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**STATEMENT FOR THE RECORD  
SUBMITTED BY GENERAL BARRY R. McCAFFREY (USA, Ret.)  
TO THE SUBCOMMITTEE ON NATIONAL SECURITY & FOREIGN AFFAIRS  
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
U.S. HOUSE OF REPRESENTATIVES  
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***SUBJECT: Transnational Drug Enterprises: Threats to Global Stability and U.S. National Security from Southwest Asia, Latin America, and West Africa.***

Chairman Tierney, Ranking Member Issa, it is an honor to submit this statement for the consideration of the Subcommittee on National Security & Foreign Affairs for the hearing on Transnational Drug Enterprises: Threats to Global Stability and U.S. National Security from Southwest Asia, Latin America, and West Africa.

This statement provides observations/insights of trends in cultivation, production, and trafficking of illegal drugs/narcotics, impacts of the drug trade on drug production and trafficking countries, and an assessment of threats posed by the drug trade to the United States, key allies, and law abiding peoples everywhere.

The reality we all have to face is that the global drug trade generates hundreds of billions of dollars in revenue for poor peasants/farmers, couriers, smugglers, insurgent organizations, transnational drug enterprises, domestic drug trafficking organizations, and retail dealers. The profits, however, are shared disproportionately along the supply chains that link cultivation/production centers and consumers. Furthermore, there is always a downside to involvement in the drug trade, no matter where an individual, organization, community, or nation stands. Economies are distorted, violence is omnipresent, addiction rates rise, institutions are corrupted, the rule of law is corroded, confidence in public institution wanes, and governance suffers.

Simply stated, when the drug trade is prospering just about everybody it touches – except for the rich and ruthless heads of drug trafficking organizations – is worse off. Governments that think they can turn a blind eye to the drug trade or give free reign to drug trafficking organizations will discover at the end of the day that their nations will be ravaged by a cancer that rapidly metastasizes into just about every facet of society – families, schools, communities, financial institutions, the economy, law enforcement agencies, public officials. In the extreme, where drug trafficking organizations are unchecked (e.g. Colombia in the 1980s, contemporary Mexico), they can pose a direct threat to the state.

Today's drug enterprises transcend national boundaries. They are complex, well-organized, disciplined, ruthless organizations that can operate effectively across borders and over long

distances. The more sophisticated enterprises are increasingly involved in all facets of the drug trade including production, international trafficking, retail distribution, and laundering of proceeds. They do not hesitate to use violence and coercion to target public officials or to bribe/corrupt entire law enforcement organizations. They are virulent organizations which must be confronted by sophisticated strategies that employ intelligence, investigations, extradition, asset forfeiture, and non-tolerance of their criminal activities wherever they occur. International cooperation is essential to counter powerful and well-resourced transnational drug enterprises. Law enforcement and security forces of countries with limited resources are often overmatched by criminal drug enterprises that use corruption to dissuade governmental action and route their smuggling activities through regions where security forces are weakest. This is particularly the case in drug source and transit countries in Asia, Central America and the Caribbean, and West Africa.

## **THE SITUATION IN ASIA**

### **Afghanistan**

The principal drug producing nation in Asia is Afghanistan, which produces 93 percent of the world's opium poppy. This illegal drug trade is estimated to generate \$3 billion a year, which represents perhaps 20 percent of the nation's GDP and about three times as much as the domestic revenues of the central government. The Taliban and non-state forces generate tremendous income from drug cultivation, manufacturing, and trafficking.

Even though heroin from Afghanistan is not destined for the U.S. domestic market, it is in the U.S. national interest to invest in an effective counternarcotics strategy. As long as the drug trade flourishes in Afghanistan, it will pose a major threat to efforts to extend control of the central government, expand the rule of law, improve governance, and attain the conditions necessary to defeat anti-government forces and the terrorist organizations that prospered under Taliban rule. The southern provinces where opium poppy cultivation is concentrated are also the areas where anti-government forces are strongest.

The United Nations Office on Drugs and Crime (UNODC) reports that last year, 18 of the nation's 34 provinces were free of poppy cultivation, up from just 6 in 2006. Clearly, anti-drug strategies that incorporate increased security, investments in alternative development, infrastructure improvements, public information, eradication, sanctions against those involved in all facets of the drug trade, and are supported by provincial authorities can significantly curtail the drug trade. The drug trade in Afghanistan will likely be a barometer of the effectiveness of the nation's central government. If it is unable to provide security and effective governance, reduce corruption, and foster economic development in the provinces where the drug trade flourishes, it will be unable to confront the anti-government forces that threaten the security of the state in those very same provinces.

