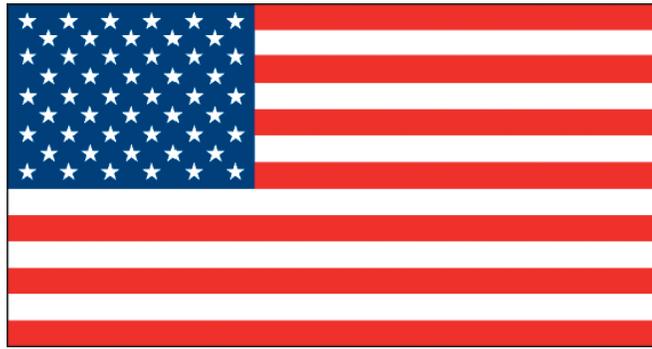


**Multilateral
Evaluation Mechanism
MEM**



**United States of
America**

**2005 PROGRESS REPORT IN DRUG CONTROL
IMPLEMENTATION OF RECOMMENDATIONS
FROM THE THIRD EVALUATION ROUND**



**RECOMMENDATION 1:**

RATIFY THE INTER-AMERICAN CONVENTION AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS (CIFTA), A REITERATED RECOMMENDATION FROM THE FIRST EVALUATION ROUND, 1999–2000

PUBLICATION DATE: JANUARY 2001

REITERATION DATE: JANUARY 2003

JUNE 2005

The United States reports that it signed the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Materials (CIFTA) and submitted it to the U.S. Senate for ratification in 1998. The country indicates that the Convention has yet to be ratified.

CICAD expresses its concern over the lack of fulfillment of this recommendation, given that it was assigned during the First Evaluation Round, 1999–2000 and urges the United States to fully implement the recommendation.

RECOMMENDATION 2:

RATIFY THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME (2000), A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001–2002 AND ITS PROTOCOLS:

A. PROTOCOL AGAINST THE SMUGGLING OF MIGRANTS BY LAND, SEA AND AIR;

B. PROTOCOL TO PREVENT, SUPPRESS AND PUNISH TRAFFICKING IN PERSONS, ESPECIALLY WOMEN AND CHILDREN;

C. PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, THEIR PARTS AND COMPONENTS AND AMMUNITION

PUBLICATION DATE: JANUARY 2003

REITERATION DATE: JUNE 2005

The United States reports that it signed the United Nations Convention against Transnational Organized Crime and two of its three Protocols on December 13, 2000. On 2005, the United States deposited at the United Nations headquarters the instrument of ratification for this Convention and its two supplementary Protocols: the Protocol against the Smuggling of Migrants by Land, Sea and Air and the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children. The country has not yet ratified the third Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition.

CICAD views with satisfaction the United States' recent ratification of the United Nations Convention against Transnational Organized Crime and two of its supplementary Protocols. CICAD urges the country to ratify the third pending Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition, given that this recommendation was assigned during the Second Evaluation Round, 2001–2002.

**RECOMMENDATION 3:****ESTABLISH A NATIONAL REGISTER OF PREVENTION PROGRAMS TO INCLUDE THE NATURE, NUMBER OF PARTICIPANTS, AND COVERAGE OF THE DIFFERENT PROGRAMS**

PUBLICATION DATE: JUNE 2005

The United States reports that the number of participants for programs provided to special populations, such as participants in prison prevention programs, is available. However, national data on the number of participants in other programs administered by the U.S. Department of Health and Human Services is not available.

The country indicates that prevention efforts are widespread and that given the number and variation in the nature of largely decentralized programs across the United States, development of a national register of prevention programs would be a large and costly undertaking. However, the country indicates that some important national prevention programs, such as the Safe and Drug-Free Schools and Communities Act (SDFSCA) State Grants Program has requested information from States about the number of students receiving services supported by the Program. To date, the data collection instrument has resulted in poor quality data with no links to student participation in individual programs.

While the United States indicates that efforts to date have resulted in poor quality data, CICAD encourages the country to enhance existing instruments and fully implement this recommendation.

RECOMMENDATION 4:**ADOPT THE NECESSARY MEASURES TO ENSURE THE MANDATORY NATURE OF THE MINIMUM STANDARDS OF CARE FOR DRUG ABUSE TREATMENT NATIONWIDE, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001–2002**

PUBLICATION DATE: JANUARY 2003

REITERATION DATE: JUNE 2005

The United States reports that guidelines for minimum standards of care for drug treatment exist within the country, but without the enforcement of law. During the last evaluation rounds, the country indicated that mandatory minimum standards of care existed for federally certified practitioners that dispense methadone or buprenorphine in the detoxification or maintenance treatment of opioid dependence.

