



Drug Market Analysis

2008

Atlanta

High Intensity Drug Trafficking Area



NATIONAL DRUG INTELLIGENCE CENTER
U.S. DEPARTMENT OF JUSTICE





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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 coordinated with the HIDTA, is limited in scope to HIDTA jurisdictional boundaries, and draws upon a wide variety of sources within those boundaries.



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PREFACE

This assessment provides a strategic overview of the illicit drug situation in the Atlanta 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 Atlanta HIDTA.

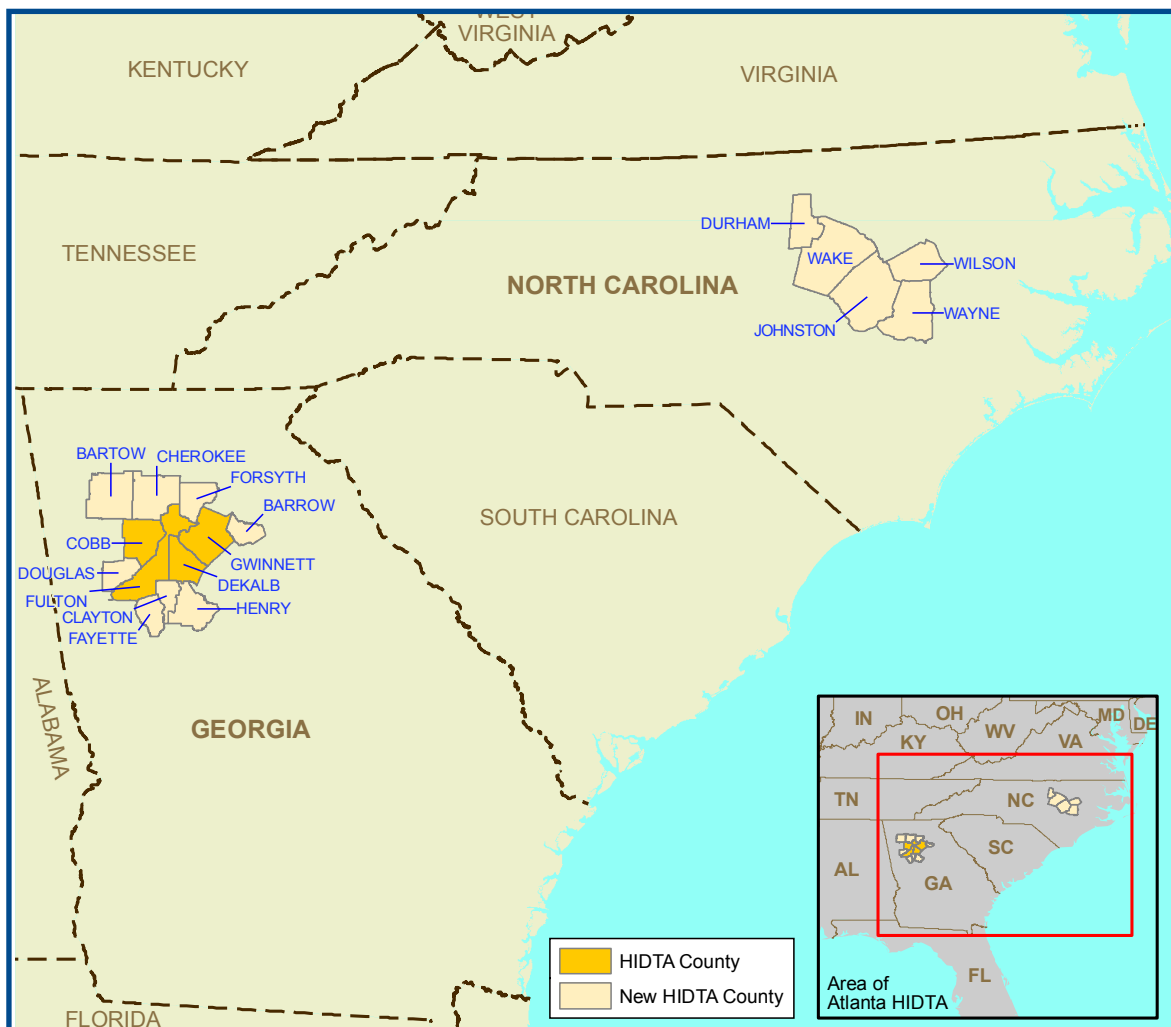


Figure 1. Atlanta High Intensity Drug Trafficking Area.



STRATEGIC DRUG THREAT DEVELOPMENTS

- The Atlanta HIDTA region has become the principal drug distribution center for Mexican drug trafficking organizations (DTOs) that supply illicit drugs to drug markets in the eastern United States.
- Mexican DTOs have moved some of their illicit drug operations from Atlanta, Georgia, to North Carolina and are increasingly using North Carolina locations to distribute wholesale quantities of illicit drugs to eastern U.S. drug markets. The Mexican traffickers operating in North Carolina are not competing with the Mexican traffickers operating in Atlanta; instead, the traffickers have formed a cooperative relationship in an attempt to expand control of Mexican drug trafficking and to increase market share.
- A shortage in wholesale quantities of powder cocaine was reported by several law enforcement agencies in the Atlanta area in 2007. This shortage led to an increase in wholesale kilogram prices; however, retail prices did not increase because retail distributors adapted to the shortage by cutting cocaine to stretch supplies. This action resulted in a slight decrease in the purity of cocaine sold at the retail level during this period. In early 2008 mixed reporting from law enforcement agencies revealed that some wholesale powder cocaine distributors continue to experience decreased cocaine availability, while others are able to supply multikilogram quantities.
- MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) distribution and abuse have increased among African Americans in the Atlanta HIDTA region. MDMA is frequently mentioned and referred to as "X" in hip-hop music, which may account for the increased popularity and abuse of the drug.

