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Honduras

A. Introduction

Honduras is a major transit country for cocaine, as well as for some chemical precursors. The United States estimates that approximately 90 percent of the cocaine trafficked to the United States in 2016 first transited through the Mexico/Central America corridor. According to U.S. estimates, the volume of cocaine that transited Honduras to the United States over this period remained approximately the same as in 2015, equating to approximately three to four metric tons (MT) per month. The vast majority of cocaine that transits Honduras arrives via maritime conveyance. In 2016, the U.S. government estimated that the number of aircraft suspected of smuggling cocaine into Honduras decreased by approximately 30 percent from the previous year, to 35 in total. Nevertheless, approximately 80 percent of all suspected drug flights departing from South America first landed in Honduras. The eastern Caribbean region of Honduras remained a primary landing zone for drug traffickers operating by land and sea. The region suits narcotics trafficking due to its remoteness, limited infrastructure, lack of government presence, and weak law enforcement institutions. Drug transshipment to points north from the Caribbean coast is facilitated by maritime and riverine traffic, subsequent flights north, and overland movement. Honduras continued to suffer from a high homicide rate in 2016, though the rate has fallen from its peak of 86 per 100,000 people in 2011. The Violence Observatory at the National Autonomous University of Honduras estimated the 2016 murder rate at 59.1 per 100,000 people. Criminal street gangs such as Mara Salvatrucha (MS-13) and 18th Street do not yet appear to be a formal part of the transnational drug logistics chain, except as facilitators of trafficking through Honduras. These gangs are typically involved in local drug distribution, extortion, kidnapping, and human trafficking. Nevertheless, their participation in transshipment leads to an increasing likelihood of entering the drug retail market, as they are often paid in product for their services.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

In early 2016, President Hernandez, through executive order, created the civilian-led Police Purge Commission, with wide ranging powers to reform the police and remove corrupt police officers from its ranks of 14,000. The Honduran National Police (HNP) is also aggressively hiring new police officers with plans to build up a force of 27,000 by 2022. With U.S. support, the commission is assisting the Honduran Congress in the creation of a new organic police law, which, if implemented correctly, could further bolster the institution and reduce impunity in Honduras. The Public Ministry (U.S. Justice Department equivalent) launched its Technical Criminal Investigative Agency (ATIC) with U.S. assistance in 2015. Since its inception, ATIC investigators have arrested approximately 50 government officials for corruption, including INCSR 2017 Volume 1 Country Reports 182 mayors, police, and individuals within the Public Ministry itself. The Honduran government instituted a comprehensive vetting system for law enforcement officials. With U.S. assistance to the

Honduran Tax Authority, the Public Ministry indicted 57 individuals for tax evasion in 2016. In September 2015, the HNP Criminal Investigation Directorate (DPI) replaced its historically inept and corrupt predecessor. Since then, the DPI has opened 16 offices in 11 of the 18 Honduran departments, and plans to increase its agents from 1,300 to 1,800 by the end of 2017. The DPI acquired a total of 21 criminal mobile labs throughout the country, and is building two fixed criminal laboratories to complement the mobile labs. The HNP Criminal Investigation School has trained DPI agents in many specialized detective skills. The Public Ministry has enhanced its capacity to investigate and prosecute crime, including by doubling the personnel of the Directorate for Combatting Drug Trafficking to 83 since 2014. Furthermore, over the past two years, the Public Ministry has hired more than 100 prosecutors and dedicated 50 of them to its anti-corruption division, more than doubling the staff of that office. Honduras has counternarcotics agreements with the United States, Belize, Colombia, Jamaica, Mexico, Venezuela, and Spain. A U.S.-Honduras maritime counternarcotics agreement and a bilateral extradition treaty remain in force. Honduras signed, but did not ratify, the Caribbean Regional Maritime Counter Drug Agreement. A Declaration of Principles between the United States and Honduras for the U.S. Container Security Initiative covers the inspection of maritime cargo destined for the United States.

2. Supply Reduction

The Government of Honduras continued to take steps to increase the capacity of the civilian government to counter and address narcotics trafficking in 2016. The Public Ministry created a counternarcotics group (DLCN), and within the HNP, the counterdrug SWAT team, known as the TIGRES, assigned 80 highly-trained police officers to a new intelligence unit. The Government of Honduras continued to extradite drug traffickers to the United States in 2016 and also arrested a number of other high-profile drug traffickers in collaboration with U.S. law enforcement. The Honduran military, however, made few improvements in 2016 to increase overall capabilities to degrade and disrupt illicit trafficking. In the domain of maritime interdiction, no interdictions were recorded despite 100 actionable events supported by U.S. authorities. Many factors contribute to the low success rate in suppressing international narcotics trafficking off the Honduran coast. Besides extreme geography and long distances between command and control nodes, the Honduran military lacks efficient mechanisms for sharing operational intelligence with Honduran security forces in a timely and secure manner. Corruption further impedes progress, as trafficking organizations have infiltrated some military units in active drug corridors such as the Gracias a Dios Department and along the northern Caribbean coast. As of late September 2016, Honduran intelligence officials revealed that new criminal structures were reforming to challenge the state after the disruption of trafficking organizations that had operated for decades. Moreover, in the aftermath of extraditions and asset seizures, new criminal INCSR 2017 Volume 1 Country Reports 183 bosses have emerged to assume leadership of dismantled networks to continue cocaine smuggling and other forms of crime. Honduran Defense Secretary Samuel Reyes commented that government intelligence entities identified criminal networks that continued to recruit. Experts questioned government claims of reduced narcotics trafficking due to the number of clandestine airstrips destroyed, noting narco-traffickers could have easily and quickly changed routes or repaired the destroyed landing strips.

3. Public Information, Prevention, and Treatment

The Ministry of Security and the Public Ministry advanced security policies and programs focused on crime prevention. The Ministry of Security opened 30 municipal violence observatories. The observatories feed crime data to the Ministry, which uses it to direct prevention and enforcement programs. The government focused on instituting security measures in high crime areas, such as: improving security in public buses by placing panic buttons, cameras, and real-time monitoring technology; installing tens of thousands of street lights in high crime municipalities; and installing security cameras throughout San Pedro Sula. Furthermore, the Honduran Government opened new state of the art 911 Command Centers in Tegucigalpa and San Pedro Sula to respond to crimes, public emergencies, and national disasters. The Ministry of Security and the Office of the Presidency sponsored more than a dozen HNP-led community fairs in 2016 to foster closer relations between the police and citizens. These events were held primarily in the most violence-prone districts in San Pedro Sula and Tegucigalpa and drew crowds of up to 20,000 in a single day. Fairs included free medical care from nongovernmental organizations and police medics. Indicators of increased public trust include the huge attendance at these events, positive polling results, and the increase in calls to 911 and local police “tip” lines. The Ministry’s Office of Prevention designed and implemented a Honduran model for community policing in 2016, whereby all police are trained in community policing principles. In 2016, the United States continued the successful Place Based Strategy (PBS), a collaborative effort to concentrate prevention, social development, and law enforcement support programs in the most dangerous neighborhoods. Dramatic reduction in homicide rates have been reported in these PBS neighborhoods. The Gang Resistance Education and Training (GREAT) program continues to be very popular not only among educators and schools, but also increasingly with the police and parents. The HNP, with U.S. assistance, provided the Gang Resistance Education and Training (GREAT) program to nearly 80,000 students in 2016.

