Drug Market Analysis 2008

Rocky Mountain

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 Rocky Mountain 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 Rocky Mountain HIDTA.

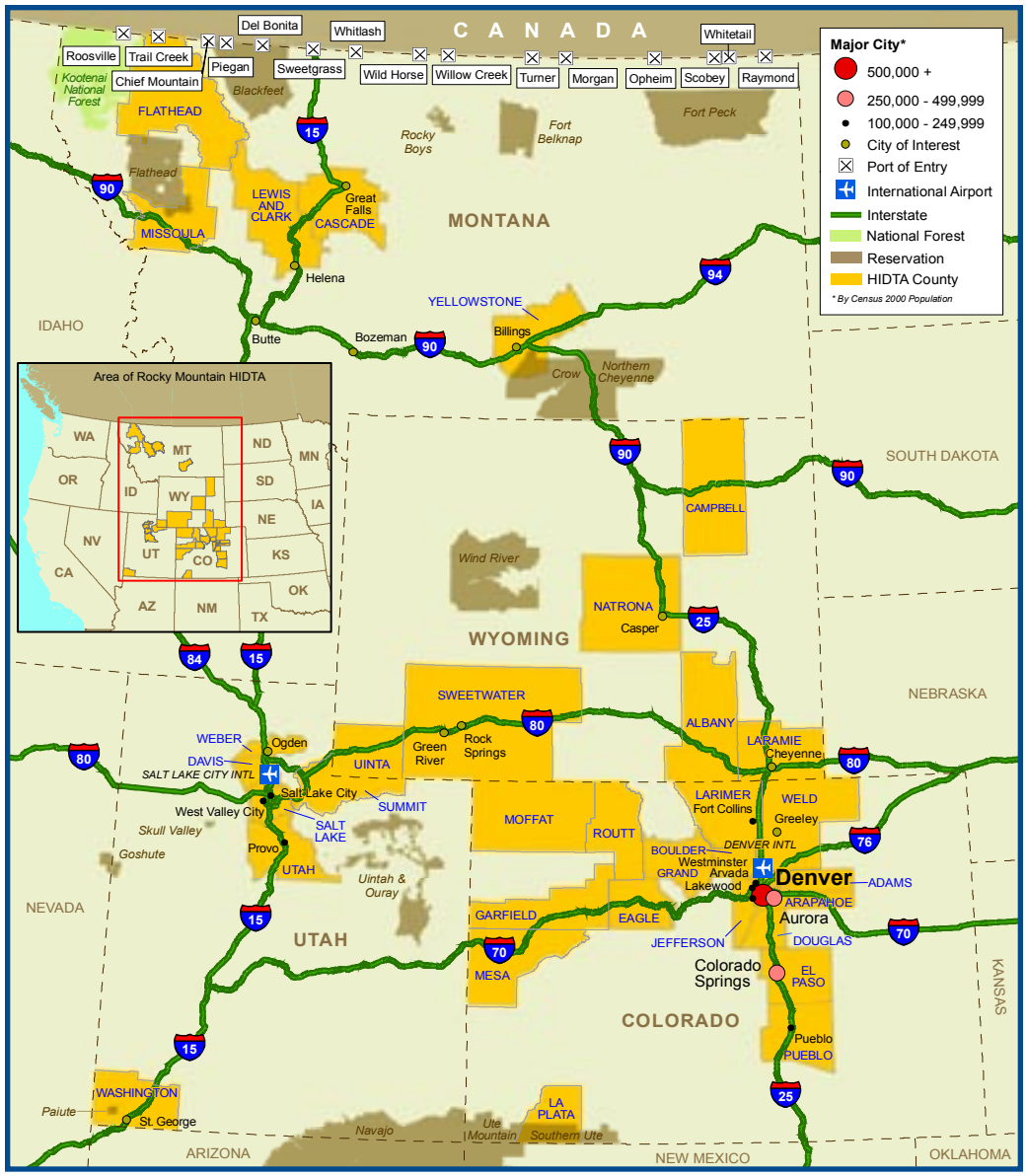


Figure 1. Rocky Mountain High Intensity Drug Trafficking Area.

Strategic Drug Threat Developments

- Methamphetamine trafficking and abuse pose the primary drug threats to the Rocky Mountain HIDTA region, despite declines in local methamphetamine production that have resulted from successful precursor chemical control legislation, law enforcement operations, and public awareness campaigns. Mexican drug trafficking organizations (DTOs) have offset the decline in regional powder methamphetamine production by supplying significant quantities of high-purity ice methamphetamine to the region.

- Law enforcement officials report an increase in powder cocaine abuse in the HIDTA region. Some methamphetamine abusers have switched to powder cocaine, which may be due in part to a concerted public awareness campaign alerting users to the short- and long-term consequences of methamphetamine abuse.

- Rising demand for high-potency marijuana has resulted in increased production of the drug in the HIDTA region. Some cannabis cultivators in Colorado use state medical marijuana provisions as a pretext for maintaining illicit grow sites.

- The trafficking and abuse of MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) are increasing in the HIDTA region, particularly in the Denver area. Asian DTOs and criminal groups are smuggling increasing amounts of MDMA from Canada and California for regional and nationwide distribution.

- The distribution and abuse of diverted pharmaceutical drugs pose a significant and increasing threat in some areas of the HIDTA region. Law enforcement officials report that prescription drugs such as OxyContin, Percocet, and Percodan (oxycodone); Valium (hydrocodone); and Lortab (diazepam) are widely abused in the region.

HIDTA Overview

The Rocky Mountain HIDTA encompasses 34 designated counties in Colorado, Montana, Utah, and Wyoming. The region contains large metropolitan areas as well as expansive, sparsely populated areas, including public and tribal lands. (See Figure 1 on page 1.) The HIDTA region is located between major drug source areas in Mexico and Canada and is linked by interstate highways to major domestic drug markets across the United States. Denver and Colorado Springs, Colorado, and Salt Lake City, Utah, are the three largest metropolitan areas and serve as distribution centers for other regional drug markets as well as transshipment points for drugs supplied to markets in the Midwest and the eastern United States.

