been seized along the Malaysian border and acetic anhydride has been transported into rubber plantations around the Sadao district in Thailand. These plantations are owned by wealthy Chinese, some of whom are known traffickers. The border area east of Sadao is controlled by Malaysian Communists, and they could be protecting laboratories in this region. DEA officials in Songkhla report that the Communists provide security to traffickers smuggling narcotics and contraband through the area, [Redacted]

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**The Road to Market**

We estimate that 15 to 20 percent—roughly 30 to 40 metric tons each year—of the Golden Triangle crop that is exported transits southern Thailand. Although all forms of opiates are trafficked through the south, DEA officials in Songkhla believe that most is opium and heroin. Some morphine continues to transit the south, but traditional buyers of the opiate are switching to heroin base to avoid the conversion process that requires the use of the controlled substance, acetic anhydride (see figure). [Redacted]

**The Trafficking Network**

The typical traffickers in southern Thailand are ethnic Chinese businessmen based in Hat Yai, the commercial center of the south and the hub for smuggling and money laundering. They operate in well-organized networks that include suppliers in northern Thailand and buyers in other Asian countries, primarily Malaysia. Traffickers in the south may control only one aspect of the narcotics business or may have a more diversified role. There are a multitude of small traffickers who control only one segment of the trade (for example, buying from one broker to sell to another). DEA officials in Songkhla know of at least 10 to 15 large groups operating in the south, but the number is probably much higher. These major traffickers handle shipments from supplier to buyer and smuggle

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DEA officials in Songkhla estimate that at least 80 percent of the narcotics transiting southern Thailand is bought by Malaysian buyers. Opium entering the south is either consumed by Malaysian Chinese smokers or en route to other Asian markets. Most, if not all, of the morphine and heroin base is destined for Pinang Province where it is refined into “smoking” heroin, the drug of choice among Malaysia’s 250,000 addicts. The higher purity heroin of the type injected

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Figure 1  
Southern Thailand Exit Routes for Golden Triangle Narcotics



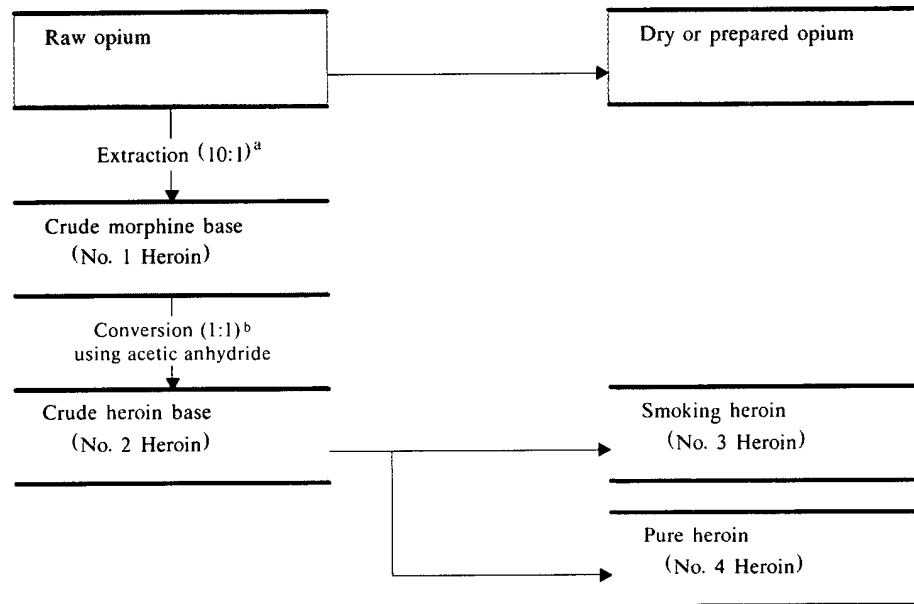
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**Figure 2**  
**Opium Refining**



<sup>a</sup> 1 part morphine is extracted from 10 parts opium.

<sup>b</sup> 1 part heroin is converted from 1 part morphine.

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consumer goods or acetic anhydride from Malaysia into Thailand using the same networks. [redacted]

A typical narcotics transaction begins when the buyer places an order with a broker, who then contacts his source of supply in Bangkok or northern Thailand. The supplier normally controls the load until it reaches the south where it is turned over to the broker. The broker is responsible for delivering the narcotics to the buyer. The majority of the narcotics are transported south via private auto, hidden in false gas tanks. Narcotics also come by train, bus, domestic airline, and by fishing trawler traveling down the Gulf of Thailand. Once in the south, the drugs are stashed in Hat Yai or towns along the Malaysian border before transport by the broker's couriers to Malaysia by land or sea. [redacted]

Trafficking occurs along the entire Thai-Malaysian border, especially at the established border crossings that have good roads. The 12-kilometer stretch between Pedang Besar and Sadao is one of the shortest routes into Malaysia and a popular smuggling route. Smugglers either cross at the customs checkpoints at these two towns or traverse the border surreptitiously through the rubber plantations in the area. Traffickers also use ports on the Andaman Sea—primarily Satun, but also Krabi, Phuket, and Ranong—as exit points to move narcotics and other contraband to Malaysia and Singapore. Drugs are often hidden with tin ore and rubber shipments or are smuggled on small boats posing as fishing trawlers. [redacted]

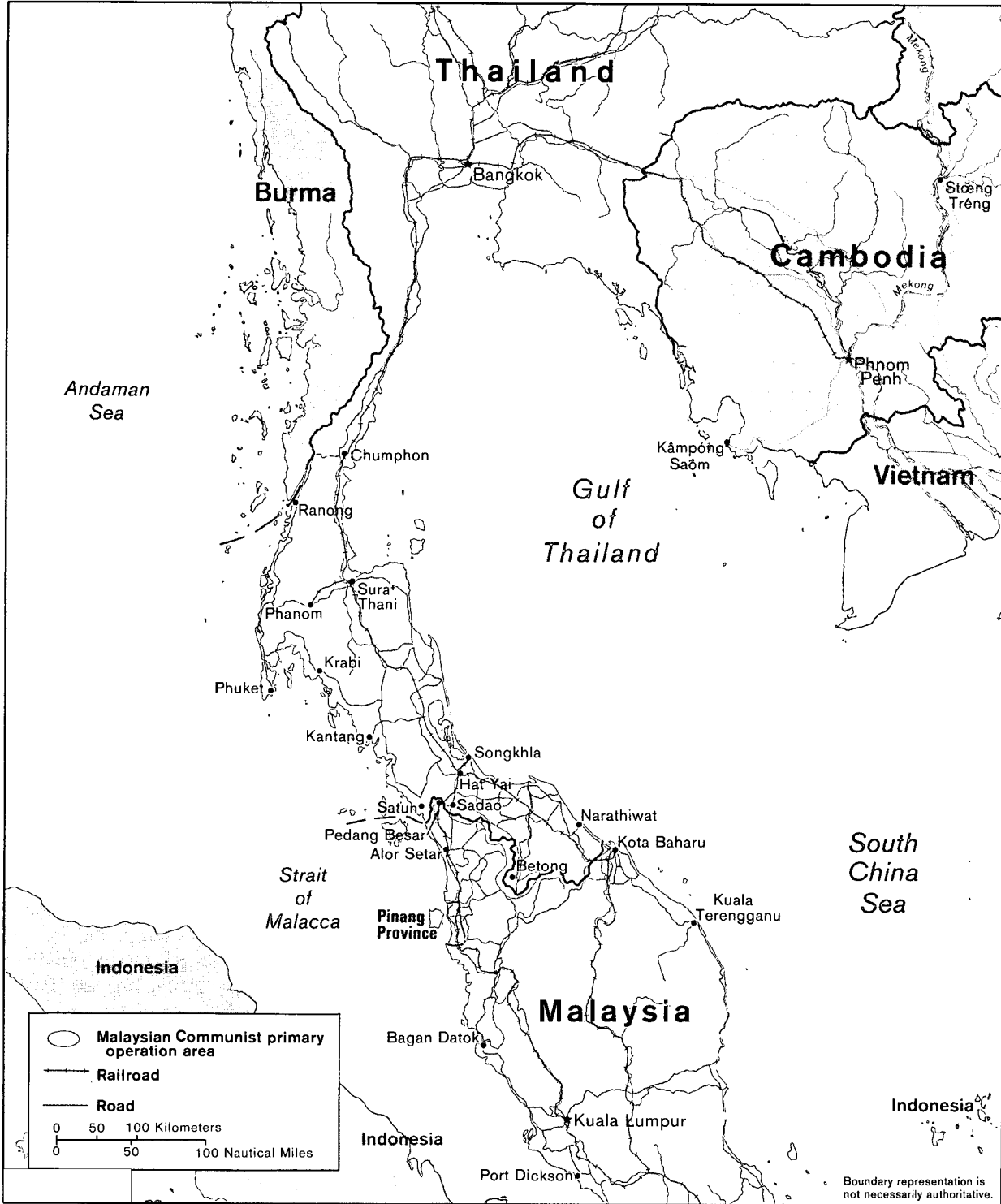
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Figure 3  
Thai-Malaysian Border



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**Enforcement Record**

The Thai Government has sporadically attempted to crack down on drug smuggling in the south, but official corruption and incompetence hinders enforcement efforts. In some areas of the south, provincial and marine police units have been completely co-opted by traffickers. According to DEA officials in Songkhla, smugglers notify these officials when one of their boats is leaving and are guaranteed safe passage. In big smuggling centers such as Sadao and Satun, Customs officials already in place are notoriously corrupt, and new ones are usually bought off within a month of arrival, according to DEA officials in Songkhla. [redacted]

The enforcement units tasked specifically against narcotics—the Office of the Narcotics Control board and the Police Narcotics Suppression Center—are more effective. These units have a close working relationship with DEA officials in Songkhla and have a spectacular record of arrests of major traffickers and drug seizures. In addition, the new Customs director for southern Thailand has a reputation for honesty and has already made several seizures of goods being smuggled out of the country, including 47 kilograms of heroin—more than the total amount seized in the previous five years. [redacted]