4. Corruption

As a matter of policy, the Government of Honduras does not encourage or facilitate illicit production or distribution of narcotics or the laundering of illicit proceeds. In 2016, the Government of Honduras created the Police Purge Commission to evaluate and dismiss corrupt police officers. The Commission removed approximately 1,946 police from the HNP as of December 2016. To meet its target of completing approximately 14,000 personnel reviews by INCSR 2017 Volume 1 Country Reports 184 April 2017, the Commission received and introduced dozens of vetted active-duty police officers to assist in reviewing police archives. After the Commission completes this review of the HNP officer corps, it will review the personnel files of nearly 11,000 non-commissioned officers and rank-and-file members in its remaining tenure. The Commission will likely request an extension of its mandate to complete this volume of work. In January 2016, the Honduran Congress ratified an agreement allowing the Organization of American States (OAS) to support Honduran government efforts to improve the justice system, investigate cases of corruption, and develop anticorruption mechanisms. The Mission Against Corruption and Impunity in Honduras received a four year mandate and expects to have a team of approximately 70

staff members; concrete investigatory activities were just getting underway in the last quarter of 2016.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

In addition to increasing the size and quality of the police force, the Honduran government aims to pass new police legislation, continue reducing the homicide rate and targeting of criminal gangs, channel homicide success by focusing on domestic violence and extortion, expand its crime prevention programs nationwide, and increase the speed of prosecutions. The government began an aggressive policy of seizing drug-related properties and expects to expand this effort in 2017. Consistent with the U.S. Strategy for Engagement in Central America, the Central American governments' Alliance for Prosperity initiative, and the Central America Regional Security Initiative (CARSI), the United States continues to be a key provider of assistance aimed at improving the professional capabilities of security and justice institutions in Honduras. The United States supports crime prevention projects, community police programs, and community activities for at-risk populations. For example, the United States supports over 40 outreach centers that provide safe places for youth to participate in recreational activities and serve as platforms for guiding at-risk youth into job training. The Honduran government and the private sector fund components of these programs. The United States also supports the development of anti-drug community coalitions as a drug use prevention measure. The United States continued its support to train and equip vetted HNP units. The United States provides logistical support to the Violent Crimes Task Force (VCTF), a specialized vetted unit, which investigates the murders of vulnerable persons including journalists, lawyers, members of the LGBTI community, and foreign nationals. The VCTF expanded from 11 investigators in 2015 to 41 in 2016, and is projected to have permanent teams in San Pedro Sula and Tegucigalpa. The Criminal Structures Unit, which investigates kidnappings and related crimes committed by criminal rings, played a central role in a greater than 40 percent reduction in kidnappings. The United States trains and supports the counternarcotic SWAT team, the TIGRES, which has successfully arrested drug traffickers. The United States trains and supports an HNP border control task force, GOET, that routinely interdicts narcotics smuggling as it executes its primary mission to control migration. INCSR 2017 Volume 1 Country Reports 185

D. Conclusion

The Government of Honduras moved forward in 2016 to address longstanding deficiencies in its civilian security and justice institutions. In response, the United States recalibrated its assistance to give added impetus to Honduran government efforts to reform its civilian police force and improve prosecutorial capacity. The Honduran government took steps to disrupt and dismantle drug trafficking organizations, including extraditing high-profile drug traffickers, seizing the assets of leaders of the drug trafficking organizations, and deploying security forces to undergoverned parts of the country. The results are visible: rates of homicide, kidnapping, and extortion were down from 2015, and citizens' impressions of the HNP are improving.

Belize

A. Introduction

Belize is a major transit country for illegal drugs destined for the United States from source countries in South America. Belize is susceptible to the transshipment of illegal drugs due to its position along the Central American isthmus between the United States and drug producing countries in South America. Large stretches of unpopulated jungles on the border with Guatemala and a relatively unpatrolled coastline that includes hundreds of small islands and atolls make it difficult to conduct interdictions. Remote jungles provide a hospitable environment for the growing and transferring of cannabis. Belize is bordered by countries where the drug trade is controlled by well-organized and extremely violent drug trafficking organizations. According to the U.S. Drug Enforcement Administration (DEA), the drug routes are predominately maritime and via air. Due to Belize's unique geography, maritime craft are able to avoid law enforcement detection by moving at night and using the hundreds of cayes (islands) to conceal their movement. Drugs are moved in vessels ranging from container ships to more common "go-fast" vessels, which can utilize their small profile, and powerful motors to evade law enforcement. Belize's Coast Guard (BCG) lacks adequate patrol boats to effectively patrol Belize's Exclusive Economic Zone. Alternately, drug trafficking organizations use air routes over Belize to smuggle narcotics. The remote and sparsely populated terrain of Belize is well suited for low-trafficked roads and undetectable airstrips on which planes can quickly land and refuel to continue their flight to countries north or south. Belize has no air defense systems and limited capability to monitor aircraft at night. Despite enhanced efforts to monitor coastal waters, limited funds, unreliable equipment, and limited human resources hamper the BCG and the Anti-Narcotics Unit (ANU). The ANU was upgraded to a U.S.-vetted unit in 2015 with additional support and a full-time DEA advisor. Belize's counternarcotics efforts are adversely affected by corruption, deficiencies in investigative capacities, an ineffective judicial sector, and a lack of political will by some senior officials. According to Belizean authorities, marijuana is the most prevalent illegal drug used in Belize and while Belize generally tolerates the use of cannabis, it remains a crime to use, cultivate, or sell it.

B. Drug Control Accomplishment, Policies, and Trends

1. Institutional Development

The Government of Belize has implemented some successful initiatives to enhance citizen security, including many funded by the United States. In 2016, these included steps to improve precinct-level policing in Belize City, modernize police department technology, and expand the COMPSTAT crime-tracking system that combines statistical analysis with geographic information to better allocate police resources to high-crime areas. With U.S. support, the Belize Police Department (BPD) continued a vigorous canine interdiction program, implemented community policing programs throughout the country, and provided support for neighborhood INCSR 2017 Volume 1 Country Reports 105 watch programs. The

United States supported ongoing reforms in the Belize Police Academy, as well as the Field Training Officer Program currently in Belize City. According to annual government statistics, major crimes have been falling for several years – from 3,204 in 2007 to 2,216 in 2015 – constituting a 31 percent decrease. The number of murders has fluctuated over the past few years, with a 14 percent increase in 2016 from the previous year. In 2012, the United States assisted the Government of Belize in establishing a Mobile Interdiction Team (MIT), which initially consisted of 13 members of the Belize Immigration and Nationality Departments and the BPD. Currently, the MIT operates with 42 members and is focused on the interdiction of narcotics and other illegal materials that are transported around ports of entry. The MIT targets roads, highways, and clandestine border crossing areas throughout the border regions. With U.S. government support, the MIT is working towards establishing forward operating bases along the northern and western borders to enhance its response to illegal cross border smuggling activities. Belize is one of six countries (along with Costa Rica, the Dominican Republic, France, Guatemala, and the United States) that ratified the Caribbean Regional Maritime Counterdrug Agreement, which is now in force. To assist this program, the United States has provided training, boats and equipment to the BCG to assist its interdiction activities.

2. Supply Reduction

Belize is not a source country for illegal drugs or precursor chemicals, but it continues to be used as a transshipment point for narcotics and precursor chemicals. Belizean and U.S. authorities have identified Belizean coastal areas as rich targets for drug traffickers pushing north from South America. Belizean security organizations have had minimal success in limiting this criminal activity. The BCG continues to receive U.S. assistance in the form of training and equipment, but is unable to routinely utilize its assets due to insufficient resources for fuel and maintenance. In April and again in October 2016, Belizean authorities led a successful interagency eradication mission targeting cannabis cultivation, with U.S. assistance including support provided by the U.S. Southern Command. In 2016, Belizean authorities eradicated 43,621 cannabis plants (down from 74,025 in 2015). Authorities also seized 901.9 kilograms (kg) of processed marijuana, 17.4 kg of cocaine, and one kg of crack cocaine in 2016.