Rural areas in the HIDTA region, including 34 national forests, provide traffickers with an opportunity to avoid detection as they engage in illicit activities, such as drug smuggling, cannabis cultivation and, to a lesser extent, powder methamphetamine production. Drug smuggling from Canada through remote areas of the HIDTA region is a particular concern for law enforcement agencies. The 585-mile U.S.–Canada border in Montana has 15 official ports of entry (POEs)[1] as well as hundreds of easily accessible, unofficial crossings that are often used by traffickers to transport drugs from Canada into the region using private and commercial vehicles, all-terrain vehicles (ATVs), snowmobiles, private aircraft, and couriers who transport the drugs on foot. For example, the Kootenai National Forest, located on the U.S.–Canada border in northwestern Montana and northeastern Idaho—commonly referred to as "The Yaak"—is often used by drug smugglers because of the many off-road routes and packing trails that cross the border.

1. The ports of entry (POEs) are based on those listed by U.S. Customs and Border Protection, Office of Border Patrol as of November 15, 2004.

Drug Threat Overview

The Rocky Mountain HIDTA region is a significant distribution and transshipment center for illicit drugs supplied by Mexican DTOs. They exploit the region's centralized location, proximity to Mexican sources of supply, and extensive transportation infrastructure to distribute wholesale quantities of ice methamphetamine, cocaine, marijuana, and heroin. Mexican DTOs and criminal groups use key distribution centers in Colorado, including Denver and Colorado Springs, as well as Salt Lake City, Utah, to supply illicit drugs to smaller cities throughout the region, such as Fort Collins, Pueblo, and Greeley, Colorado; Billings, Montana; and Cheyenne, Wyoming, and to transship drugs to markets in the Midwest and the eastern United States. Mexican DTOs and criminal groups continue to refine their operations as well as expand into the region's more remote areas to further their trafficking and distribution capabilities.

Ice methamphetamine[2] poses the greatest drug threat to the region; widespread distribution and abuse of the drug strain limited local law enforcement, public health, and social service resources throughout the HIDTA region. Successful law enforcement operations and precursor control legislation have significantly decreased powder methamphetamine production in the region; however, Mexican DTOs have compensated for this decline by supplying significant quantities of high-purity ice methamphetamine from Mexico. Methamphetamine-related treatment admissions to publicly funded facilities continue to exceed the number of admissions for any other illicit drug. The threat posed by ice methamphetamine is compounded by the drug's addictive nature and the direct association that methamphetamine abuse has with high levels of violence, identity theft, and property crime in the region.

2. For the purposes of this report, ice methamphetamine refers to methamphetamine that has been crystallized from powder methamphetamine.

Table 1. Law Enforcement Responses to the National Drug Threat Survey 2007 Pertaining to Methamphetamine, Rocky Mountain HIDTA States, in Percentages

	Greatest Drug Threat	Contributes Most to Violent Crime	Contributes Most to Property Crime
Colorado	75	77	85
Montana	100	90	97
Utah	94	94	90
Wyoming	85	97	85

Source: National Drug Intelligence Center.

Cocaine is widely available and abused in the Rocky Mountain HIDTA region; crack cocaine continues to pose a significant drug threat in metropolitan areas, while powder cocaine abuse appears to be increasing in many areas of the region. Cocaine availability is reportedly increasing in the region, despite reports of temporary cocaine shortages in Denver in early 2007. During the first half of 2007, Denver law enforcement officers reported temporary shortages in powder cocaine availability along with decreased purity and increased prices. However, during the latter half of 2007, cocaine purity and prices returned to previous levels. Mexican DTOs increasingly supply members of Hispanic street gangs and independent dealers in metropolitan areas with powder cocaine. Law enforcement officials in Aurora, Colorado Springs, Denver, and Fort Collins, Colorado; Provo, Ogden, and Salt Lake City, Utah; Billings and Bozeman, Montana; and in southwestern and northeastern Wyoming report rising availability of powder cocaine. Increasing availability of cocaine in Wyoming may be attributed in part to an influx of transient energy sector workers with a great deal of disposable income, some of whom abuse illicit drugs, and to growing demand generated by some former methamphetamine abusers in Utah and Wyoming who switched to powder cocaine as a result of successful law enforcement efforts

targeting methamphetamine and extensive public awareness campaigns. Much of the powder cocaine that is transported to the region is converted into crack by African American and Hispanic retail-level distributors in metropolitan neighborhoods where the drug is sold.

Marijuana is the most widely available and frequently abused drug in the HIDTA region. Mexican DTOs and criminal groups are the primary traffickers of commercial-grade Mexican marijuana, the most available type in the region. In addition, Mexican DTOs and criminal groups operate most of the large outdoor grow operations that are generally located in counties that have extensive remote locations, public lands, and rural areas. The increasing availability of high-potency marijuana in the region is attributed to the continued smuggling of high-potency marijuana from Canada and the growing prevalence of indoor cannabis grow sites operated by Asian DTOs and Caucasian independent dealers. Law enforcement officials in Colorado and Utah reported that illegal cannabis cultivators are taking advantage of the downturn in the real estate market by purchasing multiple vacant residences and setting up indoor grow operations. Moreover, in the Denver area numerous individuals are exploiting state medicinal marijuana laws and caregiver status to operate illicit indoor cannabis grows. According to the Colorado Department of Public Health and Environment, Colorado state law permits a patient and his or her primary caregiver to collectively possess no more than 2 ounces of a usable form of marijuana and no more than six cannabis plants, with three or fewer being mature, flowering plants that produce a usable form of marijuana.[3]

The distribution and abuse of heroin (primarily Mexican black tar and brown powder) have traditionally been limited to large urban areas. However, HIDTA officials report increasing heroin distribution in secondary market areas of the region, primarily Fort Collins, Greeley, Aurora, and Pueblo, Colorado. According to Colorado's Front Range Task Force, Mexican heroin distribution cells are expanding in size, efficiency, and sophistication, resulting in increased heroin availability. This increased availability has resulted in lower prices and higher purity levels, factors that have led a growing number of younger users (predominantly adolescents ages 16 and older) to abuse heroin. Health service officials have noted that many younger heroin users in Utah and Wyoming began abusing prescription narcotics such as OxyContin and ultimately switched to heroin because it is cheaper and easier to obtain.

