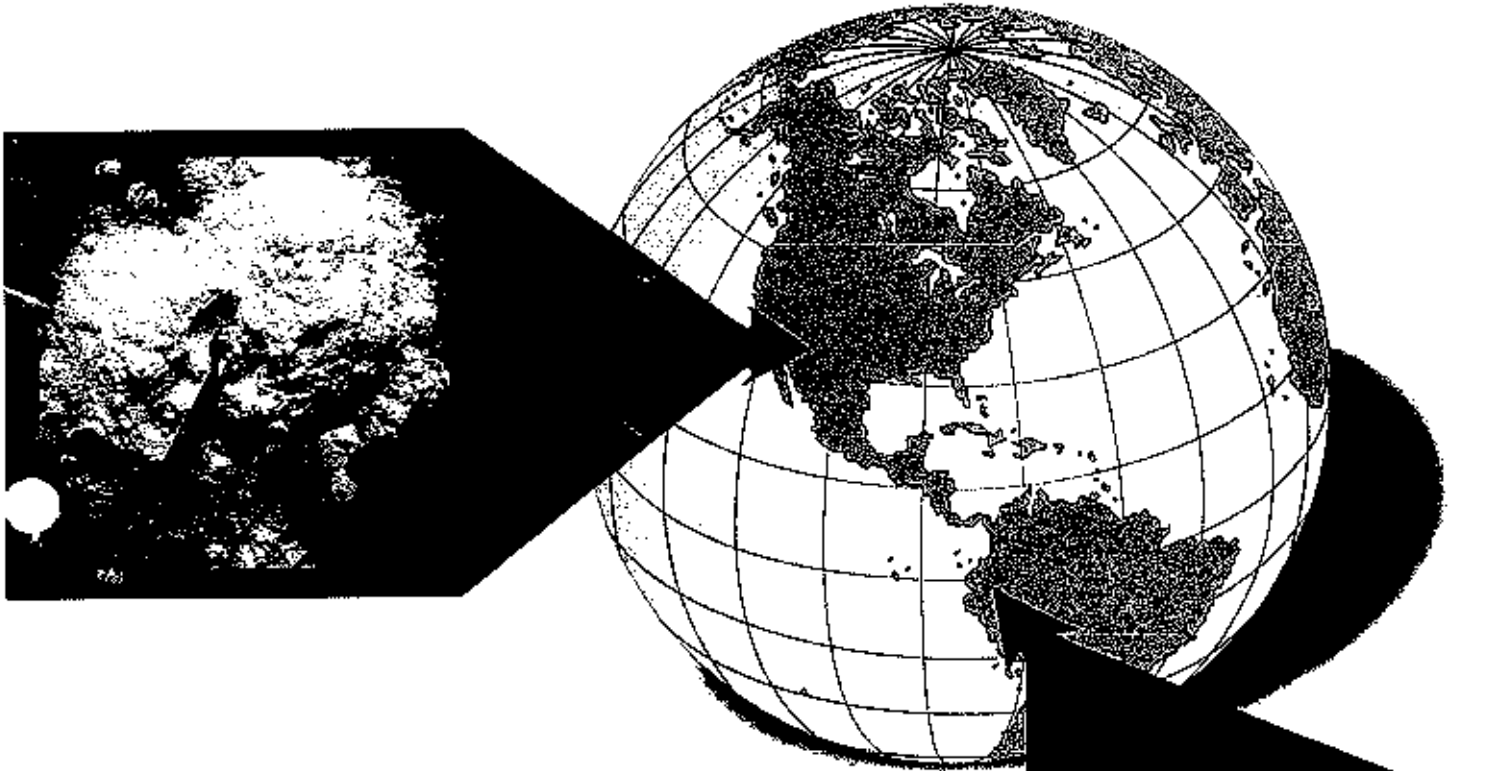


ANNUAL ASSESSMENT OF



COCAINE MOVEMENT

1997

Annual Assessment of Cocaine Movement— 1997

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Annual Assessment of Cocaine Movement — 1997

Despite a small reduction in Andean coca cultivation last year, trafficking activity in the source zone indicates no lack of cocaine base to process. Relatively steady cocaine retail prices and purity levels in the United States indicate no shortages of cocaine HCl supplies.

