

ORGANIZATION OF AMERICAN STATES



INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION

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FORTIETH REGULAR SESSION
November 29 – December 1, 2006
Santa Cruz de la Sierra, Bolivia

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FINAL REPORT

**GROUP OF EXPERTS ON
CHEMICAL SUBSTANCES**



ORGANIZATION OF AMERICAN STATES

INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION

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**GROUP OF EXPERTS ON
CHEMICAL SUBSTANCES
August 21– 23, 2006
Buenos Aires, Argentina**

**OEA/Ser.L/XIV.4
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Original: English**

FINAL REPORT

I. BACKGROUND

The thirty-eighth Regular Session Commission of the Inter-American Drug Abuse Control Commission (CICAD) took place in Washington, D.C. from December 6-9, 2005). During that meeting, Mr. Gabriel Abboud, the chairman of the Group of Experts on Chemical Substances presented the report from the Group's meeting that took place in Buenos Aires, Argentina from August 22 to 24, 2005.

The Commission received the report and approved the Group's proposed plan of action for 2006, which included a meeting during the course of that year. Mr. Abboud chaired this meeting, which took place in Buenos Aires, Argentina from August 21 to 23, 2006.

II. PROCEEDINGS

A. PARTICIPANTS

1. MEMBER STATES OF CICAD

Participants to the meeting included forty-three experts representing the following 18 member states participated in this meeting: Argentina, Bahamas, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Jamaica, Mexico, Panama, Trinidad and Tobago, United States, and Venezuela.

B. SESSIONS AND ORGANIZATION OF THE MEETING

1. OPENING SESSION

The opening session for the meeting of this Group of Experts took place in the Hotel Pestana Buenos Aires on August 21, 2006. This was a joint opening session for this meeting and the meeting of the Group of Experts on Pharmaceutical Products - Dr. José Ramón Granero, Program Secretary for the prevention of drug addiction and the fight against narcotrafficking of SEDRONAR offered welcoming remarks.

2. WORKING SESSIONS

A. Presentations

The Group of Experts on Chemical Substances met in five (5) working during which the following presentations were delivered:

“Fee for Service” in the control of chemical substances

- Mr. Julio de Orué of Argentina delivered a presentation on the system and procedures that the Government of Argentina has in place for the control of chemical substances. Within this program, private sector companies pay a fee as part of their registration. The proceeds from this fee are used to pay for the regulatory and administrative activities that the Government puts in place including inspections, investigation and issuing licenses and permits.

Synthetic Drugs: the Emerging Threat to the Americas (USA)

- Mr. Scott Wygant of the US Drug Enforcement Administration (DEA) delivered a presentation on the growing problem of synthetic drug production distribution and use. In some countries this problem is well established with the production and availability of chemical-based drugs such as methamphetamine, Ecstasy and others. In other CICAD member states, there is anecdotal information to suggest that synthetic drugs are finding their way to users in varying degrees. CICAD member states need to prepare the legislative foundation, regulatory framework and the administrative systems and procedures necessary deal with these drugs.

Study of the Yield of Coca Production in Colombia (Colombia)

- Hector Hernan Bernal of Colombia briefed participants on a study that in being undertaken in Colombia. The objective of the study is to assess the total yield of coca leaves cultivated in the country. Within the scope of the study, leaf samples were collected from all parts of Colombia. The scientists looked at the alkaloid content of each sample as well as the procedures used to process these leaves in each area and the chemicals used in the process. They determined that cocaine production capacity was in the order of 800 MT requiring 150 million kilos of chemicals to extract the alkaloid. These figures are significantly higher (almost double) than previous estimates. A second study was initiated to look at the sources of the chemicals used. They determined that most of the chemicals had not been diverted from legitimate sources but rather came through cross-border smuggling. The study will now focus on the sources of these smuggled chemicals.

