



# Appalachia

## 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 Appalachia High Intensity Drug Trafficking Area (HIDTA), highlighting significant trends and law enforcement concerns related to the trafficking and abuse of illicit drugs. The report was prepared through detailed analysis of

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

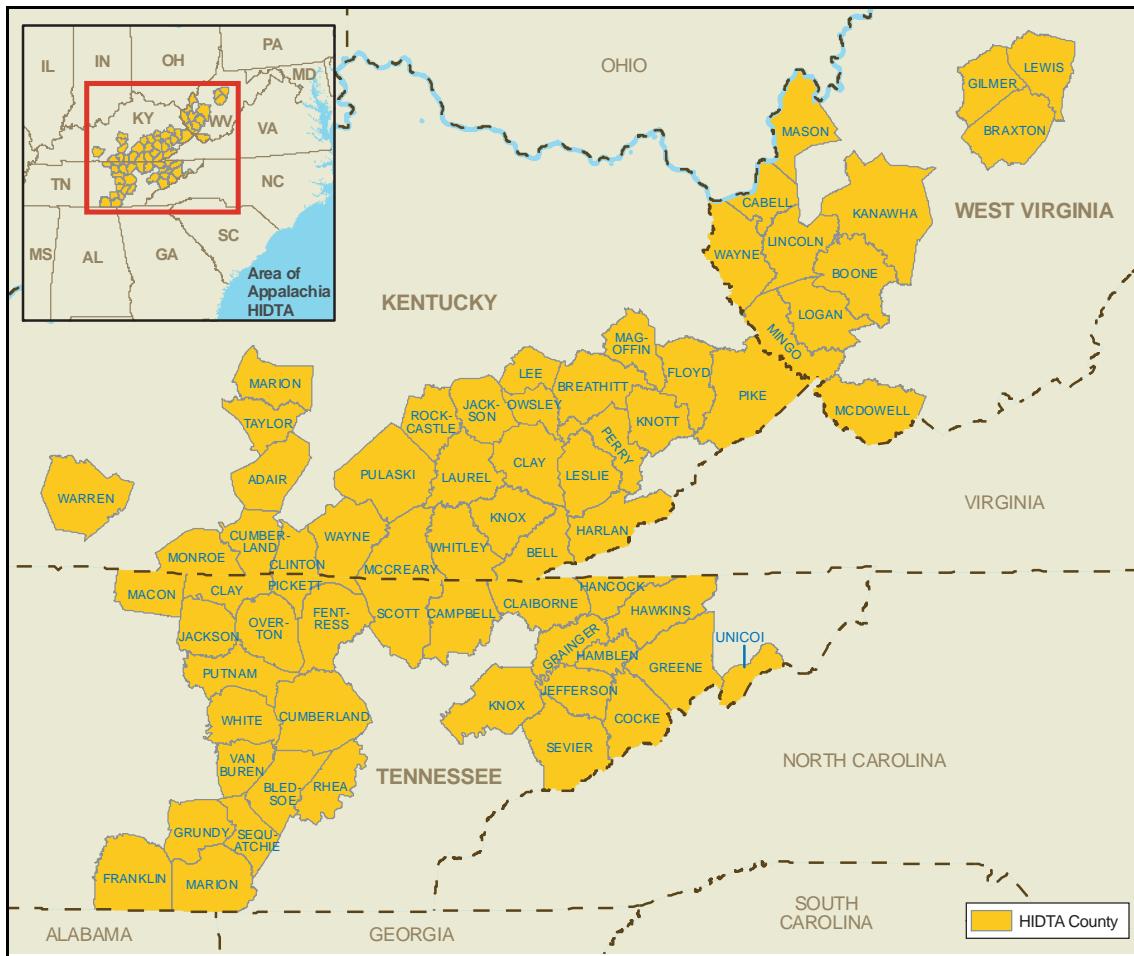


Figure 1. Appalachia High Intensity Drug Trafficking Area.

