Drug Market Analysis 2008

Los Angeles

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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Table of Contents

Preface 1
Strategic Drug Threat Developments 2
HIDTA Overview 3
Drug Threat Overview 4
Drug Trafficking Organizations 7
Production 8
Transportation 15
Distribution 16
Drug-Related Crime 18
Abuse 19
Illicit Finance 19
Outlook 21
Sources 23

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PREFACE

This assessment provides a strategic overview of the illicit drug situation in the Los Angeles High Intensity Drug Trafficking Area (HIDTA) region, 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.

Figure 1. Los Angeles High Intensity Drug Trafficking Area.

Strategic Drug Threat Developments

- Highly organized and very sophisticated Mexican drug trafficking organizations (DTOs) and criminal groups control the most significant drug operations in the HIDTA region and an increasing number of drug markets throughout the country; this expansion is facilitated through their enhanced cooperative efforts with Los Angeles-based street gangs, prison gangs and, to a lesser extent, outlaw motorcycle gangs (OMGs) that are increasingly joining forces with Mexican DTOs and criminal groups for economic gain. (See text box on page 9.)

- The migration of Los Angeles-based street gangs from inner-city neighborhoods—particularly those in Los Angeles County—to more suburban and rural communities within Los Angeles County (notably the Antelope Valley area) as well as San Bernardino and Riverside Counties and many other drug markets throughout the country has escalated dramatically.

- A large and increasing number of street gangs that distribute illicit drugs in the Los Angeles HIDTA region have military-trained gang members with knowledge of and access to sensitive military equipment and weapons; their increasing reliance on military-trained gang members to facilitate their drug enterprises threatens law enforcement safety because most officers are not similarly trained to protect themselves and others.

- The increasing demand for high-potency marijuana throughout the United States has contributed to increases in domestic cannabis cultivation, both indoors (primarily by Asian groups) and outdoors (principally by Mexican groups) in the Los Angeles HIDTA region, a principal source area for domestically produced marijuana.

- Asian (particularly Vietnamese) DTOs and criminal groups in the Los Angeles HIDTA region increasingly are producing high-potency marijuana in a number of upscale suburban neighborhoods at which high levels of black mold (see text box on page 14) and carbon dioxide also are discovered; many of the growers also booby-trap the homes and reroute the electrical wiring, which further threatens law enforcement safety.

- The increased visibility of violent cartels in Mexico and near the California–Mexico border has contributed to shifts in drug smuggling patterns and, occasionally, drug flow from Mexico into and through the Los Angeles HIDTA region.

- Mexican ice methamphetamine—the availability of which has somewhat diminished—is the principal type available in the Los Angeles HIDTA region; however, the Los Angeles HIDTA region is one of the most prominent domestic source areas for methamphetamine available throughout the western portion of the country and in many eastern drug market areas.

- Many DTOs and criminal groups in the Los Angeles HIDTA region that distribute illicit drugs also commit various other crimes—murder, alien smuggling, kidnapping, and weapons smuggling—to further their criminal enterprises and generate profits.

- Conflicting state and federal laws regarding marijuana distribution and use for serious illnesses are increasingly difficult for law enforcement officers in the HIDTA region to enforce; in January 2008 distributors in Los Angeles became first in the state to use the protections offered through state medicinal marijuana laws to dispense marijuana through vending machines—known as Anytime Vending Machines (AVMs)—that resemble candy and other snack vending machines.

HIDTA Overview

The Los Angeles HIDTA region—composed of Los Angeles, Orange, Riverside, and San Bernardino Counties—is one of the most populous regions in the country with almost 17 million residents[1] in over 32,000 square miles of territory. It is a principal production, transportation, and distribution center for illicit drugs available in the HIDTA region and in many other U.S. drug markets supplied by traffickers in the Los Angeles area, including Atlanta, Georgia; Chicago, Illinois; Cleveland, Ohio; Denver, Colorado; Las Vegas, Nevada; Memphis, Tennessee; Miami, Florida; New York, New York; Omaha, Nebraska; Phoenix, Arizona; Salt Lake City, Utah; Seattle and Yakima, Washington; St. Louis, Missouri; Tulsa, Oklahoma; and Washington, D.C.

Drug traffickers often exploit the region's unique geographic composition for illicit drug production—typically methamphetamine production, cannabis cultivation, crack conversion, and PCP (phencyclidine) production. The Inland Empire, which encompasses both San Bernardino and Riverside Counties, is largely a sparsely populated rural area. (See Figure 1 on page 1.) San Bernardino is the largest county by area in the United States[2] and Riverside ranks fourth, which makes detection of methamphetamine laboratories and cannabis fields difficult. (See Figure 2 on page 13.) Traffickers can maintain robust cannabis crops because of ideal climate conditions in the HIDTA region. In addition, Asian (particularly Vietnamese) DTOs and criminal groups and a number of other traffickers also cultivate significant and increasing quantities of high-potency cannabis indoors, particularly in upscale suburban neighborhoods where most residents commute to and from work and have little interaction with their neighbors. Most of their crack and PCP production occurs in inner-city neighborhoods; however, PCP increasingly is produced in the high desert areas of San Bernardino County.

Mexican DTOs and criminal groups, the principal transporters of illicit drugs, smuggle multihundred-kilogram quantities of marijuana, ice methamphetamine,[3] cocaine, Mexican black tar and brown powder heroin, and MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy)[4] from Mexico to southern California—often through ports of entry (POEs) located in the San Diego area—using private and commercial vehicles and couriers on foot (increasingly illegal aliens). Once in southern California, these traffickers usually transport illicit drugs to the Los Angeles HIDTA region in private, rental, and commercial vehicles using the region's highly developed Interstates (Interstates 5, 10, 15, 40, and 215) and other roadways. During each phase of this process, they rely on their close associations with friends and family members residing on both sides of the California–Mexico border—a border located just 90 miles south of Orange and Riverside Counties—to ensure that the flow of illicit drugs from origin to destination goes uninterrupted. (See Figure 1 on page 1.) Their reliance on overland transport also solidifies the Los Angeles HIDTA region's role as one of the most significant gateways for illicit drugs available in the United States, since all illicit drugs that are smuggled across the California–Mexico border for distribution in and outside the area very likely pass through drug markets located in the Los Angeles HIDTA region. Most of the bulk cash and monetary instruments generated by drug traffickers and other criminals in the HIDTA region and a significant portion of the drug proceeds generated in many other U.S.

1. U.S. Census estimates indicate that approximately 46 percent of all California residents resided in the Los Angeles High Intensity Drug Trafficking Area (HIDTA) region as of July 1, 2007, the date from which most recent data are available.

2. San Bernardino County is larger in area than each of the nine smallest states in the country.

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

4. According to officials with the Drug Enforcement Administration (DEA) Southwestern Regional Laboratory, some drug seizures that are believed to be MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) tablets actually contain only methamphetamine or methamphetamine/MDMA combinations. Most of these tablets originate in Canada.

locations are smuggled overland from the area into Mexico for many of the same reasons that traffickers use the HIDTA region as a base for drug smuggling activities.

Mexican DTOs' and criminal groups' tight-knit associations are, to a great extent, a principal reason for much of their drug trafficking success in the Los Angeles HIDTA region. Their success is magnified by the HIDTA region's demographic composition, which includes one of the largest Hispanic (primarily Mexican) populations in the country, a characteristic that helps Hispanic drug traffickers easily blend with legitimate residents and visitors.

The Los Angeles HIDTA region also has one of the largest and most diverse economies in the world. It is home to major industrial giants such as Boeing, General Motors, and Northrop Grumman, which have factories and regional headquarters located in the Los Angeles HIDTA region. It also has highly desired entertainment and sporting events—studios, television stations, and radio stations located in Hollywood and Beverly Hills; Disneyland; Knott's Berry Farm; and Universal Studios as well as popular sports teams (Angels, Clippers, Dodgers, Ducks, Kings, and Lakers)—that attract wealthy residents as well as tens of millions of tourists each year. Both of these populations (wealthy residents and tourists) as well as many others (particularly drug traffickers) include drug abusers with large sums of cash available to purchase illicit drugs, which helps drug traffickers maintain large-scale drug operations in the Los Angeles HIDTA region. That same level of wealth helps traffickers live flashy lifestyles and/or launder large quantities of cash without attracting the same level of attention that they may attract in many other U.S. drug market areas. Their money laundering capabilities are further amplified by the region's highly developed banking and financial centers—which are among the best in the world.