CICAD urges the United States to expand its mandatory minimum standards of care to include all federally funded treatment services for substance abuse as recommended during the Second Evaluation Round, 2001–2002.

**RECOMMENDATION 5:****IMPLEMENT ON-GOING TRAINING COURSES FOR HEALTH PROFESSIONALS ON PRESCRIBING AND DISTRIBUTING CONTROLLED PHARMACEUTICAL PRODUCTS IN A RESPONSIBLE MANNER IN ORDER TO AVOID POSSIBLE DIVERSION TO ILLICIT CONSUMPTION**

PUBLICATION DATE: JUNE 2005

The United States indicates that the Drug Enforcement Administration (DEA)'s Office of Diversion Control of the U.S. Department of Justice routinely provides training courses for health professionals on prescribing, dispensing and distributing pharmaceutical products and listed chemicals. Diversion Investigators lecture at training seminars and provide presentations at conferences hosted by health professionals.

In addition, the DEA's Office of Diversion Liaison Unit (ODLL) assumes responsibility for organizing and hosting several national conferences annually. Each conference is aimed at providing the most up-to-date policy and regulatory information related to the targeted audience.

CICAD views with satisfaction the fulfillment of this recommendation.

RECOMMENDATION 6:**ESTABLISH A NATIONAL SYSTEM TO KEEP RECORDS ON ACCIDENTS RELATED TO DRUG USE**

PUBLICATION DATE: JUNE 2005

The United States reports that the U.S. Department of Transportation's (DOT) National Highway Traffic Safety Administration's (NHTSA's) Fatal Analysis Reporting System (FARS) contains data on a census of fatal traffic crashes within the 50 states, the District of Columbia, and Puerto Rico. Among the data captured in FARS files is the role of alcohol and drugs in fatal crashes and accidents. NHTSA is also working with the Drug Evaluation Classification (DEC) program to gather data on drivers stopped for impaired driving.

CICAD recognizes the progress made and encourages the United States to fully implement this recommendation.

RECOMMENDATION 7:**IMPLEMENT MECHANISMS TO CALCULATE AREAS OF ILLICIT CANNABIS CROPS, A RECOMMENDATION REITERATED FROM THE FIRST EVALUATION ROUND, 1999-2000**

PUBLICATION DATE: JANUARY 2001

REITERATION DATE: JANUARY 2003

JUNE 2005

The United States reports that in 2004, the Office of National Drug Control Policy (ONDCP) conducted a study to develop a statistically sound estimate of outdoor cannabis cultivation in selected "high potential" growth areas in the United States (California, Kentucky, and Tennessee) using commercial off-the-shelf aerial remote sensing technology. Results are being reviewed for publication in 2006. A follow-up project was conducted in 2005 to apply this aerial remote sensing technology to locate illicit cannabis gardens on selected federal lands to enhance cannabis eradication. The results of these efforts are currently being documented.



CICAD recognizes the progress made to date and encourages the United States to fully implement this recommendation, assigned during the First Evaluation Round, 1999–2000.

RECOMMENDATION 8:

UNDERTAKE A REVIEW OF ENFORCEMENT MECHANISMS RESPONSIBLE FOR CONTROLLING THE DIVERSION OF PHARMACEUTICAL PRODUCTS, IN ORDER TO IDENTIFY PROBLEMS AND ADDRESS WEAK AREAS

PUBLICATION DATE: JUNE 2005

The United States indicates that the Drug Enforcement Administration (DEA) within the U.S. Department of Justice has various mechanisms in place to monitor and control the production and distribution of pharmaceutical products. The DEA monitors trends in prescription issuing practices on an ongoing basis through coordination among other law enforcement authorities, the pharmaceutical industry, health professionals, internet service providers and courier postal services.

Efforts to combat the illicit sale of pharmaceutical controlled substances include the establishment of the Automation of Reports and Consolidated Order System (ARCOS). The ARCOS system was established pursuant to a mandate contained in the Controlled Substances Act of 1970 (Section 827) requiring manufacturers within all 50 states to report their controlled substances transactions to the United States Attorney General. ARCOS monitors trends in prescription practices of selected controlled substances. The software enables the Government to maintain a current and historical record of selected controlled substances inventories and transactions from the point of manufacture to the point of sale, distribution, or other disposition, to the dispensing or consumption level.