MDMA availability and abuse vary within the region; Wyoming and Montana law enforcement officials report low levels of MDMA availability and abuse, while officials in Denver and Salt Lake City report increased distribution and abuse. In the Denver metropolitan area, Asian criminal groups, Asian gangs, and independent Caucasian distributors are the primary suppliers of MDMA. The Metro Gang Task Force in Denver continues to seize large amounts of MDMA (seizures of 10,000 dosage units are not uncommon) from sources in California. Increasing MDMA abuse is also contributing to a revival of rave-type activities in Denver and Salt Lake City.

Diverted pharmaceutical drugs and other dangerous drugs (ODDs) pose a lesser threat to the HIDTA region. Abuse of diverted pharmaceutical drugs—particularly OxyContin—has been increasing; however, many prescription narcotics abusers are shifting to Mexican black tar heroin abuse because of the drug's lower costs and greater availability. ODDs, primarily LSD (lysergic acid diethylamide); ketamine; steroids; and GHB (gamma-hydroxybutyrate), are available and abused to a limited extent in metropolitan areas of the HIDTA region.

3. "Patient" refers to a person who has a debilitating medical condition. "Primary caregiver" is a person, other than the patient or the patient's physician, who is 18 years of age or older and has significant responsibility for managing the well-being of a patient who has a debilitating medical condition. "Usable form of marijuana" means the seeds, leaves, buds, and flowers of the plant (genus) cannabis and any mixture or preparation thereof that is appropriate for medical use according to state guidelines, but excludes the plant's stalks, stems, and roots.

Drug Trafficking Organizations

Mexican DTOs use the Rocky Mountain HIDTA region as a base of operation for regional and national-level drug trafficking and money laundering activities. Mexican DTOs and criminal groups exploit the HIDTA region's centralized location and highly developed transportation infrastructure to supply wholesale quantities of ice methamphetamine, cocaine, heroin, and marijuana to the Rocky Mountain HIDTA region from sources of supply in Mexico and distribution cells along the Southwest Border. Mexican organizational connections to these sources of supply are often family-based; extended family members are located throughout the HIDTA region and the Southwest Border area as well as in Mexico. Mexican DTO members also assimilate into the large Hispanic population in the region, allowing them to conduct their drug trafficking operations with a degree of anonymity. Mexican traffickers exploit language barriers between themselves and law enforcement authorities to impede interviews, intelligence collection, and interrogations. The ability of Mexican traffickers to control drug distribution in the region is augmented by alliances that they have formed with various criminal groups, prison gangs, street gangs, and outlaw motorcycle gangs (OMGs). Mexican DTOs capitalize on the organizational networks that these gangs have established in the region by using them to transport, store, package, and distribute illicit drugs and to assist in money laundering activities.

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.

Asian DTOs are the primary transporters and distributors of Canadian high-potency marijuana and MDMA in the region. Canada-based Vietnamese criminal groups smuggle high-potency marijuana and MDMA into the region across the U.S.–Canada border through Washington and Montana. Asian DTOs often shield themselves from law enforcement scrutiny by employing surrogate criminal groups to conduct some high-risk operations. For example, they often use East Indian drug transportation organizations for cross-border smuggling of marijuana, MDMA, cocaine, and bulk currency. Asian DTOs are also reducing the costs and risks associated with marijuana smuggling by increasing the number of indoor cannabis grow sites that they operate within the HIDTA region. Asian traffickers coordinate the smuggling of Canadian marijuana and MDMA into the United States and cocaine and bulk cash into Canada, using fixed-wing aircraft, float planes, and helicopters as well as commercial and private vehicles. Officials also report that Asian traffickers hire local individuals as "mules" to cross the Montana–Canada border. These mules cross into Montana between POEs while carrying 50- to 100-pound quantities of marijuana, typically in hockey equipment bags. These loads are often transported by private vehicles, all-terrain vehicles (ATVs), and snowmobiles as well as on foot. Most of the high-potency marijuana and MDMA smuggled across the border is transported to distribution centers in Denver; Salt Lake City; Las Vegas, Nevada; and Los Angeles and San Francisco, California.

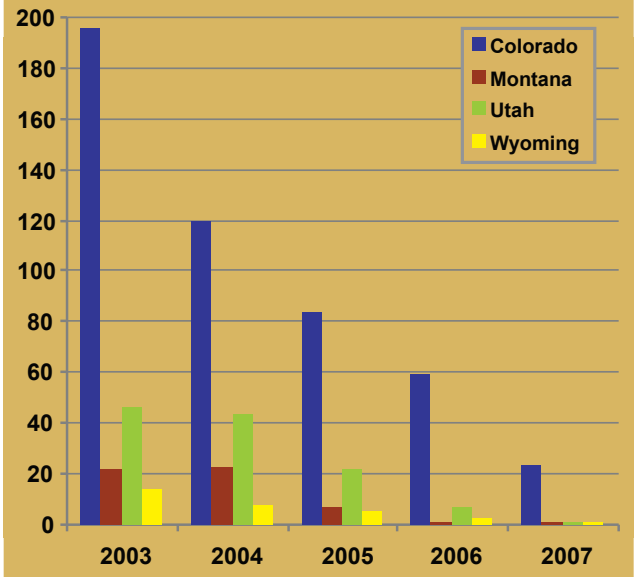
Street gangs and OMGs pose a major challenge to law enforcement agencies in the Rocky Mountain HIDTA region because they often use violence

in establishing or maintaining control of their drug trafficking activities. These gangs are responsible for most of the assaults, home invasion robberies, and homicides that take place in major metropolitan areas of the region. Hispanic street gangs, primarily affiliates of Sureños and Norteños, are midlevel and retail-level distributors of ice methamphetamine, cocaine, heroin, and marijuana that they receive from Mexican wholesalers. African American street gang members, most notably affiliates of Bloods and Crips, are the primary converters and retail distributors of crack cocaine in the HIDTA region. OMGs, particularly Hells Angels Motorcycle Club (HAMC), Outlaws, Bandidos, and Sons of Silence, distribute ice methamphetamine and high-potency marijuana in some areas of the region. These OMGs obtain methamphetamine from Mexican traffickers and also transport the drug from California and southwestern states. Members of HAMC smuggle significant quantities of high-potency marijuana from Canada into the United States. They cross the border primarily in British Columbia, Canada, but are increasingly transporting high-potency marijuana directly into the HIDTA region through POEs in Montana.