Drug Threat Overview

The production, distribution, and abuse of methamphetamine, although somewhat diminished, pose the principal illicit drug threats to the Los Angeles HIDTA region. However, the production, distribution, and abuse of cocaine, marijuana, and PCP as well as the distribution and abuse of Mexican black tar heroin (and, to a lesser extent, Mexican brown powder heroin) and MDMA also pose significant law enforcement challenges. Forty-seven of the 58 respondents located within the Los Angeles HIDTA region that replied to the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2007 reported that methamphetamine was their greatest drug threat; the remainder reported that crack (5), marijuana (3), powder cocaine (2), and MDMA was the greatest drug threat to their jurisdictions. All of these respondents indicated that many other drugs, including heroin and PCP, also were problematic, albeit to varying degrees.

Law enforcement officers assigned to Los Angeles HIDTA task force initiatives seized more marijuana (64,913 kg) than any other illicit drug in 2007 and each year from 2004 through 2007. (See Table 1 on page 5.) Their 2007 marijuana seizure totals were two times higher than their 2006 amounts; however, few officers report that marijuana is the most significant illicit drug threat. Officers that report marijuana as the principal illicit drug threat typically work in areas where other illicit drug production, distribution, and abuse levels are relatively low or in areas where the production, distribution, and abuse of marijuana often are associated with high levels of violence or other threats to public health and safety. (See text box regarding black mold on page 14.) For example, each of the Los Angeles HIDTA area respondents to the NDTS 2007 that identified marijuana as the greatest drug threat—which included the Palos Verdes Estates, Santa Monica, and South Pasadena Police Departments—also reported that marijuana availability was high and that the drug was produced in their jurisdictions. However, none of these respondents reported that methamphetamine, cocaine, or heroin was available at high levels, and Santa Monica was the only Police Department to report that MDMA (which poses a lesser drug threat to the HIDTA region overall) was available at high levels. Officers assigned to Los Angeles HIDTA task forces seized

Table 1. Illicit Drugs Seized in the Los Angeles HIDTA Region, in Kilograms, 2004–2007

Drug Type	2004	2005	2006	2007
Marijuana	36,294	72,191	30,431	64,913
Cocaine	2,920	4,062	4,461	2,367
Powder	NA	4,024	4,310	2,241
Crack	NA	38	151	126
Methamphetamine	2,536	2,229	733	465
Powder	NA	1,943	257	97
Ice	NA	286	476	368
PCP*	NA	23	314	75
Heroin	36	15	83	56
MDMA	25	46	144	176,030**

Source: Los Angeles High Intensity Drug Trafficking Area Performance Management Process Database.
NA–Not available.
* Liquid gallons.
** Dosage units.

decreasing quantities of all other illicit drugs in 2007 as compared with 2006—notably cocaine, methamphetamine, and PCP. (See Table 1 above.)

Drug traffickers in the Los Angeles HIDTA region adjust their illicit drug prices based upon a number of factors, including drug availability, quantity purchased, potency, and geographic area where purchased. They dramatically increased their wholesale prices for ice methamphetamine, cocaine, high-potency marijuana, and PCP in 2007 as compared with 2006, while drastically reducing their prices for wholesale quantities of MDMA during that same period. All of their other illicit drug prices were relatively unaffected in 2007 as compared with 2006. (See Table 2 on page 6.)

Ice methamphetamine price hikes in the Los Angeles HIDTA region—which increased to as much as $18,000 per pound in 2007[5] as compared with $12,000 per pound in 2006[6]—were attributed to significant declines in the drug's availability in 2007 that resulted from effective law enforcement efforts on both sides of the U.S.–Mexico border (including the California border); strict precursor chemical control regulations in Mexico that have forced Mexican DTOs and criminal groups to adapt their chemical purchases, production techniques, and smuggling routes; and escalating violence among DTOs and criminal groups fighting over drug smuggling corridors near the California–Mexico border. Most traffickers in the area will not cut their methamphetamine supplies with diluents or adulterants for distribution because ice methamphetamine abusers in the HIDTA region typically will not purchase "dirty ice" (ice that is less than 87 percent pure) or return to the same distributors if they unknowingly purchase dirty ice even once. Traffickers' elevated prices for cocaine are similarly attributed to declines in drug availability, which became increasingly apparent in the Los Angeles HIDTA region in the spring of 2007 before escalating more rapidly after Mexican authorities seized 23 metric tons of cocaine in Colima, Mexico, on October 30, 2007. The price increases for wholesale quantities of high-potency marijuana (which

5. Prices for ice methamphetamine again increased to as much as $19,500 by the end of March 2008.

6. Prices for ounce quantities of ice methamphetamine also increased in 2007 ($800 to $1,200) as compared with 2006 ($650).

Table 2. Illicit Drug Prices in the Los Angeles HIDTA Region, by Drug, 2006–2007

Drug	Wholesale		Midlevel		Retail	
	2006	2007	2006	2007	2006	2007
Cocaine (powder)	$12,000-$14,000/kg	$17,000-18,000/kg	$500-$600/oz	$600-$800/oz	$80/g	$80/g
Heroin						
Black Tar	$20,000-$22,000/kg	$20,000-$22,000/kg	$300-$800/oz	$500-$800/oz	$80/g	$80/g
Brown Powder	$25,000/kg	$25,000/kg	NA	NA		
Marijuana						
Commercial-Grade	$300-$350/lb	$300-$350/lb	$75-$100/oz	$75-$100/oz	$5-$10/g	$5-$10/g
High-Potency	$2,000-$4,000/lb	$6,000/lb	$300-$600/oz	$300-$600/oz	$60-$80/1/8 oz	$60-$80/1/8 oz
Methamphetamine (Ice)	$8,000-$12,000/lb	$16,000-$18,000/lb	$650/oz	$800-$1,200/oz	$40/¼ g	$40/¼ g
MDMA	$6,000-$10,000/boat	$2,500-$3,000/boat	NA	NA	$10-$12/tablet	$10-$12/tablet
PCP	$10,000-$12,000/gallon	$15,000-$18,000/gallon	NA	$300-$350/ounce	NA	$10-$20/sherm cigarette

Source: Los Angeles Clearinghouse; Drug Enforcement Administration Los Angeles Field Division.
Green–Price decreases from 2006 to 2007.
Red–Price increases from 2006 to 2007.
NA–Not available.

is increasingly available and abused in the HIDTA region) are more likely attributed to the increased risks associated with cultivation and distribution of marijuana, some of which is occasioned by successful law enforcement interdiction efforts in the Los Angeles HIDTA region. The increases in PCP prices can be attributed to arrests of key PCP producers—notably members of Bloods and Crips sets[7]—in the area as well as increases in security measures taken by those that still produce PCP in the HIDTA region.

The significant declines in wholesale MDMA prices in 2007 ($2,500 to $3,000/boat[8]) as compared with 2006 ($6,000 to $10,000/boat) are attributed to the large quantities of MDMA available for distribution in the area, much of which is smuggled from Europe, Canada and, to a lesser extent, Mexico. Some law enforcement officers also report that MDMA prices are down because of declining demand for the drug attributable to adverse publicity regarding the drug's effects and the closing of raves and other venues where MDMA abuse once was popular. Other law enforcement reporting indicates that MDMA pricing data are limited and/or inaccurate, in part, because of the current barter system whereby Asian street gang members and other traffickers are trading MDMA from Canada pound-for-pound with cocaine that was obtained through Mexican sources

7. The Bloods and Crips are associations of structured and unstructured gangs that emulate (copy) a single gang culture. Most Bloods and Crips gangs are local gangs that maintain few or no ties to other Bloods or Crips gangs. There are, however, several national-level Bloods and Crips gangs that have smaller subgroups that are commonly referred to as sets or cliques. For example, Bounty Hunters is a Los Angeles-based Bloods gang that maintains ties to same-named sets in Anniston, Alabama; Kansas City and St. Louis, Missouri; Mesa, Arizona; Salt Lake City, Utah; and Wichita, Kansas. The Rolling 60's is a Los Angeles-based Crips gang that maintains ties to same-named sets in Hattiesburg, Mississippi; Kansas City, Missouri; Little Rock, Arkansas; Minneapolis, Minnesota; Shreveport, Louisiana; and several other locations.

8. There are 1,000 tablets in a boat.

in the Los Angeles HIDTA region. These traffickers typically smuggle their cocaine supplies back into Canada for distribution and abuse.

Law enforcement officials supporting Los Angeles HIDTA initiatives arrested members of 262 drug trafficking groups[9] in 2007, up slightly from 251 in 2006. Most of the arrests in 2007 involved Mexican (184) or Mexican American (73) criminals that ran international (131) and/or multistate (83) drug trafficking operations. Many of the criminals were polydrug traffickers who distributed more than one type of drug at a time, which most often included methamphetamine (136), cocaine (135), marijuana (75), heroin (17), MDMA (5), and/or PCP (3).