HIDTA OVERVIEW

The Atlanta HIDTA region's emergence as a national-level drug distribution center has resulted in the continued expansion of the HIDTA region. When established in 1995, the Atlanta HIDTA region was composed of DeKalb and Fulton Counties; in 2006, Cobb and Gwinnett Counties in Georgia were added to the region. Then, in February 2008, the Office of National Drug Control Policy (ONDCP) announced the designation of Barrow, Bartow, Cherokee, Clayton, Douglas, Fayette, Forsyth, and Henry Counties in Georgia and Durham, Johnston, Wake, Wayne, and Wilson Counties in North Carolina as additions to the Atlanta HIDTA region. (See Figure 1 on page 1.) Moreover, many HIDTA initiatives and investigations extend into counties within the Atlanta Metropolitan Statistical Area (MSA) that are adjacent to the HIDTA region.¹ (See Figure 2 on page 3.)

The Atlanta HIDTA region is the leading drug distribution center for Mexican DTOs that supply illicit drugs, particularly powder cocaine, to drug markets in the eastern United States.² The drug flow from the Atlanta HIDTA region has positioned it as a national-level drug distribution center for many eastern U.S. drug markets. Mexican DTOs distribute illicit drugs from the Atlanta HIDTA region to cities throughout the eastern United States, including Baltimore, Maryland; Boston, Massachusetts; Cincinnati and Columbus, Ohio; Columbia, South Carolina; Gainesville, Orlando, and Pensacola, Florida; Indianapolis, Indiana; Knoxville, Tennessee; Louisville, Kentucky; and Norfolk, Virginia.

1. The Atlanta Metropolitan Statistical Area (MSA) includes the following 28 counties: Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton.

2. According to the *Rand McNally Road Atlas and Travel Guide 2007*, the eastern United States consists of Alabama, Connecticut, Delaware, Florida, Georgia, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia.

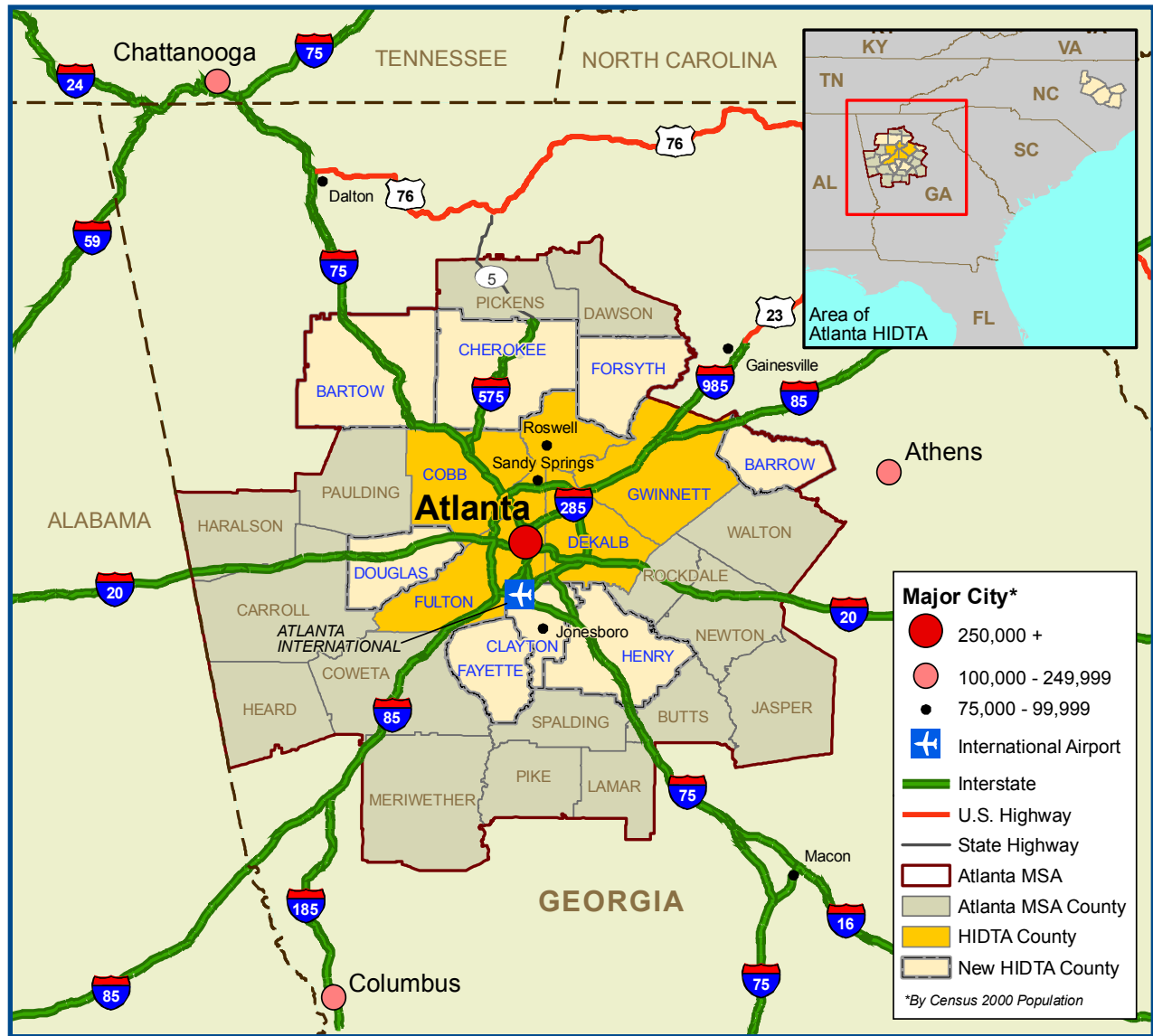


Figure 2. Atlanta metropolitan area transportation infrastructure.

Mexican DTOs also use Atlanta as a distribution center for cities in the central United States, such as St. Louis, Missouri. Moreover, these DTOs distribute ice methamphetamine from Atlanta to southeastern drug markets. The illicit drugs distributed by Mexican DTOs from the Atlanta HIDTA region are generally smuggled across the U.S.–Mexico border (Southwest Border) by Mexican traffickers and then through California and Texas en route to the HIDTA region.

The Atlanta HIDTA region has a highly accessible transportation system, including major roadways that link it to the Southwest Border and major eastern U.S. drug markets. (See Figure 2.) Mexican DTOs exploit the Atlanta HIDTA region’s geographic location between these areas to transport illicit drugs to Atlanta and then on to eastern drug markets; these DTOs also transport illicit drugs directly to distribution points in North Carolina for further distribution to eastern drug markets.