- Of the overall amount departing South America, at least 430 metric tons of cocaine HCl moved toward the United States; 139 metric tons were seized en route - mostly in Central America and Mexico, leaving more than 290 metric tons of cocaine available in the United States and for consumption in the transit zone, as well as for transshipment to non-US markets in 1997.
- Foreign cocaine seizures were up substantially in 1997, largely because of record seizures by Central American and European countries. Seizures in the US arrival zone were down sharply (exclusive of internal US domestic seizures).

The southern tier of the United States continued to be the geographic area of the country most vulnerable to cocaine smuggling.

- Most cocaine entering the United States last year crossed the southwestern border; a significant amount came in the heavy volume of tractor-trailers and other commercial trucks. Seizures on the southwestern border in 1997 fell for the fourth consecutive year, although the amount of cocaine flowing across the southwestern border is believed to have remained stable.
- Noncommercial maritime and air smuggling remained the primary threats to Puerto Rico, although traffickers continued to conceal multiton cocaine shipments onboard commercial vessels entering the port of San Juan.
- Commercial maritime smuggling was the primary threat in the eastern United States and Florida and is likely to remain so.

Despite the continuing threat from cocaine trafficking, counterdrug pressures are forcing changes to the illicit drug business in Latin America and the Caribbean that are likely to result in a more decentralized industry spanning a broader geographic area and creating greater challenges for law enforcement and intelligence assets.

- Disruptions to the Andean airbridge have damaged Peru's coca economy and provided a catalyst for a dramatic shift in cultivation to Colombia last year. Potential cocaine production fell in Peru and Bolivia, but the impact on world supplies was partly offset by a rise in Colombian cocaine production.
- Colombian traffickers continue to process most of the world's cocaine HCl and dominate wholesale cocaine markets, but their control is becoming fragmented and decentralized, creating a more diverse set of smaller trafficking groups, especially from

