

Chile

Evaluation of Progress in Drug Control 2005-2006

MEM

Multilateral Evaluation Mechanism



Organization of American States - OAS
Inter-American Drug Abuse Control Commission - CICAD





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**ORGANIZATION OF AMERICAN STATES (OAS)
Inter-American Drug Abuse Control Commission (CICAD)**

**Multilateral Evaluation Mechanism (MEM)
Governmental Expert Group (GEG)**

CHILE

**EVALUATION OF PROGRESS IN DRUG CONTROL
2005–2006**



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- National Narcotics Control Council, Executive Secretariat;
- Public Ministry:
 - Specialized Unit on Illicit Trafficking in Narcotics and Psychotropic Substances;
 - Specialized Unit on International Cooperation and Extraditions;
 - Specialized Unit on Money Laundering, Economic Offenses, and Organized Crime;
- Ministry of Health:
 - Mental Health Unit, Drugs and Alcohol Program;
 - Department of Pharmaceutical Policies and Medical Professions;
- Ministry of National Defense, Directorate General for National Mobilization;
- Investigations Police of Chile, National Antinarcotics Headquarters;
- National Police (Carabineros) of Chile, Department of Drugs;
- National Intelligence Agency, National Directorate;
- Financial Analysis Unit;
- Public Health Institute.



PREFACE

The Multilateral Evaluation Mechanism (MEM) is a diagnostic tool designed by all 34 member states of the Organization of American States (OAS) to periodically carry out comprehensive, multilateral evaluations of the progress of actions taken by member states and by the hemisphere as a whole, in dealing with the drug problem. The Inter-American Drug Abuse Control Commission (CICAD), an OAS specialized agency, implemented this Mechanism in 1998, pursuant to a mandate from the Second Summit of the Americas held in Santiago, Chile in 1998.

The MEM is not only an evaluation instrument, but has also become a vehicle for disseminating information on the progress achieved by individual and collective efforts of OAS member state governments, catalyzing hemispheric cooperation, promoting dialogue among member state government authorities and precisely channeling assistance to areas requiring greater attention by optimizing resources. The MEM process itself is assessed by the Intergovernmental Working Group (IWG), comprised of delegations from the 34 member states, which meets before the onset of each MEM evaluation round to review and improve all operational aspects of the mechanism, including the indicators of the evaluation questionnaire.

National evaluation reports are drafted by experts from each member state, with experts not working on their own country's report, guaranteeing the transparent multilateral nature of the MEM. Each chapter is based on countries' responses to a questionnaire of indicators covering the main thematic areas of institution building, demand reduction, supply reduction and control measures as well as subsequent comments and updated information provided by the government-appointed coordinating entities.

This report covers the full country evaluation for the MEM Fourth Round evaluation period 2005–2006. The follow-up report on the implementation progress of recommendations assigned to Chile will be published in June 2009. All MEM reports can be accessed through the following webpage: www.cicad.oas.org.



INTRODUCTION

Chile has a total area of 756,950 km² with 6,171 km of borders (to the north with Peru, 160 km; to the northeast with Bolivia, 861 km; to the east with Argentina, 5,150 km, and 6,435 km of coastline. The country has a population of 16,134,219 (2006) with the following main ethnic groups: white, mestizo, and amerindian. The literacy rate is 96%. Chile is a constitutional republic divided into 13 regions (among these is the Metropolitan Region of Santiago, the country's capital). The country has a GDP per capita of US\$ 12,600 and an inflation rate of 2.1% (2006). Chilean exports total US\$ 58.21 billion annually, relying on the principal exports of copper, fish, fruits, paper and pulp, chemicals, and wine.

I. INSTITUTIONAL STRENGTHENING

A. National Anti-drug Strategy

Chile has a National Drug Control Strategy, which was approved by the President of the Republic and the National Narcotics Control Council (CONACE) in December 2002 and will remain in effect until December 2008. The National Strategy covers actions in the sectors of demand reduction, supply reduction, control measures, money laundering, and program evaluation. The approval process for the strategy includes meetings of the competent national authorities, consultations with experts, and approval by the National Narcotics Control Council.

Chile reports that regional, provincial, municipal and local authorities have jurisdiction in areas related to anti-drug policy (health, education). The country is implementing decentralization policies in all regions.

The National Drug Control Strategy has a budget consisting of direct allocations from the national general budget, allocations from the specific budgets of other public agencies for the drug area, and international cooperation.

Budget for the National Strategy, 2004–2006

Area	Budget Executed (US\$)		
	2004	2005	2006
Demand reduction	19,991,211	21,914,538	25,254,566
Money laundering	—	1,254,294	1,402,920

The country is unable to supply data on supply reduction activities and control measures, as it cannot identify resources earmarked for application of the national drug strategy in the budgets of the agencies responsible for these areas.

CONACE*, established in 1991, is the national authority that coordinates national anti-drug policy. It acts as an advisory body to the President of the Republic in this area, is chaired by the Minister of the Interior, and comprises all the ministries and institutions with jurisdiction in the drug field.

* See: http://www.conacedrogas.cl/inicio/organigrama_conace.php



CONACE has an integrated annual budget funded through government allocations and international cooperation.

Budget for the National Narcotics Control Council

Fiscal year	Proposed Budget (US\$)	Total Budget Received (US\$)
2004	2,141,712	2,141,712
2005	2,231,154	2,231,154
2006	2,512,856	2,512,856

CICAD notes with satisfaction that the country has been pursuing its current National Drug Control Strategy since 2002, covering all relevant aspects of the drug problem and ensuring its implementation across the nation's territory.

