



Washington/Baltimore

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 Washington/Baltimore (W/B) 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 W/B HIDTA.

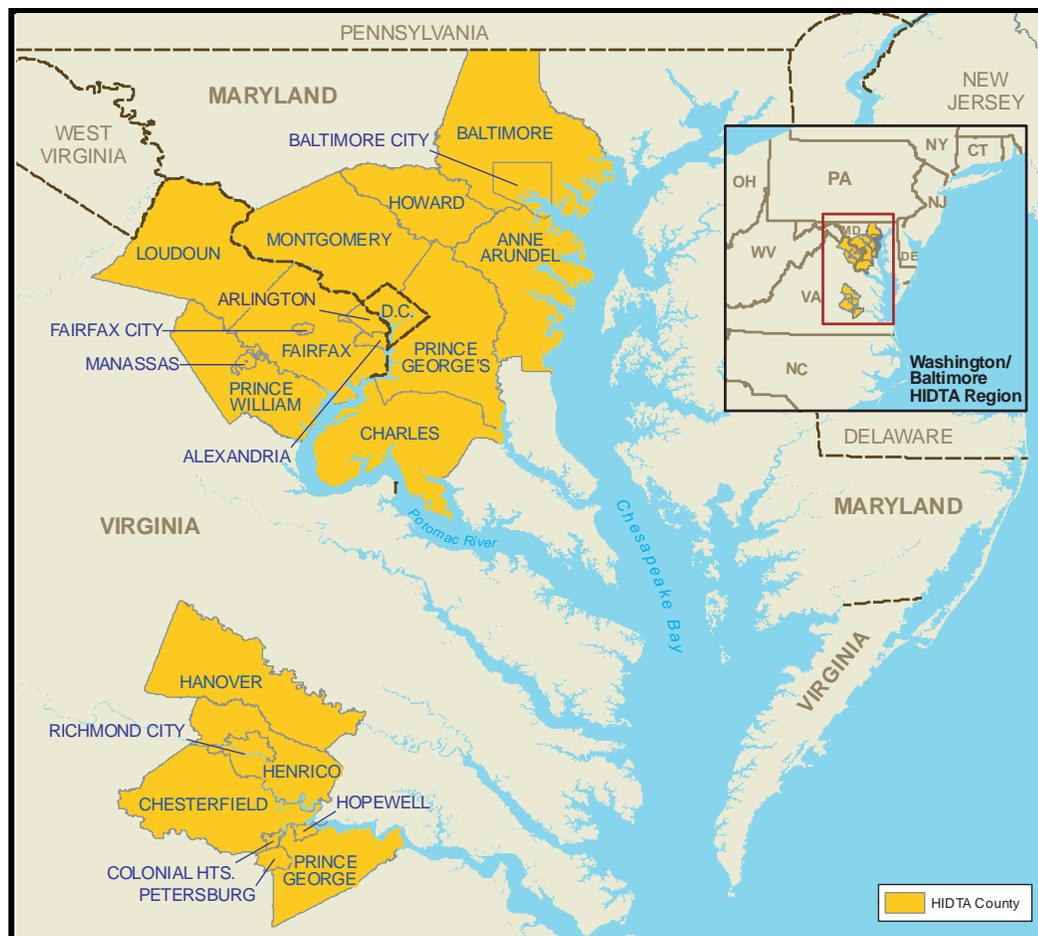


Figure 1. Washington/Baltimore High Intensity Drug Trafficking Area.

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

- Methamphetamine abuse is increasing in the region, particularly among adolescents in northern Virginia and teenagers, young adults, and homosexual males involved in the club scene in the Washington, D.C., area. However, the overall demand for methamphetamine in the W/B HIDTA region is relatively low, far less than the demand for cocaine and heroin.
- Mexican drug trafficking organizations (DTOs) are increasing their drug trafficking activities in the W/B HIDTA region. Mexican DTOs and criminal groups already supply most of the marijuana available in the area. Further, they are increasingly transporting cocaine into the region as well as transporting large quantities of methamphetamine into the Shenandoah Valley area of Virginia, adjacent to the HIDTA region.
- Midlevel and retail drug traffickers are using various techniques to gain market share in the region, including providing free heroin, using brand names to establish repeat customers and, as evidenced by the rise in incidents involving heroin/fentanyl combinations reported in 2006, offering “hot bags” of heroin combined with fentanyl to increase potency. Fentanyl was linked to at least 36 fatal overdoses in Maryland and 23 in Virginia in 2006.
- Abuse of powder and crack cocaine is increasing among young Caucasian professionals, blue-collar workers, and students in small cities, towns, and rural areas in the W/B HIDTA region.
- The demand for marijuana in the W/B HIDTA region is high and increasing. Marijuana is abused by every ethnicity, socioeconomic group, and age group. The popularity of high-potency marijuana, especially among younger abusers, is a key factor in driving the growth in demand.

