



Central Valley

High Intensity Drug Trafficking Area Drug Market Analysis

June 2007

U.S. Department of Justice

Preface

This assessment provides a strategic overview of the illicit drug situation in the Central Valley California (CVC) High Intensity Drug Trafficking Area (HIDTA), highlighting significant trends and law enforcement concerns relating 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 Central Valley California HIDTA.



Figure 1. Central Valley 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

- Indoor cannabis cultivation is increasing in the CVC HIDTA region; of particular concern is the rising prevalence of well-organized Asian drug trafficking organizations (DTOs) that produce and distribute indoor-grown, high-potency marijuana.
- Violent incidents by outdoor cannabis cultivators against law enforcement as well as the presence of weapons at outdoor grow sites are increasing in the region, very likely in response to increased law enforcement pressure and resulting successes in cannabis eradication efforts.
- Law enforcement officers are increasingly targeting methamphetamine laboratory operators in the region, resulting in a decrease in the number of methamphetamine laboratories seized in the region. However, methamphetamine production in the CVC HIDTA remains at levels sufficient for regional- and national-level distribution, as evidenced by the continued discovery of large-scale methamphetamine laboratory dumpsites, which are indicative of ongoing super laboratories in the region.
- Mexican DTOs have established stash sites in the HIDTA region, particularly in small towns along the Interstate 5 corridor in the Central Valley. These sites serve as regional- and national-level staging and distribution points for wholesale quantities of cocaine, heroin, marijuana, and ice methamphetamine that supply drug markets not only in California but also in every other region of the country.

HIDTA Overview

The CVC HIDTA was established in 1999 to address the threat posed to the region by illicit drugs. The HIDTA region comprises Fresno, Kern, Kings, Madera, Merced, Sacramento, San Joaquin, Stanislaus, and Tulare Counties, encompassing over 28,000 square miles in Central California; approximately 5 million people reside in the region.

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.

A well-developed transportation infrastructure in the region provides for the smooth flow of commerce, which facilitates transshipment and distribution of illicit drugs and drug proceeds to and through the area. The optimal climate and growing conditions in Central California that support the region's robust agricultural industry also sustain highly lucrative outdoor cannabis cultivation operations run by Mexican DTOs and Asian criminal groups. Additionally, the diverse migrant worker population in the HIDTA region, which is necessary for Central California's agricultural industry, provides a heightened degree of anonymity for drug distributors and criminal groups operating in the area.

Drug Threat Overview

Central California is a primary source area and a national-level distribution center for illicit drugs produced and supplied by Mexican DTOs and, to a lesser but growing extent, Asian criminal groups. Methamphetamine, particularly ice methamphetamine, and marijuana are produced in wholesale quantities in the region, chiefly by Mexican DTOs. Additionally, bulk quantities of ice methamphetamine, marijuana, powder cocaine, and heroin are regularly transported by Mexican DTOs from

source areas in Mexico into the area for regional- and national-level distribution. Moreover, in the last year indoor cannabis cultivation has increased in the region, particularly cultivation at large-scale grow sites operated by Asian criminal groups in residential neighborhoods throughout the northern and central counties in the HIDTA region.

Crack cocaine and black tar heroin are also distributed in the HIDTA region, but to a lesser extent than methamphetamine, powder cocaine, and marijuana. The availability of other dangerous drugs (ODDs) and pharmaceuticals has increased over the past year in the area, compounding the magnitude of the problems confronting the region from illicit drug trafficking.

Drug Trafficking Organizations

Mexican DTOs and Asian criminal groups are the primary drug traffickers operating in the CVC HIDTA region. Other criminal groups, street gangs, and independent dealers operate in the area; however, they are generally supplied by Mexican DTOs and, to a lesser extent, Asian criminal groups. As such, Mexican and Asian traffickers are an operational priority for Central Valley law enforcement officials, thereby consuming a significant amount of law enforcement resources.

Mexican Drug Trafficking Organizations

Mexican DTOs and criminal groups are the principal illicit drug producers and distributors in the CVC HIDTA region; the influence and the organizational threat that they pose to the area are unrivaled. Members of these organizations blend in among the region's large Hispanic population to maintain anonymity and avoid law enforcement detection. Mexican DTOs and criminal groups consistently supply drug markets both in California and throughout the United States with wholesale quantities of ice methamphetamine and marijuana that they produce in Central California. They also distribute ice methamphetamine, powder cocaine, and black tar heroin, which they smuggle to the area from Mexico, to local, regional, and national drug markets.