B. International Conventions

Chile has ratified the following conventions:

- Inter-American Convention on Mutual Assistance in Criminal Matters, 1992 (July 2004);
- Inter-American Convention against Corruption, 1996 (October 1998);
- Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and other Related Materials, 1997 (October 2003);
- United Nations Single Convention on Narcotic Drugs, 1961, as amended by the 1972 Protocol (February 1968);
- United Nations Convention on Psychotropic Substances, 1971 (May 1972);
- United Nations Convention on the Law of the Sea, 1982 (August 1997);
- United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 (April 1997);
- United Nations Convention against Transnational Organized Crime, 2000, (February 2005), along with the Protocol against the Smuggling of Migrants by Land, Sea and Air (February 2005), and the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (February 2005);
- United Nations Convention against Corruption, 2003 (September 2006).

The country has not signed the 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, 2000.

Chile reports that in February 2005 it enacted Law No. 20.000 to replace Law No. 19.366. The new law includes, *inter alia*, measures for the control of precursors and essential chemical substances in accordance with the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988.

CICAD recognizes that Chile has ratified most of the international drug-related instruments, particularly noting the ratification of the UN Convention against Corruption in late 2006. However, CICAD notes with concern that the country has not yet acceded to the 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, although this was a recommendation reiterated from the Second Evaluation Round, 2001–2002.

RECOMMENDATION:

1. **ACCEDE TO THE 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, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001–2002.**

C. National Information System

The Chilean Observatory on Drugs¹ organizes, collects, and coordinates drug-related statistics and other drug-related information. Chile has carried out biannual national studies on drug use and related factors since 1994 for the general population, and since 1995 for the student population.

The country has carried out the following studies related to drug demand: survey of secondary school students (2005), national household survey (2004 and 2006), registers of patients in treatment centers (2004, 2005 and 2006), cross-section survey of patients in treatment centers (2004, 2005, and 2006), register of drug-related fatalities (2004, 2005, and 2006), survey of higher education students (2004 and 2006), and a study on the sale price of drugs (2004 and 2006). Chile has carried out studies of the economic and social costs of drugs using available indicators.

The country has a help line called “Fonodrogas”² to provide information and guidance to the public on problems associated with drug use. It responded to 7,369 inquiries in 2005.

Chile distributes information on prevention, treatment and rehabilitation programs and has a budget to disseminate information related to the drug issue. This budget was US\$173,585 in 2004, US\$717,170 in 2005, and US\$668,868 in 2006.

CICAD notes with satisfaction that the country carries out, on a systematic basis, multiple studies aimed at determining the magnitude of drug consumption and that it also has data for most of the indicators in the drug cost survey. CICAD also acknowledges the country’s capacity for disseminating drug-related information.

II. DEMAND REDUCTION

A. Prevention

Chile is implementing drug abuse prevention programs that target key population sectors. The country reports that within the framework of the National Drug Control Strategy, the National Narcotics Control Council (CONACE), in conjunction with the Ministry of Education, has developed a series of school-based prevention programs available and implemented in public, private subsidized, and private paid facilities throughout the country.

¹ See: www.conacedrogas.cl/inicio/obs_naci.php.

² Telephone number is 188 800 100 800.



School-based prevention programs are offered in all schools nationwide, achieving coverage of 13,000 learning establishments representing nearly 90% of all enrolled primary and secondary education students. These programs cover grades from preschool to university, by way of primary and secondary schools. The country is also carrying out prevention programs targeting street children and adolescents, adults, women, workplaces (public agencies and the private sector), prisoners, and national service conscripts.

During the years 2004–2006, short refresher courses and in-service training were offered for professors and teachers, social workers, health workers, police officers, drug treatment counselors, prison guards, community leaders, and others. Diplomas and certificates were also offered, as were undergraduate university degrees, graduate and postgraduate Master's degrees and PhDs, and regional and international training programs.

Chile indicates that several universities in the country offer courses on prevention and treatment of addictions in the general curriculum, and that courses at the technical level, diploma programs, and special courses on the topic at the university level are also available. Chile also reports that the Central University offers a two year Masters program in Drug Addictions; 25 students graduated from the program in 2006.

Within the framework of the memorandum of understanding between CONACE and CICAD, the country has supported the training of several professionals from the hemisphere through internships and seminars in the areas of prevention, treatment, and rehabilitation. The country reports that the aforementioned courses satisfy the national demand for professional training in the areas of prevention and treatment.

The country reports that during 2004–2006, it conducted assessments of its prevention programs. In the context of the Chilean Army's drug abuse prevention program, the country launched an evaluation entitled "Evaluation of the effects of the prevention program targeting conscripts performing their military service".

In addition, based on data from the study of drug use among the student population (2005), the country was able to indirectly evaluate the effectiveness of the "Quiero Ser" school-based prevention program.

CICAD notes with satisfaction the efforts made by the country in implementing prevention programs for different target groups, together with the existence of a wide variety of courses and diplomas in addiction prevention and care at the university level. However, CICAD notes that some of the prevention programs have not been evaluated during the evaluation period, although the country has plans to evaluate some of them.

RECOMMENDATION:

- EVALUATE PREVENTION PROGRAMS THAT HAVE NOT BEEN EVALUATED AND ARE CONSIDERED PRIORITY PROGRAMS BY THE COUNTRY.**

B. Treatment

Chile has established standards of care for drug abuse treatment at the national, provincial, and local levels. The documents governing these standards are: the voluntary guide entitled, "Technical guidelines for the Treatment and Rehabilitation of People with Drug Problems" from the Ministry of



Health (MINSAL); and the mandatory guidelines entitled, “Technical and Administrative Standards” and “Technical and Administrative Norm for the Application of the Health Service Provision System Fee Schedule in Treatment Plans for People with Problems Derived from Drug Use”.