HIDTA Overview

The W/B HIDTA region encompasses four distinct population centers—the Baltimore Metropolitan Area, the District of Columbia, northern Virginia, and

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.

the Richmond metropolitan area. The region includes the following city and county jurisdictions: Maryland (the city of Baltimore and Anne Arundel, Baltimore, Charles, Howard, Montgomery, and Prince George's Counties), northern Virginia (the city of Alexandria and Arlington, Fairfax, Loudoun, and Prince William Counties), the Richmond metropolitan area (the cities of Chesterfield, Colonial Heights, Hopewell, Petersburg, and Richmond and Hanover, Henrico, and Prince George Counties), and Washington, D.C.

Economic, demographic, and transportation factors render the W/B HIDTA region an increasingly fertile environment for drug trafficking and abuse. Many areas of the region are in the midst of an economic boom, resulting in population growth and increasing levels of disposable income for abusers to spend on drugs. At the same time, some areas, such as inner-city Baltimore, Richmond, and Washington, remain economically depressed, leading some residents to view drug trafficking as the only means of financial gain and drug abuse as a form of escape. Revitalization efforts in Washington, D.C., have included the demolition of several public housing projects, resulting in the dispersion of drug- and gang-related problems to suburban areas, particularly in Maryland. Between 1990 and 2000 (the year of the latest census), the population

of the W/B HIDTA region increased at approximately the national rate and became more ethnically and racially diverse; these demographic trends have continued since 2000. In particular, a dramatic increase in the Hispanic population has enabled Colombian, Dominican and, increasingly, Mexican, Guatemalan, and Salvadoran criminal groups and gangs with ties to drug source and transit countries to operate more easily. Drug trafficking in the region is facilitated by an extensive transportation infrastructure that includes highways—Interstate 95, in particular—railway and bus systems, two international seaports, and four international airports with passenger and cargo services.

Drug Threat Overview

Most illicit drugs transported into the W/B HIDTA region are abused locally. While distribution and abuse of heroin (primarily South American (SA) heroin) is the principal drug threat to the city of Baltimore, crack cocaine poses the greatest threat to the rest of the region. A multitude of factors associated with heroin and crack cocaine, particularly violent crime associated with the trafficking of cocaine (primarily crack), severely tax law enforcement resources in the HIDTA region. Equally taxing to public health resources in the HIDTA region are the social and health consequences of cocaine and heroin abuse, which is multigenerational in some areas. For example, in Baltimore both parents and children are enrolling in heroin abuse treatment programs. Furthermore, the abuse of heroin, particularly by injection, leads to multiple health risks, including the transmission of infectious diseases such as HIV (human immunodeficiency virus) and hepatitis.

Other illicit drugs are also trafficked and abused to varying degrees throughout the HIDTA region. Methamphetamine abuse in the region is limited and sporadic; anecdotal reporting suggests that abuse is prevalent in the homosexual male community in Washington, D.C., but is spreading to rural and suburban areas adjacent to the HIDTA region, specifically western Maryland, southwestern Virginia, and the Shenandoah Valley in Virginia—locations where Mexican methamphetamine is now available.

Marijuana is the most widely available and abused drug in the region. Most of the marijuana available is Mexican commercial-grade; however, high-potency Canadian marijuana is becoming increasingly available in parts of the region, such as Fairfax County, Virginia; Montgomery County, Maryland; and Baltimore. High profits and low risk associated with the distribution of marijuana are fueling an expansion of marijuana trafficking operations in the Baltimore area, and law enforcement agencies report that cocaine dealers are now distributing marijuana. The distribution and abuse of MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) are decreasing as a result of an increased demand and preference for marijuana. Diverted pharmaceuticals, particularly prescription narcotics such as OxyContin (oxycodone), are increasingly abused by young, affluent suburbanites who acquire the drugs from friends and family and through doctor-shopping. Reporting from treatment providers indicates that diverted prescription narcotics initially provide an alternative to heroin for abusers who view heroin use as too risky. Once addicted, however, many of these individuals “graduate” to heroin abuse because of wider availability and lower prices. The abuse of PCP (phencyclidine), rare in most areas of the country, is emerging in some suburban areas in the HIDTA region but is most prevalent in Washington, D.C., where abusers add the drug to marijuana cigarettes for a more intense effect. Similarly, khat, rarely found in other areas of the country, is available in the W/B HIDTA region, which is home to relatively large East African and Yemeni immigrant communities—members of which commonly abuse khat.

Drug Trafficking Organizations

Colombian DTOs, the primary wholesale distributors of cocaine and South American heroin, may be relinquishing some control of the importation and distribution of those drugs in the W/B HIDTA region by ceding transportation and lower-level distribution to Dominican DTOs and, increasingly, Mexican DTOs in an effort to insulate themselves from law enforcement. Colombian DTOs may be contracting with Mexican and Dominican DTOs to transport large quantities of cocaine, heroin, and marijuana to

the region. Mexican DTOs and criminal groups transport and distribute most of marijuana available in the region. They also supply significant quantities of cocaine; an increasing number are transporting large quantities of methamphetamine into Virginia, particularly the Shenandoah Valley region adjacent to the HIDTA region.

Other DTOs and criminal groups also distribute illicit drugs at the wholesale level in the HIDTA region. Jamaican criminal groups supply commercial-grade marijuana, while Vietnamese criminal groups have emerged as the principal suppliers of high-potency marijuana and MDMA. Middle Eastern, Pakistani, and West African DTOs distribute South-west Asian (SWA) heroin, primarily in Baltimore.