### **Drug Transit Nations**

Drug transit nations in Asia confront problems common to drug-transit nations in the Western Hemisphere – sophisticated trafficking groups corrupt domestic law enforcement and security

organizations in order to secure their supply routes. And domestic drug-use and addiction rates increase along with drug availability.

- In Azerbaijan , which is located along a transit route from Afghanistan to Western Europe, domestic consumption and the number of heroin addicts has grown in recent years.
- Kazakhstan, also a major transit country, is experiencing increases in the transshipment of Afghan opiates. International experts estimate that 10-15 percent of the drugs trafficked through Kazakhstan remain in the country, resulting in increased abuse and addiction rates.
- Perhaps 60 percent of the opiates from Afghanistan pass through Iran Russia, and Europe. There are at least 3 million opiate abusers in Iran.
- Given that the center of gravity of the Afghan drug industry is in neighboring Afghan provinces, Pakistan is a primary smuggling vector for drug products destined for Southwest Asia, East Asia, and Africa by land and sea. This drug trade is exacerbating drug consumption within the country. There are an estimated four million drug abusers in the total population of 170 million. A recent UNODC survey found that the number of chronic heroin abusers has increased and that the numbers of injecting drug users has doubled in the last 6 years.
- Russia is also suffering the effects of trafficking in opiates from Afghanistan and their abuse. An estimated 5.1 million Russians (3.6 percent of the population) take drugs on a regular basis. Russia's 7000-kilometer Russian border with Kazakhstan is roughly twice the length of the U.S.-Mexican border and poorly controlled. Trafficking of heroin and other drugs within Russia is carried out by Russian organized crime and trafficking organizations from neighboring transit countries.

## **THE SITUATION IN THE WESTERN HEMISPHERE**

### **South America**

**Bolivia.** During the 1990s, coca cultivation and cocaine production decreased in both Bolivia and Peru as a result of combination of factors, which included: the extension of the rule of law into areas formerly controlled by insurgents in Peru; effective anti-drug cooperation between host nation forces and the United States; the U.S. coordinated air-bridge denial campaign; and a decision by Colombian cartels to consolidate coca cultivation and production within Colombia.

Unfortunately, many of these gains have been lost in Bolivia as a result of the Government of Bolivia's ending of most bilateral (Bolivian-U.S.) anti-drug efforts, tolerance of increased coca cultivation, and diminished eradication and anti-trafficking activities. The DEA estimates that over the past five years, potential cocaine production may have almost doubled from 100 metric tons in 2003 to 192 metric tons in 2008. While the majority of cocaine produced in Bolivia goes to markets in the southern cone of South America and Europe, increased production could result

in Bolivia once again becoming a significant importer of cocaine to the United States. As the drug trade surges in Bolivia, so too will the influence of transnational drug enterprises throughout the country.

**Brazil** is a major transit country for cocaine destined for Europe via Africa and a significant consumer of cocaine products. Criminal organizations involved in the drug trade also import weapons that are used to establish control of wide swaths of urban slums (favelas).

**Colombia.** Significant progress has been made in recent years by the Government of Colombia against drug production and trafficking. The U.S. Government estimates that potential cocaine production in the nation has declined by almost 25 percent over the past decade. Factors that contributed to this success include: significant and sustained U.S. assistance (Plan Colombia); committed Colombian leadership; increasing effectiveness of security and law enforcement forces; extension of the rule of law to areas formerly under insurgent control; strategic defeat of the principal insurgent group (the FARC); demobilization of paramilitary organizations; atomization of the large drug enterprises that threatened national security; and prosecution (and, in many cases, extradition) of drug kingpins.

Colombia, however, remains the principal supplier of cocaine to the world. Nearly 90 percent of the cocaine on U.S. streets comes from Colombia, as does the majority of the heroin in the eastern United States. While the U.S. remains the principal market for Colombian drugs, an increasing percentage of those drugs are now exported to Europe and Brazil.

Several key lessons can be learned from Colombia's success:

- Drug enterprises cannot be allowed to grow so powerful that they can threaten the central government and pose security threats anywhere in the country as did the Cali and Medellin cartels before they were dismantled.
- The drug trade flourishes where the rule of law is weakest. Governments that cannot control all of their national territory will be unable to eliminate drug crop cultivation and production.
- Anti-drug strategies that synchronize enforcement, justice, security, and alternate development programs can be effective.

