



Los Angeles

High Intensity Drug Trafficking Area Drug Market Analysis

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U.S. Department of Justice

Preface

This assessment provides a strategic overview of the illicit drug situation in the Los Angeles High Intensity Drug Trafficking Area (HIDTA), highlighting significant trends and law enforcement concerns related to the trafficking and abuse of illicit drugs. The report was prepared through detailed analysis of recent law enforcement

reporting, information obtained through interviews with law enforcement and public health officials, and available statistical data. The report is designed to provide policymakers, resource planners, and law enforcement officials with a focused discussion of key drug issues and developments facing the Los Angeles HIDTA region.



Figure 1. Los Angeles High Intensity Drug Trafficking Area.

This assessment is an outgrowth of a partnership between the NDIC and HIDTA Program for preparation of annual assessments depicting drug trafficking trends and developments in HIDTA Program areas. The report has been vetted with the HIDTA, is limited in scope to HIDTA jurisdictional boundaries, and draws upon a wide variety of sources within those boundaries.

Strategic Drug Threat Developments

- The Los Angeles HIDTA region is the most significant illicit drug distribution center in the United States—Los Angeles is the only U.S. city that serves as a national-level drug distribution center for all four major drugs of abuse—cocaine, heroin, marijuana, and methamphetamine, as well as for the distribution of MDMA (3,4-methylenedioxymethamphetamine also known as ecstasy) and PCP (phencyclidine).
- Mexican drug trafficking organizations (DTOs) and criminal groups based in the Los Angeles HIDTA region are increasing their control over illicit drug distribution in many drug markets, most recently in East Coast drug markets that have long been controlled by other trafficking groups, which further enhances the Los Angeles HIDTA's role as a national-level drug distribution center.
- The Los Angeles HIDTA region is a national-level source area for domestically produced methamphetamine. Although production levels have been declining, quantities sufficient for national-level distribution continue to be produced in the region. Despite decreased production levels, law enforcement officials in the Los Angeles HIDTA region continue to spend a significant and increasing amount of public funds yearly on remediation of methamphetamine production sites. Mexican methamphetamine producers are producing more methamphetamine with greater frequency at each site than they had in the past, and these producers take extreme precautions to avoid apprehension, including setting laboratories on fire and burying methamphetamine production wastes.
- Several East Coast-based Jamaican DTOs and criminal groups have formed alliances with Mexican DTOs in the Los Angeles HIDTA region to purchase wholesale quantities of

marijuana for distribution in northeastern and southeastern drug markets.

- Los Angeles-based street gangs have increased the distribution of illicit drugs to markets throughout the country, an increase that is made possible by the alliances many have formed with Mexican DTOs and criminal groups. The spread of some Los Angeles street gangs into other cities has expanded the gangs' criminal influence and drug distribution networks across the country.

HIDTA Overview

The Los Angeles HIDTA region encompasses the counties of Los Angeles, Orange, Riverside, and San Bernardino and has over 16.8 million residents¹ in over 32,000 square miles of territory. The region is one of the nation's principal illicit drug production and distribution centers, primarily because of its proximity to the California–Mexico border, sizable Mexican population, elaborate multimodal transportation infrastructure, and expansive rural areas. Orange and Riverside Counties—to the two HIDTA

Drug Trafficking Organizations, Criminal Groups, and Gangs

Drug trafficking organizations are complex organizations with highly defined command-and-control structures that produce, transport, and/or distribute large quantities of one or more illicit drugs.

Criminal groups operating in the United States are numerous and range from small to moderately sized, loosely knit groups that distribute one or more drugs at the midlevel and retail level.

Gangs are defined by the National Alliance of Gang Investigators Associations as groups or associations of three or more persons with a common identifying sign, symbol, or name, the members of which individually or collectively engage in criminal activity that creates an atmosphere of fear and intimidation.

1. U.S. Census estimates indicate that approximately 47 percent of all California residents resided in the Los Angeles High Intensity Drug Trafficking Area (HIDTA) region as of July 1, 2005, the date from which most recent data are available.

counties closest to the California–Mexico border—are located less than 90 miles from the border. The HIDTA region also has one of the largest Hispanic (primarily Mexican) populations in the United States, a situation that enables Mexican DTOs and criminal groups to mask large-scale drug smuggling operations. The region’s well-developed transportation infrastructure—which includes major interstate highways (Interstates 5, 10, 15, and 40), one of the largest maritime port complexes in the world, several international airports, and interstate bus and rail services—facilitates the movement of licit and illicit goods between the HIDTA region and foreign source areas, particularly Mexico. The infrastructure also facilitates the movement of illicit drug shipments from the HIDTA region to drug markets throughout the rest of the country, including Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; Miami, Florida; New York, New York; Phoenix, Arizona; and Seattle, Washington. Additionally, the remote, sparsely populated areas in the Los Angeles HIDTA region are often exploited by traffickers to produce illicit drugs, particularly methamphetamine and marijuana. Local methamphetamine production often occurs in National Forests—Angeles, Cleveland, and San Bernardino—that are located in or near the HIDTA region. (See Figure 1 on page 1.) Moreover, the climate of the HIDTA region is conducive to robust outdoor cannabis cultivation.