Production

Illicit drug production in the Rocky Mountain HIDTA region is typically limited to small-scale methamphetamine production, crack cocaine conversion, and outdoor and indoor cannabis cultivation. Local methamphetamine production has decreased significantly in the region in recent years, largely as a result of regulatory efforts to control precursor chemicals and successful law enforcement operations. In fact, according to National Seizure System (NSS) data, combined methamphetamine laboratory seizures in Colorado, Montana, Utah, and Wyoming HIDTA counties decreased 90 percent from 2003 (278) through 2007 (27).[4] (See Figure 2.) However, some small-scale independent domestic powder

Figure 2. Methamphetamine Laboratory Seizures in Rocky Mountain HIDTA Counties, 2003–2007



Source: National Seizure System, as of May 6, 2008.

methamphetamine producers are still active, producing only enough methamphetamine for personal use or limited distribution. Local powder methamphetamine production accounts for less than 10 percent of the methamphetamine available in the HIDTA region, especially in Denver and the Salt Lake City area.

Crack cocaine conversion is a significant concern throughout the Rocky Mountain HIDTA region. Crack conversion is a particular threat in the large metropolitan areas of Aurora, Colorado Springs, Denver, Ogden, and Salt Lake City, where African American street gangs and independent dealers convert large amounts of powder cocaine. Crack cocaine conversion occurs primarily in residential settings, and retail distribution commonly takes place in surrounding neighborhoods.

Cannabis is cultivated extensively throughout the Rocky Mountain HIDTA region, primarily at outdoor grow sites in remote locations, on public lands, and in rural areas. Outdoor sites are often tended by Hispanic laborers who have

4. These figures include seizures of powder methamphetamine laboratories; chemicals, glass, and equipment; and dumpsites.

been recruited by Mexican criminal organizations and who live at the sites throughout the growing cycle. The damage caused by outdoor cannabis cultivators, particularly on public lands, is a serious environmental concern. The number of indoor cannabis grows that produce high-potency marijuana is increasing throughout the region, particularly in northern Colorado and Utah. Asian criminal groups and Caucasian independent dealers are becoming more knowledgeable about indoor high-potency grow methods; some reporting indicates that experienced growers from California, Washington, and Oregon are moving into the Colorado area to set up complex indoor grow operations. An average indoor grow site contains 75 to 80 plants, but in the Denver area officials report that it is not uncommon to seize houses containing 300 to 400 plants. Law enforcement officials in Colorado and Utah report that cannabis cultivators are taking advantage of the current downturn in the real estate market to purchase multiple vacant residences, which they use for indoor cannabis cultivation. Residential rental properties owned by individuals from out-of-state are considered to be prime locations for indoor grow sites. Many of these properties are rented by older Caucasians who employ college age youths to tend the grow sites. In addition, some cannabis cultivators in Colorado use the state medical marijuana provisions as a pretext for conducting illicit grows within the HIDTA region.

Transportation

Mexican DTOs and criminal groups are the principal transporters of multikilogram quantities of methamphetamine, cocaine, and marijuana and smaller quantities of Mexican black tar and brown powder heroin to the HIDTA region, particularly from source areas in Mexico, including Juárez, Nayarit, and Sinaloa, or through and between POEs along the U.S. Southwest Border. Interstates 15, 25, and 80 are the principal routes used by Mexican traffickers to transport drugs into the region; however, these traffickers also use various state and U.S. highways to attempt to avoid law enforcement interdiction efforts. Interstate 15 begins near the U.S.–Mexico border in San Diego and passes through numerous drug markets in the region, including St. George and Salt Lake City, Utah, and Butte and Great Falls, Montana, before terminating at the Sweetgrass POE at the U.S.–Canada border. Interstate 25 begins at the U.S.–Mexico border in El Paso, Texas, and passes through Colorado Springs, Denver, Cheyenne, and Casper. Interstate 80 begins in San Francisco and passes through Salt Lake City and Cheyenne.

Denver, Colorado Springs, and Salt Lake City serve as principal distribution centers for other regional drug markets as well as transshipment points for drugs supplied to markets in the Midwest and the eastern United States. Mexican DTOs further transport illicit drugs from Denver and Colorado Springs to other markets in the region, such as Billings, Montana, and Cheyenne, Wyoming, and to major Midwest and eastern drug markets, such as Chicago; Kansas City, Missouri; Minneapolis, Minnesota; and New York, New York. They also use Salt Lake City as a distribution and transshipment center for secondary drug markets in the HIDTA region as well as markets in Arizona, California, and other neighboring states.

Canada-based Asian DTOs and various other traffickers smuggle large quantities of MDMA and high-potency marijuana into the region through and between POEs along the U.S.–Canada border. U.S. Customs and Border Protection (CBP) officials in Great Falls, Montana, report that significant quantities of these drugs are smuggled by traffickers through POEs in Piegan, Roosville, Sweetgrass, and Raymond, Montana. Asian DTOs, OMGs (HAMC and Bandidos), and Caucasian criminal groups based in British Columbia and Alberta, Canada, use Interstates 15, 25, and 90 to transport high-potency marijuana and MDMA across the U.S.–Canada border through Washington and western Montana in private and commercial vehicles. The rugged terrain and remote locations allow these smuggling groups to use other modes of transportation, including ATVs, snowmobiles, and private aircraft (both fixed-wing and helicopter). After smuggling drug shipments into the

United States, these groups often smuggle powder cocaine and illicit drug proceeds into Canada on the return trip.

Traffickers who operate in the Midwest and eastern United States often transit the Rocky Mountain HIDTA region with illicit drug shipments that were obtained in California or the Pacific Northwest. Denver, Colorado Springs, and Salt Lake City are the major transshipment and distribution centers in the Rocky Mountain HIDTA region. The Colorado State Patrol (CSP) reports that most of the drugs seized by its agency are in transit to other states, with Illinois, Montana, New York, and Utah being primary destinations.

Private and commercial vehicles are the principal modes used by traffickers to transport drugs along the major interstate highways into and through the region; traffickers also employ couriers on trains, buses, and private and commercial aircraft to transport illicit drugs. Flat, remote, rural areas provide numerous areas for light aircraft to land. However, because of a lack of reporting of suspicious aircraft crossings in Montana, this type of activity is difficult to track. Illicit drugs transported in private vehicles are often placed in hidden compartments; drugs transported in commercial vehicles are typically placed in hidden compartments or commingled with legitimate products such as produce, car parts, building materials, or heavy machinery. Some criminal groups ship marijuana, cocaine, and MDMA through the U.S. Postal Service or use package delivery services in order to reduce transportation costs and increase profits.