Asian Criminal Groups

Asian criminal groups, primarily ethnic Cambodian, Chinese, Hmong, and Laotian, are prevalent within the CVC HIDTA region; members of these groups typically commingle with the area's diverse Asian community to evade detection by law enforcement. Asian criminal groups pose a moderate and increasing drug trafficking threat to the CVC HIDTA; however, the threat remains lower than that posed by Mexican organizations operating in the area. Asian DTOs (Cambodian, Chinese, Hmong, Laotian, and Vietnamese) operating in the region typically produce high-potency marijuana at outdoor grow sites throughout the region. Nonetheless, during 2006 the incidence of Asian DTO-operated indoor cannabis grow sites in the CVC HIDTA region increased significantly, particularly in the northern HIDTA counties of Sacramento and San Joaquin. Asian DTOs and criminal groups in the region distribute the marijuana that they produce throughout California together with other illicit drugs, including ice methamphetamine (from Mexico and Asia), high-potency marijuana (from Canada), and MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) (from Canada and the Netherlands). Members of these groups also engage in illegal gambling, identity theft, extortion, prostitution operations, and home invasions.

Production

The CVC HIDTA region serves as a national, regional, and local source of methamphetamine and high-potency marijuana. Mexican DTOs are the primary producers of both drugs, operating large-scale ice methamphetamine laboratories and outdoor cannabis grows in remote areas of the region. Asian (including Hmong, Chinese, Cambodian, Laotian, and Vietnamese) criminal groups in the HIDTA region also produce high-potency marijuana. In fact, over the past year Asian-operated indoor and outdoor cannabis grows in the region have increased in number and scale and now represent a significant and growing concern to law enforcement.

Crack also is converted throughout the CVC HIDTA region; however, crack conversion is a much lower concern and threat to the region than the threats posed by methamphetamine and marijuana.

Methamphetamine Production

Small-scale methamphetamine production has decreased dramatically in the region, largely the result of increased law enforcement pressure and legislative restrictions on the sale of pseudoephedrine, the main precursor chemical used in methamphetamine production. The number of large-scale methamphetamine laboratories seized in the region also has decreased. However, production at undetected laboratories persists because Mexican DTOs in the region have reportedly adapted to law enforcement pressure, enabling them to sustain production levels suitable for regional- and national-level production. In fact, 2006 California Department of Toxic Substances Control data show that the CVC HIDTA counties accounted for 26 percent of the clandestine laboratory seizures, 74 percent of the dumpsites seized, and 47 percent of the cleanup budget in the state of California in 2006 (see [Table 1 on page 5](#)).

In response to increasing law enforcement pressure, Mexican DTOs have relocated many of their large-scale production operations to very rural areas, typically renting farms or other rural properties for extended periods of time. They produce methamphetamine continuously until the operators believe it is no longer safe to operate from the location; some locations have been continuously used for several months. According to the Fresno Methamphetamine Task Force, some unscrupulous property owners provide all the necessary laboratory equipment to methamphetamine producers, who need only bring their own chemicals. In fact, in late 2006 a laboratory site that had been operated continuously by various methamphetamine producers for approximately 3 years was seized in North Fresno. The laboratory apparatus, provided by the property owner, included three 22-liter flasks and mantles capable of producing between 40 and 80 pounds of methamphetamine per production cycle. Further investigation revealed that the laboratory

was connected to a similar operation in southwest Fresno. Additionally, laboratory operators increasingly conduct their “cooks” in stages, transferring methamphetamine in solution from the laboratory site to a separate processing area to minimize the loss of the completed product should the laboratory be detected.

Methamphetamine producers in the region have recognized that laboratory waste materials are valuable evidence to law enforcement in identifying laboratory operators and laboratory sites. For instance, dumpsite waste may contain evidence such as suspects’ fingerprints or information as to where chemicals were procured. As a result, laboratory operators in the Central Valley increasingly set fire to laboratory dumpsites before abandoning them or use machinery to bury waste materials on the property around the laboratory site as the waste is produced. Such practices cause tremendous environmental damage and result in significant cleanup costs. According to the California Department of Toxic Substances Control, methamphetamine laboratory cleanup costs in the CVC HIDTA counties reached \$470,999, accounting for nearly half (47%) of the \$1,011,129 spent by the state of California to remediate methamphetamine laboratories and dumpsites in 2006. (See [Table 1 on page 5](#).)