3. Public Information, Prevention, and Treatment

The National Drug Abuse Control Council (NDACC) is the central coordinating authority responsible for the activities of demand reduction, supply reduction, and control measures. The council has 25 employees and a government budget of approximately \$420,702 for the 2016 and 2017 fiscal years. The NDACC supports special projects such as a training and certification program for personnel specializing in drug and violence prevention, treatment, and rehabilitation. NDACC staff reportedly visited 551 classrooms countrywide and taught prevention education INCSR 2017 Volume 1 Country Reports 106 classes to 15,005 students. The NDACC assisted 17 high schools in hosting “drug week” activities, as well as 136 community empowerment activities nationwide. According to the NDACC, marijuana is the most widely used illicit drug in Belize, followed by crack cocaine. The NDACC also reported a gradual increase in the prevalence of stimulants and inhalants in 2015, though methamphetamine and pharmaceutical drug abuse appears virtually non-existent. In 2015, the NDACC Outreach Unit made referrals for 276 clients to rehabilitation centers and counseling and support groups, a 10 percent increase from the previous year. Eleven drug educators and

seven outreach case workers work for the NDACC countrywide, conducting demand-reduction education programs in schools as well as public education campaigns during community activities. The Organization of American States signed a memorandum of understanding to fund a drug treatment court in Belize in 2014. The steering committee is led by Belize's Chief Justice. Supporting legislation and regulations were still pending before the Cabinet at the close of 2016. While these implementing laws and policies awaited approval, the country's Chief Magistrate launched a concurrent drug treatment court pilot project in the Belize City Magistrates Court. For the first time in Belizean history, two offenders have been sentenced through this pilot project for treatment instead of incarceration. Belize has three operational drug rehabilitation centers. The primary facility is operated at the Belize Central Prison and run by the Kolbe Foundation, a non-governmental organization, which also manages the prison. The prison-based program, started in 2006, is a residence program open to inmates and members of the public who are willing to overcome addiction. The program can treat up to 120 inmates and 20 non-inmates for a three-month program. The other rehabilitation centers are privately run by religious organizations. Jacob's Farm, a faith-based residential center, has capacity for 15 clients for up to six months. Remar Rehabilitation Center is also a faith-based residential program and has capacity for approximately 30 clients for up to six months. U.S. funding through the Central America Regional Security Initiative (CARSI) supports a Gang Resistance Education And Training (GREAT) program. Seventy-five new GREAT instructors were trained in 2016, bringing the total number of country instructors to 173. These instructors worked with 71 schools around the nation. Since its inception, 11,200 students have participated in GREAT programs. 4. Corruption The Belizean government does not, as a matter of government policy, encourage nor facilitate illicit drug production or distribution. However, a lack of resources, weak law enforcement institutions, an ineffective judicial system, and inadequate compensation for civil service employees and public safety officials facilitate corruption. Belize lacks laws that specifically address narcotics-related corruption. The Prevention of Corruption Act, passed in 2000, includes measures to combat corruption related to illicit monetary gains and the misuse of public funds while holding public office. It also provides a code of conduct for civil servants. The INCSR 2017 Volume 1 Country Reports 107 Government of Belize did not charge anyone under this act during the reporting period. A Special Audit of the Immigration and Nationality Department found multiple cases of fraud and corruption within the department. After this revelation and other reports of corruption among senior government officials and significant public pressure, the Belizean Government responded by becoming a party to the United Nations Convention against Corruption on December 12, 2016, and pledged to take further steps to promote good governance.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The United States supports citizen security, law enforcement, and rule of law programs in Belize, mainly through CARSI. Through CARSI, the United States works with Belize to disrupt and decrease the flow of narcotics, weapons, and illicit proceeds generated by sales of illegal drugs, and to combat gangs and criminal organizations. The Government of Belize and the International Organization for Migration are currently developing a passport production and control project to build upon previously-funded U.S. projects to improve management of the country's borders. Additionally, the Government of Belize drafted

legislation to enable participation in the Advance Passenger Information System. Both initiatives have the potential to provide greater monitoring and control of land, sea, and air based entries. Other CARSI funded projects, including the expansion of the MIT, support for justice sector institutions, and the provision of equipment and training for police, have resulted in improvements to law enforcement efforts around the country. Through CARSI, the United States is also funding a full-time Customs and Border Protection Advisor who works with Belizean Customs, Border Patrol, Immigration and the MIT. The Government of Belize readily assists in the capture and repatriation of U.S. citizen fugitives. While Belizean authorities assist in the capture and repatriation of U.S. citizen fugitives facilitated through provisions of the Belize Immigration Act, extraditions from Belize have been less successful. A bilateral extradition treaty between the United States and Belize has been in force since 2001, though the constitutional legitimacy of the treaty is being contested in Belizean court.

D. Conclusion

Belize faces a challenging battle against the threats of drug trafficking, and continuing efforts are needed to reduce the impact of drug trafficking and crime in the country. The United States will continue to assist Belize by providing additional training, equipment, and advisory support, as well as support for program development in the law enforcement and justice sectors. The United States encourages Belize to strengthen its public security and law enforcement institutions through more effective anti-corruption legislation, comprehensive background checks and vetting of new and existing personnel, better training, and continuing education programs. The United States will maintain its strong partnership with Belize and assist in its fight against transnational criminal organizations.

Costa Rica

A. Introduction

Costa Rica's strategic location, porous borders, limited security forces, and thinly-patrolled waters make it a major transit and storage country for illicit drugs. The United States estimates that approximately 90 percent of the cocaine trafficked to the United States in 2016 first transited through the Mexico/Central America corridor. In 2016, Costa Rican authorities seized a total of 24.5 metric tons (MT) of cocaine, a 44 percent increase over the same period in 2015. Bulk cash seizures from drug proceeds totaled over \$9.8 million in 2016. Costa Rica has a relatively low homicide rate compared to other countries in the region. However, the murder rate in Costa Rica reached a record 579 homicides in 2016, equivalent to 11.8 murders per 100,000 people, in a three-year upward trend. Crime is concentrated disproportionately in certain areas, such as the province of Limon, where the murder rate is 22 per 100,000. Overall violent crime increased in 2016. Emboldened tactics by criminals, including turf-war related shootings in broad daylight, have focused the Costa Rican security forces and justice sector on the increased presence of illegal drugs and associated corrosive effects on society. The government steadily increased its spending on law enforcement agencies from 2002 to 2015. However, serious fiscal problems led to a 22 percent cut in the Ministry of Public Security (MPS) 2016 operating budget. The National Police hired below attrition in 2015 due to a personnel freeze. The MPS is planning to hire 1,500 new police (over 10 percent of the current force) in 2017 due to a budget increase. Costa Rica continues to invest in the Coast Guard (SNG), which interdicts the majority of cocaine seized in the country. The SNG purchased a new 45-foot interceptor for its Caribbean operations in 2016, which was involved in a successful interdiction on its first day in operation.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Between 2010 and 2014, Costa Rica added 1,957 officers to its national police force. However, the number of police has fallen since then, and additional officers are needed in every police service, including the National Police, Coast Guard, Border Police, and Immigration Police. The country's ranks of prosecutors and Judicial Investigative Police (OIJ) also remain understaffed, particularly in specialized units. In 2016, salaries squeezed operational spending to 26 percent, down from 31 percent of the budget in 2015, affecting the MPS' ability to purchase equipment, provide maintenance, and invest in infrastructure. Created in 2012, Costa Rica's Border Police continues to take on critical roles in border security and land interdiction of narcotics. Its first-ever director was appointed in March 2016, and has provided strategic direction, including for the effective operation of Costa Rica's most significant border checkpoint. The Border Police remains too understaffed to effectively secure INCSR 2017 Volume 1 Country Reports 138 the northern and southern borders, which include some of Costa Rica's most inaccessible places. In 2016, the force increased modestly, and more robust growth is needed. Despite continued resource

constraints, the SNG remained an effective regional partner for maritime interdiction, actively patrolling Costa Rica's waters and working well with the U.S. Coast Guard (USCG) under the 1998 bilateral agreement to suppress illicit traffic, including through joint patrols. Both the SNG and Border Police improved cooperation with Panama in 2016, enabling greater communication and joint operations along the land and maritime borders. The Air Surveillance Service began taking an active role in maritime interdiction, conducting successful operations with the SNG in 2016. The Costa Rican Constitutional Court ruled in 2016 that police may monitor wiretaps, with judicial oversight. Previously, judges were required to listen to all wiretaps personally, greatly limiting the number of intercepts and the information derived. Although the written decision of the court has not yet specifically identified the police agency or to what degree investigators will be permitted to monitor judicial wire taps, this is a significant change that will allow for greater use and eventual expansion of the Judicial Wire Intercept Program.