Gang activity has reportedly increased in some areas of the region; this apparent increase may be due to better gang identification as well as targeted initiatives by law enforcement agencies. Mara Salvatrucha (MS 13) is the largest and fastest-growing gang in the W/B HIDTA region; reports of involvement by the gang in drug distribution continue to surface. MS 13 has a presence in Washington, D.C.; the Broadway area of Baltimore, Montgomery County, and Prince George's County, Maryland; and Fairfax County, Virginia. Bloods and Crips sets also are emerging threats in Maryland. Montgomery County police report that most gang-related incidents during the past year were connected to MS 13 and Bloods or Crips.

Neighborhood-based African American and Hispanic street gangs, or local "crews," are the principal retail distributors of crack cocaine, heroin, and almost all other drugs in the W/B HIDTA region. Hispanic gangs are particularly problematic in northern Virginia, including 18th Street, 1-5 Amigos, and Southside Locos. Bloods sets such as L Gang and Eastside Blood Gang (EBG) operate in East Baltimore, while the Purple City street gang operates in both East and West Baltimore. These gangs have been implicated in assault, drug trafficking, money laundering, murder, and racketeering activities in the area. Fulton Hill Hustlers had been a significant crack cocaine distribution gang in the Richmond area; however, many of the leaders have

been incarcerated. There are no ties between this gang and the Washington, D.C., or Baltimore areas.

Production

Illicit drug production in the W/B HIDTA region is limited to the conversion of powder cocaine to crack, which typically occurs in urban areas, and to occasional methamphetamine and marijuana production.

Crack cocaine conversion by retail-level distributors occurs within the W/B HIDTA region, primarily in urban areas such as Baltimore, Richmond, and Washington, D.C. Retail-level distributors typically purchase smaller quantities of powder cocaine (less than 1 kg) from midlevel suppliers in larger cities. They then take the powder cocaine to their home areas and convert it to crack cocaine, typically in residential settings. Most of the powder cocaine purchased by retail distributors is converted to crack prior to distribution within the region.

Powder methamphetamine production in the HIDTA region is very limited. The number of clandestine methamphetamine laboratories seized in Maryland, Virginia, and Washington, D.C., dropped dramatically from 72 in 2005 to 26 in 2006. Of the 26 clandestine laboratories seized in 2006, only three were found in the W/B HIDTA counties—two in Montgomery County and one in Henrico County, Virginia. Additionally, one seizure of chemicals and equipment used in methamphetamine production was reported in Anne Arundel County, Maryland, in 2006. Declining methamphetamine production is most likely the result of increased law enforcement pressure and legislation passed by the Virginia State Legislature at the end of 2005 restricting the sale of pseudoephedrine. Additionally, methamphetamine production in the region most likely further decreased with the 2006 enactment of the federal Combat Methamphetamine Act, which limits daily purchases of pseudoephedrine, ephedrine, and phenylpropanolamine; requires retailers to keep the drugs out of customers' reach; and requires purchasers to show identification and sign a logbook. Despite such efforts, the threat posed by local methamphetamine production continues in some areas of the region,

particularly in Maryland and Washington, D.C., where no legislation restricting the sale and/or purchase of ephedrine, pseudoephedrine, and other methamphetamine precursor chemicals has been enacted.

Limited amounts of marijuana are produced within the W/B HIDTA region from cannabis cultivated at both indoor and outdoor grow sites. However, the amount of marijuana produced at indoor grow sites, especially in the Baltimore and Richmond areas, may be increasing as a result of easy access to hydroponic equipment, the sale of marijuana seeds on the Internet, and the increasing demand for high-potency marijuana. Various marijuana producers in the region, particularly Vietnamese criminal groups, are increasingly replicating methods used at sophisticated indoor grow sites in Canada, such as using elaborate hydroponic equipment, bypassing electrical meters, and using entire buildings for grow operations. Additionally, many suburban and rural areas within the region are conducive to outdoor cannabis plots because of the temperate climate and the presence of wide areas of remote or rough terrain such as deep valleys, steep and rocky hillsides, and vast wooded areas. Law enforcement officials remain cognizant of the potential for an increase in outdoor cannabis cultivation. Outdoor grows were seized in rural areas of Essex, Caroline, Powhatan, and Northumberland Counties in Virginia during 2006. Drug Enforcement Administration (DEA) Baltimore reports that many outdoor plots in Maryland include sinsemilla, appear to have been started indoors, and generally contain fewer than 60 plants. Moreover, the Metropolitan Police Department in Washington, D.C., reports that its investigations of indoor and outdoor grows typically involve Caucasian and African American traffickers.

Transportation

Many DTOs capitalize on the extensive and diverse transportation network to transport large quantities of drugs to, through, and within the W/B HIDTA region. The interstate highway system and extensive railway system provide easy transit between drug markets in the region and domestic source areas. In particular, I-95, the major north-south transportation corridor on the East Coast, provides

drug traffickers ready access to wholesale drug markets such as Atlanta, Miami, and New York City. Additionally, U.S. Highway 1 in northern Virginia and Interstates 70 and 83 in Maryland are significant drug transportation routes. Interstates 64 and 85, which link to highways transiting the Richmond area, enable traffickers to transport large quantities of drugs from the Southwest Border area to the HIDTA region. Drug traffickers can also ship drugs directly to the region through two international airports and four international seaports, including the Port of Baltimore, one of the busiest container and cruise ports in the United States. (See Figure 2 on page 6.)