DRUG THREAT OVERVIEW

The distribution and abuse of powder and crack cocaine are the greatest drug threats to the Atlanta HIDTA region. The large quantities of cocaine available in the area, the level of violence associated with cocaine (particularly crack) distribution and abuse, and the number of cocaine-related treatment admissions to publicly funded facilities are indications that cocaine is a greater drug threat than any other illicit drug. Reporting from Atlanta HIDTA Initiatives³ indicates that approximately 1,006 kilograms of powder cocaine were seized in 2007. (See Table 1 on page 5.) Nonetheless, some law enforcement officers reported shortages of kilogram quantities of cocaine in the metropolitan Atlanta area in the summer of 2007; however, by the fall of 2007 those officers reported that kilogram and multikilogram quantities of cocaine were, once again, readily available. Additionally, wholesale cocaine prices appeared to reflect the summer shortage; they were slightly higher during the third quarter (\$16,000 to \$23,500 per kg) and fourth quarter (\$17,500 to \$25,000 per kg) of fiscal year (FY) 2007 than the prices reported in the first quarter of FY2007 (\$15,000 to \$22,500 per kg). In early 2008 mixed reporting from law enforcement agencies indicated that some powder cocaine wholesale distributors continued to experience decreased cocaine availability, while others were able to supply multikilogram quantities.⁴

3. Atlanta High Intensity Drug Trafficking Area (HIDTA) funds are allocated to nine Initiatives (program areas): Metro Atlanta Task Force, DeKalb Task Force, Intelligence, Administration, Crime Lab, Prosecution, Training, Facilities, and Prevention. Initiatives contain subcategories such as Groups 1 through 6 within the Metro Atlanta Task Force.

4. Possible reasons for the sporadic decreases in wholesale quantities of cocaine suggested by law enforcement officials are increased pressure by the Mexican Government on Mexican drug trafficking organizations (DTOs), increased security along the U.S.–Mexico border, and an artificial scarcity created by Mexican DTOs to drive up cocaine prices. The sporadic shortages may also be caused by Colombian suppliers' shifting cocaine from U.S. drug markets to European markets, where the traffickers are taking advantage of the stronger euro and, thus, diminishing the cocaine available to Mexican DTOs.

The trafficking and abuse of ice methamphetamine and marijuana pose significant threats to the HIDTA region. Mexican DTOs supply pound quantities of ice methamphetamine to the Atlanta HIDTA region; however, it is not commonly abused in the Atlanta metropolitan area. Most ice methamphetamine seized in the Atlanta HIDTA region is destined for drug markets outside the region. Local powder methamphetamine production remains low because of statewide restrictions on precursor chemicals. Marijuana is widely available throughout the HIDTA region and is abused by members of all racial/ethnic and social groups. As with cocaine and ice methamphetamine, Mexican DTOs transport large quantities of marijuana from the Southwest Border into Atlanta.

Pharmaceutical drugs and MDMA are serious threats, while heroin poses a low threat to the Atlanta HIDTA region. The most widely available and commonly abused pharmaceutical drugs are prescription narcotics, such as hydrocodone, methadone, and oxycodone, and benzodiazepines, such as alprazolam and diazepam. Law enforcement officials report that pharmaceutical drugs are a growing problem among young adults, primarily Caucasian; however, few law enforcement resources are devoted to pharmaceutical drug investigations, according to Atlanta HIDTA officials. Therefore, the true extent of the pharmaceutical drug problem in the region is unknown and constitutes an intelligence gap. MDMA distribution and abuse are increasing in the African American community. Asian DTOs, predominantly Laotian and Vietnamese DTOs, distribute MDMA in the area. Asian DTOs operating in the Atlanta HIDTA region maintain sources of supply in Canada; these traffickers smuggle MDMA across the U.S.–Canada border and transport it to Atlanta using private vehicles or commercial airline flights. Moreover, law enforcement officials report that they have seized combination MDMA/

Table 1. Atlanta HIDTA Drug Seizures, by Initiative, in Kilograms, 2007

HIDTA Initiative	Powder Cocaine	Crack Cocaine	Ice Methamphetamine	Powder Methamphetamine	Marijuana	Hydroponic Marijuana	Heroin	GHB (gamma-hydroxybutyrate)	MDMA (in dosage units)
DeKalb	181.17	0.55	37.06	0.03	3,296.86	276.02	0.00	0.00	812.00
Metro (Groups 1–6)	358.26	1.06	0.36	0.45	4.01	773.68	6.45	12.00	58,210.00
Domestic Highway Drug Enforcement (DHDE)	464.13	0.00	9.08	0.00	493.87	0.00	0.00	0.00	5,193.00
Expanded Operations	2.26	0.00	0.48	0.01	291.47	4,951.95	0.00	0.00	23.00
Total	1,005.82	1.61	46.98	0.49	4,086.21	6,001.65	6.45	12.00	64,238.00

Source: Atlanta HIDTA Performance Management Process Database, as of March 6, 2008.

methamphetamine tablets in the region.⁵ MDMA producers in Canada add methamphetamine during MDMA manufacturing to stretch their supplies and increase their profit margins. Heroin availability and abuse are stable at low levels.