Increased cooperation between Thai and Malaysian officials is also improving the enforcement picture. Friction arose between the two countries in the early 1980s when Kuala Lumpur complained that the Thai were not doing enough to prevent narcotics from entering Malaysia. Although some of this feeling remains, both governments are now trying to work together to attack drug trafficking across their common border. In the past year, the Thai have passed information to the Malaysians that resulted in arrests. [redacted]

[redacted] Enforcement units in the two countries also are beginning their first-ever joint enforcement operation. [redacted]

**Outlook**

The improved enforcement has disrupted the trade in southern Thailand, forcing traffickers to turn to new methods to transport drugs. Kuala Lumpur's erection

of a fence with a parallel road and patrol towers along the border in the Sadao area and tighter security by both governments have increased the risk for traffickers moving narcotics by land routes. As a result, many traffickers are switching to boats to transport narcotics to Malaysia, which gives them the edge over enforcement officials. Customs officials and marine police lack the equipment necessary to patrol effectively the long coastline. [redacted]

The tighter enforcement is driving some small organizations out of the drug business in the border area. Larger networks, however, have the resources to withstand government pressure. Although a large broker may halt operations temporarily if a shipment is seized, he is not likely to abandon the drug trade. Also, in the absence of a conspiracy law, the Thai have found it exceedingly difficult to press charges against brokers acting behind the scenes. Growing Thai-Malaysian cooperation, however, may enable enforcement agencies to attack a larger segment of the networks spanning the two countries—resulting in the arrest of brokers and buyers, for instance, rather than isolated traffickers. [redacted]

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**International: Covert Ether  
Production, Viable Alternative  
for Cocaine Traffickers** [redacted]

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Ethyl ether, the key chemical used to convert cocaine base to cocaine hydrochloride (HCL), has been the focus of US unilateral and multilateral control efforts. The success of this program has driven the black-market price of a 55-gallon drum of ether, which sells on the open market in the United States for under \$200, to \$4,000 in Brazil and to \$7,000 in Colombia in February 1985. As ether becomes more difficult and expensive to procure, trafficking organizations are increasingly seeking alternative means of obtaining it, but this can be complicated and cumbersome. [redacted]

flows to a storage tank. Details of this process are available in many standard reference books on chemical technology. [redacted]

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**Equipment and Manpower Needs**

The major pieces of chemical equipment required for the process are a reactor, a scrubber, and a fractionating column; pumps, piping, valves, and gauges also would be required. The process would require electricity and a source of steam. Most of this equipment is available from new and used chemical equipment suppliers throughout the world. The fractionating tower would probably be smaller than most in commercial use and might have to be specially fabricated. A chemist, or preferably a chemical engineer, would probably be required to design and set up the process layout. Additional technicians and labor would be required to operate the unit. [redacted]

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Some traffickers have sought substitutes for ether or tried to develop a refining process that does not require it.<sup>1</sup> Perhaps the most effective way for traffickers to solve the problem would be to produce ether themselves. [redacted]

[redacted] our analysis indicates that not only is covert ether production a feasible, relatively low-cost alternative, but it also offers a number of advantages over current chemical procurement methods. [redacted]

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**Raw Material Availability**

The process requires only ethanol, sulfuric acid, and sodium hydroxide (caustic soda), commonly available commercial chemicals. Ethanol is a widely used solvent, antifreeze, chemical building block, and, of course, beverage. In addition, in Brazil it is produced in massive quantities as synthetic fuel. Sulfuric acid is by far the most widely used industrial chemical, and large amounts are consumed by the fertilizer, chemical, petroleum refining, iron and steel, fiber, and other industries. Sodium hydroxide, also known as lye, is the most important commercial caustic, used in chemical, pulp, paper, soap, textile, and other industries. All three of these chemicals are widely produced in massive quantities and are shipped to numerous consumers, making effective control of them a practical impossibility. [redacted]

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**The Process**

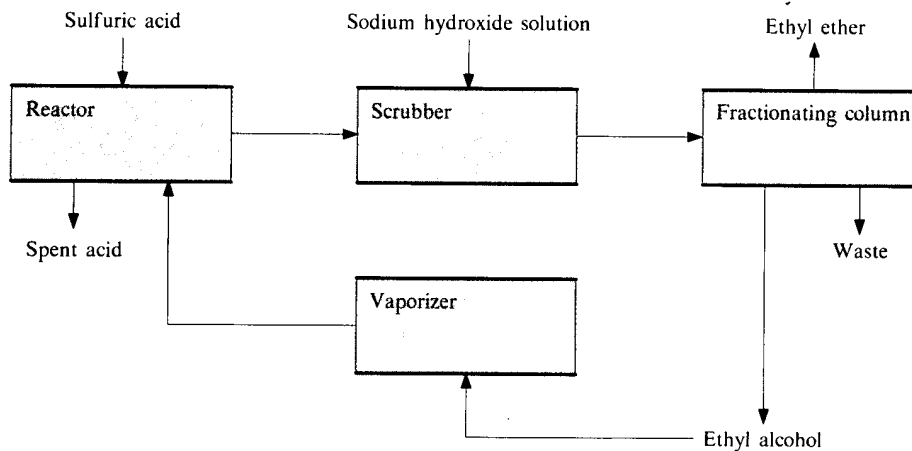
Most ether today is produced as a byproduct in huge integrated petrochemical plants, but an older process exists that uses simple equipment and requires raw materials that are easy to obtain. This process converts ethanol (ethyl alcohol) to ether by dehydrating it with sulfuric acid (see figure). The ethanol and sulfuric acid are charged into a reactor that is heated with steam to 125 to 140 degrees Centigrade. A mixture of water, alcohol, and ether vapors from the reactor are passed through a scrubber. In the scrubber, sodium hydroxide removes any remaining acid. The vapors are then separated in a fractionating column with unreacted ethanol recycled to the reactor. The ether is condensed and



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finding a suitable location. A small ether plant could produce about 250 liters per day. This would supply enough ether to process about 445 kilograms of cocaine HCL per month and could meet the needs of a major organization.<sup>2</sup> It would occupy only a small area, perhaps 7 meters on a side. The largest piece of equipment would be a fractionating column about 5 meters tall and less than 1 meter in diameter. Additional space would be needed for feedstock, product storage, and steam and electric generators. Such a plant could be located almost anywhere, with the fractionating column its only distinguishing piece of equipment. [redacted]

**Economic Feasibility**

Our preliminary analysis of the costs of covert ether manufacturing indicates that the process offers traffickers significant cost advantages. Our

<sup>2</sup> The cocaine production estimate is based on the assumption that 12 kilograms of ether are needed to produce 1 kilogram of cocaine HCL. [redacted]

hypothetical plant would require ethanol feedstocks of about 1.4 liters for each liter of ether produced, or about 50 55-gallon drums of ethanol per month to produce 35 drums of ether. Sulfuric acid and sodium hydroxide requirements would be minimal—one or two drums of each—as would their cost. At normal commercial prices, ethanol feedstocks cost about \$140 per drum in the United States and as low as \$75 in Brazil. A small processing plant would require about \$7,000 worth of ethanol plus transportation and other costs to produce 35 drums of ether monthly. The costs of buying the same amount of ether on the Brazilian black market would run about \$140,000, and as much as \$245,000 on the Colombian black market. Even after factoring in other costs such as transportation, utilities, labor, equipment, or premiums for feedstocks, operating a covert ether-processing plant would be far cheaper than purchasing ether in the current chemical-control environment. [redacted]

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**Advantages of Covert Ether Production**

Aside from the cost savings, a steady and reliable supply of ether from his own processing plant would offer a trafficker the opportunity to manage more efficiently the cocaine supply chain and ultimately to boost cocaine HCL output. A major bottleneck in the multistep conversion of coca leaf to cocaine HCL is caused by the unreliability of the ether supplies needed to manufacture HCL. If ether is temporarily unavailable, a trafficker is either forced to store cocaine paste or base—during which time cocaine content is lost at a rapid rate—or to leave coca leaf on the bush and possibly miss a harvest. Both result in lower cocaine output and profits than the trafficker could achieve with an assured ether supply.

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**Saudi Arabia:  
A Developing Drug Problem** [redacted]

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The drug problem in Saudi Arabia is small in comparison to other Middle Eastern countries, but it probably is one of the fastest growing in the region. Although precise statistics are not available, Saudi and US Embassy officials report that the number of drug users and the availability of drugs in the kingdom have risen dramatically over the past 10 years. The presence of a large foreign community and the increased exposure of many young Saudis to the drug cultures of Europe and the United States are primarily responsible for the proliferation of illicit drug use. Growing networks in the kingdom that deal in drugs and other contraband such as alcohol could be exploited at some point for subversive purposes, such as to facilitate the surreptitious entry of guns and explosives. [redacted]

**Increased Use of Illicit Drugs in the Kingdom**

The developing drug problem in Saudi Arabia is viewed by most Saudis, including those in the government, as typical of the evils of the outside—particularly Western—world. Aside from a small quantity of qat (a shrub cultivated for its leaves and buds that are the source of a habituating stimulant when chewed or used as a tea) that is grown in some sections of the southwestern provinces of Asir and Najran, virtually no drugs are produced in the kingdom. [redacted]

The use of drugs like hashish and opium occurs among all social and economic groups throughout the country. Other drugs, such as cocaine, amphetamines, barbituates, and—on a more limited scale—heroin, are used only in the larger cities and the foreign worker compounds, and by the indigenous upper class. Working-level Saudi drug officials believe that cocaine is the fastest growing drug problem in the kingdom. [redacted]

[redacted]

The austerity of Saudi society is partly responsible for drug use among young Saudis and Westerners working in the kingdom, [redacted]

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[redacted] Several young Saudis who were arrested in Jiddah for cocaine possession admitted to Saudi police officers that, although they acquired “social drug habits” in the United States, they used drugs more frequently in the kingdom out of boredom. US Embassy officials report that cocaine parties where young Saudis, Americans, and Europeans intermingle are regular weekend events in Jiddah and Riyadh. [redacted]

