

## An Emerging Security Challenge: Afghan Heroin

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Please let me thank the Director for East European Projects for CSIS, Janusz Bugajski and those, such as Ms. Staneva, who have organized this event for giving me this opportunity to speak with you. Today, I would like to very briefly discuss with you a specific threat with what I consider having grave consequence.

On 9/21/04 a presentation was given at the UN General Assembly, which illustrates the importance of our work. Please let me paraphrase a quote from that presentation:

“In this young century, our world needs a new definition of security” for our international neighbors, our nations states and citizens. Our security is not merely found in spheres of influence or some balance of power, the security of our world is found in the advancing rights of mankind. These rights are advancing across the world and across the world the enemies of human rights: terrorists, transnational criminals and corrupt government officials are responding with violence. The link between these enemies is clearer than they have ever been in the past. The practice of cooperation between these enemies was never as clear as when two planes, separately boarded by Chechen insurgents who paid a small bribe, a krysha, allowing them to avoid appropriate airport inspections, got on those planes carrying explosives. We all know the carnage when those planes exploded in Russia less than a month ago. The ties to transnational crimes such as cigarette smuggling, narcotics and human trafficking among these enemies are known to all of us.

In reading a recent article in the Washington Post last week, I noticed two stories, which served to define our world. In one of the stories, the Government of Indonesia reported that it will act swiftly to prosecute corruption cases as well pursuing those members of Islamic extremist groups such as the regional Jemaah Islamiyah organization blamed for a car bombing this month outside the Australian embassy in Jakarta killing nine. A second article was critical of Viktor Cherkesov, chief of the new Russian anti-drug agency for his taking an active role in pursuing narcotics smugglers and those who benefit. The illicit drug market in Russia is approximately \$8 bn per year. Cherkesov has shifted his attention from small time to transnational criminals who control the drug trafficking and launder the money received from drug sales. Cherkesov who has agreed to cooperate with international law enforcement agencies and will be sending officers to an upcoming anti-narcotics offensive being directed by the Uzbek government with assistance from DEA, the SECI Center and my office. This one effort, which begins October 15th, will coordinate heroin intelligence among 25 countries over a six-month timeframe. Such information provided by the Russian drug control agency having seized over 37 tons of drugs so far in 2004 and the confiscation of more SW Asian heroin than was seized in 2002 and 2003 combined does not yet begin to paint the picture, nor provide the depth of the challenges faced with the explosion of Afghan heroin trafficking, related money laundering possibly benefiting of insurgent activities. We are anticipating that this project known as Zaslou II will provide that picture for us.

The U.S., indeed our friends and allies, have a compelling national interest in combating the narcotics trafficking, which originates in Afghanistan, then moves in all directions through the countries of Central Asia. Listing just a brief number of security threats below, I fail to mention numerous linkages between transnational criminals from the PACRIM and basin, Russian speaking, Pakistanis, Albanians and several others.

- Central Asian narcotics trafficking contribute to regional corruption and destabilization, threatening the security of countries along the routes as well the interests of the US, Romania, Turkey, Russia and many other partners.
- Central Asian narcotics traffickers generate huge amounts of money, estimated in the billions of dollars, available for use by transnational crime groups, terrorist organizations, insurgencies and the gray arms market.
- Central Asian narcotics are contributing to dramatically rising rates of addiction in the European region and exacerbating the growing HIV-Aids crisis in Russia.

The anticipated surge in SW Asian heroin which has been exploding after the fall of the Taliban, necessitates that the challenge be understood and a long term strategy implemented to address the counter-narcotics issue in a new way – via an aggressive, integrated and creative effort embracing three elements:

1. Real-time narcotics intelligence collection on the activities of transnational criminals, terrorists groups; analysis and dissemination of that information so that it serves as a basis for operational and technical assistance.
2. Expansion of capacity-building or regional ownership programs in the criminal justice process in Central Asia to include the accretion of legal and judicial reform and anti-corruption programs bringing a broad spectrum of multi-agency, multi-donor programs to bear.
3. Cooperation with counter narcotics and related initiatives of allies, partner countries and international organizations already underway or projected for the region.

