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# National Drug Threat Assessment



# 2007

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National Drug Intelligence Center  
U.S. Department of Justice

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## National Drug Threat Summary

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The trafficking of illicit drugs such as cocaine, heroin, marijuana, methamphetamine, and MDMA (the leading drug threats to the United States) is undergoing strategic shifts in response to sustained and effective international and domestic counterdrug efforts. These changes—shifting cocaine and methamphetamine production trends, the increasing influence of Mexican and Asian criminal groups in domestic drug distribution, rising availability of more potent forms of methamphetamine and marijuana, and the substitution of illicit drugs for prescription narcotics—represent great challenges to law enforcement agencies and policymakers attempting to extend recent successes.

Coca cultivation is higher than previously estimated, and cocaine availability and use in the United States has not significantly changed despite record interddictions and seizures. Demonstrable progress in disrupting Colombia coca cultivation since 2001, particularly through aerial eradication, has forced growers to cultivate coca in nontraditional growing areas of Colombia. As a result, intelligence agencies are now challenged to expand their survey areas and reexamine cultivation and production estimates for previous years. Aerial eradication resources will be stretched to cover wider growing areas in Colombia. A lesser concern is the potential for drug trafficking organizations (DTOs) to significantly increase coca cultivation in Bolivia and Peru, where cultivation is much lower than mid-1990s levels but has increased recently in both countries.

Recent success in greatly reducing domestic methamphetamine production has also resulted in new challenges for law enforcement. Following a sharp decrease in methamphetamine production nationally (laboratory seizures decreased 42 percent from 2004 (10,015) to 2005 (5,846), and preliminary 2006 data show continued declines), most production and distribution were consolidated under the control of Mexican DTOs producing and distributing higher purity ice methamphetamine, supplanting local independent powder methamphetamine producers and dealers. As a result, Mexican DTOs gained considerable strength and greatly expanded their presence in drug markets throughout the country, even in many smaller communities in midwestern and eastern states. These stronger, more organized, and insulated distribution groups have proven to be much more difficult for local law enforcement to detect and disrupt than the local dealers that they have replaced.

As Mexican DTOs and criminal groups have expanded their control over methamphetamine distribution, many such groups have introduced Mexican black tar and brown powder heroin in southeastern and midwestern states, where Mexican heroin was never or very rarely observed as recently as 2005. Although South American heroin is still the predominant type in most eastern drug markets, Mexican DTOs' ability to advance Mexican heroin beyond traditional western state heroin markets presents new challenges to law enforcement as more groups make the drug consistently available to individuals even in smaller, more rural eastern communities.

Marijuana potency has increased sharply. The production of high potency marijuana in Canada and the United States by Asian criminal groups has been a leading contributor to rising marijuana potency throughout the United States. In fact, average potency of seized marijuana samples has more than doubled from 2000 through 2005, since trafficking by Asian DTOs has increased significantly. Recently, however, Mexican DTOs have also begun producing higher potency marijuana (derived from cannabis cultivated in outdoor plots in California), most likely in an effort to compete with Asian DTOs for high potency marijuana market share. The result may be further increases in average marijuana potency in the United States in the near term.

Since 2004 MDMA trafficking has increased significantly. Canada-based Asian DTOs have also recently gained control over most MDMA distribution in the United States and have expanded distribution of the drug to a level similar to that of 2001, when availability peaked under the control of Israeli DTOs that were largely dismantled by law enforcement. Asian DTOs, however, appear to be stronger than their Israeli predecessors. For example, Asian DTOs trafficking MDMA distribute wholesale quantities of MDMA produced in Canada, and MDMA production by Canada-based Asian groups is increasing. Moreover, Asian DTOs have established much wider distribution networks than did Israeli DTOs. Whereas Israeli MDMA distributors operated primarily in the Los Angeles, Miami, and New York City areas, Asian DTOs have strong distribution networks operating in most states throughout the country.

Rates of pharmaceutical drug abuse exceed that of all other drugs except marijuana, resulting in a high number of pharmaceutical overdose deaths annually. However, recent success within several states in reducing the illegal diversion of pharmaceutical drugs, particularly pharmaceutical narcotics such as OxyContin, through various antidiversion initiatives and monitoring programs has caused some individuals addicted to or dependent on such drugs to substitute other drugs, such as heroin, for prescription narcotics. In some areas, such substitutions among prescription drug abusers have been widespread, creating new challenges for local law enforcement and public health agencies compelled to address a widening local heroin user population.

U.S. regulatory and law enforcement actions, which have made it increasingly difficult for drug traffickers to place illicit proceeds directly into U.S. financial institutions, have resulted in most Mexican and Colombian DTOs avoiding such money laundering methods. Instead, both Mexican and Colombian DTOs transport illicit drug proceeds from U.S. drug markets to other U.S. locations for consolidation. The proceeds often are transported in bulk to an area near the U.S.–Mexico border and are either smuggled into Mexico at Southwest Border ports of entry (POEs), primarily in South Texas, or remitted electronically to Southwest Border locations, where the transferred cash is then smuggled across the U.S.–Mexico border.

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# National Drug Threat Assessment 2007



## Scope and Methodology

The *National Drug Threat Assessment 2007* is a comprehensive assessment of the threat posed to the United States by the trafficking and abuse of illicit drugs and the diversion and abuse of licit drugs. It was prepared through detailed analysis of the most recent law enforcement, intelligence, and public health data available to counterdrug agencies through the date of publication. However, considerable time lags in some counterdrug reporting occasioned by competing operational priorities, manpower limitations, strained collection capabilities, and proprietary concerns often impede timely reporting of some data, which, to some extent, inhibits the accuracy of predictive analysis. To overcome data deficiencies, recent law enforcement and intelligence community reporting was extensively incorporated into the report.

The *National Drug Threat Assessment 2007* includes information provided by 3,267 state and local law enforcement agencies through the National Drug Intelligence Center's National Drug Threat Survey (NDTS) 2006. State and local law enforcement agencies also provided information through personal interviews with National Drug Intelligence Center Field Program Specialists, a nationwide network of law enforcement professionals assembled by NDIC to promote information sharing among federal, state, and local law enforcement agencies.

This report addresses the trafficking and use of primary drugs of abuse as well as the laundering of proceeds generated through illicit drug sales. It also addresses the role drug trafficking organizations and organized gangs serve in domestic drug trafficking. Major drugs of abuse are discussed in terms of their availability, production and cultivation, transportation, distribution, and demand. Drug trends are also identified and addressed for each Organized Crime Drug Enforcement Task Force (OCDETF) region.

**Availability.** To evaluate the availability of illicit drugs, analysts considered quantitative information on seizures, investigations, arrests, law enforcement surveys, laboratory analyses, drug purity or potency, and price. Qualitative data, such as the subjective views of individual agencies on availability and the relationship between individual drugs and crime, particularly violent crime, also were considered.

**Production and Cultivation.** To evaluate illicit drug production and cultivation, analysts considered accepted interagency estimates. Qualitative information pertaining to the presence and level of domestic and foreign activity, general trends in production or cultivation levels, involvement of organized criminal groups, toxicity and other related safety hazards, environmental effects, and associated criminal activity were also considered.

**Transportation.** To evaluate illicit drug transportation, analysts evaluated interagency estimates of the amounts of specific drugs destined for U.S. markets, involvement of organized criminal groups, smuggling and transportation methods, and indicators of changes in smuggling and transportation methods.

**Distribution.** The evaluation of illicit drug distribution was mostly qualitative. Analysts considered the extent to which specific drugs are distributed nationally, regionally, and in principal distribution centers based on law enforcement reporting. Also considered were qualitative data pertaining to the involvement of organized criminal groups, including their involvement in wholesale, midlevel, and retail distribution.<sup>1</sup>

**Demand.** The evaluation of the domestic demand for illicit drugs was based on accepted interagency estimates and data captured in national substance abuse indicators. Quantitative and qualitative information that was evaluated include the estimated number of total

users, prevalence of drug use among various age groups, emergency department information, and admissions to treatment facilities. The differing methodologies applied by national substance abuse indicators, as well as their inherent limitations, were considered and addressed in assessing domestic drug demand.

National Drug Threat Survey data used in this report do not imply that there is only one drug threat per state or region or that only one drug is available per state or region. A percentage given for a state or region represents the proportion of state and local law enforcement agencies in that state or region that identified a particular drug as their greatest threat or as available at low, moderate, or high levels. This assessment breaks the country into nine regions as shown in Map 1 in Appendix A. For representation of survey data by regions, see Map 2 and Map 4, respectively, in Appendix A.

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1. In this assessment, wholesale distribution refers to the level at which drugs are purchased directly from a source of supply and sold, typically to midlevel distributors, in pound, kilogram, or multiunit quantities. Midlevel distribution refers to the level at which drugs are purchased directly from wholesalers in pound, kilogram, or multiunit quantities and sold in smaller quantities to other midlevel distributors or to retail distributors. Retail distribution refers to the level at which drugs are sold directly to users.



## Cocaine

### Strategic Findings

- Cocaine production estimates for 2005 are significantly higher because of newly discovered coca fields in Colombia.
- South Texas remains the leading entry area for cocaine smuggled into the United States.
- Mexican DTOs have developed Atlanta as a staging area for direct wholesale cocaine distribution to East Coast drug markets.

### Overview

Despite the fact that the highest recorded level of cocaine interdiction and seizure was recorded in 2005—the fifth consecutive record-setting increase—there have been no sustained cocaine shortages or indications of stretched supplies in domestic drug markets. These seemingly inconsistent trends suggest greater source country supply than was previously estimated, an assertion supported by a recent upwardly revised cocaine production estimate for 2005. The movement of cocaine shipments from South America toward the United States, primarily via Mexico, has not abated or noticeably shifted to new routes or conveyance methods despite smugglers' sharply rising losses. Indeed, cocaine trafficking organizations have thus far succeeded in maintaining sufficient cocaine production and subsequent conveyance, primarily to Mexican DTOs who control most domestic wholesale transportation and distribution—a dominance slowly extending eastward.

*Colombia coca eradication has forced farmers into nontraditional coca growing areas:* Sustained and intense coca eradication in Colombia—the source of an estimated 70 percent of the world's cocaine supply—has diminished coca cultivation in traditional growing areas since Colombian cultivation peaked in 2001. In 2005, however, an 81 percent increase

in the landmass surveyed by the U.S. government revealed that some coca growers have adapted to eradication efforts by moving out of traditional growing areas and establishing fields in areas not known for large-scale coca cultivation. In the areas surveyed during 2004, coca cultivation declined from 114,100 hectares in 2004 to 105,400 hectares in 2005. But countrywide, cultivation increased because an additional 39,000 hectares of coca was discovered outside the previously surveyed areas. As a result of the discovery of these new coca fields, the estimated amount of pure cocaine that could have been produced in the Andean region increased from 640 metric tons in 2004 to 780 metric tons in 2005 (see Table 1 on page 4). Since these discoveries, a review of previous yearly coca cultivation and cocaine production estimates has commenced; this review may result in previous annual cocaine production estimates being revised upward.

*Coca cultivation in Bolivia and Peru has the potential to increase significantly and to replace some of the decreased cultivation in Colombia:* Cocaine production in Bolivia and Peru is at a much lower level than in Colombia. However, illegal coca cultivation has increased to its highest level in 5 years. Moreover, cultivation in these countries could substantially increase, since both countries possess the potential to cultivate much more coca as was demonstrated in 1995, when the countries were estimated to have cultivated 163,900<sup>2</sup> hectares of coca (99,400 hectares more than was cultivated in 2005). Although increased coca cultivation in Bolivia and Peru would not be sufficient to sustain supplies if cultivation in Colombia were significantly diminished, increasing cultivation in Bolivia and Peru would certainly delay any observable shortages in cocaine supplies in U.S. drug markets.

2. Methodologies for estimating coca cultivation have changed since 1995, and using current methodologies would quite likely result in a somewhat higher or lower estimate than that derived in 1995. Nevertheless, there is no question that the amount of coca cultivated in Bolivia and Peru in the mid-1990s greatly exceeds estimates for 2005.

**Table 1. Estimated Andean Region Coca Cultivation and Potential Pure Cocaine Production, 2001–2005**

	2001	2002	2003	2004	2005
<b>Net Cultivation (hectares)</b>	221,800	200,750	166,300	166,200	208,500
Bolivia	19,900	21,600	23,200	24,600	26,500
Colombia	169,800	144,450	113,850	114,100	144,000
Peru	32,100	34,700	29,250	27,500	38,000
<b>Potential Pure Cocaine Production (metric tons)</b>	920	820	675	640	780
Bolivia	60	60	60	65	70
Colombia	700	585	460	430	545
Peru	160	175	155	145	165

Source: Crime and Narcotics Center.

*Record-level cocaine seizures have not forced a shift in cocaine transit routes to the United States or the principal methods of transport:* The amount of cocaine lost or seized in transit toward the United States increased for the fifth straight year in 2005 (see Table 2) to the highest level ever recorded. Most of these seizures occurred in the Eastern Pacific and Western Caribbean Vectors, usually while en route to Mexico. In fact, approximately 90 percent of the documented cocaine flow events destined for the United States transited the Mexico–Central America corridor (see Map 5 in Appendix A). Although this percentage may be somewhat inflated because of underreporting in other regions, where there are fewer U.S. counterdrug assets or actionable intelligence, the Mexico–Central America corridor is, nevertheless, the predominant transit route for cocaine destined for the United States. The predominance of this transit route has not diminished and, in fact, has increased over the past 7 years despite consistently increasing seizures of cocaine shipments in this corridor. Moreover, the primary modes of conveyance—go-fast boats and fishing vessels—have not changed even as interdictions, arrests of smugglers, and vessel seizures continue to climb. Nevertheless, some smaller shifts have occurred over the past 3 years (extending Eastern Pacific transporta-

tion routes farther offshore, using more decoy vessels, and decreasing use of Colombia-flagged smuggling vessels, instead utilizing vessels from less cooperative countries) in response to law enforcement pressure.

**Table 2. Cocaine Lost or Seized in Transit Toward the United States in Metric Tons, 2000–2005**

2000	2001	2002	2003	2004	2005
117	141	143	157	197	234

Source: *Interagency Assessment of Cocaine Movement*.

*Cocaine smuggling into the United States via East Coast, Puerto Rico, and U.S. Virgin Islands POEs has declined to low levels as smuggling via the U.S.–Mexico border, particularly in South Texas, remains very high:* Drug seizure data suggest that the practice of smuggling cocaine shipments directly to East Coast POEs or through Puerto Rico and the U.S. Virgin Islands has decreased since 2000, now accounting for less than 26 percent of all cocaine seizures in the arrival zone (see Table 3 on page 5). During that same period, cocaine seizures at the Southwest Border have fluctuated but have usually remained within a consistent range, now accounting for 74 percent of cocaine seizures in the arrival zone. Seizure data further suggest

**Table 3. Cocaine Seizures in the U.S. Arrival Zone, in Metric Tons, 2000–2005**

Arrival Zone Area	2000	2001	2002	2003	2004	2005
Southwest Border	23	20	23	15	20	23
Puerto Rico/U.S. Virgin Islands	6	6	2	8	7	4
U.S. East Coast	14	11	9	9	5	4
U.S. Other	0	0	0	0	3	0

Source: *Interagency Assessment of Cocaine Movement*.

that within the Southwest Border area during the 7-month period from October 2005 through April 2006 more cocaine was seized in the South Texas Sector (11,157 kg) than in the Southern California Sector (3,871 kg), Arizona Sector (3,465 kg), or West Texas Sector (793 kg). Seizures made at the Laredo, Hidalgo, and Progreso POEs accounted for over 70 percent of the cocaine seized in the South Texas Sector.

*Mexican DTOs continue to expand their dominance over wholesale cocaine distribution eastward, using Atlanta as a primary distribution hub for East Coast distribution:* Over the past several years, Mexican DTOs have developed cocaine distribution hubs in eastern states to extend their control over wholesale cocaine distributors in East Coast drug markets, slowly supplanting Colombian and Dominican DTOs. Atlanta is the leading cocaine staging and distribution hub developed by Mexican DTOs for cocaine distribution in East Coast drug markets, including those in Florida and New York. Mexican DTOs are also establishing a strong presence in eastern cities such as Cleveland and Columbus (OH) for significant regional distribution. Despite the encroachment of Mexican DTOs, Colombian and Dominican DTOs remain the primary wholesale distributors of cocaine in many large East Coast drug markets, including Boston, Miami, New York City, and Philadelphia, but their control is diminishing. Some Colombian and Dominican organizations in these cities increasingly are employing Mexican DTOs to smuggle cocaine into the United States on their behalf, but they also continue to transport cocaine through the Caribbean, including to Puerto Rico, for subsequent transport to the East Coast.

*Cocaine demand is stable:* Indicators of domestic cocaine demand show that the demand for cocaine in the United States is relatively stable. According to National Survey on Drug Use and Health (NSDUH) data, past year cocaine use (in any form) by individuals 12 and older has not increased or decreased significantly since 2002. NSDUH and Monitoring the Future (MTF) data indicate that past year cocaine use among adolescents has also remained stable during this same period.

### Intelligence Gaps

*Interagency Assessment of Cocaine Movement* (IACM) estimates of the percentage of cocaine moving toward the United States through the Eastern and Central Caribbean most likely are lower than the actual percentage of the total flow (see Map 5 in Appendix A). The number of drug events recorded by the Consolidated Counterdrug Database (CCDB)—the basis of IACM flow estimates—is underreported in those areas because there are fewer U.S. counterdrug assets available in the region to provide such reports. The extent of the underreporting currently is undeterminable.

# Methamphetamine

## Strategic Findings

- Sharp decreases in domestic methamphetamine production since 2004 have been offset by increased production in Mexico for U.S. distribution by Mexican DTOs.
- Recent strong chemical control efforts in Mexico may be challenging Mexican DTOs' ability to maintain their current high level of methamphetamine production.
- Mexican DTOs and criminal groups are expanding their position relative to methamphetamine distribution, particularly ice methamphetamine distribution, in the eastern United States.

## Overview

Methamphetamine production and distribution trends are undergoing significant strategic shifts, resulting in new challenges to law enforcement and public health agencies. For example, marked success in decreasing domestic methamphetamine production through law enforcement pressure and strong precursor chemical sales restrictions has enabled Mexican DTOs to rapidly expand their control over methamphetamine distribution—even in eastern states—as users and distributors who previously produced the drug have sought new, consistent sources. These Mexican methamphetamine distribution groups (supported by increased methamphetamine production in Mexico) are often more difficult for local law enforcement agencies to identify, investigate, and dismantle because they typically are much more organized and experienced than local independent producers and distributors. Moreover, these Mexican criminal groups typically produce and distribute high purity ice methamphetamine that usually is smoked, potentially resulting in a more rapid onset of addiction to the drug.

*Recent precursor chemical controls have contributed to a sharp decrease in domestic methamphetamine production:* Since April 2004, 44 states have restricted retail sales of ephedrine and pseudoephedrine products to varying degrees.<sup>3</sup> In 2005 federal legislation also restricted retail precursor chemical sales. Retail sales restrictions—supported by sustained law enforcement pressure—have limited the amount of pseudoephedrine available to small-scale methamphetamine producers, resulting in a sharp decrease in the prevalence of small methamphetamine laboratories nationally. In fact, El Paso Intelligence Center (EPIC) National Clandestine Laboratory Seizure System (NCLSS) data show that the overall number of reported methamphetamine laboratory seizures nationwide has decreased 42 percent from 10,015 in 2004 to 5,846 in 2005 (see Figure 1). Preliminary data indicate that this trend has continued in 2006, and the number of laboratory seizures will quite likely decrease further as more states implement similar restrictions—six more states and the District of Columbia are considering retail sales restrictions.