A variety of methods are used by DTOs to transport drugs into and through the W/B HIDTA region. The most common methods are private, rental, and commercial vehicles and package delivery services, although traffickers also use couriers on commercial aircraft, airfreight services, and sea cargo shipments to transport drugs. The most innovative DTOs use multiple methods of transportation to avoid detection and increase the likelihood of successful delivery.

Law enforcement reporting indicates that drugs are increasingly transported into the W/B HIDTA region in vehicles with hidden compartments. Mexican DTOs typically use crude methods of concealment in vehicles, including hidden compartments in oil pans, car manifolds, brake drums, drive shafts, radiators, and gas tanks. Dominican DTOs often construct more sophisticated false compartments to conceal their drug shipments. Local law enforcement has identified several businesses in the region that build automotive traps for drug traffickers.

Package delivery services are increasingly being used by drug traffickers in the W/B HIDTA region, and the average size of drug shipments, particularly marijuana, sent in parcels appears to be increasing in some locations, a reversal from the trend in 2005. Many drug traffickers prefer to use package delivery services because they can monitor the shipments on the Internet. If a shipment is delayed, they assume law enforcement has intercepted the parcel, and they refuse delivery to avoid arrest. Drug traffickers routinely use relatively unsophisticated techniques to conceal drugs shipped in parcels, such as



Figure 2. Washington/Baltimore HIDTA transportation infrastructure.

hiding them in ceramic statues, candles, bubble bath containers, coffee cans, drink bottles, blenders, cooking pots, VCRs, or computer hard drives.

Heroin is generally transported to the W/B HIDTA region by Colombian and Dominican DTOs from sources in Los Angeles, California; New York, New York; Florida; and the Caribbean Islands. Guatemalans have become involved in supplying heroin to retail distributors in the area, and West African groups are increasingly distributing large quantities of heroin that they obtain from sources in New York City to drug dealers in Baltimore. Although most of the illicit drugs transported to Baltimore are abused locally, the city also serves as a source of heroin for users in the surrounding area and throughout the state of Maryland.

Wholesale quantities of cocaine are transported to the W/B HIDTA region and supplied to local traffickers by Dominican or Colombian DTOs based in New

York City. However, Mexican DTOs from the southwestern United States are becoming increasingly involved in cocaine trafficking within the region, especially in southern Virginia and the Shenandoah Valley. Additionally, Mexican DTOs that have established transshipment centers in Atlanta and North Carolina are supplying cocaine as well as methamphetamine to the region through these centers.

Mexico is the primary source area for commercial-grade marijuana available in the W/B HIDTA region; Canada is the primary source area for high-potency marijuana. Mexican DTOs transport most of the commercial-grade marijuana available in the region from southwestern states. Additionally, Jamaican criminal groups transport some Mexican marijuana from Florida and Jamaican marijuana from the Caribbean. Vietnamese criminal groups are the principal transporters of high-potency marijuana, smuggling it from Canada into the W/B HIDTA region. Many local traffickers have developed sources

in the southwest and pick up multipound quantities of marijuana or have it shipped to them.

Most of the methamphetamine available in the W/B HIDTA region is transported to the area by Mexican DTOs from Georgia, North Carolina, and Texas; however, some rural locations within the area also are occasionally supplied by outlaw motorcycle gangs (OMGs) that receive methamphetamine from other OMGs outside the region. Asian DTOs and long-distance truck drivers also transport gram to ounce quantities of methamphetamine into the region, occasionally in tablet form from Canada. Additionally, methamphetamine abusers who are members of the region's homosexual community transport ice methamphetamine to urban areas, primarily the District of Columbia, from sources in New York City.

MDMA is transported to the region primarily by Vietnamese criminal groups that have operations in Washington, D.C., and to Baltimore from Toronto, Canada; New York; or Philadelphia, Pennsylvania. PCP is transported to the W/B HIDTA region, primarily the Washington, D.C., area, from California by African American distributors and abusers traveling aboard commercial aircraft. PCP typically is concealed in various types of plastic bottles and placed in checked baggage. New York City-based traffickers often serve as brokers between the PCP distributors in the region and California sources. Additionally, some members of OMGs and abusers who frequent the club scene in the region transport PCP to the area for limited distribution from sources that they maintain in New York; Newark, New Jersey; and Philadelphia.

Distribution

Colombian and Dominican DTOs, with bases of operation in New York City, are the principal wholesale illicit drug distributors in the W/B HIDTA region. However, Mexican organizations based in the southern and western United States are increasingly involved in drug trafficking in the region, especially in southern Virginia and the Shenandoah Valley. Mexican traffickers who operate in southern Virginia are often based in North Carolina or have connections to organizations in North Carolina.