Marijuana Production

Cannabis cultivation is prevalent and increasing throughout the CVC HIDTA region. Outdoor plots in the region typically range in size from a few plants (including those cultivated for medical treatment under California Proposition 215) to hundreds of thousands of plants cultivated by Mexican DTOs (the chief marijuana producers in the region). To a lesser but increasing extent, Asian organizations also operate outdoor marijuana grow sites in the region.

Indoor cannabis cultivation in the region increased significantly in 2006, since Caucasian criminal groups, independent dealers, and Asian DTOs increasingly moved cultivation operations indoors. During the 2006 growing season, the Domestic Cannabis Eradication/Suppression

Table 1. CVC HIDTA Laboratory and Dumpsite Seizures and Cleanup Costs, 2005–2006

County	2005			2006		
	No. of Laboratories	No. of Dumpsites	Cost of Cleanup	No. of Laboratories	No. of Dumpsites	Cost of Cleanup
Fresno	7	17	\$33,426	4	26	\$65,443
Kern	3	3	\$13,110	2	0	\$3,281
Kings	0	0	\$0	0	1	\$2,434
Madera	3	5	\$15,234	0	3	\$7,217
Merced	25	92	\$235,081	10	41	\$100,692
Sacramento	8	5	\$17,801	10	3	\$25,609
San Joaquin	14	21	\$68,466	21	10	\$65,146
Stanislaus	26	95	\$265,970	10	75	\$166,602
Tulare	3	10	\$32,531	8	9	\$34,575
HIDTA Total	89	248	\$681,619	65	168	\$470,999
California Total	327	314	\$1,241,500	250	227	\$1,011,129
HIDTA Percentage of State Seizures/Cleanup Costs	27.22%	78.98%	54.90%	26.00%	74.01%	46.58%

Source: California Department of Toxic Substances Control.

Program (DCE/SP) reported the eradication of an estimated 2,967,327 cannabis plants from both indoor and outdoor grows in California. DCE/SP cannabis plant seizures in CVC HIDTA counties totaled 251,841. Of the cannabis plants seized by DCE/SP in the CVC HIDTA, most were eradicated from grow sites located primarily in Fresno, Tulare, and Kern Counties. (See Figure 2 on page 6.)

Outdoor Cultivation

Mexican DTOs typically cultivate cannabis outdoors in remote, mountainous areas of the CVC HIDTA region to avoid law enforcement detection and discovery through aerial surveillance. Mexican DTO cannabis grow sites are commonly seized from public and National Forest System lands, including portions of National Forests that lie within the CVC HIDTA region. In fact, DCE/SP data indicate that the Sequoia, Los Padres, and Sierra National Forests ranked fifth, sixth, and ninth, respectively, among the top 10 National

Forests for eradication of cannabis on National Forest System lands.

Asian criminal groups in the area, primarily Hmong, also cultivate cannabis outdoors, typically in commercial agriculture areas. These groups employ individuals who work in the local agriculture industry to cultivate the plants on behalf of the criminal group. Asian criminal groups' cannabis grows are often commingled with legitimate crops, and Asian cannabis growers typically train the plants to grow low along the ground rather than vertically in an attempt to render the plants undetectable to passersby and air surveillance units.

Indoor Cultivation

Caucasian criminal groups and independent dealers appear to be the primary indoor cultivators of cannabis in the CVC HIDTA region; however, indoor grows operated by Asian criminal groups are becoming increasingly common in the region. Recent law enforcement reporting indicates that



Figure 2. Central Valley California HIDTA cannabis eradication sites, 2006.

Source: Domestic Cannabis Eradication/Suppression Program.

Asian criminal groups in the region often operate several sites simultaneously, working in coordination with associates in cities within and outside the region to facilitate growing operations. Some groups establish grow sites in several areas in an attempt to decrease losses from law enforcement eradication efforts. These groups manage their grow sites independently; however, they often exchange supplies, share grow methods, and coordinate smuggling efforts. For instance, law enforcement reporting indicates that several of the large indoor grow sites seized in the CVC HIDTA during 2006 were connected with similar grow sites seized in the San Francisco area as well as with grow sites seized in western Canada.