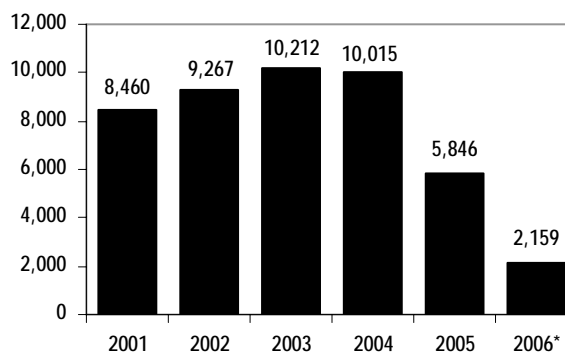


Figure 1. Reported Methamphetamine Laboratory Seizures, 2001–2006.

Source: National Clandestine Laboratory Seizure System (Run date—September 13, 2006).

\*Data for 2006 are incomplete.

3. National Alliance for Model State Drug Laws, as of July 28, 2006.

*Precursor chemical restrictions and law enforcement pressure have forced most California superlabs to relocate:* Restrictions on pseudoephedrine imports from Canada to the United States in 2003 resulted in an immediate and significant decrease in the number of reported domestic superlab<sup>4</sup> seizures (see Figure 2). Many of these laboratories—primarily operated by Mexican criminal groups—relocated to Mexico, where bulk quantities of ephedrine and pseudoephedrine are more available. However, some Mexican criminal groups have remained in the United States to produce methamphetamine in superlabs, particularly in California, that accounted for 30 of 35 reported superlab seizures in 2005. Of the criminal groups that have remained, many have relocated their superlab operations to very remote rural areas, usually in the Central Valley region of California, in an attempt to decrease the risk of detection from sustained, intense law enforcement pressure. Although Mexican criminal groups have long produced methamphetamine on farms and in rural areas of California, this practice has increased since 2002 as law enforcement pressure and public awareness have increased in more populated areas. In fact, superlab seizures in urban areas are now somewhat rare, accounting for only 6 of 30 superlab seizures in California in 2005.

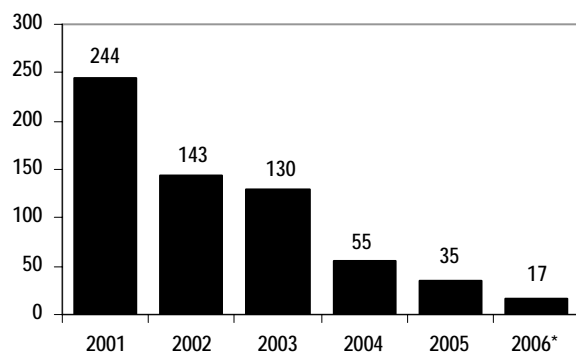


Figure 2. Reported Methamphetamine Superlab Seizures, 2001–2006.

Source: National Clandestine Laboratory Seizure System (Run date—September 13, 2006).

\*Data for 2006 are incomplete.

By relocating virtually all superlab operations to rural areas with less law enforcement presence, Mexican criminal groups have been able to maintain significant methamphetamine production in California.

*Methamphetamine production in Mexico has increased sharply; however, chemical restrictions may render current production levels difficult to sustain:* There are no widely accepted estimates regarding the amount of methamphetamine produced in Mexico; however, ample law enforcement reporting and drug seizure data at the U.S.–Mexico border indicate a significant increase in methamphetamine (particularly ice methamphetamine) production in Mexico since 2003. Further production increases are unlikely in the near term, however, and sustaining the current high level of production in Mexico has become more difficult, since the Government of Mexico recently reduced ephedrine and pseudoephedrine imports 40.8 percent from 224 metric tons in 2004 to 132.5 metric tons in 2005 (with a goal of 70 metric tons for 2006). Attempts to defeat the increasing chemical restrictions in Mexico will quite likely include routing chemical shipments through transit countries, particularly in Central and South America, for subsequent smuggling into Mexico.

*Methamphetamine distribution by Mexican criminal groups is expanding to sustain markets previously supplied by local production, particularly in midwestern and eastern states:* As methamphetamine production in small-scale laboratories has decreased nationally since 2004, Mexican criminal groups have expanded direct distribution of methamphetamine, even in many smaller communities. For example, in midwestern states such as Iowa, Missouri, Illinois, and Ohio, where methamphetamine laboratory seizures have decreased significantly—in some states by more than 55 percent—Mexican criminal groups have gained control over most distribution of the drug. In fact, the Midwest High Intensity Drug Trafficking Area (HIDTA) reports that in cities such as

4. Superlabs are those clandestine laboratories capable of producing 10 or more pounds of methamphetamine per production cycle.

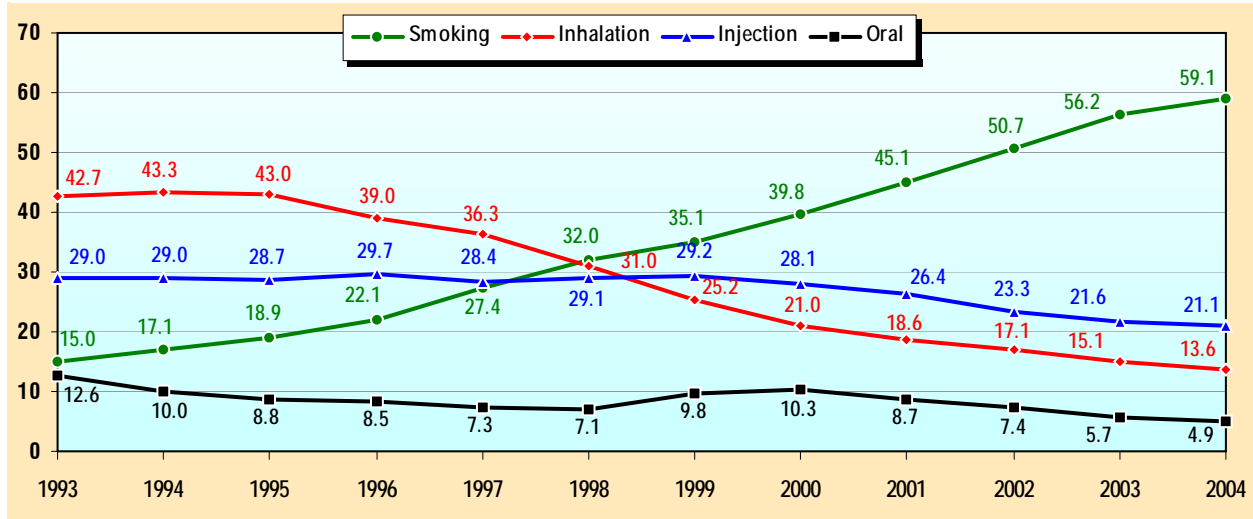


Figure 3. Percentage of primary methamphetamine or amphetamine admissions, by route of administration, 1993–2004.

Source: Treatment Episode Data Set.

Des Moines and Sioux City,<sup>5</sup> where methamphetamine production and distribution previously were controlled by local independent traffickers, Mexican criminal groups, primarily distributing ice methamphetamine, have supplanted independent traffickers. Law enforcement reporting confirms a similar trend throughout much of the Great Lakes, Mid-Atlantic, Florida/Caribbean, Southeast, and West Central Regions. These groups pose an increased challenge to local law enforcement because they are often Mexico-based, well-organized, and experienced drug distributors that have been successful in blending into somewhat insular Hispanic communities or among Hispanic workers employed in the agricultural, landscaping, construction, and meatpacking industries. The ability of Mexican criminal groups to continue the expansion of methamphetamine distribution into more communities in the eastern United States appears to be limited primarily by their capability to further expand methamphetamine production in Mexico.

*Increased ice availability is most likely contributing to increased methamphetamine addiction:* Since 2001 the availability of Mexico-produced ice methamphetamine—a high purity form of methamphetamine that typically is smoked—has increased sharply in most U.S. methamphetamine markets. According to the National Institute on Drug Abuse (NIDA), smoking methamphetamine may result in more rapid addiction to the drug than snorting or injection because smoking causes a nearly instantaneous, intense, and longer-lasting high. Although casual use of methamphetamine appears to be stable (see Tables 1 and 2 in Appendix B), national-level data show a rise in the number of methamphetamine-related treatment admissions and methamphetamine-dependent individuals nationwide (see Figure 4 and Figure 5 on page 9), particularly since ice availability began to increase. In fact, even prior to the current influx of ice methamphetamine, users were increasingly choosing smoking as their primary mode of administration (see Figure 3). Increased rates of smoking ice methamphetamine, leading to increased rates of addiction will further strain the resources of public health agencies, particularly drug treatment facilities in smaller communities.

5. *Midwest High Intensity Drug Trafficking Area (HIDTA) 2006 Annual Report.*

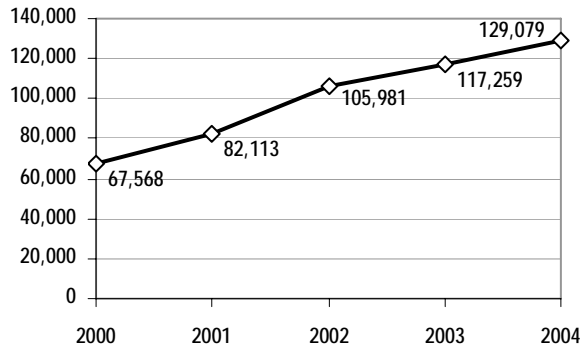


Figure 4. Primary methamphetamine admissions, 2000–2004.

Source: Treatment Episode Data Set.

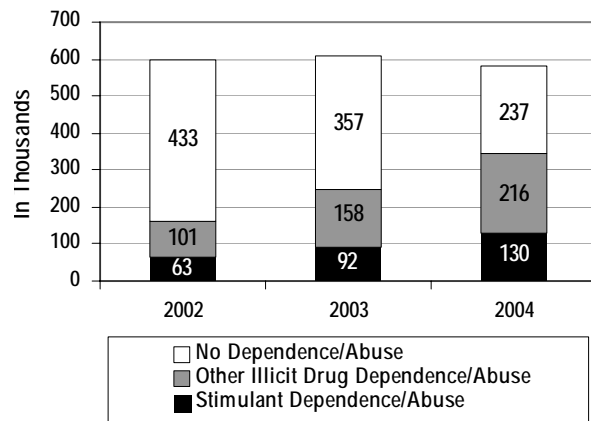


Figure 5. Estimated number of methamphetamine users dependent on or abusing illicit drugs or stimulants, 2002–2004.

Source: National Survey on Drug Use and Health.

### Intelligence Gaps

The extent of precursor chemical diversion and trafficking from sources of supply in Asia is unclear. Intelligence and law enforcement reporting confirms the shipment of wholesale (multiton) quantities of ephedrine and pseudoephedrine—often repackaged with vague labeling and disguised as legitimate business transactions—to Mexico from source areas in Asia, particularly Hong Kong and mainland China. However, there are relatively few data available to measure such activity, thereby impeding a full and accurate assessment of the situation.

There are no generally accepted methamphetamine production estimates or comprehensive laboratory seizure data for most foreign countries. This lack of data limits the accuracy of analysis regarding foreign production in areas of particular interest, such as Mexico, Canada, and Asia.

## Marijuana

### Strategic Findings

- High potency marijuana production, smuggling, and distribution by Canada-based Asian DTOs, primarily of Vietnamese ethnicity, is increasing.
- Higher potency marijuana is now being produced from cannabis cultivated in large outdoor grow sites in California by Mexican and Asian criminal groups.
- Large-scale cannabis cultivation by Mexican criminal groups is expanding beyond California to more areas in the Pacific Northwest and, to a much more limited extent, eastern states.

### Overview

Although marijuana use has declined slightly, the threat associated with the drug is increasing because of the rising prevalence of high potency marijuana throughout the country and the expansion of domestic cultivation by Mexican DTOs into more areas of the country. More high potency marijuana is being produced at indoor sites in the United States, while high potency marijuana smuggling, primarily by Canada-based Asian groups, from Canada into the United States is also increasing. These Asian

criminal groups are also expanding their distribution networks to control a greater portion of wholesale marijuana distribution, particularly the distribution of high potency marijuana. Moreover, improved cultivation techniques are now rendering high potency marijuana from outdoor cannabis cultivation.

*Rising availability of high potency marijuana has pushed average marijuana potency to its highest recorded level, elevating the threat associated with the drug:* Most of the marijuana available in the domestic drug markets is lower potency commercial-grade marijuana—usually derived from outdoor cannabis grow sites in Mexico and the United States. However, an increasing, albeit unknown, percentage of the available marijuana is high potency (delta-9-tetrahydrocannabinol (THC)) marijuana derived from indoor, closely controlled cannabis cultivation in Canada and the United States. The rising prevalence of high potency marijuana is evidenced by a significant increase in average potency of tested marijuana samples, particularly since 1993 (see Figure 6). In fact, average potency of all tested samples has increased 52.4 percent (from 5.34 percent THC to 8.14 percent) just within the past 5 years. Rising prevalence of high potency marijuana is further evidenced by high seizures of Canada-

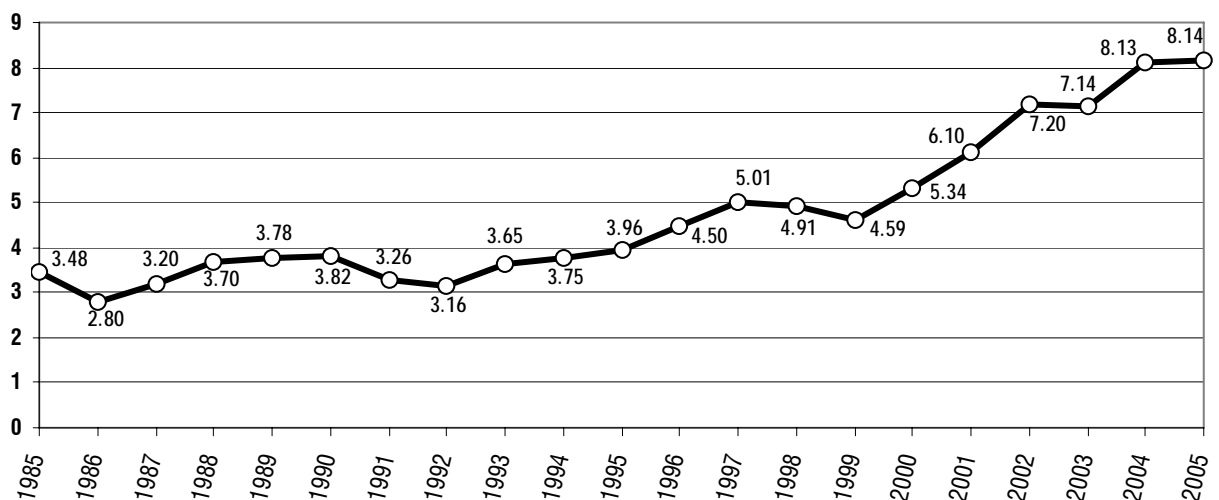


Figure 6. Average percentage of THC in samples of seized marijuana, 1985–2005.

Source: The University of Mississippi Potency Monitoring Project.



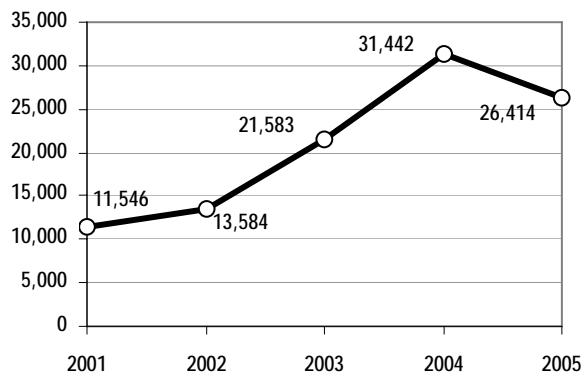


Figure 7. Total marijuana seized in Northern Border states, in kilograms, 2001–2005.

Source: Federal-Wide Drug Seizure System.

produced marijuana (usually high potency marijuana) in U.S.–Canada border states since 2001 (see Figure 7), and rising eradication of indoor cannabis grow sites in the United States that typically produce high potency marijuana (see Table 4 on page 12). The trend toward increased higher potency marijuana as a percentage of the marijuana available overall appears likely to continue. Most recent Government of Canada estimates indicate that production in Canada was increasing significantly and had more than doubled from 2000 through 2004, the most recent data available. Moreover, higher potency marijuana is now being produced in central California from cannabis cultivated in large outdoor sites (see text box), further contributing to an increase in higher potency marijuana availability.

*Marijuana production in Mexico may be declining as production in the United States rises:* Very limited data from which to accurately gauge foreign and domestic marijuana production appears to indicate a 25 percent decline in marijuana production in Mexico (see Table 5 on page 12) since production peaked in 2003. In 2005 marijuana production estimates for Mexico were only slightly higher than estimates for 2001 and 2002, when a severe drought greatly reduced marijuana production in Mexico; no such conditions account for the recent decrease. During the same period, law enforcement reporting strongly suggests an expansion of domestic cannabis cultivation and

marijuana production, particularly in remote areas of public lands including national Forest System lands. These reports are supported by domestic cannabis eradication data for 2005 that show the highest level of cannabis eradication ever recorded (see Table 4 on page 12) at a time when significant National Guard eradication resources were curtailed because of overseas deployments and Hurricane Katrina relief. Those states where cannabis cultivation and eradication were highest in 2005 include California, Kentucky, Tennessee, Hawaii, and Washington. Nonetheless, Mexico will remain a leading source of marijuana.

### Higher Potency Marijuana Produced From Cannabis Cultivated Outdoors

Mexican DTOs in central California are producing higher potency marijuana from cannabis cultivated in large outdoor grow sites—a capability not previously observed by Mexican marijuana producers. Mexican DTOs previously produced marijuana from outdoor cultivated cannabis with average THC levels of 2 or 3 percent but now are achieving 8 to 12 percent THC levels through improved cultivation methods. Mexican DTOs, for example, have begun using only select seeds from Mexico, preparing seedlings in greenhouses, planting the seedlings before late April, separating male from female plants prior to pollination, and using high nitrogen fertilizer. The higher potency marijuana produced from outdoor plants in central California often is comparable in quality to Canada-produced BC Bud and commands twice the price of Mexico-produced marijuana available in the region. The full extent to which Mexican DTOs produce high potency marijuana in California is unknown; however, because these groups often cooperate, it is quite likely that this capability will expand within and outside California.

**Table 4. Domestic Cannabis Eradication, Outdoor and Indoor Plant Seizures, 2000–2005**

	2000	2001	2002	2003	2004	2005
<b>Outdoor</b>	2,597,798	3,068,632	3,128,800	3,427,923	2,996,144	3,938,151
<b>Indoor</b>	217,105	236,128	213,040	223,183	203,896	270,935
<b>Total</b>	2,814,903	3,304,760	3,341,840	3,651,106	3,200,040	4,209,086

Source: Domestic Cannabis Eradication/Suppression Program.

**Table 5. Mexico: Cannabis Cultivation and Production, 2001–2005**

	2001	2002	2003	2004	2005
<b>Net Cultivation (hectares)</b>	4,100	4,400	7,500	5,800	5,600
<b>Potential Production (metric tons)</b>	7,400	7,900	13,500	10,440	10,100

Source: Crime and Narcotics Center.

*Marijuana distribution by Asians DTOs is increasing:* Mexican DTOs are the dominant wholesale distributors of marijuana in the United States, and other organizations such as African American, Jamaican, and Cuban DTOs also distribute wholesale quantities of the drug in various areas of the country. However, the control by Asian criminal groups—primarily Vietnamese but also Cambodian, Chinese, Hmong, Korean, Laotian, and Thai groups—over wholesale marijuana distribution has increased significantly, particularly the distribution of high potency marijuana. In fact, significant increases in marijuana distribution by Asian DTOs have been widely reported by law enforcement agencies in the Mid-Atlantic, New England, New York/New Jersey, Pacific, Southeast, and West Central Regions. Rising marijuana distribution by Asian DTOs is a particular concern because many are well-organized Canada-based groups that increasingly distribute high potency Canada-produced marijuana, as well as high potency marijuana that they produce domestically. In fact, Canada-based Asian groups are increasingly operating indoor grow sites in homes in the Pacific Northwest and California purchased or rented and then modified for the purpose of producing two to four crops before abandoning the premises. These Asian criminal groups are often very difficult to detect and investigate because they often are family-based networks operating in insular Asian communities.