CONACE and MINSAL are the institutions responsible for maintaining the registry of drug addiction treatment centers and programs.

The country reports that it has the necessary instruments for accrediting treatment services and programs. The Ministry of Health is responsible for this accreditation and the methodology used is based on the Health Authority Regulation that sets forth the requirements for authorizing a center to operate.

MINSAL and its joint commissions with CONACE are the authorities responsible for overseeing adherence to standards of care for drug treatment and evaluating the quality of services provided. Evaluations of treatment service quality are conducted twice a year. The evaluation includes administrative-financial aspects, coverage, and indicators of therapeutic success. These evaluations show satisfactory outcomes in terms of coverage according to the annual commitments established by treatment centers, and satisfactory budget execution.

The country reports that it provides ongoing training and refresher courses for drug treatment service providers.

Chile indicates that it has outpatient and residential programs encompassing adults and minors of both sexes. The table below provides specific information on drug treatment services currently available in the country:

Existing Treatment Programs

Services	Number of Public Services	Number of Private Services	Geographic Coverage		
			Municipal	Regional/Provincial	National
Network for early detection, outreach and referral of cases	203	–	X	–	–
Detoxification	3	1	–	X	X
Treatment and rehabilitation	96	92	X	X	–

The country has treatment centers that specifically target women and adolescents. In addition, Chile has outpatient and residential treatment centers for male and female inmates of the country’s prisons. The country also has treatment centers specifically for juvenile offenders.

Chile has conducted studies to evaluate the effectiveness of the various drug abuse treatment, rehabilitation, and aftercare programs and modalities. It reports that two studies are currently in progress. The first is evaluating the longevity of therapeutic success in the general treatment and rehabilitation program; the other is a process and outcomes evaluation of a program launched in 2004 targeting the child-adolescent population receiving treatment.



According to CONACE and the National Health Fund (FONASA), the total number of treatment programs in Chile was 207 in 2004, 198 in 2005, and 205 in 2006, and seven new treatment programs were launched in 2006.

According to available statistics from the annual reports of the CONACE-MINSAL-FONASA Agreement, 6,300 patients received drug abuse treatment in 2004, 6,360 patients in 2005, and 7,367 in 2006, including basic outpatient, intensive outpatient, and residential treatment.

Chile reports that since 2006 it has had a complete registry system for the treatment centers with which it has care agreements. This provides complete data so it is possible to track individuals in treatment in public and private facilities throughout the country.

CICAD notes with satisfaction that the country has drug abuse treatment standards, a system for the accreditation and oversight of the existing treatment services, and carries out regular evaluations of these services.

CICAD notes the extensive availability of such services, as well as their specialization in target population segments. In addition, CICAD notes with satisfaction that assessments of the drug misuse and abuse treatment programs are carried out.

C. Drug Use Statistics

Chile has conducted studies on drug use indicators (prevalence and incidence rates) in the general population and specific populations in the country and provides the following tables:

Prevalence of Drug Use in the General Population - 2006

Age Group Surveyed: 12 to 64 years									
Type of drug	Lifetime (percentage)			Last 12 months (percentage)			Last 30 days (percentage)		
	M	F	Total Population	M	F	Total Population	M	F	Total Population
Alcohol	84.0	83.0	83.5	75.3	69.2	72.2	62.7	51.0	56.7
Tobacco	69.5	65.4	67.4	48.3	45.3	46.8	42.7	39.2	40.9
Solvents & Inhalants	1.9	0.5	1.2	0.2	0.1	0.1	0.1	0.0	0.1
Marijuana	32.2	16.7	24.3	9.9	4.2	7.0	6.0	2.0	3.9
Heroin	0.2	0.0	0.1	0.1	—	0.04	—	—	—
Basuco, coca paste	4.4	1.0	2.6	1.0	0.2	0.6	0.5	0.0	0.3
Cocaine HCL	8.8	3.0	5.9	1.9	0.6	1.2	0.9	0.3	0.6
Crack	0.3	0.1	0.2	0.1	0.1	0.1	—	—	—
Tranquilizers, sedatives, Depressants	5.9	7.8	6.9	2.7	4.0	3.4	0.8	1.7	1.3
Stimulants	3.3	1.4	2.3	0.6	0.3	0.4	0.1	0.0	0.1
MDMA (Ecstasy)	0.7	0.1	0.4	0.2	0.0	0.1	—	—	—
Any illicit drug	33.0	17.4	25.1	10.6	4.7	7.6	6.4	2.3	4.3



Incidence of Drug Use in the General Population - 2006

Age Group Surveyed: 12 to 64 years						
Type of drug	Last 12 months (percentage)			Last 30 days (percentage)		
	M	F	Total Population	M	F	Total Population
Alcohol	9.7	9.2	9.4	5.6	5.4	5.5
Tobacco	8.0	7.1	7.5	4.4	4.9	4.6
Marijuana	2.5	1.6	2.0	0.6	0.4	0.5
Basuco, coca paste	0.4	0.1	0.3	0.01	0.2	0.1
Cocaine HCL	0.4	0.3	0.4	0.2	0.2	0.2