Cloned Starter Plants

Cloned starter plants enable cannabis cultivators to select higher-quality plants and avoid male-female pollination, thereby raising potential THC (delta-9-tetrahydrocannabinol) content. Cloning a cannabis plant is accomplished by simply taking a cutting of a select plant, allowing the cutting to sprout roots, and then planting it as a seedling, thereby creating a plant of the same genetic makeup as the parent plant. The use of clones also ensures that the plants have a well-established root system when planted, thereby increasing the chance of a successful maturation process. Cloned starter plants are increasingly being grown in California and Oregon and, to a lesser extent, in Appalachian states, including Kentucky and Tennessee.

Grow Site Protection

Violence used by Mexican DTOs to protect their cannabis grow sites is a growing concern among law enforcement in California. Cannabis plot tenders hired by Mexican DTOs typically are heavily armed and use their weapons to protect crops. Plot tenders who previously relied upon booby traps placed along trails leading to grow sites to thwart law enforcement have become more aggressive in protecting their plots and are likely to use weapons to do so. Over the past year, law enforcement agencies in California have increasingly engaged in armed standoffs and officer-involved shootings with cannabis cultivators. During this time, crop tenders armed with weapons ranging from pellet guns to assault rifles have become less likely to surrender when approached by law enforcement or to hide from passersby, instead standing guard from above grow sights to detect and confront intruders. To that end, DCE/SP data for California show an increase in the number of weapons seized from California marijuana eradication sites from 591 in 2004 to 749 in 2005, the most recent data available.

Transportation

The CVC HIDTA is a regional- and national-level transshipment area for illicit drugs destined for drug markets in every region of the United States. Wholesale quantities of ice methamphetamine, cocaine, marijuana, and black tar heroin are regularly transported into the area by Mexican DTOs from source areas in Mexico (primarily via I-5) in private and commercial vehicles. Although significant quantities of these drugs remain in the area for local distribution, many of the drug shipments from Mexico—as well as methamphetamine and marijuana produced within the HIDTA—are further transported in private and commercial vehicles to drug markets outside the state, including markets in Alaska; Arizona; Atlanta, Georgia; Hawaii; Chicago, Illinois; Baltimore, Maryland; Minnesota; Montana; New Jersey; North Carolina; Ohio; Philadelphia, Pennsylvania; South Carolina; South Dakota; Tennessee; and Seattle and Vancouver, Washington (primarily along I-5, I-80, and U.S. Highway 99).

Distribution

The CVC HIDTA region is a national-level distribution center for methamphetamine and marijuana produced in the region as well as marijuana, ice methamphetamine, cocaine, black tar heroin, ODDs, and diverted pharmaceuticals smuggled from Mexico into the United States. Mexican DTOs are the primary wholesale distributors of drugs in the CVC HIDTA region, typically utilizing stash sites located at private residences, warehouses, and storage facilities in cities and towns throughout the region. In fact, law enforcement reporting indicates that since 2005, cities like Modesto and small towns such as Los Banos and Patterson along the Interstate 5 corridor have emerged as regional- and national-level transshipment points for drugs smuggled from Mexico en route to drug markets in California and throughout much of the nation, including markets in the Great Lakes, Mid-Atlantic, New York/New Jersey, Pacific, Southwest, and West Central Regions.

Many criminal groups and street gangs in the HIDTA region distribute illicit drugs at the midlevel and retail level in their respective areas. No group or gang dominates midlevel or retail distribution because of constantly changing dynamics in the region's drug trade, including access to weapons and drug supplies. These groups and gangs typically are supplied by Mexican DTOs. Drug sales in metropolitan areas take place in open-air markets (located on streets and in parking lots) and in clubs and bars; distributors sell to both new, unfamiliar customers and well-known, repeat customers. Drug sales in rural areas usually take place at prearranged locations and typically are between a dealer and known or referred customers. Law enforcement reporting indicates that distributors use cell phones, satellite phones, pagers, and other personal communication devices to communicate with sources and customers. In addition, distributors often use text messages consisting of code words that allow them to communicate with reduced risk of detection.