Drug Trafficking Organizations

Highly sophisticated Mexican DTOs and criminal groups—whose drug operations often mirror successful, legitimate businesses—pose the most formidable law enforcement challenges to the Los Angeles HIDTA region. Los Angeles-based Mexican DTOs and criminal groups are closely aligned with the most significant drug cartels in western Mexico—principally the Sinaloa Cartel (also known as the Chapo Guzmán Organization) and Tijuana Cartel (also known as the Arellano Félix Organization (AFO)—and they successfully exploit these relationships to maintain control of the smuggling to and wholesale distribution of illicit drugs in and outside the HIDTA region. These well-integrated networks as well as those they increasingly forge with members of other DTOs, criminal groups, street gangs, prison gangs, and OMGs that distribute significant quantities of illicit drugs help their drug networks flourish. Each of these trafficking groups willingly works with Mexican DTOs and criminal groups (which are smaller in size than they had been previously) for profit.

Mexican DTOs and criminal groups often compartmentalize duties to ensure that knowledge about the various aspects of their operations is limited and tightly controlled. Their members often have a strong sense of loyalty, particularly since many are family members or close friends, a practice that makes detection by law enforcement more difficult. Although Mexican DTOs and criminal groups typically rely on well-established smuggling routes, they easily adapt their smuggling routes and techniques to law enforcement pressures, particularly when that pressure could impact the flow of illicit drugs into the Los Angeles HIDTA region and the return of drug proceeds to Mexico. Mexican DTOs and criminal groups do not tolerate disobedience by their members, particularly at the highest levels. They have the knowledge and wherewithal to enforce the threats that they make. Individuals that jeopardize Mexican DTOs' and criminal groups' drug operations and other illicit activities are often dealt with violently, frequently resulting in serious injury or death.

Mexican DTOs and criminal groups in the Los Angeles HIDTA region often exploit the region's large Mexican illegal alien population for the more risky aspects of drug trafficking, typically by coaxing them to smuggle illicit drugs from Mexico to the HIDTA region or by using them to tend cannabis grow sites or methamphetamine production

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.

9. Eight of these trafficking groups specialized in money laundering.

operations. When illegal aliens are arrested for transporting illicit drugs, they typically are too afraid to cooperate with law enforcement officers because of the high level of violence or threat of violence to them and their family members by those who enforce DTOs' and criminal groups' rules. In many cases, members of the DTO or criminal group quickly replace one illegal alien with another. Some of these illegal aliens put their lives in grave danger and receive minimal payment for their services. For example, those that tend to cannabis grow sites often are dropped off in dense forest lands and other remote locations with minimal food, water, and shelter for weeks or months at a time. Their work days are long and hard, and they often receive under $25 a day for their services (most of which they send back to their families in Mexico). Many also are confronted by vicious animals and violent criminals. Some of those criminals steal their drug crops and/or kill the cultivators. In addition, those that tend to methamphetamine production sites work with toxic chemicals, the combinations of which can cause serious burns, long-term health problems, and explosions that could and sometimes do result in death.

The number of street gangs, prison gangs and, to a lesser extent, OMGs who purchase significant quantities of illicit drugs from Mexican DTOs and criminal groups for distribution in the Los Angeles HIDTA region is among the largest in the country. (See text box on page 9.) Street gang members increasingly are infiltrating suburban and rural communities that previously had minimal drug threats, including the Antelope Valley area (parts of which are located in both Los Angeles County and nearby Kent County), the Inland Empire, and the many other U.S. drug markets that they also service. Most of their local migration is attributed to rising housing costs—housing in the Inland Empire is comparatively cheaper than in Los Angeles—and intense law enforcement pressure in inner-city Los Angeles neighborhoods where the largest number of traffickers typically congregates for drug trafficking and other illicit activities. Some of their expansion outside the HIDTA region also is attributed to elevated housing costs and increased enforcement efforts in the Los Angeles HIDTA region. However, a larger portion of that migration can be attributed to increased profit potential in those drug markets, which often is greatly enhanced once outside the Los Angeles HIDTA region. Regardless of the suburban or rural community impacted by this migration, the majority lack the infrastructure to properly deal with high levels of drug distribution and violent crime. Law enforcement officers in San Bernardino County report that the increasing number of murders in their jurisdiction directly correlates with the increasing number of gang members who have migrated from Los Angeles to San Bernardino County to distribute illicit drugs and commit other crimes.

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

Production

Mexican DTOs and criminal groups in Jalisco, Sonora, and Sinaloa, Mexico produce most of the methamphetamine available in the Los Angeles HIDTA region. However, Mexican DTOs and criminal groups and, to a lesser extent, Caucasian and Asian criminal groups and independent producers in the HIDTA region produce significant, albeit decreasing, quantities of methamphetamine locally. El Paso Intelligence Center (EPIC) National Seizure System (NSS) data indicate that law enforcement officers seized fewer powder methamphetamine laboratories in 2007 (39)[10] than in 2006 (102) or in 2005 (106), most of which were located in Los Angeles and San Bernardino Counties during each year. (See Table 3 on page 11.)

10. This figure does not include the number of chemicals, equipment, or dumpsites seizures which also are associated with methamphetamine production.

Street Gangs, Prison Gangs, and OMGs in the Los Angeles HIDTA Region

Street Gangs. Most street gangs in the Los Angeles HIDTA region form along ethnic lines, predominantly Hispanic, African American, and Asian. Law enforcement officers estimate that over 2,800 active street gangs with over 140,000 members[a] distribute illicit drugs and commit other crimes (murder, alien smuggling, kidnapping, and weapons smuggling) in the Los Angeles HIDTA region. The most prominent street gangs in the HIDTA region include Bloods and Crips sets, Mara Salvatrucha (MS-13), West Side, and 18th Street; the vast majority of the gang members in the HIDTA region rely exclusively on their drug profits for income. Racial tensions between African American and Hispanic gang members, long problematic, are high and increasing throughout the HIDTA region. An estimated 1,400 street gangs with over 100,000 members distribute illicit drugs in Los Angeles County, particularly from housing projects in southeast Los Angeles (which are among the largest in the country); numerous others distribute illicit drugs within well-defined city blocks–increasingly from the Inland Empire and Orange County, which has gang problems that often mirror those in Los Angeles, albeit on a smaller scale. Unlike Los Angeles County, Orange County has mostly Hispanic street gang members. The number of drug-related homicides in Orange County continues to increase; over half occur annually in Santa Ana, home to the most violent street gangs that distribute illicit drugs in the county. Asian street gang activity is more pronounced in Santa Ana, which has the largest Vietnamese population outside Vietnam, many of whom distribute illicit drugs.

An increasing number (currently about one-third) of all the street gangs HIDTA-wide have military-trained gang members with knowledge of and access to sensitive military equipment and weapons, which they use to further their drug trafficking activities. Most law enforcement officers do not receive the same type of military training and are therefore often unprepared for the traffickers' reactions. For example, in summer 2007 a U.S. Marine, while on leave following a 7-month tour in Iraq and high on cocaine, lured police officers into the parking lot of a liquor store in Ceres (a small town in northern California) on behalf of the Norteños street gang. Once in the parking lot, the Marine ambushed two police officers with an SKS assault rifle, killing one and injuring another, by using two separate tactics that he learned through his military training. Neither officer was reportedly prepared for this attack, particularly since the Marine acted offensively by moving directly toward police fire, unlike most drug traffickers and other criminals who typically hide or run away when confronted that way. This attack exemplifies the aggressiveness of gangs that increasingly recruit members with military training.

Prison Gangs. There also are over 13,500 prison gang members in Los Angeles County jails, the largest and most problematic of which is the Mexican Mafia (known as La Eme).[b] The Mexican Mafia controls much of the Hispanic prison population as well as Hispanic street gang activities in metropolitan areas within the HIDTA region and in all of southern California. They also are among the top five prison gangs by size in the United States.

Mexican Mafia members and those who work on their behalf collect fees or taxes from some Hispanic street gangs for their right to distribute drugs in specific neighborhoods. For example, in May 2007 agents with the Federal Bureau of Investigation (FBI) in coordination with the Coachella Valley Gang Task Force arrested 13 individuals, including alleged members of the Mexican Mafia, for working with the José Chávez Huerta DTO to distribute illicit drugs and launder drug proceeds in and around Coachella Valley. Two senior members of the Huerta DTO reportedly controlled drug trafficking operations in Coachella Valley on behalf of the Mexican Mafia, in addition to controlling drug operations on their own organization's behalf. The Hispanic street gang members who distributed illicit drugs in the area reportedly paid taxes to these senior Huerta DTO members. They, in turn, paid taxes to their Mexican Mafia sponsors, and enforced Mexican Mafia rules using threats and violence.

OMGS. Prominent OMGs such as Diablos, Hells Angels Motorcycle Club, Mongols, and Vagos also distribute illicit drugs in the HIDTA region, albeit on a much smaller scale than street gangs and prison gangs. Members of some of these OMGs increasingly are working with prison and street gangs to transport illicit drugs to and distribute illicit drugs in the HIDTA region and in various other drug markets throughout the country, principally to their counterparts.