## 1) Analysis of the Problem

### A) United States

Heroin use in the U.S. has increased significantly since the early 1990's, although it appears to have leveled off.

The combination of higher-purity heroin, lower prices and ready availability has contributed to greater use in rural and prosperous suburban areas and to greater exposure and use among our youth.

DEA estimates that annual US demand for heroin is about 18 metric tons. Of this amount, about 75 percent comes from Colombia and Mexico and most of the remaining 23 percent from Southeast Asia's "Golden Triangle".

From Southwest Asia, primarily Afghanistan, about one metric ton reaches the US market; through most of the 1980's, however, SW Asian was the primary source for heroin in the US distributed by Turkish, Middle Eastern, South Asian and Nigerian trafficking groups.

Footnote, just because the US market is seemingly receiving a small percentage of Afghan heroin, reported between 5-10% as the Russian and European market become saturated the product will naturally be transported into the US.

### B) Worldwide

The explosive growth of opium production and development of an imposing opiate-processing infrastructure in Afghanistan in the 1990's have made SW Asia the world's leading source of heroin for the international market. While analysts generally do not project that SW Asian heroin will gain significant market share in the US in the near term, the region's drug trade significantly affects fundamental our strategic interests – including political stability and counterterrorism – in that volatile part of the world and in neighboring regions. Several key factors are driving or affecting heroin production and trafficking in SW Asia, with challenging implications:

- Efforts in Afghanistan appear to be having little impact on opium production and the expansion of the opiate-processing infrastructure.
- The role of drug traffickers in raising revenue for cash-strapped insurgency, extremist and militant groups.
- Demand for heroin not only in SW Asia's traditional regional and Western European markets, but also in Russia and Eastern Europe.
- The opening of borders and improvement of transportation links between SW Asia and Central Asia and across Eurasia.
- The emergence of large trafficking alliances with broad regional networks, growing influence and increasing capability to move large amounts of heroin to Western and Eurasian markets.

In 1999, for the first time, SW Asia displaced SE Asia as the world's largest producer of illicit opium for the international drug trade.

According to CIA's imagery-based production estimates, SW Asia produced an estimated 1701 metric tons of opium in 1999.

USG estimates for 2003, Afghanistan produced an estimated 2865 metric tons of opium, or a 40% increase over 1999 figures.

Opium cultivation and production in Afghanistan have exploded since the Soviet military withdrawal in 1989.

Reaching new records in 1999 and 2003 Afghan heroin production is more than five times higher than in 1990 and now accounts for better than half of the world's total.

### **Statistical Disparities**

Before we move into the substantive issues of this strategic proposal, note the significant disparities between USG's imagery-based opium cultivation and production estimates for Afghanistan and those by the UNDCP. In 1999, for example, UNDCP differed from USG reporting by a factor of 77 percent of hectares under cultivation; the UNDCP's estimate of 4581 metric tons of opium production for Afghanistan was not only 175 percent higher than US estimates of 1670 metric tons but also exceeded our imagery-based estimate of 3060 metric tons of worldwide opium production by 50 percent.

Because of these disparities and other related factors we do not have a true and accurate picture of the activities of heroin smugglers, their processes and ties to other international criminal, insurgent and terrorist organizations.

The dismantling of the Soviet Union opened borders between Southwest and Central Asia that gave the region's narcotics traffickers an alternative to their historical and closely scrutinized transshipment routes through Pakistan and Iran.

Looser border controls, political and economic instability, widespread corruption and fast growing new markets in the region have made Central Asia an increasingly important transit zone of opium and heroin out of Afghanistan north to Russia and west to Turkey and Europe.