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Although the Saudi Government is aware of the growing drug problem and has taken steps to curtail the availability of drugs within the kingdom, Saudi officials have not publicly admitted that drug use among Saudis is on the rise. Government hesitation to go public on the problem probably reflects a concern that educating Saudi youth on the dangers of drug abuse would risk a concomitant increase in experimentation. Drug seizures are rarely publicized, and, when they are, they usually involve non-Saudis. Media treatment of narcotics revolves around the portrayal of drugs as a manifestation of corrupt Western ways rather than a social phenomenon that is increasingly affecting young Saudis. [redacted]

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**Sources of Illicit Drugs**

Illicit drugs enter Saudi Arabia from many countries and by many means. In a meeting with a visiting US official in late 1983, Saudi Minister of Interior Prince Nayif stated that Pakistan is Saudi Arabia’s major illicit drug source. [redacted]

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[redacted] US Drug Enforcement Agency (DEA) officials in Pakistan have developed information that some Pakistani traffickers smuggle heroin to Saudi

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Arabia via the mail and consignments of fruit. Most hashish shipments come from Lebanon (via overland truck routes through Jordan), Egypt, and Sudan (via cargo and passenger ships). Most cocaine is brought into the kingdom by Westerners and Saudis via transit points in Europe and the United States. [redacted]

**Government Enforcement**

In addition to the regular police force of the Ministry of Interior, three government agencies are directly involved in the interdiction of illicit drugs and the sentencing of drug offenders in Saudi Arabia:

- The Customs Department is responsible for the interdiction of drugs at airports, seaports, and border crossings. It makes most drug seizures in the kingdom. The Customs Department is headed by a director general who reports directly to the minister of finance. Canine detection teams [redacted] [redacted] have been used effectively by Saudi Customs since 1982 at the major international airports, and the government plans to employ 121 dog handlers at airports, seaports, and border crossings throughout Saudi Arabia by the end of 1987.
- The Office of Narcotics Police is responsible for the arrest and prosecution of drug offenders. It is nominally under the Division of Public Security within the Ministry of Interior, but it operates with considerable autonomy. Headquartered in Riyadh, it has about a dozen regional offices throughout the kingdom and, according to senior narcotics police officials, about 200 full-time officers.
- The Office of Narcotics Abuse, which is a subsection of the Ministry of Interior, reviews all drug convictions within the kingdom and recommends sentences in accordance with administrative decrees governing drug abuse. This office, rather than Islamic law courts, determines sentences in drug cases because narcotics—unlike alcohol—are a relatively modern phenomenon not specifically proscribed by Islamic law. It coordinates the processing of drug cases with the Office of Narcotics Police, the Islamic law courts (where guilt or innocence is assessed), and the provincial emirates, which must confirm sentences for cases within their jurisdiction. [redacted]

**Drug Seizures**

The fledgling network for importing and distributing drugs in Saudi Arabia is growing and is becoming increasingly sophisticated. Because of the concealment devices now used, Saudi drug officials believe that the bulk of illicit drugs entering the kingdom are being brought in by experienced drug traffickers. [redacted] drug arrests in 1983 and 1984 revealed connections to known international drug dealers in Europe and Southeast Asia. [redacted]

Some significant drug seizures that US Embassy officials are aware of include:

- November 1982: 300 kilos of hashish concealed in a false-bottom truck crossing the Saudi-Jordanian border.
- 1983: 80 kilos of hashish concealed in a shipment of tabletops crossing the Saudi-Jordanian border.
- March 1983: 1,600 kilos of Lebanese hashish concealed in the walls of prefabricated houses in Al Jawf.
- July 1984: 4 kilos of heroin concealed in the walls of prefabricated houses in Al Jawf.
- August 1984: 1 kilo of cocaine concealed in the carry-on luggage of a Saudi national studying in the United States arriving at King Abd al-Aziz Airport in Jiddah.
- September 1984: 3 kilos of heroin taped to the body of a Nigerian national arriving at King Abd al-Aziz Airport in Jiddah. [redacted]

According to US Embassy officials, there is frequent lack of cooperation and coordination among the government agencies concerned with drug issues. Competition between the Narcotics Police and the Saudi Customs is particularly acute, especially since mid-1982 when the Saudi Government introduced rewards for drug seizures. Based on the black-market value of the drug seized, government officials receive gold watches, money, cars, or land. [redacted]

[redacted] the sharing of information among agencies has declined steadily since the introduction of rewards. [redacted]

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Despite bureaucratic infighting, increased government enforcement efforts have been successful, and the number of drug seizures has increased significantly since 1979. According to Saudi narcotics officials, 200 drug-related arrests were made in 1979, more than 1,000 in 1982, and over 4,600 in 1983 (the first full year of the reward system). Some of these seizures were of a significant amount of drugs. [redacted]

The Saudis have relied on stiff penalties for drug infractions to serve as deterrents to potential drug offenders. Current sentencing calls for two years for ingestion, five years for distribution, and 15 years for importation. There are indications Riyadh is considering even tougher sentencing for drug abusers and traffickers, especially expatriates. The US Embassy has reported that the Saudi Government is considering the application of the death penalty for the importation of large amounts of drugs into the kingdom. [redacted]

#### **Detention Centers for Drug Offenders**

In several of the kingdom's larger cities, the Narcotics Police operate detention centers where individuals charged with drug offenses are held until court appearances. Time spent in the detention centers can range from several hours to two and a half years—as was the case of one unfortunate Afghan in the Jiddah detention center. [redacted] the average stay is between one and three weeks. [redacted]

US Embassy officials who have had access to the detention center in Jiddah over the past two years report it is small and crowded. From September 1982 until October 1984, the number of detainees at the center ranged between 20 and 90. Detainees are held in two large rooms, each with no more than 25 beds. Detainees sleep on the floor when their numbers exceed 50. [redacted]

According to US Embassy officials who interviewed detainees, Saudi guards frequently use heavyhanded interrogation tactics to elicit confessions. Bastinado, deprivation of food and sleep, and threats of physical abuse are common. Lower-class Saudis, Yemenis, Asians, and Africans receive the worst treatment. Americans and West Europeans are treated well

because of close monitoring by embassy and consular officers. Meals are considered adequate by the detainees, but sanitation is poor and the heat is usually oppressive. There are no trained medical personnel at the center and no facilities for drug-related problems. There are no accommodations for women. Women charged with drug-related offenses are either remanded to the custody of their male guardians or are held in regular prisons. [redacted]

Security at the detention center is lax, and US Embassy officials have been told by Saudi guards that at least two detainees a week walk out of the center unnoticed. [redacted]

illicit drugs that have been seized by the police and kept at the center as evidence frequently disappear. [redacted]

After sentencing, drug offenders are sent to regular Saudi prisons. Prison sentences are reduced by the amount of time spent in the detention center.

Prevention, treatment, and rehabilitation programs for drug abuse are minimal. The psychiatric sections of some hospitals provide limited drug abuse and addiction treatment, but they do so independent of any government-sponsored program. [redacted]

#### **The Hajj: Peak Period of Drug Trafficking**

Drug trafficking is at its peak in Saudi Arabia during the hajj—the annual religious pilgrimage when nearly 2 million Muslims from all over the world converge on Mecca to perform five days of religious rites. Saudi drug officials have told US Embassy officials that about half of all drug seizures made in the kingdom each year take place during the monthlong pilgrimage season. Many pilgrims finance their trip to Mecca by selling drugs in the kingdom or by buying drugs to sell in their native countries. [redacted]

the pilgrims most involved with drug trafficking come from Pakistan, Iran, Afghanistan, Africa, and Southeast Asia. Although some of the pilgrims are experienced drug traders who deal in large quantities, Saudi Customs officials claim that most bring

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relatively small quantities into the kingdom. According to Saudi Customs officials, an elderly woman tried to walk through a customs checkpoint during the 1984 pilgrimage with a gram of heroin clasped in her hand. [redacted]

Saudi Customs Department canine detection teams monitor selected incoming pilgrimage flights—particularly those coming from Pakistan—at the hajj terminal at King Abd al-Aziz Airport in Jiddah. Although police checkpoints in and around the city of Mecca are designed primarily to interdict weapons and deter potential troublemakers, drug seizures are frequent. [redacted] pilgrims who have only a small amount of drugs for personal use are usually deported. Pilgrims with large quantities who are believed to be selling drugs are arrested, detained, and—if found guilty—sent to prison. [redacted]

**Prospects**

Drug abuse in Saudi Arabia is likely to grow over the next decade as an increasing number of young Saudis are exposed to the West, and the foreign population of the kingdom remains high. An austere social environment in combination with large amounts of disposable income makes Saudi Arabia a fertile ground for proliferation of drug activities. [redacted]

Government efforts to interdict illicit drugs and deter illicit drug activities are likely to be expanded as the problem grows. Sentences for drug offenders, particularly importers, are likely to be stiffened. Although the Saudi Government will continue to emphasize drug control and interdiction training for its authorities, cost considerations in a period of budget austerity may curtail some programs and prevent the purchase of sophisticated detection equipment. [redacted]

The demonstrated ability of black-marketeers to permeate Saudi borders could be exploited for political purposes. Established networks for smuggling drugs into the kingdom may be used for the surreptitious entry of other contraband such as guns, explosives, and propaganda. Drug smuggling in the kingdom already piggybacks on more established and extensive alcohol smuggling networks. [redacted]

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**India: Gandhi's New Drug Initiatives** [redacted]

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Prime Minister Rajiv Gandhi, sensitized to narcotics problems in his June visit to the United States and stung by a flurry of press articles on India as a drug-trafficking center, has recently pushed legislation through Parliament to crack down on illicit narcotics. The new measures:

- Impose stiff penalties on narcotics traffickers.
- Establish a national narcotics enforcement agency.
- Control the illegal shipment of an essential heroin precursor chemical, acetic anhydride. [redacted]

India had been operating under obsolete antinarcotics legislation, dating back to 1867, that levied minuscule fines and minimum prison terms of little deterrent value. Although the new Narcotic Drug and Psychotropic Substances Act falls short of either Pakistan's or Sri Lanka's harsh new penalties for drug offenses, it does reflect growing regional awareness of the need to curb the subcontinent's rampant drug trade in opium, heroin, and hashish. [redacted]