2. Supply Reduction

In 2016, Costa Rica seized 24.5 MT of cocaine, considerably exceeding the 17.04 MT that was seized in 2015. One of Costa Rica's greatest challenges is intercepting drug traffickers operating just outside the operational reach of the SNG. The SNG anticipates receiving two patrol boats as excess defense articles from the USCG in late 2017, which are expected to expand their operational reach. Costa Rica is a regional leader in eradicating and seizing marijuana. In 2016, Costa Rican authorities destroyed 2.1 million plants, up from a total of 1.5 million plants in 2015 and a nearrecord total. Local marijuana is grown primarily for domestic use, with a small fraction exported. Seizures of marijuana from Jamaica and Colombia are also fairly common, mostly intended for the domestic market. A cocaine-for-marijuana/arms trade between Jamaica and Costa Rica appears to be growing, with Costa Rican authorities working to develop stronger operational ties with Jamaican counterparts. Seizure totals of illegal drugs other than cocaine and marijuana, including synthetic drugs, remained small in 2016. The Judicial Investigative Police and Costa Rican Drug Institute monitor for signs of synthetic drugs in Costa Rica.

3. Public Information, Prevention, and Treatment

The production, trafficking, and sale of illicit drugs remain serious criminal offenses in Costa Rica, even if laws against personal consumption are rarely enforced. The Costa Rican Drug Institute is the government agency that oversees drug prevention programs, including publicity campaigns and materials for schools. The Institute on Alcohol and Drug Abuse also offers treatment and prevention programs, including training for companies that seek to create their own prevention plans, though considerable gaps remain. With the recent increase in violence, INCSR 2017 Volume 1 Country Reports 139 the MPS is increasingly focused on prevention programs, especially targeting youth in vulnerable communities and outreach to municipalities. The National Police implement the Drug Abuse Resistance and Education program and the Gang Resistance Education and Training (GREAT) program. GREAT began in August 2013, and has grown from 800 graduates in 2014 to over 8,100 in 2016.

4. Corruption

Costa Rica does not, as a matter of government policy, encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs. The growing presence of transnational criminal organizations and their harm inflicted on Costa Rican society, including corruption, is a chief concern. The government generally implements a 2006 law that penalizes official corruption. However, there are frequent reports of low- and midlevel corruption. Shortly after taking office in May 2014, President Luis Guillermo Solís claimed the Costa Rican government had lost \$112 million (7 percent of GDP) to corruption since 1999. Levels of corruption appear uneven among different government agencies, with some more severely affected than others. Due to legal constraints, some officials report difficulty in disciplining or removing personnel from a post even when found guilty of corruption. Costa Rica is focusing on open government initiatives to improve transparency, in response to increasing citizen skepticism on government accountability and effectiveness. Citizen awareness and engagement with these efforts remains low. The 2014 arrest and prosecution of a high-level judge on corruption charges and common pre-trial and early release of suspected drug traffickers and violent criminals continue to cast a shadow over the judiciary and Ministry of Justice, which is responsible for corrections. Costa Ricans have expressed cynicism regarding the government's capacity to enforce the rule of law and bring criminals to justice. OIJ and Poder Judicial, the country's judicial branch which includes judges, prosecutors, and public defenders, convened a commission in 2014 that determined corruption was a moderate, but increasing, threat to the institution. Poder Judicial has developed a project to strengthen the existing ethics framework and implement mechanisms to deter corruption. The United States stands ready to support this and related efforts to stem corruption and increase justice sector effectiveness.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Costa Rica shares the U.S. priorities of disrupting the flow of illicit drugs and dismantling organized crime. The United States supports Costa Rican efforts to investigate and prosecute crimes more effectively, to make its borders more secure, and to increase the safety of its citizens, consistent with the U.S. Strategy for Engagement in Central America and the Central America Regional Security Initiative (CARSI). The United States supports police professionalization, including a range of training and a thorough reworking of the country's police academy curriculum. The National Police has made progress in implementing the COMPSTAT crime-tracking system, which has allowed it to identify problematic neighborhoods and distribute police resources more effectively. MPS began INCSR 2017 Volume 1 Country Reports 140 work in 2016 to include outreach to municipalities and expand prevention programs within its community policing strategy. In the justice sector, the United States supports training programs for investigators, prosecutors, and judges on a broad range of topics, including trafficking in persons, money laundering, undercover operations, and others. A course on competency-based instruction and course design has improved the quality and training of incoming prosecutors in 2016. The United States supports a highly successful restorative juvenile justice program that continued to grow in 2016, and a judicial wiretap intercept program whose success has led the

Constitutional Court to pave the way for expansion. Costa Rica supports Operation Martillo, the international maritime effort to target traffickers in the Central American corridor. Costa Rica does not have a standing military, and port calls by military ships are subject to legislative approval, which is typically politically sensitive. In 2015, the legislature unanimously agreed to provide blanket landing approval for unarmed foreign military aircraft, greatly facilitating joint maritime patrol and other operations. The United States continues to support Costa Rican efforts to further strengthen the Coast Guard and Air Surveillance Service interdiction capabilities, providing boats with greater reach, a ground-based radar, equipment, training, and professional exchanges. These increasingly professional and strategic forces are willing partners with still greater potential. In addition, a U.S.-supported Maritime Interdiction Vetted Unit comprised of representatives from a specialized law enforcement unit and the SNG was revamped in 2016 and had a string of highly successful operations, netting 25 percent of total cocaine interdictions. It has proven itself a critical asset in the fight against maritime drug trafficking and corruption.

D. Conclusion

Despite Costa Rica's ongoing efforts to strengthen its ability to combat drug trafficking, the country's fiscal challenges threaten to undermine progress achieved in the security and justice sectors. An increase in the flow of cocaine from South America and increased use of landing strips to transport drugs and cash between Mexico and Costa Rica add to the challenges. A complex bureaucracy and leadership changes in key posts slow the pace of capacity building, and corruption remains a nagging issue. The challenges are urgent; Costa Rica was one of the top three first-stop countries for cocaine transiting to the United States in 2016. Organized criminal elements wield growing influence, and the palpable effect on society has made counternarcotics efforts a top political issue. Costa Rica should protect its previous investments in security, despite fiscal constraints, and invest further in human capital. Top priorities for increasing effectiveness and efficiency should include 1) professionalizing police and judicial institutions, along with some restructuring and anti-corruption measures; 2) using advanced investigative techniques aimed at organized crime; and 3) passing laws that specifically target organized crime and its proceeds. The government should invest in border security as it continues to build up the Coast Guard and Air Surveillance Service. Both maritime and terrestrial capabilities must be strengthened in order to effectively INCSR 2017 Volume 1 Country Reports 141 combat drug trafficking. Finally, Costa Rica should continue to strengthen its cooperation with regional partners. Its successful engagement with Panama and Colombia is yielding results and holds great potential.