Project to stem the flow of ephedrine and pseudoephedrine to the Americas (USA)

- Mr. Scott Wygant of the US Drug Enforcement Administration (DEA) also delivered a presentation on a special project being proposed for implementation under the umbrella of Operation Prism. This initiative builds on the resolution adopted during the 49th Commission on Narcotic Drugs held in Vienna, Austria in March 2006. If adopted and

implemented as proposed, the project will focus on preparations containing ephedrine or pseudoephedrine, precursors in the manufacture of methamphetamine. Countries will voluntarily report the international sale/export of products containing mixtures of ephedrine or pseudoephedrine. This information will go to the International Narcotics Control Board (INCB). This information will be analyzed to identify the countries in the Western Hemisphere that receive these substances. The INCB will be sending additional information regarding this project in September or October 2006.

B. Working Groups

During the round table introduction of participants, experts identified the challenges and issues of concern that they facing with the respect to the control of chemicals. These issues served as the basis for discussions during this meeting or for inclusion in the plan of action for future proposed meetings. The Group identified the following issues for further discussion by working groups:

“Fee for Service”

The delegation of Argentina led this working group where it shared additional information regarding its experience in this area. Based on Argentina’s experience and with consideration to the special circumstances in other countries, the working group developed an outline of a proposed reference guide. This guide is intended to serve as a reference tool for countries interested in implementing some form of “fee for service” in relation to their administrative and/or regulatory control of chemical substances. The delegation of Argentina will use this outline to prepare a draft guide for consideration during the next meeting of the Group.

Synthetic Drugs

The delegation of Mexico led this working group, which considered the issue of synthetic drugs. This is a problem that is affecting CICAD member states in varying degrees. In some instances synthetic drugs such as methamphetamine, Ecstasy and others are being produced, distributed and used extensively. In other countries, while some anecdotal information may exist, firm data on the nature and extent of the problem is limited.

In the working group the delegation of Mexico delivered a presentation on the strategy that the Government of Mexico has implemented to deal with the various aspects of the synthetic drug problem it is facing. Drawing on Mexico’s experience in this area, the working group developed the outline of a reference guide regarding synthetic drugs. It includes the various major areas of activity that countries need to consider when planning or preparing to establish national programs to deal with synthetic drugs. To the extent possible the Group also expanded on some of these categories with additional information or clarification on what each should included more specifically. The

delegation of Mexico will coordinate the preparation of a draft guide for presentation at the next meeting of the Group.

Review and Update Model Regulations

The delegation of Argentina led this working group as it reviewed the CICAD model regulations on chemicals. The objective of this review was to identify those sections of the regulations that need to be updated or to add new sections or paragraphs to deal with new aspects of chemical control or those that have been omitted thus far.

The working group prepared a summary identifying the changes and additions required for consideration by legal specialists at the OAS. These legal specialists will prepare new text for the model regulations for presentation at the next meeting of the Group.

Checklist of Questions for Inspectors

During the last meeting, the Group developed and finalized a guide for chemical inspectors drafted by the delegation of the United States. At that meeting the Group proposed that it would be useful to add a checklist of questions that inspectors might use during the course of inspections or investigations. The delegation of the United States chaired a working group where it presented the draft checklist that it prepared. The working group reviewed, revised and finalized the checklist that was subsequently approved by the Group. The checklist will now be added to the two guides for inspectors (pharmaceutical and chemical) adopted at the last meeting.

C. Other issues

In addition to the foregoing, the Group identified a number of other issues of concern related to the control of chemicals. They are as follows:

Awareness regarding the issue of chemicals in the production of illicit drugs

Some participants expressed concern that some individuals involved in the control of chemicals did not fully understand how these substances were being used in the production of illicit drugs. As a consequence they did not fully appreciate that the importance of controlling and preventing the diversion of these chemicals. As such, the delegations of Colombia and Trinidad and Tobago agreed to work together to develop an information bulletin or similar document to sensitise and increase awareness among regulatory and administrative control officials, law enforcement and customs officers, industry and others. This document would provide an overview as to how chemicals are used in the production of illicit drugs, their diversion and other issues. The two delegations in question will present a draft for review by the Group at its next meeting.