Mexican DTOs and criminal groups are expanding their influence in the Los Angeles HIDTA region and throughout the United States; regional command-and-control cells of these DTOs have increased their distribution operations of illicit drugs from the HIDTA region. They have gained significant control of illicit drug distribution in major markets, most recently in the eastern United States. For example, Mexican DTOs and criminal groups have supplanted many Colombian DTOs and criminal groups. These Mexican traffickers had smuggled illicit drugs such as cocaine into East Coast drug markets (Miami and New York City), often with the cooperation of Colombian traffickers. During this transition, Mexican DTOs and criminal groups have continued to redi-

rect smuggling operations from South America to the East Coast using well-established routes they have relied on across the U.S.–Mexico border. This heightened level of drug smuggling activity across the U.S.–Mexico border has enhanced the threat posed to many border areas, particularly the Los Angeles HIDTA region, which serves as a base of operations for a significant number of Mexican DTOs that arrange drug smuggling activities from Mexico to various U.S. destinations.

Drug Threat Overview

Significant quantities of marijuana, cocaine, methamphetamine, PCP, Mexican black tar heroin, and MDMA are readily available and abused in the Los Angeles HIDTA region. In fiscal year (FY) 2006, officers assigned to HIDTA task force initiatives seized more marijuana (30,431 kg) than any other illicit drug; they also seized significant quantities of cocaine, methamphetamine, PCP, heroin, and MDMA. (See Table 1 on page 4.) The amounts of powder and crack cocaine, heroin, ice methamphetamine, PCP, and MDMA reported seized in FY2006 were higher than the amount of each of these illicit drugs seized in FY2005. The amounts of marijuana and powder methamphetamine seized in FY2006 were lower than the amounts seized in FY2005. The amount of marijuana reported seized in 2005 was significantly higher than the amount seized in 2006, primarily because of several large seizures on National Forest lands in 2005.

Mexican DTOs and criminal groups—most of which are polydrug in nature—are the dominant drug traffickers in the Los Angeles HIDTA region. Most of the 251 drug trafficking groups that were identified by law enforcement officials conducting investigations in support of Los Angeles HIDTA initiatives in FY2006 were Mexican (198) or Mexican American (19). Of the 251 drug trafficking groups, 121 operated internationally; 71 were multistate; and 59 were local traffickers. In addition, more groups (131) distributed cocaine than any other illicit drug in FY2006; over 100 metric tons of cocaine transits the Los Angeles HIDTA region for local and national distribution and abuse each year. Law

Table 1. Amounts of Illicit Drugs Seized in the Los Angeles HIDTA Region in Kilograms, FY2004–FY2006

Drug Type	2004	2005	2006
Marijuana	36,294	72,191	30,431
Cocaine	2,920	4,062	4,461
Powder	NA	4,024	4,310
Crack	NA	38	151
Methamphetamine	2,536	2,236	733
Powder	NA	1,943	257
Ice	NA	286	447
PCP	NA	23	314
Heroin	36	15	83
MDMA	25	46	144

Source: Los Angeles High Intensity Drug Trafficking Area Performance Management Process Database.

NA-not available

enforcement officials also identified 126 drug trafficking groups that distributed methamphetamine, primarily ice methamphetamine,² the most abused illicit drug in the region after marijuana. Mexican DTOs and criminal groups have relocated many of their methamphetamine production sites from the Los Angeles HIDTA region to Mexico, the result of successful precursor chemical control legislation, law enforcement pressure, and public awareness campaigns. Much of the methamphetamine available in the region is now smuggled from Mexico. Nonetheless, quantities sufficient for national-level distribution also continue to be produced in the HIDTA region.

The distribution and abuse of other illicit drugs also are problematic in the HIDTA region. Mexican black tar heroin is the primary type of heroin available and abused; however, Colombian DTOs and criminal groups continue to distribute increasing quantities of South American heroin in the region. Although law enforcement officials in the Los Angeles HIDTA region identified only 49 drug trafficking groups that distributed marijuana in FY2006, the number of marijuana traffickers is quite likely

much higher, since marijuana is the most widely available and frequently abused illicit drug. In addition, both the demand for high-potency marijuana by more affluent individuals and the production of higher potency marijuana in the region continue to increase. Seven of the 251 drug trafficking groups identified in the region reportedly distributed PCP in FY2006. (See Table 1.) MDMA, which was distributed by four identified drug trafficking groups in the HIDTA region in FY2006, poses a much lower threat to the HIDTA region than do other illicit drugs.

Drug Trafficking Organizations

Mexican DTOs use the Los Angeles HIDTA region as a base of operations for national-level drug trafficking and money laundering activities. They have established a highly sophisticated smuggling infrastructure consisting of compartmentalization of duties; alliances with other DTOs, criminal groups, and gangs; and nationwide networks. They rely on established smuggling routes and adapt their smuggling methods to maximize the flow of illicit drugs into and through the Los Angeles HIDTA

2. Ice methamphetamine refers to methamphetamine that has been crystallized from powder methamphetamine.

region and the return of drug proceeds in the reverse direction. Many of these Mexican DTOs are family-based organizations; they protect their operations by employing relatives and friends living on both sides of the border, making it difficult for law enforcement agencies to penetrate them. Mexican DTOs also establish operational cells in drug markets across the country to facilitate national-level distribution; these cells often are managed by Mexican DTOs based in the Los Angeles HIDTA region. For example, the leader of a Mexican DTO or criminal group cell in the Northeast may contact the leader of an affiliated cell in the Los Angeles HIDTA region to ensure that cocaine shipments are smuggled from Mexico to the appropriate Northeast destination and that the drug proceeds were transported in the reverse direction. Some DTOs also exploit the region's large Mexican illegal alien population, a population they maliciously view as plentiful and "disposable," by hiring those individuals to engage in the more risky aspects of illicit drug trafficking, including transporting illicit drugs or tending cannabis grow sites. If illegal aliens who work for these Mexican DTOs are apprehended, the DTO easily replaces each individual at virtually no cost to the organization.