El Salvador

A. Introduction

El Salvador remains a major transit country for illegal drugs destined for the United States from source countries in South America. The United States government estimates that approximately 90 percent of the cocaine trafficked to the United States in the first half of 2016 first transited through the Mexico/Central America corridor. Traffickers in El Salvador use “go-fast” boats and commercial vessels to smuggle illegal drugs along the country’s coastline and to provide fuel to drug-laden vessels en route to northern destinations. The Pan-American Highway is the primary land route, with drug traffickers using buses and tractor-trailers to smuggle shipments. The U.S. Strategy for Central America, the regional Alliance for Prosperity initiative launched by the governments of El Salvador, Guatemala, and Honduras, and the Government of El Salvador’s national-level Plan El Salvador Seguro (PESS) all include various programs to improve El Salvador’s security. These programs seek to strengthen the capacities of law enforcement, promote judicial reform, reduce prison overcrowding, advance cooperation on extradition, and discourage at-risk youth from engaging in criminal activity, among other goals. In 2016, the Salvadoran government continued implementing PESS, a geographically-oriented, place-based approach to coordinate multiple lines of action aimed at reducing crime, including drug consumption and trafficking. The plan also includes drug prevention components. The Salvadoran government also passed a series of emergency measures aimed at securing the nation’s prisons and dismantling gang leadership structures, which play a role in local drug distribution. Despite a commitment to shared counternarcotics objectives, Salvadoran law enforcement agencies lack sufficient training and equipment to effectively manage the country’s borders and interdict drug shipments. There continues to be a lack of reliable information on the severity of drug trafficking and use in El Salvador.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

The Anti-Narcotics Division (DAN) of the National Civilian Police (PNC) is the primary agency responsible for combating drug-related crimes throughout El Salvador. The vetted Grupo Especial Anti-Narcoticos unit (GEAN) within the DAN is responsible for conducting sensitive counternarcotics investigations. In 2016, the GEAN began the process of converting from a standard DEA vetted unit to an elite Sensitive Investigation Unit, fully integrated with equivalent units throughout the world, particularly in Colombia. As a result of this increased professionalism and formalized intelligence-sharing with the United States and Colombia, the GEAN significantly increased El Salvador’s ability to respond to drug trafficking alerts and develop investigations that target larger criminal organizations. The Salvadoran government made some advances to the reform of its correctional institutions in 2016. On April 1, the Legislative Assembly approved “emergency measures” at seven priority prisons that have remained in place throughout 2016. These measures restrict

known gang INCSR 2017 Volume 1 Country Reports 161 members' access to the general prison population and place greater limits on family and attorney visitation. The government also worked with private sector telecommunications firms to block mobile service to areas immediately adjacent to the priority prisons, to further limit gang communication. The United States has collaborated with El Salvador since 2010 to establish and maintain a National Electronic Monitoring Center, which began operations in June 2012. The center allows Salvadoran law enforcement authorities with judicial warrants to intercept electronic communications to support investigations of drug trafficking organizations and criminal gangs involved in street-level distribution of illegal drugs. On July 27-28, a Salvadoran government task force, Grupo 300, used evidence gathered through this center to launch "Operation Jaque," in which a diverse group of Salvadoran task forces and vetted units, including those supported by the United States, arrested 78 individuals involved in money laundering for the Mara Salvatrucha (MS-13) street gang. The operation seized over 250 vehicles and other assets such as hotels, bars, and auto repair shops, and was the first of its kind against MS-13 financial interests. El Salvador is party to the Central American Convention for the Prevention of Money Laundering Related to Drug-Trafficking and Similar Crimes, the Inter-American Convention against Corruption, the Inter-American Convention on Extradition, and the Inter-American Convention on Mutual Assistance in Criminal Matters. A Joint Interagency Task Force, "Grupo Conjunto Cuscatlán" (GCC), was established in 2012. In 2016, support from an embedded U.S. advisor, increased intelligence sharing with the United States and Colombia, as well as clearer division of responsibilities between PNC and military assets helped the GCC achieve a dramatic increase in drug seizures.

2. Supply Reduction

In 2016, Salvadoran authorities seized approximately 12.2 metric tons (MT) of cocaine. This amount was over four times the amount of cocaine in 2016 than in 2015, largely due to increased maritime seizures. During the first nine months of 2016, authorities also seized 538 kilograms (kg) of marijuana, 1.8 kg of crack cocaine, and 300 grams of MDMA (ecstasy), as well as bulk currency valued at \$537,696, and arrested 1,652 suspected drug traffickers. Overall, the Salvadoran government estimates that Salvadoran law enforcement denied \$203,461,954 in revenue to transnational criminal organizations in 2016.

3. Public Information, Prevention, and Treatment

Drug use among Salvadorans is a growing concern, particularly among youth. The government has not kept reliable statistics for illegal consumption since 2012. The PNC has been successfully implementing the Gang Resistance Education and Training (GREAT) program in public schools throughout Model Police Precinct (MPP) locations. In 2016, the United States trained and certified 83 additional Salvadoran PNC officers as full-time GREAT instructors. Since its inception, this El Salvador-based training program has certified over 1,171 regional officers and has trained more than 211,000 at-risk youth in Central America. In 2016, 15,349 youth completed the GREAT curriculum in El Salvador. In addition to the GREAT program, the INCSR 2017 Volume 1 Country Reports 162 PNC has deployed the Police Athletic league in seven high-crime municipalities, benefitting over 3,500 at risk youth. In 2016, the United States' partnership with the PNC continues to support citizen

security and prevention activities in 25 municipal districts through the Model Police Precinct (MPP) Program. In 2016, the United States continued to support the Salvadoran Government in the implementation of PESS and its place-based approach. To support the MPPs, 823 PNC officers were trained and equipped to implement best practices in effective crime prevention, community policing, intelligence, and citizen engagement. In 2016, the United States also helped strengthen the effectiveness of criminal justice procedures and practices by training 346 justice sector personnel in asset forfeiture and cybercrime; providing technical assistance to increase coordination between justice sector agents and institutions; improving criminal investigations ability to use scientific evidence; and building the capacity of the police and prosecutor's offices.

4. Corruption

As a matter of policy, the Government of El Salvador does not encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs. However, corruption within the Salvadoran political system remains a serious problem. The United States continues to utilize U.S.-trained Colombian polygraphists via the trilateral International Cooperation Division (ICD) to assist El Salvador's security forces with anticorruption efforts. In 2016, Colombian polygraphists completed 262 exams of PNC investigative units, DAN, GCC, Attorney General staff, and U.S.-supported task forces. After assuming office in January, Attorney General Douglas Melendez reopened multiple corruption cases sidelined by previous leadership, leading to the prominent arrest of former Attorney General Luis Martinez on August 22, former President Antonio Saca on October 30, and the continued criminal investigation of former President Mauricio Funes, who sought and received political asylum in Nicaragua on September 6. In January 2016, El Salvador signed an agreement with the United Nations Office on Drugs and Crime (UNODC) for technical assistance and capacity building in the field of anti-corruption, with support from the United States. Since the launch of the project, 1,991 Salvadoran stakeholders, including 54 judges, have participated in training and workshops.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The United States supports citizen security, law enforcement, and rule of law programs in El Salvador, mainly through the Central America Regional Security Initiative (CARSI) and the U.S. Strategy for Engagement in Central America. These programs aim to expand Salvadoran capabilities to interdict, investigate, and prosecute illegal drug trafficking and other transnational crimes, implement prevention programs, and strengthen El Salvador's justice sector. Through these initiatives, the United States trains and equips the PNC to perform anti-gang law enforcement. The United States also supports community policing in El Salvador with INCSR 2017 Volume 1 Country Reports 163 equipment, vehicles, training, communications, and social and economic programs. The United States provided Salvadoran law enforcement the ability to use COMPSTAT, a statistical analysis tool that tracks the type and location of crime reports to more efficiently allocate law enforcement resources, and AFIS, an automated fingerprint database. This assistance builds upon prior U.S. assistance to Salvadoran authorities on the use of eTrace, an Internet-based system to trace firearms used in criminal activity. The Government of El Salvador is a committed partner of the United States to combat organized criminal organizations and strengthen institutional capabilities to investigate narcotics related cases. In 2016, U.S. assistance focused on enhancing the operational capacity of Salvadoran law

enforcement agencies to interdict drug shipments and combat money laundering and public corruption. Assistance also promoted transparency, efficiency, and institutional respect for human and civil rights within law enforcement and the criminal justice system. The U.S. supported efforts to combat criminal organizations, particularly the MS-13, 18th Street Sureños, and 18th Street Revolucionarios gangs, while developing and implementing integrated initiatives to disrupt criminal activity, including drug trafficking. U.S. assistance included specialized training for 658 Central American officers in intelligence-led policing, as well as basic and advanced community policing. The GCC utilizes four boats donated by the United States, and the United States will continue to assist the Salvadoran government to interdict illicit traffic utilizing maritime surface assets. In November 2013, the Legislative Assembly approved an asset forfeiture law. The United States is working with El Salvador to implement the law through training for judges, prosecutors, national police, and the asset forfeiture program's governing organization (CONAB). In December 2015, El Salvador finalized its first civil asset forfeiture against a corrupt former legislator, who was subsequently criminally convicted of money laundering and sentenced to 15 years in prison in July 2016.