Methamphetamine Ring Dismantled in Western Colorado

In May 2007 members of the Western Colorado Drug Task Force and the Two Rivers Drug Enforcement Team arrested six illegal aliens from Mexico and seized approximately 4 pounds of methamphetamine, 5 ounces of powder cocaine, and a small amount of crack cocaine. The organization was responsible for transporting multi-pound quantities of methamphetamine from the Roaring Fork Valley to Mesa County on I-70. The average purity level of the methamphetamine was 76 percent, and the drug sold for approximately $800 per ounce and $12,500 per pound.

Source: Drug Enforcement Administration.

Distribution

Mexican DTOs and criminal groups are the dominant wholesale distributors of ice methamphetamine, cocaine, Mexican black tar and brown powder heroin, and commercial-grade marijuana in the Rocky Mountain HIDTA region. Mexican traffickers use Colorado Springs, Denver, and Salt Lake City as the principal distribution centers; from staging areas in or near these cities, they supply illicit drugs to local Hispanic, African American, and Asian criminal groups and street gangs and to distributors in secondary markets in the HIDTA region. Distributors in remote areas of the region often travel to Denver and Salt Lake City to obtain drugs from Mexican DTOs for distribution in their communities. When Mexican traffickers supply ice methamphetamine, cocaine, or heroin to distributors who are not Hispanic, they typically charge them a 15 to 20 percent premium over the price paid by Hispanic distributors for the same drugs. Mexican traffickers operating in the Rocky Mountain HIDTA region also supply illicit drugs to other major domestic drug markets, such as Chicago; Kansas City; Omaha, Nebraska; and Philadelphia, Pennsylvania.

Hispanic criminal groups and street gangs are significant midlevel and retail-level illicit drug distributors in the region. Hispanic street gangs, such as Sureños 13, distribute methamphetamine, cocaine, heroin, and marijuana that they obtain from Mexican traffickers. Hispanic street gangs are aggressively expanding their retail-level crack cocaine distribution operations in some metropolitan areas of the region. Moreover, law enforcement officials report that Honduran groups in Denver and other areas are becoming more involved in retail drug distribution. Honduran youths in Denver are moving aggressively into retail heroin distribution sales, and in some remote areas, such as Eagle County (100 miles west of Denver), Honduran groups are engaging in the retail distribution of ice methamphetamine and powder cocaine.

African American street gangs are significant retail-level drug distributors, particularly in metropolitan areas of the Rocky Mountain HIDTA region. African American street gangs such as Rolling 30's Crips are the primary converters and distributors of crack cocaine in metropolitan areas of the region. African American street gangs operating in Denver also distribute PCP (phencyclidine) that they acquire from gang associates who produce the drug in Los Angeles.

Open-Air Drug Markets in Salt Lake City

In November 2007 the Salt Lake City Police Department, working in conjunction with federal immigration and state corrections officers, conducted an intensive 6-day operation targeting open-air drug markets in the city. Law enforcement officers focused their efforts on 49 city blocks, including Pioneer Park in the west-central area of Salt Lake City's central business district. Officials report that 946 arrests were made citywide during that 6-day period—more than 70 percent of those arrests took place in the targeted zone around Pioneer Park, an area representing less than 1 percent of the city. Sixty-eight people had federal holds placed on them for being undocumented illegal aliens, 87 people were arrested for distribution of a controlled substance, and 165 people were arrested for solicitation of a controlled substance. Most of the individuals arrested for drug offenses were multistate offenders who had been in Utah for less than 4 years.

Source: Salt Lake City Police Department.

Asian DTOs and criminal groups are the primary wholesale suppliers of high-potency Canadian marijuana and MDMA in the Rocky Mountain HIDTA region. These traffickers supply the drugs principally to Asian retail distributors, mostly Asian street gangs and, to a lesser extent, Caucasian retail-level distributors in metropolitan areas of the HIDTA region, particularly in Denver and Salt Lake City.

Independent dealers and OMGs also distribute methamphetamine, marijuana, and Mexican black tar and brown powder heroin in smaller cities and rural areas of the HIDTA region. Caucasian and Hispanic independent dealers routinely travel from markets such as Billings, Montana, and Cheyenne, Green River, and Rock Springs, Wyoming, to obtain illicit drugs from Mexican DTOs and street gangs in Denver and Salt Lake City for distribution in their communities. Some African American local independent dealers in Denver obtain MDMA from Canada for local distribution.

In order to facilitate drug distribution in the Rocky Mountain HIDTA region, particularly at the retail level, traffickers commonly use disposable cell phones. Such phones have commonly been used by wholesale and midlevel traffickers in the past, and their popularity has increased rapidly among retail-level traffickers because they are relatively cheap and difficult to trace (stores do not require a credit check at the time of purchase). Traffickers typically use cell phones for a limited time before switching to new phones to further reduce the possibility of law enforcement detection. Many DTOs communicate using push-to-talk phones, which are similar to walkie-talkies. These communications are difficult to intercept because of direct dialing and the brief nature of the conversations. Criminals sometimes switch

Table 2. Drug Distribution by Group, Rocky Mountain HIDTA Region, 2007

Drug Distribution Group	Drugs Distributed at the Wholesale Level	Drugs Distributed at the Retail Level
African American	Marijuana	Crack cocaine, heroin, marijuana, ODDs
Asian	High-potency marijuana, MDMA	Powder and crack cocaine, MDMA
Caucasian	Marijuana, MDMA	Powder cocaine, heroin, marijuana, MDMA, methamphetamine, diverted pharmaceutical drugs, ODDs
Hispanic	Powder cocaine, heroin, methamphetamine, marijuana	Crack cocaine, marijuana, methamphetamine
Mexican	Powder cocaine, black tar heroin, brown powder heroin, methamphetamine, marijuana	Powder cocaine, marijuana, methamphetamine
Native American	NA	Methamphetamine, marijuana
Vietnamese	MDMA, high-potency marijuana	NA
Street gangs	NA	Powder and crack cocaine, heroin, marijuana, MDMA, methamphetamine, diverted pharmaceutical drugs
OMGs	NA	Marijuana, methamphetamine

Source: Drug Enforcement Administration; Organized Crime Drug Enforcement Task Force.
NA—Not applicable.

from conventional cell phones to push-to-talk phones in midconversation to exchange important information that could be used as evidence against them.