**Background**

[redacted]  
[redacted] India is emerging as a major drug-trafficking center. Indian Government statistics show domestic heroin seizures have shot up sixfold, and worldwide drug arrest reports increasingly cite Indian ports as transshipment points for narcotics. At the same time, addiction is increasing in Indian cities with hard drugs cheap and readily available even to schoolchildren, according to Indian press reporting. [redacted]

India has an extensive licit cultivation of opium, and some of this may be diverted to illicit channels, but most of the drugs trafficked through India come from neighboring countries, [redacted]

[redacted] Working with traffickers from Southwest and Southeast Asia, Indian smugglers open up new routes from the Golden Crescent and the Golden Triangle as fast as the Thai, Burmese, and Pakistani Governments can close them down. [redacted]

**Tough Penalties**

The new antidrug legislation provides for minimum 10-year sentences for possession, sale, cultivation, trafficking, or conspiracy in narcotics. The maximum sentence for repeat offenses is 30 years with fines up to \$25,000. The new law gives prosecutors some key advantages. Defendants tried under this act will be presumed guilty, and prosecutors have been provided with a new plea bargaining system granting immunity to accused traffickers who cooperate fully with government investigators. [redacted]

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Police are also given new search and seizure powers that can be exercised without judicial warrants. [redacted]

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**New Central Agency**

The Central Economic Intelligence Bureau (CEIB) has been created to coordinate the actions of the numerous government agencies involved in narcotics affairs. The CEIB will have a charter much like the US Drug Enforcement Agency's in coordinating narcotics intelligence, enforcement, and maintenance of programs for addicts. Gandhi appointed M. L. Wadhawan, an experienced narcotics intelligence official from the Ministry of Finance, to head the CEIB, and, according to US Embassy reporting, he has given Wadhawan a "blank check" to get the new agency going. Wadhawan recently commented to a visiting US Congressional delegation that his Bureau plans to cooperate with neighboring Pakistan and Burma to fight growing trafficking across common borders. [redacted]

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In addition, acetic anhydride, an essential chemical in the manufacture of heroin from opium, was placed under the Essential Chemicals Act in order to impose strict control over its distribution. India is one of the

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world's largest producers of acetic anhydride, which is used in a variety of common industrial applications. Through the years the Indian product has been smuggled to Burma, Pakistan, and Afghanistan for use in heroin refining. Indian officials suspect that diversion of the chemical for such illicit purposes has reached enormous proportions. [redacted]

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**Outlook**

Gandhi's actions reflect the realization that he has a growing social dilemma on his hands and that India is not exempt from the worldwide drug problem. Although Indian police and prosecutors now have improved tools to wage war on drug trafficking and abuse, they will still have to overcome what is probably substantial corruption associated with the narcotics trade. Given the enormous amounts of money involved in the drug trade, we judge corruption will prove an obstacle to putting the new legislation to work effectively. [redacted]

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Tougher laws do not ensure a significant reduction in illicit narcotics activity. Enhanced enforcement measures will probably inspire traffickers to fight back with more resourceful smuggling techniques and routes, bigger and better placed bribes, and products that are more easily concealed and more profitable—such as heroin rather than opium. [redacted]

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Dealing with source countries, Pakistan and Burma remain yet another difficult hurdle for the Indian Government. Strains in relations between India and Pakistan are likely to limit cooperation on narcotics. Ethnic unrest in the states bordering Burma probably will complicate efforts to interdict illicit traffic from that quarter. [redacted]

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**Italy: Organized Crime and the Drug Trade** [redacted]

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Italian Government officials, drug experts, and law enforcement authorities view drugs and organized crime as inextricably linked problems. Over the last decade, the Mafia and other organized crime groups in Italy have come to play an increasingly important role in drug processing, trafficking, and distribution. The drug trade is so lucrative that it outstrips all other traditional areas of illicit activity combined. Extensive bloodshed among Mafia clans for control of the trade has helped to alienate the public and to prompt previously unthinkable official statements and public demonstrations against the Mafia. [redacted]

The US Drug Enforcement Administration (DEA) reports that, when heroin production in Italy increased in the late 1970s, Italian authorities believed it was confined to three rather widely separated areas of Italy—western Sicily, the area around Milan, and the San Remo area near the French border. These different production operations almost certainly were interrelated; according to DEA officials, the Milan-area operations responded to production and distribution strategies developed by the Sicilian Mafia. [redacted]

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**Patterns of Narcotics Trafficking**

The Sicilian Mafia controls much of the heroin trafficking to the United States and Western Europe. The most recent estimates by US and Italian authorities indicate that from 60 to 80 percent of the heroin arriving on the east coast of the United States is either shipped, processed, or brokered through Italy, mainly Sicily. The Mafia's primacy in the international heroin trade was facilitated by the disruption of the Corsican-run "French connection" in the early 1970s when the Mafia was able to expand into all stages of drug trafficking—importation, processing, refining, transshipment, distribution, and sales. [redacted]

Italian authorities report that the Mafia, with the apparent approval of its US-based counterpart, helped bring other Italian organized crime elements—including the Calabrian 'Ndrangheta and particularly the Nuover Camorra Organizzata of Naples—into drug trafficking in a significant way in 1981 and 1982. Evidence indicates that the Mafia intended the Calabrian and Neapolitan groups to serve as distributors of heroin domestically and abroad, and not participate in its processing, although some reports around that time suggested there were heroin laboratories in the Reggio di Calabria area. The Camorra, by contrast, appears to have moved successfully into the cocaine trade (see inset). [redacted]

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To obtain raw material for their heroin conversion laboratories, the Mafia developed trafficking networks from Pakistan, Iran, and Afghanistan through eastern Turkey and the Middle East to Italy. A leading Italian magistrate told a US Senate subcommittee in 1984 that much of the heroin sold in Italy comes from Lebanon and Syria via land routes through Turkey, Bulgaria, and Yugoslavia. Italian authorities recently reported that the Mafia has also established trafficking networks in Thailand and uses its own cargo vessels to transport opiates between the southwestern coast of Thailand and Sicily. [redacted]

Domestically, the Mafia markets heroin from both Southeast and Southwest Asia through areas controlled by crime bosses. There are few independent traffickers; those that exist probably are tolerated by the Mafia as no real threat, or must share their profits and contacts with the Mafia in order to operate. Such apparently was the case with a Sri Lankan network broken up by Italian authorities last year. [redacted]

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Italian officials have determined that a large percentage of the heroin entering Italy comes in at Trieste via private vehicles and sealed trucks not liable for customs inspection under international

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**Cocaine and the Camorra**

According to US [ ] officials, the Neapolitan Camorra has moved aggressively into cocaine trafficking. Press reports indicate that the US crackdown on cocaine smuggling from South America in the last few years has enabled the Camorra to take up the slack with Bolivian, Colombian, and Peruvian suppliers who previously had dealt only with US traffickers. [ ]

Italian authorities believe some cocaine couriers travel by commercial airlines to other countries in Europe and then by train to Italy. Their goal, [ ] is both to conceal their original point of departure and to avoid airport controls in Rome and Milan, where trained "sniffer" dogs are routinely employed. Some of the cocaine that arrives directly in Italy is then transshipped to other West European countries. With relatively open borders among EC countries, smuggling by automobile is common. [ ]

According to the US Embassy, cocaine distribution within Italy is organized mainly through a few distributors who deal with outlets—mainly clubs and restaurants—that deal directly with consumers. Compartmentation of this distribution network has made the task of ferreting out major traffickers even more difficult, according to authorities. US drug officials in Rome report that in the capital cocaine is sold on the streets like heroin. The US Embassy quotes an estimated price for cocaine in 1984 as \$40 to \$80 per gram for a probable purity level of 70 to 80 percent. [ ]

The drop in cocaine seizures last year, however, combined with signs of the drug's increasing availability suggests that traffickers and dealers are becoming more resourceful in eluding authorities by altering or varying patterns of distribution and sales. The mushrooming cocaine market may be the next battleground for organized crime, as ruthless young criminals try to seize a share of it. Such clashes could involve splits within the Camorra or outright conflict between the Camorra and the Mafia, which almost certainly wants to retain primary control of the most profitable drugs. [ ]

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convention. According to diplomatic reporting, local authorities in the border city are concerned that it is becoming the major transit point for Middle Eastern heroin en route to Italy and other West European countries. In the first 10 months of 1984, customs agents in Trieste seized more than 60 kilos of heroin. The pattern of seizures [ ] however, indicate that heroin also comes in by ship and by air through virtually every port of entry. [ ]

**Drug Revenues and Money Laundering**

Drug trafficking is the primary source of income for organized crime in Italy. Italian officials last year estimated that the amount of all business transacted by the Mafia and similar groups may constitute 5 percent or more of the country's gross national product, which was more than \$345 billion in 1984. Italian experts on organized crime estimate that in 1984 the turnover from the illegal importation, brokering, refining, and selling of drugs was as high as \$8 billion. In comparison, Fiat—Italy's single largest private employer—recorded sales in 1984 of about \$13 billion. [ ]

According to the US Embassy, Italian authorities believe hundreds of millions of dollars in drug profits are ploughed back into the local economies of Palermo, Naples, Rome, and Milan. According to organized crime specialists, Mafia families in the United States pay suppliers in Sicily perhaps \$1 billion annually, out of total earnings exceeding \$2.5 billion from heroin sales. This is approximately the amount the financial authorities say fuels Sicily's underground economy each year, producing otherwise inexplicable pockets of wealth amid the prevailing squalor. In 1984, for example, Italian Government figures ranked Palermo, the seat of the Mafia's drug empire, 75th among the nation's cities in reported income, with an unemployment rate of more than 16 percent compared with the national average of 10 percent. Yet, scores of new banks have opened in Palermo in the past several years, and the city ranks fifth among Italian cities in consumer spending on goods and services. We believe the gap may be

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attributed more to drugs than to traditional tax evasion and a thriving, non-drug-linked underground economy. It provides as clear an indicator as is available of the economic disparities created by the Mafia's drug business. [redacted]