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

- Drug trafficking organizations (DTOs)<sup>1</sup> in the Appalachia HIDTA region are traveling to Atlanta more frequently to obtain multipound quantities of cocaine, Mexican marijuana, and Mexican high-purity ice methamphetamine for distribution throughout the region.
- Availability of Mexican black tar heroin is low but increasing in Tennessee and southeastern Kentucky; law enforcement officials in these areas report that demand for Mexican black tar heroin is growing among middle- and upper-income abusers.
- Tennessee cannabis cultivators are changing their cultivation process from one planting per year to two plantings with shortened growing cycles in order to increase crop yields.
- Cannabis cultivators in the region are harvesting as many plants as practical, including marginally mature plants, prior to the height of eradication season to lower the risk of a complete crop seizure.
- Drug-related violence poses a significant threat to West Virginia. Law enforcement officials report escalating violence in the state as traffickers, particularly crack dealers, compete for drug territories. This increase in drug-related violence has also been attributed by law enforcement officials to the rising availability and abuse of methamphetamine, crack cocaine, and pharmaceutical drugs.

## HIDTA Overview

The Appalachia HIDTA was established in 1998 to address the threat posed by cannabis

## Drug Trafficking Organizations, Criminal Groups, and Gangs

**DTOs** 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.

cultivation and marijuana distribution in 68 counties located in Kentucky, Tennessee, and West Virginia.<sup>2</sup> ([See Figure 1 on page 1.](#)) Although marijuana is its primary focus, the Appalachia HIDTA responds to the threat posed by the illicit trafficking of other drugs to the region.

The Appalachia HIDTA region has a combined population of approximately 2.5 million; Knoxville, Tennessee, is the largest metropolitan area (population 173,890). Most residents of the region are Caucasian (94%), followed by African American (4%), and Hispanic, Asian, and other races (2%). The number of Hispanics residing in the Appalachia HIDTA region tripled from 9,178 in 1990 to 27,454 in 2000 (the year for which the latest data are available). According to Appalachia HIDTA sources, this increase is largely due to illegal immigrants who came to the area seeking employment in the agricultural, construction, mining, and poultry-processing industries.

1. Some law enforcement officials in the Appalachia High Intensity Drug Trafficking Area (HIDTA) region refer to drug trafficking organizations (DTOs) operating in the area as criminal groups or traffickers.

2. The Appalachia HIDTA is composed of the following counties: (**Kentucky**) Adair, Bell, Breathitt, Clay, Clinton, Cumberland, Floyd, Harlan, Jackson, Knott, Knox, Laurel, Lee, Leslie, Magoffin, Marion, McCreary, Monroe, Owsley, Perry, Pike, Pulaski, Rockcastle, Taylor, Warren, Wayne, and Whitley; (**Tennessee**) Bledsoe, Campbell, Claiborne, Clay, Cooke, Cumberland, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hancock, Hawkins, Jackson, Jefferson, Knox, Macon, Marion, Overton, Pickett, Putnam, Rhea, Scott, Sequatchie, Sevier, Unicoi, Van Buren, and White; (**West Virginia**) Boone, Braxton, Cabell, Gilmer, Kanawha, Lewis, Lincoln, Logan, Mason, McDowell, Mingo, and Wayne.

The Appalachia region is one of two primary outdoor cannabis cultivation regions in the United States; the other is the Western region.<sup>3</sup> The Appalachia region consistently sustains high levels of outdoor cannabis cultivation because of its favorable climate and rich soil. As a result, Caucasian DTOs and independent growers have established long-standing growing operations. A relatively high poverty rate in these areas contributes to a cultural acceptance of cannabis cultivation and other illicit activity by many local residents. In some Appalachian counties, more than 30 percent of the population lives in poverty, and in impoverished communities some residents regard marijuana production as a necessary means of supplementing low incomes. In these communities cannabis cultivation is often a multigenerational trade, since young family members are introduced to the trade by older members who have produced the drug for many years.

Knoxville is the primary metropolitan drug market in the Appalachia HIDTA region. DTOs in Knoxville, primarily Mexican DTOs, supply wholesale quantities of powder cocaine, Mexican marijuana, and high-purity ice methamphetamine to midlevel and retail-level traffickers for local distribution. Mexican traffickers also distribute these drugs as well as crack cocaine and Mexican black tar heroin at the retail level. These traffickers obtain most of the illicit drugs that they distribute from Mexican DTOs based in Atlanta, Georgia. In fact, law enforcement officials report that Atlanta has emerged as a key distribution center for illicit drugs available throughout much of the Appalachia HIDTA region.