Drug-Related Crime

Violent and property crimes in the Rocky Mountain HIDTA region are often associated with the distribution and abuse of illicit drugs, particularly methamphetamine and crack cocaine. Methamphetamine and crack cocaine distributors commonly commit violent crimes such as assault, carjacking, drive-by shooting, home invasion, and armed robbery to establish or maintain control of local drug markets. Abusers of cocaine, heroin, and diverted pharmaceuticals often commit crimes such as identity theft, retail fraud, burglary, robbery, and theft to obtain drugs or money to purchase drugs; methamphetamine abusers also commit these crimes, but their addiction often results in incidents of domestic violence and child abuse. Local methamphetamine producers, often Caucasians, steal precursor chemicals from retail stores in the region.

Drug-related thefts of various metals are increasing in the region. Rising metal prices in recent years have made the theft of recyclable metals more profitable. According to law enforcement, increasing amounts of aluminum, bronze, copper, and stainless steel are being stolen by drug abusers and sold for cash to junk dealers, salvage yards, and recycling businesses to fund drug purchases (particularly methamphetamine purchases).

Violent crime associated with retail drug distribution by street gangs, primarily African American and Hispanic street gangs, is one of the primary public safety concerns for law enforcement

in the HIDTA region. Many of these gangs are well-established in metropolitan areas throughout the region and are starting to expand their drug distribution operations into suburban and rural areas. Members of these gangs pose a considerable threat because they often engage in violent activities to protect their drug operations and expand their territories. Street gangs in the region use drug sales as their primary funding source to conduct other gang-related activities. Denver law enforcement officials report that most criminal street gang activity involves street-level drugs sales, assaults, robberies, burglaries, and shootings. Law enforcement agencies in the region report high levels of violence associated with crack cocaine and ice methamphetamine, drugs commonly distributed by street gang members.

Abuse

Ice methamphetamine is abused at particularly high levels throughout the Rocky Mountain HIDTA region. Since 2002 there has been a steady increase in the number of methamphetamine-related treatment admissions to publicly funded facilities in the region. According to the Substance Abuse and Mental Health Services Administration (SAMHSA), Treatment Episode Data Set (TEDS), the number of treatment admissions to publicly funded facilities for amphetamines (including methamphetamine) increased from 2002 to 2006 in each of the states in the Rocky Mountain HIDTA region. Specifically, treatment admissions increased from 2,248 to 4,549 in Utah, from 695 to 1,081 in Wyoming, from 2,590 to 5,952 in Colorado, and from 938 to 1,104 in Montana. According to law enforcement officials, methamphetamine abuse in the Rocky Mountain HIDTA region has a direct correlation to increasing levels of violence, property crime, and child abuse and neglect. In addition, methamphetamine abuse severely taxes the resources of public health departments, treatment centers, and social service agencies in the region. The highly addictive nature of methamphetamine requires longer treatment programs and results in high recidivism rates that further burden treatment centers in the area.

Cocaine abuse has increased in the HIDTA region—particularly the abuse of crack cocaine in major metropolitan areas. The demand for both powder and crack cocaine has surged in some areas of the Rocky Mountain HIDTA region, a development that may be the result of abusers switching from methamphetamine to cocaine, which they perceive as being less harmful to their health. The rising demand may also reflect a new trend reported by law enforcement officials: an increase in the number of younger illicit drug users who choose to experiment with cocaine rather than methamphetamine. This surge in cocaine abuse may be the result of years of law enforcement and public awareness programs targeting methamphetamine and alerting potential users to the short- and long-term consequences of methamphetamine abuse. Consequently, new illicit drug users now view methamphetamine as a “full-time” drug with dangerous consequences, while cocaine is viewed as an “occasional, casual drug” without long-term health consequences.

Mexican black tar and brown powder heroin availability and abuse are rising in some areas of the region, increasing the threat posed by the drug. Many drug task forces throughout the Rocky Mountain HIDTA region are reporting increased availability and demand for heroin. For example, law enforcement authorities and public health professionals in Colorado Springs and Denver; Helena, Montana; Provo, Salt Lake City, and St. George, Utah; and western Wyoming have reported increased heroin distribution and abuse in their jurisdictions. This increase is partly the result of the emergence of new, younger adolescent heroin abusers (approximately age 16) in the region. These younger abusers often start by using prescription narcotics, later progressing to heroin because of availability and cost factors. Some abusers are also using heroin and cocaine at the same time. In early 2007 eight heroin-related deaths occurred in Colorado; two of the deaths involved speedballs (a combination of heroin and cocaine).

Marijuana is the most widely available and abused drug in the region. Commercial-grade

Mexican marijuana is the primary type abused in the region; however, with the rise in availability of high-potency marijuana, abuse of the drug has increased, particularly among wealthier individuals who are willing to pay higher prices for more potent marijuana.

The widespread diversion and abuse of pharmaceutical drugs are a significant and rapidly growing threat to the Rocky Mountain HIDTA region. Abusers, primarily Caucasians ranging from 16 to 40 years of age, and independent distributors of pharmaceutical drugs such as OxyContin, Percocet, Percodan, Valium, and Lortab obtain these drugs through forged prescriptions, copied or scanned prescriptions, doctor-shopping, unscrupulous physicians, theft from family and friends, and robberies of retail pharmacies and hospitals. Some abusers use Internet communications to facilitate pharmaceutical drug purchases. Some doctors prescribe methadone, often as a replacement for OxyContin in pain management. Diverted methadone is a particular concern for public health officials in the region. Because the drug is slower-acting than other narcotics, abusers sometimes increase the dosage to hasten the effects, an action that often leads to overdose.

MDMA availability is rising in certain parts of the region, such as Boulder County, Colorado. Most of the MDMA available in the region is produced in Canada and is sometimes combined with methamphetamine. This combination of MDMA and methamphetamine, known as Juiced E or E Plus, is abused primarily by teenagers and young adults and is especially dangerous; most young people seeking treatment state that they were unaware that the MDMA they were taking contained methamphetamine.