Prevalence of Drug Use in Specific Populations - 2005

Student Population from the 8th Year of Primary Education to 4th Year of Middle Education									
Type of drug	Lifetime use (percentage)			Last 12 months (percentage)			Last 30 days (percentage)		
	M	F	Total	M	F	Total	M	F	Total
Alcohol	72.0	74.7	73.4	58.1	62.2	60.2	43.6	43.6	43.6
Tobacco	66.3	73.5	69.9	49.0	57.8	53.5	38.5	45.0	41.8
Solvents & inhalants	6.9	5.5	6.2	3.3	2.6	3.0	1.4	0.9	1.2
Marijuana	21.3	18.4	19.9	16.4	14.1	15.2	7.3	5.6	6.5
Hallucinogens	4.90	2.6	3.7	2.2	1.2	1.7	0.9	0.4	0.7
Basuco, coca paste	4.8	2.7	3.7	3.4	1.8	2.6	1.6	0.7	1.2
Cocaine HCL	6.0	3.5	4.7	3.7	2.1	2.9	1.6	0.9	1.2
Crack	4.2	1.9	3.0	2.2	1.0	1.6	1.0	0.4	0.7
Tranquilizers, sedatives, and depressants (without a prescription)	2.0	2.0	2.0	0.2	0.3	0.3	0.2	0.2	0.2
Stimulants	5.3	4.0	4.6	2.8	2.4	2.6	1.3	0.8	1.1
MDMA (Ecstasy)	5.0	3.1	4.0	2.5	1.5	2.0	1.1	0.5	0.8

**Incidence of Drug Use in Specific Populations - 2005**

Student Population from the 8th Year of Primary Education to 4th Year of Middle Education						
Type of drug	Last 12 months (percentage)			Last 30 days (percentage)		
	M	F	Total population	M	F	Total Population
Alcohol	25.9	24.7	25.3	9.7	7.1	8.4
Tobacco	21.4	20.2	20.1	8.5	6.6	7.5
Solvents & inhalants	3.3	2.4	2.9	1.2	0.7	0.9
Marijuana	9.1	7.9	8.4	2.9	1.7	2.3
Hallucinogens	2.5	1.4	2.0	0.8	0.4	0.6
Heroin	2.6	1.5	2.0	1.1	0.5	0.8
Basuco, coca paste	3.3	2.0	2.7	1.1	0.5	0.8
Cocaine HCL	3.6	2.2	2.9	1.2	0.5	0.8
Crack	2.5	1.4	1.9	0.9	0.3	0.6
Tranquilizers, sedatives, and depressants	4.1	3.9	4.0	1.4	4.8	1.1
Stimulants	2.9	2.2	2.5	1.0	0.5	0.8
MDMA (Ecstasy)	2.9	1.8	2.3	1.1	0.4	0.7

Chile has information on the age of first use of alcohol and drugs. The findings from this study are presented in the table below:

Age of First Use of Drugs in the General Population - 2006

Type of Drug	Median		
	M	F	Total
Alcohol	17	18	17
Tobacco	15	16	15
Marijuana	17	17	17
Basuco, coca paste	20	18	19
Cocaine HCL	21	21	21

The country has an estimate of the number or percentage of youth who perceive drug use as harmful to their health and well-being, who believe that persons that do the following are at moderate or great risk, or who think that these activities are quite harmful or very harmful:

**National Study on Drug Use in the Student Population**

Category	Percentage of those Surveyed in the 8 th Year of Primary Education and 4 th Year of Middle Education
Often smoke cigarettes	82.1%
Often drink alcoholic drinks	84.8%
Often smoke marijuana	69.0%
Often take cocaine or crack	73.6%

In 2005, the “Paz Ciudadana” foundation conducted a study on estimated drug use by a recent arrestee prior to arrest. According to its findings, 71.8% of the cases of males recently arrested for crimes with more serious social repercussions were drug-related, as were 50.6% of cases of arrests of females.

The country has records on alcohol-related traffic accidents. The National Traffic Safety Commission reports that 7.9% of accidents in 2004 were related to alcohol consumption, a figure which decreased to 7.8% in 2005. For 2006, the country reports that there were 4,885 alcohol-related accidents, which represents 13.6% of total traffic accidents that year.

Chile’s Law No. 19.925 on the Consumption and Sale of Alcoholic Beverages (2004) establishes mandatory guidelines at the national, provincial, and municipal levels for the prevention of alcohol-related accidents. It establishes legislative measures, administrative sanctions, penal sanctions, and attendance at prevention programs.

CICAD notes with satisfaction that the country conducts periodic studies to quantify the dimensions of drug abuse.

CICAD is pleased to note that the country has systematic data on the magnitude of drug abuse in the general population as well as in specific populations.

III. SUPPLY REDUCTION

A. Drug Production

Chile reports that it detected 4.5 hectares of illicit marijuana crops in 2004, 3.4 hectares in 2005, and 6.4 hectares in 2006. In terms of variation in the area under cultivation, the country reports that there was an increase of 2.3 hectares in 2004, a decrease of 1.1 hectares in 2005, and an increase of 1.76 hectares in 2006.

Chile reports that it has not registered any seizures of indoor grown cannabis plants in the country, nor has it detected illicit synthetic drug laboratories during the evaluation period.

Illicit organic drug laboratories have been found in Chile. Three small laboratories were dismantled in 2005 (two producing coca base and one cocaine hydrochloride). In addition, in 2006, the country also dismantled three small laboratories (two producing coca base and one cocaine hydrochloride).

CICAD notes the information provided by the country regarding drug production. While the country has not reported marijuana production in significant quantities,



CICAD believes it is important for the country to continue to monitor areas susceptible to use for illicit crop cultivation.

B. Control of Pharmaceutical Products

The control of pharmaceutical products is regulated by Supreme Decree No. 404, Regulation of Narcotic Drugs, and Supreme Decree No. 405, Regulation of Psychotropic Drugs, both enacted in 1983, and Supreme Decree No. 1358, Regulations for Control of Precursors and Controlled Chemical Substances.³

The country has a mechanism in place to monitor and prevent the diversion of pharmaceutical products. The Public Health Institute of Chile (ISP) is responsible for their export, import, production, and wholesale distribution and the Regional Ministerial Health Secretariats (SEREMI) are responsible for retail distribution at the regional level.