D. Conclusion

El Salvador strengthened its capacity to combat illegal drug trafficking in 2016. Authorities have demonstrated increased capacity to lead complex investigations, coordinate and share intelligence between agencies and with overseas counterparts, and dismantle organized crime structures. El Salvador still faces formidable challenges, and must take steps to promote sustainable and effective law enforcement institutions. Successful implementation of PESS, in tandem with the increased focus on organized crime, should improve the security situation in El Salvador. The successes of 2016 can only be sustained if the Government of El Salvador demonstrates increased leadership on crime prevention, security, and rule of law. Future steps should include providing additional resources and equipment to the PNC and Attorney General's Office, as well as ensuring adequate pay and physical protection as key elements to minimize the risk of corruption. Security and justice sector officials must be held accountable for their performance and hiring and promotion must be based on merit. El Salvador's correctional institutions require INCSR 2017 Volume 1 Country Reports 164 significant management reforms to expand their capacity. Sustainable reforms must be made to the prison system to build upon the temporary advances made under the emergency measures to ensure that criminal organizations are not operating within the prisons. Efforts must also be made to improve interdiction operations, especially land interdiction of drugs, cash, and other contraband such as firearms, ammunition, explosives, and munitions transported via the Pan American Highway. The Salvadoran government understands that enhancing citizen security is essential for promoting the country's economic growth, and the continued focus on PESS and participation in the regional Alliance for Prosperity demonstrates such an understanding.

Guatemala

A. Introduction Guatemala is a major transit country for illegal drugs. An estimated 1,000 metric tons (MT) of cocaine are smuggled through the country every year, the great majority of it destined for the U.S. market. Criminal organizations exploit Guatemala's porous borders and overburdened law enforcement agencies to traffic narcotics, cultivate marijuana and opium poppy, produce heroin and methamphetamine, and smuggle precursor chemicals. The virtual absence of a permanent law enforcement presence in many areas of the country enables other forms of transnational crime in addition to drug trafficking, including alien smuggling and trafficking in persons, weapons, counterfeit goods and other contraband. The corruption scandals that led to the resignations, and subsequent incarcerations, of former President Otto Perez Molina and former Vice President Roxanna Baldetti in 2015 continue to reverberate. Related investigations led to leadership changes within most law enforcement agencies and government ministries in 2016. Key Guatemalan officials are now more established and have demonstrated political will to counter drug trafficking, corruption, and violence. Guatemala achieved some notable successes in 2016, including record drug seizures, the capture of high-profile criminals, improved interagency coordination, and enhanced regional cooperation. However, Guatemala's fight against criminal organizations continues to be hindered by endemic corruption, weak public institutions, and inadequate budget resources. Guatemala is becoming increasingly aware of domestic drug consumption problems, especially among adolescents. Authorities are attempting to respond to this emerging trend through expanded drug prevention and treatment programs, but are impeded by a lack of budget support, personnel, and technical expertise.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Development

Guatemalan law enforcement institutions, courts, and other agencies demonstrated greater effectiveness against drug trafficking in 2016. U.S. assistance to Guatemala in the areas of vetted units, information sharing, and training led to enhanced coordination, more arrests, and record drug seizures. In an indication of improved interagency cooperation, the Anti-Narcotics Police, Guatemalan Tax Administration, and the National Civil Police's border security force agreed to conduct integrated operations at a model port of entry at Pedro de Alvarado along one of the busiest commercial routes in the country. U.S. support to the Interagency Task Forces also enhanced the host government's counternarcotics capacity, as evidenced by the eradication of 104,059 marijuana plants during Operation Jaguar in the Peten Department. U.S. assistance to the High Impact Court system yielded positive results. The system now includes four courts to process high-profile cases related to drug trafficking, gangs, and other prominent cases. In April 2016, the presidents of the Guatemalan executive, judicial, and INCSR 2017 Volume 1 Country Reports 168 legislative branches of government launched a National Dialogue for Judicial Reform, aimed at bolstering professionalism and reducing corruption in the judicial system. Major challenges for counternarcotics agencies and institutions include corruption, inadequate budget resources,

and persistent violence. Widespread corruption, combined with some of the lowest tax collection rates in the world, starves law enforcement agencies, courts, and prosecutors of critical resources. Although the homicide rate dropped in 2016, violent crime continues to plague many Guatemalan communities. On the policy front, Guatemala has historically relied on manual eradication missions to counter opium poppy cultivation in the remote western region of the country. In a major policy shift, officials now consider this one-dimensional response inadequate and have embraced a new multifaceted approach to combat poppy cultivation. An interagency effort was launched in 2016 to supplement existing eradication efforts with regular community prosperity missions to promote health, education, and long-term economic development. The government successfully completed its inaugural community prosperity mission in July 2016 in the San Marcos region. Relevant U.S. agencies are assisting the Guatemalan government with implementation of the new policy initiative. Guatemala is a party to several relevant regional agreements, including the Organization of American States' Inter-American Drug Abuse Control Commission (CICAD), the Caribbean Regional Agreement on Maritime Counternarcotics, and the Inter-American Convention on Mutual Assistance in Criminal Matters. A maritime counternarcotics agreement with the United States is fully implemented. Guatemala continues to work closely with U.S. authorities on extradition matters. A 1903 extradition treaty, amended in 1941 to include narcotics-related crimes, allows the extradition of Guatemalan nationals. Guatemala regularly extradites its own citizens, including high-level drug traffickers, to the United States for prosecution.

2. Supply Reduction

As evidenced by record drug seizures in 2016, Guatemala remains a major transit corridor. In 2016, authorities seized more than 18.5 MT of cocaine, the highest annual amount on record. Guatemalan law enforcement agencies also reportedly confiscated 144 kilograms of heroin; seized more than \$10 million in bulk cash; and destroyed 2.8 million marijuana plants, 17 million poppy plants, and 106 MT of precursor chemicals. U.S. assistance boosted the capacity of law enforcement agencies, improved cooperation between the National Civil Police and the Guatemalan military, and increased cross-border cooperation with El Salvador and Honduras. In 2016, the Guatemalan government employed a new methodology to estimate the number of hectares (ha) under poppy cultivation. While authorities previously focused on the San Marcos Triangle of Sibinal, Ixchiguan, and Tajumulco, they broadened their scope to include territory comprising roughly 275 percent more land compared to previous years. Out of the larger sample size of 32,133 ha in western Guatemala, host nation authorities estimate that 4,500 ha on average are under poppy cultivation, a dramatic increase over past estimates. There is no independent INCSR 2017 Volume 1 Country Reports 169 data to support or refute this estimate. In 2016, counternarcotics police launched just one poppy eradication mission due to intercommunal conflict over water in San Marcos, community resistance to prior missions, and the virtual absence of a state presence in the region. Overall statistics for 2016, in particular the dramatic rise in cocaine seizures compared to 2015, appear to indicate that drug production and trafficking have increased in Guatemala. Drug traffickers continue to rely mostly on overland routes in the country's vast border regions. However, in September 2016 the National Civil Police seized the country's first semisubmersible smuggling vessel, an

indication that drug trafficking organizations in Guatemala are becoming more sophisticated. A second semi-submersible vessel was seized just three weeks later.