Iran's aggressive interdiction efforts may also be spurring increased trafficking through the region. All of the Central Asian countries, as well as the Balkans and Caucasus', have reported an increase in opium and heroin trafficking through the territory, but lack the financial and technical resources to combat the problem effectively.

The strategy outlined below holds a number of issues constant, such as:

SW Asian heroin is unlikely to significantly increase its limited US market share in the near term. However, that may change if Afghanistan's opium and heroin production not only continues to increase but also does so at a record pace – outstripping rising demand in the traditional markets of SW Asian heroin.

To gain an appreciable share of the US market or to develop a reliable buyer-seller relationship with wholesale distributors in the US, the Afghan market will need to increase international relationships with the Bosnian Mujahiddin, the Albanian Kosovar, Turkish organized crime and possibly the Sacra Corona Unita of Italy to assist in laundering the billions in illicit profits.

## **2) Program Goals and Operational Objectives**

To stay focused and ensure incremental results our approach needs to be variegated. It should consider projects, which will be outlined and be intertwined with other donor and non-donor initiatives.

International criminal organizations, the technological capabilities of these criminals, a restive and economically depressed region and a nascent acknowledgement and commitment addressing the issue are a dangerous but not insurmountable logarithm.

The failing in most international enforcement projects has been the concentration of effort and understanding of the magnitude of the effect of crime on the stability of a region. The goal of this program will need to be multi-faceted, defensible and adaptable to changing environments.

In the area of information exchange, interdiction, enforcement and prosecution we need to pursue parallel bilateral and multilateral efforts that work concomitantly with the agencies, which have primacy, external security, the military, and the police.

In connection with these law enforcement efforts there needs to be concomitant programs so that the private sector is engaged with us. There needs to be a public voice of the states as well as the region to gain a common understanding and awareness of the immediate and future implications of narcotics on a society. Finally, that the public and private sector together create and implement a process, which will identify risk factors leading to stem corruption at the borders, facilitate licit trade, and build a plan of economic stabilization.

#### **Assessment Goals:**

To identify and analyze the threat posed by the international criminal organizations and their process structure for the cultivation and distribution of heroin.

To gain a better understanding of the threat over time so as to focus resources further along the horizontal there is a need to look at the Andean programs and best practice.

To focus on the vulnerabilities of adversaries, vulnerabilities that may provide opportunities to defend against or defeat them. We will need to propose and reach agreement in international fora – such as NATO (Istanbul Summit), the EC Justice and Home Affairs, the British Department of International Development (DIFID) – on this strategy.

An assessment can identify specific assumptions (theories) that analysts are using to forecast the specific strengths and weaknesses of the data (from overt and classified sources). Specifically, stating assumptions and data enable strategic planners and policymakers to understand how the analysts reached their conclusions. Assessment can also identify specific research/intelligence collection gaps or priorities, as well as the vulnerabilities to damage, weaken or defeat them. It should be understood that assessment does not prescribe a specific strategy. Rather, it identifies specific opportunities for strategists to weaken or defeat adversaries, in this case internationally organized criminals with resources, which can far outstrip a less than adequate response.

#### Zaslon II – An Ongoing Intelligence Project

International drug trafficking and organized crime pose serious challenges to the stability of many countries as well as their drug law enforcement agencies in Central Asia, the Caucasus, the Balkans and Russia. Drug enforcement agencies in these areas have identified that formulation of counter narcotics strategies and long-term planning is hindered by the absence of strategic drug intelligence, corruption and the lack of a clear understanding of drug trafficking trends, as well as the overall extent that these areas are used as a drug transit route to Russia, Western Europe, and the United States.

Regional cooperation and the exchange of law enforcement information in these areas is extremely limited, and marked by distrust and an absence of permanent sharing mechanisms. Drug law enforcement agencies must have the ability to understand the drug trafficking threat in these regions, and to work at the national and international level to mount effective investigations of drug trafficking and organized criminal groups.