Illicit Finance

Bulk cash shipments and money services businesses (MSBs) are the primary methods used by DTOs to move illicit drug proceeds out of the Rocky Mountain HIDTA region to drug source locations in Mexico and Canada. Drug proceeds that remain in the Rocky Mountain HIDTA region are often laundered by traffickers through structured bank transactions, cash-intensive front businesses, and the purchase of tangible assets.

Bulk cash transportation is the most common method used by traffickers to move illicit proceeds from the Rocky Mountain HIDTA to drug source areas. Mexican DTOs use major drug markets in the Rocky Mountain HIDTA region as staging areas to consolidate large amounts of bulk currency that they derive from local wholesale drug transactions and from wholesale transactions with other markets supplied from the region. Mexican DTOs generally transport illicit drug proceeds from secondary markets to consolidation points in and near Colorado Springs, Denver, and Salt Lake City prior to transporting the money in bulk to areas at or near the U.S.–Mexico border. Mexican DTOs compartmentalize their drug distribution and money laundering operations by limiting members' involvement to one specific responsibility and allocating tasks to specific cells. These compartmentalized cells minimize risk to the entire organization in the event that one or more members are arrested. In such an operation, one cell transports a particular drug, such as cocaine, from Mexico or the Southwest Border area to distribution centers in Denver, Colorado Springs, or Salt Lake City. A separate cell transports currency in bulk from those cities to Mexico through southwestern states. Asian DTOs and other traffickers who transport illicit drugs from Canada into the region also transport their illicit proceeds in bulk to source locations.

Mexican DTOs also use MSBs to electronically transfer illicit drug proceeds to areas along the U.S.–Mexico border and into Mexico. Some Mexican DTOs operate MSBs and hire Mexican nationals in groups of 15 to 30; these individuals receive as little as $20 per day to transmit funds to locations in the Southwest Border area. Additionally, in some areas of the HIDTA region, law enforcement officials report that bulk currency shipments have decreased and that wire transfers to Mexico, primarily regular transfers in small amounts, have increased.

Drug proceeds that remain in the Rocky Mountain HIDTA region are often laundered by traffickers through cash-intensive front businesses and the purchase of tangible assets. As the Hispanic population has increased, businesses that cater to this segment of the population have emerged. Most of these businesses are legitimate; however, the primary purpose of some is to launder illicit drug money. These businesses concentrate primarily on cash-intensive transactions and include clothing and dry goods stores, music stores, restaurants, auto body detail shops, and stereo installation shops.

Retail-level drug distributors, including African American, Asian, and Hispanic street gang members, rarely engage in the bulk transport of illicit drug proceeds from the HIDTA region. Instead, they typically use proceeds generated from retail-level drug distribution to operate cash-intensive retail businesses through which they commingle drug proceeds, or they purchase expensive personal items such as jewelry, luxury vehicles, and real estate.

Outlook

Mexican DTOs will continue to dominate the distribution of methamphetamine, powder cocaine, heroin, and marijuana in the Rocky Mountain HIDTA region. These organizations will capitalize on existing distribution networks and their ability to blend in with the growing Hispanic population to expand their influence beyond large metropolitan areas into secondary markets and more rural areas where law enforcement agencies have fewer resources to counter the threat. The reliance of retail distributors on Mexican wholesale suppliers will continue to strengthen control by wholesalers over the primary and secondary markets in the HIDTA region. Mexican DTOs will continue to use the Rocky Mountain HIDTA region as a staging area for methamphetamine, cocaine, heroin, and marijuana distribution as they develop markets in other areas of the country.

Significantly lower levels of methamphetamine production in the Rocky Mountain HIDTA region will continue to reduce the resources needed to remediate laboratory sites; however, the costs associated with treatment for methamphetamine addiction will remain high because of the increased availability and abuse of Mexican ice methamphetamine.

Demand for powder cocaine will increase throughout the HIDTA region; however, crack cocaine abuse will be the predominant form of cocaine abuse, especially in large metropolitan areas. The impact that former methamphetamine abusers will have on cocaine abuse statistics as they switch from methamphetamine to cocaine is an intelligence gap.

Asian DTOs (primarily Vietnamese) and, to a lesser extent, Caucasian criminal groups will increase indoor cannabis cultivation operations in the Rocky Mountain HIDTA region. Rising demand for high-potency marijuana, high profitability, and a desire by wholesale distributors to eliminate transportation costs and loss of the product while en route from Canada and domestic distribution centers outside the HIDTA region will contribute to this increase. Moreover, illicit cannabis cultivators will use provisions of state medicinal marijuana laws to attempt to legitimize their grow operations.

Sources

Local, State, and Regional

Colorado

16th Judicial Drug Task Force
22nd Judicial District Drug Task Force
Aurora Police Department Drug Unit
Boulder County Drug Task Force
Colorado Bureau of Investigation
Colorado Department of Corrections
Colorado Department of Human Services
  Alcohol and Drug Abuse Division
Colorado Department of Public Health and Environment
Colorado Department of Public Safety
  Colorado Bureau of Investigation
    Pueblo Region Laboratory
Colorado Springs Police Department
  Gang Unit
  Metro Vice, Narcotics and Intelligence
  Sand Creek Division
Colorado State Patrol
  Interdiction Unit
Delta/Montrose Drug Task Force
Denver Police Department
  Crime Laboratory
  Gang Bureau
  Vice and Drug Control Bureau
Eagle County Drug Task Force
Eastern Colorado Plains Drug Task Force
Front Range Task Force
Grand-Routt-Moffat Counties Narcotics Enforcement Team
Larimer County Drug Task Force
Longmont Police Department Drug Unit
Metro Gang Task Force
North Metro Drug Task Force
Pueblo Police Department
San Luis Valley Drug Task Force
Southern Colorado Drug Task Force
South Metro Drug Task Force
Southwest Drug Task Force
Summit County Drug Task Force
Two Rivers Drug Enforcement Team
Vail Police Department
Weld County Drug Task Force
Western Colorado Drug Task Force
West Metro Drug Task Force

Montana

Central Montana Drug Task Force
Great Falls City Police Department
Missoula County Drug Task Force
Missouri River Drug Task Force
Montana Highway Patrol
Northwest Drug Task Force