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

a. No law enforcement agency in the Los Angeles HIDTA region or the rest of the state currently collects and analyses gang-related data and intelligence by county so these numbers reflect compilations of data from a number of different sources.
b. Mexican Mafia control originated in the California Department of Corrections in the 1950s by members of several southern California Hispanic streets gangs and, to a lesser extent, northern California street gangs who wanted to protect themselves from assaults by African American and Caucasian inmates and to counter perceived unfair treatment from the correctional staff. 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.

They also seized fewer ice conversion laboratories during those same periods—4 in 2007 as compared with 11 in 2006 and 9 in 2005. Most of the ice conversion laboratories seized during that 3-year period were located in Los Angeles County; in 2007 all of the ice conversion laboratories that were seized in the HIDTA region were located in Los Angeles County. The declines in both types of laboratories are attributed to the outsourcing of methamphetamine production, which was pushed into Mexico because it was easier and cheaper than local production, the result of stringent precursor chemical control regulations, successful law enforcement efforts, and public awareness campaigns in the United States. However, Mexican authorities increasingly are making the acquisition of precursor chemicals used to produce methamphetamine more difficult than they had previously, which may very likely cause additional near-term methamphetamine shortages in the HIDTA region and in the drug markets supplied by traffickers in Los Angeles—which include the U.S. Pacific, Southwest, Midwest, and Southeast Regions as well as the Pacific Rim nations.[11]

Mexican methamphetamine producers started in 2006 to become increasingly savvy at concealing their drug production operations, and that trend is continuing. Many methamphetamine producers no longer share information with their counterparts, such as where and when they plan to cook methamphetamine at a major laboratory or superlab. Instead, these producers may only provide a map of an address in San Bernardino, for example, and wait until the last moment to inform their counterparts 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 and criminal groups rarely stockpile the drug in the Los Angeles HIDTA region; it is produced, often only partially, and then transported to another destination for further processing and/or distribution. In some cases, cooks attempt to destroy fingerprints and other evidence of their involvement with methamphetamine laboratories by setting fires to laboratory dumpsites before abandoning the sites or by using machinery to bury waste materials on the property around the laboratory site as the waste is produced. Such practices result in tremendous environmental damage

California: The Methamphetamine Superlab Capital of the United States

While most of the powder methamphetamine laboratory seizures recorded in the Los Angeles HIDTA counties involved small-scale laboratories capable of producing less than 2 pounds of methamphetamine per production cycle, the number of major laboratories and superlabs—laboratories that can yield large quantities of methamphetamine per production cycle and that are much more likely to impact drug availability in and outside the HIDTA region—was significant this year. Four of the 39 powder methamphetamine laboratories seized in the Los Angeles HIDTA region in 2007 were capable of producing 2 to 9 pounds of methamphetamine per production cycle and four others were capable of producing over 10 pounds per production cycle. The four superlabs accounted for 36 percent of the 11 superlabs seized in the United States in 2007; each of the other superlabs recorded that year also were seized in California, with the exception of one superlab seizure recorded in Missouri. Additionally, 12 of the 17 ice conversion laboratories seized in the United States in 2007 were located in California; four of the 12 seized in California (or one-third) were located in the Los Angeles HIDTA region, specifically Los Angeles County. Although none of these four conversion laboratories were classified as major laboratories or superlabs in 2007, law enforcement officers in the Los Angeles HIDTA region seized seven such laboratories in 2005 and 2006 combined. (See Table 3 on page 11.)

Source: El Paso Intelligence Center National Seizure System.

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

Table 3. Small, Major, and Super Powder Methamphetamine and Ice Conversion Laboratory Seizures in the Los Angeles HIDTA Region, by County, 2005–2007[a]

County	Drug Form	2005			2006			2007			2005–2007		
		Small	Major	Super	Small	Major	Super	Small	Major	Super	Small	Major	Super
Los Angeles	Powder	25	4	5	34	2	2	15	3	2	74	9	9
	Ice Conversion	3	1	2	5	1	1	4	0	0	12	2	3
Orange	Powder	7	0	3	5	1	0	2	0	1	14	1	4
	Ice Conversion	0	0	0	1	0	1	0	0	0	1	0	1
Riverside	Powder	18	3	0	22	1	1	1	0	0	41	4	1
	Ice Conversion	1	0	0	1	0	0	0	0	0	2	0	0
San Bernardino	Powder	37	2	2	34	0	0	13	1	1	84	3	3
	Ice Conversion	1	1	0	1	0	0	0	0	0	2	1	0
LA HIDTA Total	Powder	87	9	10	95	4	3	31	4	4	213	17	17
	Ice Conversion	5	2	2	8	1	2	4	0	0	17	3	4

Source: El Paso Intelligence Center National Seizure System, current as of March 26, 2008.

a. Small laboratories are capable of producing less than 2 pounds of methamphetamine per production cycle. Major laboratories are capable of producing 2 to 9 pounds of methamphetamine per production cycle. Superlabs are capable of producing over 10 pounds of methamphetamine per production cycle.

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 $277,642 in 2007 and accounted for nearly one-third (almost 33%) of the $845,340 spent in the 58 California counties combined that year.

Mexican DTOs and criminal groups based in the Mexican states of Guerrero, Michoacán, Nayarit, Oaxaca, and Zacatecas produce most of the marijuana available in the Los Angeles HIDTA region; however, Mexican and, to a much lesser extent, Asian and Caucasian DTOs and criminal groups also produce significant quantities of domestic marijuana in the Los Angeles HIDTA region. Preliminary data from the Domestic Cannabis Eradication and Suppression Program (DCE/SP) indicate law enforcement officials seized a total of 538,493 cannabis plants from indoor and outdoor grow sites in the Los Angeles HIDTA region in 2007,[12] an amount significantly higher than the 255,449 plants reported seized in 2006. Growers cultivate the largest number of cannabis plants outdoors—usually on federal public lands in the San Bernardino, Cleveland, and Angeles National Forests—and their cultivation levels in 2007 increased considerably when compared with 2006. (See Table 4 on page 12.) To further compound the threat, many traffickers (mostly Mexican traffickers) conceal their drug crops and laboratories or laboratory wastes under trees[13] or

12. In 2007 the preliminary eradication totals recorded through the Domestic Cannabis Eradication and Suppression Program (DCE/SP) included those reported from public lands agencies, including the Department of Interior (DOI) and U.S. Forest Services (USFS), as well as those from state and local law enforcement agencies affiliated with the DCE/SP. Prior to 2007, DCE/SP totals only included data from state and local law enforcement agencies affiliated with DCE/SP.

13. Some of these growers tie the tops of the trees together military-style to avoid aerial detection by law enforcement.

Table 4. Indoor and Outdoor Cannabis Plants Seized in the Los Angeles HIDTA Region, by County, 2006–2007

County	Indoor		Outdoor		Total	
	2006	2007	2006	2007	2006	2007
Los Angeles	3,917	28,170	29,341	228,061	33,258	256,231
Orange	0	0	0	0	0	0
Riverside	2,269	1,906	121,784	179,617	124,053	181,523
San Bernardino	3,608	15,292	94,530	85,447	98,138	100,739
HIDTA Total	**9,794**	**45,368**	**245,655**	**493,125**	**255,449**	**538,493**
California Total	**200,339**	**160,138**	**2,766,988**	**4,791,838**	**2,967,327**	**4,951,976**

Source: Drug Enforcement Administration Domestic Eradication and Suppression Program.

mix their crops within other thick vegetation in these forests. Los Angeles Police Department officers report that these growers increasingly are armed and/or booby-trap their cultivation sites and often use fertilizers that are poisonous to humans at grow sites, posing a serious threat to tenders, marijuana users, and law enforcement and other individuals who happen upon the sites. Preliminary DCE/SP data also suggest that growers are cultivating more cannabis indoors (including hydroponically) than they had previously—usually in private residences—which very likely is in response to an increasing demand for high-potency marijuana both in and outside the HIDTA region. Law enforcement reporting suggests that Asian DTOs and criminal groups are converting an increasing number of upscale homes in Corona and Norco (Riverside County); Diamond Bar, Rowland Heights, and Walnut (Los Angeles County); Garden Grove and Westminster (Orange County); Ontario (San Bernardino County); and in many other areas into cannabis grow operations. The growers managing one operation may also operate other grows nearby or be affiliated with those who operate those nearby grow sites. Many of these homes contain high levels of black mold from the extreme moisture necessary for successful grows and have high levels of carbon dioxide and altered electrical wiring that pose serious health and safety issues for law enforcement officers, private citizens, and those tending these indoor grows. (See text box on page 14.) To compound the problem even more, traffickers increasingly are breaking in to steal cannabis plants and/or processed marijuana from indoor grow sites, elevating the number of burglaries, robberies, and related violent crime in areas that previously had little to no drug-related violent crime.