*Mexican DTOs are expanding their domestic cannabis cultivation operations:* Mexican DTOs have long been significant marijuana producers in the United States, operating large-scale outdoor cultivation operations primarily on federal lands in the western United States. However, law enforcement reporting indicates that some of these groups are expanding typical grow areas in California to new areas, primarily in the Pacific Northwest, to avoid aerial detection and increasing law enforcement pressure in California. Albeit to a much lesser extent than expansion into the Pacific Northwest, Mexican cannabis growers operating in California are also increasingly linked to Mexican cannabis growers east of the Mississippi River operating large-scale cannabis grows. Many of these groups maintain their affiliation with the larger groups in California and Mexico and maintain some level of coordination and cooperation among their various operating areas, moving labor and materials to the various sites—even across the country—as needed.

*Marijuana transportation across the U.S.–Canada border has increased sharply since 2001:* Most foreign-source marijuana smuggled into the United States enters through or between POEs at the U.S.–Mexico border. However, drug seizure data show that the amount of marijuana—usually high potency marijuana—smuggled into the United States from Canada via the U.S.–Canada border has

risen to a significant level. In fact, the quantity of marijuana seized increased 129 percent in a 5-year period from 11,546 kilograms in 2001 to 26,414 kilograms in 2005. Much of the recent increase is attributable to Asian DTOs smuggling high potency marijuana that they produce in Canada across the border into the United States, primarily at POEs in Washington. However, some Asian DTOs have shifted their smuggling operations to POEs in other states, such as Michigan and New York, to support distribution of the drug in eastern states and to enter through and between POEs where they believe there is less law enforcement pressure.

*Marijuana demand is declining:* Rates of past year use for marijuana are higher than for any other major drug of abuse; however, casual use is stable or decreasing overall. According to NSDUH, rates of past year marijuana use declined very slightly among individuals aged 12 and older from 11 percent (25.7 million users) in 2002 to 10.6 percent (25.4 million users) in 2003 and 2004. MTF data reveal decreases in rates of past year use among most surveyed age groups—including the primary users (18 to 25)—in 2003, 2004, and 2005.

### **Intelligence Gaps**

Outdated or unavailable foreign marijuana production estimates limit an accurate analysis of the impact of marijuana production in several countries, particularly Canada, Colombia, and Jamaica.

Limited incursion by law enforcement into Asian DTOs because of the insular nature of the communities in which they are based degrades accurate analysis as to the full extent of their operations in the United States.

## Heroin

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### Strategic Findings

- The availability of Mexican heroin is increasing, albeit slightly, in eastern heroin markets traditionally supplied by South American heroin.
- Mexican DTOs increasingly are transporting and distributing South American heroin in eastern U.S. drug markets, on behalf of Colombian DTOs.
- Continued declines in heroin production in South America could result in increased availability of Mexican and Asian heroin in eastern U.S. heroin markets.
- Although overall heroin demand appears to be stable, increased levels of abuse among young adults have been noted in some areas.

### Overview

Heroin is readily available in most large metropolitan areas and, to varying degrees, in suburban and rural markets throughout the country. Although overall abuse levels for heroin are lower than levels for other drugs, including cocaine and marijuana, the consequences of heroin abuse are far reaching in terms of heroin-related deaths, treatment admissions, and emergency department mentions. Since late 2005, the suspected number of heroin-related overdose deaths involving fentanyl has been indicative of the risks attendant to heroin abuse, including inconsistent purity levels and diluents and adulterants that can cause serious and often fatal consequences. Anecdotal reporting from nearly 500 federal, state, and local law enforcement agencies throughout the country along with data from the NDTs 2006 suggests that the highest levels of heroin availability are concentrated in the northeastern United States, where nearly one-third of those agencies interviewed indicated that heroin

availability or demand has increased. With few exceptions, availability in most other domestic heroin markets appears to be stable.

*Mexican heroin availability is expanding into eastern drug markets:* For the past several years, the heroin market in the United States was generally divided along the Mississippi River. To the west of the Mississippi River, black tar heroin and, to a lesser extent, brown powder heroin from Mexico were the primary types available. To the east of the Mississippi, white powder heroin, primarily from Colombia, but also from Southwest and Southeast Asia, was the primary type of heroin available. While users in both markets historically have been reluctant to switch heroin types, law enforcement reporting indicates that Mexican heroin is now available in more markets east of the Mississippi than traditionally has been the case. The Drug Enforcement Administration (DEA) Domestic Monitor Program (DMP) has identified the availability of Mexican heroin in a number of cities east of the Mississippi River, including Chicago and Detroit. While Mexican heroin has been available to varying degrees in Chicago for years, the availability in the other cities indicates that traffickers of Mexican heroin continue to attempt to expand the user base of Mexican heroin and tap into the large heroin user population in the eastern United States. Historically such attempts have failed; however, while it is unlikely that the availability of Mexican heroin will surpass the availability of South American heroin in the eastern United States, current dynamics of the heroin trade could result in a continued gradual increase in the supply of Mexican heroin to the eastern United States. According to DEA, the purity of South American heroin at the retail level has decreased<sup>6</sup> over the past several years (although 2005 data may indicate a reversal of this trend), while the purity of

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6. Factors that may have contributed to the decrease in South American heroin purity through 2004 include enhanced law enforcement efforts, increased market competition pressure, geographical expansion of the market area, and deliberate attempts to increase profit margin by increasing total weight with additional diluents.

Mexican heroin has marginally increased.<sup>7</sup> Although it is unlikely that white powder heroin users will switch to black tar heroin, it is conceivable that white powder heroin users would use Mexican brown powder heroin if the purity were to approach that of South American heroin. Moreover, if production continues to decline in South America, a potential shortfall of heroin could be filled with not only white powder heroin from Asia but also higher purity brown powder heroin from Mexico.

*Declines in South American heroin production could open more markets for Asian and Mexican heroin traffickers:* White powder heroin from South America remains the primary type of heroin available in the eastern United States. However, production in other source countries is more than sufficient to sustain demand if there were to be decreased availability of South American heroin. In 2005 Southwest Asia, primarily Afghanistan, was once again the world's leading supplier of heroin (see Table 6). Heroin from that source continues to supply mainly markets in Asia and Europe, although law enforcement and intelligence reporting indicates that at least moderate quantities of

Southwest Asian heroin are available in some U.S. drug markets. Estimates for South American heroin production are unavailable for 2005 because adverse weather precluded adequate sampling in opium cultivation areas. However, heroin production estimates declined significantly in South America from 2001 through 2004. If declines continue to levels that would fail to meet demand in the United States, it is likely that at least some of the demand would be met from Southwest Asian sources in addition to Mexican sources, as heroin production in those source areas remains strong and more than sufficient to support U.S. demand.

*Heroin smuggling routes are unchanged, but South American heroin smuggling by Mexican DTOs is increasing:* Most heroin available in the United States is transported into the country by two primary routes—commercial air or overland—generally depending on the type of heroin. Mexican heroin typically is transported into the United States overland through and between POEs along the Southwest Border. South American heroin typically is transported into the United

**Table 6. Potential Worldwide Heroin Production, in Metric Tons, 2001–2005**

	2001	2002	2003	2004	2005
Mexico	10.7	6.8	11.9	8.6	8.0
Colombia	11.4	8.5	7.8	3.8	*
Afghanistan	7.0	150.0	337.0	582.0	526.0
Burma	82.0	60.0	46.0	32.0	36.0
Laos	19.0	17.0	19.0	5.0	3.0
Pakistan	1.0	1.0	5.0	NA	4.0
Thailand	1.0	1.0	NA	NA	NA
Vietnam	1.0	1.0	NA	NA	NA
Guatemala	NA	NA	NA	1.4	0.4
<b>Total</b>	<b>133.1</b>	<b>245.3</b>	<b>426.7</b>	<b>632.8</b>	<b>577.4</b>

Source: Crime and Narcotics Center.

NA—not applicable

\*CNC did not report an estimate for Colombia for 2005.

7. The moderate increase in the purity of Mexican heroin most likely is an attempt by Mexican traffickers to maximize their sales potential by improving the product quality to become more competitive.

States by couriers on commercial air carriers to international airports in the United States; most seizures are made at Miami International Airport and John F. Kennedy International Airport. Mexican DTOs also transport South American heroin overland across the Southwest Border on a much smaller, but increasing, scale on behalf of Colombian DTOs. They use the same routes to transport South American heroin as they use to transport Mexico-produced methamphetamine and heroin, cocaine, and marijuana throughout the country.

*Mexican DTOs are expanding their control over wholesale heroin distribution even in white heroin markets:* Mexican DTOs dominate the wholesale distribution of Mexican heroin in the western United States, while Colombian and Dominican DTOs are the primary wholesale distributors in the large white powder heroin markets in the eastern United States, including New York, Philadelphia, Newark, and the New England area. Nonetheless, law enforcement reporting indicates that distribution patterns may be shifting, albeit slightly. Mexican DTOs increasingly are transporting and distributing South American heroin in some eastern heroin markets, most notably the New York City area. Moreover, Mexican DTOs may be expanding their distribution of Mexican heroin in eastern markets, which traditionally have been supplied with white powder heroin. As Mexican DTOs exert greater control over drug markets in the eastern United States, the availability of Mexican brown powder heroin and, on a smaller scale, Mexican black tar heroin will increase in markets where availability previously was very limited. Street gangs that often obtain heroin from multiple sources control most retail heroin distribution.

*Distributors are attracting customers with free samples sometimes mixed with dangerous substances such as fentanyl:* As heroin demand has stabilized in most markets, organizations have increasingly used various techniques to gain market share, including giving away free heroin, using brand names to establish repeat customers,

and as evidenced by the increase in heroin-fentanyl incidents that have been reported since late 2005, offering “hot bags” of heroin that are mixed with adulterants that increase potency. Recent law enforcement reporting on groups distributing heroin and fentanyl indicates that some gangs gave away free samples of a heroin and fentanyl mixture, while others marketed to addicts specific “brands” purported to contain fentanyl. (See text box on page 17.) Despite the seizure of a laboratory in Mexico that is suspected of being the source of at least some of the fentanyl involved in the recent rash of fentanyl-related overdoses, clandestine fentanyl manufacturers will continue to exploit the market of heroin abusers who continually seek a better high. Moreover, while preliminary reports from law enforcement indicate that most of the heroin/fentanyl seized thus far has contained white powder heroin, it is not unlikely that distributors of Mexican heroin, if they haven’t thus far, will adulterate Mexican heroin with fentanyl to obtain a more marketable product.

*Prescription narcotic abusers switching to heroin may lead to an increase in heroin demand:* Demand for heroin in the United States is largely driven by a well-established population of roughly 800,000 hardcore heroin addicts. Overall, demand is relatively stable, with gradual increases noted in some user populations. The physical need for opiate abusers to obtain opiate-type drugs to stave off withdrawal has led some addicts to switch from prescription drugs to heroin. Anecdotal law enforcement reporting indicates that abusers of pharmaceutical opioids, primarily OxyContin and methadone, but other drugs as well, have switched and continue to switch to heroin, particularly when heroin is more available and cheaper. Anecdotal law enforcement reporting also suggests that, despite NSDUH data that indicates the number of heroin initiates remained significantly unchanged from 2002 through 2004, the number of high school and college age students that are abusing heroin is increasing, particularly in the eastern United States, where many of the abusers began abusing OxyContin before switching to heroin. This trend will most likely continue, as increased

Fentanyl—a synthetic opioid 50 times more powerful than heroin—has been linked to hundreds of fatal and nonfatal overdoses across the Midwest, Northeast, and Mid-Atlantic Regions. Fentanyl-related outbreaks have occurred periodically in various areas of the United States, although none have been as geographically diverse and long-lasting as the most recent outbreak, which began in late 2005, peaked in May 2006, and has since receded sharply. Overdoses during the recent outbreak linked to clandestinely produced fentanyl powder, fentanyl mixed with heroin, and to a lesser extent, fentanyl mixed with cocaine have been reported in Delaware, Illinois, Maryland, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin. A fentanyl laboratory seized in Toluca, Mexico, in May 2006 is believed to be a source for at least some of the fentanyl involved in the recent rash of overdoses; however, the extent of other clandestine production, either domestic or in Mexico, is unknown. Because fentanyl is an opiate and specialized toxicological testing is required to detect the drug in biological samples, many of the overdoses initially were believed to be heroin overdoses. The severity of the problem did not become apparent until the public health community noticed the above-average number of overdoses. NDIC is leading the design, development, and operation of an Internet-based early warning and response system designed to help identify new synthetic drug-related behaviors, such as fentanyl-related outbreaks, at an early stage. The system will evaluate their likely importance and track their development. This system will focus on synthetic drugs and also will be used to monitor outbreaks of abuse for prescription medications, over-the-counter medications, botanical substances and extracts, and chemicals involved in the manufacturing of synthetic drugs.

law enforcement efforts to curb the diversion and abuse of prescription drugs will make prescription opiates more difficult to obtain.

### **Intelligence Gaps**

The amount of Asian heroin, particularly Southwest but also Southeast heroin, transported to the United States is relatively unknown. Law enforcement reporting and heroin indicator programs including the Domestic Monitor Program and Heroin Signature Program suggest that South America is, and will remain, the primary type of white powder heroin available in the United States for the near term. However, law enforcement reporting indicates that Southwest Asian heroin and, to a lesser extent, Southeast Asian heroin, are available in several markets throughout the country. Additional intelligence regarding the transportation and subsequent distribution of Asian heroin in U.S. markets is needed to further quantify the availability of Asian heroin in the United States.

Current estimates of heroin production in South America are unknown because adverse weather in 2005 precluded adequate sampling via satellite imagery in opium cultivation areas. Moreover, a significant decrease in production estimates from 2003 to 2004 coupled with several significant seizures of Asian heroin could indicate greater availability of Asian heroin in the United States than was previously believed.

A precise estimate of the amount of heroin needed to meet U.S. demand is unavailable. The number of factors that figure into such an estimate—i.e., the number of hardcore users, the number of casual users, the number of times an abuser uses per day, the number of days an abuser uses per month—is such that a variation in any or all of the factors results in a wide-ranging estimate.

## Pharmaceutical Drugs

### Strategic Findings

- The availability of diverted pharmaceutical drugs is high and increasing, fueled by increases in both the number of illegal online pharmacies and commercial disbursements within the legitimate pharmaceutical distribution chain.
- The implementation of pedigree systems such as Radio Frequency Identification (RFID) could help to eliminate the introduction of counterfeits as well as deter the diversion of commonly abused drugs from the legitimate pharmaceutical supply chain.
- Rates of past year use for pharmaceuticals are stable at high levels.
- Demand for prescription narcotics may decline as some users switch to heroin, particularly in areas where law enforcement efforts curb the diversion and availability of prescription drugs.

### Overview

The legitimate prescribing and commercial disbursement of pharmaceutical narcotics, depressants, and stimulants ensure the ready availability of such drugs throughout the country, even in remote and small communities (see Figure 8 on page 19). However, the illicit diversion and theft of pharmaceuticals—currently at very high levels nationally—from legitimate supplies have been curbed somewhat in some areas, such as Kentucky, Michigan, Nevada, and Utah, through education, sustained law enforcement pressure, reduced access in pharmacies, and the implementation of Prescription Monitoring Programs (PMPs).<sup>8</sup> Wider employment of additional antidiversion measures such as newer pharmaceutical shipment tracking technology may further reduce large-scale diversion of pharmaceuticals. Working against the

progress of law enforcement in reducing pharmaceutical diversion is a consistent rise in the number of Internet pharmacies from which individuals are able to acquire drugs without examination or a prescription. Furthermore, in areas where law enforcement has been successful in reducing illicit availability of pharmaceuticals, many individuals are simply switching to other drugs of abuse as a substitute for pharmaceuticals.

*Despite widespread diversion of pharmaceuticals nationally, the availability of pharmaceuticals has been reduced in some areas:* The widespread, ready availability of diverted pharmaceutical drugs throughout the country is evidenced not only in ample law enforcement reporting but also in NDTs 2006 data. These data show that 78.8 percent of state and local law enforcement agencies report either high or moderate availability of diverted pharmaceuticals in their area. Although this percentage is high, it represents a slight decrease since 2005 (80.8%), when survey data suggests illicit availability peaked after several years of consistent increases. The reduction appears to be most pronounced in areas where state-level legislation to implement PMPs has been passed, particularly in Kentucky, Michigan, Nevada, Ohio, and Utah. According to DEA, individuals seeking diverted pharmaceuticals in states that have implemented PMPs have, in some cases, turned to traveling to nearby states that do not operate PMPs to illegally obtain pharmaceuticals. As of June 2006, 32 states had enacted legislation requiring PMPs, and 16 additional states were proposing, preparing, or considering such legislation. Implementation of PMPs in more states will result in a reduction in many types of pharmaceutical diversion. U.S. General Accounting Office reporting indicates a reduction in diversion case investigation time by as much as 90 percent in states with PMPs, including Kentucky, Nevada, and Utah, as well as a reduction in indiscriminate prescribing and doctor-shopping.

8. Prescription Monitoring Programs (PMPs) are systems in which controlled substance prescription data are collected in a centralized database and administered by an authorized state agency to facilitate the early detection of trends in diversion and abuse.



*Increased implementation of drug pedigree systems like Radio Frequency Identification technology will decrease diversion of pharmaceuticals:* RFID tags (transponders) attached to or placed within product packaging enable companies to continuously track, trace, and authenticate the chain of custody for pharmaceuticals—even individual prescription bottles—facilitating a safer and more secure legitimate pharmaceutical supply chain.<sup>9</sup> Mandatory use of the RFID pedigree system for prescription drug shipments is under consideration by the U.S. Food and Drug Administration (FDA); in fact, FDA has recommended widespread use of RFID in the pharmaceutical supply chain by 2007. Several recent small-scale industry pilot programs involving OxyContin and Viagra have reportedly proven successful. Such use on commonly abused pharmaceuticals would deter theft from the legitimate drug supply chain, thereby further reducing the availability of diverted pharmaceuticals in the United States. The resultant reduction in pharmaceutical diversion could be significant, as the quantity of pharmaceuticals diverted through theft from legitimate sources, particularly pharmacies, is approximately 6.8 million dosage units (excluding liquids and powders) each year. Furthermore, RFID will aid law enforcement in pharmaceutical diversion investigations through tracing sources of supply, recovering stolen shipments, and identifying vulnerable areas in the supply chain.

*Illegal Internet pharmacies are thwarting progress toward reducing pharmaceutical drug diversion:* Pharmaceutical drugs appear to be increasingly diverted from legitimate and illegitimate sources of supply via the Internet; however, the amount obtained through such sources is not quantifiable. Pharmaceutical drugs obtained through Internet pharmacies often are provided without proof of prescription, consultation, or doctor's examination. There are no conclusive estimates regarding the

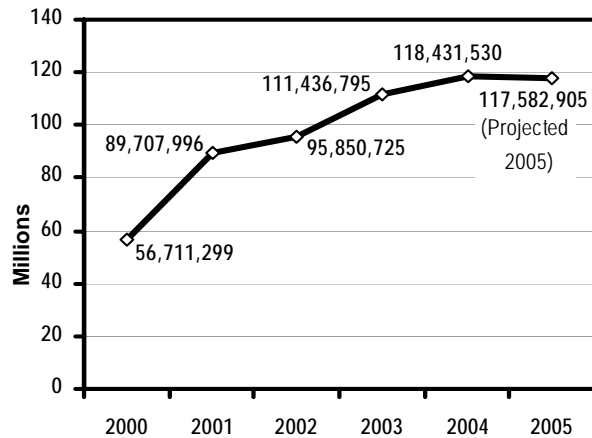


Figure 8. Commercial disbursements of commonly abused pharmaceuticals,\* United States, 2000–Midyear 2005.

