

**OPENING STATEMENT OF SENATOR CHARLES E. GRASSLEY
SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL
“Drug Trafficking in West Africa”
WEDNESDAY, MAY 16, 2012**

Madam Chairwoman, thank you for holding today's hearing. We've had a number of hearings in the last couple of years and have issued a couple reports on drug trafficking and violence. Whether it's the drug trade in Mexico, Central America, or Afghanistan, the one constant with the illegal drug trade is that, no matter what the region, instability is the breeding ground for drug traffickers.

Instability in governments, judicial systems, police forces, and the military all fuel the drug trade. But, this instability is further compounded by corruption that prevents legitimate institutions from taking hold. Mixed together, instability and corruption creates the perfect environment for criminal organizations, terrorist groups, and drug trafficking organizations to take hold. Unfortunately, this is the current situation across many parts of West Africa.

This vicious cycle is furthered once the drug trade takes hold. We are already witnessing the destabilizing effects large cocaine and heroin shipments have had on West Africa and other regions. So, it's important that we're holding this hearing today to look at the root causes of the instability that has allowed the drug trade to take hold in West Africa.

Drug trafficking organizations are adept at shifting their operations and trafficking routes to the paths of least resistance. As governments in the Western Hemisphere have increased the pressure on traditional transit routes through Central America and Mexico, West Africa has grown from an alternate drug trafficking route to a full-fledged narcotics distribution hub.

The market for illegal narcotics has also shifted over the past decade. The demand for cocaine in the United States has declined significantly—thanks in part to successful interdiction efforts—but use in Europe has doubled and even tripled in some areas. To meet this change in demand, South American traffickers have started moving more cocaine across the Atlantic, and West Africa has proven to be a valuable transshipment point.

Be it container ships, smaller ocean going vessels, modified private aircraft, and even large former commercial aircraft, more and more cocaine is finding its way to West Africa. The current estimate of cocaine flowing through West Africa ranges between 60 and 250 metric tons, with annual profit estimated between \$3 billion and \$14 billion annually. This easily

eclipses the value of the legitimate economies of most West African countries.

Many of these West African nations lack functioning central governments and those that do have a democratic government are considered tenuous at best. As a result, criminal organizations take advantage of corruption and poor centralized government. The traffickers often act unimpeded by governments, and when they are impeded, they simply bribe government and military officials to look the other way while drug shipments move through their countries.

The lucrative drug trade operating in some of the poorest countries in the world has led to increased violence and destabilization in the entire region. The recent situation in Guinea Bissau is a prime example of drug how trafficking erodes the very fabric of a society.

Guinea-Bissau is considered one of the poorest countries in the world, and is a primary transshipment point for drugs moving between South America and Europe. Military and law enforcement officials are purportedly deeply involved in the drug trade, so traffickers move with impunity throughout the country. This is the type of failed state that breeds regional instability.

Now, some may question why officials in the United States would be concerned about the impact of drug trafficking in West Africa. But, as we have learned since the tragic events of 9/11, failed states can become a breeding ground for more than just drug crime. The huge profits generated from the West African drug trade aren't just lining the pockets of drug traffickers. Known terrorist organizations, with deep seeded hatred of the United States, use profits from drug sales to support their networks and training camps around the world.

For example, in February of 2011, the Department of Treasury, working with the DEA, listed the Lebanese Canadian Bank, along with its subsidiaries, as a financial institution of concern for money laundering. This investigation uncovered a complex scheme that moved illegal drugs from South America to Europe and the Middle East via West Africa. In turn, the illicit proceeds were routed through the bank in Lebanon, to Canada, and facilitated trade based money laundering schemes such as purchasing used cars in the United States transferred to West Africa. But, the scheme did not stop there.

Treasury found complex links between the bank and drug traffickers to the Middle Eastern terrorist organization Hezbollah. Treasury and DEA were able to also link individuals in Iran to this criminal money laundering and

drug smuggling network. So, while the roots of the drug trade may seem like a small regional issue, the global impact of the drug trade via links to organized crime and terrorist organizations cannot be ignored.

Another area of concern that links West Africa to our past work is the involvement of Venezuela. We have previously heard at hearings and briefings about the use of Venezuela as a transshipment point for cocaine destined for Central America and the Caribbean. There are even allegations that the current defense minister of Venezuela is involved in drug trafficking. So, I'm interested in the links between Venezuela and West Africa as it seems to be a repeat offender in fueling the drug trade.

In fact, Venezuela is becoming such a repeat offender at all our hearings we ought to hold a hearing on Venezuela's role in facilitating global drug trafficking. If we look for common links between different regions, we'll keep coming up with Venezuela. So, we should hold a hearing specific to the problem posed by Venezuela.

More importantly, we can't ignore the growing links between Hezbollah, Iran, and Venezuela. For example, following his 2010 arrest in Colombia, Venezuelan drug kingpin Walid Makled was asked if Hezbollah is operating in Venezuela. He replied, "...they [Hezbollah] work in Venezuela...and all of that money they send to the Middle East."

While this hearing is focused on West Africa, we can't ignore the fact that terrorist organizations are operating all over the continent and that the drug trade is expanding. In addition to the cocaine moving to Europe, there is increased evidence of Africa operating as a transshipment point for Central Asian heroin coming from Afghanistan. Given the links to the Taliban and the drug trade in Afghanistan, it is imperative that we get a better understanding of the regional influences terrorist organizations such as Al Qaeda in the Islamic Maghreb (AQIM) in North Africa, al Shabaab in East Africa, and Al Qaeda in the Arab Peninsula (AQAP) have and their role in the drug trade.

We must gain a better understanding of the drug trade in Africa so that we can work constructively to address the root causes of instability that have let the drug trade flourish. Thank you.