Chile reports that all pharmaceutical products containing ingredients listed in international conventions are controlled in the country. In the commercial sector, Chile carries out import and export control activities, license control, monitoring distribution, inspection, administrative sanctions, registry of licensees, and registration of quantities of pharmaceutical products sold. In the health sector, the control mechanisms include license control, monitoring distribution, monitoring of prescriptions, inspections, administrative sanctions, and transfer of cases detected by administrative authorities to judicial authorities.

The country offers training courses in the handling of pharmaceutical products that satisfy the demand for training.

Chile has a system to compile information on administrative and regulatory activities and on the sanctions imposed in connection with them. Based on this system, the country provides the following figures:

Regulatory Activities Related to the Control of Pharmaceutical Products

Regulatory Activity	2004	2005	2006
Number of licenses issued to:			
Importers	38	34	39
Exporters	8	9	10
Manufacturers	30	30	25
Distributors	34	34	36
Number of permits issued for::			
Import	687	644	651
Export	580	559	710

³ This decree was issued in 2007.



Chile has a Management System of National Control Information (GICONA), which facilitates information sharing and inter-sectorial coordination for the control of the diversion of pharmaceutical products. The country also uses the National Drug System (NDS) of the United Nations and the PSICOEPSI system of the Ministry of Health to track prescription vouchers (the official form that health services give surgeons and pharmacies for the prescription of narcotic and psychotropic products).

Chilean law provides for the application of criminal, civil, and administrative sanctions for the diversion of pharmaceutical products. The country reports that no sanctions were imposed during 2005 and 2006. However, it reports that in 2006, four persons were formally charged with the offense of improper prescription of narcotic substances.

The country provides the following table on the quantities of pharmaceutical products seized during the years 2004–2006:

Quantities of Pharmaceutical Products Seized

Pharmaceutical Products	Unit of Measure	Quantities Seized		
		2004	2005	2006
Alprazolam	pills	341	2,044	252
Barbiturates	pills	—	—	2
Bromozepan	pills	—	22	—
Clonazepam	pills	27	49	187
Dextromethorphan	pills	—	168	—
Diazepam	pills	145	3,176	365
Dietilpropion	pills	—	33	101
Ephedrine	pills	—	10	—
Phenobarbital	pills	112	—	—
Fenproporex	pills	101,200	—	—
Flunitrazepam	pills	211	109	76
Lorazepam	pills	—	10	—
Methamphetamine	pills	—	60	—
Ravotril	pills	14	51	176
Tetrazepam	pills	—	4	4
Tonaril	pills	37	27	38

The country has not detected the sale of drugs or distribution of pharmaceutical products, internationally or within its territory, over the Internet. It reports that special legislation is not required since the existing provisions cover those offenses (Law 20.000).

As for criminal prosecution of these types of offenses, the country notes that its current domestic law clearly defines the roles of the various institutions with responsibilities in the area of diversion of pharmaceutical products by any means whatsoever. The country reports that since 2000 the Investigations Police of Chile has operated an "Investigatory Brigade on Cyber Crime," a unit specializing in crimes committed over the internet such as threats, fraud, forgery, Internet child pornography, and computer-related crimes.



The country has not carried out activities or programs to increase awareness among administrative, judicial, law enforcement, postal, customs or other authorities regarding the illicit sale of pharmaceutical products and other drugs over the Internet.

CICAD notes with satisfaction that the country has the necessary rules and control mechanisms to prevent and control the illicit traffic of pharmaceutical products and other drugs over the Internet.

C. Control of Chemical Substances

Law 20.000 on Drugs, enacted in 2005, provides for the control of controlled chemical substances used in the illicit manufacturing of drugs.

The country has a mechanism to monitor and prevent the diversion of controlled chemical substances applicable to all substances listed in international conventions. The authority responsible for the various components of the domestic mechanism to control the diversion of chemical substances is the Ministry of the Interior, through CONACE. The components of the internal mechanism for the control of the diversion of chemical substances are identified as: national registry of licensees, control of licenses for manufacture and distribution, import and export control, inspections, pre-export notifications, and the imposition of sanctions. The mechanism does not include controls on the distribution, final sale, and transportation of chemical substances.

Training courses on the control of the diversion of chemical substances are offered in the country for administrative, police, and customs officers, which satisfies the demand for training.

The National Registry of Consumers of Chemical Substances administered by CONACE has an automated system for the safe and efficient handling of information to facilitate control of the diversion of chemical substances.

Chilean law provides for criminal and administrative sanctions for the diversion of controlled chemical substances. The country reports that two criminal sanctions were applied in 2006.

Chile exports controlled chemical substances and handles such substances in transit. The country reports that it sent 487 pre-export notifications to importing or transshipment countries in 2004. The country does not have information on pre-export notifications sent during 2005 and 2006.

Chile is also an importer of controlled chemical substances. As such, the country received 173 pre-export notifications in 2004, 136 in 2005, and 136 in 2006.



The number of seizures of controlled chemical substances and the quantities seized during the years 2004–2006 in Chile appear in the table below:

Controlled Chemical Substances Seized, 2004–2006

Controlled Chemical Substances	Number of Seizures			Unit of Measure	Quantities Seized		
	2004	2005	2006		2004	2005	2006
Potassium Permanganate	1	—	—	kilos	100	—	—
Sodium carbonate	—	1	—	kilos	—	3,042	—
Acetone	—	2	1	liters	—	1,831	220
Sulphuric Acid		2	1	liters	—	527	14,958
Hydrochloric acid		1		liters	—	2	—
Ammonia		1		liters	—	1	—

CICAD acknowledges Chile's efforts to improve the control mechanism for controlled chemicals, in particular the approval of Law 20.000 in 2005 and the creation of the National Register of Chemical Users. Nevertheless, CICAD notes that current regulations do not include distribution, final sale, and transport of chemical substances. CICAD also notes that the country does not have data on pre-export notifications it has sent.