Street gangs, prison gangs, and outlaw motorcycle gangs (OMGs) are significant drug traffickers in the Los Angeles HIDTA region as well. Los Angeles has the largest gang population in the United States, a significant portion of which distributes illicit drugs. Many of these gangs increasingly work with Mexican DTOs and criminal groups to purchase wholesale quantities of illicit drugs for retail and midlevel distribution in the HIDTA region. Street gangs such as Mara Salvatrucha (MS 13), 18th Street, West Side, and Bloods and Crips sets,³ and some OMGs distribute illicit drugs to markets located in other parts of the country, primarily to their counterparts in the markets. However, others—particularly those with direct ties to Mexican DTOs and criminal—also distribute significant quantities of illicit drugs to

other DTOs, criminal groups, or independents in foreign markets, most likely to capitalize on the higher profits that can be made in those markets.

Street Gangs, Prison Gangs, and Outlaw Motorcycle Gangs in the Los Angeles HIDTA Region

Street Gangs: There are over 3,400 active street gangs with over 140,000 members in the Los Angeles HIDTA region; approximately 80,000 members distribute illicit drugs in Los Angeles County alone. Most are formed along ethnic lines, predominantly Hispanic, African American, and Asian. They are most prevalent in metropolitan areas and typically distribute illicit drugs within designated territories such as 5th and San Julian or MacArthur Park.

Prison Gangs: There are more than 1,000 active prison gang members in the Los Angeles HIDTA region. The Mexican Mafia (La Eme)—the largest prison gang operating in the HIDTA region—is one of the most influential drug trafficking gangs in the region. This gang controls much of the Hispanic prison population as well as Hispanic street gang activities in metropolitan areas within the HIDTA region.^a

OMGs: There are numerous active OMGs in the Los Angeles HIDTA region. The most prominent OMGs include Diablos, Hells Angels Motorcycle Club, Mongols, and Vagos. Members of some of these OMGs have formed associations with prison and street gangs to facilitate drug trafficking activities.

Source: California Department of Justice Criminal Intelligence Bureau; Los Angeles Sheriff's Department; Los Angeles Police Department.

a. Mexican Mafia control originated in the California Department of Corrections in the 1970s by members of several southern California Hispanic streets gangs who wanted to protect themselves from Hispanic gang members from northern California. The southern California gang members—initially referred to as Southsiders and later as Sureños—aligned themselves with the Mexican Mafia prison gang, while northern California street gang members—referred to as Northsiders and later as Norteños—aligned themselves with the Nuestra Familia prison gang. Hispanic street gang members entering the California prison system were required by the Mexican Mafia and Nuestra Familia prison gangs to set aside their street gang names, affiliations, and rivalries and represent themselves as either Sureños or Norteños members, a practice that is still followed today.

3. Bloods and Crips are not specific gangs but are associations of gangs that share a common gang culture. Each gang that is a part of the association is known as a set.

Street gangs also dominate retail distribution of most illicit drugs in the HIDTA region. Prison gangs control much of the drug distribution within prisons; they also collect money from some street gangs, primarily Hispanic gangs, as a fee or tax for their right to distribute drugs in specific areas. (See [text box on page 5.](#)) Members of some OMGs distribute illicit drugs in the HIDTA region, but on a much smaller scale than prison or street gangs.

African American, Caucasian, Colombian, El Salvadoran, Canadian, Chinese, Jamaican, Vietnamese, and other Asian criminal groups and independent dealers also transport and distribute illicit drugs in the Los Angeles HIDTA region, but the nature and scope of their trafficking operations are relatively minor in comparison with the operations of Mexican DTOs and, to a lesser extent, street gangs, prison gangs, and OMGs.

Production

Most of the methamphetamine available in the Los Angeles HIDTA region is produced in Jalisco, Sonora, and Sinaloa, Mexico, and is smuggled across the California–Mexico border for local and national distribution. However, local powder methamphetamine production and ice conversion at both large-scale and small-scale laboratories, although decreasing, continue to be more problematic than in most other areas of the country. The number of powder methamphetamine laboratory seizures in the HIDTA region decreased annually from 2002 to 2006 (see [Table 2 on page 7](#))—the result of increased precursor chemical control regulations, successful law enforcement efforts, and public awareness campaigns. Likewise, the number of superlabs and major laboratories⁴ combined decreased dramatically from 2002 to 2006. (See [Table 3 on page 7.](#)) Despite these decreases, the

