NOTE

from: French Chair of the Regional Formation of the Dublin Group on the Caribbean

to : Dublin Group (meeting on 17 and 18 December 1998)

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Subject: The fight against drug trafficking in the Caribbean region
1. DEVELOPMENTS IN TRAFFIC TRENDS

The Caribbean continues to be an important transit area for drugs produced in Latin America whose final destination is the North American continent or Europe.

However, over the last ten years or so, this role as a transit area has been coupled with a considerable increase in local consumption, which is no longer limited to the traditional use of local products (particularly cannabis) but has evolved towards more harmful drugs, especially crack (hydrochlorate of cocaine), which is often made locally as it requires only simple equipment. Consumption of these products leads to personality disorders resulting in violent behaviour and public security problems (attacks, robberies, murders).

Amongst other territories in the Caribbean region, these phenomena can be seen in the French departments of Martinique, Guadeloupe and French Guiana. Epidemiological studies have shown that although drugs consumption continues to affect mainly "problem" populations (the unemployed, prisons, etc.), it now also, because of the abundance and variety of supply, affects sectors which on the face of it are less vulnerable.

Another characteristic of developments in traffic in the Caribbean is the progressive replacement of large criminal organisations (cartels), victims of the success of international cooperation, by a multitude of independent local operators who help to transport drugs to the areas of consumption (North America, Europe) in exchange for a percentage of the cocaine transported which they distribute on the local market.

The Dublin mini groups in the area which have met over the last few months have revealed the following representative trends:

Jamaica continues to be a traditional producer of cannabis; most of the production is exported, sometimes in the form of oil. Consumption of crack has become the main problem. The country also plays an important role in the transit of cocaine to the North American and, to a lesser extent, European markets. It is calculated that 25% of drugs from South America goes through the Caribbean region between Jamaica and Puerto Rico.

Although pure heroin from Colombia can be sniffed, there is practically no consumption of it in Jamaica because of its high cost.

When drugs have been seized, it has been found that consignments often include several kinds of product (cocaine, heroin, crack, etc.).

The Government is continuing its efforts to equip the anti-drug services. Various bills on money-laundering, chemical precursors and corruption are at present before Parliament.
Trinidad and Tobago: this country is still a cannabis producer and because of the proximity of the Venezuelan coast plays an important role in the transit of cocaine to North America. The island of Tobago, because of the growth in tourism, is experiencing a significant increase in traffic. It has been noted that producers now tend not to take the risk of transporting drugs to the North American continent, because of enforcement cover in the Caribbean, but leave it to wholesalers to come and collect their goods themselves from intermediary warehouses, at a lower cost because of the transfer of risk. In addition, the rise in power of the Mexican cartels seems to have brought about a deviation to the East of the transit routes, through Guiana, Brazil, Hispaniola and Jamaica. It should be noted that the Strategic Services Agency, which centralises the intelligence provided by all the enforcement agencies and disseminates it, operates particularly effectively and constitutes a model in the region.

Suriname: this country continues to be an important transit centre for cocaine on its way to Europe, and to a lesser extent North America. 260 kilos of cocaine have been seized and 330 arrests made since the beginning of the year. Traffic of larger quantities seems to be falling. In contrast, traffic by mules is on the increase, mainly from the airports of Paramaribo and Curaçao to the Netherlands, and, to a lesser extent from the airport of Cayenne to metropolitan France. The Suriname Government had considered holding an anti-drugs regional conference last October, but it has been postponed to 1999.

El Salvador: in the first 11 months of the year, the El Salvador anti-drugs services seized 41 kilos of cocaine, 700 grammes of heroin, 1.5 kilos of crack and 263 kilos of marijuana. 645 persons involved in drugs trafficking were arrested. According to American sources, 20% of cocaine from Colombia on its way to the United States is now thought to transit through Central America, including El Salvador, compared with 12% in 1997. Consumption of marijuana, cocaine and crack by young people is increasing. Locally consumed drugs are thought to come from Guatemala. A bill on laundering the proceeds from drugs is now being examined by Parliament.

Haiti has become an important transit point for cocaine on the way to the United States. The American Drugs Bureau (ONDCP) estimates that 15% of the total volume of cocaine entering the United States is from Haiti. This unfortunate state of affairs is the result of different factors: the geographical position of the island, halfway between the Colombian coast and Florida, the weakness of enforcement agencies, lack of material resources (aircraft, boats) for maritime surveillance, and the general level of poverty, which provides a favourable environment for bribery and the acquisition of complicity, etc. Haiti is particularly exposed to the growth in money-laundering, notably through investment in the tourist sector (construction of hotels, etc.). Because of the weakness of the constitutional authorities, the country is open to the emergence of a "drugs power".