Training

The issue of training for all levels and areas of chemical control was a common concern among most of the participating countries. Officials and officers controlling these substances need to have the skills and knowledge to safely and effectively execute their responsibilities. The nature of training required varies among countries and within the different areas of control such as administrative, regulatory, law enforcement, customs and others.

While different countries, agencies and organizations offer training to CICAD member states, there are always problems of potential duplication and failure to meet priority needs. As such, the Group proposed that a needs assessment was required to determine what specific training was required in CICAD member states. The delegations of Argentina, Colombia and Ecuador agreed to design and carry out this needs assessment, presenting the results at the Group's next meeting.

Variations in the control of chemicals

The chemicals controlled by CICAD member states vary, sometimes greatly. While satisfying the controlled required by the UN Conventions, countries may also include additional chemicals found in the CICAD model regulations. They may include other chemicals of particular concern to them given the situation in relation to illicit drugs production that they face. This may mean that one country will control 50 chemicals while a neighboring one will control a different number (higher or lower).

The Group has, on more than one occasion, expressed concern that these differences in control provide opportunities for the diversion of chemicals. While harmonizing the number and type of chemicals controlled would be ideal, it is unlikely to happen. The controls that countries apply to chemicals correspond to the threats and individual circumstances that they each face. As such, the delegation of Mexico offered to examine this issue further and prepare a document with potential strategies that could be implemented to overcome these differences in controls for presentation at the next meeting of the Group.

Control of chemicals in free trade zones

The movement of chemicals through free trade zones and similar facilities present unique challenges for CICAD member states. While the provisions of international conventions related to the control of chemicals apply equally in these areas, countries are encountering certain problems in doing so.

The delegation of Chile offered to draft a reference guide regarding the control of chemicals in free trade or other economic zones. The draft will provide CICAD member

states with information and best practices that they might consider implementing to address their own particular problems related to these areas. The delegation of Chile will present its draft at the Group's next meeting.

3. PLAN OF ACTION

Further to the discussions in plenary and in the working groups, the Group of experts has prepared the following plan of action from which the assigned products will be presented when the Group next meets:

Guide for establishing a “Fee for Service” approach in chemical control (Argentina)

Guide for establishing a national program concerning synthetic drugs (Mexico)

Update CICAD model regulation in chemical control (Executive Secretariat)

Information overview on the use of chemicals in the production of illicit drugs (Colombia / Trinidad and Tobago)

Training needs assessment (Argentina / Colombia / Ecuador)

Strategies to address differences in chemical control (Mexico)

Guide for the control of chemicals in free trade zones (Chile)

4. CLOSING SESSION

The Group of Experts concluded its work at 13:00 on August 23. Dr. José Ramón Granero and Mr. Gabriel Abboud closed the meeting and in doing so, thanked the members for their participation.

III. CONCLUSIONS AND RECOMMENDATIONS OF THE GROUP OF EXPERTS

RECOMMENDATIONS TO CICAD IN ITS FORTIETH REGULAR SESSION:

1. That the Commission consider and accept the plan of action proposed by the Group of Experts and direct that the Group meet in 2007 to consider the issues in the plan as well as other new trends or threats identified in the area of chemical control.



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MEETING OF THE GROUP OF EXPERTS CONCERNING CHEMICAL SUBSTANCES

August 21 - 25, 2006
Buenos Aires, Argentina

SCHEDULE OF ACTIVITIES

(Draft)

Monday, August 21

08h30 – 09h00	Registration
09h00 – 09h30	Opening Remarks
09h30 – 10h00	Introduction and Review <ul style="list-style-type: none">• Background• Objectives and CICAD Commission expectations• Schedule of work• Proposed work methodology• Status report on Recommendations• Other issues
10h00 – 10h45	Roundtable introductions and identification of issues of concern
10h45 – 11h00	Break
11h00 – 11h45	Presentation: “Fee for Service” (Argentina)
11h45 – 12h45	Presentation: Synthetic Drugs: the Emerging Threat to the Americas (USA)
12h45 – 14h00	Lunch