Drug-Related Crime

Methamphetamine trafficking and abuse are the leading contributors to property and violent crimes in the CVC HIDTA region. In fact, 20 of the 24 state and local law enforcement agencies that responded to the National Drug Threat Survey (NDTS) 2006 report that methamphetamine is the drug that most contributes to property crime and violent crime in their areas. Most methamphetamine-related property crime, such as burglary, identity theft, and property theft, is committed by methamphetamine abusers; however, most methamphetamine-related violent crime, including assault and homicide, is perpetrated by members of DTOs, criminal groups, and street gangs in the course of their drug trafficking operations.

Marijuana-related violence is also a significant concern in the CVC HIDTA region, particularly violence associated with protection of cannabis plots. During eradication operations, law enforcement officers have encountered grow sites protected by armed guards and by booby traps such as pipe bombs, barbed wire fences, and bear traps. Law enforcement officials in CVC HIDTA counties also have reported that individuals who grow marijuana—in many cases legally, for medicinal use under Proposition 215—have become the targets of violent home invasions perpetrated by criminals seeking to steal marijuana, cannabis plants, and grow equipment.

Abuse

Illicit drug abuse levels in the CVC HIDTA region, particularly those for ice methamphetamine, are high. Ice methamphetamine is readily available and typically of high quality. Moreover, the ice methamphetamine market in the region is strong and long established. Nonetheless, high-potency marijuana, cocaine, crack, black tar heroin, ODDs, and diverted pharmaceuticals are also commonly distributed and abused within the HIDTA.

California Alcohol and Drug Data System (CADDSS) data show that methamphetamine accounts for the majority of drug treatment admissions in the counties that compose the CVC HIDTA region. (See [Figure 3 on page 9](#).) CADDSS data from 2003 through 2005 (the years for which the latest data are available) reveal increasing methamphetamine and marijuana admissions, a drop in heroin admissions, and relatively stable cocaine/crack admissions.

Illicit Finance

Mexican DTOs regularly transport proceeds from wholesale drug transactions in other regions of the United States to the HIDTA region, where they are often combined with proceeds generated from wholesale transactions in the region. The Mexican DTOs then bulk-transport the proceeds to Mexico for repatriation.¹ Asian DTOs also aggregate drug proceeds in the region and typically transport the proceeds in bulk to Canada; Asian DTOs also transfer illicit drug proceeds by electronic wire transfer. Proceeds generated from midlevel and retail sales within the HIDTA region are typically laundered by traffickers through wire remittance services, money services businesses, structured bank transactions, cash intensive “front” businesses, the purchase of tangible assets, and real estate fraud.

Outlook

The CVC HIDTA region’s role as a regional- and national-level distribution center for drugs produced in the area (ice methamphetamine and high-potency marijuana) and drugs smuggled into the area from Mexico by Mexican DTOs (ice methamphetamine, marijuana, cocaine, and black tar heroin) will persist as a result of entrenched drug trafficking operations conducted by DTOs and criminal groups in the area.

In the near term—6 to 12 months—the CVC HIDTA region will realize an overall increase in

1. Each year Mexican and Colombian drug traffickers operating in the United States bulk-smuggle billions of U.S. dollars into Mexico. Repatriation—the return of these dollars to their country of origin (the United States)—is often an important part of the money laundering process for these traffickers. Repatriation of these funds is beneficial to Mexican and Colombian traffickers because it simplifies the placement of funds into the U.S. financial system.