Vietnamese criminal groups with ties to Asian DTOs in Canada have emerged as the principal distributors of high-potency marijuana in the W/B HIDTA region, displacing Caucasian criminal groups. For instance, in 2006 a Vietnamese criminal group with connections to Canada, Florida, Texas, and Virginia was identified by Maryland law enforcement officials as the supplier of large quantities of high-potency marijuana to dealers in Harford, Baltimore, and Anne Arundel Counties, Maryland. As a result of rising Vietnamese involvement in the trafficking of high-potency marijuana in the region, an overall increase in the availability of the drug has occurred, resulting in a growing market for the drug, particularly in the more affluent areas of the region, where abusers appear willing to pay higher prices for higher-potency marijuana.

West African, Pakistani, and Middle Eastern DTOs that most likely have sources of supply in Asia distribute heroin in the W/B HIDTA region, making this one of the few areas of the country where Southeast Asian (SEA) and SWA heroin are available. Although SA heroin currently is the predominant type distributed in the region, a significant disruption in the availability of SA heroin could stretch domestic heroin supplies in eastern U.S. markets, including those in the W/B HIDTA region. West African, Pakistani, and Middle Eastern DTOs that have established transportation and distribution networks most likely would supplant any shortage of SA heroin by increasing the availability of Asian heroin in the region.

Retail drug distribution in the W/B HIDTA region often takes place in open-air drug markets in Baltimore and Washington, D.C., where crack cocaine, heroin, and other drugs are sold; these markets provide abusers within and outside the region with ready access to illicit drugs. Most open-air drug markets are located in inner-city areas and are operated by neighborhood-based African American and Hispanic gangs or crews that periodically provide customers with free samples, or "testers," of heroin and cocaine to encourage future sales. In areas where open-air drug markets do not exist, crack cocaine sales take place in low-income areas or housing projects in which young, single females provide an "address" to retail-level dealers. Law

enforcement has also identified bars in the region that are operated or frequented by OMG members and used as distribution sites for methamphetamine, crack cocaine, and marijuana. Retail distribution methods outside inner-city areas of the region are evolving; many dealers make arrangements by cell phone to meet customers at designated areas.

“Greenades” (Marijuana Gumballs) in Howard County, Maryland

The Maryland State Police Forensic Sciences Division Laboratory recently received two adulterated yellow gumballs for analysis, each with a smiley face printed on one side and a bored hole filled with greenish-brown vegetable matter on the opposite side. Both gumballs were wrapped in tinfoil and labeled “Greenades” with a marijuana leaf and detailed instructions for use. A school-assigned police officer seized the exhibits from two high school students in 2006 as they made a purchase between classes at a Howard County high school. Analysis of the plant material confirmed that it was marijuana. Each gumball contained approximately 1 gram of marijuana. This was the first submission of “Greenades” to the Maryland State Police Forensic Sciences Division.

Source: Drug Enforcement Administration.

Diverted pharmaceuticals are widely available and abused in the W/B HIDTA region and are obtained by abusers and distributors primarily through prescription forgeries and doctor-shopping. Other methods of diversion used by abusers and distributors include the use of DEA registration numbers by nonregistrants who place controlled substance orders with drug wholesalers for large quantities of drugs; pharmacy thefts; and diversion by doctors and pharmacists. Some doctors and pharmacists sell prescriptions or medications for a profit without possessing legitimate records or order controlled substances for their own use. Moreover, medical office staff members who are authorized to place orders with pharmacies for legitimate prescriptions sometimes place orders for fraudulent prescriptions, which they sell for profit, and pharmacy employees sometimes steal small amounts of medications as legitimate prescriptions

are filled. Additionally, illegal distribution of prescription drugs through Internet pharmacies is an emerging problem in the HIDTA region.

Abuse

Heroin is the primary drug of abuse in Baltimore and can be purchased at numerous open-air drug markets in West and East Baltimore in either “raw” (high-purity) or cut form. Heroin abuse in Baltimore is cultural and intergenerational; most users and many dealers have parents and grandparents who are addicted to heroin. In Washington, D.C., the heroin trade is well entrenched; some local markets cater to the suburban trade, while others are frequented by well-established sellers and long-term addicts. Richmond also has a small heroin market that supplies long-term addicts with relatively high-purity heroin; the purity of this heroin indicates that it most likely is being obtained not in Washington or Baltimore but from a primary source area.

According to DEA Heroin Domestic Monitor Program (HDMP) data, SA heroin is the principal type available in street-level heroin markets in Baltimore, Richmond, and Washington, D.C. Moreover, fourth-quarter fiscal year (FY) 2006 HDMP results show that the average heroin purity in Washington (7.6%) was much lower than that in Richmond (38.8%) and Baltimore (45%), as it has been for several years.

Maryland High School and College Students’ Abuse of Heroin

The Montgomery County Police Department reports that high school and college students in that area are increasingly abusing heroin and that this abuse has led to one heroin-related death. These students do not purchase the heroin locally because there are no major heroin dealers in the county. Instead, students pool their money, drive to Washington, D.C., or Baltimore, purchase the heroin, and bring it back. The Montgomery County Police Department plans to focus investigative resources on the county over the coming months in order to combat the heroin threat there.

Source: Montgomery County Police Department.