## Drug Threat Overview

Cannabis cultivation and marijuana production pose the greatest drug threats to the Appalachia HIDTA region. The region comprises three marijuana source states—Kentucky, Tennessee, and

West Virginia—that consistently sustain high levels of outdoor cannabis cultivation. Most of the marijuana produced in the region remains and is abused within the region; some is transported to markets outside the HIDTA.<sup>4</sup> The frequency of these shipments is largely unknown and remains an **intelligence gap**.

Methamphetamine production, distribution, and abuse also pose formidable drug threats to the region. Powder methamphetamine is produced locally in small clandestine laboratories in quantities sufficient to support only personal use and limited distribution by laboratory operators. However, the number of such laboratories has decreased, as evidenced by declining laboratory seizures from 2004 to 2006. Mexican DTOs, based primarily in Atlanta, are supplanting declining local production with increasing quantities of higher-purity ice methamphetamine produced in Mexico. The higher purity of Mexican ice methamphetamine has drawn more abusers from all demographic categories, including teenagers and young adults active in the club scene.

The trafficking and abuse of diverted pharmaceuticals and cocaine, particularly crack, are widespread and represent considerable drug threats, while heroin and other dangerous drugs (ODDs) represent low threats to the Appalachia HIDTA region. Diverted pharmaceuticals such as hydrocodone, methadone, and oxycodone as well as benzodiazepines, including diazepam and alprazolam, are the most frequently diverted pharmaceutical drugs. Caucasian adolescents and adults are the primary abusers of diverted pharmaceuticals, enticed in part by the ease with which they can obtain the drugs over the Internet and from retail-level distributors. Powder cocaine is available to varying degrees throughout the HIDTA region; some is converted to crack cocaine at or near distribution sites. Crack cocaine abuse appears to be increasing in some rural areas of Tennessee and West Virginia. Heroin availability and abuse are generally low

3. According to national marijuana eradication data and law enforcement reporting, there are two primary outdoor cultivation regions in the United States: the Western region, composed of California, Hawaii, Oregon, and Washington, and the Appalachia region, composed of Kentucky, Tennessee, and West Virginia.

4. The Appalachia HIDTA reports that these markets include cities in Florida, Illinois, Indiana, Maryland, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Virginia, and Washington, D.C.

## Appalachia High Intensity Drug Trafficking Area Drug Market Analysis

---

compared with the availability and abuse of other drugs in the HIDTA region; however, Mexican black tar heroin is becoming more available than it had been in some areas of Tennessee and, to a much lesser extent, in southeastern Kentucky. ODDs such as MDMA (3,4-methylenedioxy-methamphetamine, also known as ecstasy), GHB (gamma-hydroxybutyrate), and LSD (lysergic acid diethylamide) are available in the region on a limited and sporadic basis.

## Drug Trafficking Organizations

Mexican, Caucasian, and African American DTOs and, to a lesser extent, street gangs and outlaw motorcycle gangs (OMGs) are the principal transporters and distributors of illicit drugs in the Appalachia HIDTA region. Caucasian DTOs and independent dealers are the predominant cannabis cultivators in the area. In 2006 Appalachia HIDTA Initiatives identified 250 DTOs and 1 money laundering organization operating within the region; 47 of those organizations were dismantled and another 49 were disrupted. Additional analysis of the 250 organizations indicates that most are polydrug organizations that transport and distribute a combination of drugs, including powder cocaine (133 organizations), crack cocaine (81 organizations), prescription drugs (58 organizations), marijuana (54 organizations), and powder and ice methamphetamine (34 organizations).<sup>5</sup>

Mexican DTOs are increasingly distributing wholesale quantities of powder cocaine, Mexican marijuana, and high-purity Mexican ice methamphetamine to midlevel and retail-level distributors in the region. Mexican DTOs also distribute these drugs at the retail level along with crack cocaine and Mexican black tar heroin. These traffickers obtain most of the drugs that they distribute from Mexican DTOs operating in Atlanta; they also obtain some from Mexican DTOs in Chattanooga and Nashville, Tennessee; Lexington, Kentucky; and cities near the U.S.–Mexico border. Mexican DTOs generally limit their distribution operations to urban and larger

suburban areas of the region; they supply Caucasian and African American distributors who operate in smaller suburban and rural areas.

Caucasian DTOs are the predominant cannabis cultivators in the HIDTA region; they also are the principal midlevel and retail-level drug distributors in the area. Caucasian DTOs typically distribute locally produced marijuana, Mexican marijuana, powder methamphetamine, powder cocaine, diverted pharmaceuticals and, to a lesser extent, Mexican black tar heroin.

