



Chicago

High Intensity Drug Trafficking Area Drug Market Analysis

May 2007

U.S. Department of Justice

Preface

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

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



Figure 1. Chicago High Intensity Drug Trafficking Area.

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

Strategic Drug Threat Developments

- Mexican drug trafficking organizations (DTOs) and criminal groups dominate the transportation and wholesale distribution of illicit drugs in the Chicago HIDTA region. These organizations operate as national-level distributors of illicit drugs, particularly to midwestern and eastern drug markets.
- African American and Hispanic street gangs such as Gangster Disciples, Vice Lords, and Latin Kings dominate the retail distribution of cocaine, heroin, and marijuana in the HIDTA region. These street gangs are prevalent in urban areas and are becoming more active in suburban Chicago communities.
- Some street gang members have relocated their residences to suburban communities but still maintain control of drug markets in the city of Chicago, where most illicit drug sales occur. Increasingly, gang members distribute drugs inside residences or commercial properties, regularly changing sales locations in response to the Chicago Police Department's effective street corner initiatives that target open-air drug markets. The frequent relocation of indoor markets makes them inherently more difficult for law enforcement to penetrate than traditional open-air markets.
- The ready availability and widespread abuse of illicit drugs in the Chicago HIDTA region contribute to the area's violent crime rate; drug distributors and abusers commit a host of violent crimes, including homicide, kidnapping, assault, and intimidation.
- The Chicago HIDTA region is a distribution center for clandestinely produced fentanyl, a synthetic opioid that is more potent than heroin. Fentanyl is sold alone or in combination with heroin; it is marketed in Chicago and is also distributed in other areas that receive heroin supplies from Chicago, particularly Michigan. Fentanyl and heroin/fentanyl combinations have been associated with hundreds of overdoses and

deaths in the Chicago HIDTA region and in Michigan.

Drug Trafficking Organizations, Criminal Groups, and Gangs

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

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

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

HIDTA Overview

The Chicago HIDTA region—consisting of Cook, Grundy, Kendall, and Will Counties in northeastern Illinois—is one of the largest consumer markets for illicit drugs in the United States. It serves as a national-level transshipment and distribution center for cocaine, heroin, and marijuana available throughout much of the country.

With over 6 million residents, the region is densely populated, containing approximately one-half of Illinois's population. Moreover, the region encompasses Chicago, the third-largest city in the United States. The diverse ethnic population in the region enables members of DTOs, criminal groups, and street gangs to easily assimilate into its many communities and shield their drug trafficking activities. For example, the Hispanic population in Chicago is among the largest in the United States; approximately one-third of the city's population is Hispanic (primarily Mexican). Mexican DTOs operate stash houses in many Hispanic communities in Chicago and often employ individuals in these communities in various aspects of their drug trafficking operations.

The area has a highly accessible transportation system, including major roadways that link the region to Mexico and southwestern states, major source areas for much of the cocaine, heroin, and marijuana available in the region. The transportation infrastructure of the region also features the nation's largest trucking center, the second-busiest airport, and the busiest rail and postal facilities, facilitating the continuous flow of licit and illicit goods to and from the area. The Chicago HIDTA region is in proximity to Canada—a principal source for some of the high-potency marijuana and MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) that are distributed in Chicago or transshipped through the area to other U.S. drug markets.

Drug Threat Overview

The distribution and abuse of cocaine (particularly crack), heroin, and marijuana as well as drug-related criminal activity are the primary threats to public safety in the Chicago HIDTA region. Law enforcement agencies in the region routinely seize large quantities of cocaine, heroin, and marijuana and regularly arrest members of DTOs, criminal groups, and street gangs. In 2006 Chicago HIDTA initiatives reported the seizure of more than 1,813 kilograms of cocaine, 14 kilograms of heroin, and 17,222 kilograms of marijuana. Mexican DTOs and criminal groups control the transportation and wholesale distribution of illicit drugs in the Chicago HIDTA region. Many of these traffickers are directly associated with DTOs operating in Mexico or the southwestern United States. Street gangs are the primary distributors of illicit drugs at the retail level. These gangs regularly engage in violence to protect their drug supplies, distribution territories, and illicit proceeds gained from drug distribution.