3. Public Information, Prevention, and Treatment

According to a U.S.-funded national survey released by the Guatemalan government in 2014, young people aged 11 to 20 use marijuana and cocaine at higher rates than their counterparts in countries such as Mexico, Colombia, and Costa Rica. The study identified specific risk factors for Guatemalan adolescents, including easy access to illicit drugs, as well as low risk perception associated with the use of marijuana, cocaine, and MDMA (ecstasy). Since the government lacks sufficient resources to address these emerging trends, U.S. support in 2016 helped Guatemala promote drug abuse awareness and prevention among municipal leaders, teachers, students, parents, and the private sector. U.S. assistance in 2016 took a variety of forms and included support for mass student rallies to raise awareness about the health risks and negative social consequences of drugs; universal prevention workshops to educate students and adults about the neuroscience of drug addiction; the formation of multi-sectoral anti-drug coalitions; and implementation of evidence-based prevention strategies. In 2016, these programs reached more than 150,000 people in 14 of Guatemala's 22 regional departments. Drug treatment centers in Guatemala are administered under the Ministry of Health. According to government sources, approximately 15,000 adults are currently in residential treatment, typically for marijuana and/or cocaine abuse. In 2016, a U.S.-funded study of 30 of the country's 100 treatment centers concluded that the majority of drug treatment providers, directors, and counselors lack technical expertise to meet the needs of patients. Further, most centers lack basic equipment and do not apply a formal therapeutic model to drug treatment. U.S.-supported programs are attempting to address these complex challenges. For example, CICAD and the United States supported a national six-month training program on best treatment practices for more than 100 treatment center directors and counselors in late 2016.

4. Corruption

The Government of Guatemala does not, as a matter of government policy, encourage or facilitate illegal drug production or distribution, nor is it involved in the laundering of the sale of illicit drugs proceeds. However, widespread corruption permeates public and private institutions and exacerbates the country's security, governmental, and economic challenges. With U.S. INCSR 2017 Volume 1 Country Reports 170 support, Guatemala's Attorney General and the UN International Commission against Impunity in Guatemala (CICIG) have investigated hundreds of government officials suspected of corruption since 2013. U.S. assistance also supports anti-corruption efforts by developing and training specialized vetted units, particularly those tasked with countering drug trafficking, money laundering, and criminal gangs. Accomplishments in the broader fight against corruption in 2016 include the establishment of Offices of Professional Responsibility within Customs and Migration; the arrest of several officials on bribery charges involving the country's largest port terminal; the pursuit of several high-profile private sector cases worth approximately \$314 million in unpaid taxes and fines; and the establishment of Public Ministry investigative units in the Western Highlands. C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

Consistent with the U.S. Strategy for Engagement in Central America, as well as the Central American governments' Alliance for Prosperity initiative, the United States continues to be a key provider of assistance aimed at improving the professional capabilities, equipment, and integrity of Guatemala's police forces, judicial institutions, and the military, mainly through the Central America Regional Security Initiative (CARSI). The overall objective of U.S. assistance efforts is to create effective structures and organizations sustainable by the Guatemalan government. In 2016, U.S. initiatives included ongoing efforts to establish 99 Model Police Precincts across Guatemala by the end of 2017. Each precinct will coordinate with municipal authorities and the National Civil Police on anti-gang operations, community policing, security observations, and joint patrols. In a separate U.S.-assisted campaign, the Guatemalan government will establish its first model prison based on a holistic approach to corrections. The model prison opened in December 2016. Other highlights related to U.S. programs include the launch of an anti-gang unit in the Jutiapa Department to investigate extortion and monitor gang activity on the borders with El Salvador and Honduras; the approval of the Field Officer Training concept at the National Civil Police Academy; and specialized train-the-trainer programs with the Colombian National Police and the Miami-Dade Police Department. U.S. efforts also include capacity building programs at the local level for mayors, police chiefs, and indigenous leaders. Guatemala has made progress in drug control and border security operations at the regional level. In a U.S.-led effort, the National Civil Police's border security force coordinated with counterparts from El Salvador and Honduras during checkpoint operations in August 2016. Guatemala intends to expand regionalized border operations over the long-term. In the first reported use of a new tri-national security pact between the Northern Triangle governments, Guatemalan authorities arrested two notorious Salvadoran leaders of the MS-13 gang in October 2016.

D. Conclusion

The United States works closely with Guatemalan authorities to improve the government's capacity to provide security and justice to its citizens. In 2016, Guatemala made notable progress in the fight against criminal organizations to include enhanced institutional capacity, INCSR 2017 Volume 1 Country Reports 171 improved interagency and regional cooperation, and record interdiction and enforcement gains. However, significant challenges remain. Corruption is rampant, public confidence in government institutions remains low, violent crime persists, and limited budget resources hinder the government's ability to address the challenges associated with drug trafficking. Despite the country's many successes in 2016, the Guatemalan government will not succeed in building sustainable counternarcotics mechanisms until it fully implements its laws, reforms law enforcement and judicial institutions, accelerates judicial processes, improves interagency cooperation, and provides adequate financial support to relevant agencies and government ministries.

Panama

A. Introduction

Panama remains a major transshipment crossroads for illicit drug trafficking due to its location and logistics infrastructure. Panama does not produce significant amounts of drugs destined for the United States market, though limited cannabis cultivation occurs in remote regions for local consumption. Transnational drug trafficking organizations, including Mexican and Colombian groups, move illegal contraband through Panama's remote Darién region and along its coastline and littoral zones. Drug traffickers also exploit Panama's transportation infrastructure, including the second largest free trade zone in the world, four major container seaports, airports, and the Pan-American Highway. The Panamanian government is concerned that drug consumption and gang activity may be growing within the country and is committed to working with international partners to confront drug use and trafficking both domestically and regionally. The United States enjoys strong partnerships with all Panamanian security services.

B. Drug Control Accomplishments, Policies, and Trends

1. Institutional Developments

In 2016, Panama built on past efforts to improve its security institutions, enhance interdiction capacity, and ensure citizen security. The Ministry of Public Security's budget increased in 2016 for the eighth consecutive year. Panamanian institutions continue to face challenges, including management of interagency and inter-service cooperation to combat illicit trafficking. The government has increased counternarcotics cooperation, including through two named interagency operations and the creation of a permanent task force, the Special Anti-Narcotics Force. The Panamanian National Police (PNP), with U.S. assistance, implemented modern policing strategies and integration of the COMPSTAT (comparative statistics) model in 100 percent of the country's police zones, allowing real-time mapping and analysis of criminal activity. Increasingly effective use of COMPSTAT led to more-effective police enforcement, with a continued decrease in major crimes in zones across the country (approximately 20 percent) where the PNP fully implemented the model, according to government statistics. The creation of real-time crime analysis centers, enabled by implementation of the COMPSTAT program, allowed real-time mapping and analysis of criminal activity and the ability to deploy police to crime "hot spots." The Police Academy continued its focus on distance learning, continuing education, and seminar programs to serve the entire force. The Academy also began working with the educational system of the National Air-Naval Service (SENAN) to integrate SENAN into the overall national security education program, with specialties for SENAN's requirements and an eventual program of accreditation. The PNP's coastal Anti-Narcotics Operations Tactical Unit remained an effective interdiction unit. The PNP continued to endorse vetted units supported by the U.S. Drug Enforcement Administration and Homeland Security Investigations; the vetted units have proven their effectiveness with increasing amounts of seizures. The Government of