Law enforcement officers with U.S. Customs and Border Protection (CBP) reportedly also stop a number of Asian cannabis cultivators crossing the U.S.–Canada border, some of whom are traveling from Canada to the Los Angeles area to further their cannabis cultivation operations. Once in Los Angeles, the cultivators typically educate other Asian traffickers on how to properly pollinate cannabis plants that yield high-potency cannabis (some with THC (delta-9-tetrahydrocannabinol) levels ranging 15 to 20 percent) before returning home. These experienced Asian growers from Canada reportedly prefer to travel to Los Angeles and other U.S. locations to train their counterparts on how to cultivate high-potency cannabis because they believe it is less risky than smuggling large quantities of marijuana across the Northern Border for distribution.

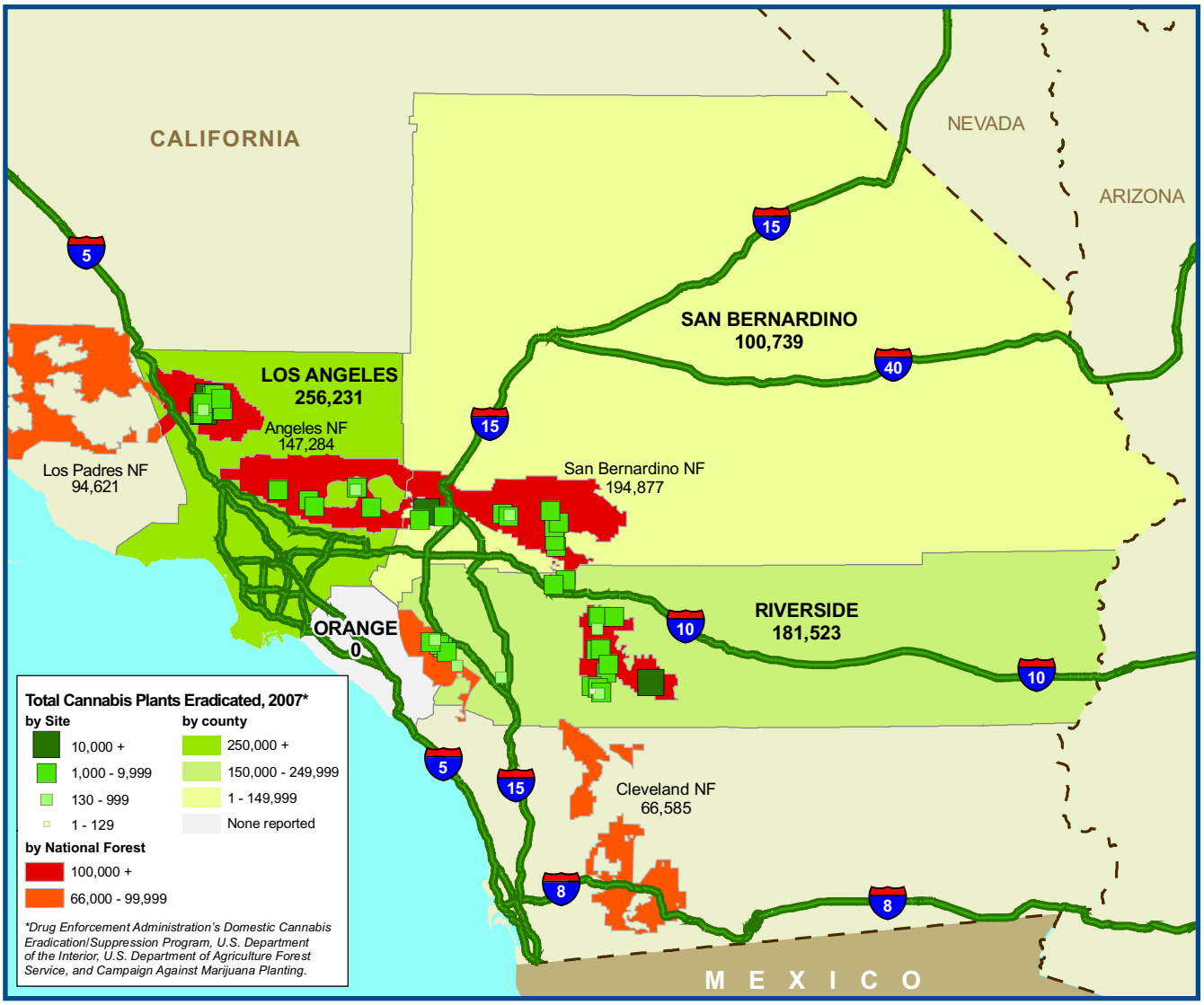

Figure 2. Outdoor cannabis cultivation areas in the Los Angeles HIDTA region.

African American and Hispanic criminal groups and street gangs, often Bloods and Crips sets, are the principal crack and PCP producers in the Los Angeles HIDTA region. They typically convert powder cocaine into crack cocaine in low-income, inner-city neighborhoods as needed for distribution, primarily to avoid stiff penalties associated with distribution of large quantities of the drug. They most often produce PCP in the Los Angeles, Compton, and North Long Beach areas of Los Angeles County and, more recently, in the high desert areas of San Bernardino County for local and national-level distribution. NSS data indicate that PCP traffickers are producing the drug less frequently than they had in 2006. (See Table 5 on page 15.) However, anecdotal and law enforcement reporting suggests that PCP availability in the region is stable at levels unmatched anywhere else in the country, and that the drug's availability may actually be increasing. For example, some Los Angeles-based traffickers increasingly are supplying PCP to traffickers in other U.S. drug markets—notably Omaha and Washington, D.C. In January 2008 law enforcement officers in Tucumcari,

Black Mold

The large volumes of water and high temperatures necessary to cultivate robust cannabis plants serve as a breeding ground for high levels of microscopic organisms or mold—often referred to as black mold, *Strachybotrys chartarum*, or *Strachybotrys atra*. Exposure to black mold—which can be through inhalation, ingestion, or absorption—can cause serious reactions in the large number of individuals who suffer from allergies and asthma; their reactions may include headaches, dizziness, rashes, decreased attention span, difficulty concentrating, memory loss, and difficulty breathing. In addition, exposure to mycelia fragments (the nutrient sources for mold), when disrupted, also can have detrimental consequences, particularly if a person is exposed to high levels of living molds or concentrations of allergens on spores and mycelia. This exposure most often occurs when law enforcement and other officials tear down mold-contaminated homes and other structures and inhale the dust. As a result, the homes that were converted into large indoor grow sites throughout the Los Angeles HIDTA region and are being demolished because of serious mold contaminations pose significant health consequences to law enforcement officers and any nearby residents.

Source: Los Angeles Clearinghouse.

Proposition 215 Impact on the Los Angeles HIDTA Region

Some law enforcement officers attribute the increase in cannabis cultivation, in part, to the exploitation of "The California Compassionate Use Act of 1996" (also known as Proposition 215). Proposition 215 was passed by California voters to ensure that seriously ill Californians had the right to cultivate, possess, obtain, and use marijuana for medicinal purposes where that medical use was deemed appropriate and has been recommended by a physician. However, enforcement of the proposition has become increasingly challenging for law enforcement officers in the Los Angeles HIDTA region and the rest of the state. First, Proposition 215 directly contradicts federal laws that prohibit medicinal and all other uses of marijuana, which makes application of the law by enforcement groups more difficult. Second, a number of drug traffickers, unscrupulous physicians, and other criminals continue to exploit the protections offered through this proposition. Some of these criminals have opened medical marijuana dispensaries at which they financially prospered. For example, as of August 2007, officers with the Los Angeles Police Department successfully closed 33 of 237 identified medical marijuana dispensaries from which marijuana had been dispensed inappropriately within the city of Los Angeles; they also added 82 other dispensaries to a "pending closure" list. As a result, many of these traffickers replaced their dispensaries with medical marijuana clinics, where physicians recommended the use of medical marijuana for up to several hundred dollars in fees, rather than treat patients for their ailments and distribute marijuana supplies as is typical at these dispensaries. Several physicians at these clinics also have been arrested or are under investigation by the California State Medical Board for excessively recommending medical marijuana use. Most recently, the operators of some dispensaries now also distribute marijuana and marijuana-type products—including Marijuana Med Strips[a] which are similar to Listerine Breath Strips—after hours from Anytime Vending Machines (AVMs) or vending machines that resemble those from which candy and other snacks often are distributed. The first AVM was introduced in Los Angeles on January 24, 2008; however, a number of other AVMs have since been utilized in and around the Los Angeles area. Once access is granted, users or their caregivers can access marijuana in vacuum-sealed packaging each week through AVMs.

a. The DEA Southwest Laboratory reports that the Med Strips contain THC (delta-9-tetrahydrocannabinol), the active ingredient in marijuana.