Wholesale quantities of methamphetamine transit the Chicago HIDTA region en route to drug markets in the Midwest; however, methamphetamine distribution and abuse occur at low levels in the area. Law enforcement reporting indicates that

methamphetamine distribution and abuse are limited to particular areas of Chicago, especially along the North Side of the city among the gay community and those who frequent night clubs. Despite low abuse levels, methamphetamine-related treatment services¹ at publicly funded treatment facilities increased from 2001 through 2005.

The greater metropolitan area of Chicago (Cook County), including Grundy, Kendall, and Will Counties, has one of the largest illicit drug user populations in the United States. Public health agencies report increases in the number of persons seeking treatment provider services for cocaine, heroin, and marijuana abuse in Chicago. For example, the Illinois Department of Human Services, Office of Alcoholism and Substance Abuse reports that the number of persons seeking treatment in publicly funded programs in Chicago for cocaine, heroin, and marijuana abuse steadily increased

Mickey Cobras Gang Members Indicted for Heroin/Fentanyl Distribution

On March 1, 2007, the U.S. Attorney for the Northern District of Illinois announced a superseding indictment that charged seven members of the Mickey Cobras street gang in Chicago with conspiracy to distribute heroin and fentanyl in the Dearborn Homes housing project in the city. Members of Mickey Cobras allegedly facilitated and controlled the distribution of heroin mixed with clandestinely produced fentanyl, which they obtained from Mexican traffickers who manufactured the drug in Toluca, Mexico. Thirteen other individuals associated with the organization were charged with conspiracy to produce fentanyl. Members of the Mickey Cobras street gang performed various tasks, including mixing heroin and fentanyl, transporting it to locations at the Dearborn Homes projects, selling the heroin/fentanyl combinations to individual customers, and transporting the proceeds from the sales.

1. Treatment services include detoxification, outpatient care, intervention care, resident rehabilitation, and other services.