The country indicates that the DEA also strongly supports enforcement mechanisms such as the Prescription Drug Monitoring Programs (PDMPs), which assist states in identifying diversion trends as they emerge. The data collected is analyzed by state agencies or third parties and provided to state agencies to assist in the identification of "doctor shoppers" or over-prescribers.

CICAD views with satisfaction the fulfillment of this recommendation.

RECOMMENDATION 9:

SET UP A NATIONWIDE DATA GATHERING SYSTEM ON CONFISCATED WEAPONS CONNECTED WITH ARRESTS FOR ILLICIT DRUG TRAFFICKING

PUBLICATION DATE: JUNE 2005

The United States has federal, state and local law enforcement agencies each of which recovers weapons from suspects in drug cases. Each of these entities maintains separate record keeping systems with information relating to those incidents. The country indicates that the systems are not connected across levels of government and data is shared only as needed for law enforcement purposes.

CICAD takes note of the information submitted by the United States in response to this recommendation and accepts the justification provided.

**RECOMMENDATION 10:****SET UP A FORMAL MECHANISM TO EVALUATE THE EFFECTIVENESS OF THE NATIONAL ENTITIES RESPONSIBLE FOR THE CONTROL OF FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS**

PUBLICATION DATE: JUNE 2005

The United States reports that it regularly evaluates the performance and effectiveness of its agencies involved in the control of domestic and international markets for firearms, ammunitions and explosives. Among the mechanisms highlighted by the United States are existing systems of inspectors general, offices of professional responsibility, as well as a Congressional oversight of these activities.

In addition, each administration evaluates the effectiveness of programs aimed to control the illicit flow of these commodities and performance measures are established and used annually in the budgetary process.

CICAD views with satisfaction the fulfillment of this recommendation.

RECOMMENDATION 11:**ESTABLISH A NATIONAL COMPUTERIZED DATABASE FOR KEEPING RECORDS ON THE IMPORT, EXPORT AND IN-TRANSIT OF FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS**

PUBLICATION DATE: JUNE 2005

The United States reports that while Federal law generally prohibits the creation of a national firearms registry or the centralization or consolidation of firearms records by the Federal government, all commercial exports of firearms and ammunition are licensed by the U.S. Department of State, Directorate of Defense Trade Controls. Also, the United States government holds records of license approval or denial, as well as shipment records.

In addition, the Bureau of Alcohol, Tobacco and Firearms (ATF) of the U.S. Department of Justice maintain a computerized database for the importation of firearms, ammunition and certain explosives. This Firearms and Explosives Import System (FEIS) is integrated with the country's Federal Licensing System (FLS). Through this integrated database, ATF is able to identify all applications for the importation of firearms, ammunition, implements of war and certain explosives. This system identifies: the importer, articles being imported, country from which being exported, country of manufacture of the articles, quantity of the articles, and, whether the importation is approved or denied.

Although these agencies do not share a common computer platform, the information is shared as needed for criminal or civil enforcement of applicable laws and regulations.

The country, however, provided no information on systems for recording in-transit firearms, ammunition, explosives and other related materials.

CICAD recognizes the progress made and encourages the United States to fully comply with this recommendation.



RECOMMENDATION 12:

INCLUDE CLIENT REGISTRY, TRANSACTION REGISTRY, KNOW-YOUR-CLIENT POLICIES AND KNOW-YOUR-EMPLOYEE POLICIES, WITHIN THE CONTROL MEASURES FOR MONEY LAUNDERING PREVENTION

PUBLICATION DATE: JUNE 2005

The United States reports that under the Bank Secrecy Act (originally enacted in 1970) its implementing regulations were amended in 2002 adding a new section (I) to 31 United States Code (U.S.C.) 5318 of the Act requiring financial institutions to establish and implement a Customer Identification Program (CIP) (i.e., "know-your-client" procedures) as part of a comprehensive anti-money laundering compliance program. Pursuant to its CIP, a financial institution must collect and maintain records of identifying information about a customer at the time the customer seeks to open the account. The customer's identity must be verified within a reasonable time before or after the account is opened. However, the rules of the CIP do not require that financial institutions investigate corporate entities.