RECOMMENDATIONS:

3. INCLUDE CONTROLS ON THE DISTRIBUTION, FINAL SALE, AND TRANSPORT OF CONTROLLED CHEMICAL SUBSTANCES.
4. INSTITUTE A SYSTEM TO REGISTER PRE-EXPORT NOTIFICATIONS SENT BY THE COUNTRY.



IV. CONTROL MEASURES

A. Illicit Drug Trafficking

The number of seizures and quantities of drugs seized by law enforcement and interdiction agencies during the years 2004–2006 in Chile are shown below:

Drugs Seized 2004–2006

Type of Drug	Number of Seizures			Quantities of Drugs Seized			
	2004	2005	2006	Unit of Measure	2004	2005	2006
Heroin	2	2	1	Kilograms	14.22	14.12	5.94
Coca paste	2,229	4,056	4,280	Kilograms	1,526	3,092	4,240
Cocaine salts	1,522	2,210	1,624	Kilograms	3,737	2,276	2,526
Cannabis plants	501	657	290	Units	166,878	128,754	214,997
Leaf Cannabis (grass)	4,963	6,751	6,309	Kilograms	4,990	6,438	4,984
Psychoactive drugs	102	128	53	Units	165,927	100,949	508,832
Liquid cocaine	—	—	—	C.C.	26,270	—	—

The country has figures for individuals formally charged with or convicted of illicit drug trafficking⁴:

Number of Persons Formally Charged 2004–2006

Number of Persons Formally Charged with Illicit Drug Trafficking		
2004	2005	2006
1,392	4,178	5,715

Number of Persons Convicted 2004–2006

Number of Persons Convicted of Illicit Drug Trafficking		
2004	2005	2006
1,078	2,639	4,079

Chile has no cases of public officials formally charged with or convicted of acts of corruption or other offenses related to illicit drug trafficking during the years 2004–2006.

⁴ The country clarifies that the data for 2004 and the period January 1–June 16, 2005 does not include the Metropolitan Region.



The country has figures for individuals formally charged with or convicted of illicit drug possession.⁵

Number of Persons Formally Charged 2004–2006

Number of Persons Formally Charged with Illicit Drug Possession		
2004	2005	2006
4,008	7,406	15,386

Number of Persons Convicted 2004–2006

Number of Persons Convicted of Illicit Drug Possession		
2004	2005	2006
2,964	6,045	12,109

When an individual is formally charged with or convicted of illicit possession for personal use, alternative sentencing may be available. Chile indicates that these sentences are: fines, attending a rehabilitation program, and community service.

The country has figures for individuals arrested for illicit drug possession for personal use.⁵

Number of Persons Arrested 2004–2006

Number of Persons Arrested for Illicit Possession of Drugs for Personal Use		
2004	2005	2006
5,707	9,843	18,938

Chile made one request for judicial cooperation from another state with regard to illicit drug trafficking in 2004, 12 in 2005, and 35 in 2006. The country also indicates that it received a reply granting its request in 2004, and that it received 10 such replies in 2005 and 27 in 2006. It received two such requests in 2004, three in 2005, and 17 in 2006, and granted one in 2004, three in 2005, and 11 in 2006.

The Supreme Court of Chile is the central authority responsible for making and receiving extradition requests. The country reports that it made two extradition requests in 2005 and none in 2006. The country has bilateral extradition treaties with several countries and is a state party to the Montevideo Convention on Extradition.

The extradition of nationals is permitted under Chilean law. The country reports that in 2005 it received five extradition requests for illicit drug trafficking cases, and two such requests in 2006.

⁵ The country clarifies that the data for 2004 and the period January 1–June 16, 2005 does not include the Metropolitan Region.



Chile carried out the following specialized training courses on illicit drug trafficking for security forces, police and customs officers, prosecutors, and employees of the judiciary during the years 2004–2005: International Course on Drugs, Specialization Course on Drugs, Investigation of the Diversion of Chemical Substances for the Manufacture of Illicit Drugs, Anti-drug Intelligence Analysts (national and international level), and the International Seminar on the Investigation of Chemical Inputs and Clandestine Laboratories. The country reports that different institutions with jurisdiction in controlling illicit drug trafficking participated in these courses, and indicates that these courses satisfy the demand for training.

CICAD acknowledges the efforts made by the country in promoting cooperation among the authorities responsible for controlling illicit drug trafficking and the specialized training provided in this regard.

B. Firearms, Ammunition, Explosives, and other Related Materials

Several agencies are responsible for activities related to the control of firearms, ammunition, explosives and other related materials in Chile, including: the Directorate General for National Mobilization (DGMN), Ministry of National Defense, criminal courts, Public Ministry, military courts, police agencies, National Police (Carabineros) of Chile, Investigations Police of Chile, National Customs Service, and Ministry of Foreign Affairs.

Law N° 17.798 on the Control of Arms and Explosives is the law in force in Chile that criminalizes the trafficking in and illicit manufacturing of such materials and establishes sanctions for infractions ranging from fines to life imprisonment.

Chile does not provide information on how many people were formally charged with or convicted of possession of and illicit trafficking in firearms, ammunition, explosives, and other related materials during the evaluation period.