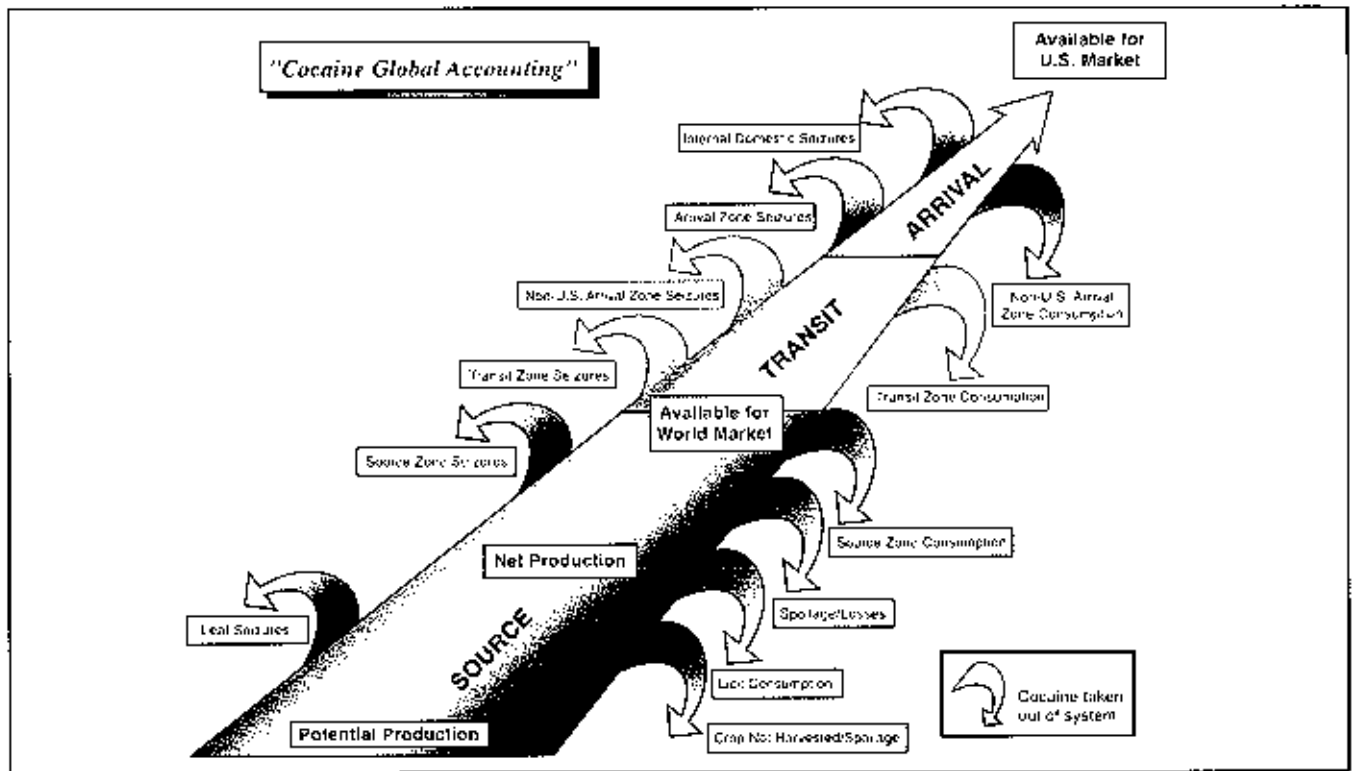


Figure 1. Global Accounting Chart. The concept of global accounting of cocaine supply and losses begins with the cocaine potential production in the source zone. The supply of cocaine available to world markets is reduced as cocaine is seized in all zones and consumed in the source zone, transit zone, and non-US arrival zone. The remainder is the amount of cocaine available for the US market.

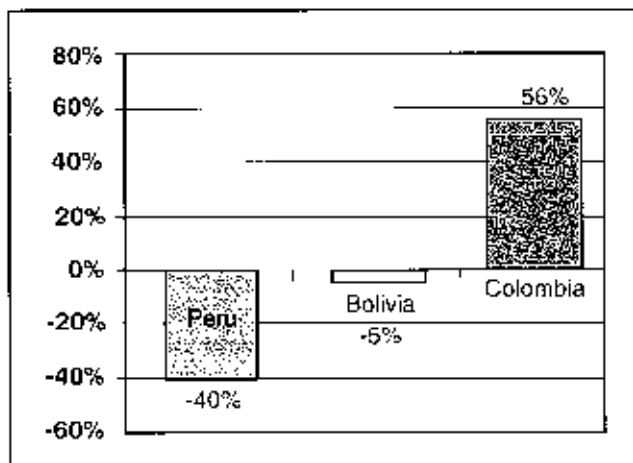


Figure 2. Change in Andean Cultivation as Percentage Change in Hectares Since 1995.

Colombia's north coast and northern Valle de Cauca Department.

- Independent Bolivian and Peruvian trafficking groups are producing their own cocaine HCl but have not yet demonstrated the capability to process and move multiton quantities to international markets on a regular basis.
- Mexican trafficking organizations are playing a greater role in cocaine transportation and wholesale distribution in the United States.

Decentralization of the cocaine trade is promoting the increased use of trafficking routes through Brazil and Southern Cone countries.

- Bolivian traffickers exported finished cocaine to Europe and the United States via Brazil and the Southern Cone countries.
- More Peruvian cocaine base was detected being moved west of the Andes; some of this was processed into cocaine HCl for subsequent distribution from Peruvian ports and

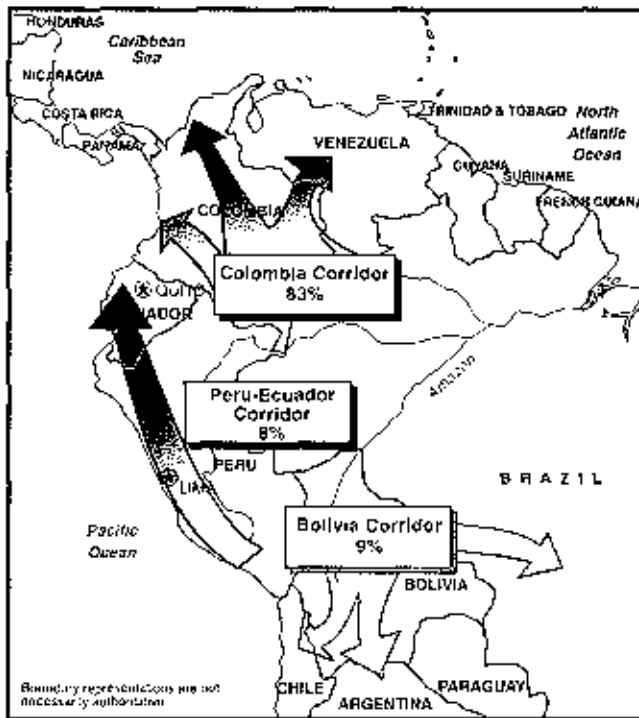


Figure 3. Cocaine HCl Movement Corridors, 1997. The corridors represent general cocaine HCl movement patterns in the source zone. Percentages are based on total cocaine HCl amounts of 66 metric tons in 1997.