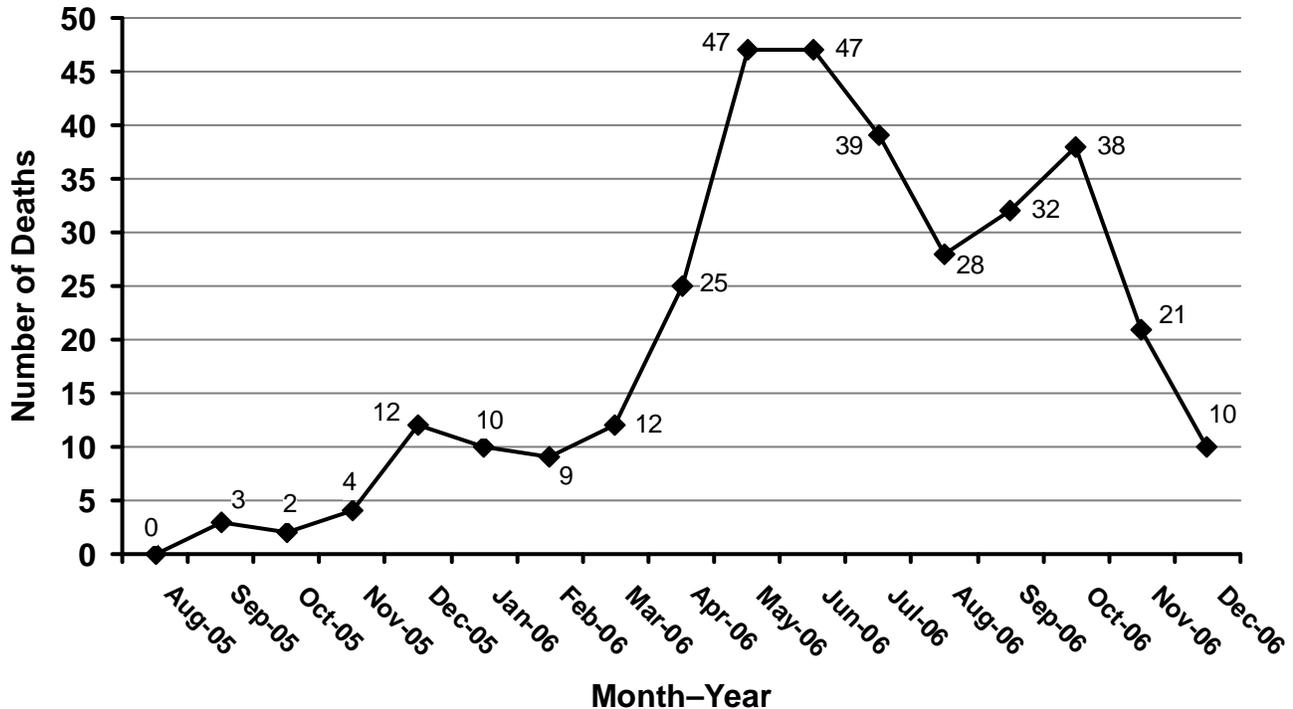


Figure 2. Number of fentanyl-related deaths in Cook County, August 2005–December 2006.

Source: Office of the Medical Examiner, Cook County Illinois.

from 2001 through 2005 (the year for which the latest data are available). Treatment provider services for heroin abuse surpassed those for cocaine in 2001 and nearly doubled over that 5-year period. Additionally, clandestinely produced fentanyl from Mexico has contributed to hundreds of recent overdoses and deaths in the Chicago area. Varying amounts of heroin and, to a lesser extent, cocaine were combined with fentanyl by retail distributors. Heroin/fentanyl combinations were sold to abusers in distinctive packaging with names such as Reaper, Penicillin, and Lethal Injection. (See text box on page 3.) The potency of the heroin/fentanyl combinations appealed to heroin users in the area who were seeking a more intense euphoric effect. Abuse of fentanyl and heroin/fentanyl combinations resulted in 339 deaths from August 2005 through December 2006, according to the Cook County Medical Examiner's Office. (See Figure 2.) However, the deaths and overdoses have not been a deterrent to abusers.

Drug Trafficking Organizations

Mexican DTOs and criminal groups dominate the transportation and wholesale distribution of illicit drugs in the Chicago HIDTA region. The overall control held by these tightly organized and compartmentalized Mexican drug trafficking groups is facilitated by the large Mexican population in the Greater Chicago metropolitan area. Familial connections and associations enable these organizations to effectively facilitate the transportation and wholesale distribution of large quantities of cocaine, marijuana, and Mexican black tar heroin and brown powder heroin to the region. Additionally, as a result of their dominance over smuggling routes into the United States from the Southwest Border and effective transportation corridors to Chicago, the Mexican DTOs are also able to facilitate the transportation and distribution of South American (SA) heroin to the region. Many Mexican traffickers have also established residency in upscale suburban communities, where they store and distribute illicit drugs and consolidate drug proceeds.

Colombian, Nigerian, and other West African DTOs and criminal groups, although much less influential than Mexican DTOs and criminal groups, transport significant quantities of illicit drugs to the region for distribution. The drugs supplied and distributed by Colombian DTOs and criminal groups (SA heroin and cocaine) differ from those supplied by Nigerian and other West African DTOs and criminal groups (Southwest Asian (SWA) and Southeast Asian (SEA) heroin); as such, each drug poses unique problems for law enforcement throughout the HIDTA region.

The Chicago HIDTA region has a high concentration of nationally affiliated African American street gangs and Hispanic street gangs, such as Gangster Disciples, Vice Lords, and Latin Kings, which maintain unrivaled control over retail drug distribution in the city of Chicago and in less affluent suburbs. Law enforcement estimates that there are approximately 75 to 100 gangs with a total of 70,000 members in Chicago. While these street gangs vary in levels of sophistication and organization from highly structured organizations with strong member allegiance to loosely structured groups with independent operators, they are the primary conduit through which illicit drugs reach the typical drug user.