DRUG TRAFFICKING ORGANIZATIONS

Mexican DTOs dominate the wholesale distribution of cocaine, ice methamphetamine, and marijuana; they exert more influence over illicit drug trafficking in the Atlanta HIDTA region than any other trafficking organization or group. Mexican DTOs use a complex network of transportation and distribution cells to coordinate drug shipments from sources of supply operating in California, Texas, or Mexico to the HIDTA region. Law enforcement reporting indicates that Mexican DTOs located along the Southwest Border and/or in Mexico often manage cell leaders in the region. The Atlanta-based cell leaders are responsible for

5. Combination tablets that contain MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) and methamphetamine or other substances have been transported south across the U.S.–Canada border since at least 2000. Various data suggest that the flow of MDMA tablets from Canada to the United States has been consistently increasing since 2003, and it is highly likely that the flow of combination tablets has risen at the same time.

overseeing drug shipments to the HIDTA region, managing stash houses, and establishing midlevel and retail-level distributors. In fact, when Atlanta-based cell members suspect that law enforcement investigations are targeting one or more of their members, the Atlanta-based cell head reports this information to the Southwest Border-based DTO, who then reassigns the targeted cell members to a cell operating in another state, thus effectively thwarting the investigation in Atlanta. In addition to the Atlanta area, Mexican drug trafficking cells in North Carolina are using cities such as Charlotte as drug distribution centers. To illustrate, in December 2007 a federal grand jury in Atlanta indicted 22 defendants for conspiracy to possess, with the intent to distribute, a controlled substance. The defendants were purportedly members of a Mexican DTO that regularly transported large quantities of cocaine, ice methamphetamine, and marijuana from the Mexican states of Nuevo León, Guerrero, and Michoacán across the Southwest Border and into the Atlanta HIDTA region. Some of the drugs are believed to have remained in the Atlanta area for local distribution and abuse; however, most of the drugs were further transported to Alabama, Florida, North Carolina, South Carolina, Tennessee, and Virginia. The proceeds derived from the sale of these drugs were consolidated in Atlanta and then transported across the Southwest Border to Mexico.



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Other DTOs and criminal groups of various races/ethnicities, including African American, Caucasian, Cuban, and Jamaican, distribute drugs in the Atlanta HIDTA region. Most of the traffickers obtain powder cocaine, ice methamphetamine, and marijuana from Mexican DTOs. African American criminal groups typically distribute crack cocaine and marijuana at the retail level. African American criminal groups are increasingly distributing MDMA at the retail level; most of the MDMA these groups distribute is obtained from Asian DTOs and Caucasian criminal groups. Caucasian criminal groups distribute marijuana, diverted pharmaceuticals, and other dangerous drugs (ODDs) in the HIDTA region; Caucasians are also the primary outdoor cannabis cultivators in the area. Miami-based Cuban DTOs and their affiliates are the predominant large-scale indoor cannabis cultivators in the HIDTA region. Jamaican DTOs distribute small quantities of powder cocaine in the HIDTA region and often arm themselves with assault weapons.

Asian DTOs, predominantly Laotian and Vietnamese, distribute MDMA and small quantities of Canadian marijuana in the Atlanta HIDTA region. These DTOs maintain sources of supply in Canada; they smuggle MDMA and Canadian marijuana across the U.S.–Canada border and transport the drugs to Atlanta using private vehicles or commercial flights. Asian DTOs generally do not interact with Mexican DTOs; however, a 2007 HIDTA investigation revealed that an Asian DTO cooperated with a Mexican DTO to obtain ice methamphetamine.

Street gang activity is prevalent among African American and Hispanic youths in the Atlanta HIDTA region. Most street gangs in Atlanta are locally based; they commonly adopt multiple facets of gang culture from national-level street gangs that members often garner from the Internet, but typically do not have any ties to those national-level gangs. Moreover, local gangs typically do not exhibit the organizational structure, written code, or defined member roles associated with national-level street gangs.

African American street gangs such as Most Dangerous Click (MDC), Mechanicsville Bird Gang (MBG), and the Pittsburgh Gangsters typically distribute crack cocaine and marijuana at the retail level; these street gangs depend on Mexican traffickers as their source for powder cocaine, which they generally convert to crack cocaine. African American street gangs are geographically based, usually forming around public housing areas or school associations. Atlanta authorities, however, have been closing and demolishing many of the public housing units that fostered African American street gangs; families of gang members have been relocated to housing elsewhere in the city or beyond. The impact of these relocations on gang-related crime remains unknown and constitutes an intelligence gap.

African American street gangs in the Atlanta HIDTA region frequently fight over gang affiliation and territory and occasionally fight over drug turf. Several street gangs, such as International Robbing Crew (IRC), which is composed primarily of former New Orleans, Louisiana, residents, and Black Mafia Family (BMF), frequently use violence to advance their gang activities. To illustrate, BMF is a national-level gang that used violence and

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 retail level and midlevel.

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.

intimidation to facilitate the distribution of large quantities of crack cocaine in Atlanta. According to Atlanta Police Department officials, BMF members had a reputation for violence and flamboyant displays of wealth; they purchased large billboards to mark gang territory, held lavish parties, and boasted about their wealth on the Internet. This violence and high-profile activity, however, attracted the attention of local law enforcement officials, and in summer 2007, 16 BMF members were indicted on conspiracy to distribute a controlled substance and multiple distribution charges; they are awaiting trial in Atlanta.

Street gang members, primarily African American, often use music such as rap and hip-hop to spread gang culture. Many African American street gang members have joined to establish musical groups and record companies. These companies are licensed and have company officers but often have no physical location—only a post office box. Gang members use some of these record companies to distribute illicit drugs and launder drug proceeds. They also use the Internet to communicate with other gang members in the Atlanta HIDTA region and to spread gang culture. A number of these rap groups and record companies produce music videos that depict their drug distribution activities and post them on Internet web sites.

Hispanic street gangs such as Latin Kings, Sureños 13 (Sur 13), and Vatos Locos maintain a strong presence in the Atlanta HIDTA region; they typically distribute cocaine and marijuana that they obtain from Mexican DTOs. Hispanic street gangs appear to be more organized than African American street gangs and exhibit more violence in direct support of their drug distribution activities. For example, in February 2008 four members of Sur 13 were sentenced to life in prison for murdering suspected

rival gang members in Atlanta. In one instance, gang members drove into a rival gang's perceived territory and shot and killed a man; it was later discovered that the victim was not a member of the rival gang. During another altercation at a local recreation center between members of the Sur 13 and Vatos Locos, a Sur 13 member fatally shot a nongang member in the back.

PRODUCTION

Illicit drug production in the Atlanta HIDTA region primarily involves the conversion of powder cocaine to crack cocaine, cannabis cultivation, and small-scale powder methamphetamine production. Crack conversion is a significant concern to law enforcement officials because it is associated with high levels of abuse, property crime, and related violence. Retail-level crack cocaine distributors, generally African American criminal groups and street gangs, convert powder cocaine to crack at various locations, including crack houses and stash houses. Once the powder cocaine is converted to crack, it is broken into small pieces, or rocks, and distributed in the neighborhoods where it was produced. Moreover, many crack cocaine distributors are selling loose rocks of crack without packaging; the absence of packaging most likely indicates that the drug was recently converted.