using a variety of transporters. This flexibility allows traffickers to maintain a consistency in overall movement to world markets and helps explain the fluctuations within and between corridors.

- The most significant development in this corridor was the detection of greater use of Central American countries as points of entry for cocaine shipped through the transit zone on its way to Mexico and the United States. Much of this movement was reflected in “go-fast” activity.

Counterdrug operations in the Caribbean corridor continued to divert traffickers to Haiti and points west and probably explain the decline in direct flow to Puerto Rico last year.

- In contrast, secondary movement to Puerto Rico via inter-island transshipment of cocaine by noncommercial vessels increased during 1997, mostly from Haiti, the Dominican Republic, and the US and British Virgin Islands. Accordingly, Puerto Rico remained a significant entry point for cocaine shipments to the United States.
- The one-third drop in direct shipments to Puerto Rico was due to sustained law enforcement efforts in and around the island, forcing traffickers to seek other routes, particularly into Hispaniola and points west.
- Cocaine shipments to Haiti increased by about one-half last year.

airports. Colombian and to a lesser extent Mexican traffickers were using ports in both Peru and Ecuador to onload Mexican-bound cocaine.

- Another significant observation in source zone movements was the deeper penetration eastward into Brazilian airspace by traffickers flying from Peru into Brazil to avoid the airbridge denial program. These flights have been using clandestine refueling airstrips in Brazil that could prove vulnerable to local counterdrug actions.

The major corridor for cocaine moving toward the United States remains the Mexican-Central American axis, which carried more than half the flow of cocaine through the transit zone last year.

- Traditional perceptions of cocaine movement from the source zone through the transit zone were based on the assumption that “owners” of cocaine shipments in South America have relied on dedicated transportation organizations and conveyances. Recent trafficking patterns show, however, that these “owners” quickly respond to challenges — such as weather and counterdrug operations — by