The CIP rules require that a financial institution include procedures for responding to circumstances in which a financial institution is unable to form a reasonable belief that it knows the true identity of a customer. These procedures must describe when the financial institution should not open an account, the terms under which a customer may use an account, while a financial institution attempts to verify the customer's identity, and when the financial institution should file a Suspicious Activity Report (SAR).

With respect to "know-your-employee" policies and procedures, the United States reports that employee screening by banks and other depository institutions, as a matter of sound practice and to ensure compliance with certain regulatory requirements, financial institutions are strongly encouraged to use reasonable employment screening processes to minimize the risk of fraud, embezzlement, money laundering, and other crimes. Reasonable policies include checking references, performing credit and/or background checks, internet searches, performing criminal background checks, including a Federal Bureau of Investigations (FBI) fingerprint check, for prospective employees. Banks are encouraged to also check the websites of its federal regulator to determine if there has been a removal action, personal cease and desist order, or a 12 U.S.C. 1829(b) letter issued against the proposed employee.

In addition, organizers, directors, principal shareholders, and executive officers of banks, bank holding companies, or federal branches of foreign banks, generally must submit biographical and financial reports with their proposals for new bank or branch charters, bank holding companies, or changes in control. These reports are also required for some conversion applications. The Federal Banking Agencies conduct background checks to comply with the regulatory requirement that it assess a person's competence, experience, integrity, and/or financial ability, to determine the person's qualification to serve in the proposed capacity.

CICAD views with satisfaction the fulfillment of this recommendation.

**RECOMMENDATION 13:****IMPLEMENT A SYSTEM TO FOLLOW-UP ON THE SUSPICIOUS TRANSACTION REPORTS AND ACHIEVEMENTS OBTAINED FROM SAID REPORTS**

PUBLICATION DATE: JUNE 2005

The United States indicates that while the volume of Suspicious Transaction Reports (STRs) filed on an annual basis, precludes the Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury Department from conducting follow-up on every report, FinCEN does provide domestic and foreign law enforcement entities with STRs in response to requests and provides pro-active STRs to domestic law enforcement entities. In addition, FinCEN requests feedback at the time the STRs are provided as part of its analytical package and, when feedback is received, it is recorded in an internal management information system. Because FinCEN rarely receives feedback regarding convictions or seized assets, this information generally is not included in the FinCEN Database.

CICAD encourages the United States to implement this recommendation to ensure that follow-up information pertaining to the achievements stemming from STRs are gathered and incorporated into the system.

RECOMMENDATION 14:**SET UP A SYSTEM THAT CONTAINS INFORMATION RELATED TO THE REQUESTS MADE AND RECEIVED BY THE COUNTRY, TO FREEZE ASSETS AND TO LIFT BANK SECRECY IN MONEY LAUNDERING CASES**

PUBLICATION DATE: JUNE 2005

The United States reports that since 1990, the Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury Department makes permanent records of all requests received from foreign financial intelligence units and all requests forwarded to foreign financial intelligence units on behalf of domestic law enforcement in its management information system, the FinCEN Database. The FinCEN Database system includes the name of the agency, a point of contact, a brief summary of the requested information, appropriate dates, names and identifying data on entities included in requests and a summary of findings.

In addition, the United States indicates that the Office of International Affairs of the U.S. Department of Justice, which acts as the central authority for the United States on mutual legal assistance matters, now keeps an up-to-date database in which it tracks the number of mutual legal assistance requests received by the United States to freeze assets and to obtain bank records which will require a lifting of bank secrecy.

CICAD views with satisfaction the fulfillment of this recommendation.

**RECOMMENDATION 15:****ESTABLISH A MECHANISM TO REGISTER THE NUMBER OF PENAL AND CIVIL SANCTIONS APPLIED TO FINANCIAL INSTITUTIONS AND OTHERS RESPONSIBLE FOR NOT REPORTING SUSPICIOUS TRANSACTIONS OR COMPLYING WITH MONEY LAUNDERING CONTROL STANDARDS**

PUBLICATION DATE: JUNE 2005

The United States reports that the Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury Department is responsible for the administration of the Bank Secrecy Act and pursues civil enforcement actions against those entities that are determined to be in significant non-compliance¹.