Methamphetamine Producers in the Los Angeles HIDTA Region

Mexican DTOs and criminal groups produce methamphetamine at superlabs and major laboratories in remote areas of the Los Angeles HIDTA region, particularly in Riverside, Los Angeles, and San Bernardino Counties; they also are significant sources for methamphetamine distributed in the U.S. Pacific, Southwest, Midwest, and Southeast Regions as well as in the Pacific Rim nations.^a These Mexican DTOs and criminal groups typically are not the same DTOs and criminal groups that produce the drug in Mexico; however, the leaders of some of the groups that produce methamphetamine in Mexico frequently reside in and direct their laboratory operations from the Los Angeles HIDTA region. In reaction to recent precursor chemical control legislation and enhanced law enforcement efforts, many methamphetamine producers no longer share information with their counterparts, such as where and when they plan to cook methamphetamine at a major laboratory. Instead, these producers may only provide a location by presenting a map of an address in San Bernardino, for example, and wait until the last moment to inform their counterparts of when the drug is ready to be picked up or delivered, primarily to avoid law enforcement interdiction. Others create elaborate underground laboratories in suburban locations to produce the drug. Regardless of the production method, Mexican DTOs rarely stockpile the drug; it is produced, often only partially, and then transported to another destination for further processing and/or distribution.

Caucasian and Hispanic criminal groups and independent producers and, to a lesser extent, Asian criminal groups, are the principal small-scale methamphetamine producers in the HIDTA region; they typically produce limited quantities of methamphetamine (less than 1 pound per production cycle).

a. The Pacific Rim includes nations that border the Pacific Ocean; it extends from North and South America to Asia and Oceania.

4. Superlabs are capable of producing 10 or more pounds of methamphetamine per production cycle; major laboratories are capable of producing 2 to 9 pounds per production cycle; and small-scale laboratories are capable of producing less than 2 pounds per production cycle.

quantities of both powder and ice methamphetamine produced in the HIDTA region continue to be sufficient for national-level distribution and abuse. Moreover, law enforcement officials seized more superlabs and major laboratories in California in 2006 than in any other state (20 of the 52 superlabs and major laboratories seized in the United States); one-half of the superlabs (5 of the 10) and one-fifth of the major laboratories (2 of the 10) seized in California during 2006 were seized in the Los Angeles HIDTA region. Additionally, most of the ice conversion laboratories seized in the United States from 2002 through 2006 were located in California; over 21 percent (9 of the 41 laboratories) were seized in the Los Angeles HIDTA region.

Table 2. Number of Powder Methamphetamine Laboratory Seizures in the Los Angeles HIDTA Region, 2002–2006

	2002	2003	2004	2005	2006
Superlabs	57	55	27	10	2
Major Laboratories	74	43	43	8	5
Small-Scale Laboratories	476	372	147	94	71
All Laboratories	607	470	217	112	78

Source: National Seizure System (as of 5/2/07).

Table 3. Number of Major and Super Powder Methamphetamine and Ice Conversion Laboratory Seizures in the Los Angeles HIDTA Region, by County, 2002–2006

	2002		2003		2004		2005		2006		2002-2006	
	Major	Super	Major	Super	Major	Super	Major	Super	Major	Super	Major	Super
Los Angeles												
Powder	34	22	20	24	5	13	4	5	3	4	66	68
Ice Conversion	0	0	0	0	3	0	1	2	0	0	4	2
Orange												
Powder	6	7	2	8	3	1	0	3	1	0	12	19
Ice Conversion	0	0	0	0	2	0	0	0	0	1	2	1
Riverside												
Powder	13	14	8	10	16	7	3	0	1	1	41	32
Ice Conversion	0	0	0	0	0	0	0	0	0	0	0	0
San Bernardino												
Powder	21	14	13	12	19	6	2	2	0	0	55	34
Ice Conversion	1	0	0	0	1	0	1	0	0	0	3	0
Total Laboratory Seizures in Los Angeles HIDTA Region	132		92		76		23		11		339	
Powder	74	57	43	54	43	27	9	10	5	5	174	153
Ice Conversion	1	0	0	0	6	0	2	2	0	1	9	3

Source: National Seizure System, as of 5/2/07.

Methamphetamine producers in the HIDTA region have recognized that laboratory waste materials are valuable evidence to law enforcement officers attempting to identify laboratory operators and sites. For example, dumpsite wastes may contain evidence such as suspects' fingerprints or information as to where the chemicals were produced. As a result, laboratory operators in the Los Angeles HIDTA region increasingly set fire to laboratory dumpsites before abandoning the sites or use machinery to bury waste materials on the property around the laboratory site as the waste is produced. Such practices result in tremendous environmental damage and significant cleanup costs. According to the California Department of Toxic Substance Control, methamphetamine laboratory cleanup costs in the four Los Angeles HIDTA counties alone reached \$317,650 in 2006 and accounted for nearly one-third (31%) of the \$1,011,129 spent in the 58 California counties combined that year.