Milan has become an important center for laundering or reinvesting drug money. This source may account for as much as 20 percent of Lombardy's gross regional income, according to reputable Italian economic journalists. As Italy's commercial and industrial capital, Milan offers a range and diversity of financial services and is convenient to Switzerland, whose credit and banking institutions maintain close ties to those in Milan. We do not know how much of the drug revenues pass through Milan to Switzerland, but many Italian banking and government officials reportedly believe that the bulk of narcotics profits stay in Italy and are invested there. This is a source of considerable concern to Rome because such infusions of capital increase the degree of criminal influence and control in otherwise legitimate commercial and industrial enterprises. [redacted]

To some extent, drug money also finances the national debt—a source of particular concern to the government because of the devastating political impact of any evidence that “subsidies” from organized crime help keep Italy's economy afloat. Although mutual funds, gold, and diamonds are popular means of investing and recycling drug profits, the US Consulate in Palermo has reported that Italian Treasury bonds and Post Office bonds also play an important role. Treasury bonds offer reasonable interest and as bearer bonds are an effective vehicle for laundering money. Post Office certificates earn approximately half the interest of Treasury bonds, but the Mafia buys them because their issuance procedure makes them virtually untraceable. According to then Anti-Mafia Commissioner DeFrancesco, the Italian Government's difficulty selling Treasury bonds in 1983 was caused in part by the Mafia's awareness that financial investigators were monitoring bond sales. [redacted]

According to Italian press reports earlier this year, the Parliamentary Anti-Mafia Committee has launched

an investigation into the mechanics of the Mafia's money-laundering operations. The committee has retained a prominent banking and finance expert to lead a probe of selected patterns of money recycling. Investigators are focusing specifically on currency regulations, identifying the true owners of stock in lending institutions, and examining a variety of fraudulent banking operations. The findings reportedly will form the basis for new legislation in this area. [redacted]

#### **The Surge in Anti-Mafia Sentiment**

The growth of anti-Mafia attitudes in Sicily in the past few years stems, in large measure, from the organization's full-scale involvement in drug processing and trafficking. A sharp increase in violence among rival Mafia factions for control of the drug trade has gone far to alienate the public in Sicily and elsewhere, according to press and Embassy reporting. The efforts of “young Turks” in the Mafia to operate independently have exacerbated the internecine struggles, which culminated in a record 330 murders in Sicily in 1982, nearly half of them in Palermo. [redacted]

Omerta, the traditional “code of silence,” still conditions relations between law enforcement authorities and most Sicilians, but a greater number of people than ever before—especially young people—are speaking out openly against organized crime.

[redacted] many Sicilians see the Mafia's decision to go heavily into the narcotics trade as an attack on their most basic values. The drug connection has also encouraged a shift in attitude among some of the island's elite, whose children were among the initial victims of the increased availability of drugs. [redacted]

Members of the clergy and the church hierarchy have been the most vigorous proponents of a regional campaign against the Mafia. Cardinal Salvatore Pappalardo of Palermo—who began to denounce the Mafia soon after he arrived in Palermo as Archbishop in 1970—is most closely identified with this movement. Pappalardo has earned praise from

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Sicilian law enforcement authorities and gratitude from many of his priests for his efforts to convince Sicilians—and Italians generally—of the need to resist the social and moral decay caused by organized crime. The Cardinal's efforts were reenforced by Pope John Paul II, who, in 1982 on the first papal visit to Sicily in centuries, called on Sicilians to reject the Mafia mentality. [redacted]

The Cardinal's activism has, nonetheless, stirred controversy; his predecessors avoided comment on the Mafia, making Pappalardo's forthright appeals even more jarring to Sicilian society. According to press accounts, some members of Sicily's social and political elite believe his anti-Mafia crusade threatens their vested interests and would like to see him transferred. When Pappalardo served Easter mass at Sicily's main prison two years ago, no prisoners attended—an occurrence widely interpreted as an ominous warning from the Mafia. Four police bodyguards carrying automatic weapons accompany the Cardinal everywhere—evidence of his influence and the dark power of the Mafia. [redacted]

Catholic laymen of anti-Mafia conviction have been assertive as well. The City of Man, a youthful anti-Mafia civic group, successfully ran candidates in local elections in Palermo in 1980 and captured about 10 percent of neighborhood government seats. One of the group's leaders ran for mayor of Palermo in the May 1985 elections. Although unsuccessful, his candidacy was symbolically significant and a boost for anti-Mafia morale. Students from the University of Palermo with ties to the group organized an anti-Mafia campaign in 1983 aimed at teenagers. According to Italian press reports, the group has sought to cast the Mafia as an oppressor and exploiter of the poor—a view at odds with the traditional 19th-century folklore of the Mafia as defender of the downtrodden. [redacted]

Enhanced media coverage of increasingly frequent anti-Mafia statements by regional leaders, combined with a program of anti-Mafia education adopted in Sicilian schools last year, appears to be influential in sparking public demonstrations against that organization. According to press accounts, such protests almost invariably link the Mafia to organized drug trafficking:

- In an anti-Mafia march last fall, some 10,000 mostly young people boldly paraded through a Mafia-infested suburb of Palermo.
- The Italian press gave prominent coverage to a "March for Peace" in Palermo last New Year's day, involving 5,000 people from throughout Italy. The central theme of the march was an end to Mafia violence, criminality, and drug trafficking.
- Last February, 5,000 schoolchildren accompanied by parents, teachers, and prelates marched through two Mafia-controlled quarters of Palermo, chanting and carrying placards denouncing the Mafia and drugs. [redacted]

The Christian Democratic party, which has dominated Sicilian politics in the postwar era, supports the backlash against Mafia rule and influence, but with some reluctance. Initially, the party resisted efforts to expose Mafia control and corruption of public officials because the party's interests and its power base in Sicily have long been enmeshed with those of the Mafia, making exposure a risk to local politicians. The assassination by the Mafia of the Christian Democratic president of Sicily's regional government in 1980, coupled with subsequent murders of political and law enforcement officials, helped push the party toward a firmer anti-Mafia position. Even then, it opposed enactment of an anti-Mafia law until the assassination of Gen. Dalla Chiesa—Prefect of Palermo and symbol of the antinarotics campaign—made such a position politically indefensible. [redacted]

As anti-Mafia policies take root, Christian Democratic leaders in Sicily acknowledge the importance of refurbishing the party's blackened image. The party fielded fresh, "untainted" candidates for the elections last May—as much as two-thirds of their electoral list in some municipalities—and many performed well. The Christian Democratic leadership in Rome, however, does not appear persuaded that an earnest campaign

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of internal reform is necessarily in the party's interests. [redacted]

The Communist Party, on the other hand, has strongly supported the campaign against the Mafia. It strengthened this position in 1982, after the Mafia assassinated the party's regional secretary, an outspoken advocate of the need for an anti-Mafia law. Communist opposition to the Mafia accords with the party's record as the most forceful in raising narcotics as a criminal, social, and political issue, according to the US Embassy. [redacted]

**Outlook for Narcotics Enforcement**

The Italian Government recently restructured the groups involved in drug matters to improve coordination among ministries and streamline enforcement procedures. The key provisions of the government's reorganization include:

- Establishment of an interagency National Policy Council on Narcotics, chaired by the prime minister and involving the ministers of health, interior, justice, finance, and foreign affairs, all variously concerned with the drug problem.
- Organization of an Interagency Committee on Enforcement under the Interior Ministry that is responsible for assuring equal utilization of the three police forces.
- Creation of a National Observatory on the Drug Phenomenon within the Interior Ministry to centralize data on narcotics abuse, to establish national standards for drug prevention and rehabilitation programs, and to ensure that treatment facilities are available.

US officials report that the new structure is proving increasingly effective. It is hampered, however, by a duality in the legal provisions for narcotics suppression. On the one hand, the 10-year-old law governing drug possession, use, and sale is quite liberal; on the other hand, the anti-Mafia law of 1982 allows the government considerable scope in attacking organized crime empires built with the proceeds from drug trafficking. [redacted]

Despite the progress, a number of factors, some of them beyond the control of the Italian Government, work against any real success. In recent talks with US officials, Anti-Mafia Commissioner Boccia asserted that the Mafia cannot be defeated unless some way is found to destroy the traffic in narcotics, which provides the vast sums of money with which "almost anyone can be bought." We think few officials would dispute Boccia's assessment. We believe, furthermore, that criminal drug trafficking organizations headquartered in Italy will continue to play a major role in the heroin traffic as long as virtually unlimited supplies of heroin—or the raw material to manufacture it—are available in the Mediterranean region. This situation is not likely to change unless authorities in Southwest Asia, Southeast Asia, and the Middle East can control narcotics production. Similarly, the Camorra's cocaine traffic with South America probably will continue to grow in the absence of a successful, sustained program of crop eradication and substitution in key producing countries. [redacted]

We also believe many Italian officials, especially leaders of the Christian Democrats, will remain reluctant to encourage anti-Mafia investigations that could result in politically damaging revelations. Italy's regional and municipal elections last May show modest but positive signs that an anti-Mafia/antidrug ethos may yet take root: Christian Democratic candidates untainted by criminal associations, who represent "renewal" in the party, fared well enough in Sicily to demonstrate a moral victory of sorts. To maintain this momentum, the party's leadership must be convinced that it has more to lose by circling its wagons in traditional bastions of electoral strength—in organized crime's spawning grounds in southern Italy—than by continuing to purge its ranks of Mafia-linked local politicians. Southern voters' affirmation in future elections of a trend of opposition to Mafia-based regional politics may provide such incentive.