Panama continued to INCSR 2017 Volume 1 Country Reports 234 devote resources to improving security in Darién province. The National Border Service (SENAFRONT) remains the operational mainstay there, performing humanitarian assistance and community policing missions alongside its other duties. Although the Revolutionary Armed Forces of Colombia (FARC) no longer operates in the Darién, SENAFRONT confronts criminal gangs moving drug shipments through the region. A surge in irregular migration through the Darién has largely matched historic drug-trafficking routes. Through the Regional Border Protection Training Program, the United States provides training to SENAFRONT and other regional security services on border security operations at and between ports of entry. Thanks to “train-the-trainer” cooperation with the United States and Colombia, SENAFRONT now conducts advanced training on its own and to an increasing number of students from regional partners, including Costa Rica, Belize, Guatemala, and Honduras. In 2016, Panama Customs created an interdiction unit supported by the United States and began sharing foreign-to-foreign cargo manifest data with U.S. Customs and Border Protection (CBP). This will allow the United States to make interdiction recommendations to Customs for all cargo entering, departing, or transiting Panama. With U.S. assistance, Customs continues to enhance its targeting abilities through the deployment of new software and associated training. Additionally, the United States assisted Customs by providing analysis and recommendations regarding its non-intrusive inspection (NII) program. This identified critical operational gaps and provided Customs a framework to address priority initiatives to improve its NII program. SENAN routinely interdicted maritime narcotics shipments, with U.S. assistance. The United States works jointly with the Colombian Navy to help SENAN develop organic and sustainable maintenance and operational capacities. The United States provided training and equipment assistance for SENAN in 2016 to enable the organization to bring more narcotics cases to successful prosecution. In September, Panamanian authorities concluded implementation of their phased transition from an inquisitorial justice system to a faster and more transparent accusatory justice system throughout the country. The United States continued to support the transition through training and equipment. Case processing times are decreasing, though the government must continue to contribute significant resources for smooth and efficient implementation and training for security sector actors. Despite this progress, justice sector institutions have difficulty pursuing money laundering, organized crime, complex financial crimes, and criminal forfeiture cases and remain susceptible to corruption. Frequent arrests still produce few successful prosecutions. A mutual legal assistance treaty and an extradition treaty are in force between the United States and Panama, and while Panama’s Constitution does not allow for the extradition of Panamanian nationals, upon request, Panama will assume jurisdiction over cases where they cannot extradite. The 2002 Salas-Becker Agreement enables cooperation on bilateral maritime interdiction, including the use of shipriders, allowing Panamanian security officers to deploy aboard U.S. air and maritime patrol assets. The program enhanced the effectiveness of counter-trafficking operations in-and-around Panama by improving detection, monitoring, interdiction, and apprehension of traffickers. INCSR 2017 Volume 1 Country Reports 235

2. Supply Reduction

According to media reports, the Government of Panama seized approximately 63 metric tons (MT) of illicit drugs in 2016, including approximately 56 MT of cocaine. This amount does not include cocaine seized by U.S. Coast Guard assets in or near Panamanian territorial waters or jettisoned by traffickers under pursuit and not recovered. The volume of seized cocaine exceeded the 52.3 MT of cocaine seized in 2015, reflecting the increasing ability of Panama's security services to act on operational intelligence, better analysis, and a more aggressive operational posture. When cued by Maritime Patrol Aircraft (MPA), Panama enjoyed a commendable pursuit-to-interdiction ratio of 100 percent over the first nine months of 2016, capturing 17 of the 17 maritime targets cued by MPA and an additional 50 targets cued by other information. Several local drug trafficking organizations in Panama continued to provide logistical support to international trafficking organizations smuggling cocaine into Panama for further distribution northward in Central America. Based along both of Panama's coastlines, these organizations coordinated the receipt of "go-fast" vessels from organizations in Colombia. Once in Panama, these vessels typically refuel and offload and store their drug shipments for transport farther north. Panama's ports, on both the Caribbean and Pacific coasts, remain susceptible to drug trafficking because of the sheer number of containers moved through the region as well as internal corruption within the ports' operations. Panama increasingly serves as a transshipment hub for cocaine shipments destined for Europe. The Government of Panama has not reported significant problems associated with synthetic drugs, though synthetics have reached the streets of Panama and government officials have expressed concern.

3. Public Information, Prevention, and Treatment

Although illicit drug abuse currently is not a major problem in the country, the government is concerned it could become so, in concert with the growth of gangs influenced by problems from northern Central America. Panama funds some drug demand reduction programs and benefits from other funding sources, including donations from civil society groups and international cooperation. The Ministry of Education provides drug prevention programs in schools and the Ministry of Health supports a drug-counseling program. Panama conducted its last drug-demand study in 2008, making it difficult to assess current trends. Panama has not updated its written strategy on drug demand reduction since 2007. The United States, in collaboration with the Organization of the America States' Inter-American Drug Abuse Control Commission, funds drug treatment and prevention training for treatment service professionals in Panama. The United States continues to partner with the PNP to implement programs such as Drug Awareness and Resistance Education and the Community Policing Strategy to help at-risk youth.

4. Corruption

The Government of Panama does not, as a matter of government policy, encourage or facilitate illegal drug production or distribution, nor is it involved in laundering the proceeds of the sale of INCSR 2017 Volume 1 Country Reports 236 illicit drugs. However, corruption remains a concern throughout the security services, customs, and justice sector. Drug trafficking organizations have penetrated the security services, and Panamanian authorities detained several security-service members involved in trafficking in 2016. Panamanian

authorities recognize the threat, and the PNP and SENAN respond favorably to U.S. requests to polygraph security service members. The government actively investigates officials for corruption, though successfully prosecutes few. In April, the government announced the formation of the Interagency Anti-Corruption Group (GIA), a welcomed development to help combat this insidious problem. Based on GIA investigations, Panamanian authorities arrested security sector officials in Colón and Panama City, including police and SENAN officials suspected of corruption.

C. National Goals, Bilateral Cooperation, and U.S. Policy Initiatives

The United States supports citizen security, law enforcement, and rule-of-law programs in Panama, mainly through the Central America Regional Security Initiative (CARSI). These programs aim to expand Panamanian capabilities to interdict, investigate, and prosecute illegal drug trafficking, money laundering, and other transnational crimes while strengthening Panama's justice sector. Through CARSI, the United States trains and equips Panamanian police to perform anti-gang law enforcement. The United States also supports community policing in Panama with equipment, training, and communications assets. Both the PNP and SENAFRONT are using their increasing capabilities and professionalism to assist regional partners with education and training and use of their facilities. In 2016 the United States continued to provide assistance to modernize and maintain SENAN, SENAFRONT, and PNP vessels and facilities in support of interdiction efforts. U.S.-provided aviation assets have helped SENAN expand its ability to support joint drug enforcement operations. U.S. provided training improves the professionalism and effectiveness of Panama's security services by enhancing skills in areas such as small boat operations, small unit tactics, and logistics support. The United States continues to advance progress through a trilateral cooperation relationship with Panama and Colombia, where Colombian law enforcement, justice sector, and military experts train members of Panama's security services. U.S. and Panamanian law enforcement units collaborate closely on drug control efforts, which in 2016 included high-profile investigations involving a nexus to U.S. cases. Panamanian vetted units, working in partnership with U.S. law enforcement agencies, conducted sensitive investigations, and operations related to counternarcotics, money laundering, human smuggling, and other transnational crimes. During 2016, investigations and operations by Panama's vetted units resulted in 266 arrests and seizure of over 15.3 MT of cocaine and approximately \$3,719,832 in illicit proceeds.

D. Conclusion

The Government of Panama continued its support for coordinated counternarcotics operations and investigations in 2016, while continuing to invest in building its own capacity. Panama remains one of the regional leaders in narcotics interdiction and seizures, and President Varela has stated a desire to further expand his country's regional leadership. Nevertheless, the overall INCSR 2017 Volume 1 Country Reports 237 magnitude of the drug threat exceeds the capacity of Panama's security services to manage it alone. To maintain the momentum of recent improvements, the United States will continue to assist Panama in implementing reforms. Bureaucracy and incapacity hinder the judicial system's ability to dismantle transnational criminal organizations or successfully prosecute major criminals. The

United States is committed to continuing to work positively with all the security services and encourages stronger and more organized support for the prosecutorial sector.