Highly structured Chicago street gangs alter their methods of operation and increasingly employ cutting-edge communication technology to counter law enforcement efforts to disrupt their distribution operations. For example, law enforcement initiatives targeting street corner distribution have successfully reduced drug sales by street gangs in open-air markets in the city of Chicago. However, street gangs have responded by shifting retail distribution operations to indoor venues and by frequently changing locations. Gang members use disposable cell phones, text messaging, and Internet web site chat rooms to coordinate changes in sales locations to avoid detection. Additionally, many successful gang leaders have established residency in suburban communities from where they coordinate more decentralized drug sales in the city. While street gang violence routinely occurs

among lower-level gang members in various rival gangs, rival gang leaders often cooperate in order to maintain business profits.

Production

Powder cocaine routinely is converted to crack by street gangs in multiple locations throughout the Chicago HIDTA region. Crack distribution is often associated with violent crime in Chicago. Because crack distribution generates significant profits for street gangs, low-level rival gang members routinely engage in violence to acquire turf or steal drugs or drug proceeds. This frequent gang violence necessitates priority responses on the part of law enforcement to protect public safety; it also diverts attention from other drug investigations and is time-consuming and labor-intensive.

Street gang members in the Chicago HIDTA region also cultivate small amounts of cannabis indoors or on public lands and use it to augment marijuana supplies from other sources; however, this activity is very limited relative to the overall availability of marijuana in the region. Additionally, little evidence or law enforcement reporting exists to suggest that methamphetamine is produced locally by any criminal organization or large-scale independent operators. National Clandestine Laboratory Seizure System (NCLSS) data reveal that only three methamphetamine laboratories were seized each year from 2002 to 2005 in the four-county HIDTA region; two laboratories were seized in 2006.

Transportation

Mexican DTOs and criminal groups are the principal transporters of illicit drugs into and through the Chicago HIDTA region. They transport multipound to multiton shipments of illicit drugs (cocaine, heroin, and marijuana) to the Chicago HIDTA region from the Southwest Border area using sophisticated and unsophisticated concealment methods in private and commercial vehicles and by package delivery services. Sophisticated concealment techniques include equipping private and commercial vehicles with elaborate hidden

compartments, concealing shipments among legitimate freight goods, and concealing shipments in packages treated with odor-masking agents such as grease and mustard. Unsophisticated techniques include using duffel bags to conceal drugs in private and commercial vehicles.

Colombian DTOs and criminal groups, which often employ Mexican DTOs and criminal groups to smuggle illicit drugs on their behalf, sometimes transport SA heroin and cocaine to the Chicago HIDTA region. They transport these drugs into the HIDTA region from Mexico and also use couriers traveling by commercial air and private vehicles, typically through New York and Miami.

Nigerian and other West African DTOs and criminal groups transport small quantities of SWA heroin and, to a lesser extent, SEA and SA heroin to the region. Additionally, West African DTOs smuggle small quantities of SWA heroin from India to Chicago through the U.S. mail. They typically smuggle heroin directly to the region using couriers on commercial aircraft, or they ship it using package delivery services. They also transport heroin into the region using couriers traveling on buses or trains or in private vehicles; these couriers typically depart for Chicago from Los Angeles and New York.

Distribution

Mexican DTOs and criminal groups exercise unparalleled control over the wholesale illicit drug market in the Chicago HIDTA region. Their dominance over wholesale cocaine, heroin, and marijuana distribution in the region is unlikely to be challenged by other organizations in the near term. Recently, Mexican organizations have expanded their operations into suburban communities to elude detection by law enforcement. Additionally, the potential exists for Mexican DTOs and criminal groups to take some of the ice methamphetamine that they transship through the region en route to markets in the Midwest and distribute it in Chicago if demand increases.

Street gangs dominate retail drug distribution in the Chicago HIDTA region. A large percentage of their drug-related activities occur in urban areas; however, some gangs have expanded into suburban communities. As gangs have moved drug operations into the suburban communities, a wide range of associated criminal activities, including assaults and homicides, has followed. As a result, suburban law enforcement is increasingly burdened with the responsibility of mitigating gang-related activity, often without increased resources.