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**Worldwide Narcotics Highlights** [redacted]

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**South America**

[redacted] **Colombian** drug traffickers may fear the threat of extradition more than any other aspect of Colombia's drug crackdown. The US Embassy in Bogota reports that drug traffickers, upset with the processing of extradition requests, have threatened the lives of Minister of Justice Parejo, members of his family, and other officials in the ministry. [redacted] a Supreme Court justice has received a letter warning that he will be killed unless he attempts to nullify the extradition treaty. [redacted] lawyers for Jorge Ochoa, a Colombian drug kingpin jailed in Spain, are trying to have criminal charges brought against him in Colombia so he can return there to stand trial instead of being extradited to the United States. Traffickers fear their chances of being convicted and sentenced to long jail terms are much greater in the United States, where there are severe minimum sentencing requirements, than in Colombia, where they can use bribery, intimidation, and coercion to try to stay out of jail. In light of the assassination last year of Parejo's predecessor, Bonilla Lara, a strong advocate of extradition, and the recent murder of the Superior Court judge investigating this case, authorities are taking the death threats seriously. President Betancur, however, recently assured the United States that his lawyers are working to make the extradition treaty even stronger. [redacted]

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**Colombia's** efforts to make the public more aware of the seriousness of the drug problem and to build support for antinarcotics activities may be succeeding. Part of this success is a result of the recent shift in media attitudes toward drug traffickers. The US Embassy in Bogota reported in September that traffickers are now depicted as violent criminals increasingly tied to subversive groups. [redacted] an increased willingness on the part of the press to openly discuss drug-related topics. On 25 September, Colombia's second-leading daily newspaper sponsored a teleconference on narcotics affairs that included participation by US State Department officials. The media's turnaround may have been influenced by elements of the business sector. Two of the country's major trade associations have openly stated the need for more objective coverage of drug activities, and a group of leading businessmen in El Valle reportedly submitted a letter of President Betancur calling for stronger action against subservice elements. In the past, traffickers has portrayed narcotics control efforts as US interference in Colombia's internal affairs and used that theme to gain considerable support in the media. [redacted]

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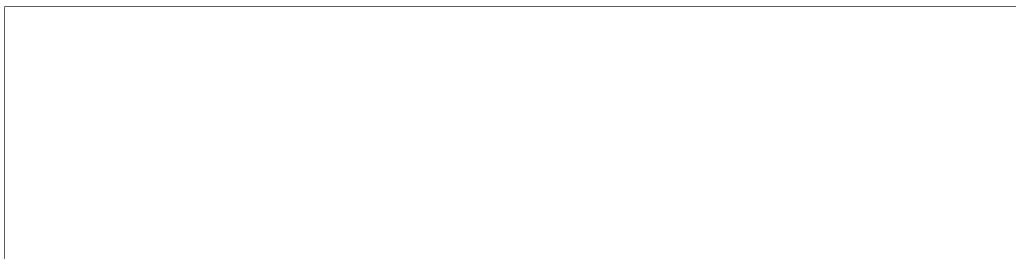
Traffickers continue to threaten US narcotics control personnel in **Colombia** as Bogota moves ahead with US-backed drug enforcement operations. [redacted]

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Since taking office at the end of July, *Peruvian* President Alan Garcia has moved swiftly to fulfill a campaign promise to crack down on drug trafficking. Within three weeks, he authorized the first ever *Peruvian-Colombian* antidrug operation, which resulted in the destruction of several clandestine airstrips and laboratories near Leticia, Colombia. This remote area where Peru, Colombia, and Brazil meet has become a center for Colombians manufacturing cocaine out of coca base and paste flown in from Bolivia and Peru and chemicals imported from Brazil. Authorities are keeping up the pressure, launching phase two of the operation with fresh troops in early September. The seizure so far of five aircraft and more than a ton of drugs and chemicals, the destruction of at least four sophisticated cocaine-processing laboratories, and the continued presence of the troops in the area is hindering trafficking operations, according to the US Embassy in Lima. No major traffickers have been apprehended, however, and the trade is likely to resume if no strong antinarcotics presence is maintained in Leticia once the operations are over.



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Another front opened against the drug trade in *Peru* is President Garcia's crackdown on official corruption through a sweeping reform of the police services.



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In an attempt to restore integrity and discipline to these services, Garcia already has fired over 160 high-ranking officials, 43 of them police generals. He has promised to remove additional officers, including the commanders of the narcotics divisions. Garcia intends to unite the various security agencies into one organization, to introduce legislation that includes stiffer penalties for government officials guilty of drug-related crimes, and to reorganize the judiciary as a warning to judges not to cover up corruption in cases they try. The dismissals reportedly have caused morale in the Investigative Police and Civil Guard to drop,

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Garcia's popularity and strong congressional support for the anticorruption campaign, however, make police-led antigovernment actions unlikely.

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drug traffickers are threatening violence to US and *Peruvian* drug control officials in retaliation for President Garcia's drug control efforts. The US Embassy in Lima has unconfirmed reports that hired assassins, allegedly of Colombian or Italian origin, attempted to enter Peru in August to conduct unspecified actions against drug officials on behalf of traffickers. In September, armed intruders broke into the home of the senior DEA official in Lima. Although the agent was not there, the intruders beat up witnesses, demanded the agent's weapons, and denounced him for attempting to destroy the

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drug trade. President Garcia believes death threats against him and his family are the result of his police reform measures. [redacted] If the traffickers follow through on any of their threats, it would be a marked departure from their habit of aiming violence and intimidation at uncooperative peasants, lower level authorities, and eradication workers. Killing high-level officials could backfire on the traffickers, prompting the government to intensify drug control measures, including attempts to apprehend major traffickers, as happened after drug officials were assassinated in Colombia and Mexico. [redacted]

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During his first two months in office, *Bolivia's* President Paz Estenssoro has publicly supported the need for improved drug control. His administration, however, has yet to draw up a comprehensive antinarcotics strategy or a timetable for beginning coca eradication. Within a week after his inauguration, Paz met with a delegation of key US legislators US Congressional sentiments that aid to Bolivia be tied to coca eradication, and he pledged an attempt to destroy 4,000 hectares of coca this year—about 10 percent of Bolivia's cultivation. Paz warned that such an operation would be difficult to undertake as long as Bolivia's treasury remained depleted. More recently, Paz told the US Ambassador that coca eradication will not begin until his struggle with Bolivia's combative labor organizations is resolved and his economic reform measures show success. With this indefinite postponement, Bolivia almost certainly will not be able to meet its eradication target this year. Paz may try pointing to piecemeal operations to interdict drugs and destroy laboratories as evidence of his commitment to drug control. It is also likely, however, he will try to mount some form of eradication operation before 1986 to keep the doors opened for future US assistance. [redacted]

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[redacted] *Bolivia's* armed forces are willing to become more involved in narcotics control under the new Paz Estenssoro administration. The new Minister of Defense has pledged Air Force aircraft and logistic support to police coca eradication operations, according to US Embassy sources. [redacted] the 18 T-33 jets—light attack aircraft—recently purchased from France will be used in an antinarcotics role. [redacted] the T-33s will be deployed to the Beni and Pando regions of northern Bolivia to intercept and, if necessary, shoot down aircraft smuggling coca products between Bolivia and its neighbors. Despite the willingness of its leaders, the military is not likely to become a factor in narcotics control any time soon. The T-33s will be of little use without adequate radar, communications, and intelligence support—none of which Bolivia has now. Moreover, popular officers such as General Prado, who commands the army division in the drug-trafficking center of Santa Cruz, believe that specially created police units and not the military should conduct antinarcotics missions. Ultimately, the biggest obstacle to military effectiveness will be the numerous corrupt officers who collaborate with and protect the operations of Bolivia's major trafficking organizations. [redacted]

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The 22-day *Ecuadorean-Colombian* border operation against cocaine trafficking that concluded on 2 August produced modest results. The operation, which also involved enforcement agents from Ecuadorean Interpol and the DEA, was the fourth in a series of antinarcotics projects initiated by the Ecuadorean Government. According to the US Embassy in Quito, the coordinated effort resulted in the destruction of 192 hectares of coca and 39 coca paste laboratories. The eradication total was higher than the 152 hectares achieved in the third campaign in February, but well short of the preliminary target of 500 hectares. The operation was hampered by heavy rains, which delayed the start from 12 July to 16 July, and by limited air support from the military, which precluded more aggressive measures. Nevertheless, the coordinated action represents a positive step in the attempt to forge a multilateral approach to the drug problem; talks are already under way concerning other joint efforts. [redacted]

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*Ecuador*, traditionally a transshipment point for cocaine headed for the US market, is apparently becoming an important cocaine processor as well. The US Embassy in Quito reports that imports of cocaine-processing chemicals have risen dramatically in the last two years. Legal shipments of acetone and other essential chemicals increased by 250 percent from 10 to 20 tons per year during 1980-83 to 3,000 to 5,000 tons in 1984-85. Accurate figures on illegal shipments are not available, but a recent seizure of 165,000 liters of acetone/ether suggests that amounts may be significant. The Embassy also reports larger seizures of cocaine HCL, 1 ton so far this year compared to the 1984 total of only 80 kilograms. The larger amounts of processing agents entering Ecuador and the lack of evidence suggesting any transshipment of these chemicals indicate the existence of a large number of clandestine cocaine HCL laboratories. The increased use of Ecuador as a cocaine-refining point may be a result of intensified antinarcotic efforts in Colombia forcing traffickers to relocate operations. [redacted]

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The recent extensive shakeup in the *Ecuadorean* Drug Agency, Dinactie, although an encouraging sign of President Febres-Cordero's commitment to antinarcotics policies, is unlikely to improve the Agency's effectiveness. [redacted]

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[redacted] the shakeup, which took place from late July to early September, [redacted]

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[redacted] This rid the Agency of allegedly corrupt officials and placed the new director directly under the control of Febres-Cordero. Dinactie, long plagued by mismanagement and inadequate resources, has been overshadowed by the National Police Interpol Service, the other government body responsible for narcotics enforcement. Given the rapid growth in narcotics activity in Ecuador, the reorganization may allow the Agency to play a more important role in drug control activities and improve its access to funding needed to correct deficiencies in training and manpower. [redacted]

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The Government of *Venezuela* has taken steps to improve its drug interdiction capabilities. Caracas recently concluded an agreement with Brazil to fight drug trafficking along the border and has revised the extradition treaty with the United States to include in it the crimes linked to trafficking. In the summer of 1984, the Venezuelan Congress—in a record time of 90 days—passed a law against narcotic