Source: Drug Enforcement Administration.

\*Commonly abused pharmaceuticals include codeine, methylphenidate, oxycodone, hydromorphone, hydrocodone, meperidine, methadone, morphine, fentanyl, cocaine, d-methamphetamine, d-amphetamine, and dl-amphetamine.

number or location of operational Internet pharmacies because of the vastness of the Internet and the ease with which such sites can be established, closed down, and reopened under different domain names. The number of such pharmacies could range from hundreds to thousands, and many do not require prescriptions upon purchase.

Data from the DEA Automation of Reports and Consolidated Orders System (ARCOS) show that the number of commercial disbursements of individual doses of commonly abused pharmaceuticals<sup>10</sup> dramatically increased by 108 percent between 2000 and 2004. ARCOS data for 2005 are available only through mid-year; nonetheless, projected commercial disbursements of individual doses of commonly abused pharmaceuticals for 2005 indicate a continued high level of disbursements (see Figure 8).

9. The legitimate supply chain includes wholesale distributors, hospitals, clinics, manufacturers, narcotic treatment programs, pharmacies, practitioners, and other sources such as importers, exporters, and teaching institutions.

10. Commonly abused pharmaceuticals as defined by DEA include codeine, methylphenidate, oxycodones, hydromorphone, hydrocodone, meperidine, methadone, morphine, fentanyl, cocaine, d-methamphetamine, d-amphetamine, and dl-amphetamine.

*Demand for diverted pharmaceuticals has fluctuated but remains relatively high:* NSDUH data show that the estimated number of persons aged 12 or older reporting past year use of prescription-type pain relievers, tranquilizers, stimulants,<sup>11</sup> or sedatives<sup>12</sup> remained relatively stable from 2002 (14,680,000) to 2005 (15,172,000). Moreover, the rate of past year use among persons aged 12 or older reporting nonmedical use of prescription-type drugs in 2004 (6.2%) was second only to rates of use for marijuana (10.6%) and far surpassed rates of use for cocaine (2.4%) and heroin (0.2%).

*Prescription narcotics abusers switching to heroin may lead to a decrease in demand for prescription narcotics:* Pharmaceutical drug abuse is higher than rates of use for most illicit drugs (see Table 1 in Appendix B); however, many pharmaceutical drug abusers are substituting illegal drugs, particularly in areas where pharmaceutical drug diversion has been reduced. Although the extent of these substitutions is unclear—there are no reliable data available for analysis—law enforcement and public health reporting supports this assertion. According to field program specialist (FPS) reporting from California, Florida, Michigan, Ohio, and Wisconsin, some opiate abusers in these states who began abusing OxyContin have progressed to using heroin. Significant success in greatly reducing pharmaceutical drug diversion will quite likely result in further substitutions of illegal drugs by those individuals who are dependent on pharmaceuticals.

## Intelligence Gaps

There is currently no means of quantifying the actual amount of pharmaceutical drugs diverted and available in the United States because illegal diversion occurs through several methods, including thefts from individuals, manufacturers, and dispensaries; prescription fraud; doctor-shopping, and illegal Internet sales. As a result, it is difficult to measure progress against reducing pharmaceutical diversion.

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11. Stimulants include both illicit and prescription methamphetamine.

12. Sedatives do not include over-the-counter drugs.

## Other Dangerous Drugs

### Strategic Findings

- Since 2004 Canada-based Asian criminal groups (primarily ethnic Vietnamese and Chinese) have been expanding MDMA distribution and have significantly elevated MDMA availability.
- The arrests of several major PCP producers in Southern California (the primary location for domestic PCP production) has caused a decrease in the availability of PCP in the region and will most likely affect availability in the rest of the United States.
- LSD abuse still remains low after a major DEA operation conducted in 2001 dismantled a major LSD producing and trafficking organization.

### Overview

The trafficking and abuse of other dangerous drugs (ODDs)—including MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy), LSD (lysergic acid diethylamide), PCP (phencyclidine), and GHB (gamma-hydroxybutyrate)—collectively represent a moderate threat. Distribution and abuse of LSD, PCP, and GHB have declined to relatively low levels, and notwithstanding the possibility of sporadic, localized outbreaks, a significant national resurgence of these drugs appears unlikely in the near term. However, MDMA distribution by Canada-based Asian criminal groups has expanded significantly to a level approaching that observed in 2001, when availability and abuse of the drug peaked. Although ODDs are less available than pharmaceutical drugs or other major drugs of abuse, such as cocaine, heroin, marijuana, and methamphetamine, the attraction of ODDs, particularly MDMA and GHB, to adolescents elevates the threat associated with these drugs.

*MDMA is the only ODD demonstrating significant national or increasing availability:* There is little consistent or comprehensive law enforcement reporting regarding the availability of most

ODDs. However, DEA System To Retrieve Information From Drug Evidence (STRIDE) data for 2003 to 2005 indicate that the availability of GHB, LSD, and PCP is usually limited to relatively small quantities in few drug markets, while MDMA is readily available in most areas of the United States. For example, STRIDE data show that MDMA seizure samples have been submitted from nearly every state (48), greatly exceeding the number of states from which seized samples of PCP (25), GHB (22), or LSD (18) have been submitted during the same period. Moreover, as seizures of other ODDs have fluctuated somewhat but have remained low (see Table 5 in Appendix B), the amount of MDMA seized by federal law enforcement agencies has increased 186 percent from approximately 1.92 million dosage units seized in 2004 to nearly 5.5 million dosage units in 2005. This trend is likely to continue as Asian criminal groups continue to expand MDMA distribution, raising availability of the drug.

*The domestic production of ODDs is very limited and may be decreasing:* ODDs are illicitly produced in clandestine laboratories in the United States; however, the number of GHB, LSD, MDMA, and PCP laboratories seized each year is very low—decreasing overall in 2005 (see Table 7 in Appendix B)—and such labs typically are capable of producing only small quantities. Moreover, operators of these domestic laboratories typically are independent producers not associated with large DTOs. Several factors contribute to limited domestic production of LSD and MDMA, particularly the complexity of production and the limited availability of precursor chemicals. Production of GHB and PCP is relatively simple, and precursor chemicals are more available; however, production has quite likely been limited both because of limited demand for the drugs and because the independent producers are incapable of sustained national distribution of the drug. Moreover, several major PCP producers operating in Southern California were arrested in 2005 and 2006, causing a decrease in production. With

respect to MDMA, increasing production in Canada—as indicated by Canadian law enforcement reporting—and continued high production in Europe have proven sufficient to support a recent expansion of distribution in the United States.

*Most MDMA is now smuggled into the United States through U.S.–Canada POEs:* Over the past 3 years, Canada-based Asian criminal groups have supplanted Israeli DTOs as the primary smugglers of MDMA into the United States after many Israeli MDMA distribution networks operating in the United States were dismantled. Whereas Israeli groups smuggled MDMA into East Coast cities (principally Newark, New York City, and Miami) almost exclusively via couriers on commercial flights from Europe, Canada-based Asian criminal groups most often smuggle the drug into the United States via private and commercial vehicles over the U.S.–Canada border. Almost all of the MDMA smuggled into the United States from Canada is produced in Canada and is transported through U.S.–Canada land POEs. This change in smuggling patterns is evident in seizure data, as more MDMA is being seized at land POEs along the Northern Border than at airport POEs in Newark, New York City, and Miami (see Table 7). Although MDMA seizures in New York are resurging, most seizures are occurring at the Buffalo POE rather than the New York City international airports.

*The primary ODD distribution groups remain unchanged:* Little change has occurred over the past several years to the primary groups distributing ODDs. Independent distributors, particularly Caucasian males, are the primary wholesale and retail distributors of LSD and GHB, while African American criminal groups and street gangs are the primary wholesale and retail distributors of PCP. In late 2001, when Israeli groups dominated domestic wholesale distribution of MDMA, Canada-based Asian criminal groups began distributing wholesale quantities of MDMA, primarily in the cities of Dallas, Detroit, Los Angeles, New York, San Francisco, and Seattle. Since that time Asian groups have increased their operational networks, often using the six cities as distribution hubs to supplant the Israeli organizations and become the primary wholesale distributors of MDMA in every region of the country. Retail distribution of MDMA is primarily controlled by young Caucasian males at nightclubs and rave parties, although African American street gangs are actively distributing the drug in some areas as well.

*As abuse of most ODDs is declining or stable, MDMA abuse is likely to increase:* National drug prevalence studies show very low and declining use of GHB, LSD, and PCP for most measured age groups (see Tables 1 and 2 in Appendix B). Rates of past year use for MDMA—the most commonly abused ODD—have also declined, sharply in fact, since rates of use peaked in 2001. Nevertheless, a recent significant resurgence in MDMA

**Table 7. MDMA Seizures, in Dosage Units, 2001–2005**

	2001	2002	2003	2004	2005
<b>Florida</b>	1,760,308	1,195,503	640,141	144,025	359,208
<b>New Jersey</b>	636,844	218,491	108,266	11,779	43,809
<b>New York</b>	593,376	1,820,538	223,184	417,297	1,234,240
<b>Northern Border States</b> (except New York)	160,228	152,312	34,416	587,455	2,263,040

Source: Federal-Wide Drug Seizure System.

availability and distribution is likely to be manifested in an increase in rates of MDMA use in the near term.

### **Intelligence Gaps**

Many drug prevalence and treatment data sets do not delineate data for some ODDs. As a result, objective statistical corroboration of anecdotal reports regarding ODD use is often difficult, and the true extent of use and treatment fluctuations is unclear.

The level of domestic GHB production is very likely underrepresented in the relatively few GHB laboratory seizures reported to NCLSS, perhaps significantly. GHB is easily converted from GBL (gamma-butyrolactone) without establishing an actual laboratory, and law enforcement officials would often not recognize it as a laboratory without prior intelligence.

Caribbean-based DTOs (especially Dominican DTOs) are transporting MDMA from Europe to islands in the Caribbean, and its prevalence may be increasing in these areas; however, it is unclear how much of the drug is being consumed locally and how much is subsequently smuggled to the United States.

## Drug Money Laundering

### Strategic Findings

- With Mexican and Colombian DTOs responsible for most wholesale-level drug money laundering in the United States, a significant amount of illicit drug proceeds are moved across the Southwest Border into Mexico annually. Therefore, the Southwest Border remains a serious area of concern for U.S. drug money laundering.

### Overview

Mexican and Colombian DTOs are responsible for most wholesale-level drug money laundering in the United States. Mexican and Colombian DTOs together generate, remove, and launder between \$8.3 billion and \$24.9 billion in wholesale distribution proceeds from Mexico-produced marijuana, methamphetamine, and heroin and South American cocaine and heroin annually.<sup>13</sup> These DTOs primarily use bulk cash and monetary instruments smuggling, wire remittances, and the Black Market Peso Exchange (BMPE).<sup>14</sup>

The Southwest Border area is a primary focus of federal, state, and local law enforcement scrutiny and currency interdiction activities, because of significant bulk cash smuggling activity into Mexico. This activity quite likely is the result of U.S. regulatory and law enforcement actions, which have made it increasingly difficult for drug traffickers to place their illicit proceeds directly into U.S. financial institutions. Both Mexican and Colombian DTOs

transport illicit drug proceeds from U.S. drug markets to other U.S. locations for consolidation. The proceeds often are transported in bulk to an area near the U.S.–Mexico border and are either smuggled into Mexico at Southwest Border POEs, primarily in South Texas, or remitted electronically to Southwest Border locations, where the transferred cash is then smuggled across the U.S.–Mexico border.

Although bulk cash smuggling is the principal method for moving drug money out of the country, wire remittances are also relied upon to facilitate drug money laundering. Colombian DTOs use money services businesses (MSBs) to electronically wire-transfer drug proceeds directly to Colombia from major U.S. drug market areas, such as Miami (FL) and New York City. Mexican DTOs generally wire transfer drug proceeds from U.S. market areas to consolidation points near the Southwest Border. Transfers are typically structured in amounts less than \$3,000 and sent by several individuals to evade personal identification reporting requirements. The funds are then consolidated and smuggled into Mexico, thereby eliminating any documentation associated with a wire transaction, hiding the intended final destination of the funds.

Once drug proceeds are successfully smuggled into Mexico, one of the following scenarios typically occurs, each with its own risks and advantages for the money launderer:

13. These figures were derived by multiplying the total quantity of Mexico- and Colombia-produced drugs available at the wholesale level in the United States by the wholesale prices for those drugs.

14. Origin of the BMPE: The system originated in the 1960s, when the Colombian government banned the U.S. dollar intending to increase the value of the Colombian peso and boost the Colombian economy, and it imposed high tariffs on imported U.S. goods hoping to increase the demand for Colombian-produced goods. However, it created a black market for Colombian merchants seeking U.S. goods and cheaper U.S. dollars. Those merchants possessed Colombian pesos in Colombia but wanted cheaper U.S. dollars (purchased under official exchange rates) in the United States to purchase goods to sell on the black market. Colombian traffickers had U.S. dollars in the United States—from the sale of illicit drugs—but needed Colombian pesos in Colombia. Consequently, peso brokers began to facilitate the transfer of U.S. drug dollars to Colombian merchants, and business agreements were forged allowing those Colombian merchants to purchase U.S. dollars from traffickers in exchange for Colombian pesos. Although the ban on possession of U.S. dollars was later lifted, the black market system became ingrained in the Colombian economy, and Colombian drug traffickers continue to rely on this system to launder their U.S. drug proceeds.

Source: Department of Homeland Security Federal Law Enforcement Training Center.

## Regulatory Actions Impede Money Laundering Activity

In April 2006 the Financial Crimes Enforcement Network (FinCEN) issued an advisory, *Guidance to Financial Institutions on the Repatriation of Currency Smuggled into Mexico from the United States* (FIN-2006-A003). The advisory warns U.S. institutions of abuses of their financial services by certain Mexican financial institutions, including casas de cambio. Identified suspicious behaviors include small-denomination U.S. bank notes exchanged for cash in large denominations possessed by Mexican financial institutions, large volumes of small-denomination U.S. bank notes sent from Mexican casas de cambio to their accounts in the United States via armored transport or sold directly to U.S. banks, and deposits (including sequentially numbered third-party monetary instruments) by these casas to their accounts at U.S. financial institutions.

On July 5, 2006, FinCEN issued final regulations implementing Section 312 of the USA PATRIOT Act. The rules require each U.S. financial institution that establishes, maintains, administers, or manages a new correspondent account for a foreign financial institution, or a new private banking account in the United States for a non-U.S. person to apply certain anti-money laundering measures. In particular, financial institutions must establish appropriate, specific and, where necessary, enhanced due diligence policies, procedures, and controls that are reasonably designed to enable the financial institution to detect and report instances of money laundering through these accounts. Effective October 2, 2006, the requirements shall apply to each existing correspondent and private banking account established before July 5, 2006.

Source: Financial Crimes Enforcement Network

- Traffickers deposit their drug proceeds into *casas de cambio* (currency exchange houses) or Mexican financial institutions from which the funds are wire-transferred to correspondent accounts at U.S. or foreign banks.
- The cash is transported back into the United States via armored car or courier services. Once across the U.S.–Mexico border, the cash typically is represented as a deposit to a U.S. bank account on behalf of a Mexican casa de cambio or financial institution.
- Mexican DTOs maintain cash in a variety of stash sites, usually located in residences throughout Mexico, in order to access operating funds as needed.
- Funds are smuggled farther south via couriers into Panama, Colombia, and other Latin American countries. Some of the

funds transported to these countries are used to facilitate BMPE activity.

The U.S.–Canada border also is impacted, as an estimated \$5.2 billion to \$21.2 billion is generated through the wholesale distribution of marijuana and MDMA by Canada-based DTOs, and much of those illicit drug proceeds are transported in bulk across the roughly 4,000-mile Northern Border.<sup>15</sup> The length of the border renders currency interdiction difficult. Interdiction is further challenged in some rural corridors, particularly in sovereign tribal lands that incorporate both Canadian and U.S. territories.

Although bulk cash will quite likely remain the preferred method of transporting currency to and across U.S. borders, anti-money laundering regulatory and law enforcement measures will drive some launderers to seek alternative methods to launder drug proceeds, and new technologies—

15. These figures were derived by multiplying the total quantity of Canada-produced drugs available at the wholesale level in the United States by the wholesale prices for those drugs.

such as stored value cards and online payments systems—will provide opportunities for such alternate methods, potentially replacing some traditional money laundering methods. For example, open-system<sup>16</sup> stored value cards are superior to the use of money remitters or bulk cash smuggling via package delivery services and commercial conveyances (airplanes, buses, and trains) because the cards can be used without fear of documentation, identification, law enforcement suspicion, or seizure. Such cards are frequently anonymous and can essentially be used as a cross-border remittance, since card value generally can be added or withdrawn at automated teller machines (ATMs) worldwide. Although loosely regulated under the Bank Secrecy Act (BSA), these cards are not subject to the many reporting and recordkeeping requirements, providing additional anonymity. Unlike cash, the cards cannot be seized by law enforcement for a Currency or Monetary Instrument Report (CMIR)<sup>17</sup> violation. However, law enforcement personnel can seize the cards under separate statutes if there is probable cause to believe that the cards are the proceeds of illegal activity. Online payment systems, including electronic gold, provide anonymity, versatility, and convenience and will continue to gain in popularity with international drug money launderers because such systems utilize the worldwide reach of the Internet and eliminate other problems associated with fluctuating exchange rates for international currencies.

### Intelligence Gap

Although the Southwest Border continues to be a significant area of concern for drug money laundering, the extent of similar activity along the Northern Border is largely unknown. A thorough, comprehensive assessment of money laundering activity along that Border would provide the intelligence necessary to counter such activity, thereby eliminating this intelligence gap.<sup>18</sup>

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16. Open-system stored value cards have the greatest utility for money laundering related to wholesale-level drug trafficking, as they are similar to traditional credit or debit cards and can be used anywhere that the major credit card parent brand is accepted, frequently including worldwide automated teller machines (ATMs).

17. Currency or Monetary Instrument Reports (CMIRs) must be filed by (a) each person who physically transports, mails, or ships, or causes to be physically transported, mailed, or shipped, currency or other monetary instruments in an aggregate amount exceeding \$10,000 at one time from the United States to any place outside the United States or into the United States from any place outside the United States, and (b) Each person in the United States who receives currency or other monetary instruments in an aggregate amount exceeding \$10,000 at one time that have been transported, mailed, or shipped to the person from any place outside the United States.

18. The NDIC Money Laundering Group will develop a Northern Border money laundering assessment during fiscal year 2007.



## Drug Trafficking Organizations

### Strategic Findings

- Mexican DTOs and criminal groups are the most influential and pervasive threats with respect to drug transportation and wholesale distribution in nearly every region of the country and continue to increase their involvement in the production, transportation, and distribution of most major illicit drugs.
- Asian criminal groups have emerged in the United States as the primary transporters and distributors of MDMA and Canada-produced high potency marijuana.

Drug trafficking organizations and criminal groups operating in the United States are numerous and range from small, loosely knit groups that distribute one or more drugs at the retail level to complex, international organizations with highly defined command and control structures that produce, transport, and distribute large quantities of one or more illicit drugs. Among these groups, Mexican organizations are the most widespread and influential traffickers of illicit drugs in the country. Colombian DTOs maintain significant control over South American heroin and cocaine smuggling and distribution in the eastern United States, although their role has diminished as that of Mexican groups has expanded. Asian criminal groups are not as structured as Mexican and Colombian organizations; however, they have established networks throughout the United States and have emerged as significant distributors of MDMA and Canada-produced high potency marijuana. Numerous other DTOs and criminal groups are active in the United States, although in most cases their influence and control are limited to particular regions. (See Table 8 on page 29 for an extensive list of drug trafficking and criminal groups active in each region of the United States.)