Many illicit drugs transported to the Chicago HIDTA region are destined for other drug markets within and outside the state of Illinois, solidifying the area's role as a major distribution center for illicit drugs available throughout the Midwest and the eastern half of the United States. Cocaine, heroin, and marijuana transported to the HIDTA region are distributed within the area and to markets in such states as Indiana, Iowa, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin. Additionally, Mexican DTOs and criminal groups transport significant quantities of methamphetamine and other illicit drugs through the region to markets in other parts of the country, particularly the Midwest. Furthermore, distributors in other states routinely travel to the Chicago HIDTA region to purchase drugs and return to their home locations to distribute them.

Drug-Related Crime

Violent crime associated with retail drug distribution by street gangs is one of the primary public safety concerns facing law enforcement officials in the Chicago HIDTA region. In 2006 nearly 50 percent of the homicides and a large percentage of other violent crimes and property crimes committed in Chicago were attributed to street gangs that are involved in drug trafficking. Further, officers assigned to the Chicago HIDTA Cook County Jail Drug/Gang/Violent Crimes Initiative report that approximately 3,500 of the 13,000 inmates currently housed in the Cook County Jail have some gang affiliation. Most are being housed for drug-related crimes, and some have committed violent crimes, including assaults, while incarcerated.

Drug-related violence typically results from competition for distribution locations among street-level dealers (mostly street gangs) or occurs when dealers and buyers experience a “rip-off” of drugs or money. When violence does occur among street-level dealers, retaliation often follows, leading to increased hostilities. For example, police in Chicago attribute 19 homicides in 2006 to an ongoing dispute among members of the Traveling Vice Lords and New Breeds street gangs. Additionally, street gangs and other criminals from areas outside the HIDTA region provide a steady flow of firearms to Chicago street gangs, which use them for protection and intimidation; this situation elevates the overall threat to public safety posed by these gangs. During the 10-year period from 1996 to 2005, law enforcement agencies in Chicago seized, on average, over 10,000 firearms each year. For example, in February 2007 the U.S. Attorney for the Northern District of Illinois indicted 18 defendants involved in straw purchases—any purchase in which a buyer who is not eligible to own the purchased item according to the law purchases the item through a proxy buyer—in Mississippi of firearms that were intended for distribution to Chicago street gangs.

Abuse

The Chicago HIDTA region has one of the largest drug abuser populations in the United States. The consequences associated with the abuse of heroin and cocaine (both powder and crack) in the HIDTA region are considerably more severe than those associated with the abuse of any other drug in any other area of the state of Illinois. According to the Illinois Department of Human Services, Office of Alcoholism and Substance Abuse (OASA), Chicago and Greater Cook County accounted for more than half (51%) of all treatment provider services received by patients in Illinois in 2005. The number of heroin treatment provider services (38,611) and the number of cocaine treatment provider services (21,063) in the Chicago HIDTA region (Cook, Grundy, Kendall, and Will Counties) were both higher than the number of alcohol treatment provider services (18,553) in 2005 and represented 85 percent of all heroin treatment provider services

and 60 percent of all cocaine treatment provider services, respectively, for the entire state that year. The largest percentage of these services was provided to individuals in Chicago and Greater Cook County. Furthermore, the number of heroin treatment services rendered increased 54 percent in Cook County from 2004 to 2005, while the number of cocaine treatment services increased by 11 percent. These increases are a strong indicator of the ready availability and widespread abuse of both drugs. Marijuana treatment provider services in the Chicago HIDTA region increased 14.4 percent from 2004 to 2005.

The abuse of fentanyl and heroin/fentanyl combinations distributed in Chicago is an alarming addition to the threat posed to the region. The potency of the drugs appeals to users in the area who seek a more intense euphoric effect than they can obtain from the typically lower-purity heroin available in the city. According to the Drug Enforcement Administration (DEA) Heroin Domestic Monitor Program (HDMP), heroin purity in Chicago declined from 30.4 percent to 14.7 percent over a 10-year period ending in 2006. (See Figure 3 on page 8.)