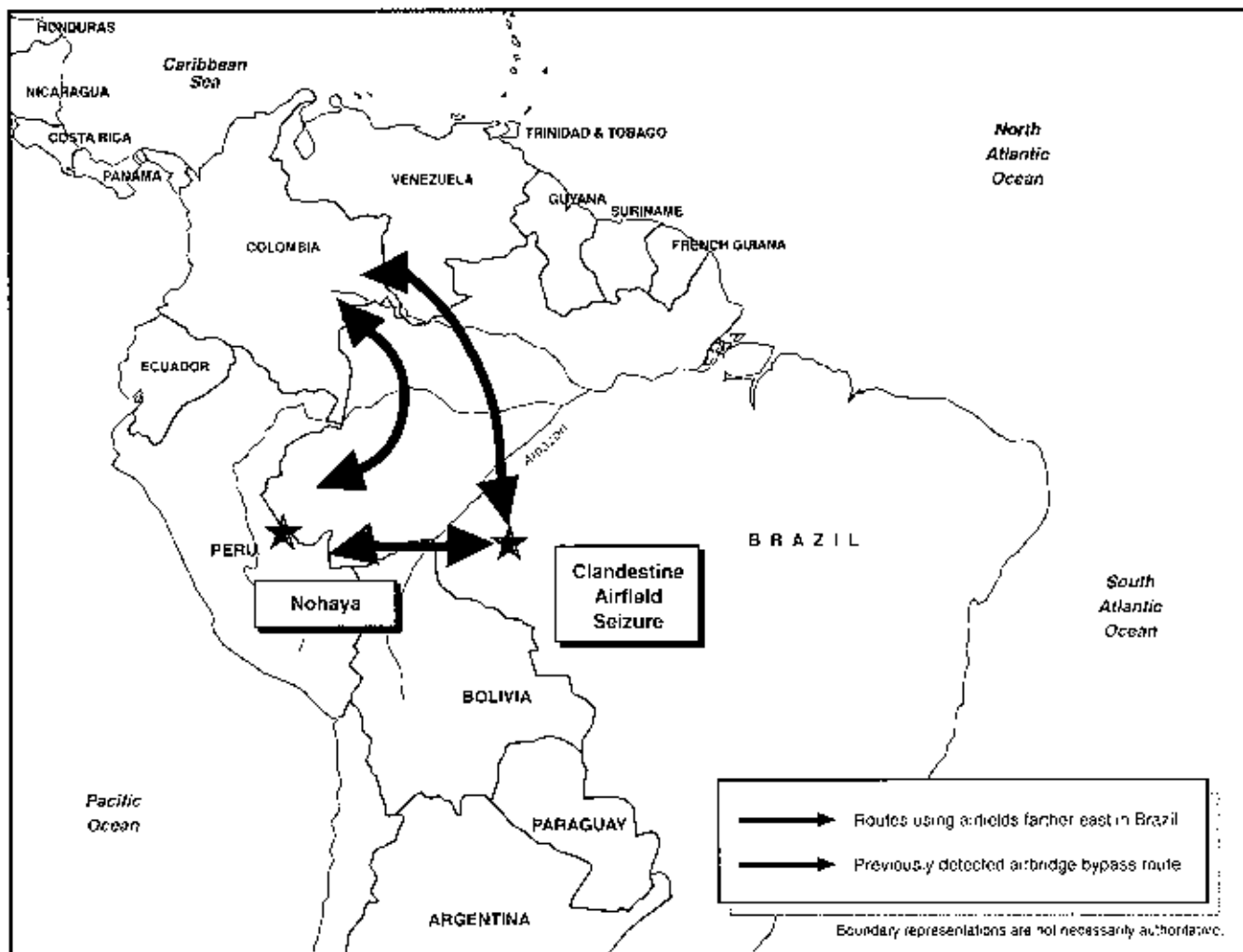


Figure 4. Peru-to-Colombia Cocaine Base Movement.

Deeper Use of Brazilian Airspace

Drug trafficking aircraft smuggling cocaine base from Peru, and possibly Bolivia, to Colombia via Brazil are using clandestine airstrips farther east in Brazil for refueling points. On 6 December 1997, the Brazilian Federal Police (DPF), seized a Colombian registered Piper Seneca, several vehicles and about 6,000 liters of aviation fuel at a clandestine airstrip in the area of Humaita, Brazil (50 km northeast of Porto Velho). The DPF also arrested four Colombians (two of them pilots) and two Brazilians. The clandestine airfield was to be used as a refueling point for a drug shipment from the Nohaya area in Peru to Colombia.