***Mexican DTO dominance over domestic drug trafficking is expanding:*** Mexican DTOs have emerged as the primary drug traffickers in almost every region of the country. They use their well-established overland transportation networks to transport cocaine, marijuana, methamphetamine, and heroin—Mexican and increasingly South American—to drug markets throughout the country. Mexican DTOs maintain long-established strongholds over drug trafficking activities in the Southwest, Pacific, Great Lakes, and West Central Regions of the country and at the same time are increasing their influence in every other region of the country, where their involvement was less pronounced in the past, particularly in the eastern United States. The expanding influence of Mexican DTOs has placed them well to respond to several significant developments in recent years. In particular, when the availability of locally produced methamphetamine decreased significantly in the United States, the supply of the drug was virtually uninterrupted, as Mexican DTOs almost immediately increased the supply of Mexico-produced methamphetamine to the United States. Some Mexican DTOs and criminal groups have begun producing marijuana with higher THC levels than in the past in direct response to increasing demand in markets throughout the country for high potency marijuana. Moreover, Mexican drug traffickers have experienced at least limited success in increasing the availability of Mexican heroin in the eastern United States, a venture attempted many times in the past but historically with little success.

***Colombian DTOs are relinquishing some direct control over cocaine and heroin smuggling and distribution:*** Colombian DTOs, which are most active in the northeastern United States, maintain control of the highest levels of importation and distribution of cocaine and South American heroin to that area. However, Colombian DTOs continue to cede transportation and lower-level distribution

to Dominican criminal groups—significant DTOs in their own right—and, increasingly, Mexican DTOs in an effort to insulate themselves from law enforcement. Colombian DTOs contract with Mexican and Dominican DTOs to transport large quantities of cocaine, heroin, and marijuana to the northeastern United States. Colombian DTOs maintain a significant presence in the Southeast Region as well, particularly in South Florida. Many Colombian DTOs use the area as a base of operations from which they maintain control of the highest levels of cocaine and South American heroin importation and distribution. As in the Northeast, Colombian DTOs in the Southeast insulate themselves from law enforcement and either contract or outright sell drugs to other criminal groups, which in turn transport the drugs to and distribute them in the United States. Colombian DTOs are active in other regions of the country, including the Great Lakes, Pacific, and Southwest Regions; however, their influence and control is overshadowed by Mexican DTOs, and their role primarily is one of a source of supply.

***Asian DTOs are increasing their control over MDMA and marijuana distribution:*** The influence and breadth of Asian criminal groups, particularly Vietnamese but also Chinese and Korean groups, are expanding to regions throughout the country. Asian criminal groups are active in every region of the country but are most active in metropolitan areas with large Asian populations, including New York City, Los Angeles, San Diego, Dallas, and Houston. Canada-based Asian criminal groups appear to have emerged as the primary transporters and wholesale distributors of MDMA and increasingly transport and distribute large quantities of high potency marijuana produced in Canada, largely supplanting Israeli MDMA distributors and Caucasian marijuana distributors as the primary traffickers. Also, law enforcement reporting indicates that Asian criminal groups increasingly cultivate cannabis and produce

high potency marijuana in the United States and that some are involved in cocaine, heroin, and methamphetamine distribution, although on a much smaller scale than they are involved in MDMA and marijuana distribution. Asian criminal groups, tight-knit networks that typically conduct drug transactions with individuals of similar ethnicity, are difficult to infiltrate.

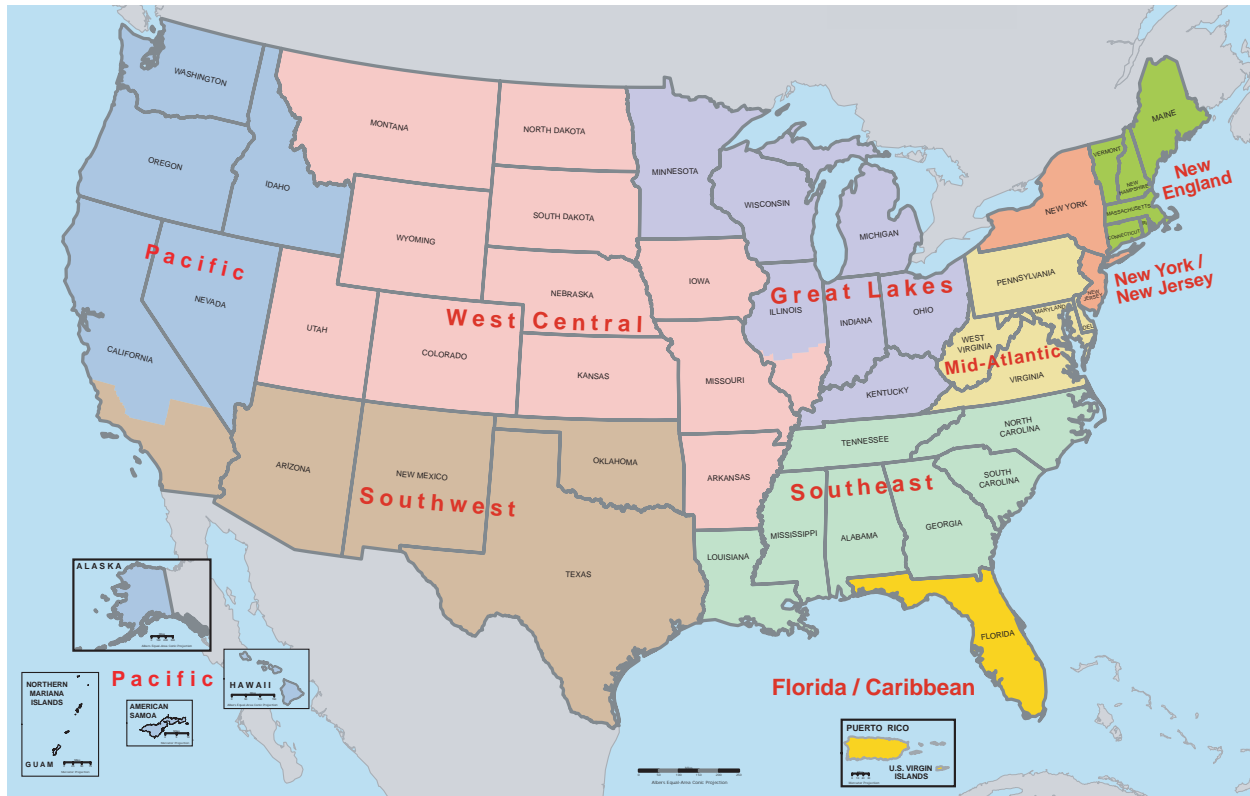
**Table 8. Drug Trafficking Organizations or Criminal Groups Operating in the United States**

Region	Cocaine	Methamphetamine	Heroin	Marijuana	MDMA
Great Lakes	Mexican Colombian African American	Mexican Asian	Mexican Colombian Nigerian African American	Mexican Asian Middle Eastern African American Caucasian	African American Asian Caucasian
Florida/Caribbean	Colombian Mexican Dominican Caribbean-based Venezuelan Haitian Puerto Rican Jamaican Bahamian Cuban Honduran Panamanian Nicaraguan Salvadoran Guatemalan Caucasian African American European Street Gangs	Caucasian Mexican	Colombian Dominican Caucasian Venezuelan Cuban Honduran Panamanian Nicaraguan Salvadoran Guatemalan Puerto Rican Street Gangs African American	Mexican Jamaican Colombian African American Caucasian Cuban Haitian Honduran Panamanian Nicaraguan Salvadoran Street Gangs	Israeli Caucasian Colombian Dominican African American Cuban Street Gangs
Mid-Atlantic	African American Caucasian Colombian Dominican Mexican Puerto Rican	Caucasian Hispanic Mexican	African American Asian Caucasian Colombian Dominican Mexican Puerto Rican West African	African American Asian Caucasian Cuban Colombian Dominican Mexican Puerto Rican	Asian Caucasian Dominican Israeli
New England	African American Caucasian Colombian Dominican Haitian Honduran Panamanian Nicaraguan Salvadoran Guatemalan Jamaican Mexican Outlaw Motorcycle Gangs Puerto Rican	Cambodian Chinese Laotian Vietnamese Caucasian Mexican Outlaw Motorcycle Gangs Puerto Rican	Cambodian Chinese Laotian Vietnamese Caucasian Colombian Dominican Haitian Honduran Panamanian Nicaraguan Salvadoran Guatemalan Mexican Outlaw Motorcycle Gangs Puerto Rican	African American Cambodian Chinese Laotian Vietnamese Caucasian Colombian Dominican Haitian Honduran Panamanian Nicaraguan Salvadoran Guatemalan Jamaican Mexican Puerto Rican	Cambodian Chinese Laotian Vietnamese Caucasian Outlaw Motorcycle Gangs

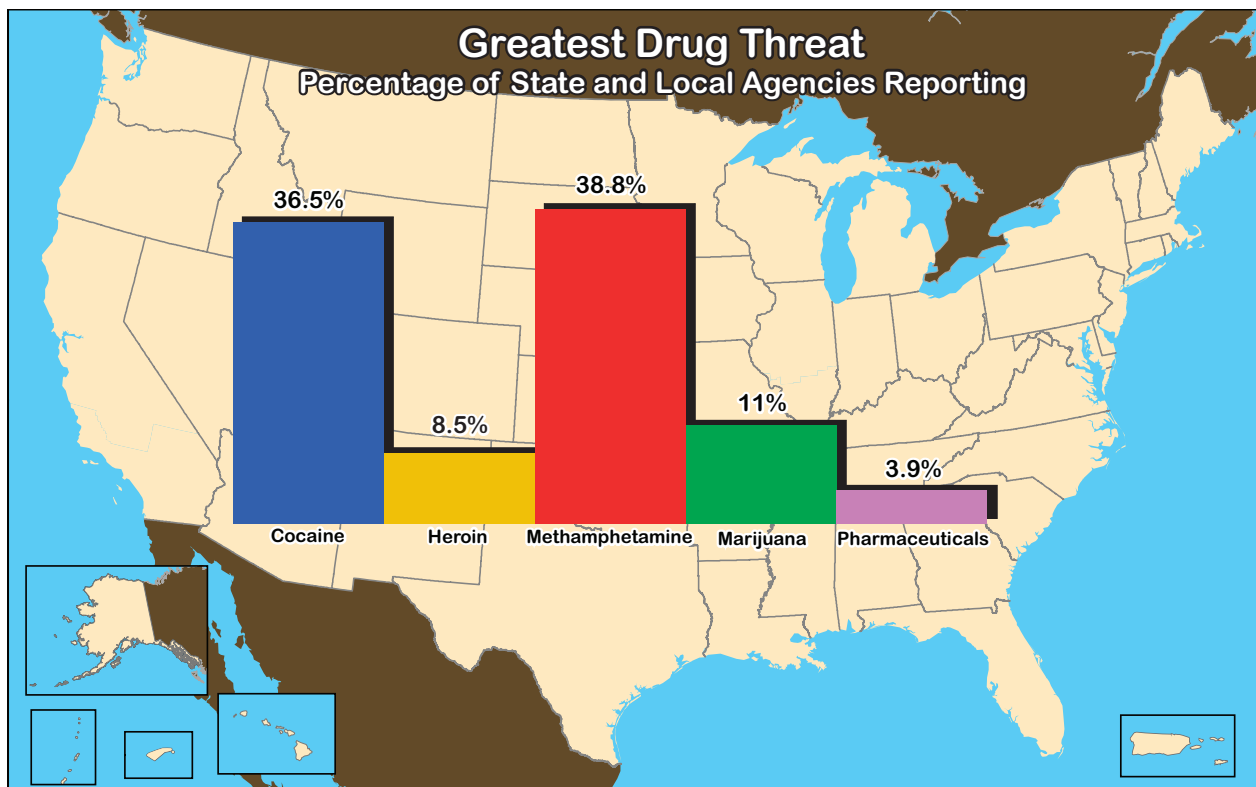
**Table 8. Drug Trafficking Organizations or Criminal Groups Operating in the United States (Continued)**

Region	Cocaine	Methamphetamine	Heroin	Marijuana	MDMA
New York/New Jersey	African American Caucasian Colombian Dominican Jamaican Mexican Puerto Rican Street Gangs	Caucasian Filipino Mexican	African American Asian Caucasian Colombian Dominican Mexican Pakistani Puerto Rican West African Nigerian Street Gangs	African American Asian Caucasian Colombian Dominican Jamaican Mexican Street Gangs	Caucasian Colombian Dominican Jamaican Mexican Street Gangs Vietnamese
Pacific	Mexican Caucasian Outlaw Motorcycle Gangs Vietnamese Samoan Tongan African American Street Gangs	Mexican Caucasian Outlaw Motorcycle Gangs African American Street Gangs	Mexican Caucasian Outlaw Motorcycle Gangs African American Street Gangs	Caucasian Mexican Vietnamese Indonesian Malaysian African American Street Gangs	Vietnamese Caucasian Outlaw Motorcycle Gangs Indonesian Malaysian African American Mexican
Southeast	Mexican African American	Mexican Caucasian African American Hispanic Asian Outlaw Motorcycle Gangs	African American Mexican Caucasian Street Gangs	Mexican African American Caucasian Asian	Vietnamese Mexican
Southwest	Mexican Colombian African American	Mexican Asian	Mexican Colombian	Mexican Jamaican Asian Caucasian	Asian
West Central	Caucasian Hispanic Mexican Street Gangs	Caucasian Hispanic Mexican Native American Outlaw Motorcycle Gangs Street Gangs	Asian Caucasian Hispanic Mexican Street Gangs	African American Caucasian Hispanic Mexican Vietnamese Outlaw Motorcycle Gangs Street Gangs	Asian Caucasian Vietnamese Street Gangs

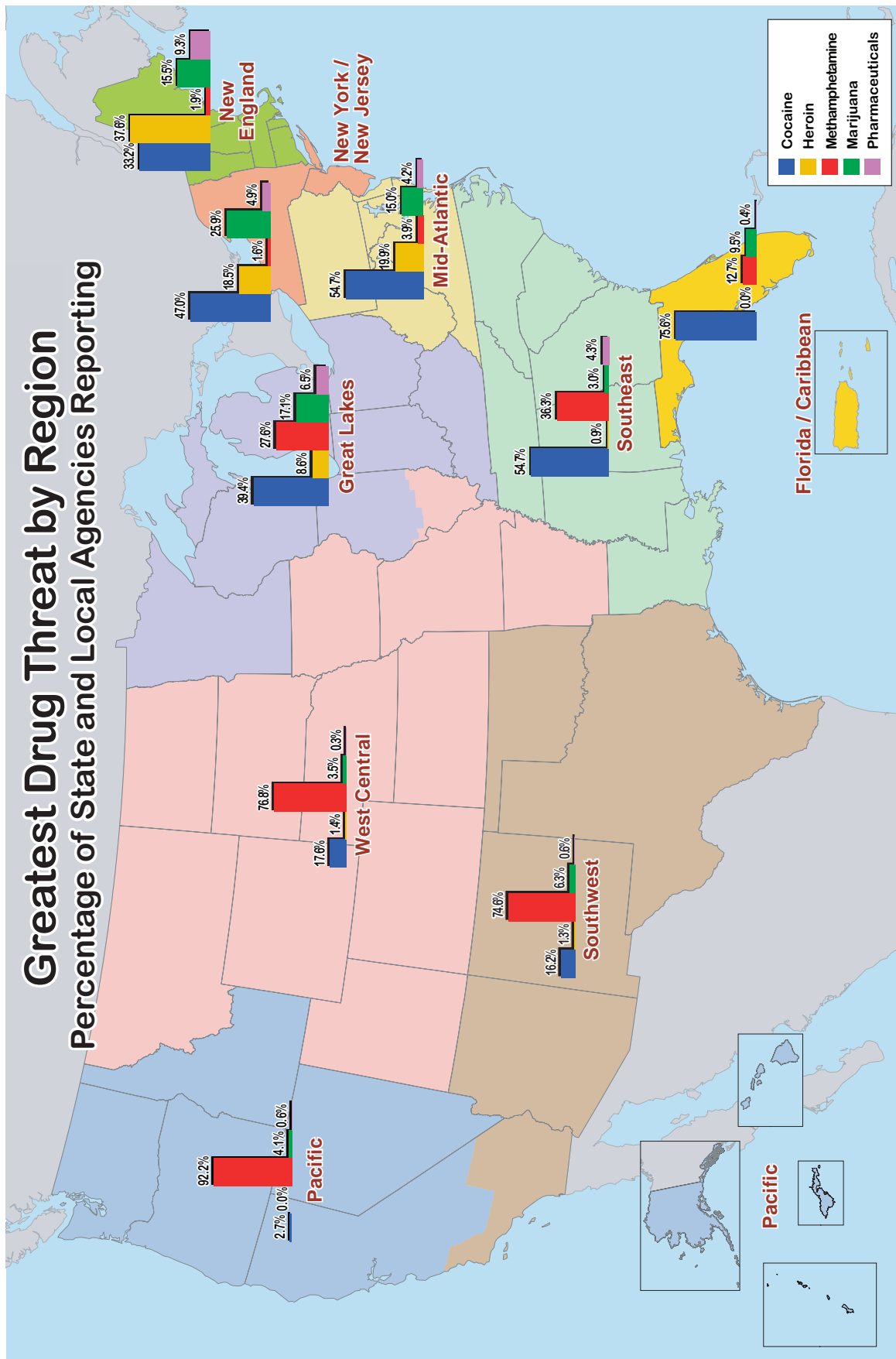
# Appendix A. Maps



Map 1. Nine regions.



Map 2. National Drug Threat Survey 2006 greatest drug threat as reported by state and local agencies.



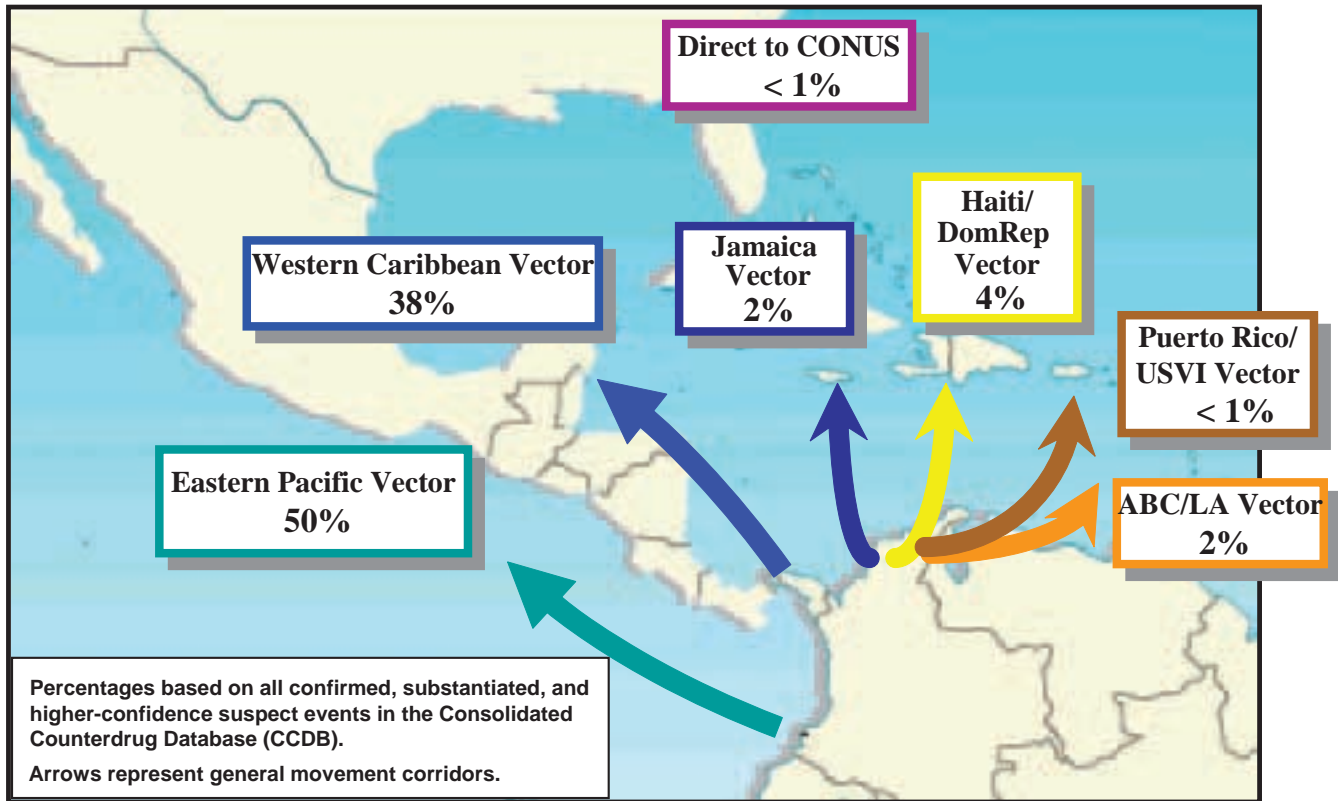
Map 3. Greatest drug threat by region.