14h00 – 14h30	Study of the Yield of Coca Production in Colombia (Colombia)
14h30 – 15h30	Discussion by Working Groups to identify issues - “Fee for Service” - Review and update model regulations <ul style="list-style-type: none"> ○ Security issues ○ Disposal of chemicals ○ Review of other aspects of the regulations - Strategies to address difference in chemical controls between countries - Synthetic Drugs - Control of chemicals in free trade zones - Border controls - Training - Checklist of questions for use in different types of inspections and investigations - Others identified during round table discussion
15h30 – 15h45	Break
15h45 – 16h30	Selection of issues for Working Groups
16h30 – 17h30	Working group discussions

Tuesday, August 22

09h00 – 12h30	Working group discussions (con’t)
12h30 – 14h00	Lunch
14h00 – 15h45	Working group discussions (con’t)
15h45 – 16h00	Break
16h00 – 17h30	Presentations by Working Groups

Wednesday, August 23

09h00 – 10h30	Presentation: Project to stem the flow of ephedrine and pseudoephedrine to the Americas (USA)
10h30 – 10h45	Break
10h45 – 12h00	Conclusions, issues, commitments and recommendations for action by the Expert Group
12h00	Closing

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**Pre-Registration Inspection for Chemical Handlers
Questions Checklist**

Pre-Registration Inspection for Chemical Handlers

Questions Checklist

1. Accuracy and Completeness of Application

- What is the business structure of the firm (e.g. subsidiary, partnership, corporation, etc)?
- What, if any, are the names, addresses, and controlled substance numbers of any related firms?

2. Identification of Responsible Individuals

- What are the names, addresses, dates of birth, and national identification numbers of principle officers, corporate officers, and managers?
- What is the name and job title of the person who has overall responsibility for recordkeeping and security of controlled substances?

3. Interviews

- What type of, and how many, business activities will the firm perform with controlled substances (e.g. distributor, manufacturer)?
- For how many years has the firm been at this location and what geographical scope does it cover?
- For how many years has the firm handled controlled substances at this location?
- To what types of customers are the controlled substances distributed (e.g. pharmacies, hospitals, doctors, etc)?
- What is the percent of sales of controlled substances as compared to the rest of the saleable items?
- How many full-time employees are employed and what type of work do they perform?
- How many part-time employees are employed and what type of work do they perform?

4. Familiarization with Regulatory System

- What is the method of records maintenance (e.g. manual, computer)?
- How and where are official forms filed and maintained?
- How and where are invoices filed, maintained, and organized (e.g. by month, date, customer, etc)?
- When are inventories taken? Are photocopies of prior inventories kept?
- Are lists of customers available, including permit, license, and/or registration numbers (computerized, if available)?
- Are lists of vendors available, including permit, license, and/or registration numbers (computerized, if available)?
- What is the process used by this facility concerning the return and/or disposal of controlled substances by customers, and is a written description of this maintained?

5. Review of Other Relevant Licenses

- Are photocopies of controlled substance registration certificates by all pertinent authorities (e.g. federal and state) readily available?
- Is documentation of any theft or loss of controlled substances for the last year maintained?
- Who may order controlled substances and what is the procedure to do so?
- Is the firm aware of any counterfeit controlled substances handled by the firm, sold to the firm, or attempted to be sold to the firm?
- What is the system for reporting suspicious or excessive purchases? Is documentation for the last six months available?
- Is the firm aware of any diversion of controlled substances taking place? What is the firm's greatest vulnerability for diversion?
- What are the names, addresses, and other relevant information of foreign suppliers, if any?