Methamphetamine abuse has risen in most areas of Illinois; however, abuse of the drug remains low in the Chicago area. Treatment services for methamphetamine abuse in the state of Illinois increased more than treatment services for any other single primary drug in the state. Total treatment services for methamphetamine statewide increased 243.7 percent from 1,528 in 2002 to 5,252 in 2005. However, in the Chicago HIDTA region, the number of treatment services for methamphetamine abuse was insignificant when compared with the number of heroin and cocaine services. The number of methamphetamine treatment provider services rendered in the Chicago HIDTA region increased slightly, from 115 in 2004 to 124 in 2005.

Illicit Finance

Mexican DTOs and criminal groups generate hundreds of millions of dollars from the wholesale distribution of illicit drugs in the HIDTA region; Colombian DTOs and criminal groups also generate

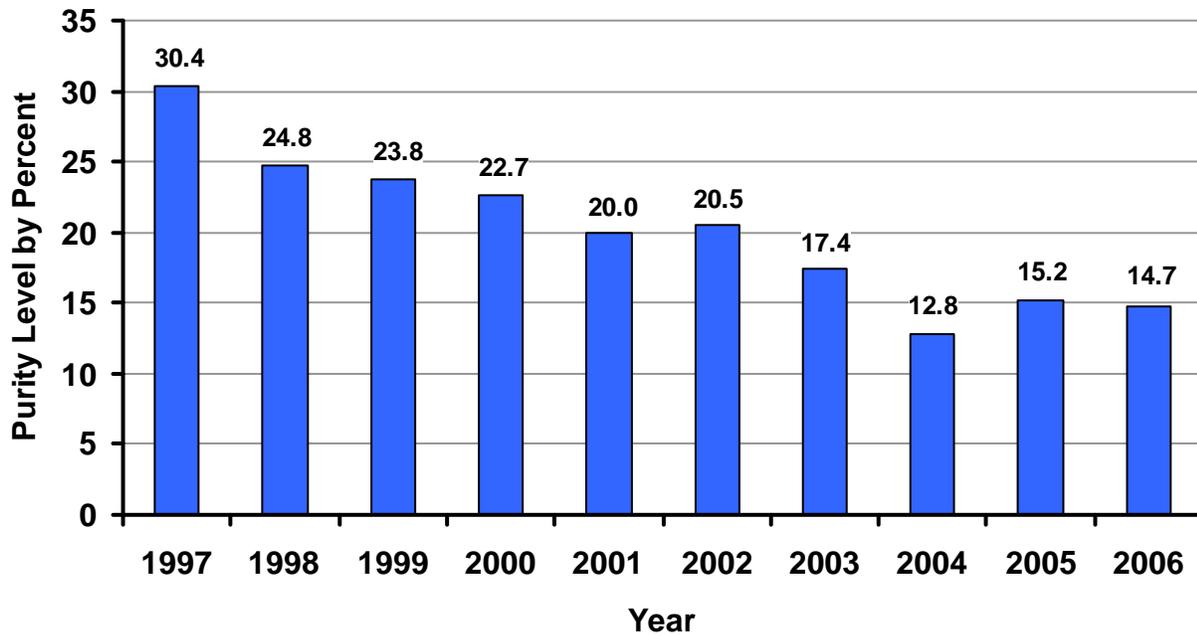


Figure 3. Heroin purity levels in Chicago, 1997–2006.

Source: Drug Enforcement Administration Heroin Domestic Monitor Program.

vast sums of drug money in the area. These traffickers typically transport their proceeds in bulk from Chicago to southwestern states by private and commercial vehicles and trains and, to a much lesser extent, package delivery services. They also use the Chicago area as a consolidation point for bulk currency derived from their drug distribution activities in other markets throughout the country.

Mexican and Colombian DTOs and criminal groups launder illicit proceeds through the use of money services businesses (MSBs), wire remitters, and front companies. Additionally, Colombian DTOs and criminal groups launder portions of their proceeds through the Black Market Peso Exchange (BMPE). Some Nigerian traffickers use the purchase and export of vehicles to Nigeria to launder their illicit drug proceeds.