Table 5. PCP Laboratory Seizures in the Los Angeles HIDTA Region, by County, 2005–2007

County	2005	2006	2007
Los Angeles	6	9	3
Orange	1	0	0
Riverside	0	0	0
San Bernardino	0	1	3
Total	**7**	**10**	**6**

Source: El Paso Intelligence Center National Seizure System, current as of March 26, 2008.

New Mexico, seized 6.25 gallons of PCP that originated in Los Angeles and was destined for distribution in Washington, D.C. Any decline in PCP distribution can be associated with the arrests of key PCP producers in the HIDTA region.

Transportation

Mexican DTOs and criminal groups, the principal drug transporters to the Los Angeles HIDTA region, exploit Mexican cartel-controlled plazas[14] along the California–Mexico border to smuggle wholesale quantities of illicit drugs into the Los Angeles HIDTA region. Once in southern California, these traffickers as well as those who work on their behalf and various other traffickers—African American, Caucasian, Colombian, Salvadoran, Canadian, Chinese, Jamaican, Vietnamese, and other Asian criminal groups—transport illicit drugs to and through the HIDTA region, frequently overland on Interstates 5 and 15. They prefer these interstates because they can easily access each upon entrance at southern California and northwestern U.S.–Canada POEs, and link to numerous other U.S. drug markets by an intricate array of intersecting interstates and roadways. For example, they transport significant quantities of ice methamphetamine, Mexican black tar heroin, cocaine, and marijuana on I-15 from Los Angeles to Las Vegas.

Highway Seizures Involving the Los Angeles HIDTA Region

Domestic highway enforcement data generated by various agencies throughout the country indicate that most of the drugs seized en route to or departing from the Los Angeles HIDTA region in 2007 involved private vehicles (212), rental vehicles (150), and tractor trailers (47). A significant portion of these seizures (128) involved vehicles equipped with false compartments. These 409 highway seizures collectively involved over 35 metric tons of marijuana (including some high-potency marijuana), almost 1 metric ton of cocaine, over 300,000 MDMA tablets, 137 pounds of methamphetamine, 18 kilograms of heroin, and 2 gallons of PCP.

Source: Los Angeles Clearinghouse.

Drug traffickers—including those in Mexico, Europe, Asia and, most recently, Australia (see text box on page 16)—also smuggle illicit drugs to and through the international air and maritime ports[15] situated in or near the Los Angeles HIDTA region or transport illicit drugs to and through the region using rail, bus, and package delivery services. For example, Israeli and Russian organized crime groups, the principal MDMA smugglers to the HIDTA region, typically smuggle the drug into the area from Europe by commercial aircraft or express consignment. In addition, on April 12, 2008, New Mexico Department of Public Safety officers working on a New Mexico HIDTA initiative seized 3 kilograms of cocaine in Gallup, New Mexico. The drugs allegedly originated in Los Angeles and were being transported to Tulsa on I-40 concealed in duffle bags on a bus. Traffickers also use similar means to transport drug proceeds in the reverse direction. Their versatility in transporting illicit drugs to and drug proceeds from the HIDTA region amplifies the Los Angeles HIDTA's

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

15. The Port of Long Beach is one of the largest maritime port complexes in the world.

Australian-Based Syndicate Linked to Significant Cocaine Transactions in the Los Angeles Area

On April 10, 2008, Australian authorities reportedly arrested two members of a cocaine syndicate and seized high-grade cocaine, $20 million in cash, and $5 million in property, high-end vehicles, and weapons (including assault type/military weapons) during a 17-month investigation referred to as "Operation Schoale." Members of this organization allegedly purchased hundreds of kilograms of cocaine from traffickers based in Los Angeles for distribution in the Sydney suburbs of Matraville and Ryde—a unique case involving significant quantities of illicit drugs, drug proceeds, and trafficking connections that were previously unknown to law enforcement officials in and around the Los Angeles area.

Source: Sydney (Australia) Police Department; livenews.com.au.

significance as a national-level illicit drug transportation hub and transshipment center.

Distribution

As with most other aspects of drug trafficking, Mexican DTOs and criminal groups control the wholesale distribution of illicit drugs in the Los Angeles HIDTA region. They supply illicit drugs to distributors within the region and to distributors in most other significant drug markets throughout the country, including those in Atlanta, Chicago, Cleveland, Denver, Miami, Las Vegas, Memphis, Miami, New York City, Omaha, Phoenix, Salt Lake City, Seattle, St. Louis, Tulsa, Yakima, and Washington, D.C. Their influence is so profound that the Los Angeles HIDTA region has become one of the most significant illicit drug distribution centers in the United States for cocaine, heroin, marijuana, methamphetamine, MDMA, and PCP.

Mexican DTOs and criminal groups facilitate their drug transactions through well-established relationships with close friends, family members, and others in Mexico, Colombia, and the United States. Their relationships with Colombian traffickers, though not as well entrenched, include both a partnership for the distribution of significant quantities of cocaine on behalf of the Colombian traffickers as well as a buyer-seller relationship for the purchase of significant quantities of cocaine for distribution on their own behalf.

DTOs and criminal groups (see Table 6 on page 17) usually distribute their drug loads quickly upon arrival in the Los Angeles HIDTA region; however, they will store drug loads for up to a week in warehouses and other stash locations in and around the HIDTA region before repackaging the drugs for further distribution—primarily because of intense law enforcement pressure over the last couple years that severely diminished the number of stash houses in the HIDTA region. When their drug supplies cannot be immediately distributed, Mexican DTOs and criminal groups or those working on their behalf often store the drugs in apartments, houses, and other secure locations in Mexico or in other areas outside the HIDTA region, including Phoenix, where they believe law enforcement coverage is comparatively minimal.

Traffickers often prearrange their drug transactions—with both suppliers and customers— using standard phones, multiple cellular phones, direct-connect devices, the Internet, mobile phones, prepaid telephones, push-to-talk telephones, satellite phones, two-way radios, and voice mail boxes. They pay close attention to law enforcement interdiction efforts and, as such, frequently discontinue service for their phones and replace each (sometimes every couple weeks) to avoid apprehension. They also intermingle various communications methods when coordinating individual aspects of the same drug transactions. For example, they may text message a picture of a meeting place, use the Internet to identify a date and/or time for the transaction, and use a cell phone to describe the color/make/model of a transport vehicle. The text messaging of photographs is extremely challenging for law enforcement officers who historically traced verbal communications between traffickers. When traffickers make out-of-country calls, they

Table 6. Wholesale Distributors in the Los Angeles HIDTA Region, by Drug, 2008

Distributors	Drugs 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, ice methamphetamine, cocaine, and marijuana
Outlaw motorcycle gangs	Methamphetamine and marijuana
Local independent dealers	Methamphetamine, cocaine, and marijuana

Source: Inland Narcotics Clearing House; Los Angeles Clearinghouse; Los Angeles Joint Drug Intelligence Group.

Table 7. Retail Distributors in the Los Angeles HIDTA Region, by Drug, 2008

Distributors	Drugs Distributed
Street gangs	Powder and crack cocaine, Mexican black tar heroin, marijuana, ice methamphetamine, and PCP
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

Source: Inland Narcotics Clearing House; Los Angeles Clearinghouse, Los Angeles Regional Gang Information Network; Los Angeles Joint Drug Intelligence Group.

typically use digitally encrypted phones, being fully aware of what law enforcement can and cannot easily intercept. Although DTOs and street gang members have coordinated drug transactions using cellular phones for years, this communication method reportedly has gained popularity among prison gang members who are increasingly smuggling the phones into prisons to further their criminal enterprises. In addition, "netbagging" or the use of the Internet and social websites by traffickers to promote their gang cultures and attract new members for drug trafficking and other illicit purposes also is increasing.

African American and Hispanic street gangs are the primary retail distributors of powder and crack cocaine, Mexican black tar heroin, marijuana, ice methamphetamine, and PCP in the Los Angeles HIDTA region; however, Mexican and Caucasian criminal groups and independent dealers, prison gangs, OMGs, and various other criminal groups and independent dealers also distribute significant quantities of illicit drugs at the retail level in the region, albeit on a smaller scale. (See Table 7.) The enhanced relationships forged between members of Mexican DTOs and criminal groups and members of street gangs, prison gangs and, to a lesser extent, OMGs has facilitated increased gang migration to major drug markets throughout the country, where the profit potential can often be significantly greater than it is in the Los Angeles HIDTA region. This

migration expands the reach of Mexican DTOs and criminal groups far beyond the Los Angeles HIDTA region.