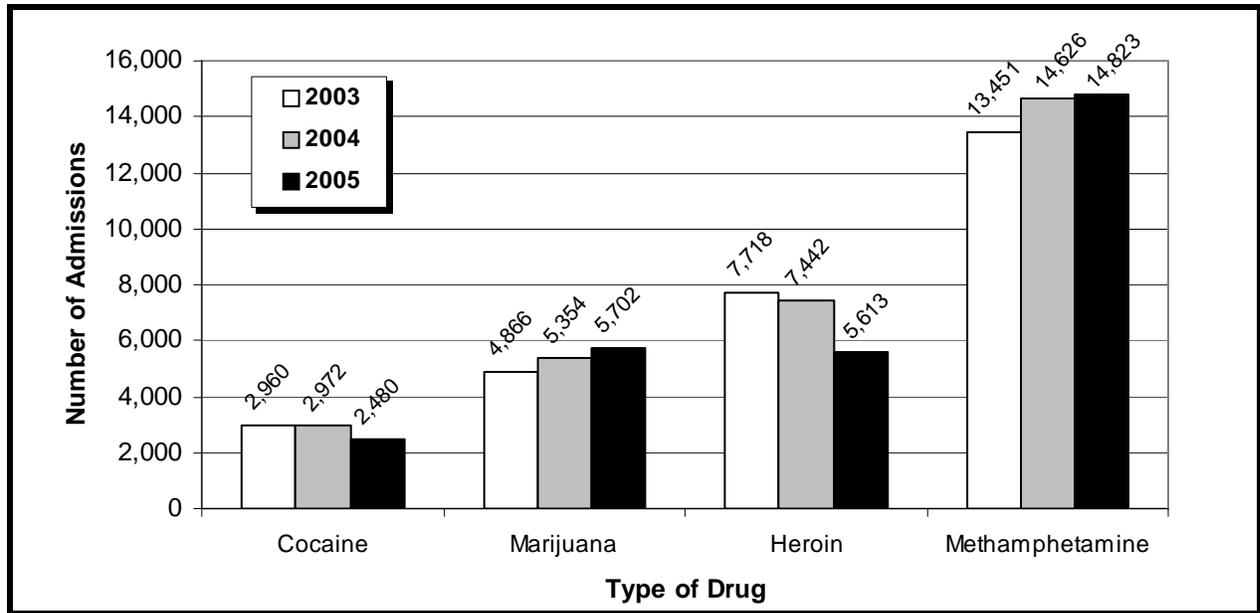


Figure 3. Central Valley California HIDTA drug treatment admissions, 2003–2005.

Source: California Alcohol and Drug Data System.

the production and distribution of locally produced high-potency marijuana. The increase will be fueled by two factors: the increase in Mexican DTO outdoor cultivation of high-potency marijuana and local marijuana producers who are increasingly moving operations indoors to avoid intensified outdoor eradication efforts and gain higher profits through year-round production of high-potency marijuana.

Violent incidents by outdoor cannabis growers against law enforcement and the presence of weapons at outdoor grow sites most likely will increase over the next year as law enforcement pressure on outdoor cannabis cultivation increases.

Wide availability and distribution of ice methamphetamine in the CVC HIDTA region will quite likely result in a continued increase in methamphetamine-related treatment admissions and property crime, particularly identity theft.

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Sources

Local, State, and Regional

City of Fresno

- Fresno Area Surveillance Team

- Fresno Police Department

- Multi-Agency Gang Enforcement Consortium

County of Fresno Department of Behavioral Health

Delano Police Department

- Narcotics Division

- Gangs Unit

Fresno County Sheriff's Office

Kern County

- Kern County Sheriff's Department

- Gang Unit

- Major Narcotics

Kings County

- Gang Task Force

Sacramento Police Department

Sacramento Sheriff's Office

Stanislaus County Sheriff's Office

State of California

- Department of Alcohol and Drug Programs

- Office of Applied Research and Analysis

- Department of Justice

- California Bureau of Narcotics Enforcement

- Campaign Against Marijuana Planting

- Criminal Intelligence Bureau

- Department of Public Health

- California Alcohol and Drug Data System

- Department of Toxic Substances Control

- National Guard

- Drug Demand Reduction Group

- Office of the Attorney General

- Secretary of State

National

Executive Office of the President

Office of National Drug Control Policy
High Intensity Drug Trafficking Area
Central Valley California

Fresno Methamphetamine Task Force
Investigative Support Center
Sacramento Area Intelligence/Narcotics Task Force
Southern Tri-County Central Valley California HIDTA Task Force
Stanislaus–San Joaquin–Merced Meth Task Force

U.S. Department of Agriculture
Forest Service

U.S. Department of Commerce
U.S. Census Bureau

U.S. Department of Health and Human Services
Substance Abuse and Mental Health Services Administration
Office of Applied Studies

U.S. Department of Homeland Security
U.S. Customs and Border Protection

U.S. Department of Justice
Drug Enforcement Administration
Diversion Program
Domestic Cannabis Eradication/Suppression Program
El Paso Intelligence Center
National Clandestine Laboratory Seizure System
Northern California Field Division



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