In addition, in 2005, a change was made to the U.S. Department of Justice's US Attorney's manual which now requires approval of any prosecution of a financial institution for money laundering or a violation of the Bank Secrecy Act by the Asset Forfeiture and Money Laundering Section of the Criminal Division of the U.S. Department of Justice. Any approved prosecution will be closely monitored and a record kept of any sanctions that are subsequently imposed.

CICAD views with satisfaction the fulfillment of this recommendation.

RECOMMENDATION 16:**CREATE A REGISTRY AT THE FEDERAL LEVEL TO SEPARATE THE NUMBER OF PUBLIC OFFICIALS CHARGED AND CONVICTED FOR CORRUPTION OFFENSES RELATED TO ILLICIT DRUG TRAFFICKING, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001–2002**

PUBLICATION DATE: JANUARY 2003

REITERATION DATE: JUNE 2005

The United States reports that under its legal system, the Federal government, the 50 state governments, as well as territories or entities not enjoying full statehood have concurrent authority to proscribe laws against and to prosecute and punish individuals for public corruption and drug-related crimes.

However, pursuant to federal law, the Attorney General of the United States does report to the U.S. Congress annually on the operations and activities of the U.S. Justice Department's Public Integrity Section (PIN), which prosecutes federal criminal public trust violations by federal, state or local government officials. Among the details provided for each corruption case are: the names and official positions of the defendants, the offenses charged, the manner of conviction (i.e., by guilty plea or verdict), the sentence imposed, and the pendency and disposition of any appeals.

CICAD takes note of the information submitted by the United States in response to this recommendation and accepts the justification provided.

¹ Information on all enforcement actions is available on the FinCEN website (www.fincen.gov).

**RECOMMENDATION 17:****CREATE A REGISTRY AT THE FEDERAL LEVEL THAT WILL ALLOW TO OBTAIN THE NUMBER OF PUBLIC OFFICIALS CHARGED AND CONVICTED FOR OFFENSES RELATED TO ILLICIT DRUG TRAFFICKING**

PUBLICATION DATE: JUNE 2005

The United States reports that under its legal system, the Federal government, the 50 state governments, as well as territories or entities not enjoying full statehood have concurrent authority to proscribe laws against and to prosecute and punish individuals for drug-related crimes.

However, pursuant to federal law, the Attorney General of the United States does report to the U.S. Congress annually on the operations and activities of the U.S. Justice Department's Public Integrity Section (PIN), which prosecutes federal criminal public trust violations by federal, state or local government officials. Among the details provided for each case involving public officials charged and convicted for offenses related to illicit drug trafficking are: the names and official positions of the defendants, the offenses charged, the manner of conviction (i.e., by guilty plea or verdict), the sentence imposed, and the pendency and disposition of any appeals.

CICAD takes note of the information submitted by the United States in response to this recommendation and accepts the justification provided.

CONCLUSIONS

During the Third Evaluation Round, 2003–2004, the United States of America was assigned a total of 17 recommendations. Out of these recommendations, the country has fully implemented or adequately addressed nine and made progress on eight.

CICAD recognizes the progress made by the United States in the ratification of the United Nations Convention against Transnational Organized Crime and two of its Protocols. In addition, CICAD notes that the country provides ongoing training courses for health professionals on prescribing and distributing controlled pharmaceutical products and has established mechanisms to monitor and enforce procedures for controlling the diversion of pharmaceutical products and to evaluate the effectiveness of the national entities responsible for the control of firearms, ammunition, explosives and other related materials.

CICAD also notes with satisfaction the country's fulfillment of the recommendation to establish a system that contains information related to the requests made and received by the country to freeze assets and to lift bank secrecy in money laundering cases. Similarly, CICAD views with satisfaction the establishment of mechanisms to register penal and civil sanctions for not reporting suspicious transactions and the development of policies within their existing control measures for the prevention of money laundering. In addition, despite the delays experienced by the United States, CICAD recognizes the progress made to date by the country in the development of a mechanism to calculate areas of illicit cannabis crops.



CICAD views with concern the lack of progress in ratifying the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Materials (CIFTA) and in ratifying the third Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition of the United Nations Convention against Transnational Organized Crime. These recommendations have been reiterated from the First and Second Evaluation Rounds.

CICAD appreciates the continued commitment of the United States of America to the Multilateral Evaluation Mechanism (MEM) and encourages the country to continue its efforts to implement the recommendations stemming from the Third Evaluation Round, 2003–2004.