Drug-Related Crime

Many DTOs and criminal groups in the Los Angeles HIDTA region that distribute illicit drugs also commit various other crimes—murder, alien smuggling, kidnapping, and weapons smuggling—to further their criminal enterprises and generate profits. They and their enforcers will seriously injure or kill rival traffickers as well as law enforcement and military personnel protecting the California–Mexico border and anyone else who gets in their way. Although a significant portion of the violence at and near the border is centered in Tijuana, Baja California, with over 400 gang-related murders in 2007 alone (higher than in any other area in Mexico) some of that violence has already spread into southern California, threatening law enforcement officers' safety. (See text box.) For example, in January 2008 drug smugglers ran over and killed a senior border patrol agent as he was attempting to put spikes across the road to stop their drug-laden vehicle from entering southeastern California from Mexico, the first reported incident of its kind in at least the last couple years. In addition, a number of these traffickers obtain their firearms (including assault-type weapons) by burglarizing businesses, private homes, and vehicles in the Los Angeles HIDTA region or by working with corrupt military and law enforcement officials in Mexico and, to a lesser extent, the United States to smuggle weapons into Mexico—many of which reportedly are used to wage an ongoing war against the Mexican authorities who are increasingly attempting to dismantle their drug trafficking operations and other illicit activities.

Street and prison gang members have committed high levels of violent crime in the Los Angeles HIDTA region[16] since at least 2002, including assault, homicide, robbery, theft, weapons trafficking, and witness intimidation. Most of these crimes are attributed to turf battles over drug distribution territories and the control of illicit drug distribution within and outside the region. For example, recent law enforcement reporting suggests that members of the Mexican Mafia, upon their release from prison, were killed during four separate incidents by Sureños gang members, the result of an alleged power struggle that began between the two groups in mid-to-late summer 2007 over drug distribution territories.

Methamphetamine, crack, and PCP producers as well as cannabis cultivators also commit violent crimes to protect their drug operations and grow sites from law enforcement detection and competitors. Many booby-trap their production sites, a practice that can have fatal consequences for law enforcement officials as well as innocent tourists in national forests who unexpectedly happen upon a cannabis cultivation site or methamphetamine production operation, and may be

Efforts by Mexican Officials in the Baja California Area

In January 2007 the Mexican Government started to assign an increasing number of Mexican military and law enforcement personnel to the Tijuana, Baja California, area to combat criminal activities (including drug trafficking) and public corruption in the area, much of which is associated with the AFO or Tijuana Cartel. They expanded those operations in December 2007 to include the Playas de Rosarito area (near Tijuana). Drug traffickers in the Baja California area reacted violently to these measures by killing informants working for the government of Mexico and by killing local law enforcement and military officers; this made DTO activities more visible to the public. Increased visibility, coupled with an increased number of officers available to interdict illicit drugs and other commodities in Mexico, may have forced some traffickers to abandon smuggling ventures—at least temporarily—through the San Ysidro POE and other areas they consider pose an increased risk of apprehension.

16. No agency collects countywide gang-related crime statistics in the HIDTA region.

repeatedly pierced with boards full of nails and encounter other life-threatening traps.

Many drug abusers in the Los Angeles HIDTA region—particularly methamphetamine abusers—commit property crimes and identity theft to acquire money to purchase their illicit drug supplies. For example, officials with the Federal Trade Commission ranked California second in the number of identity theft victims per 100,000 population in 2007, and a significant number of those victims (6,084 of 43,892) resided in the Riverside-San Bernardino-Ontario metropolitan statistical area, an area well known for its large methamphetamine abuser population.

Abuse

Methamphetamine is by far the principal drug of abuse in the Los Angeles HIDTA region. California Outcomes Measurement System (CalOMS) data—formerly the California Alcohol and Drug Data System (CADDS) data—indicate that the number of drug-related treatment admissions for methamphetamine as the primary substance of abuse in the HIDTA region was significantly higher than for any other drug, including alcohol, every year since at least Fiscal Year (FY) 2005. (See Table 8.) Heroin was the second most popular primary drug of abuse each year during that period but the number of heroin-related treatment admissions declined annually during that period. The number of marijuana-related treatment admissions in the HIDTA region, which surpassed the number of cocaine-related treatment admissions for the first time in FY2005, increased annually from FY2005 through FY2007. The number of cocaine-related treatment admissions in the Los Angeles HIDTA region fluctuated at relatively stable levels during that 3-year period.

Illicit Finance

Mexican DTOs and criminal groups—the primary money launderers in the Los Angeles HIDTA region—often smuggle bulk quantities of cash and monetary instruments generated through their drug trafficking activities into Mexico using the same private, rental, and commercial vehicles used to smuggle illicit drugs into the Los Angeles HIDTA region. They prefer this method because smuggling currency and other illicit goods into Mexico is relatively easy since outbound searches by CBP officers at POEs usually are limited because of manpower shortages. They smuggle additional quantities of bulk drug proceeds using private and commercial aircraft, ocean freighters, containerized cargo vessels, and express shipping into Mexico to be laundered. When their operations involve containerized cargo, the currency often is smuggled in vehicles manifested for South America and Asia. Much of the proceeds they

Table 8. Treatment Admissions in the Los Angeles HIDTA Region, by Primary Drug of Admittance, FY2005–FY2007[a]

Drug	FY2005	FY2006	FY2007	Total
Cocaine/Crack	10,748	11,193	10,587	32,528
Heroin	17,501	16,317	14,834	48,652
Marijuana	11,279	12,258	13,154	36,691
Methamphetamine	29,198	31,695	29,759	90,652
Total	**68,726**	**71,463**	**68,334**	**208,523**

Source: California Outcomes Measurement System.

a. Fiscal Year (FY)–July 1 through June 30.

smuggle are intermingled with proceeds generated in the other U.S. drug markets that they service. Once in Mexico, the proceeds often are deposited into 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 and declared as legal funds. They launder additional funds through the Black Market Peso Exchange (BMPE) and/or by structuring deposits (also known as smurfing). In a typical BMPE exchange, agents or money brokers in the United States receive proceeds generated through drug trafficking and other illicit means, provide those funds to merchants, usually Colombian, to purchase U.S. goods, which are then converted into seemingly legitimate funds. 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 and criminal groups.

Mexican and various other DTOs and criminal groups exploit traditional financial institutions and money services businesses (MSBs) in the Los Angeles HIDTA region by transferring vast sums of illicit funds to international locations, including Mexico and South America. Their utilization of this money laundering mechanism is evident in Los Angeles' notoriety as a principal area for Currency Transaction Report (CTR) and Suspicious Activity Report (SAR) filings in the United States.[17] Although these filings may indicate suspicious activities, the specific origin of illicit funds, such as drug trafficking or illegal alien smuggling, cannot be determined, which makes detection by law enforcement difficult.

17. 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.

DTOs and criminal groups, primarily Mexican and Asian, in the Los Angeles HIDTA region also launder drug proceeds through money transmittal businesses located in their own communities. Some transfer funds using small, local businesses or commercial businesses such as Western Union; others maintain private transmittal businesses to further their criminal enterprises. Owners of the large number of money transmittal businesses in the HIDTA region serve the sizable Hispanic population in the area by legitimately wiring money to requesters' family members in Mexico, which helps those that use the service for illicit purposes more easily blend with the high volume of legal transfers. Additionally, some traffickers, particularly Asian criminal groups, launder money through informal value transfer systems (IVTS),[18] including *hawala*, *hundi*, and *fei ch'ien*.

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 with the funds; and use gaming casinos to launder drug proceeds. Traffickers also are using the Internet more often to launder money using electronic pay and/or transferring accounts. The anonymity afforded by

18. Informal value transfer systems (IVTS) refer to any network or mechanism that can be used to transfer funds or value from place to place either without leaving a formal paper trail of the entire transaction or without going through regulated financial institutions. IVTS are legitimate businesses and are considered to be official MSBs. They must register with Financial Crimes Enforcement Network (FinCEN) and are subject to the same regulatory requirements as all other MSBs. Nonetheless, many of them may be unregistered and operate without the scrutiny of law enforcement. This type of IVTS is commonly referred to as a *hawala*—an Arabic word meaning transfer—and is based on trust. *Hawalas* usually provide money transfers to and from areas in which modern financial services are often unavailable, inaccessible, or unaffordable. *Hawala* businesses may be operated at virtually any business location or private residence that has access to a communications network; modernized or contemporary *hawalas* use the services of traditional financial institutions.

Internet transactions allows traffickers to launder drug proceeds with minimal risk of law enforcement detection.