It will be interesting to see how the drug trade and the influence of drug enterprises within Colombia change should the Government of Colombia succeed in ending the almost 50-year old conflict with the FARC. The extension of the rule of law to all of the Colombian polity and the decimation of non-state criminal organizations could result in an implosion of the drug trade and major disruption/interruption of global cocaine supplies.

**Peru** remains the world's second largest producer of cocaine, producing approximately 235 MT of cocaine. Colombian and Mexican drug enterprises are involved in the transportation of large (multi-ton) loads of cocaine to Colombia, Mexico, and the Caribbean, reflecting the long-term

trend of greater control/vertical integration of all facets of drug production, transportation, and wholesale/retail distribution by international drug enterprises.

**Venezuela.** Lax antinarcotics efforts by the Government of Venezuela along with increasing corruption in its security forces have led to an increase of trafficking through that country of drugs headed to the Caribbean, Mexico, the United States, and Europe. The greater ease with which drugs can flow through Venezuela could result in a resurgent drug trade in the Caribbean, which used to be the vector for 50 percent of the cocaine coming from South America to the United States, and which is now the route for just 10 percent of the cocaine destined for the United States. The Administration of President Hugo Chavez, which has extended a life line to the FARC and turned a blind eye to drug trafficking through its national territory, will have to eventually deal with the results of its actions – greater influence of drug enterprises within Venezuela, more corruption within security forces and public agencies, increased domestic drug-use and addiction rates, and more drug-related violence.

**Central America.** Drug enterprises take advantage of limited host-nation resources, undermanned border crossings, and inadequate customs enforcement regimes to ship drugs from Colombia and on to Mexico. While trafficking occurs through all Central American countries, cartels tend to focus their efforts on the countries that are contiguous to Mexico – Guatemala and Belize. The effects of the drug trade are common throughout the region: distorted economies; money laundering; increase in drug-related violence and drug-use rates; corruption of public and law enforcement officials; increasing presence and activities of Mexican drug cartels. Colombian and Mexican drug cartels use Panama for drug trafficking and money laundering purposes. U.S. assistance is essential to help the governments of small transit-zone countries confront drug enterprises and build the capability to interdict shipments and prosecute traffickers.

**The Caribbean.** Perhaps 10 percent of the cocaine flow from South America to the U.S. transits the Caribbean. 20 years ago the figure was 50 percent. More effective interdiction operations throughout the Caribbean, combined with an expansion of the role of Mexican drug enterprises to include transportation of drugs from South America and their distribution within the United States contributed to the significant decline in trafficking activities in the Caribbean as the drug trade shifted to Mexico. Go-fast boats, pleasure craft, maritime airdrops, cargo containers, and commercial aviation are the principal modes of drug trafficking in the region. Typically, trafficking organizations seek to transport drugs from source nations to a staging location within the Caribbean for subsequent delivery to the United States.

- U.S. drug law enforcement agencies estimate that perhaps 50 percent of the drugs transiting the Caribbean pass through the Bahamas.
- Haiti, a nation characterized by pervasive corruption, weak governance, a dysfunctional judicial system, and an inability to control more than 1,000 miles of shoreline is also a significant drug-transit nation.

- Should drug trafficking increase in the Caribbean and the capabilities of Cuban security forces diminish in a post-Castro regime, the island could be vulnerable to drug enterprises that seek to establish a foot hold there in order to develop a domestic market and take advantage of the island's proximity to U.S. markets. The United States Government should start building bilateral anti-drug coordination mechanisms now with the Cuban Government.

**The Eastern Pacific.** Perhaps 40 percent of the cocaine (approximately 400 MT of cocaine) produced in South America transits the Eastern Pacific. Drug enterprises use go-fast boats, cargo containers, and increasingly self-propelled semi-submersibles capable of maintaining a low profile to avoid interdiction to move multi-ton loads of cocaine. These vessels have a range of up to 2,000 miles and transport drugs off the shore of Mexico for trans-shipment to smaller vessels, which then make over-the-shore deliveries. An effective maritime drug-interdiction campaign would do much to bolster the anti-drug efforts of the Government of Mexico. If the Government of the United States perceived that go-fasts and semi-submersibles posed a terrorist threat, there likely would be a laser-like focus on defeating this vector. It is intolerable that we have not seriously sought to deny the Eastern Pacific route to drug enterprises.