6. Security

- Are diagrams/blueprints of the firm's structure available? Should illustrate:
 - Location of controlled substances, method of storage (e.g. cages, vaults), and security
 - Security system controls and units (e.g. electrical protection, backup systems, explanation of systems, zones of coverage, types of access, screening for individuals with access, etc), distinguishing between controlled substances and other items
 - Dimensions of building (e.g. office space versus warehouse space)
 - Ingresses and egresses
 - Building construction details (e.g. structural integrity in terms of material type, thickness, strength, etc)
- Miscellaneous
 - What types of employee screening procedures are used?
 - What is the method of delivery for controlled substances?
 - What are the firm's hours of operation, including holidays?
 - What are the after-hour security procedures and who is responsible for responding to security breaches?

Steps to Determine whether a Suspected Diversion, Theft or Loss Occurred

1. Conduct a full inspection and audit of precursor chemicals at the site where diversion is suspected.
2. Interview employees and others at the site.
3. Interview suppliers and customers and obtain records of sales to and from the business under investigation for verification.

Investigative Questions for Suspected Loss or Theft

1. When and where did the theft or loss occur, and under what circumstances (e.g. burglary, armed robbery, loss in transit, employee pilferage, customer theft, etc)?
2. What was stolen or is missing (e.g. controlled substance, quantity, form, related drug paraphernalia such as syringes, etc)?
3. What are the tracking details of the stolen / missing goods (e.g. manufacturer, lot number, expiration date, tracing chip if available)?
4. Did injury or death result, either directly or indirectly?
5. What was the pecuniary cost of the loss or theft?
6. Are there any suspects or leads?
7. How was the theft or loss discovered?
8. Who is the individual responsible for the area in which the theft or loss occurred, and what is his/her contact information?
9. Who are all the individuals that work in the affected area?
10. If there was an alarm system, what type was it? Had it been activated and, if so, was it compromised in furtherance of the theft?
11. Who has access to the building and to the alarm system?
12. Were the police and/or other law enforcement authorities notified and, if so, are they actively investigating the matter?
13. Have any other thefts, losses or diversions occurred in this facility in the last two years and, if so, were there any similarities or patterns (e.g. similar vulnerable points of ingress and/or egress to gain access and conduct the theft)?



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REPORT OF THE
GROUP OF EXPERTS
ON CHEMICAL SUBSTANCES

BUENOS AIRES, ARGENTINA
AUGUST 21-23, 2006

GENERAL SECRETARIAT OF THE ORGANIZATION OF AMERICAN STATES, WASHINGTON, D.C. 20006

***Report of the
Group of Experts
on Chemical Substances***

***Buenos Aires, Argentina
August 21-23, 2006***



BACKGROUND

- **Meeting in Buenos Aires, Argentina (August 21 – 23, 2006)**
- **43 experts**
- **18 Member States**
- **Argentina, Bahamas, Barbados, Bolivia, Brasil, Canadá, Chile, Colombia, Costa Rica, Ecuador, El Salvador, United States, Jamaica, México, Panamá, Dominican Republic, Trinidad y Tobago, and Venezuela**



WORK SESSIONS

- **“Fee for Service” in Control of Chemical Substances.**
- **Synthetic Drugs: a new danger that threatens Americas.**
- **Study of the Yield of Coca Production in Colombia.**
- **Project to stem the flow of ephedrine and pseudoephedrine to the Americas.**



WORKING GROUPS

- **“Fee for Service”**
- **Synthetic Drugs**
- **Review and Update of Model Regulations**
- **Checklist of Questions for Inspectors**



OTHER ISSUES

- **Awareness regarding the issue of chemicals in the production of illicit drugs**
- **Training**
- **Variations in the control of chemicals**
- **Control of chemicals in free trade zones**



PLAN OF ACTION

- **Guide for establishing a “Fee for Service” approach in chemical control (Argentina)**
- **Guide for establishing a national program concerning synthetic drugs (Mexico)**
- **Update CICAD model regulation in chemical control (Executive Secretariat)**



PLAN OF ACTION

- **Information overview on the use of chemicals in the production of illicit drugs (Colombia / Trinidad y Tobago)**
- **Training needs assessment (Argentina / Colombia / Ecuador)**
- **Strategies to address differences in chemical control (Mexico)**
- **Guide for the control of chemicals in free trade zones (Chile)**



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