Street gangs rarely engage in the bulk transport of drug proceeds from the HIDTA region. They typically launder drug proceeds locally through retail businesses and by purchasing real estate, automobiles, and other luxury goods. Additionally, street gang members travel to a number of different

casinos in the Chicago area, gamble for short periods of time, and thereafter convert illicit funds into legitimate gambling receipts. More sophisticated gang members also engage in various mortgage fraud schemes. For example, “mortgage flipping” is a common scheme by which a gang member uses a straw purchaser in cooperation with an unscrupulous mortgage broker and appraiser to purchase property at a minimal cost and sell it at a higher value to a third party. Investigators report that millions of dollars of illicit proceeds have been laundered through this process.

Outlook

The Chicago HIDTA region will remain a national-level transshipment and distribution center for illicit drugs available locally and in many Midwest and eastern markets for the foreseeable future. The high population density, transportation infrastructure, and ethnic diversity of the Chicago region provide a fertile venue for drug traffickers to exploit. Particularly because of the large Hispanic population in the region, Mexican and Colombian traffickers are able to blend into the population base to distribute illicit drugs. Additionally,

because of the urban milieu, African American street gangs and Hispanic street gangs will continue to flourish and provide midlevel and retail-level outlets for illicit drugs. Although many successes have been achieved through multiple law enforcement initiatives in the region, current resources are insufficient to meet the massive threat posed to the region by the trafficking and abuse of illicit drugs. As a result, it is unlikely that Mexican DTOs and criminal groups, the principal transporters and wholesale distributors of illicit drugs, will significantly alter their methods of operation in the region, and their dominance will remain unchallenged by other organizations.

The city of Chicago will remain the principal marketplace for illicit drugs in the region; however, drug distribution in suburban areas of the region will quite likely increase, particularly distribution by street gang members. Street gang presence has emerged in many communities that lack the law enforcement resources necessary to effectively address the presence of street gangs. As a result, the availability and abuse of illicit drugs as well as gang-related violence will most likely increase in these communities.

An increase in the availability and abuse of ice methamphetamine in the Chicago HIDTA region is unlikely. However, any such increase would have a devastating impact on the already overextended law enforcement and treatment resources in the area. Mexican DTOs and criminal groups have the

potential to generate significant illicit profits from the distribution of methamphetamine, which they themselves produce in superlabs in Mexico and southern California. It is unlikely that street gangs in the city will be receptive to distributing methamphetamine because of the high profitability associated with crack cocaine sales—crack users often purchase the drug multiple times a day, whereas methamphetamine users need a “fix” much less frequently. If an increase in methamphetamine availability were to occur, it would most likely be through the distribution of the drug by Hispanic gangs in suburban communities rather than in the city of Chicago.

The emergence of clandestinely produced fentanyl and heroin/fentanyl combinations poses a significant threat to the region because of relatively low retail heroin purity levels, abuser demand for the heroin/fentanyl combinations, and the possibility of violent confrontations as suppliers compete to meet the demand. Compounding the problem is the relative ease with which fentanyl can be produced using recipes available on the Internet as well as the possible diversion of the licit form of fentanyl.

Sources

Local, State, and Regional

Chicago Police Department

Cook County Sheriff's Office

Illinois Department of Human Services

Division of Planning and Performance Management

Office of Alcoholism and Substance Abuse

Illinois State Police

Office of the Medical Examiner, Cook County

Federal

Executive Office of the President

Office of National Drug Control Policy

Chicago High Intensity Drug Trafficking Area

Cook County Jail Drug/Gang/Violent Crimes Initiative

CPOT—Drug Related Violent Crimes Initiative

CPOT—Gangs/International Sources of Supply Initiative

Domestic Highway Interdiction Initiative

Inner City Street Gang Source of Supply Initiative

Money Laundering & Financial Crimes Initiative

North Suburban Initiative

Package Interdiction Initiative

Regional Domestic Interdiction Violent Crime/Money Laundering Initiative

South Suburban Initiative

Tri-County Initiative

U.S. Department of Justice

Criminal Division

Organized Crime Drug Enforcement Task Force

Drug Enforcement Administration

Chicago Division

El Paso Intelligence Center

National Clandestine Laboratory Seizure System

Heroin Domestic Monitor Program

U.S. Attorney's Office

Northern District of Illinois

Other

Chicago Crime Commission

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