Dominican Republic: although the country was still recently thought not to have any "culturally traditional" production or consumption, last November the Dominican National Directorate for the Control of Drugs broke up a cocaine-processing laboratory in Santiago. On 23 November, a one-ton cargo of cocaine was seized near La Romana, in the territorial waters between the Dominican Republic and Colombia. At the same time an internal market is developing, estimated at 35 000 consumers, particularly of crack. These figures actually represent only a relatively small part of the reality of much more extensive traffic.
In fact, the American DEA estimates that of the 430 tonnes of cocaine produced each year in Colombia nearly a third, i.e. 143 tonnes, passes through Haiti and the Dominican Republic on its way to the United States via Puerto Rico. During a recent visit to the Dominican Republic, General MacCAFFREY said that the amount of drugs money reinvested in the country by the cartels had been estimated at about USD one thousand million per year over the last three years. Despite the goodwill of the Dominican enforcement agencies and the remarkable results obtained by them in the fight against drugs traffic, the poverty level of the country and the imbalance between revenue from traffic and income from lawful activity make a rise to power of a "drugs-democracy" likely, as in Haiti.

Finally, it should be noted that a huge operation to eradicate marijuana plants was started on 7 December 1998 by the St. Vincent authorities with the logistics support of the United States under the Regional Security System (RSS). This led the 1,800 planters who live from growing cannabis on the island to demonstrate and ask the Government for compensation. Cannabis cultivation, which employs many people in St. Vincent, generates revenue of about USD100 million per year and over the last few years has grown in inverse proportion to the decline in the banana crop, of which the island is an important producer.

2. INTERNATIONAL COOPERATION

* THE FIGHT AGAINST DRUGS

MIAMI Conference on drugs in the Caribbean

The United States (Office of National Drug Control Policy) held a regional conference on drugs in the Caribbean in MIAMI, from 14 to 16 October 1998, as a follow-up to the May 1997 Bridgetown (Barbados) Summit under the aegis of the UNDCP and CICAD. The conference was attended by all the countries in the Caribbean region, except for Cuba, and the regional representatives of the various international organisations (UNDCP, OAS, etc.). It resulted in the presentation of preventive and enforcement national plans, developed or planned by the States in the area.

A European Union representative stressed the EU’s policy of support for States in the area under the Barbados Action Plan, in liaison with the UNDCP and the United States particularly, and reiterated the importance of the financial commitments relating to it (ECU 20 million).

The accession of the States of the area to the EU/Latin American and Caribbean Drugs Cooperation Mechanism was welcomed. The EU delegation referred to this mechanism as one which would become a tool for strengthening inter-regional dialogue on cooperation and coordination in controlling drugs, between the European Union and its partners in two adjoining regions, the Caribbean and Latin America.

An examination of developments in traffic showed how important Haiti and the Dominican Republic have become as key hubs in regional traffic to North America and confirmed the adaptability of traffickers to the enforcement measures introduced. The working parties set up for the occasion drew attention to the need to create National Drugs Councils; Jamaica, the Dominican Republic and the Cayman Islands were referred to as examples.
OAS/CICAD Activities


The organisation held its 24th ordinary session in Honduras from 26 to 30 October, and discussed the following topics:
- control of chemical precursors;
- alternative developments;
- the fight against money-laundering;
- hemispheric anti-drugs strategy

(Comments by a CICAD representative possibly present at Dublin Group meeting).

Barbados Project Management Office (PMO)

It will be recalled that this unit is one of the components of the Barbados Action Plan. Its task is to ensure coordination of anti-drugs programmes in the Caribbean region, particularly with regard to action at sea and law enforcement.

The PMO is expected to have a life of three years (1998 to 2000), and its task is to assist States in the area in the fields of maritime cooperation, intelligence, and technical and training resources, in particular to:
- carry out an in-depth study on existing resources, the capabilities of the countries concerned and their technical equipment and material requirements;
- make a list of the programmes under way in the area, to ensure that they are compatible with the expert report on Maritime Cooperation and to avoid duplication;
- draw up national plans for maritime enforcement;
- devise specific measures, implement them and assess their effectiveness;
- liaise with the chiefs of the main training centres in the area (REDTRAC, CIFAD and the Barbados Police Training Centre).

The PMO became genuinely operational at the beginning of the second half of this year. United Kingdom, Netherlands, French and Spanish experts have taken up their duties and carried out various contact missions to different States (Antigua, Dominica, St. Lucia, Grenada, St. Kitts, etc.) and Caribbean organisations (CARICOM, Association of Caribbean Commissioners of Police, Caribbean Nations Security Conference, RSS, Caribbean Custom Law Enforcement Council, etc.).

The PMO has also been given legal status under Barbados law in a headquarters agreement signed on 30 September 1998, which enables the European Commission and the four Member States involved in this project to put their financial commitment on a formal basis.