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and hallucinogenic substances that established a legal infrastructure that did not previously exist. Other recent initiatives include: creating a Drug Information Center; a joint resolution by the Finance, Development, and Justice Ministers on controlling the importation and sale of cocaine-processing chemicals; and signing treaties with Colombia to establish joint border posts. The Venezuelan Air Force also is becoming increasingly involved in antinarcotics efforts. The Air Force is using a radar site near the Colombian border to detect drug traffickers' aircraft taking off from clandestine airstrips and is flying photo reconnaissance missions to detect narcotics activity. The government will probably adopt additional measures, but interdicting the flow of drugs will be difficult. Colombia's narcotics-producing highlands extend to the sparsely populated Venezuelan border, and numerous routes are available from that area to the Caribbean coast. [redacted]

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**Argentina** [redacted]

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[redacted] The government has not been concerned about drug control until recently because it believed that narcotics transiting Argentina were having little effect on the population, and that drugs were a problem only for consumer countries. Significantly increased drug abuse in Argentina and the recognition that transit countries can become consumer countries has caused the government to intensify its intelligence collection and interdiction efforts. [redacted]

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The Government of **Paraguay** has for the first time publicly admitted that cocaine-processing laboratories exist within the country, according to press reports. A joint military and police operation in early September led to the confiscation of material destined for construction of a laboratory allegedly under the control of Colombian Frank Fernandez's trafficking organization. Local police officials believe that the incipient operation enjoyed the protection of Third Army Corps Commander, Gen. Eduardo Sanchez. In mid-September military authorities discovered a well-equipped camp with a cocaine-processing laboratory allegedly run by Paraguayan and Bolivian military personnel. The facility was located on a ranch owned by Paraguayan Navy Lt. Walter Hoppe Quinonez. [redacted] Bolivian armed forces members also may have been involved—men dressed in Bolivian military uniforms have been frequently seen at the ranch's airstrip. [redacted]

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The **Brazilian** Navy's Amazon Flotilla is becoming increasingly involved in US-funded coca eradication support missions. The Flotilla's river patrol craft have been used in the far western section of Amazonas State to transport supplies and members of the National Police into suspect coca-growing and -processing areas. According to the US Embassy, naval support has enabled police to arrest 25 persons, destroy 981,378 coca stalks (branches), and seize two coca paste laboratories in the recently completed first phase of Operation Frederico III—a major eradication operation centered in the western Amazon. Although the operations have been successful, the financially strapped Brazilian Government is unlikely to continue them without US funding. [redacted]

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**Mexico**

Recent large seizures of South American-produced cocaine in Mexico indicate that authorities there are responding to US appeals for more forceful drug interdiction. According to DEA and press reporting, Federal Police in August seized over 680 kilograms of cocaine in the Mexican-US border town of Tiajuana, believed to be the largest seizure of cocaine in the country's history. The high-quality cocaine was found in a truck intercepted on the highway connecting Tecate and Tiajuana. [redacted]

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Two recent developments during the past month could greatly impair Mexico's ability to suppress the resurgence of the drug trade:

- Plentiful rainfall in Mexico's major opium-producing northern region has created ideal conditions for crop cultivation, [redacted] this may result in a 1985 fall crop larger than we anticipated. Robust drug crop production could continue into 1986, as the abundant rains will facilitate irrigation during the dry season that extends from October through March.
- The Mexican Government's preoccupation with the aftermath of the earthquake last month in Mexico City could temporarily cause authorities to shelve plans for expanded antidrug measures. Moreover, humanitarian needs may result in legitimate short-term diversions of aircraft and manpower previously devoted to drug control. We anticipate that, even after the Mexicans have addressed the worst consequences of the earthquake, some antidrug officials might be tempted to use continued disaster-related financial and material burdens as a ploy to deflect US pressure for action against the drug trade. [redacted]

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The timing of the recently concluded large-scale Mexican antinarcotics operation, Pacifico IV—just prior to the beginning of the traditional poppy-growing cycle in late September and early October—is likely to contribute little to the eradication effort and illustrates continued mismanagement in drug control programs. The eradication operation, which started on 15 August and included unprecedented amounts of equipment and manpower—70 aircraft, 300 land vehicles, and over 10,000 personnel—was targeted at fields in the northern tristate opium-growing area of Chihuahua, Sinaloa, and Durango. The planning and timing of this action was one of the last acts of Eradication Operations Director Dr. Sam Lopez, who was believed to have ties to drug traffickers. Lopez's recent reassignment out of the eradication program is an attempt to rid the program of allegedly corrupt officials and could lead to more efficient use of scarce resources. [redacted]

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Recent Mexican press reports have criticized the de la Madrid government for its lack of progress in prosecuting top drug traffickers Ernesto Fonseca Carrillo and Rafael Caro Quintero. The two were arrested in March and indicted in April for their alleged role in the abduction and murder in February of DEA agent Enrique Camarena. Under Mexican law, the presiding judge has up to one year from the time of arraignment to weigh arguments by the prosecution and defense and reach a verdict. Failure to do so during the prescribed time—which will elapse in six months—would enable the defendants to petition the court for release. [redacted]

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Caribbean

Caribbean nations used as drug transit areas have begun to take measures aimed at controlling drug trafficking and drug abuse. [redacted]

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[redacted] officials of the *Dominican Republic* submitted to the President in August a plan to create a National Narcotics Council resembling those of Venezuela and Colombia and led by the Dominican attorney general. The Dominican action followed a series of meetings of a mixed Dominican/Colombian commission created last April to better coordinate drug control measures between the two nations. In September, the Government of *The Bahamas* agreed to co-sponsor a regional drug abuse conference with the assistance of the US Embassy in Nassau. Public health authorities from the United States, Jamaica, Bolivia, Colombia, and Peru were to be invited, according to US Embassy reporting.

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*Jamaican* and US officials agreed in August on steps to curb drug smuggling on Air Jamaica aircraft. The agreement came after a series of marijuana seizures by the US Customs Service and subsequent fines of Air Jamaica and brief detentions of passenger aircraft by US authorities. Many of the specific antismuggling measures followed recommendations of a US Customs team that visited Jamaica in June to inspect airport security and advise the Jamaican Government how to improve its procedures. Air Jamaica officials dismissed some 160 security guards and cargo handlers at Norman Manley International Airport, restricted access to cargo areas, and implemented a plan to photograph all shipping agents who export goods on the island's national carrier. Jamaica's Minister of Public Utilities and Transport Pearnel Charles announced that the security guards would be replaced by Jamaican Constabulary Force Officers. These measures probably will improve security at the island's two international airports, but smugglers will continue to probe for weak points. [redacted]

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A *Jamaica* Defense Force (JDF) survey of the island in August revealed marijuana cultivation substantially greater than last spring. [redacted]

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[redacted] that major growers who delayed planting last spring because of the glut of marijuana and the intensified eradication program are now back in business. In early September, JDF Chief of Staff Gen. Robert Neish briefed US officials in Kingston on his plans to begin a major push to eradicate the new crop. A joint military/police operation under military command is set to begin on 1 October. [redacted]

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Central America

Evidence points to complicity by *Panamanian* Defense Forces (FDP) in the recent murder of popular national figure and former Vice Minister of Health Hugo Spadafora. [redacted]

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[redacted] The FDP will not allow a special investigation of the murder, and, at the FDP's urging, 1st Vice President Delvalle has pledged not to establish an impartial investigative committee. [redacted]

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The long discussed aerial marijuana eradication campaign in *Belize* has again been delayed as the government waffles over the startup date for an approved test spray program using glyphosate. Fearing powerful marijuana traffickers may attempt to incite violence, Belizean officials will delay spraying until after Queen Elizabeth completes her 9-11 October visit. A US-funded agreement between the Belizean Government and a private US firm to establish a public education and drug abuse awareness program—a precondition for government approval of eradication—removes one of the major obstacles and may force Belize to make at least a token effort at spraying. Even if the widely publicized spray program does get under way prior to peak harvest in November, it probably will have little effect on the fall crop, since farmers are likely to harvest early to avoid total crop loss.

[redacted]

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**Southeast Asia**

Several hundred troops of the 3rd Chinese Irregular Force/Wa National Army coalition (3rd CIF/WNA) began an assault on strongholds of a rival trafficking organization, the Shan United Army (SUA), on the *Thai-Burmese* border along Mae Hong Son Province on 21 September. The CIF seeks to break the SUA's hold on drug trafficking and processing in the border area. Clashes between the two groups also occurred to the northeast on the border near Fang, Thailand, where

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[redacted] the two sides have fought to a stalemate. [redacted]

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[redacted] When fighting spilled over into Thailand and threatened a village, Royal Thai Army troops joined the fight against the SUA. Although the fighting is unlikely to force the SUA out of the western border area, it has hampered SUA attempts to develop the region into a major refining and trafficking center. [redacted]

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*Thailand's* Office of Narcotics Control Board (ONCB) plans to conduct an aerial survey of marijuana cultivation in northeast Thailand in October. The primary goal of the survey is to produce tactical maps for use by manual eradication teams. The Thai hope to monitor marijuana cultivation with techniques similiar to those used to estimate opium production. The Thai Government is clearly concerned about growing marijuana cultivation and trafficking. Unlike opium production, which provides income to minority hill tribe farmers in the north, marijuana cultivation is directed by large trafficking organizations, several of which reportedly are foreign based. Several press reports indicate some opposition politicians also involved in the marijuana trade. Because of this and the direct foreign involvement, there is little resistance within the government to large-scale eradication.