Most of the marijuana available in the Atlanta HIDTA region is produced in Mexico or Canada, but some is grown locally at outdoor and indoor grow sites. Most cannabis cultivated in Georgia is grown at outdoor sites.⁶ Many outdoor cannabis

6. Cannabis eradication data are available only at the state level; thus, the number of cannabis plants and grow sites eradicated and seized reflects the entire state of Georgia, not just the Atlanta HIDTA region.

Table 2. Indoor Cannabis Plants Eradicated and Grow Sites Seized in Georgia, 2003–2007

	2003	2004	2005	2006	2007
Plants Eradicated	223	616	642	1,610	9,585
Grow Sites Seized	6	12	1	8	104

Source: Domestic Cannabis Eradication/Suppression Program, run date March 4, 2008.



Table 3. Methamphetamine Laboratory Seizures in Georgia, 2003–2007

Area	2003	2004	2005	2006	2007
Atlanta HIDTA Region (Barrow, Bartow, Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, and Henry Counties in Georgia)	24	29	29	14	3
Atlanta Metropolitan Statistical Area (16 of 28 counties: Butts, Carroll, Coweta, Dawson, Haralson, Heard, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton)	15	19	18	15	5
Georgia (remaining counties)	139	166	157	82	38
Total for All Counties	178	214	204	111	46

Source: National Seizure System, run date April 14, 2008.

grow sites are secreted by traffickers on public lands and parks to prevent the seizure of private property if discovered, and individual cannabis plants are often spread among other vegetation to hinder law enforcement detection. A severe drought in the southeastern United States in 2007 may have affected outdoor cannabis cultivation that year. According to Domestic Cannabis Eradication/Suppression Program (DCE/SP) data, approximately 11,851 cultivated cannabis plants were eradicated from 323 outdoor grow sites in Georgia in 2007.⁷ Nonetheless, HIDTA officials report that fluctuations in the number of cannabis plants eradicated each year are frequently the result of available eradication assets and not necessarily indicative of a change in the amount of cannabis cultivated in the state.

Indoor cannabis cultivation has increased in the Atlanta HIDTA region, mainly the result of large-scale indoor cannabis cultivation sites operated by Cuban DTOs; small-scale indoor grow sites—producing quantities of marijuana for personal use and limited retail distribution—are operated by independent cultivators of all racial/ethnic backgrounds,

including African Americans, Asians, Caucasians, and Hispanics. These DTOs and independent cultivators establish indoor grow sites because of Atlanta’s urban environment, to avoid law enforcement scrutiny, and to exert greater control over the cannabis-growing process. Law enforcement officials report that many significant investigations targeted indoor cannabis cultivators in 2007. Consequently, the number of cultivated plants eradicated from indoor grow operations in Georgia increased significantly from 2006 through 2007. (See Table 2 on page 7.) Most of the indoor cannabis grow sites in the area in 2007 were established and operated by Cuban DTOs; much of the high-potency marijuana produced at these sites was sold by Cuban DTOs to Dominican DTOs in New York. Cuban DTOs have cultivated high-potency cannabis at indoor grow sites in southeastern states—primarily in southern Florida—for several years. Cannabis cultivation by Cuban DTOs has advanced from the operation of limited grows for relatively small profit by independent Cuban groups to a seemingly coordinated effort by these groups to operate large-scale indoor cannabis grow sites. In fact, law enforcement reporting indicates that many—perhaps most—of the Cuban DTO-operated indoor cannabis cultivation sites in Florida, Georgia, and North Carolina may be linked to a single Florida-based Cuban DTO. To this end, an extensive HIDTA-supported investigation resulted in the arrest of 25 suspected members of the Florida-based Cuban DTO and the seizure of more

7. The Domestic Cannabis Eradication/Suppression Program (DCE/SP) changed the methodology for collecting data in 2007 by adding eradication totals from public land agencies. Therefore, 2007 data from outdoor operations cannot be compared with previous years’ data.

than 8,000 pounds of cannabis plants from 44 active indoor grow sites in August 2007. These arrests will quite likely affect the Florida-based Cuban DTO's ability to operate in the Atlanta HIDTA region.

Small-scale powder methamphetamine production takes place in Georgia and the Atlanta HIDTA region; however, state-enacted restrictions on the sale of precursor chemicals such as ephedrine and pseudoephedrine have led to a sharp decrease in local methamphetamine production. According to National Seizure System (NSS) data, the number of methamphetamine laboratories seized in the HIDTA counties in Georgia fluctuated but decreased overall from 2003 through 2007 (see Table 3 on page 8); most of the methamphetamine laboratories seized in the Atlanta HIDTA region during this period were discovered in Bartow and Cobb Counties. Local powder methamphetamine producers, who frequently are also abusers, now commonly obtain Mexican ice methamphetamine from local distributors rather than produce the drug themselves.

TRANSPORTATION

Mexican DTOs commonly transport illicit drugs into the Atlanta HIDTA region from California, Texas, and Mexico by means of private and commercial vehicles along Interstates 20, 75, and 85; these DTOs also transport drug proceeds back to California, Texas, and Mexico using the same means. In addition, Mexican DTOs have transported illicit drugs on interstates using cloned vehicles (private vehicles painted to appear to be commercial vehicles) and commercial buses in an attempt to avoid law enforcement detection. Moreover, some Mexican DTOs are attempting to avoid law enforcement interdiction efforts along major interstates in the region, particularly I-20. For example, Mexican transporters have used highways as far north as Kansas, such as I-70, to avoid law enforcement interdiction along I-20 while transporting drugs into the Atlanta HIDTA region.