## Influence of Drug Trafficking Organizations



Map 4. Areas of influence of drug trafficking organizations in the United States.

Source: Drug Enforcement Administration; Organized Crime and Drug Enforcement Task Force.



Map 5. Vectors in the Transit Zone—CCDB-documented cocaine flow departing South America, January–December 2005.

Source: *Interagency Assessment of Cocaine Movement*, Midyear CY 2006 Update.



## Appendix B. Tables

Table 1. NSDUH Trends in Percentage of Past Year Drug Use, 2002–2005

		2002	2003	2004	2005
Major Drugs	<b>Cocaine (any form)</b>				
	Individuals (12 and older)	2.5	2.5	2.4	2.3
	Adolescents (12-17)	2.1	1.8	1.6	1.7
	Adults (18-25)	6.7	6.6	6.6	6.9
	Adults (26 and older)	1.8	1.9	1.7	1.5
	<b>Crack</b>				
	Individuals (12 and older)	0.7	0.6	0.5	0.6
	Adolescents (12-17)	0.4	0.4	0.3	0.2
	Adults (18-25)	0.9	0.9	0.8	1.0
	Adults (26 and older)	0.7	0.6	0.5	0.5
	<b>Heroin</b>				
	Individuals (12 and older)	0.2	0.1	0.2	0.2
	Adolescents (12-17)	0.2	0.1	0.2	0.1
	Adults (18-25)	0.4	0.3	0.4	0.5
	Adults (26 and older)	0.1	0.1	0.1	0.1
	<b>Marijuana</b>				
	Individuals (12 and older)	11.0	10.6	10.6	10.4
	Adolescents (12-17)	15.8	15.0	14.5	13.3
	Adults (18-25)	29.8	28.5	27.8	28.0
	Adults (26 and older)	7.0	6.9	7.0	6.9
<b>Methamphetamine</b>					
Individuals (12 and older)	0.7	0.6	0.6	0.5	
Adolescents (12-17)	0.9	0.7	0.6	0.7	
Adults (18-25)	1.7	1.6	1.6	1.5	
Adults (26 and older)	0.4	0.4	0.4	0.3	
Pharmaceuticals	<b>Prescription Narcotics</b>				
	Individuals (12 and older)	4.7	4.9	4.7	4.9
	Adolescents (12-17)	7.6	7.7	7.4	6.9
	Adults (18-25)	11.4	12.0	11.9	12.4
Adults (26 and older)	3.1	3.3	3.0	3.3	
Other Dangerous Drugs	<b>LSD</b>				
	Individuals (12 and older)	0.4	0.2	0.2	0.2
	Adolescents (12-17)	1.3	0.6	0.6	0.6
	Adults (18-25)	1.8	1.1	1.0	1.0
Adults (26 and older)	0.1	0.0	0.1	0.0	

Table 1. NSDUH Trends in Percentage of Past Year Drug Use, 2002–2005 (Continued)

		2002	2003	2004	2005
Other Dangerous Drugs (Continued)	<b>MDMA</b>				
	Individuals (12 and older)	1.3	0.9	0.8	0.8
	Adolescents (12-17)	2.2	1.3	1.2	1.0
	Adults (18-25)	5.8	3.7	3.1	3.1
	Adults (26 and older)	0.5	0.3	0.3	0.4
	<b>PCP</b>				
	Individuals (12 and older)	0.1	0.1	0.1	0.1
	Adolescents (12-17)	0.4	0.4	0.3	0.3
	Adults (18-25)	0.3	0.4	0.3	0.2
	Adults (26 and older)	0.0	0.0	0.0	0.0

Source: National Survey on Drug Use and Health.

Table 2. MTF Adolescent Trends in Percentage of Past Year Drug Use, 2000–2005

		2000	2001	2002	2003	2004	2005
Major Drugs	<b>Cocaine (any form)</b>						
	8th Grade	2.6	2.5	2.3	2.2	2.0	2.2
	10th Grade	4.4	3.6	4.0	3.3	3.7	3.5
	12th Grade	5.0	4.8	5.0	4.8	5.3	5.1
	<b>Crack</b>						
	8th Grade	1.8	1.7	1.6	1.6	1.3	1.4
	10th Grade	2.2	1.8	2.3	1.6	1.7	1.7
	12th Grade	2.2	2.1	2.3	2.2	2.3	1.9
	<b>Heroin</b>						
	8th Grade	1.1	1.0	0.9	0.9	1.0	0.8
	10th Grade	1.4	0.9	1.1	0.7	0.9	0.9
	12th Grade	1.5	0.9	1.0	0.8	0.9	0.8
	<b>Marijuana</b>						
	8th Grade	15.6	15.4	14.6	12.8	11.8	12.2
	10th Grade	32.2	32.7	30.3	28.2	27.5	26.6
	12th Grade	36.5	37.0	36.2	34.9	34.3	33.6
	<b>Methamphetamine</b>						
	8th Grade	2.5	2.8	2.2	2.5	1.5	1.8
	10th Grade	4.0	3.7	3.9	3.3	3.0	2.9
	12th Grade	4.3	3.9	3.6	3.2	3.4	2.5
	<b>MDMA</b>						
	8th grade	3.1	3.5	2.9	2.1	1.7	1.7
	10th grade	5.4	6.2	4.9	3.0	2.4	2.6
	12th grade	8.2	9.2	7.4	4.5	4.0	3.0

**Table 2. MTF Adolescent Trends in Percentage of Past Year Drug Use, 2000–2005 (Continued)**

	2000	2001	2002	2003	2004	2005	
<b>Pharmaceuticals</b>	<b>Prescription Narcotics</b>						
	8th Grade	NA	NA	NA	NA	NA	
	10th Grade	NA	NA	NA	NA	NA	
	12th Grade	7.0	6.7	9.4	9.3	9.5	9.0
	<b>Sedatives/Barbiturates</b>						
	8th Grade	NA	NA	NA	NA	NA	
	10th Grade	NA	NA	NA	NA	NA	
	12th Grade	6.2	5.7	6.7	6.0	6.5	7.2
	<b>Tranquilizers</b>						
	8th Grade	NA	NA	NA	NA	NA	
	10th Grade	NA	NA	NA	NA	NA	
	12th Grade	5.7	6.9	7.7	6.7	7.3	6.8
<b>Other Dangerous Drugs</b>	<b>GHB</b>						
	8th Grade	1.2	1.1	0.8	0.9	0.7	0.5
	10th Grade	1.1	1.0	1.4	1.4	0.8	0.8
	12th Grade	1.9	1.6	1.5	1.4	2.0	1.1
	<b>Inhalants</b>						
	8th Grade	9.4	9.1	7.7	8.7	9.6	9.5
	10th Grade	7.3	6.6	5.8	5.4	5.9	6.0
	12th Grade	5.9	4.5	4.5	3.9	4.2	5.0
	<b>LSD</b>						
	8th Grade	2.4	2.2	1.5	1.3	1.1	1.2
	10th Grade	5.1	4.1	2.6	1.7	1.6	1.5
	12th Grade	6.6	6.6	3.5	1.9	2.2	1.8
	<b>PCP</b>						
	8th Grade	NA	NA	NA	NA	NA	NA
	10th Grade	NA	NA	NA	NA	NA	NA
12th Grade	2.3	1.8	1.1	1.3	0.7	1.3	

Source: Monitoring the Future.

NA—not available

**Table 3. Federal-Wide Drug Seizures, in Kilograms, 2000–2005**

Drug	2000	2001	2002	2003	2004	2005
<b>Cocaine</b>	106,616	104,877	102,497	117,044	165,894	173,827
<b>Hashish</b>	10,878	161	621	155	164	409.1
<b>Heroin</b>	1,675	2,496	2,773	2,395	1,845	1,717.2
<b>Marijuana</b>	1,234,555	1,213,988	1,101,496	1,229,678	1,118,608	1,103,608
<b>Methamphetamine</b>	3,471	3,971	2,478	3,856	3,127	4,767.0

Source: Federal-Wide Drug Seizure System.

**Table 4. Drug-Related Arrests, United States, 2001–2006**

	Drug	2001	2002	2003	2004	2005	2006*
Major Drugs	Cocaine	13,351	12,226	10,951	12,222	12,114	3,557
	Marijuana	6,461	5,509	6,216	6,252	5,599	1,667
	Heroin	3,106	2,578	2,169	2,534	2,141	519
	Methamphetamine	7,363	6,231	6,055	5,893	6,090	1,504
Other Dangerous Drugs	MDMA	1,974	1,506	1,023	937	764	167
	GHB	2	0	10	20	19	0
	LSD	93	27	21	25	8	13
	PCP	87	49	117	67	57	19
	Steroids	72	64	65	95	57	12
Pharmaceuticals	Oxycodone	0	0	27	137	236	74
	Hydrocodone	0	1	17	111	186	67
	Hydromorphone	29	35	28	28	11	3
	Benzodiazepines	30	44	27	23	26	6
	Methylphenidate	0	0	1	1	2	0

Source: Drug Enforcement Administration.

\*Data for 2006 are preliminary and incomplete.

**Table 5. Other Dangerous Drugs Submitted for Testing in the United States in Dosage Units, 2001–2006**

Drug	2001	2002	2003	2004	2005	2006
GHB*	100,218	77,912	130,444	30,719	66,681	470***
LSD**	93,974	1,624	667	146,585	627	567,416
MDMA**	5,475,824	3,745,560	1,905,362	1,473,962	2,502,085	185,061
PCP**	1,037,574	5,786,959	527,986	318,562	13,260	7,088

Source: System to Retrieve Information From Drug Evidence.

\*Note: GHB data are derived from the STRIDE Incident Summary Report (63/71A).

\*\*LSD, MDMA, and PCP data are derived from the STRIDE Statistical Summary Report (63/6).

\*\*\*Data for 2006 are through May 2006

**Table 6. Average Purity of Drug Samples Tested, by Percentage, 2001–2004**

Drug	Type	2001	2002	2003	2004
<b>Cocaine</b>		78.0	77.0	82.0	84.0*
<b>Heroin</b>	<b>South America</b>	78.0	72.0	70.0	64.0
	<b>Southwest Asia</b>	69.0	64.0	62.0	67.0
	<b>Southeast Asia</b>	68.0	73.0	63.0	63.0
	<b>Mexico</b>	30.0	33.0	37.0	39.0
<b>MDMA</b>		53.6	50.6	55.6	53.9
<b>Methamphetamine</b>		39.1	43.6	57.2	60.6

Source: Drug Enforcement Administration.

\*Representative of January through July 2004

NA—not available

**Table 7. Laboratory Seizures Involving Other Dangerous Drugs, 2001–2005**

Drug	2001	2002	2003	2004	2005
<b>GHB</b>	16	10	7	12	2
<b>LSD</b>	0	1	1	0	0
<b>MDMA</b>	13	9	11	16	14
<b>PCP</b>	14	7	10	9	7

Source: National Clandestine Laboratory Seizure System (Run date 7/6/06).

## Appendix C. OCDETF Regional Summaries

The following regional drug threat summaries provide strategic overviews of the illicit drug situation in each of the nine OCDETF regions, highlighting significant trends and law enforcement concerns relating to the trafficking and abuse of illicit drugs. The summaries were

prepared through detailed analysis of recent law enforcement reporting, information obtained through interviews with law enforcement and public health officials, OCDETF case files, and currently available statistical data.

### Florida/Caribbean Regional Overview

#### Regional Overview

The Florida/Caribbean Region (FCR) encompasses Florida and the U.S. Commonwealth of Puerto Rico. There are four High Intensity Drug Trafficking Area (HIDTA) programs within the region—the Central, North, and South Florida HIDTAs and the Puerto Rico HIDTA. The FCR also has four U.S. Attorney Districts—three in Florida and one in Puerto Rico. Most of the illicit drugs available in the FCR are transported from South American and Caribbean countries; however, geographically, the FCR's proximity to the Gulf Coast region is increasingly being exploited by traffickers to smuggle drugs into the region overland from Mexico. Additionally, Mexican DTOs increasingly are extending and expanding their distribution networks into smaller and more rural communities of Florida as well as urban regions previously controlled by other DTOs.

#### Drug Threat Overview

Cocaine, heroin, marijuana, and methamphetamine, as well as pharmaceuticals and other dangerous drugs (ODDs) pose varying threats to the FCR. Cocaine and heroin pose the greatest threats to the FCR because they are readily available and widely abused. Further, significant quantities of cocaine and heroin transit the FCR en route to other parts of the United States, especially the Mid-Atlantic and Northeast Regions. Marijuana is the most widely available, abused, and seized drug in the FCR. Indoor cultivation of high quality marijuana is an increasing problem in the FCR. Moreover, some indoor growers in Florida are selling to wholesale distributors in the Northeast. Methamphetamine

poses a serious threat to Florida. While precursor laws have caused a decline in methamphetamine production at local laboratories, ice availability is rising, driven by the increasing activity of Mexican DTOs. Pharmaceuticals typically are not distributed by large-scale trafficking organizations; however, abuse of these drugs, particularly powerful prescription opiates, is a serious and ongoing public health concern. The threat posed by ODDs, including MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) and GHB (gamma-hydroxybutyrate), is low and decreasing overall in the FCR; however, distribution and abuse of these drugs are a concern in some locations, particularly the large metropolitan areas of Florida.

#### Strategic Regional Developments

- The increasing dominance of Mexican DTOs in wholesale cocaine distribution in the eastern United States has altered the flow of cocaine into the FCR. Nearly all cocaine previously available in Florida was transported by Caribbean and South American DTOs from South America through the Caribbean; however, large amounts of the drug are now transported into the state by Mexican DTOs from Mexico and the southwestern United States as well as southeastern cities such as Atlanta.
- Indoor cannabis cultivation is significant and increasing in the FCR. Marijuana produced indoors in Florida is increasing in potency and often is transported to the New York and Boston metropolitan areas.

- Methamphetamine is a significant and escalating problem throughout Florida. Mexican DTOs are increasingly supplying large quantities of high purity ice methamphetamine to distributors throughout Florida, and availability and abuse have spread from rural areas of the state to a number of cities, including Orlando and Tampa.
  - In 2005 prescription drugs were found to be the cause of or were present in more overdose deaths in Florida than all other illicit drugs combined. Not only are prescription drugs a serious threat in Florida, but abusers and people working for domestic, organized prescription drug diversion rings based outside the FCR often travel to South Florida, obtain prescriptions for and purchase supplies of these drugs, and transport them home for use or resale.
  - Each year millions of cargo containers enter ports in the FCR; most of this cargo originates in drug source and transit countries in South and Central America and the Caribbean. Typically, fewer than 5 percent of containers are inspected—less than 1 percent are opened and searched—by customs officials because of manpower limitations.
- trade barriers and tariffs among the cosignatories—is being implemented by Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua on a rolling basis over the next year. Also, the construction of the Port of the Americas in Ponce, Puerto Rico, is expected to be completed in the next 2 to 3 years. As commercial activity through Puerto Rico and the USVI increases, DTOs in South and Central America may divert some additional drug flow away from the Central America–Mexico land corridor to the Caribbean corridor, particularly Puerto Rico.
- Although drug smuggling into the FCR via maritime cargo vessels is expected to increase, the transportation of illicit drugs into Puerto Rico and the USVI via go-fast boats will remain significant. First, these vessels can rapidly transport substantial quantities of drugs and offload them at locations inaccessible to larger cargo vessels, including remote areas of the island region. Second, go-fast operations are easier to coordinate than cargo smuggling operations, which require interfacing with many more people to obtain access to a particular port, vessel, and container. Third, using these vessels allows trafficking organizations to maintain closer control of drugs during transit, because the transporters typically work for the organization or are contractors who are being directly paid by the organization to move the drugs.

### Variations From National Trends

- The number of indoor cannabis grows in the FCR is likely to increase significantly in the coming year. Marijuana abuse is extremely widespread in the FCR. As many established abusers have been exposed to the superior product, the popularity of marijuana grown indoors will certainly continue to climb, enticing traffickers to establish additional grow sites or to increase the size of existing sites.
- The smuggling of illicit drugs into Puerto Rico and the U.S. Virgin Islands (USVI) in maritime cargo is expected to increase over the next 4 years. The enactment of the Central America–Dominican Republic–United States Free Trade Agreement in 2005—legislation designed to eliminate

## Great Lakes Regional Overview

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### Regional Overview

The Great Lakes OCDETF Region encompasses Indiana, Kentucky, Michigan, Minnesota, Ohio, Wisconsin, and the Northern and Central U.S. Attorney Districts of Illinois. It includes the Chicago, Lake County, Michigan, Milwaukee, and Ohio HIDTAs and 13 U.S. Attorney Districts. The region comprises urban areas including Chicago (IL), Cleveland (OH), Columbus (OH), Detroit (MI), Gary (IN), Indianapolis (IN), Louisville (KY), Milwaukee (WI), and Minneapolis/St. Paul (MN), as well as large, sparsely populated agricultural areas, which often are used by traffickers to produce methamphetamine and marijuana. Chicago and Detroit serve as the principal wholesale illicit drug distribution centers in the region, supplying drug markets both in and outside the region.

### Drug Threat Overview

The distribution and abuse of cocaine (particularly crack) and, to a lesser extent, heroin and methamphetamine pose the most significant drug threats to most metropolitan areas of the region, while the distribution and abuse of methamphetamine pose the greatest drug threat in rural areas and smaller cities. Marijuana is the most widely available and frequently abused illicit drug in the region but generally poses a lower threat, since its distribution and abuse rarely are associated with violent crime, as is the case with cocaine, heroin, and methamphetamine. The threats posed by other dangerous drugs and the diversion and abuse of pharmaceuticals vary but usually are lower than the threats posed by other major drugs.