Most of the marijuana available in the Los Angeles HIDTA region is produced locally by

Mexican DTOs and criminal groups at indoor (including hydroponic) and outdoor grow sites; some of this marijuana is of a higher potency than in the past.⁵ Law enforcement officials seized a total of 391,284 cannabis plants from indoor and outdoor grow sites in the Los Angeles HIDTA region in 2006, a significant increase from the 167,279 plants similarly reported seized in 2005.⁶ Indoor cultivation usually occurs in private residences throughout the HIDTA region, while outdoor cultivation frequently occurs on federal public lands in Riverside, San Bernardino, and Los Angeles Counties,⁷ respectively. The largest outdoor cannabis cultivation plots often are manned by Mexican DTOs and criminal groups in the San Bernardino, Cleveland, and Angeles National Forests. (See Figure 2 on page 9.) In addition, Mexican DTOs and criminal groups that once produced marijuana with average THC (delta-9-tetrahydrocannabinol) levels of 2 or 3 percent now produce marijuana with THC levels of 15 to 20 percent. Much of this change is due to an increasing demand for high-grade marijuana in the Los Angeles HIDTA region

“Dirt Barons” and “Tinkle Tweakers”

Methamphetamine abusers in the Los Angeles HIDTA region often obtain their supplies through desperate measures. Some abusers visit superlab dumpsites to harvest buckets of contaminated dirt or collect urine excreted by other methamphetamine abusers, which is then processed for further use. “Dirt barons,” who often learn of superlab dumpsites through word of mouth, visit these sites to collect toxic soil, which they then take to their residence or other locations to process. They extract methamphetamine through a simple process that involves the use of chemical solvents and lye. A 5-gallon bucket of contaminated soil can yield 1 to 2 grams of methamphetamine. “Tinkle tweakers,” as the name implies, are methamphetamine abusers who commonly deposit urine and other bodily fluids into large buckets. Once filled, the buckets containing bodily fluid are processed similarly to the methamphetamine that is processed by dirt barons; abusers add a base such as lye, acetone, or paint thinner and then filter and separate liquid stages and gases to complete the methamphetamine crystallization process. Every 2 gallons of bodily fluids collected in this fashion can yield a gram of methamphetamine.^a Although the purity levels of methamphetamine obtained through either means are relatively low, the methamphetamine is potent enough for personal use.

Source: Inland Narcotics Clearing House.

a. Since body fluids are considered biohazards, the threat posed by the “tinkle tweakers” to children, others living in a residence where such biohazards are stored, or law enforcement officials investigating a site, is enhanced.

5. Additional quantities of marijuana available in the region are produced in the Mexican states of Guerrero, Michoacán, Nayarit, Oaxaca, and Zacatecas.

6. Most of the cannabis plants reported seized in the HIDTA region in 2005 and 2006 were seized outdoors.

7. Seizure statistics indicate that cannabis typically is not cultivated in Orange County.

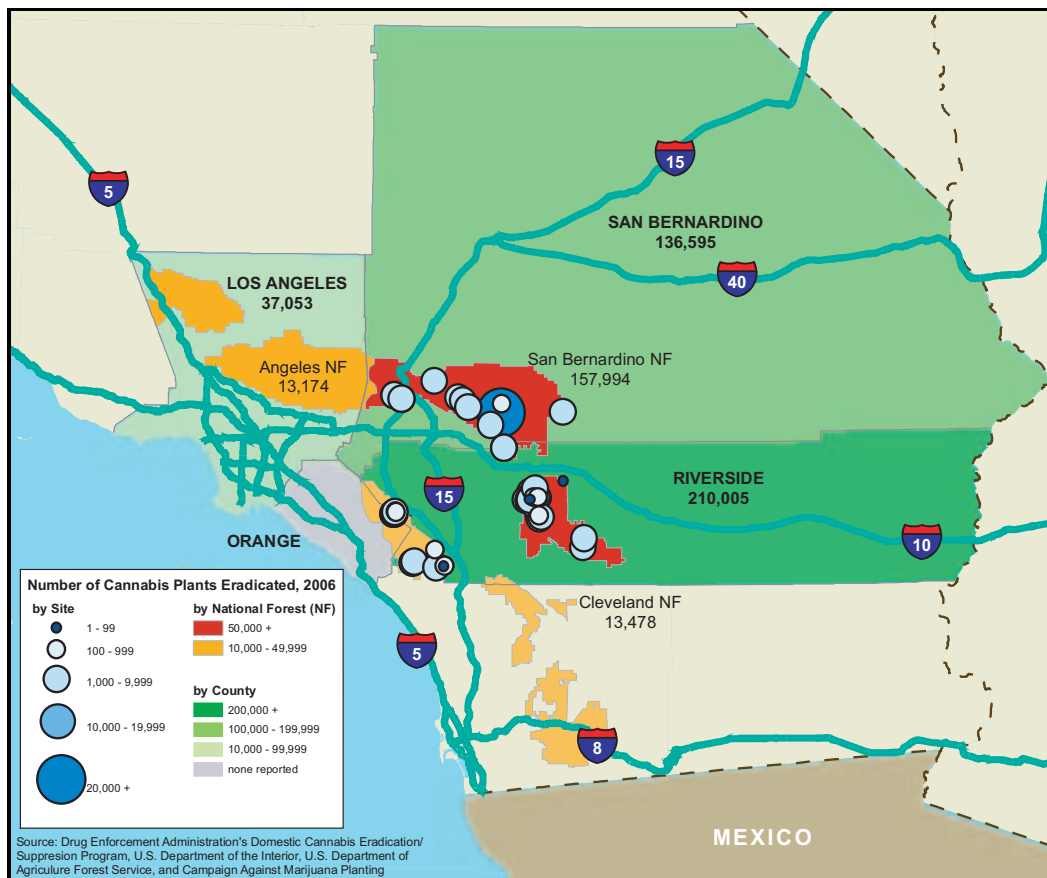


Figure 2. Cannabis eradication in the Los Angeles HIDTA region, 2006.

and in drug markets supplied by the traffickers as well as the increased profit margins associated with high-potency marijuana. Additionally, many of the Mexican DTOs and criminal groups that cultivate cannabis also produce methamphetamine, usually during the off-season for cannabis cultivation.