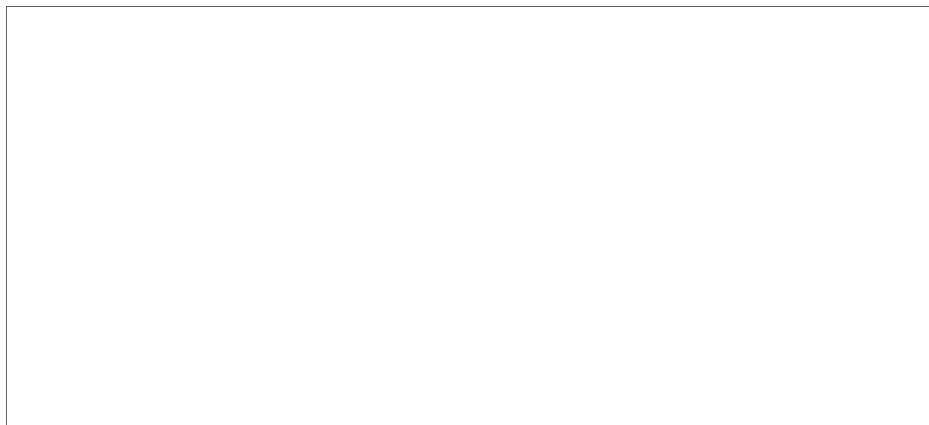
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Stepped up *Burma* Army interdiction against the movement of acetic anhydride from India to central Burma has forced traffickers to change to a less direct and more costly route.  Between June and early August, narcotics suppression units operating in northwest Burma seized about 4,300 liters of acetic anhydride. Until the successful interdiction operations, traffickers used the Chindwin River, the cheapest and most direct route, as the main conduit for chemicals moving from Tamu to the Mandalay market. Chemicals are now being moved from Tamu east by land transport over rough terrain until they are directly north of Mandalay, and then south using both land and water transport. The Burma Army success and Thai interdiction of chemicals routed through Thailand to the Thai-Burma border area are responsible for the present shortage of chemicals suffered by refiners in the region. Higher chemical prices along with the opium shortage from the drought have driven up heroin prices sharply over the last three months.

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**Southwest Asia**

The US Embassy reports that the government of the North-West Frontier Province of *Pakistan* has approved the law enforcement agreement for the United Nations Fund for Drug Abuse Control Special Development and Enforcement Project in Dir Agency, the major growing area in the province. The project is a \$35 million, five-year, UN-administered program to eliminate poppy cultivation in Dir and other agencies. Although the government's agreement clears the way for preliminary project implementation, any presumptions of success are premature. The inhabitants of Dir are reported to be as fierce and independent as those in the tribal areas. Moreover, reducing poppy cultivation in Dir may merely result in increased cultivation in tribal areas such as Bajaur, Mohmand, and Kurram. [ ]

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In an apparent attempt to ensure adequate harvests in the future, Khyber Agency opium traffickers have reportedly offered *Pakistani* farmers 10,000 rupees (US \$630) per acre to grow poppy. This report [ ] suggests that eradication operations carried out in Dir Agency in April and May are having an effect. Cash bonuses, combined with high prices offered by dealers, could blunt the effects of future eradication operations and spur increased poppy cultivation in Dir and elsewhere. [ ]

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Kathmandu, *Nepal*—where for years marijuana and hashish have been plentiful and drug enforcement lax—has become a heroin trafficking center and is developing a large addict population, numbering 12,000, up from 50 in the late 1970s. Opium poppy is not grown in Nepal, but comes from Burma and Pakistan through India. The Sherpas and other ethnic groups have turned to heroin trafficking apparently to supplement declining incomes. Trekking company employees, carpet workers, hotel workers, travel agents, and pilots have all been arrested for trafficking heroin to the United States. [ ]

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**Europe**

*French* authorities suspect that substantial quantities of heroin and cocaine are being smuggled from Africa to France for eventual shipment to the United States. According to US Embassy reporting, French drug enforcement officials have been monitoring the movement of drugs through several West African countries, particularly Nigeria, Benin, Togo, and Ghana. Their investigation indicates that large quantities of both heroin and cocaine are smuggled from Lagos to Cotonou, Lome, and Accra and then flown to Paris. The African couriers allegedly deliver the drugs and collect their payment in Paris, and other couriers smuggle the drugs from Paris into the United States. One pair of African couriers made seven trips to Paris last year in one month, carrying between 4 and 6 kilograms of heroin each time. [ ]

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An influx of drugs from West African countries has prompted *Italian* authorities to implement strict enforcement measures. [ ]

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[ ] Italian officials confiscated 5 kilograms of heroin on board an Air Ghana aircraft at Rome's International Airport in August, and subsequently seized the aircraft. [ ] Italian authorities previously had warned Ghana to improve narcotics screening at all points of departure for Italy and were holding the plane until Ghana conformed to established regulations for narcotics screening at their terminals. [ ]

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According to [redacted] press, and DEA reporting, Chinese and Thai narcotics traffickers who used to operate primarily in France are apparently expanding into *The Netherlands* and *Belgium*. Dutch police recently arrested nine Chinese in Amsterdam and seized 45 kilograms of Thai-produced heroin—the largest seizure ever in the Dutch capital. In 1984, Belgian authorities noted an increase in ethnic Chinese, Sino-Lao, and Sino-Thai traffickers residing in Antwerp and witnessed about a 50-percent increase in heroin seizures. One investigation last year resulted in a seizure of 18 kilograms of heroin found in a suitcase unloaded from a Thai vessel at the port of Antwerp and revealed that another 54 kilograms of heroin base had been delivered to several Sino-Thai traffickers in Antwerp. Antwerp is one of the busiest and largest ports in the world, and has the potential to become a major distribution center because of its relative lack of security and proximity to Dutch and French markets. [redacted]

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**Africa**

Border control activity to counter drug trafficking in Africa continues to be ineffective. Although recent enforcement activity along the *Nigeria/Niger/Benin* borders resulted in the seizure of small quantities of amphetamines and depressants, successful narcotics interdiction by African border police is unusual. Most border control units are poorly trained in the detection of cleverly concealed drugs, and the level of corruption among border police and customs officials is high. Drug traffickers travel freely throughout Africa and probably will continue to do so. If President Babangida follows through on his plans to open Nigeria's borders to sister countries, this will create an open invitation for drug traffickers to continue to move drugs through this pivotal region. [redacted]

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Drug traders flaunting large quantities of money and expensive cars alerted the Government of *Zambia* to gross profits made on sales of Mandrax, a powerful depressant derived from the mandrake plant. President Kenneth Kaunda ordered the arrest of drug smugglers that included diplomats, customs officials, prominent businessmen, and former high-level government officials. Former Foreign Minister Vernon Mwaanga, a longtime friend of Kaunda, has been detained on charges of trafficking and illegal exportation of foreign currency. [redacted]

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[redacted] The arrests suggest the current ruling party is unwilling to tolerate further blatant displays of wealth generated by drug-related activities. [redacted]

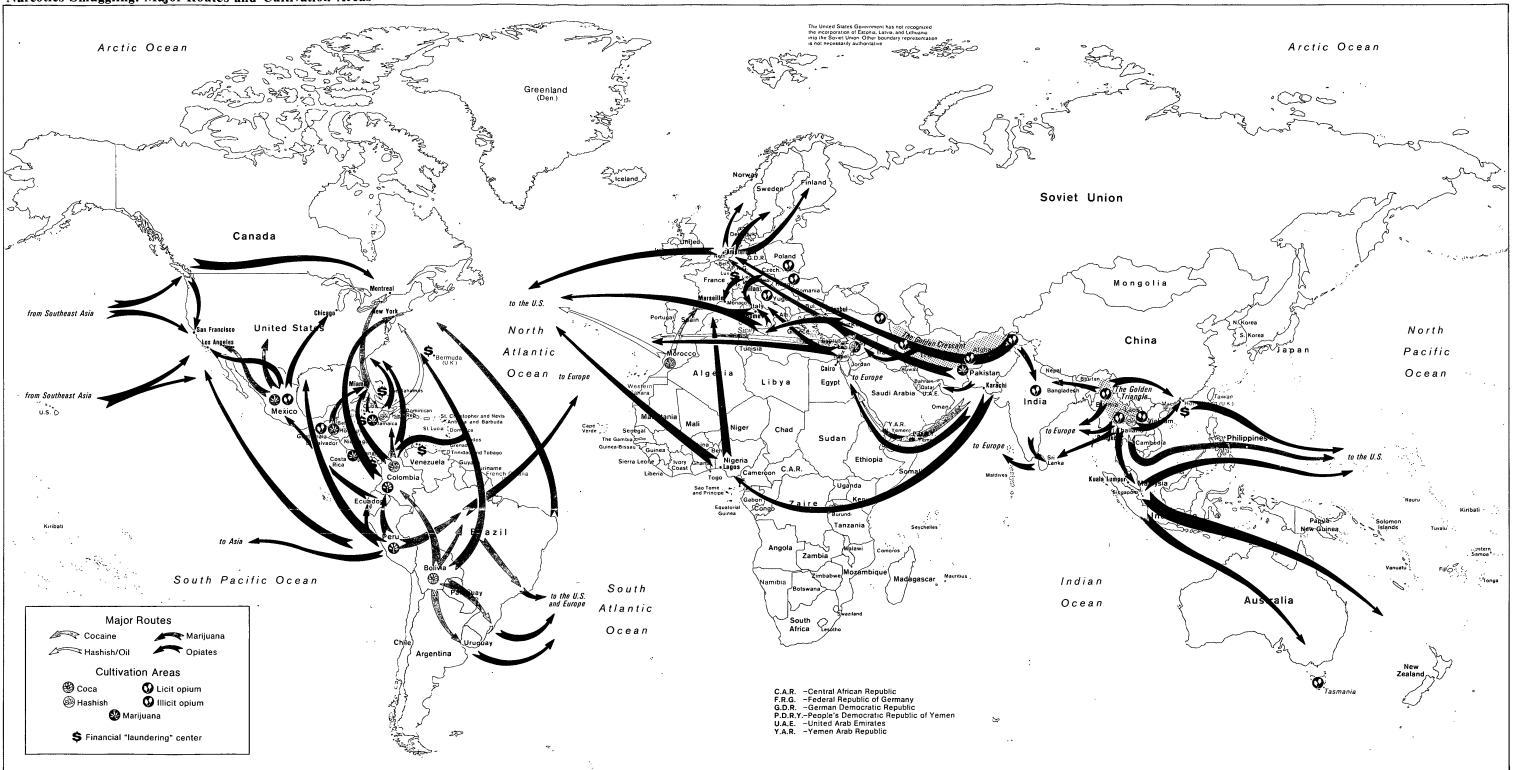
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Figure 1  
Narcotics Smuggling: Major Routes and Cultivation Areas



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