Combating drug trafficking and organized criminal groups in these areas requires well-organized systems of information collection, and analysis of such information. Currently, there is no mechanism for the collection, analysis, and dissemination of drug related intelligence amongst law enforcement agencies in these areas; which are severely impacted by the flow of Southwest Asian opiates from Afghanistan through Central Asia and the Caucasus to Russia and Western Europe.

## B. Establishment of a GUUAM Plus Regional Drug Intelligence Center

GUUAM is a forum for cooperation based on the shared interests of Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova. Its aim is regional stability and economic development. Independently of this proposal, the U.S. State Department is assisting GUUAM states in the establishment of a Virtual Law Enforcement Center (VLEC) to help combat drug trafficking, organized crime, terrorism, and trafficking in persons.

Concurrently, an increased DEA presence in Central Asia and Russia has resulted in a series of operational meetings between DEA and drug law enforcement agencies from Central Asia, Russia, and the Caucasus. A key theme of these meetings has been a recognition and commitment to create mechanisms for the collection, analysis, and dissemination of drug intelligence and related criminal information. Under this activity the DEA and the SECI Center in Bucharest will provide technical assistance to law enforcement agencies from Central Asia, the Caucasus, and Russia in order to support a short-term drug intelligence operation that will develop strategic drug intelligence and establish mechanisms by which operational drug intelligence may be exchanged and international drug trafficking investigations developed.

We have created an organization, which has catalyzed a multilateral intelligence operation involving drug law enforcement agencies from Central Asia (Uzbekistan, Tajikistan, Turkmenistan, Kazakhstan, Kyrgyzstan), the member nations of GUUAM and SECI, and Russia; 26 states in all. The Ministry of Internal Affairs of Uzbekistan has agreed to be the host and operational coordinator of this operation.

This operation, while having as a primary goal the development of strategic drug intelligence, is also anticipated to foster international drug investigations, identify money laundering ties to international crime and terrorist organizations and serve as a platform for technical assistance expenditures. The operation is also recognized to be the first step towards the creation of a permanent drug intelligence center in Central Asia, and will provide an opportunity to better assess proposals for such a center, including a proposal by the Office of Drugs and Crime of the United Nations for a Central Asian Regional Intelligence and Coordination Center (CARICC).

### **PROJECT DESCRIPTION**

Goal:

The main goal of the operation is the development of strategic drug intelligence in Central Asia, the Caucasus, and Russia. Related goals include the establishment of mechanisms among the participating drug enforcement agencies for the exchange of actionable information, and the development of international investigations of drug trafficking organizations.

Identification of the involvement of organized criminal groups in transnational drug trafficking activity is anticipated.

Objectives and Activities:

Participating drug law enforcement agencies will represent Central Asia, the member nations of GUUAM, and Russia. The operation will be called Zaslou II.

-The operation will focus on the collection of information from all drug-related arrests and seizures that take place among the participant countries. A means of uniform reporting among the participating agencies will be developed, including the transmission of photos.

-Analysis of the information will be conducted in order to develop strategic drug intelligence and to identify significant drug trafficking trends.

-Periodic reports will be disseminated providing information on drug routes, concealment methods, drug purities, markings, and prices.

-A final strategic drug intelligence report will be prepared by the participating agencies.

-Information will also be collected on individuals and telephone numbers associated with drug trafficking, and analysis conducted in order to further develop existing drug investigations and promote international drug trafficking investigations.

-The operation will also consider the utilization of investigative techniques such as international controlled deliveries.

### **Conclusion**

Each of you knows much better than I, the issues addressed in this discussion. My opinion is that we have little or no strategic intelligence to firmly address a bona-fide action. The statistical disparities, I spoke of earlier, the challenges of internal and for that matter external communications between law enforcement and the intelligence community have led to a spiraling number of programs and activities which need to be closely monitored and coordinated. I am working very closely with appropriate officials in more than 26 countries to evaluate this activity as it unfolds. I would be happy to explain in detail both the success as well as the failure of this undertaking. The stakes being very high, failure not being an option.