African American criminal groups and street gangs in the Los Angeles HIDTA region—particularly those in the Los Angeles, Compton, and North Long Beach areas of Los Angeles County and in the high desert areas of San Bernardino County—produce PCP for local, regional, and national-level distribution; these traffickers are the principal PCP producers in the HIDTA region and in the United States. Despite significant seizures of PCP during 2006 (314 kg), PCP production in the region is reportedly decreasing. National Seizure System data indicates that PCP production in the

region trended downward from 6 laboratories seizures in 2004 to 0 laboratory seizures in 2006. Such a decrease could impact PCP availability in the HIDTA region as well as throughout the rest of the country, since the HIDTA region is the nation's leading location for PCP production.

Transportation

Mexican DTOs exercise substantial control over the smuggling of marijuana, cocaine, methamphetamine, Mexican black tar heroin, and other drugs (see text box on page 10) across the California–Mexico border and into the Los Angeles HIDTA region, and pose formidable challenges for law enforcement officers. According to law enforcement and intelligence reporting, relatively few traffickers smuggle illicit drugs through plazas⁸ along the California–Mexico border without the Mexican DTOs' knowledge, approval, and financial

8. A plaza is a geographic area in which drug smuggling is controlled by a drug trafficking organization (DTO).

Fentanyl Smuggled Through the Los Angeles HIDTA Region

In November 2006 the Riverside County Sheriff’s Department seized approximately 2 kilograms of fentanyl, a Schedule II synthetic opiate that was produced in Colima, Mexico, and was being smuggled through the Los Angeles HIDTA region for distribution outside the region. Fentanyl has become a significant problem in many U.S. locations, primarily because ingesting a small amount (half a milligram) could be fatal; however, the drug does not currently pose a significant problem in the Los Angeles HIDTA region. Nonetheless, this seizure suggests that DTOs are smuggling the drug from Mexico through the HIDTA region for distribution outside the region and, possibly, within the Los Angeles area.

Source: Inland Narcotics Clearing House.

remuneration. Mexican DTOs and criminal groups as well as various other traffickers (Colombian, Jamaican, Asian, Israeli, Russian, Caucasian, and African American) transport illicit drugs to and through the HIDTA region on numerous roadways, including Interstates 5 and 15. These roadways connect the HIDTA region directly to POEs along the California–Mexico (see Figure 3) and the U.S.–Canada borders as well as to other U.S. source areas. For example, Asian and Caucasian criminal groups and independent dealers transport MDMA and high-potency Canadian marijuana into the Los Angeles HIDTA region overland in private vehicles from northern California, the Pacific Northwest, and Canada. In addition, some drug transporters, including some in Europe and Asia, smuggle illicit drugs through the international air and maritime ports situated in or near the Los Angeles HIDTA region, which further augments the HIDTA’s role as an illicit drug transportation center. Some of the



Figure 3. Los Angeles HIDTA transportation infrastructure.

drugs produced in or smuggled to the HIDTA region are transported to other U.S. destinations. For example, Mexican DTOs and criminal groups smuggle illicit drugs to the HIDTA region overland from Mexico for local distribution and transship additional quantities through the HIDTA region for distribution in various Pacific, Northwest, Southwest, and Midwest cities. These groups also are transporting illicit drugs from Mexico through Arizona and other Southwest Border areas for distribution in the Los Angeles HIDTA region and in drug markets supplied by traffickers in the Los Angeles HIDTA region.

Distribution

The Los Angeles HIDTA region is the most significant illicit drug distribution center in the United States—Los Angeles is the only U.S. city that serves as a national-level drug distribution center for all four major drugs of abuse—cocaine, heroin, marijuana, and methamphetamine—as well as for the distribution of MDMA and PCP. Mexican DTOs and criminal groups are the primary wholesale distributors of illicit drugs in the Los Angeles HIDTA region. They supply illicit drugs to distributors within the region and to distributors in significant drug markets in the country, including markets in Atlanta, Chicago, Denver, Miami, New York City, and Seattle, and their influence continues to broaden. Additionally, law enforcement and intelligence reporting indicates that Mexican DTOs and criminal groups continue to contract with Colombian DTOs to transport and distribute cocaine on behalf of the Colombian DTOs and continue to purchase cocaine outright from Colombian DTOs to distribute on their own behalf.

Mexican DTOs use familial ties and long-established relationships to maintain control over distribution groups in and around the Los Angeles HIDTA region. Mexican DTOs supply wholesale quantities of methamphetamine, cocaine, Mexican black tar heroin, and marijuana to various street gangs, OMGs, prison gangs, criminal groups, and local independent dealers in the region for further

distribution. (See Table 4 on page 12.) Most drug shipments from Mexico that enter the Los Angeles HIDTA region are intended for immediate distribution to these organizations. When large quantities of illicit drugs cannot be immediately distributed in the region, shipments are often stashed in houses, apartments, and other secured locations in Mexico or in other areas outside the HIDTA region, such as Arizona.