## **Mexico**

Mexico is the principal drug transit country in the Western Hemisphere; perhaps 90 percent of the cocaine in the United States transits through Mexico. Mexico is also a major source (competing with domestic suppliers) of methamphetamine and marijuana to the U.S. market and produces most of the heroin consumed in the western United States. The increasing wealth, ruthlessness, and readiness to resort to violence of Mexican drug enterprises have enabled these organizations to mount a frontal assault on state and municipal governments and agencies and undermine the rule of law in multiple cities and states throughout Mexico. Approximately 6,000 people have been killed in the past year in Mexico due to drug-related violence.

The Mexican State is engaged in a violent, internal struggle against heavily armed narco-criminal cartels that have intimidated the public, corrupted much of law enforcement, and created an environment of impunity to the law. Thousands are being murdered each year. Drug production, addiction, and smuggling are rampant. The struggle for power among drug cartels has resulted in chaos in the Mexican states and cities along the US-Mexico border. Drug-related assassinations and kidnappings are now common-place occurrences throughout the country. Squad-sized units of the police and Army have been tortured, murdered, and their decapitated bodies publicly left on display. The malignancy of drug criminality now contaminates not only the 2000 miles of cross-border US communities but also stretches throughout the United States in more than 230 U.S. cities where drug distribution is controlled by Mexican cartels.

President Felipe Calderon and his Administration are confronting the criminal drug cartels that have subverted state and municipal authorities and present a mortal threat to the rule of law across Mexico. The Mexican Armed Forces are being increasingly relied on by the Federal Government given the shortcomings of civilian law enforcement agencies. Senior Mexican political and security officials have showed remarkable leadership, courage, strength, and

dedication as they seek to assert the rule of law throughout the state and defeat the drug cartels. These leaders are taking enormous personal risk; the drug cartels have demonstrated their willingness to murder political leaders and law enforcement officers who threaten their well being. The commitment of these senior Mexican Government officials to reestablish the rule of law will become a matter of historical pride to their nation if they succeed.

The United States is only providing modest support to the Government of Mexico. The \$400 million/year Merida initiative was barely approved by the US Congress after a divisive and insulting debate. U.S. Government spending in support of the Government of Mexico is a drop in the bucket compared to what we have spent in Iraq and Afghanistan (these foreign wars have consumed \$700 billion dollars and resulted in 42,000 US military killed and wounded). Yet the stakes in Mexico are enormous.

We cannot afford to have a narco state as a neighbor. The U.S. Government must keep its eye on the ball in Mexico. It is not inconceivable that the violent, warring collection of criminal drug cartels could overwhelm the institutions of the state and establish de facto control over broad regions of northern Mexico. A failure by the Mexican political system to curtail lawlessness and violence could result of a surge of millions of refugees crossing the US border to escape the domestic misery of violence, failed economic policy, poverty, hunger, joblessness, and the mindless cruelty and injustice of a criminal state.

Mexico is not confronting dangerous criminality – it is fighting for survival against narco-terrorism. A terrible tragedy is going to take place in the coming decade if we don't closely ally ourselves with the courageous Mexican leadership of the Calderon Administration – and develop a resourced strategy appropriate for the dangers we face.

## **THE SITUATION IN WEST AFRICA**

Nations in West Africa, which sits astride aerial and maritime routes between South America and Europe, are frequently important transit countries for drugs destined from Europe from South America. Transnational drug enterprises use diverse smuggling routes and techniques, including commercial aircraft, “mules” (drug couriers), commercial shipping/containers, and yachts. Drug smugglers take advantage of extensive shore lines and the lack of law enforcement capacity in many countries to effectively confront trafficking organizations or prevent drugs from entering or departing their borders. Major transit/transshipment countries include: Cape Verde; Cote d'Ivoire; Ghana; Guinea-Bissau; Nigeria; Senegal; Sierra Leone; Togo;

Drug enterprises/traffickers from South America have established alliances with local partners in order to reduce their vulnerability to arrest/enforcement activities by local authorities. Trafficking is also fueling increased domestic drug consumption throughout the region. As in other regions of the world, drug traffickers pay local accomplices in kind with drugs, which end up being sold domestically. Drug traffickers take advantage of cultures of corruption and make the situation worse by co-opting government and law enforcement officials and undermining already weak governments and institutions.

## **CONCLUSION**

Transnational drug enterprises pose enormous public-health and security threats to all nations in which they operate. Violence, corruption, and drug-abuse rates inevitably increase wherever drugs are produced or trafficked. Nations that already suffer the burdens of bad governance and corruption often see their already bad governments become worse as corrupt officials tolerate criminality in order to become richer. International cooperation is essential to confronting these enterprises. Drug consumption, transit, and source countries must collaborate in order to bring the requisite tools and resources to bear against these transnational criminal organizations. Few nations will be able to succeed on their own.