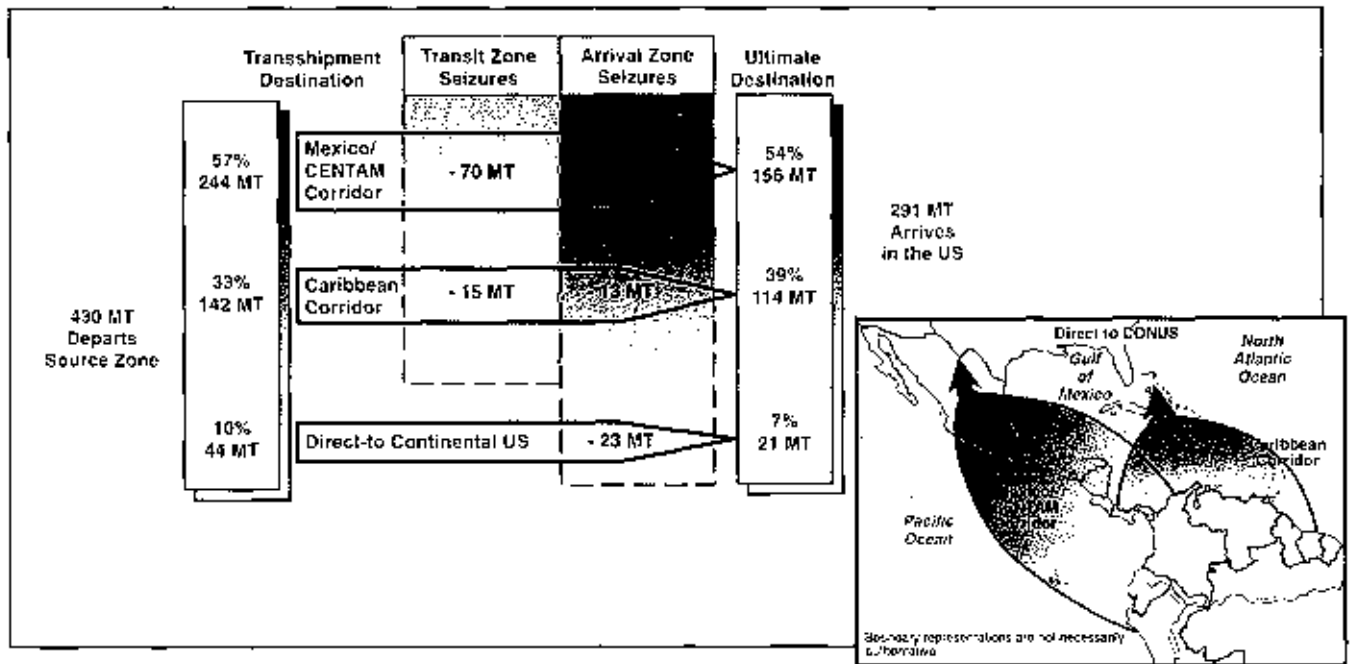


Figure 5. Estimated Cocaine Flow to the United States in 1997.

Cocaine shipments from the source zone directly to the continental United States showed little change from historical levels but probably are underrepresented because of a lack of information on commercial maritime shipments.

Some 62 metric tons of cocaine entered the transit zone bound for non-US destinations last year. These data undoubtedly understate cocaine trafficking to non-US destinations. Press reports suggest that demand for cocaine in Europe alone is greater than 100 metric tons per year.