Street gangs, OMGs, prison gangs, criminal groups, and local independent dealers that purchase illicit drugs from Mexican DTOs and criminal groups distribute the drugs in and outside the HIDTA region. They typically distribute smaller quantities than Mexican DTOs and criminal groups do and often specialize in the distribution of one or two types of illicit drugs at a time. An expansion of street gang distribution operations from Los Angeles into cities such as Seattle, Chicago, and New York—where the profit potential can often be significantly greater—has facilitated an increase in the street gang population within the HIDTA region.

Street Gangs in the Los Angeles HIDTA Region

Street gang members, including those from the 18th Street, Avenues, Asian Boys, Bloods sets, and Crips sets, distribute midlevel quantities of heroin, methamphetamine, cocaine, and PCP to smaller street gangs and independent dealers in and outside the Los Angeles HIDTA region. Most of their drug transactions take place in major metropolitan areas such as Anaheim or Santa Ana; when drug transactions are conducted outside the HIDTA region, gang members and independent dealers from those areas often travel to the Los Angeles HIDTA region to purchase illicit drugs and return home to distribute the drugs. According to gang officials, drug distribution is the primary income for many gangs in the Los Angeles HIDTA region.

Source: Los Angeles High Intensity Drug Trafficking Area (HIDTA); Los Angeles Regional Gang Information Network.

Table 4. Drugs Distributed by Wholesale-Level Distributors in the Los Angeles HIDTA Region

Distributors	Drug Distributed
Mexican DTOs and criminal groups	Powder cocaine, Mexican black tar and South American heroin, marijuana, and ice methamphetamine
Colombian DTOs	South American heroin, cocaine, and marijuana
Street gangs	Powder and crack cocaine, Mexican black tar heroin, marijuana, ice methamphetamine, and PCP
Prison gangs	Mexican black tar heroin and marijuana
Outlaw motorcycle gangs	Methamphetamine
Local independent dealers	Methamphetamine and marijuana

Table 5. Drugs Distributed by Retail-Level Distributors in the Los Angeles HIDTA Region

Distributors	Drug Distributed
Street gangs	Powder and crack cocaine, Mexican black tar heroin, marijuana, and ice methamphetamine
Mexican and Caucasian criminal groups and independent dealers	Powder and crack cocaine, Mexican black tar heroin, marijuana, and ice methamphetamine
Outlaw motorcycle gangs	Ice methamphetamine, marijuana, heroin, cocaine, and MDMA
Prison gangs	Ice methamphetamine, Mexican black tar heroin, and marijuana

Street gangs are the primary retail-level distributors of illicit drugs in the HIDTA region; they typically distribute powder and crack cocaine, Mexican black tar heroin, marijuana, and methamphetamine. (See Table 5.) Street gangs pose a particular threat to the region because of their propensity to use violence to protect drug distribution operations. Mexican criminal groups and independent dealers, Caucasian criminal groups and independent dealers, OMGs, prison gangs, and various other criminal groups and independent dealers also distribute retail quantities of illicit drugs in the region, albeit to a lesser extent.

Drug-Related Crime

Mexican DTOs and their affiliates are more sophisticated and significantly more violent than they had been in the past. Enforcement arms of these DTOs have shot and injured law enforcement officers, rival DTO members, and gang members on both sides of the border. These traffickers vigorously protect drug shipments and will confront law

enforcement officers directly or engage in high-speed chases to avoid arrest and interdiction.

High levels of violent crimes and property crimes within the Los Angeles HIDTA region are associated with the production, distribution, and abuse of illicit drugs in the region by law enforcement officials. A large percentage of drug-related violence that occurs in the region is reportedly committed by street and prison gang members; violent criminal acts perpetrated by such gang members include assault, homicide, robbery, theft, weapons trafficking, and witness intimidation. Gang-related violence, particularly homicides, in metropolitan areas has significantly increased since 2002. According to law enforcement officials, this increase is directly related to gang battles for drug distribution territories and the control of illicit drug distribution within and outside the region. In addition, illicit drug producers (including methamphetamine producers, cannabis cultivators, and PCP producers) are committing an increasing number of

violent crimes to protect their operations from law enforcement detection and competitors. Moreover, abusers of illicit drugs often commit property crime and identity theft to acquire money for use in purchasing illicit drugs. For instance, methamphetamine abusers commit a significant portion of the identity theft in the Los Angeles HIDTA region. The Federal Trade Commission ranked California third in the number of identity theft victims per 100,000 population in 2006; a large number of victims (5,536 of 41,396) resided in the Riverside-San Bernardino-Ontario metropolitan statistical area, home to a large number of methamphetamine abusers.

Illicit Finance

Mexican DTOs are the principal money launderers in the Los Angeles HIDTA region; they typically smuggle bulk quantities of illicit drug proceeds overland, in private or commercial vehicles, or by aircraft into Mexico to be laundered. Additionally, large amounts of drug proceeds are transported by Mexican DTOs to the HIDTA region from other areas of the country for eventual transportation into Mexico. Mexican DTOs exploit the HIDTA region because it is a national-level drug distribution center, is in proximity to the U.S.–Mexico border, and the number of Mexican transporters operating in the region aids in transporting bulk drug proceeds into Mexico and South America. Drug Enforcement Administration (DEA) seizure statistics indicate that agents typically seize between \$20 and \$40 million in the Los Angeles region each year. After Mexican DTOs smuggle illicit proceeds into Mexico, they often deposit the funds in Mexican financial institutions, including *casas de cambio* (exchange houses) and banks, for eventual physical transportation back to the United States or electronically through wire transfers. Other criminal groups, street gangs, OMGs, prison gangs, and independent dealers also transport drug proceeds in bulk from the region, but to a lesser extent than Mexican DTOs.