Utah

Cache/Rich Drug Task Force
Carbon County Narcotics Task Force
Central Utah Drug Task Force
Davis Metro Narcotics Strike Force
Emery County Drug Task Force
Midvale Police Department
Ogden/Weber Gang Task Force
Salt Lake City Police Department
  Narcotics Unit
  Fusion Center
Salt Lake County Metro Gang Unit
Salt Lake County Sheriff's Office
Taylorsville Police Department
Tooele Drug Task Force
Utah County Major Crimes Task Force
Utah Department of Health and Human Services
Utah Department of Public Safety,
Special Bureau of Investigation
Utah Highway Patrol
Wasatch Back Narcotics Enforcement Team
Washington County Drug Task Force
Weber-Morgan Narcotics Strike Force
West Valley Police Department

Wyoming

Cheyenne Police Department
Central Enforcement Team
Wyoming Department of Health
  Substance Abuse Division
Wyoming Division of Criminal Investigation
  Central Enforcement Team
  Northeast Enforcement Team
  Northwest Enforcement Team
  Southeast Enforcement Team
  Southwest Enforcement Team
Wyoming Highway Patrol

Federal

- Executive Office of the President
  - Office of National Drug Control Policy
    - Rocky Mountain High Intensity Drug Trafficking Area
      - Eastern Montana HIDTA Drug Task Force
- U.S. Department of Agriculture
  - Forest Service
- U.S. Department of Health and Human Services
  - Substance Abuse and Mental Health Services Administration
    - Office of Applied Studies
      - Treatment Episode Data Set
- U.S. Department of Homeland Security
  - U.S. Customs and Border Protection
    - Havre Sector
    - Office of Border Patrol
    - Spokane Sector
    - Sweetgrass Port of Entry
- U.S. Department of Justice
  - Criminal Division
    - Organized Crime Drug Enforcement Task Force
  - Drug Enforcement Administration
    - Denver Field Division
      - Salt Lake City District Office
        - Metro Narcotics Task Force
      - Colorado Springs Resident Office
      - Grand Junction District Office
    - El Paso Intelligence Center
      - National Seizure System
  - Federal Bureau of Investigation
    - Blackfeet Safe Trails Task Force, Montana
    - Denver Field Office
    - Missoula Resident Agency, Montana
  - U.S. Attorneys Offices
    - District of Colorado
    - District of Wyoming
  - U.S. Marshals Service
    - District of Montana

Other

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www.Rockymountainnews.com

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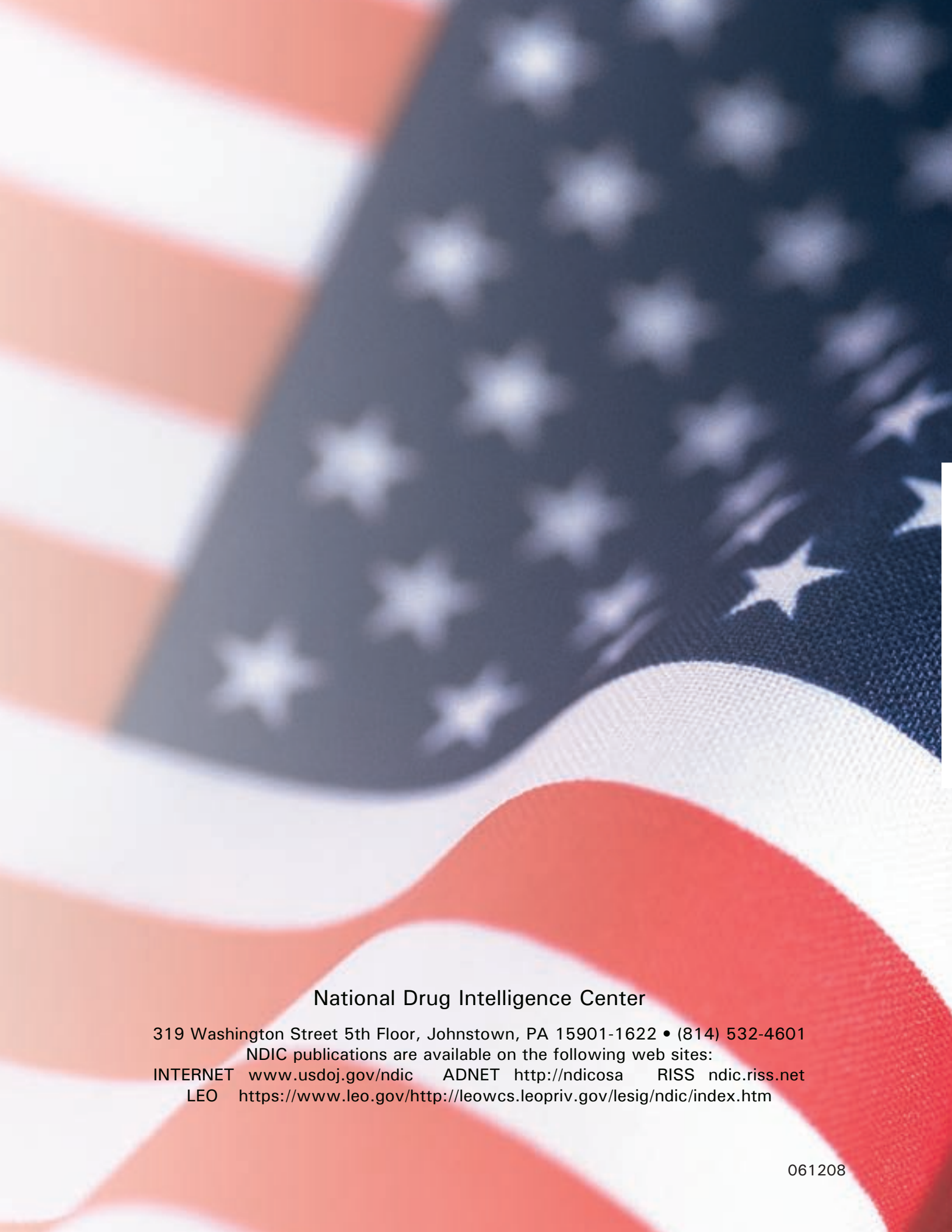

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