Outlook

Mexican DTOs and criminal groups operating in the Los Angeles HIDTA region have become increasingly more prominent in national-level drug distribution, expanding their market share and dominance. No other trafficking group currently is positioned to challenge their dominance in the near term, principally because of their proximity to the Southwest Border, their strong affiliations with Mexican and Colombian drug sources, their businesslike approach to drug trafficking and other illicit activities, and their well-established transportation routes and distribution networks throughout the country. However, their high and increasing levels of violence—particularly against law enforcement and military personnel in northwestern Mexico that are attempting to curtail their illicit activities—may impact their ability to move the same quantities of illicit drugs across the Southwest Border that they once did. Several indicators suggest that drug flow from Mexico to and through the Los Angeles HIDTA region and other Southwest Border areas is already being impacted and, although the current impact to the Los Angeles HIDTA region is relatively minimal, the continual losses of significant drug loads and drug proceeds very likely will force Mexican traffickers to rethink the way they smuggle illicit drugs into the United States, including into the Los Angeles HIDTA region. As a result, some of these traffickers may enhance their drug operations and manpower along the East Coast and other areas where they feel drug smuggling enforcement is comparatively minimal. Those that choose to reroute their shipments may rely on well-known transit areas through the Caribbean for distribution in East Coast markets and the rest of the country. The same Mexican DTOs and criminal groups that control drug trafficking in and from Los Angeles HIDTA region very likely will maintain control over any such changes.

Street gang migration into suburban and rural communities very likely will become increasingly problematic as gang members can no longer afford to reside in Los Angeles and other areas where housing is expensive. The limited number of law enforcement resources in these suburban and rural areas will very likely become overtaxed in gang-related activities alone. In addition, their inexperience in dealing with gang-related crimes at levels similar to that which has consistently occurred in Los Angeles most likely will help gang-related criminal activities flourish for much longer than would be expected in the heavily enforced inner-city Los Angeles neighborhoods. To compound that threat, an increased interest by gang members in recruiting members with military training poses serious threats to the law enforcement officers who are not similarly trained. Absent enhanced law enforcement training that is based on military principles, the death rate attributed to gangs that distribute illicit drugs and commit other crimes very likely will escalate, possibly dramatically, in the next year or two.

The Los Angeles HIDTA region will continue to be the principal source for PCP and a significant source for methamphetamine available throughout the country over the next year. The Mexican DTOs and criminal groups that still produce methamphetamine in the HIDTA region very likely will continue to explore alternative production methods that are not as heavily scrutinized as are the current production processes they use—increasingly after January 2009 when Mexican authorities institute a zero tolerance policy restricting pseudoephedrine products even for legitimate ailments. The amount of PCP produced in the HIDTA region will most likely remain at current levels since demand for the drug has remained relatively stable. However, if the demand for PCP increases in the United States, then it is highly probable that PCP production in the Los Angeles HIDTA will increase to meet that demand, primarily because no other producers in the country have attempted to curtail the dominance of PCP producers in the Los Angeles HIDTA region.

The first AVM was introduced in Los Angeles on January 24, 2008; however, a number of other AVMs have since been utilized, and it is only a matter of time, possibly months, before law enforcement officers discover that drug traffickers will exploit the protections offered through Proposition 215 using these machines in the same way that they have exploited the law by opening medical marijuana dispensaries and clinics.

Sources

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California Department of Toxic Substances
California Highway Patrol
California Methamphetamine Initiative
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California Precursor Committee
California State Medical Board
California State Prison Board
Campaign Against Marijuana Planting
Desert Hot Springs Police Department
Indio Police Department
Los Angeles Police Department
  Asset Forfeiture Investigative Unit
  LA IMPACT Task Force
Los Angeles Sheriff's Department
Orange County Sheriff's Department
Palm Springs Police Department
Riverside County Probation Office
Riverside County Sheriff's Office
Riverside District Attorney's Office
Riverside Police Department
San Bernardino County Sheriff's Office
San Diego Law Enforcement Coordination Center

Colorado

Denver Police Department

Florida

Miami-Dade Police Department
  Narcotics Division

Missouri

St. Louis Police Department

New Mexico

New Mexico Department of Public Safety

Ohio

Cleveland Police Department

Tennessee

Memphis Police Department

Utah

Salt Lake City Police Department

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
          Los Angeles Clearinghouse
            Domestic Highway Enforcement Unit
            Los Angeles Regional Gang Information Network
            LA IMPACT Group 12
          Los Angeles Joint Drug Intelligence Group
        Los Angeles Regional Criminal Clearinghouse
          Nevada
            Investigative Support Center
          New Mexico
            Investigative Support Center
Federal Trade Commission
  Identity Theft Victim Complaint Data
U.S. Department of Agriculture
  Forest Service
U.S. Department of Commerce
  U.S. Census Bureau
U.S. Department of Defense
  Army National Guard
U.S. Department of Homeland Security
  U.S. Customs and Border Protection
    Border Patrol Field Intelligence Center
  U.S. Immigration and Customs Enforcement
    San Diego
U.S. Department of Housing and Urban Development
U.S. Department of Interior
U.S. Department of Justice
  Bureau of Alcohol, Tobacco, Firearms and Explosives
  Criminal Division
    Organized Crime Drug Enforcement Task Force
  Drug Enforcement Administration
    Domestic Cannabis Eradication/Suppression Program

El Paso Intelligence Center
National Seizure System
Las Vegas District Office
Los Angeles Field Division
San Diego Field Division
San Francisco Field Division
Southwest Regional Laboratory
Federal Bureau of Investigation
National Gang Intelligence Center
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

Stratfor Strategic Forecasting, Inc.

The California Compassionate Use Act of 1996, CA HSC 11362.5 Sec. 1, Health Safety Code

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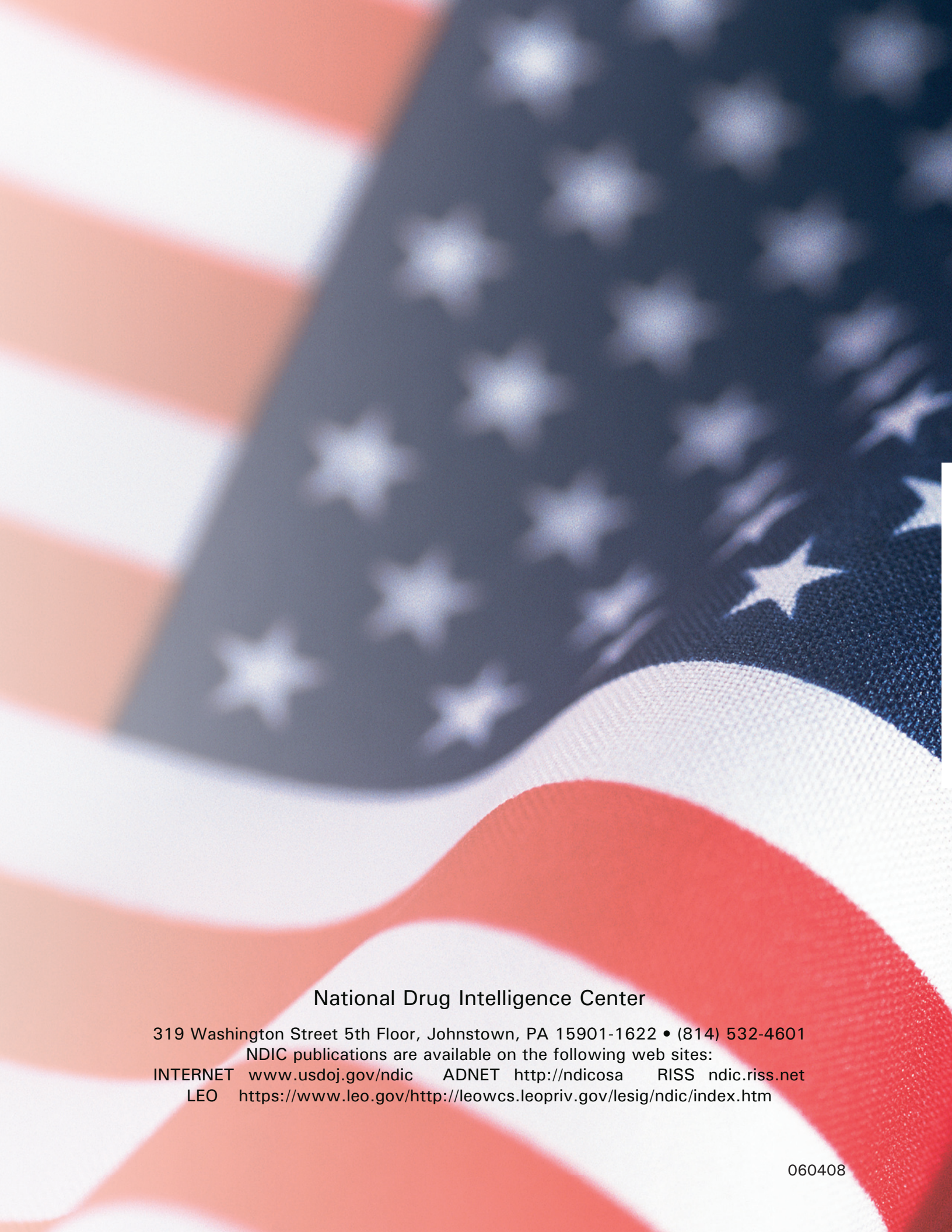

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