Bulk Cash and Money Order Seizure at Los Angeles International Airport

In June 2006 members of the Los Angeles International Airport Task Force seized \$8,500 in cash and \$87,000 in blank money orders from two individuals who had arrived on a commercial flight that originated in Fort Lauderdale, Florida. Officers seized 37 blank money orders for \$1,000 and 100 blank money orders for \$500.

Source: Drug Enforcement Administration Los Angeles Field Division.

Various DTOs, primarily Mexican, exploit traditional financial institutions and money services businesses (MSBs) in the Los Angeles HIDTA region in order to transfer vast sums of illicit funds to international locations, including Mexico and South America. Los Angeles is one of the primary locations for Currency Transaction Report (CTR) and Suspicious Activity Report (SAR) filings in the United States.⁹ Although these filings may indicate suspicious activities, the specific origin of illicit funds, such as drug trafficking or illegal alien smuggling, cannot be determined.

DTOs, primarily Mexican and Asian, also launder drug proceeds through money transmittal businesses located in their own communities in the HIDTA region. They use small, local businesses or commercial businesses such as Western Union; they also maintain businesses, such as small retail stores, that provide money transmittal services. A large number of these businesses support the sizable Hispanic population in the area by legitimately wiring money to family members in Mexico; therefore, illicit money transfers are easily concealed in the high volume of legal transfers. Additionally, traffickers, particularly Asian criminal groups, launder money through informal value transfer systems (IVTSS), including *hawala*, *hundi*, and *fei ch'ien*.

9. Financial institutions in the United States are required to complete Suspicious Activity Reports (SARs) for various suspicious transactions, including those totaling \$5,000 or more that involve potential money laundering violations or violations of the Bank Secrecy Act (BSA). Financial institutions and money services businesses (MSBs) in the United States are required to file Currency Transaction Reports (CTRs) for all cash and coin transactions exceeding \$10,000.

Traffickers in the Los Angeles HIDTA region also regularly launder illicit proceeds through a variety of other methods. They commonly commingle illicit proceeds with funds from legitimate businesses such as automobile dealerships, retail stores, real estate companies, and restaurants; purchase high-value assets; and use gaming casinos to launder proceeds. Traffickers also are using the Internet more often to launder money via electronic pay and/or transfer accounts. The anonymity afforded by Internet transactions allows traffickers to launder drug proceeds with minimal risk of law enforcement detection.

Outlook

Mexican DTOs and criminal groups operating in the HIDTA region will become more prominent in national-level drug distribution, expanding their market share and dominance. Their drug trafficking dominance will remain unchallenged in the foreseeable future, primarily because of the proximity of Mexico to California and because Mexican DTOs have well-established distribution networks and transportation infrastructures.

Illicit drug distribution by Mexican DTOs and criminal groups as well as those working with them or on their behalf will likely increase in the Los Angeles HIDTA region in the near term. Moreover, the East Coast expansion of trafficking operations by Mexican DTOs and criminal groups based in or having connections to the Los Angeles HIDTA region will contribute to increased distribution from the HIDTA region to even more drug markets throughout the country. Furthermore, the potential for street gangs to capitalize on this expansion by Mexican DTOs and increase their drug distribution in markets throughout the country will quite likely

contribute to rising national-level distribution from the Los Angeles HIDTA region.

The Los Angeles HIDTA region will continue to be one of the few national-level source areas for domestically produced methamphetamine and PCP. Mexican DTOs and criminal groups operating methamphetamine laboratories in the HIDTA region will continue to produce the drug to capitalize on distribution to markets, including those in the eastern United States, where methamphetamine availability and abuse are increasing. As a result, methamphetamine-related environmental costs and safety concerns will continue to increase. PCP production will most likely remain at the current low levels both in and outside the HIDTA region.

The fentanyl seizure that occurred in the Los Angeles HIDTA region at the end of 2006 does not warrant serious law enforcement or health/safety concerns; it does, however, suggest that DTOs are smuggling the drug from Mexico through the HIDTA region. The size of the shipment, together with the well-established Mexican DTO command-and-control cells within the HIDTA region that already serve many of the drug markets affected by the distribution and abuse of fentanyl, indicate a likelihood that fentanyl may emerge as a significant transportation and/or distribution threat within the HIDTA region.

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Federal

Executive Office of the President
 Office of National Drug Control Policy
 High Intensity Drug Trafficking Area
 Los Angeles
 Investigative Support Center
 Inland Narcotics Clearing House
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Los Angeles Field Division

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Federal Bureau of Investigation

Los Angeles Headquarters

U.S. Department of the Treasury

U.S. House of Representatives

House Committee on Homeland Security

Minority Staff of the Committee on Homeland Security

Subcommittee on Investigations

Other

National Methamphetamine and Chemicals Initiative



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