Asian DTOs operating in the Atlanta HIDTA typically use private vehicles and commercial air flights to transport drugs, principally MDMA and

Canadian marijuana, from Canada or states near the U.S.–Canada border to Atlanta for distribution. For example, in 2007 law enforcement officials arrested several Atlanta-based Laotian traffickers who drove private vehicles from Atlanta to Detroit, Michigan, or took commercial air flights from Atlanta to Canada to obtain tens of thousands of MDMA pills that they planned to distribute in the Atlanta HIDTA region.

Various traffickers transport limited quantities of illicit drugs into the Atlanta HIDTA region on commercial airlines to the Hartsfield-Jackson Atlanta International Airport, which is the world's busiest passenger airport and a major connecting hub serving numerous destinations around the world. Only a small number of drug shipments were seized at the airport in 2007. Traffickers' limited use of commercial airlines in the region is quite likely the result of increased security at the Hartsfield-Jackson Atlanta International Airport. In fact, increased security at the airport resulted in the February 2008 arrest of commercial airline employees and federal security workers for conspiring to transport cocaine and heroin from Atlanta to New York City aboard commercial airline flights.

DISTRIBUTION

The Atlanta HIDTA region is a principal drug distribution center used by Mexican DTOs for drugs destined for drug markets in much of the eastern United States, particularly powder cocaine. Mexican DTOs use their expansive transportation networks and distribution cells to provide illicit drugs from the Atlanta HIDTA region to eastern drug markets, including Baltimore, Maryland; Boston, Massachusetts; Cincinnati and Columbus, Ohio; Columbia, South Carolina; Gainesville, Orlando, and Pensacola, Florida; Indianapolis, Indiana; Knoxville, Tennessee; Louisville, Kentucky; Montgomery, Alabama; and Norfolk, Virginia. Moreover, Mexican DTOs use Atlanta as a distribution center for cities in the central United States, including St. Louis, Missouri.



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Continued law enforcement efforts against Mexican DTOs operating in the Atlanta HIDTA region have caused some DTOs to move their operations into North Carolina to spread their distribution operations over a larger geographic area in an attempt to minimize the risk of apprehension by Atlanta law enforcement officials. To this end, the Mexican traffickers operating in North Carolina have formed a cooperative relationship to facilitate control of drug trafficking in the southeast by Mexican DTOs and to increase market share. As a result of Mexican DTO expansion, ONDCP added the North Carolina counties of Durham, Johnston, Wake, Wayne, and Wilson to the Atlanta HIDTA region.

Mexican DTOs control the wholesale and midlevel distribution of powder cocaine, ice methamphetamine, and marijuana in Atlanta. Most midlevel and retail-level distributors depend on Mexican DTOs as their sources for these illicit drugs. Mexican DTOs typically stash the illicit drugs they transport to the region in houses located in middle-class neighborhoods and in more rural areas of the region—locations that the traffickers believe receive limited law enforcement scrutiny.

A number of DTOs, criminal groups, and local independent dealers distribute illicit drugs at the retail level in the region (see Table 4 on page 11), and their methods of operation change little from year to year. Retail-level distribution takes place at open-air drug markets, at housing projects, in local clubs, in private residences, and at prearranged meeting sites such as parking lots. The Boulevard, a major north-south thoroughfare in eastern Atlanta, is a long-established open-air market in which African American traffickers sell crack cocaine and marijuana. Public housing areas, especially the Bowen Homes, remain important drug markets; however, Atlanta authorities are closing and demolishing most of the city's public housing areas. Heroin distribution remains confined to the "Bluff" area northwest of the Georgia Dome. MDMA is generally distributed in pool halls and dance clubs in Buckhead (northern Atlanta) and Midtown. Jonesboro, located south of Atlanta, is an open-air

market for ounce quantities of powder and crack cocaine. Ice methamphetamine is not typically distributed in open-air markets as a result of the erratic behavior often displayed by methamphetamine abusers; methamphetamine distributors usually deliver the drug directly to abusers at their residences or other locations that receive limited law enforcement and public scrutiny.

Retail-level drug distributors typically facilitate drug sales in the Atlanta HIDTA region using electronic communications, usually cellular telephones and the Internet. These distributors prefer to conduct drug-related conversations over cellular telephones with point-to-point capabilities, believing that these communications are difficult for law enforcement officials to intercept. Many traffickers use a particular cellular telephone only for a limited time before switching to a new cellular telephone with a new number to reduce the possibility of law enforcement monitoring. Traffickers also use cellular telephones with removable subscriber identity module (SIM) cards,⁸ maintaining multiple SIM cards and one cellular telephone. By changing SIM cards, traffickers can use multiple numbers while using only one telephone, again reducing the possibility of law enforcement monitoring. Moreover, SIM cards are more easily destroyed than cellular telephones should the trafficker be arrested. In addition, the Internet has become a popular method of communication for drug traffickers. Traffickers use Internet chat rooms and blogs to arrange drug sales. Further, African American street gang members are increasingly using the Internet to communicate, facilitate gang activities, and spread gang culture.

8. SIM (subscriber identity module) cards are removable smart cards that contain a cellular telephone subscriber's account information, including telephone number. Removable SIM cards are legitimately used to allow cell phone subscribers to maintain their accounts and personal information when purchasing new phones.

Table 4. Retail-Level Drugs, by Distributor, in the Atlanta HIDTA Region, 2008

Distributors	Drug(s) Distributed
African American	Powder and crack cocaine, heroin, MDMA, marijuana, and ice methamphetamine
Asian	High-potency marijuana and MDMA
Caucasian	Powder cocaine, GHB, MDMA, marijuana, locally produced powder methamphetamine, Mexican ice methamphetamine, and diverted pharmaceuticals
Hispanic	Powder cocaine, marijuana, and ice methamphetamine
Jamaican	Powder cocaine

Source: Atlanta High Intensity Drug Trafficking Area.

Pharmaceutical drugs typically are obtained by distributors and abusers through doctor shopping and prescription fraud; distributors and abusers also are increasingly purchasing pharmaceutical drugs from Internet pharmacies. Moreover, public health authorities report that Miami and Fort Lauderdale, Florida, are sources for diverted pharmaceuticals available in the Atlanta HIDTA region.