In addition, the aforementioned Law establishes administrative controls over the import, export, and transit of firearms, ammunition, explosives and other related materials. This law imposes limited sanctions by denying, suspending, imposing conditionality on, or limiting authorizations. Information on the number of sanctions applied during the years 2004–2006 was not provided. Chile reports that this Law requires that import and in-transit licenses first be issued before authorizing the entry of shipments of firearms, ammunition, explosives, or other related materials, and that before it will issue a license or authorization for the export of such shipments, the importing country must first have issued the necessary licenses or authorizations. In addition, the Law requires that before authorizing the embarkation of firearms, ammunition, explosives and other related materials, the in-transit country must first have issued the respective licenses or authorizations.



The country provides the following data on firearms, ammunition, explosives and other related materials confiscated in connection with arrests for illicit drug trafficking offenses:

Quantities of Firearms, Ammunition, Explosives and other Related Materials Confiscated in Connection with Arrests for Illicit Drug Trafficking Offenses

Year	Number of Arrests	Firearms	Ammunition	Number of Operations
2004	694	383	1,145	261
2005	839	491	2,617	327
2006	757	499	3,033	411

The country has a computerized national record keeping system (by date, description, and serial or lot number) for the importation, exportation and transit of firearms, ammunition, explosives and other related materials. These records are kept for a one-year period.

The General Directorate for National Mobilization (DGMN) of the Ministry of Defense is the national entity responsible for data sharing and cooperation with agencies in other countries.

CICAD notes that the country has legal and institutional mechanisms for the control of firearms, ammunition, explosives, and other related materials. Nevertheless, CICAD notes that the country lacks information on persons charged with and convicted of illicit possession of and trafficking in firearms, ammunition, explosives, and other related materials, and on administrative sanctions imposed for violation of controls on their import, export, and in-transit movement.

RECOMMENDATIONS:

5. IMPLEMENT A SYSTEM TO GATHER PERIODIC DATA ON PERSONS CHARGED WITH AND CONVICTED OF ILLICIT POSSESSION OF AND TRAFFICKING IN FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS.
6. IMPLEMENT A SYSTEM TO RECORD ADMINISTRATIVE SANCTIONS IMPOSED FOR VIOLATION OF CONTROLS ON THE IMPORT, EXPORT, AND IN-TRANSIT MOVEMENT OF FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS.

C. Money laundering

In Chile, money laundering is considered an autonomous offense. The country reports that it is possible to initiate criminal proceedings for money laundering crimes against any person convicted of a predicate offense. Moreover, the existence of a prior conviction for a predicate offense is not necessary to convict a person for money laundering.

Law 19.913, which entered into force on December 18, 2003, amends several provisions related to money laundering. The law expands the range of predicate offenses for money laundering to include drug trafficking, trafficking in firearms, child prostitution, pornography targeting minors, kidnapping, terrorism and its financing, offenses against public administration, abduction of minors, trafficking in persons for the purpose of sexual trade, and offenses listed in the General Bank Law



and in the Stock Market Law. This law does not include trafficking in persons, trafficking in organs, extortion and fraud.

Chile reports that it has undertaken administrative control activities to prevent money laundering in banks, stock exchanges, and insurance companies. Exchange houses, casinos, real estate agencies, and notaries are obligated under Law 19.913 to report suspicious operations to the Financial Analysis Unit (UAF). The country reports that lawyers and accountants are not subject to administrative controls for the prevention of money laundering. Article 4 of this Law establishes that all entities carrying or transporting cash or negotiable bearer instruments in amounts exceeding US\$12,000 into the country are also required to make such reports.

Chilean law permits the following special investigation techniques for the control of money laundering: undercover police operations, electronic surveillance, informants, controlled delivery, plea bargaining, and testimony from cooperative witnesses.

Institutions obligated to provide information whenever money laundering is suspected include banks, stock markets, insurance companies, general funds administrators and other entities authorized to receive foreign exchange, credit card issuers and operators, stock exchanges, insurance companies, casinos, gambling houses, stock exchange brokers, legal representatives in foreign trade zones, general customs agents, auction houses, property brokers and notaries public.

Obligated entities must keep records of cash transactions involving more than US\$ 12,000 or the equivalent in another currency and report to the UAF at its request (which should occur at least once a year).

The country reports that three persons were charged with money laundering in 2006; no other charges or convictions occurred during the evaluation period.

The Financial Analysis Unit (UAF), a legally established agency with its own assets, was established by Law 19.913 and is authorized to receive and analyze information reported by obligated entities, exchange information with its counterparts abroad, commission expert reports, issue instructions to obligated entities and monitor compliance with them, and make recommendations to the public and private sector to prevent money laundering. Chile reports that the UAF has a staff of 21, and is a member of the Egmont Group. The UAF's budget was US\$ 578,226 for 2004, US\$ 1,254,294 in 2005, and US\$ 1,402,920 in 2006.

The country provides information on the number of suspicious transaction reports received and investigated during the years 2004–2006.

Number of Suspicious Transaction Reports Received and Investigated

Year	Number of Suspicious Transaction Reports Received	Number of Suspicious Transaction Reports Investigated
2004	53	53
2005	153	153
2006	170	170

With regard to bank secrecy regulations, the country reports that the UAF does not have direct access to confidential banking information, regardless of the existence of a suspicious transaction report involving an individual or legal entity. Nevertheless, the country states that if there is a



suspicious transaction report that warrants lifting bank secrecy, Article 2 paragraph b of Law No. 19.913 establishes the procedure to be followed in the superior courts to obtain authorization to access information protected by confidentiality and bank secrecy laws.

The country reports that in accordance with Law No. 20.000 on illicit trafficking of narcotic and psychotropic substances, assets confiscated from illicit drug trafficking and money laundering go into the Special Fund of the Ministry of the Interior, administered by CONACE, for use in programs for prevention, treatment, and rehabilitation in connection with drug use. In this regard, two requests for preventive seizures were made to other countries in 2004.