Fentanyl-Related Deaths in Maryland

In 2006 fentanyl was linked to at least 36 fatal overdoses in Maryland. Fentanyl is a synthetic opiate approximately 50 to 100 times more potent than heroin. Clandestinely produced fentanyl powder, heroin/fentanyl combinations and, to a lesser extent, cocaine/fentanyl combinations were distributed in the region. The introduction of fentanyl into the heroin market resulted in a health crisis for both users and law enforcement because any ingestion or absorption of the drug through the skin could result in a fatal overdose.

Source: Maryland State Office of the Chief Medical Examiner.

Crack cocaine is abused by African American individuals primarily in inner-city areas of the HIDTA region. Powder cocaine is abused primarily by middle- to upper-middle-income individuals in metropolitan and suburban areas of the W/B HIDTA region. Nightclubs and bars in the affluent Georgetown area and newly renovated areas of Washington, D.C., reportedly are frequented by white-collar cocaine users. Powder cocaine is also one of many drugs available and used in the nightclub scene by suburban teens and young adults.

Methamphetamine abuse has been traditionally limited to the homosexual male community in the Washington, D.C., area; however, recent law enforcement reporting suggests that abuse may be extending to young rural and suburban users because of increasing availability of the drug. Increases in the availability of methamphetamine are apparent in the Richmond; Tidewater, Virginia; and northern Virginia areas.

MDMA available in the W/B HIDTA region generally is abused in combination with other substances, including alcohol, marijuana, cocaine, and club drugs. In some communities, however, law enforcement and medical authorities are now noting the abuse of MDMA with heroin or OxyContin. MDMA is mostly available in the college and university areas and is used mainly by youth in more affluent communities at clubs and rave parties.

The abuse of diverted pharmaceuticals in the W/B HIDTA region is emerging as a gateway for adolescents and young adults to abuse other drugs such as heroin, cocaine, or methamphetamine. Many initiates to drug abuse are inclined to begin with diverted pharmaceuticals rather than heroin, cocaine, or methamphetamine. Once addicted to prescription narcotics, abusers often switch to heroin because of the drug's higher availability and lower price. Similarly, abusers of prescription stimulants sometimes graduate to crack cocaine abuse, and treatment providers believe that abusers of prescription amphetamines, such as Ritalin (methylphenidate) or Adderall (dextroamphetamine), may begin to abuse methamphetamine as it becomes more available.

Prescription narcotics are the most commonly abused diverted pharmaceuticals in the W/B HIDTA region. Abuse patterns vary according to location: methadone and Valium are predominant in Washington, D.C.; methadone, Klonopin (clonazepam), and other benzodiazepines are mostly abused in the Baltimore area; and benzodiazepines, methadone, and hydromorphone are commonly abused in Richmond. Abuse of prescription narcotics, particularly OxyContin and Percocet (oxycodone) and Vicodin (hydrocodone), is increasing in Baltimore County. This increase may be the result of heroin users switching to prescription narcotics because they fear the intimidation tactics and violence that street-level heroin dealers often resort to during drug transactions.

Drug-Related Crime

Drug-related violence, including robberies, thefts, and shootings, is increasing in the W/B HIDTA region. Of particular concern to law enforcement officials is a rise in the number of home invasions and stash house robberies occurring in Baltimore County. Much of this violence is related to dealers who distribute drugs in the city of Baltimore but live and maintain stash houses in Baltimore County, where they feel more insulated from law enforcement detection. The abuse of heroin and crack is also associated with domestic violence, including child neglect, child abuse, and

Effects of Methadone Abuse Enhanced by Certain Pharmaceuticals

In April 2006 four individuals were arrested for shoplifting 12 boxes of Prilosec (Omeprazole) from a Queen Anne's County drugstore. Maryland drug task forces report an increase in thefts of Prilosec in Baltimore and Carroll County. Prilosec is believed to increase or intensify the high when taken in conjunction with methadone. Other drugs that are thought to intensify the effects of methadone include Goldenseal,^a Tagamet (cimetidine), Antabuse (disulfiram), Prozac (fluoxetine), and Zoloft (sertraline). However, these drugs, when taken in conjunction with methadone, may cause methadone-related toxicity, such as oversedation, respiratory depression, or overdose.

Source: Maryland State Police.

a. Goldenseal is a perennial herb in the buttercup family. It is often used as a multipurpose remedy, having different medicinal properties. However, it also contains potentially toxic alkaloid compounds and should be used with caution and not on a long-term basis.

spousal abuse. Some abusers also commit property crimes, such as burglary, forgery, fraud, and theft, to support their addictions

Despite the increase in drug-related violence, the number of homicides decreased in the region in 2006, particularly in Washington, D.C., and Prince George's County. Washington, D.C., reported 167 homicides, a decrease from 196 in 2005, and Prince George's County reported 134 homicides, compared with 462 in the previous year. The drop in the number of homicides is due in part to a combination of effective policing strategies, incarceration of violent offenders, economic development, and population shift. At least 23 of the 167 homicides in Washington, D.C., were drug-related, and many others were directly related to gang rivalries. Many of the homicides in Prince George's County involved young men who were shot inside the Capital Beltway area; many of these homicides were reportedly committed

by members of MS 13. This street gang is the largest and fastest-growing gang in the W/B HIDTA region, and reports of the gang's involvement in drug distribution continue to surface. MS 13 has a presence in Washington, D.C., the Broadway area of Baltimore, Montgomery County, Prince George's County, and Fairfax County.