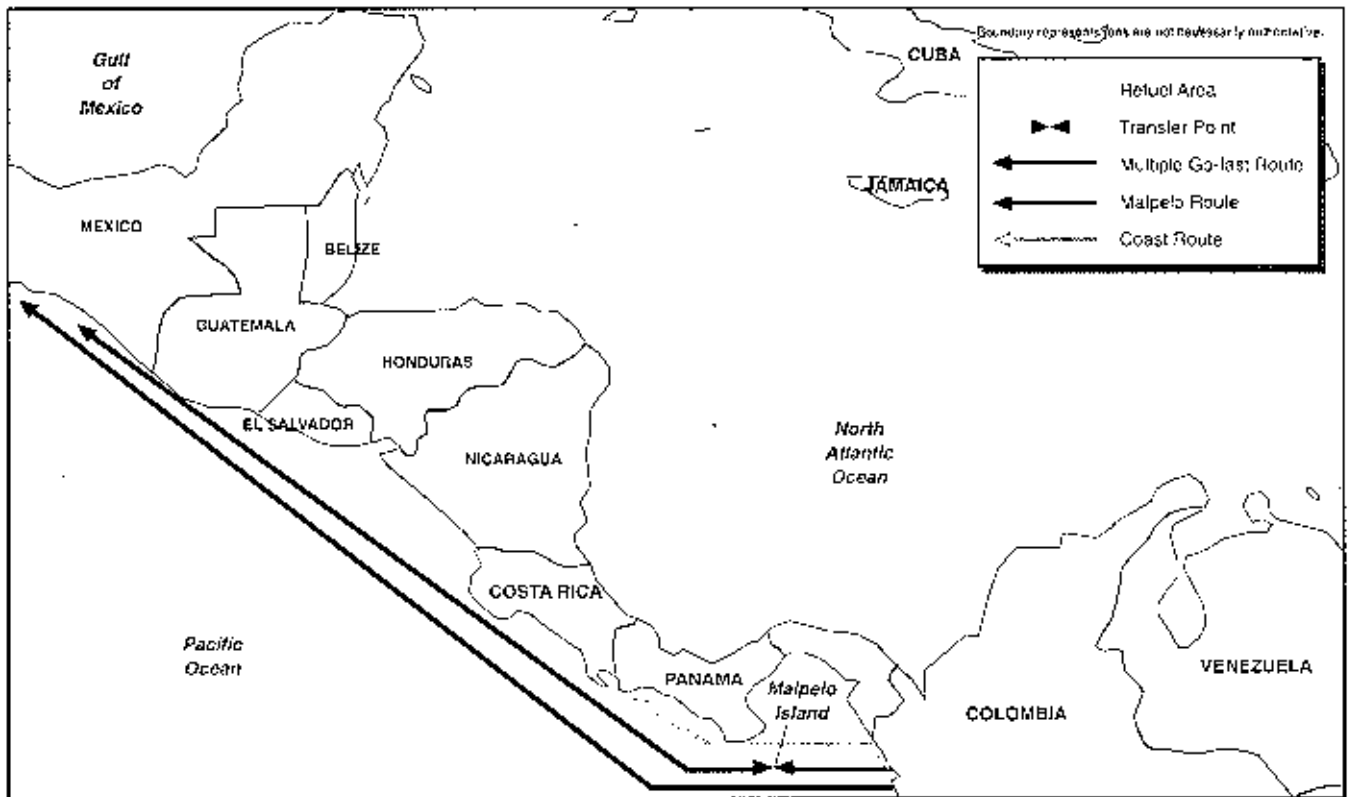


Figure 6. Eastern Pacific Go-Fast Routes.

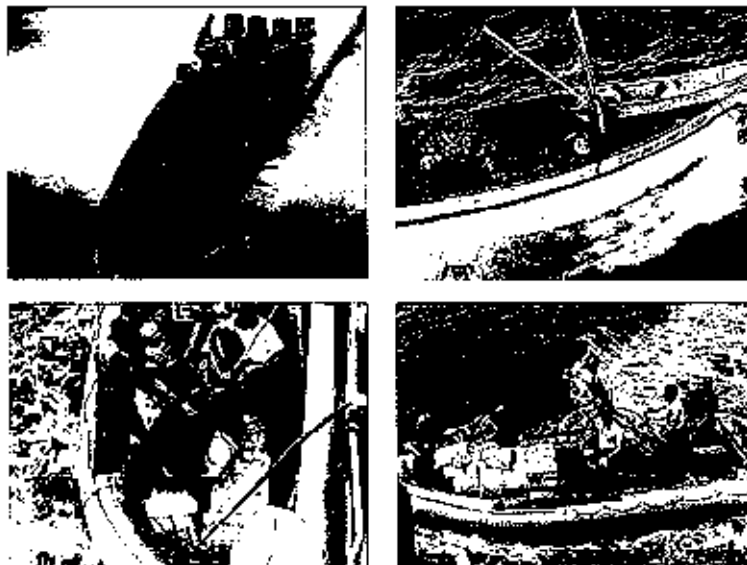


Figure 7. Eastern Pacific Go-Fast Seizure. On 27 September 1997, while on patrol, the USS *Callaghan* intercepted a westbound go-fast about 50 nautical miles north of Malpelo Island, Colombia. Once sighted, the go fast began maneuvering erratically and the crew began tossing bundles over the side. With assistance from the US Coast Guard law enforcement detachment, the *Callaghan* crew recovered 121 bales of cocaine weighing over 3,850 kilograms.

Table 1
Andean Region Coca Cultivation and Potential Leaf and Cocaine Production

	1993	1994	1995	1996	1997
Net Cultivation (Hectares)					
Total	195,700	201,700	214,800	209,700	194,100
Peru	108,800	108,600	115,300	94,400	62,800
Bolivia	47,200	48,100	48,600	48,100	45,800
Colombia	39,700	45,000	50,900	67,200	79,500
Potential Leaf Production (Metric Tons)					
Total	273,700	291,200	309,400	300,600	263,900
Peru	157,600	165,400	163,600	174,700	130,200
Bolivia	84,400	89,800	85,000	75,100	70,100
Colombia*	31,700	36,000	40,800	53,800	63,600
Potential Cocaine (Metric Tons)					
Total	715	760	780	760	650
Peru	410	435	460	435	325
Bolivia	240	255	240	215	200
Colombia*	65	70	80	110	125

*NOTE: Leaf yield factors and cocaine conversion ratios are under review for Colombia and may result in higher production estimates for that country.

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