African American DTOs are also the principal midlevel and retail-level distributors in the Appalachia HIDTA region. They typically distribute powder and crack cocaine, Mexican black tar heroin, and locally produced marijuana. Law enforcement officials report that African American DTOs have begun to distribute MDMA within the past year.

Members of street gangs and, to a lesser extent, OMGs also distribute illicit drugs in the Appalachia HIDTA region; their activities are largely confined to Knoxville and Charleston, West Virginia; however, no gang activity has been reported in Kentucky HIDTA counties. Street gangs range from locally based gangs such as Blood Money Gangsters, Los Tres Puntos, North, and 304 Boys(z) to nationally recognized gangs such as Bloods, Crips, Gangster Disciples, Latin Kings, Mara Salvatrucha (MS 13), and Vice Lords. Members of these street gangs distribute midlevel and retail quantities of powder and crack cocaine, marijuana, Mexican black tar heroin, and ice methamphetamine. Hispanic street gangs in Tennessee also distribute wholesale quantities of Mexican marijuana and powder methamphetamine and midlevel quantities of ice methamphetamine. Members of Latin Kings in West Virginia also distribute OxyContin at the retail level. Members of OMGs such as Avengers, Brothers of the Wheel, Outlaws, Pagan's, Mountain Rebels, and Southern Sons manufacture and distribute powder methamphetamine.

---

5. The total number of DTOs trafficking specific drugs is not exclusive; thus, the same organization may be counted in each drug category.

**Table 1. Number of Outdoor and Indoor Cannabis Plants Eradicated in Kentucky, Tennessee, and West Virginia, 2004–2006**

	2004	2005	2006
<b>Kentucky</b>	476,803	510,502	527,820
<b>Tennessee</b>	416,012	440,362	662,024
<b>West Virginia*</b>	54,728	57,600	64,974
<b>Total</b>	<b>947,543</b>	<b>1,008,464</b>	<b>1,254,818</b>

Source: Domestic Cannabis Eradication/Suppression Program.

\*County-level data represent January through November 2006 and include reporting from the Domestic Cannabis Eradication/Suppression Program, U.S. Department of the Interior, and U.S. Department of Agriculture Forest Service.

## Production

Cannabis is cultivated extensively in the Appalachia HIDTA region, most frequently at outdoor grow sites; law enforcement officials report that the number of indoor grow sites has increased in West Virginia and Kentucky in the past year. Kentucky, Tennessee, and West Virginia have repeatedly ranked among the top 10 states in the nation in marijuana production; Kentucky and Tennessee frequently rank in the top five. In 2006 approximately 1.2 million cannabis plants were eradicated by federal, state, and local law enforcement authorities in Kentucky, Tennessee, and West Virginia; the majority of grow sites were located in HIDTA counties in Kentucky and Tennessee. (See Table 1.) Moreover, the THC (delta-9-tetrahydrocannabinol) quantifications of marijuana samples submitted to the University of Mississippi Potency Monitoring Project by law enforcement officials indicate that marijuana produced in Kentucky, Tennessee, and West Virginia had an average THC content of 4.25 percent, 4.57 percent, and 8.87 percent, respectively, in 2006.

Outdoor cannabis cultivation is common throughout the Appalachia HIDTA region; most outdoor grow sites are operated by Caucasian DTOs and independent growers. According to the Domestic Cannabis Eradication/Suppression Program (DCE/SP), the number of outdoor plants eradicated from grow operations in Kentucky, Tennessee, and West Virginia increased from

1,004,329 in 2005 to 1,252,524 in 2006. Cannabis cultivators deliberately locate outdoor grow sites in remote areas of public and private lands to reduce the chance of discovery by passersby or law enforcement and, more commonly, to protect their crops from theft. Cannabis is cultivated in Kentucky on broad areas of privately owned land, in the Daniel Boone National Forest, and on the Cumberland Plateau. The Appalachia HIDTA region's outdoor cannabis growing season lasts from late March through early October; cannabis typically is planted in late March to early April, tended through June to mid-August, and harvested from August through early October. However, in 2006 law enforcement officials in Tennessee reported that cultivators were changing their cultivation process from a single planting to two crop plantings per year; cultivators shortened the growing cycles in order to increase their crop yields. They achieve two growing cycles by planting specific cannabis strains that mature faster or by planting seedlings earlier in the spring. Cannabis cultivators are also harvesting as many plants as practical, including marginally mature plants, prior to the height of eradication season—typically late May through September or October—to lower the risk of a complete crop seizure.