Regarding international cooperation, the country reports that extradition of nationals is permitted under Chilean law. The Supreme Court is the authority responsible for receiving extradition requests (the magistrates of the Supreme Court take up extradition requests based on a rotation created for that purpose).

CICAD recognizes that Chile has regulatory and institutional frameworks for the prevention and control of money laundering. However, CICAD notes that it is still necessary to expand the list of predicate offenses and extend current administrative controls to lawyers and accountants.

RECOMMENDATIONS:

7. EXPAND THE LIST OF MONEY LAUNDERING PREDICATE OFFENSES TO INCLUDE ALL CRIMINAL OFFENSES THAT ARE CONSIDERED SERIOUS CRIMES UNDER THE PALERMO CONVENTION (PUNISHABLE BY A MAXIMUM PRISON SENTENCE OF AT LEAST FOUR YEARS, OR A GREATER PENALTY).
8. EXPAND ADMINISTRATIVE ANTI-MONEY LAUNDERING CONTROL ACTIVITIES TO INCLUDE ATTORNEYS AND ACCOUNTANTS, A RECOMMENDATION REITERATED FROM THE THIRD EVALUATION ROUND, 2003–2004.



CONCLUSIONS

CICAD recognizes Chile's efforts to improve its legislative and institutional frameworks and to implement programs in most of the areas that have been evaluated.

In the area of institutional strengthening, the country has ratified most of the drug-related international agreements in force. However, the country still has not acceded to the 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, even though this has been recommended since the Second Evaluation Round. Notably, Chile is systematically carrying out numerous studies to measure the extent of drug use and has data for most of the necessary indicators to conduct a study on the costs of drugs.

In the demand reduction area, CICAD notes with satisfaction Chile's implementation of prevention programs for different target populations, a significant number of university courses and graduates in prevention and care for drug-dependent persons, the ongoing system for accreditation and supervision of existing care services, the regular evaluations, and the widespread availability of these types of services. However, CICAD encourages the country to expand the evaluation of priority programs that have not been evaluated.

Concerning supply reduction, CICAD recognizes that the country has the necessary regulations and control mechanisms in place to monitor pharmaceutical products, and specifically notes the recent actions taken to upgrade the system for monitoring controlled chemical substances, such as the establishment of the National Register of Users of Controlled Chemical Substances. Nevertheless, CICAD notes that the current controls still do not cover the distribution, final sale, and transport of chemical substances.

In the area of control measures, CICAD recognizes the country's efforts to foster coordination among authorities responsible for controlling illicit drug trafficking, and the special training that is offered on this subject. In addition, CICAD notes that the country has legal and institutional mechanisms for the control of firearms, ammunition, explosives, and other related materials, although registries are lacking in some areas, including the number of persons charged with and convicted of possession of and trafficking in firearms, and the number of sanctions imposed for failure to comply with administrative controls.

CICAD recognizes that the country has legislation for the prevention and control of money laundering, but notes with concern that despite recommendations made in the Third Evaluation Round, it is still necessary to expand the list of predicate offenses and extend current administrative controls to lawyers and accountants.

CICAD recognizes Chile's participation in the Multilateral Evaluation Mechanism.



SUMMARY OF RECOMMENDATIONS

The following recommendations are assigned to Chile in order to assist the country in strengthening its policy to combat the problem of drugs and related activities and increase multilateral cooperation in the Hemisphere:

INSTITUTIONAL STRENGTHENING

1. ACCEDE TO THE **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**, A RECOMMENDATION REITERATED FROM THE **SECOND EVALUATION ROUND, 2001–2002**.

DEMAND REDUCTION

2. EVALUATE PREVENTION PROGRAMS THAT HAVE NOT BEEN EVALUATED AND ARE CONSIDERED PRIORITY PROGRAMS BY THE COUNTRY.

SUPPLY REDUCTION

3. INCLUDE CONTROLS ON THE DISTRIBUTION, FINAL SALE, AND TRANSPORT OF CONTROLLED CHEMICAL SUBSTANCES.
4. INSTITUTE A SYSTEM TO REGISTER PRE-EXPORT NOTIFICATIONS SENT BY THE COUNTRY.

CONTROL MEASURES

5. IMPLEMENT A SYSTEM TO GATHER PERIODIC DATA ON PERSONS CHARGED WITH AND CONVICTED OF ILLICIT POSSESSION OF AND TRAFFICKING IN FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS.
6. IMPLEMENT A SYSTEM TO RECORD ADMINISTRATIVE SANCTIONS IMPOSED FOR VIOLATION OF CONTROLS ON THE IMPORT, EXPORT, AND IN-TRANSIT MOVEMENT OF FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS.
7. EXPAND THE LIST OF PREDICATE OFFENSES FOR MONEY LAUNDERING TO INCLUDE ALL CRIMINAL ACTIVITIES CONSIDERED SERIOUS CRIMES UNDER THE **PALERMO CONVENTION** (PUNISHABLE BY A MAXIMUM DEPRIVATION OF LIBERTY OF AT LEAST FOUR YEARS OR A MORE SERIOUS PENALTY).
8. EXPAND ADMINISTRATIVE ANTI-MONEY LAUNDERING CONTROL ACTIVITIES TO INCLUDE ATTORNEYS AND ACCOUNTANTS, A RECOMMENDATION REITERATED FROM THE **THIRD EVALUATION ROUND, 2003–2004**.



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Organization of American States - OAS
Inter-American Drug Abuse Control Commission - CICAD
1889 F Street, N.W. Washington D.C. 20006