The PMO training unit plans to organise, before the end of the year, three courses for each of the three training centres mentioned above:
- two courses on basic anti-drugs training, one in English at the Barbados RPTC, the other in Spanish at CIFAD in Fort-de-France;
- a course on intelligence training for REDTRAC.

These training courses, lasting a week, will involve a total of 60 persons.

Maritime cooperation

The Carib Venture 98-1 maritime cooperation exercise, in which various Caribbean States, the United States, the United Kingdom, the Netherlands and France took part, was held from 7 to 18 September 1998.
This exercise confirmed the need for the centralisation and rapid dissemination of operational intelligence between the various components of the air and sea forces deployed in the Caribbean. The coordinated Blue Water exercises will be held in the next few days.

Caribbean Customs Law Enforcement Council (CCLEC)

The CCLEC held its General Assembly (XX1st meeting) in Barbados from 20 to 22 October 1998. Note was taken of progress made in examining a computerised regional system for the clearance of ship movements, which should subsequently be extended to controlling aircraft movements.

* FIGHT AGAINST MONEY-LAUNDERING

Caribbean Money Laundering Training Programme

This project, the total cost of which is about USD 8 million, is co-financed by the EU and the United States. Implementation of the programme has been entrusted to the Caribbean Financial Action Task Force (CFATF), which will host the training team in its Port-of-Spain premises. The extent of the task has made it necessary to recruit a Project Manager, who should start work at the beginning of December and get the programme's activities properly under way, in close liaison with the CFATF, the UNDCP and CICAD.

The Caribbean Financial Action Task Force (CFATF)

The CFATF held its VIth Plenary Meeting in Grand Cayman from 18 to 20 November 1998, followed by its IVth ministerial meeting. Mr Yon YOKOTA (Japan), President-in-office of the CFATF, was the guest of honour.

The main items on the agenda were as follows:

- Appointment of a new President: Mr George McCARTHY, Secretary for Finance of the Cayman Islands Government, was appointed President for one year, replacing Mr David SIMMONS, the Barbados Attorney General.

- Adoption of final mutual evaluation reports by Costa Rica, the Dominican Republic, the Bahamas and Barbados; the initial evaluation report by Antigua and Barbuda will be reexamined later on the basis of the impact of the new money-laundering legislation recently adopted by this State. St. Kitts-and-Nevis has not replied to the Secretariat's proposal to reprogramme its mutual evaluation to December 1998. Nicaragua's mutual evaluation, initially planned for 1998, was postponed to 1999. The Council asked members to take account as of now in their national laws of the 40 CFATF Recommendations amended in 1996. A working party will examine the impact of these new provisions on the 19 specific Aruba Recommendations. The next round of mutual evaluations, which should start in 2001, will be conducted on the basis of the 1996 recommendations.

- Financial situation: several members of CFATF are chronically in arrears with their payments of the annual lump sum contribution of USD 5 000.
The President invited members to comply with the timetables for paying contributions and for making evaluations, in order to ensure the continuity and credibility of the organisation.

- Appointments to the Secretariat

The Council took note that the present Executive Director, Mr Carlos CORREA, was expected to leave at the end of February 1999 and decided to replace him by Mr Calvin WILSON, from Trinidad and Tobago, the present Deputy Director. Following a proposal from the Plenary Assembly, the Council decided to give the post of Deputy Director, which Mr WILSON will leave, to Mr Pierre LAPAQUE, the French candidate. Mr LAPAQUE, a Chief Inspector of Police, is a specialist in economic and financial crime. His emoluments will be paid by France during the whole of his term of office, i.e. in principle 4 years.

- Participation of the Inter-American Development Bank (IDB)

The Council decided to grant the IDB, at its request, observer status with the CFATF. In their letter of request, the IADB Board stressed the Bank's commitment to the fight against laundering, particularly through vocational training courses for the staff of financial institutions in the Caribbean and Latin America.

- Enlargement of CFATF

The Council examined a proposal from Mexico, which wishes both to become a full member of the CFATF and, as well, obtain COSUN status within the CFATF. The Council decided to agree to the Mexican request subject to this country agreeing to submit to a mutual evaluation, in accordance with CFATF rules.

- Reaction to attacks by the international press and to the proceedings of the OECD and G7 on tax havens

The Council was disturbed at the recent appearance of press articles which were critical of certain CFATF member states, regarded as tax havens. It was also concerned at the current OECD and G7 proceedings in the area of tax shelter countries and off-shore centres, and in particular the mandate given to the CFATF by G7 on non-cooperative jurisdictions and the possible impact for CFATF in defining its anti-laundering policies. Appealing to the regional solidarity of all the members of the CFATF, Mr McCARTHY, the President, said that a State's decision in a context of international competition to practise a tax shelter policy, compared with an international "norm", should not lead the other countries to consider it as an enemy. The Council decided to set up a working party in order to prepare a defence of CFATF.