DRUG-RELATED CRIME

High levels of violent and property crime in Atlanta often are a result of the distribution and abuse of illicit drugs, particularly crack cocaine. According to data from the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2007 (the latest year for which such data are available), 59 percent of state, county, and local law enforcement agencies in Georgia reported that crack cocaine was the drug that most contributed to violent crime in their jurisdictions, and 55.8 percent reported that crack cocaine also was the drug that most contributed to property crime. Moreover, Federal Bureau of Investigation (FBI) Uniform Crime Report (UCR) data reveal that violent crime in Atlanta increased from 2006 to 2007, although this report does not overtly link drug trafficking and violent crime. Preliminary

UCR data from January 2007 through June 2007 (the latest period for which such data are available) indicate that violent crime in Atlanta increased from 3,543 incidents from January through June 2006 to 3,814 incidents during that same period in 2007. Likewise, property crime increased from 14,919 incidents from January through June 2006 to 16,142 incidents during that same period in 2007. In addition, the Atlanta Police Department reported that the number of homicides committed in Atlanta increased from 110 in 2006 to 129 in 2007; they also reported that violence among retail-level crack cocaine distributors was high in 2007 and contributed to the overall increase in violent crime during the year.

ABUSE

Cocaine, both powder and crack, is the primary illicit substance most often identified in treatment admissions to publicly funded facilities in the Atlanta MSA. According to data from the Georgia Department of Human Resources, the number of cocaine admissions in the Atlanta MSA in state fiscal year (SFY) 2006 was greater than the number of admissions for heroin, marijuana, methamphetamine, or other substances, excluding alcohol.⁹ (See Table 5 on page 12.) Moreover, public health authorities reported that the decrease in the availability of cocaine at the wholesale level in the Atlanta HIDTA region in 2007 forced some retail-level distributors to cut the cocaine to stretch supplies and meet the demand.

Ice methamphetamine abuse levels are stable throughout the region; the drug is readily available and typically of high purity. Public health authorities report that most methamphetamine abusers are Caucasians and Hispanics, and female abusers outnumber male abusers in the Atlanta MSA for individuals seeking treatment for the abuse of amphetamines, which include methamphetamine. In addition, law enforcement officials report that combination MDMA/methamphetamine tablets were seized in the HIDTA region during 2007.

9. The state fiscal year runs from July through June.



**Table 5. Primary Drug Treatment Admissions
Atlanta Metropolitan Statistical Area, SFY2003–SFY2007***

Primary Drug at Admission	SFY03	SFY04	SFY05	SFY06	SFY07
Cocaine (Powder and Crack)	2,867	2,942	2,888	3,047	NA**
Heroin/Morphine	388	421	350	330	NA
Marijuana/Hashish	1,860	2,110	2,231	2,388	NA
Methamphetamine/Speed	618	1,072	1,362	1,299	NA
All Other Substances, Excluding Alcohol	1,879	1,690	1,909	1,902	NA
Total Admissions	7,612	8,235	8,740	8,966	NA

Source: Georgia Department of Human Resources, Division of Mental Health, Developmental Disabilities and Addictive Diseases.

*Figures in this table represent the number of consumers who had at least one admission during the state fiscal year in which the primary “substance problem at admission” was the substance shown. A consumer is counted only once per fiscal year per primary substance problem regardless of the number of admissions for that problem. Note that a consumer may be counted in more than one category per state fiscal year because the consumer may have had separate admissions for different primary substances. This table includes only those admissions to services funded or operated by the State of Georgia Department of Human Resources, Division of Mental Health, Developmental Disabilities and Addictive Diseases and does not include admissions to services of any other providers, public or private.

**NA—Not available. Full year 2007 data were not available from the Georgia Department of Human Resources for inclusion in this report. Moreover, the department changed the methodology for collecting drug treatment data in 2007, and comparisons with prior years’ data will not be possible.

The diversion and abuse of pharmaceutical drugs are a serious and growing drug threat to the Atlanta HIDTA region. The most commonly abused pharmaceutical drugs are prescription narcotics, such as hydrocodone, methadone, and oxycodone, and benzodiazepines, such as Xanax (alprazolam) and Valium (diazepam). Public health authorities report that methadone and buprenorphine are commonly abused and widely available at the retail level in the Atlanta HIDTA region. Methadone has been used primarily in opioid addiction treatment for the past 50 years; however, its use in management of certain types of pain has steadily increased in the area since the late 1990s. Buprenorphine is most commonly used to treat addiction to heroin; it can also be used to treat addiction to any type of opiate, including oxycodones such as OxyContin and Percocet. Similar to methadone, buprenorphine reduces cravings for heroin and other opiates and reduces withdrawal symptoms, thus helping addicted individuals to stop abusing opiates.

MDMA available in the Atlanta HIDTA region is generally abused in combination with other substances, including alcohol, cocaine, and marijuana. MDMA is most commonly available in Buckhead and Midtown and is used mainly by Caucasian youth. However, MDMA abuse has increased among African Americans in the region.

Heroin abuse is limited in the Atlanta HIDTA region. According to the Drug Enforcement Administration (DEA) 2006 Heroin Domestic Monitor Program (HDMP) data (the latest year for which such data are available), South American heroin was the principal type available in retail-level heroin markets in Atlanta; Southwest Asian heroin and Mexican heroin were also available. Heroin abuse is largely confined to an established population of Caucasian long-term heroin abusers in the region. However, isolated public health reporting reveals that small quantities of “cheese heroin”—a combination of Mexican black tar heroin or brown powder heroin and

over-the-counter antihistamines that contain diphenhydramine—were available in the summer of 2007; public health reporting did not reveal who was abusing the cheese heroin. Additionally, seized heroin samples tested by the Georgia Bureau of Investigation in late summer of 2007 confirmed the presence of diphenhydramine. However, public health and law enforcement officials have not reported the presence of cheese heroin in the region since summer 2007.