Medicaid-related fraud associated with the distribution and abuse of diverted pharmaceuticals is a problem in the W/B HIDTA region. The cities of Baltimore, Washington, D.C., and Richmond have large low-income populations that receive Medicaid benefits. Criminal groups in low-income areas steal, borrow, rent, or buy Medicaid cards from legitimate holders to fill counterfeit prescriptions, which are then sold on the street. This activity results in fraudulent billings to the Medicaid system, since single cards can be used to obtain multiple prescriptions, resulting in millions of dollars in annual costs to taxpayers. As a result of the huge illicit profit potential, law enforcement officials are concerned that cities in the region with large numbers of Medicaid recipients may emerge as local or regional sources for diverted pharmaceuticals, particularly OxyContin.

Illicit Finance

Drug traffickers in the W/B HIDTA region use various money laundering techniques in order to conceal illegal profits and finance their operations. The means of transferring illicit funds remain consistent but vary by group and include smuggling bulk cash, conducting wire transfers, structuring bank deposits and money order purchases below \$10,000, commingling drug proceeds with funds generated at legitimate businesses, purchasing real estate and vehicles, operating front businesses, and using smart cards, automated teller machines (ATMs), prepaid stored value cards, and *hawalas*.¹ Law enforcement reports a decrease in the use of traditional financial institutions to launder drug proceeds because drug traffickers are attempting to

1. *Hawala* is a fairly anonymous form of banking that has been used in the Middle East for centuries. *Hawala* money transfers are made outside the formal banking sectors and are virtually undetectable. Transfers are made primarily from one location to another without physically moving funds and, in many cases, with little or no recordkeeping. Any records that are kept are usually in an unrecognizable form of shorthand or are encoded.

avoid the filing of Currency Transaction Reports (CTRs) and Suspicious Activity Reports (SARs) by bank officials.

Colombian, Dominican, and Mexican DTOs and criminal groups primarily transport drug proceeds in bulk from the United States, across the U.S.–Mexico border and into Mexico, Central America, or South America for eventual repatriation. In transporting bulk cash, these traffickers use private vehicles, commercial vehicles, freight transportation companies, shipping containers, and package delivery services. Additionally, Mexican DTOs launder drug proceeds by structuring bank deposits into multiple accounts to avoid the CTR filing threshold.

Asian DTOs and criminal groups use money-intensive front businesses, such as travel agencies or car washes, to launder illicit drug proceeds. They also transport drug proceeds in bulk, in the form of cash and money orders, to Canada. Once the proceeds are in the country, these groups deposit them into Canadian bank accounts and then electronically wire transfer the proceeds to source countries. Asian DTOs and criminal groups also launder drug proceeds by structuring bank deposits and participating in real estate fraud.

Middle Eastern and Pakistani DTOs and criminal groups launder illicit heroin proceeds through front businesses, such as used car dealerships, and through the use of *hawalas*. Nigerian DTOs favor bank fraud schemes as well as bulk currency smuggling. West African groups often purchase cars or other legal assets to ship back to Africa as a method of payment.

Most retail-level drug dealers launder drug proceeds through the purchase of consumer goods such as clothing, jewelry, and vehicles; through the purchase of real estate; and through front businesses. Some retail-level dealers also launder money through recording studios and businesses that promote rap music concerts. Drug traffickers use other techniques to launder illicit drug proceeds that involve money orders, stored value

cards, ATMs, the precious metals and gems trade, and casinos, as well as schemes involving real estate and the insurance industry. Traffickers' use of these and other techniques is limited only by their imaginations.

Outlook

Mexican DTOs are likely to increase their involvement in the trafficking of large quantities of cocaine, marijuana, and methamphetamine in the W/B HIDTA region over the next year. These organizations have ready access to wholesale quantities of illicit drugs and well-established transportation and distribution networks extending into the region from southwestern and southeastern states. Additionally, they are strengthening their relationships with Colombian, Dominican, and Asian DTOs at the wholesale level and with Hispanic and African American street gangs at the retail level. Mexican DTOs have gradually been expanding their control over drug markets in the region, and this growth is likely to continue as these DTOs look to increasing supplies in the more urban areas of the region, where their presence is currently minimal but drug demand is high. Additionally, an increase in the Hispanic population in the region over the past several years will allow Mexican criminals with ties to drug source and transit countries to operate more easily. If these DTOs continue to expand further in the region, the availability of ice methamphetamine will very likely rise.

Competition among Mexican, Colombian, and Dominican DTOs for control of wholesale cocaine distribution in the region, rather than resulting in violence, is likely to result in stronger working relationships. Colombian and Dominican DTOs have already forged business relationships with Mexican DTOs to transport large volumes of illicit drugs to various domestic locations, including markets in the region, an arrangement that allows the Colombian and Dominican traffickers to insulate themselves from high-risk smuggling activities and gives Mexican DTOs a larger role in the high-profit drug trade. Closer ties would allow Colombian and Dominican DTOs to further increase their role in marijuana distribution. Stronger relationships

between Mexican DTOs and Colombian traffickers could lead to increased availability of cocaine in the region, a development that might result in marginally lower prices and increased demand.