### Strategic Regional Developments

- The influence of Mexican DTOs over illicit drug transportation and wholesale distribution in the region is unrivaled and has spread from larger cities such as Chicago and Detroit to smaller markets and suburban areas.
- Recent increases in the availability and abuse of illicit drugs in some suburban areas and smaller communities in the Great Lakes Region, particularly in Illinois, Indiana, and Ohio, have contributed to increases in the number of drug abusers and distributors who commit violent crimes (homicide, kidnapping, and assault) and property crimes (automobile theft, shoplifting, and identity theft).
- Heroin use is increasing among affluent, young Caucasian users in areas of Michigan, Ohio, Indiana, and Wisconsin, owing in part to a decrease in negative perceptions regarding heroin use. Heroin use also is increasing among some abusers of prescription narcotics such as OxyContin who switch to heroin when they experience difficulty obtaining prescription narcotics.
- Cannabis cultivation is a significant problem in Kentucky, which ranks second after California in the number of seized indoor and outdoor grow sites.
- Asian criminal groups, primarily ethnic Vietnamese criminal groups from Canada, are smuggling high potency Canada-produced marijuana into the Great Lakes Region at an increasing rate.
- Members of local and nationally affiliated African American and Hispanic street gangs such as Gangster Disciples, Vice Lords, Black Peace Stones, and Latin Kings, who distribute illicit drugs—cocaine, heroin, marijuana, and PCP (phencyclidine)—at various distribution levels in the region have branched out to form additional gangs in cities, including Chicago (IL), Cleveland (OH), and Detroit and Flint (MI).
- Mexican DTOs are the most significant drug money launderers in the Great Lakes Region; they principally transport bulk quantities of cash and monetary instruments overland to Mexico.



## Variations From National Trends

- Methamphetamine production levels at small capacity laboratories have decreased in many areas of the Great Lakes Region, paralleling a national trend; however, production has increased overall in Ohio and Michigan during the past 5 years.
- Fentanyl has emerged as a public health threat in some areas of the Great Lakes Region, most notably in Chicago and Detroit, which have reported hundreds of fentanyl-related overdoses and over 100 fentanyl-related deaths since September 2005. A significant number of these overdoses and deaths have been attributed to clandestinely produced fentanyl of an unknown origin, most likely Mexico.
- Retail-level MDMA distribution in the region, which was previously dominated by Caucasian traffickers in loosely organized groups, has expanded to include African American crack dealers. For example, many crack dealers on street corners in Cleveland (OH) now are also selling MDMA along with crack. MDMA was previously sold almost exclusively by Caucasian distributors to teenagers and young adults in middle-class neighborhoods, on college campuses, and at nightclubs, concerts, and raves.
- Prescription monitoring programs in several states in the Great Lakes Region have been successful in detecting trends in pharmaceutical diversion and abuse. For example, doctor-shopping has become more difficult as a result of the implementation of several statewide monitoring programs, including the Michigan Automated Prescription System (MAPS) and the Kentucky All-Schedule Prescription Electronic Reporting (KASPER) System.
- Some retail drug distributors in the Great Lakes Region are laundering drug proceeds through fraudulent real estate transactions and mortgage fraud. The Chicago Police Department estimates that gang members in the city laundered \$180 million of their drug proceeds in this manner during the last 3 years.

## Mid-Atlantic Regional Overview

### Regional Overview

The Mid-Atlantic Region (MAR) is composed of Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia. There are three High Intensity Drug Trafficking Areas (HIDTAs) operating within the region—the Philadelphia/Camden HIDTA, the Baltimore/Washington HIDTA, and parts of the Appalachia HIDTA; 10 U.S. Attorney Districts serve the MAR. The extensive transportation infrastructure of the MAR provides drug traffickers virtually unrestricted access to drug markets in the region and enables them to use the region as a conduit in transporting cocaine, marijuana, and methamphetamine from the Southwest and Pacific Regions into the New England and New York/New Jersey Regions, as well as in transporting heroin from New York City and Philadelphia to major heroin distribution centers in the Great Lakes and West Central Regions.

### Drug Threat Overview

Cocaine, heroin, methamphetamine, and marijuana are the most abused drugs in the MAR; the abuse of diverted pharmaceuticals is emerging as a serious problem, and the abuse of ODDs is increasing in isolated pockets. Powder cocaine and crack cocaine are consistently identified by a majority of law enforcement agencies in the region as the greatest drug threat in their jurisdiction. Heroin poses a low to moderate and slowly increasing threat to the region; traffickers are expanding distribution of the drug in a rising number of markets. Heroin supplies have become limited in some rural areas of the region because of this expansion into new markets. The threat posed by methamphetamine in the MAR is low to moderate but increasing, especially in areas with large Hispanic populations. Local methamphetamine production is

low and declining; however, increasing amounts of high purity ice methamphetamine are being transported into the region by Mexican DTOs, supplanting supplies. Marijuana presents an ongoing threat; availability is high, with Mexican DTOs transporting thousands of pounds of marijuana into and through the region and other groups supplementing availability by producing marijuana locally. Asian DTOs are also transporting and distributing rising amounts of high potency Canadian marijuana, inflating regional supplies. Diverted pharmaceuticals—particularly hydrocodones, oxycodones, and benzodiazepines—are emerging as a significant threat in the region. The availability and abuse of other dangerous drugs such as MDMA, PCP, LSD (lysergic acid diethylamide), and GHB are decreasing, although MDMA and PCP abuse is elevated in some areas.

### Strategic Regional Developments

- Powder cocaine and crack cocaine—which pose the greatest drug threat in the MAR—are increasingly being sold to and abused by young Caucasian professionals, blue-collar workers, and students in small cities, towns, and rural areas. Most of the powder cocaine transported into the region is converted into crack cocaine.
- Heroin abuse in the MAR has stabilized at high levels; younger abusers are seeking treatment in increasing numbers and are switching to other drugs that they perceive as less addictive.
- Marijuana availability in the MAR is high and increasing as more high potency Canadian marijuana is transported by traffickers into the region, supplementing Mexican and locally produced supplies.

## Variations From National Trends

- Colombian and Dominican DTOs control the wholesale trafficking of cocaine in the MAR, despite the fact that Mexican DTOs serve as dominant wholesale distributors throughout most of the nation. However, Mexican DTOs are strengthening their position in the MAR by establishing alliances with street, prison, and outlaw motorcycle gangs (OMGs).
- Colombian and Dominican DTOs are in firm control of wholesale distribution of heroin, primarily South American heroin, in the MAR. Unlike in a large portion of the country, Mexican DTO involvement in wholesale distribution of heroin is minimal.
- The threat posed to the MAR by methamphetamine is relatively low—the region is one of the few areas in the country where the methamphetamine threat is not significant. However, the threat appears to be increasing.
- Methamphetamine production is low in the MAR; state precursor laws have made production more difficult, and the influx of Mexico-produced methamphetamine, including high purity ice, has satiated demand, making local production unnecessary.
- While the demand for marijuana is declining at the national level, marijuana demand in the MAR is high and increasing. Marijuana-related admissions to publicly funded treatment facilities in the MAR increased almost 50 percent from 2000 through 2004. Marijuana is abused by every ethnic, age, and socioeconomic group. The popularity of high potency marijuana, especially among younger abusers, is a key factor driving the growth in demand.
- The availability of MDMA throughout most of the MAR is lower than the national average, with the exception of some urban areas, college campuses, and the Delaware and Maryland beach locales.
- PCP distribution and abuse are higher than the national average in MAR urban centers, such as Washington D.C., Baltimore, and Philadelphia.

## New England Regional Overview

### Regional Overview

The New England Region (NER) encompasses the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. There is one HIDTA within the region—the New England HIDTA—as well as six U.S. Attorney Districts, one for each state. Most of the illicit drugs available in the NER are transported from the Southwest Border; however, geographically, the NER shoreline and international border with Canada are often exploited by traffickers to smuggle drugs into the region. Additionally, various criminal groups—primarily highly mobile members of street gangs from southern New England and New York City—increasingly are expanding their drug distribution operations into smaller and more rural communities throughout New England.

### Drug Threat Overview

The availability and abuse of opiates, particularly heroin but also diverted pharmaceuticals such as oxycodones (OxyContin, Percocet) and hydrocodone (Vicodin), pose the most significant drug threats to the NER. The region has a large number of opiate addicts who are supplied by a well-established network of heroin and pharmaceutical distributors. Cocaine, particularly crack, is the drug of choice in some areas of the region, including the inner-city neighborhoods of Hartford, Bridgeport, and New Haven (CT), Boston (MA), and Providence (RI). Crack availability has expanded in northern New England, largely because African American and Hispanic criminal groups and street gangs from southern New England have increased distribution operations in the area. Marijuana is widely abused, with high quality, high-priced hydroponic marijuana from Canada and cheaper commercial-grade marijuana from Mexico both readily available in the region. Methamphetamine production and abuse, which were previously concentrated

within the gay male community, are increasing among the general population in eastern parts of the NER; however, the threat posed by methamphetamine remains relatively low. The abuse of club drugs such as MDMA, GHB, and ketamine has slightly decreased in recent years, although these drugs remain popular among young adults and teenagers in some areas of the region.

### Strategic Regional Developments

- Heroin and diverted opiate pharmaceutical abuse is the greatest drug threat to the NER because of widespread abuse and associated social consequences. Diverted opiate pharmaceutical abuse is spreading among the general population and has fueled increasing heroin abuse in New England, since pharmaceutical abusers often switch to heroin.
- Methadone, an opiate used to treat heroin abuse and chronic pain, has become the leading drug involved in overdose deaths in Maine and New Hampshire. Oxycodone abusers, who are having difficulty obtaining the drug, are using methadone, attempting to achieve an oxycodone-type high. This effect is unattainable from methadone, and the abusers are sometimes overdosing because the drugs have different onset and duration periods.
- Crack cocaine distribution is increasing in northern New England<sup>19</sup> as street gangs from southern New England<sup>20</sup> travel north in an attempt to expand their distribution networks. These gang members often acquire handguns while in northern New England and transport them south, fueling violent crime in the southern part of the region.

19. In this report northern New England refers to Maine, New Hampshire, and Vermont.

20. In this report southern New England refers to Massachusetts, Connecticut, and Rhode Island.

- A rising number of polydrug criminal groups and street gangs are operating from the Lowell and Lawrence (MA) area, the primary New England distribution hub, influencing drug activity throughout much of the region.
- Methamphetamine is an emerging, but low, drug threat to New England. Clandestine laboratory seizures have occurred in Connecticut, Maine, Massachusetts, New Hampshire, and Vermont. Methamphetamine abuse, previously concentrated among members of the gay male communities in Boston and Cape Cod, is now gradually spreading to the general population. Mexican DTOs and Canada-based Asian traffickers, who have ready access to large supplies of methamphetamine, are poised to meet any future increases in demand.
- Canada-based Asian DTOs and OMGs increasingly are smuggling Canada-produced hydroponic marijuana and MDMA, as well as diverted prescription drugs into New England for distribution; they are transporting millions of dollars generated from the sale of these drugs in the United States back to Canada.
- Methadone abuse is increasing in the NER; in 2005 the drug emerged as the leading cause of drug-related deaths in Maine and New Hampshire. Some doctors are becoming reluctant to prescribe an oxycodone such as OxyContin because of the drug's high abuse potential; they are now prescribing methadone for pain. Consequently, abusers seeking an oxycodone-type high that is unattainable from methadone are sometimes using excessive amounts of methadone and overdosing.
- The threat posed to the NER by methamphetamine, while increasing, is low—the region is one of the few areas in the country where the methamphetamine threat is not significant. Unlike in the rest of the country, methamphetamine is infrequently produced in the NER. Most of the methamphetamine available in the region is transported by traffickers via mail from California and southwest-ern states as well as Colorado and Oregon. Further, ice methamphetamine is rarely encountered in the NER.
- Significant quantities of high potency marijuana are smuggled to and through the NER from Canada. Asian DTOs, OMGs, Native North Americans, and Caucasian traffickers, and traditional organized crime (TOC) groups have expanded their marijuana production capabilities to Ontario, Quebec, and New Brunswick, where multithousand-plant grows are now often encountered and tens of thousands of plants are seized annually by Canadian authorities. Most of the high potency marijuana produced at these sites is destined for U.S. markets via brokers operating in the Montreal area.

### Variations From National Trends

- Heroin poses the primary drug threat to New England—the only region of the country where this drug is the leading problem. The heroin problem in the NER is driven in part by pharmaceutical opiate abuse; pharmaceutical opiate abusers often switch to heroin because of the drug's lower cost and higher purity.
- Some opiate abusers in the NER who are undergoing methadone treatment are using cocaine to satisfy drug cravings. Since opiates and stimulants affect different parts of the brain, patients on methadone can still achieve a high by using cocaine.

## New York/New Jersey Regional Overview

### Regional Overview

The New York/New Jersey Region is composed of the entire states of New York and New Jersey. The New York High Intensity Drug Trafficking Area (HIDTA) and portions of the Philadelphia/Camden HIDTA are represented in the region, as are five U.S. Attorney Districts. The region is densely populated and includes approximately 28 million individuals—9.4 percent of the U.S. population. New York City is the most significant drug market in the region and one of the largest in the United States. The region shares a 445-mile border with Canada, which serves as a major conduit for drug smuggling. Secondary markets in the region include Buffalo, Rochester, Syracuse, and Albany in New York and Jersey City, Paterson, Elizabeth, Trenton, and Camden in New Jersey.

### Drug Threat Overview

Cocaine and heroin pose the most serious threats to the New York/New Jersey OCDETF Region (NY/NJ Region). Cocaine is frequently abused throughout the region, and crack cocaine poses an increasing problem to urban areas where its sale has become the primary source of income for several violent street gangs. Heroin abuse is extensive in the region and is rapidly spreading to new and younger populations. Young adults in New Jersey, where the purest heroin in the country is sold, are abusing heroin at a rate more than twice the national average. Marijuana is the most commonly abused drug in the NY/NJ Region, and availability of high potency hydroponic marijuana is increasing. Crystal methamphetamine poses a lesser, yet increasing, threat; the drug is rising in popularity and may soon spread to a wider abuser population. MDMA, diverted pharmaceuticals, and ODDs are a concern but, overall, pose a low threat.

### Strategic Regional Developments

- Mexican DTOs are transporting an increasing amount of the cocaine and heroin available in the NY/NJ Region and are taking a more significant role in distributing drugs within the region. Their growing involvement has led to a larger volume of drugs being transported to the region overland, mostly from the Southwest Border area, and a significant decline in the amount of drugs being transported from Florida.
- Venezuela is increasingly serving as a departure area for cocaine and South American heroin transported by Colombian DTOs to the region. This development results from some trafficking groups moving their bases of operations from Colombia to Venezuela to avoid increasing law enforcement scrutiny.
- Many Colombian and Dominican DTOs that once stored large quantities of cocaine and heroin in New York City are now stashing the drugs in suburban areas outside the city and bringing smaller amounts into the city on an as-needed basis.
- Members of the Bloods street gang are moving from northern New Jersey to Camden to sell illicit drugs, primarily cocaine and heroin. This has led to increased violence in that part of the region.
- Heroin seemingly is becoming an increasing threat to the region. Abuse is increasing, particularly among youth, and is spreading throughout all demographic classes. In New Jersey heroin abuse has risen among youth to the point where rates of abuse among young adults are more than twice the national average.
- South American heroin is being transported to the region in larger quantities. An interdiction of several kilograms, once considered large by law enforcement, is now considered average.

- Heroin purity in southern New Jersey (although still among the highest in the nation) has declined, causing local abusers to seek alternative methods of use, such as injecting increased amounts, injecting more frequently, or simultaneously abusing other drugs, such as fentanyl or alcohol— combinations that sometimes lead to overdose deaths.
- Italian organized crime groups are increasingly producing high-grade, hydroponic marijuana on Long Island because of the tremendous profit margin and lower penalties for possession and distribution associated with the drug.
- Buffalo has become a major entry point for hydroponic marijuana being transported into the United States from Canada. Various traffickers are bringing the drug in private vehicles across the Peace Bridge and transporting it to markets throughout the New York/New Jersey Region and to cities in other regions.
- The abuse of crystal methamphetamine<sup>21</sup> is increasing within the gay male community and nightclub scene of New York City. Law enforcement and treatment personnel are monitoring this situation closely because these segments of society have long been on the cutting edge of drug trends that later spread to the general population.
- Asian DTOs, primarily Vietnamese and Chinese DTOs, are smuggling MDMA into the region from Canada, using networks previously established for the distribution of Canadian marijuana.

## Variations From National Trends

- Heroin poses a more serious threat to the NY/NJ Region than it does to most other regions of the country. The heroin consumed in the NY/NJ Region is among the purest in the nation because of a consistent high level of direct smuggling from Colombia to the region; in New Jersey rates of abuse among young adults are more than twice the national average.
- Some heroin abusers in the region are simultaneously abusing other drugs, such as fentanyl or alcohol— combinations that are beginning to emerge in other parts of the country and that have led to a number of overdose deaths in the NY/NJ Region.
- Significant quantities of high potency marijuana are smuggled to and through the NY/ NJ Region from Canada, particularly through the St. Regis Mohawk Reservation, which straddles the Northern Border. Canada-based DTOs transport drugs through the reservation because the risk of law enforcement interdiction there is lower. Further, demand and availability of marijuana, principally high potency marijuana, continue to increase in the NY/NJ Region.
- The threat posed by methamphetamine, while increasing nationally, is low in the NY/ NJ Region—one of the few areas in the country where methamphetamine does not pose a significant problem. Only small amounts of methamphetamine are produced in the region; most of the methamphetamine available in the area is transported from California and southwestern states.

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21. Law enforcement and treatment authorities in the region use the term crystal methamphetamine to refer to both powder methamphetamine that has been recrystallized and high purity ice methamphetamine. Recrystallized powder is the form most commonly found in the region.

## Pacific Regional Overview

### Regional Overview

The Pacific Region encompasses northern and central California (including all counties except the southernmost nine), Alaska, Hawaii, Idaho, Nevada, Oregon, and Washington, as well as the U.S. territories of Guam and the Commonwealth of Northern Mariana Islands (CNMI). The region includes the Central Valley California, Hawaii, Nevada, Northern California, Northwest, and Oregon HIDTAs as well as 10 U.S. Attorney Districts. The region's access to major illicit drug production and source areas in Mexico and Canada as well as in Asia and Europe facilitates smuggling of illicit drugs into the United States through the region for distribution to drug markets located throughout the country. Several areas in the Pacific Region have emerged as regional and national distribution centers for wholesale quantities of illicit drugs. Distribution centers include Central Valley (CA) (most notably Bakersfield, Fresno, and Modesto), Las Vegas (NV), Portland (OR), Puget Sound (WA) (most notably Seattle and Tacoma), San Francisco Bay Area (CA), and Yakima Valley/Tri-Cities (WA).

Mexican DTOs and criminal groups are the most influential illicit drug producers, transporters, and wholesale distributors of methamphetamine, cocaine, and Mexico-produced marijuana and heroin in the Pacific Region. The growing influence of Asian DTOs and criminal groups, particularly Vietnamese groups, is one of the most significant drug-related issues in the Pacific Region. These groups are expanding illicit drug operations in the Pacific Region to include increased production of high potency marijuana, increased transportation of BC Bud and MDMA into the region, and increased distribution of these drugs from the region to drug markets throughout the country.

### Drug Threat Overview

Methamphetamine is the primary drug threat to the Pacific Region, arising in large part from

the high levels of violence and crime associated with the trafficking and abuse of the drug. Increased production, trafficking, and abuse of high potency marijuana also create significant problems for citizens and law enforcement agencies in the Pacific Region as does the multi-level distribution and high abuse levels of heroin and cocaine. The distribution and abuse of ODDs, including MDMA, and diverted pharmaceuticals pose less significant problems than those of other illicit drugs; however, the threat is increasing in many areas.

### Strategic Regional Developments

Methamphetamine is increasingly available in the region. Domestically produced methamphetamine had been the primary type of methamphetamine available in the region; however, decreased production in the United States and increased production in Mexico has resulted in Mexican methamphetamine, mostly ice, emerging as the most prevalent type available in the region.

