

PERIODIC REPORT ON THE NATIONAL EMERGENCY  
WITH RESPECT TO SIGNIFICANT NARCOTICS TRAF-  
FICKERS CENTERED IN COLUMBIA

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

A 6-MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY  
WITH RESPECT TO SIGNIFICANT NARCOTICS TRAFFICKERS CEN-  
TERED IN COLUMBIA DECLARED IN EXECUTIVE ORDER 12978  
OF OCTOBER 21, 1995, PURSUANT TO 50 U.S.C. 1641(c) AND 50  
U.S.C. 1703(c)



APRIL 29, 2003.—Referred to the Committee on International Relations  
and ordered to be printed

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THE WHITE HOUSE,  
*Washington, April 15, 2003.*

Hon. J. DENNIS HASTERT,  
*Speaker of the House of Representatives,*  
*Washington, DC.*

DEAR MR. SPEAKER: As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report prepared by my Administration on the national emergency with respect to significant narcotics traffickers centered in Colombia declared in Executive Order 12978 of October 21, 1995.

Sincerely,

GEORGE W. BUSH.



REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO  
SIGNIFICANT NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA

This report to the Congress covers developments from October 21, 2002 to April 20, 2003 concerning the national emergency with respect to significant narcotics traffickers centered in Colombia that was declared in Executive Order 12978 of October 21, 1995. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c). Sanctions imposed against specifically designated narcotics traffickers (SDNT) centered in Colombia pursuant to Executive Order 12978 are separate from, and independent of, sanctions imposed pursuant to the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901–1908; 8 U.S.C. 1182).

1. During this reporting period, the Department of the Treasury's Office of Foreign Assets Control (OFAC), in consultation with the Departments of Justice and State, carried out three major SDNT actions. The first occurred on October 25, 2002, when OFAC designated two North Valle drug cartel leaders as SDNT principal individuals. OFAC also added 13 businesses and 21 associated individuals in Colombia that were determined to be acting as fronts for the two newly designated North Valle cartel leaders or for another previously designated North Valle cartel leader. The second action occurred on February 6, 2003, when OFAC designated 59 businesses and 78 individuals in Spain and Colombia as fronts for the Cali cartel. Third, on March 21, 2003, OFAC designated another nine businesses and eight individuals as fronts for the Cali cartel. Persons or entities with whom financial and business dealings are prohibited and whose assets are blocked under Executive Order 12978 now total 749, comprised of twelve principals, 303 entities, and 434 individuals from Colombia's Cali, North Valle, and North Coast drug cartels. The narcotics trafficking sanctions continue to have a significant adverse impact on the operation of these cartels. The SDNT list will continue to be expanded to include additional Colombian drug trafficking organizations and their fronts, as appropriate.

2. As of February 24, 2003, OFAC had issued seven licenses during the current reporting period. four licenses authorized the payment/receipt of legal fees and costs in connection with the provision of legal services, one license authorized certain administrative transactions, while the other two licenses authorized the release of blocked funds following a determination that there was no property interest of an SDNT involved.

3. During this reporting period, as of February 20, 2003, U.S. banks have blocked more than 1,000 financial transactions and additional accounts involving SDNT-related assets, totaling \$1.1 million. OFAC has continued to disseminate and update details of this

program to the financial, securities, and international trade communities by both electronic and conventional media. This included close to 20,000 emails to Listserv subscribers to OFAC's website and bulletins to banking institutions via the Federal Reserve System and the Clearing House Interbank Payments System. The same material was also provided to the U.S. Embassy in Bogota for distribution to U.S. companies operating in Colombia.

4. The expenses incurred by the Federal Government in the 6-month period from October 21, 2002 through April 20, 2003, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to SDNTs are estimated at approximately \$750,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, and the Office of the General Counsel), the Department of Justice, and the Department of State. These data do not reflect certain costs of operations by the intelligence and law enforcement communities.

5. Executive Order 12978 provides the United States with an effective tool for combating the actions of significant narcotics traffickers centered in Colombia and the extreme level of violence, corruption, and harm that such actions cause in the United States and abroad. The magnitude and the dimension of the narcotics trafficking in Colombia, perhaps the most pivotal country of all in terms of the world's cocaine trade, are extremely grave.