ILLICIT FINANCE

Mexican DTOs are the primary money launderers in the Atlanta HIDTA region; they generally transport bulk U.S. currency to the Southwest Border for eventual transportation to Mexico. Mexican distribution cells operating in North Carolina often transport bulk cash from North Carolina to Atlanta, where the cash is combined with drug proceeds from Atlanta; the entire amount is then transported by DTO members to the Southwest Border. The volume of illicit funds flowing from and through Atlanta to the Southwest Border and Mexico is evident in 2007 seizure data. According to the DHS Blue Lightning Operations Center (BLOC), law enforcement officers in the southeastern United States seized more than \$30 million in bulk cash that was being transported from Atlanta to the Southwest Border in 2007.¹⁰ Seized cash was usually concealed in hidden compartments in private or commercial vehicles that were typically registered in the name of the actual driver to avoid law enforcement suspicion. This method represents a shift from past practices, when many individuals who were recruited as drivers for bulk cash shipments were not the registered owners of the vehicles—a situation that frequently made law enforcement officers suspicious when they stopped and questioned the drivers.

10. The U.S. Department of Homeland Security (DHS) Blue Lightning Operations Center (BLOC) provides the Gulf Coast HIDTA with 24-hour phone communications and the El Paso Intelligence Center (EPIC) with real-time information from various databases.

Mexican DTOs in the Atlanta HIDTA region also launder illicit funds through money remitters or electronic wire transfers or sometimes by structuring deposits¹¹ into numerous bank accounts and electronically transferring the funds into accounts in Mexico or southwestern states. Members of Mexican distribution cells use wire transfers and money remitters to send drug proceeds to their sources of supply in Mexico. The use of structured deposits, or “smurfing,” resurged in the Atlanta HIDTA region in the past year. ICE officials report that Mexican DTOs often employ females to make bank deposits under \$3,000 to numerous accounts to avoid reporting requirements under the Bank Secrecy Act (BSA).¹² The accounts are then immediately accessed from source areas, such as California and Texas, and the funds are withdrawn.¹³ The DTOs purportedly use females because the DTOs believe that females who make these deposits will attract less attention from law enforcement or bank officials than males; the DTOs pay the females to make the deposits—the females typically are not DTO members.

Drug traffickers in the region use front companies, cash-intensive businesses, and real estate to launder drug proceeds; they also engage in

11. A person structures a transaction if that person, acting alone, or in conjunction with or on behalf of other persons, conducts or attempts to conduct one or more transactions in currency, in any amount, at one or more financial institutions, on one or more days, in any manner, for the purposes of evading the reporting requirements under Title 31. “In any manner” includes but is not limited to the breaking down of a single sum of currency exceeding \$10,000 into smaller sums, including sums at or below \$10,000. The transaction or transactions need not exceed the \$10,000 reporting threshold at any single financial institution on any single day in order to constitute structuring within the meaning of this definition.

12. The Bank Secrecy Act (BSA) of 1970 was designed to do the following: deter money laundering and the use of secret foreign bank accounts; create an investigative paper trail for large currency transactions by establishing regulatory reporting standards and requirements; impose civil and criminal penalties for noncompliance with its reporting requirements; and improve detection and investigation of criminal, tax, and regulatory violations.

13. BSA recordkeeping rules require presentation of identification at the time of transaction and entry into a wire transfer log for transactions of \$3,000 or greater.



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“asset substitution.” Asset substitution involves a third party, often a facilitator or semilegitimate criminal associate, who purchases items such as used automobiles and/or boats in the United States and then ships the vehicles to another country for resale. Drug traffickers purchase the vehicles from the third party in cash, usually at inflated prices; the purchaser’s identity is often concealed. The traffickers then resell the vehicles to unwitting buyers, generally within the same community.

OUTLOOK

Mexican DTOs will quite likely become further entrenched in the Atlanta HIDTA region and continue to expand their distribution operations throughout the southeast, including into areas of North Carolina, South Carolina, southern Virginia, and Kentucky, particularly as they gain additional market exposure. These DTOs will use more rural areas to store illicit drugs for further transport to nearby cities or states because they believe law enforcement scrutiny to be less intense in rural areas.

Mexican DTOs will continue to transport large quantities of cocaine into the Atlanta HIDTA region. Cocaine availability at the wholesale level may continue to fluctuate in the region because of increased security at the U.S.–Mexico border and continued efforts against Mexican DTOs operating in Mexico; however, the fluctuations should not be severe enough to greatly impact cocaine availability at the retail level.

Indoor cannabis cultivation will continue in the Atlanta HIDTA region; however, indoor cultivation by Cuban DTOs will quite likely decrease in 2008. The number of indoor cannabis plants seized in 2007 was unusually high because of heightened law enforcement operations against Cuban DTOs in the Atlanta HIDTA region. Members of the Cuban DTOs were surprised by the intense law enforcement pressure brought against them and shocked when federal charges were filed. The numerous arrests of Cuban DTO members will most likely hamper their ability to continue to cultivate cannabis in the region. Moreover, law enforcement pressure will quite likely force Cuban DTOs to seek locations outside the HIDTA region for indoor cannabis cultivation. These factors may effectively reduce their presence in the region.

Street gangs will further exploit the Internet for gang-related activities in the Atlanta HIDTA region. The Internet will provide gang members with quick communication and a means to collaborate and share information. African American gang members will post music videos on Internet file-sharing web sites, detailing their drug distribution activities.

SOURCES

Local, State, and Regional

Atlanta Police Department
Georgia Bureau of Investigation
Investigative Division
Georgia Department of Human Resources
Division of Mental Health
Developmental Disabilities and Addictive Diseases
Georgia State Highway Patrol
Georgia State University

Federal

Executive Office of the President
Office of National Drug Control Policy
High Intensity Drug Trafficking Areas
Atlanta
Central Florida
Gulf Coast
Southwest Border
West Texas Region
U.S. Department of Commerce
U.S. Census Bureau
U.S. Department of Health and Human Resources
National Institutes of Health
National Institute on Drug Abuse
Community Epidemiological Work Group
U.S. Department of Homeland Security
Blue Lightning Operations Center
U.S. Immigration and Customs Enforcement
U.S. Department of Justice
Drug Enforcement Administration
Atlanta Field Division
Charlotte District Office
Domestic Cannabis Eradication/Suppression Program
El Paso Intelligence Center
National Seizure System
Heroin Domestic Monitor Program
Federal Bureau of Investigation
Uniform Crime Report
U.S. Attorneys Office
Northern District of Georgia

Other

Atlanta Journal-Constitution



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