- Methamphetamine production has decreased significantly, largely as a result of successful law enforcement operations and regulatory efforts to control precursor chemicals. Most states in the region have enacted legislation to regulate the sale of ephedrine or pseudoephedrine, and several states have scheduled the substances to further restrict their use.
- Cannabis cultivation and marijuana production have increased significantly throughout the region. Mexican DTOs and criminal groups have significantly increased large-scale outdoor cannabis cultivation and marijuana production operations in the Pacific Region; some groups have shifted resources from methamphetamine to marijuana production, and some have broken away from larger groups to establish their own large-scale operations.



- Some Mexican DTOs and criminal groups are producing marijuana with significantly higher THC (delta-9-tetrahydrocannabinol) levels than in the past.
- Powder cocaine availability is increasing throughout much of the Pacific Region. Law enforcement agencies in California, Idaho, Oregon, and Washington report increases in both the number and the size of cocaine seizures.
- Heroin abuse is increasing slightly in some areas, such as central California. For instance, law enforcement and treatment providers report that heroin use is increasing among some pharmaceutical abusers who first used Vicodin or OxyContin and then switched to heroin because it is cheaper and easier to obtain.
- MDMA availability and abuse are increasing in the Pacific Region, largely because of increased transportation of the drug from Canada, lowered perception of risk by some users, and increased distribution of the drug in the region.
- Many areas of the region, including central California and southern Nevada, report increased abuse of pharmaceuticals. In the San Francisco Bay Area, users purchase pharmaceuticals when they are unable to obtain their drug of choice. Asian DTOs are illicitly obtaining pharmaceuticals from pharmacists in San Francisco and distributing them in the Las Vegas area.
- Casinos in the region afford traffickers potential opportunities to launder drug proceeds. Nevada is the only state that allows commercial casinos; however, four other states in the region—California, Idaho, Oregon, and Washington—have casinos owned and operated by Native American tribes. Some of these casinos have reportedly been used by traffickers to launder illicit drug proceeds generated in the region.

## Variations From National Trends

- The level of methamphetamine availability and abuse in the region is among the highest in the country. In Hawaii, methamphetamine is more commonly abused than marijuana—one of the few areas in the country where marijuana is not the most abused drug.
- Some areas of the region have noted a decrease in methamphetamine purity. Law enforcement officials in California, Hawaii, and Nevada have reported lower purity methamphetamine, particularly at midlevel and retail level. It is unclear if this is a long-term trend (an indication of stretched supply) or a temporary condition as local production is supplanted by Mexico-based suppliers.
- Cocaine availability and abuse have increased in many areas of the Pacific Region, quite likely a result of law enforcement efforts to combat methamphetamine trafficking and changing user preferences. Some methamphetamine users are switching to cocaine largely because of the belief that cocaine is safer than methamphetamine.
- MDMA has historically been distributed at clubs, residences, and school campuses; however, it is now distributed at open-air markets in central California by street dealers who employ distribution methods similar to those used for other illicit drugs.

## Southeast Regional Overview

### Regional Overview

The Southeast Region (SER) encompasses the states of Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. The region includes three HIDTA programs—Atlanta, Gulf Coast, and parts of the Appalachia HIDTA. In addition, there are 18 U.S. Attorney Districts in the SER. Atlanta is the most significant drug distribution hub in the SER. Mexican DTOs have consolidated their control of the Atlanta cocaine, methamphetamine, and marijuana markets and are using Atlanta as a drug distribution hub to transport narcotics to other drug markets in the Mid-Atlantic, New York/New Jersey, and New England Regions. A significant and growing Hispanic population in the SER enables Mexican DTOs, who dominate the transportation and wholesale distribution of cocaine, methamphetamine, and marijuana in the region, to operate without increased risk of detection. The rates of increase in the Hispanic populations of Alabama, Georgia, North Carolina, Tennessee, and South Carolina from 1990 through 2000 were among the highest in the nation.

### Drug Threat Overview

The availability and abuse of cocaine and methamphetamine pose the most significant drug threat to the SER. Mexican DTOs transport multiton quantities of cocaine to Atlanta annually for local consumption and for further transportation and distribution throughout the country, particularly to southeastern and Mid-Atlantic markets. The distribution and abuse of methamphetamine, particularly ice methamphetamine, rose dramatically in recent years as Mexican DTOs increased their transportation of the drug to the region. Marijuana is widely cultivated and abused throughout the region; a substantial portion is produced in central and eastern Tennessee. Pharmaceuticals, specifically narcotic analgesics such as oxycodone, hydrocodone, and methadone, are being increasingly diverted and abused throughout the region.

ODDs such as GHB, ketamine, and MDMA pose low-level threats to the SER; Canada-based Asian DTOs have emerged as the principal suppliers of MDMA. The drug threat from heroin is limited primarily to parishes around New Orleans.

### Strategic Regional Developments

- Local methamphetamine production in the SER has decreased significantly as a result of an influx of Mexico-produced ice methamphetamine into the region, which has made local production less necessary. Additionally, state restrictions on precursor chemicals have made the manufacture of methamphetamine more difficult, contributing to the decline in local production.
- Asian DTOs, primarily Vietnamese groups, have emerged as the primary transporters and distributors of MDMA and Canadian high potency marijuana throughout the SER, particularly in larger cities such as Atlanta and Charlotte.
- Hurricanes Katrina and Rita caused many traffickers to relocate from New Orleans to nearby states such as Texas, Georgia, and Mississippi in 2005, changing drug trafficking patterns in those states. As New Orleans recovers, displaced traffickers and abusers are gradually returning and reestablishing the city as a major drug trafficking area in the SER.
- The availability of Mexican black tar (MBT) heroin has increased significantly over the last year in North Carolina, South Carolina, and Tennessee, largely on account of the rising dominance of Mexican DTOs. Additionally, rising purity levels of black tar heroin have made the drug more attractive to abusers.

### Variations from National Trends

- Some Mexican DTOs have occasionally sold wholesale quantities of methamphetamine to retailers while the drug is still wet or damp to increase its weight and, therefore, its price. As the drug dries out, it commonly loses 10 to 20 percent of its weight and sometimes as much as 50 percent.
- Asian traffickers are transporting high-grade hydroponic marijuana from Seattle and Canada to markets in the SER via package delivery services or in private and commercial vehicles.
- The rising dominance of Mexican DTOs has increased the availability of MBT heroin in the SER, particularly in North Carolina, South Carolina, and Tennessee—most heroin available east of the Mississippi River is white heroin.
- Wholesale and retail drug networks based in New Orleans that have been disrupted by hurricane evacuations may not fully rebound in the coming year. However, many wholesale distributors have established successful operations in areas outside New Orleans, including Baton Rouge, Lafayette, Shreveport, and Alexandria (LA), and Hattiesburg (MS). As such, when New Orleans recovers, it will very likely be a more prominent regional distribution center, with several outlying markets.

## Southwest Regional Overview

### Regional Overview

The Southwest Region encompasses Arizona, Oklahoma, New Mexico, Texas, and the nine southernmost counties in California. Within the Southwest Region are eight HIDTAs—the California Border Alliance Group (CBAG), Los Angeles, Arizona, New Mexico, Houston, North Texas, South Texas, and West Texas—as well as 11 U.S. Attorney Districts. The Southwest Region, which contains the entire 2,000-mile U.S.–Mexico border, is the principal arrival zone for most illicit drugs smuggled into the United States. Mexican DTOs operating in Mexico and the United States exert nearly total control over drug trafficking operations along the U.S.–Mexico border. The Southwest Region also serves as a significant national money laundering hub for the transport and placement of illicit funds derived from the sale of drugs in the region and throughout the country.

### Drug Threat Overview

Methamphetamine, cocaine, marijuana, and heroin as well as ODDs and pharmaceuticals pose varying threats to the Southwest Region. The threats posed by methamphetamine and cocaine are growing as a result of the increased involvement of Mexican DTOs in the distribution of these drugs from the Southwest Region to markets throughout the United States. Marijuana is the most seized drug by weight along the Southwest Border and is the most widely available and abused drug in the region. The trafficking and abuse of heroin also are a significant threat because of the amount of Mexican black tar (MBT) and Mexican brown powder (MBP) heroin as well as South American heroin smuggled into and through the region. ODDs and pharmaceuticals pose a much lesser threat because lower volumes of these drugs are smuggled across the border, and national distribution from the region is limited to MDMA and PCP.

### Strategic Regional Developments

- Mexican DTOs operating in the Southwest Region are rapidly increasing their influence over drug distribution in all regions of the country. Mexican DTOs exert greater influence over drug trafficking in the United States than any other organizations, and their influence is increasing, particularly with respect to cocaine and methamphetamine distribution.
- The amount of methamphetamine smuggled across the Southwest Border has increased considerably in recent years. Ice methamphetamine is becoming the predominant form of the drug seized in and transshipped from the region and may pose an even more severe threat as a result of increased demand, purity, and profit potential. Methamphetamine production has decreased in the region; however, quantities sufficient for national-level distribution continue to be produced. This decline is primarily a result of the influx of the drug from Mexico, regulatory efforts to control precursor chemicals, and law enforcement efforts.
- Marijuana production has increased in California in response to increased regional and national demand for the drug, particularly higher potency marijuana. Mexican DTOs that cultivate significant quantities of cannabis at large-scale outdoor cannabis grow sites are producing commercial-grade marijuana with slightly higher THC levels than in the past. Various criminal groups are also increasingly producing high-grade marijuana at indoor grow sites in response to increased demand.
- Mexican DTOs are moving away from seasonal marijuana smuggling patterns and now stockpile marijuana shipments and smuggle the drug throughout the year.

- PCP production has decreased during the past year in Los Angeles, one of the primary PCP production areas in the country, largely as a result of the arrests of several major producers. As a result of decreased production, PCP is less available in the Los Angeles area, and national-level distribution most likely will decrease.
- MDMA supplied by Canadian sources is increasingly being distributed in the Southwest Region and could have national-level impact as a result of Los Angeles's role as a large domestic MDMA market. Asian DTOs, one of the primary groups involved in the smuggling of MDMA from Canada into the United States, have established trafficking networks in the Region, particularly Los Angeles and Houston, which could facilitate MDMA distribution in and from these areas.
- The Southwest Region serves as one of the most significant national money laundering centers for illicit drug proceeds generated throughout the United States. The physical transportation of bulk cash and monetary instruments is the principal method used by traffickers to remove illicit drug proceeds from drug market areas to and through the Southwest Region.

### Variations From National Trends

- Asian DTOs are increasing their distribution capabilities in the Southwest Region's primary metropolitan areas. Chinese, Korean, and Vietnamese DTOs distribute significant quantities of BC Bud and methamphetamine as well as MDMA in the region. These trafficking organizations obtain the drugs from sources in the Pacific Region and Canada.
- Mexican pharmacies located along the U.S.–Mexico border are a primary source of prescription narcotics, depressants, and steroids distributed in and abused throughout the Southwest Region. San Diego is one of the most significant pharmaceutical smuggling areas in the country, owing to its proximity to Tijuana, which has 10 times the number of pharmacies needed to support its population.
- Law enforcement officials along the entire length of the U.S.–Mexico border are documenting increasingly violent confrontations between law enforcement officials and drug traffickers. Mexican DTOs operating along the border often use violence to facilitate the passage of their illicit cargo.
- Large-scale Mexican DTOs increasingly are using subterranean tunnels in California and Arizona to smuggle illicit drugs (primarily cocaine and marijuana) into the United States.

## West Central Regional Overview

### Regional Overview

The West Central Region encompasses Arkansas, Colorado, Illinois (Southern District), Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah, and Wyoming; the region includes the Rocky Mountain and Midwest HIDTAs as well as fifteen U.S. Attorneys Districts. The West Central region is composed of urban areas as well as expansive, sparsely populated areas that include public and tribal lands. Denver (CO) and Salt Lake City (UT) are the principal distribution centers for illicit drugs in the western half of the West Central Region, and Des Moines (IA), Kansas City (KS), Omaha (NE), and St. Louis (MO) are the principal distribution centers in the eastern half of the region.

### Drug Threat Overview

Methamphetamine poses the greatest overall drug threat to the West Central Region while the distribution and abuse of powder and crack cocaine and, to a lesser extent, Mexican black tar (MBT) and Mexican brown powder (MBP) heroin also are significant drug threats, particularly to urban areas. Local methamphetamine production levels have declined significantly; however, Mexican DTOs have flooded the region with a continuous and abundant supply of low-cost, high purity ice methamphetamine, which has sustained supply. Heroin availability and abuse are increasing in some areas of the region, primarily Colorado Springs and Denver (CO), St. Louis (MO), Helena (MT), and Provo, St. George, and Salt Lake City (UT). Marijuana (primarily Mexico-produced but also Canada- and locally produced marijuana) is the most widely available and abused drug in the region. The threat posed by ODDs such as GHB and analogs, khat, LSD, PCP, and psilocybin mushrooms and the diversion and abuse of pharmaceuticals such as OxyContin, Percocet, and Vicodin is low and varies by state.

### Strategic Regional Developments

- Mexican DTOs, the dominant illicit drug transporters and distributors in the West Central Region, are expanding their territory and control over drug markets in the region. They use Denver, Des Moines, Kansas City, Omaha, St. Louis, and Salt Lake City as distribution centers to supply markets in midwestern and eastern cities.
- An increasing Hispanic population in the West Central Region has contributed to the dominance of Mexican DTOs. Many undocumented Mexican and Central American nationals come to the region seeking employment, particularly at meatpacking and poultry processing plants. Mexican traffickers easily blend in with these growing Mexican and Central American communities and use them to facilitate drug trafficking operations.
- Methamphetamine production is declining throughout the region; however, Mexican DTOs have more than supplanted lost domestic production with increasing quantities of low cost, high purity ice methamphetamine produced in Mexico. Consequently, drug-related crimes including identity theft, retail theft, burglary, forgery, and currency counterfeiting often linked to increased availability and abuse of ice are increasing.
- Many law enforcement agencies in the West Central Region report a shift in manpower and resources away from investigations of local methamphetamine laboratories to investigations of Mexican DTOs responsible for the increased ice methamphetamine trafficking in the area.
- Some law enforcement personnel believe that cocaine is so abundant and in direct competition with methamphetamine in some areas, such as Denver, that Mexican DTOs are recruiting Hispanic gangs to

“push” the cocaine. This has led to disputes that have fueled increases in violence over struggles to establish and retain distribution areas.

- Canada-based Vietnamese criminal groups increasingly smuggle BC Bud and MDMA into the West Central Region for local consumption and further distribution to other regions.
- Mexican DTOs are increasingly exploiting tribal lands in the West Central Region in order to further their illicit drug distribution activities. Some DTO members are providing free methamphetamine samples to Native Americans, many of whom have become addicts and, in some cases, low level distributors themselves by providing free samples or selling the drug to other Native Americans on reservation lands.
- The abuse of fentanyl and heroin combinations has emerged as a public health threat in St. Louis. There have been more than 50 overdose deaths directly attributed to fentanyl in the St. Louis area during the first 6 months of 2006.

### **Variations from National Trends**

- The distribution and abuse of methamphetamine pose the greatest drug threat throughout the West Central Region.
- Commercial-grade Mexican marijuana is the most common type of marijuana available and abused throughout the region.
- Mexican DTOs are the primary transporters and wholesale distributors of illicit drugs in the region.
- Asian DTOs and OMGs transport illicit drugs via commercial and private vehicles across the Canada–Montana/North Dakota border.
- Asian DTOs are the primary transporters of MDMA and BC Bud in the West Central Region.

## Sources

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Numerous state and local law enforcement agencies throughout the United States provided valuable input to this report through their participation in the National Drug Threat Survey. A full list of these agencies is included in the *National Drug Threat Survey Report 2005*.

### **Central Intelligence Agency**

Crime and Narcotics Center

### **Executive Office of the President**

Office of National Drug Control Policy

High Intensity Drug Trafficking Areas

Appalachia

Atlanta

Central Florida

Central Valley California

Chicago

Gulf Coast

Hawaii

Houston

Lake County

Los Angeles

Michigan

Midwest

Milwaukee

Nevada

New England

New York/New Jersey

Northern California

North Florida

North Texas

Northwest

Ohio

Oregon

Philadelphia/Camden

Puerto Rico/U.S. Virgin Islands

Rocky Mountain

South Florida

Southwest Border

Washington/Baltimore

### **National Alliance of Gang Investigators Associations**

### **National Association of Counties**

### **National Center on Addiction and Substance Abuse**

Columbia University

### **Partnership Attitude Tracking Study**

### **Royal Canadian Mounted Police**

### **United Nations International Narcotics Control Board**

### **U.S. Department of Agriculture**

U.S. Forest Service

National Forest System

### **U.S. Department of Defense**

Defense Intelligence Agency

Joint Interagency Task Force/West

Joint Task Force

Naval Criminal Investigative Service

U.S. Air Force

### **U.S. Department of Health and Human Services**

Centers for Disease Control and Prevention

National Institutes of Health

National Institute on Drug Abuse

Community Epidemiology Work Group

Monitoring the Future

University of Mississippi

Potency Monitoring Project



Substance Abuse and Mental Health Services Administration  
 Drug Abuse Warning Network  
 National Survey on Drug Use and Health  
 Treatment Episode Data Set  
 U.S. Food and Drug Administration

#### **U.S. Department of Homeland Security**

U.S. Customs and Border Protection  
 Border Patrol Intelligence Center  
 U.S. Immigration and Customs Enforcement  
 U.S. Coast Guard  
 Maritime Intelligence Center

#### **U.S. Department of Justice**

Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Bureau of Justice Assistance  
 Middle Atlantic–Great Lakes Organized Crime Law Enforcement Network  
 Mid-States Organized Crime Information Center  
 New England State Police Information Network  
 Regional Information Sharing Systems  
 Regional Organized Crime Information Center  
 Rocky Mountain Information Network  
 Western States Information Network

#### **Criminal Division**

Organized Crime Drug Enforcement Task Force

#### **Drug Enforcement Administration**

Atlanta Field Division  
 Boston Field Division  
 Caribbean Field Division  
 Chicago Field Division  
 Cocaine Signature Program  
 Dallas Field Division  
 Denver Field Division  
 Detroit Field Division  
 Domestic Cannabis Eradication/Suppression Program  
 Domestic Monitor Program  
 El Paso Field Division  
 El Paso Intelligence Center  
 National Clandestine Laboratory Seizure System  
 Federal-Wide Drug Seizure System  
 Heroin Signature Program  
 Houston Field Division

#### **Executive Office for U.S. Attorneys**

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 Indianapolis Field Office  
 Jackson Field Office  
 Jacksonville Field Office  
 Kansas City Field Office  
 Knoxville Field Office

Los Angeles Field Division  
 Miami Field Division  
 National Forensic Laboratory Information System  
 Newark Field Division  
 New Orleans Field Division  
 New York Field Division  
 Office of Diversion Control  
 Philadelphia Field Division  
 Phoenix Field Division  
 San Diego Field Division  
 San Francisco Field Division  
 Seattle Field Division  
 Special Operations Division  
 St. Louis Field Division  
 System to Retrieve Information From Drug Evidence  
 Washington, D.C., Field Division

Las Vegas Field Office  
 Little Rock Field Office  
 Los Angeles Field Office  
 Louisville Field Office  
 Memphis Field Office  
 Milwaukee Field Office  
 Minneapolis Field Office  
 Mobile Field Office  
 Newark Field Office  
 New Haven Field Office  
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San Juan Field Office  
Seattle Field Office  
Springfield Field Office  
Federal Bureau of Prisons  
U.S. Marshals Service

**U.S. Department of State**

International Narcotics Control Strategy Report

**U.S. Department of the Treasury**

Financial Crimes Enforcement Network  
Internal Revenue Service  
Criminal Investigation Division

**U.S. Government Accountability Office**

**U.S. Postal Service**

U.S. Postal Inspection Service

**U.S. Sentencing Commission**

St. Louis Field Office  
Strategic Intelligence and Analysis Unit  
Tampa Field Office  
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