The availability of Mexican ice methamphetamine is likely to rise in the HIDTA region in the next year, with a corresponding increase in abuse. The region has an established population of stimulant abusers, who might be enticed to switch to methamphetamine if the drug were to become more available and prices were to decrease. Mexican DTOs, which are gaining prominence in the region and have ready access to large quantities of high-potency ice, are very likely to transport more methamphetamine to the area to create a new market for the drug. An increase in the number of abusers addicted to ice methamphetamine could severely compromise the ability of treatment agencies in the W/B HIDTA region to provide adequate care, not only because they are already overtaxed as a result of the large number of cocaine and heroin abusers, but also because the highly addictive nature of methamphetamine often leads to high rates of recidivism. Local production is unlikely to expand in the W/B HIDTA region in the coming year, particularly if proactive legislation is enacted throughout the region to more rigorously control the availability of precursor chemicals.

Marijuana abuse is prevalent in the W/B HIDTA region, and now that the established market of abusers has been exposed to high-potency marijuana, primarily supplied by Vietnamese criminal groups, its popularity will quite likely continue to rise. To meet increasing demand, availability of both imported and locally produced high-potency marijuana can be expected to grow and competition among distributors to rise. Increased competition could drive prices down, further spurring demand for high-potency marijuana throughout the region. Indoor cultivation of high-potency cannabis, including the number of sophisticated hydroponic grows, may increase significantly in the region, particularly in urban and suburban residential areas.

Pharmaceutical abuse in the W/B HIDTA region is likely to escalate over the next year and will be driven by the growing popularity of these drugs among young adults and adolescents and the wide availability of these drugs through Internet pharmacies and personal networks. Growing numbers of prescription drug addicts could eventually expand the market for heroin, cocaine, and methamphetamine. The ease with which licit drugs are acquired for abuse by all socioeconomic and age groups, along with the preference of many heroin addicts for prescription narcotics, including oxycodone, methadone, and fentanyl, could increase the immediate and long-term demand for diverted pharmaceuticals in the region.

The arrests of several major PCP producers in southern California (the primary source for PCP dealers in the HIDTA region) may contribute to a decrease in PCP availability in the W/B HIDTA region. PCP production decreased during 2006 in the Los Angeles area, largely as a result of the arrests of several major producers. Most of the PCP available in the United States is produced by African American criminal groups and street gangs in the Los Angeles HIDTA region.

Stored value cards are likely to be used more often over the next year by traffickers to launder drug proceeds. Stored value cards physically resemble traditional credit or debit cards and can be used to access both global debit and ATM networks. Stored value card programs often accept applications without face-to-face verification of cardholder identity, taking applications online or by fax. Funds can be prepaid by one person and withdrawn by another through ATMs anywhere in the world; multiple cards can be issued for a single account. These cards provide a convenient way to launder money because they are an easily transportable and virtually anonymous way to store and access cash.

Sources

State and Local

District of Columbia

Metropolitan Police Department

Maryland

Annapolis Police Department

Anne Arundel County Police Department

Baltimore City Police Department

 Organized Crime Division

 Narcotics Section

Baltimore County Police Department

Charles County Sheriff's Office

Cheverly Police Department

Chevy Chase Village Police Department

District Heights Police Department

Howard County Police Department

Hyattsville Police Department

Laurel Police Department

Maryland State Office of the Chief Medical Examiner

Maryland State Police

 Forensic Sciences Division

Montgomery County Police Department

Mount Rainier Police Department

Prince George's County Police Department

Riverdale Park Police Department

Rockville City Police Department

University of Maryland

 Center for Substance Abuse Research

 Maryland Gangs Information and Prevention

Virginia

Alexandria Police Department

Arlington County Police Department

Fairfax County Police Department

Falls Church City Police Department

Henrico County Division of Police

Leesburg Police Department

Loudoun County Sheriff's Office
Manassas City Police Department
Petersburg Police Department
Prince George County Police Department
Richmond Police Department
Virginia State Police
 Bureau of Criminal Investigation

Regional

Middle Atlantic–Great Lakes Organized Crime Law Enforcement Network

Federal

Executive Office of the President
 Office of National Drug Control Policy
 High Intensity Drug Trafficking Areas
 Los Angeles
 Washington/Baltimore

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

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

U.S. Department of Homeland Security
 U.S. Coast Guard
 U.S. Customs and Immigration Service

U.S. Department of Justice
 Drug Enforcement Administration
 El Paso Intelligence Center
 National Clandestine Laboratory Seizure System
 Washington Division
 Baltimore District Office
 Richmond District Office

U.S. Attorney's Offices
 District of Columbia
 Eastern District of Virginia
 Maryland

U.S. Department of the Treasury
 Internal Revenue Service

U.S. Department of Transportation
 Federal Aviation Administration

Other

The Los Angeles Times

The Washington Post

The Washington Times

The World and I



319 Washington Street 5th Floor, Johnstown, PA 15901-1622 • (814) 532-4601

NDIC publications are available on the following web sites:

INTERNET www.usdoj.gov/ndic ADNET <http://ndicos.a> RISS ndic.riss.net
LEO <https://cgate.leo.gov/http/leowcs.leopriv.gov/lesig/ndic/index.htm>

062607