Cannabis cultivators frequently use camouflage, countersurveillance techniques, and booby traps to protect their outdoor grow sites. Law enforcement officials in Kentucky report that cannabis cultivators commonly camouflage marijuana crops by



U.S. Department of Agriculture Forest Service

*Figure 2. Punji stick boards seized from cannabis cultivation operations in Kentucky, 2006.*

## Appalachia High Intensity Drug Trafficking Area Drug Market Analysis

planting cannabis under tree canopies to conceal the crop from aerial surveillance or by commingling cannabis with legitimate crops. These sites are often protected by armed guards who conduct countersurveillance. Moreover, the use of booby traps significantly increased in 2006 in smaller, usually unattended, outdoor cannabis plots in Kentucky. In fact, some cannabis cultivators used punji sticks, which may be camouflaged by leaves and brush or incorporated into pits and explosive devices, to reduce the risk of crop theft. (See Figure 2 on page 5.)

Indoor cannabis cultivation in the Appalachia HIDTA region is limited; law enforcement officials report that indoor cannabis cultivation may be increasing in West Virginia and Kentucky. According to DCE/SP data, the number of indoor plants eradicated from grow operations in the region decreased from 4,135 in 2005 to 2,294 in 2006. In West Virginia, however, the number of indoor grow operations seized increased from 34 in 2005 to 60 in 2006, and the number of indoor plants eradicated rose from 843 to 1,165 during that same period. Most of the plants (1,151 of 1,165) eradicated in 2006 were eradicated from 14 sites in two HIDTA counties—Kanawha and Gilmer Counties in West Virginia. Law enforcement officials attribute the increase in indoor cannabis cultivation in West Virginia to greater outdoor eradication efforts, which have caused some cultivators to move their grow operations indoors.

**Table 2. Number of Methamphetamine Laboratories Seized in the Appalachia HIDTA Region, 2004–2006**

State	2004 HIDTA Counties	2005 HIDTA Counties	2006 HIDTA Counties
Kentucky	115	85	36
Tennessee	355	194	86
West Virginia	74	77	54
<b>Total</b>	<b>544</b>	<b>356</b>	<b>176</b>

Source: National Seizure System, data run on 4/06/2007.

Powder methamphetamine production is an ongoing concern in the Appalachia HIDTA region, despite the fact that powder methamphetamine production appears to be decreasing; the number of methamphetamine laboratories seized in the region decreased from 544 in 2004 to 176 in 2006. (See Table 2.) Less than 2 ounces of methamphetamine per production cycle can be produced in most of the methamphetamine laboratories seized in the region. The iodine/red phosphorus production method or the anhydrous ammonia method, also known as the Birch reduction or “Nazi” production method, was used in most of the laboratories. According to law enforcement officials, decreased local methamphetamine production is largely the

### **Kentucky Officials Launch MethCheck**

In November 2005 Kentucky officials launched a pilot program called MethCheck, in which an electronic database is used—in lieu of written logs—to monitor pseudoephedrine (PSE) product sales in an attempt to curtail local methamphetamine production. MethCheck was modeled after the Kentucky All-Schedule Prescription Electronic Reporting (KASPER) system and was initiated following the enactment of the 2005 Combat Methamphetamine Epidemic Act (CMEA). The MethCheck database provides law enforcement officials with real-time access to pseudoephedrine sales and purchaser information that identify individuals who exceed PSE legal purchasing limits and engage in other suspicious buying patterns. This technology enables law enforcement officers to identify, target, and arrest buyers who travel to different stores and make repetitive PSE purchases. Since MethCheck’s inception, law enforcement officers have charged 28 individuals with unlawful possession of methamphetamine precursors and the manufacturing of methamphetamine and have charged 4 individuals with multiple drug offenses, including paraphernalia and possession of controlled substances other than methamphetamine-related substances. Moreover, MethCheck data has helped to identify 17 active methamphetamine laboratories that were located in Clay, Laurel, Jackson, and Rockcastle Counties.

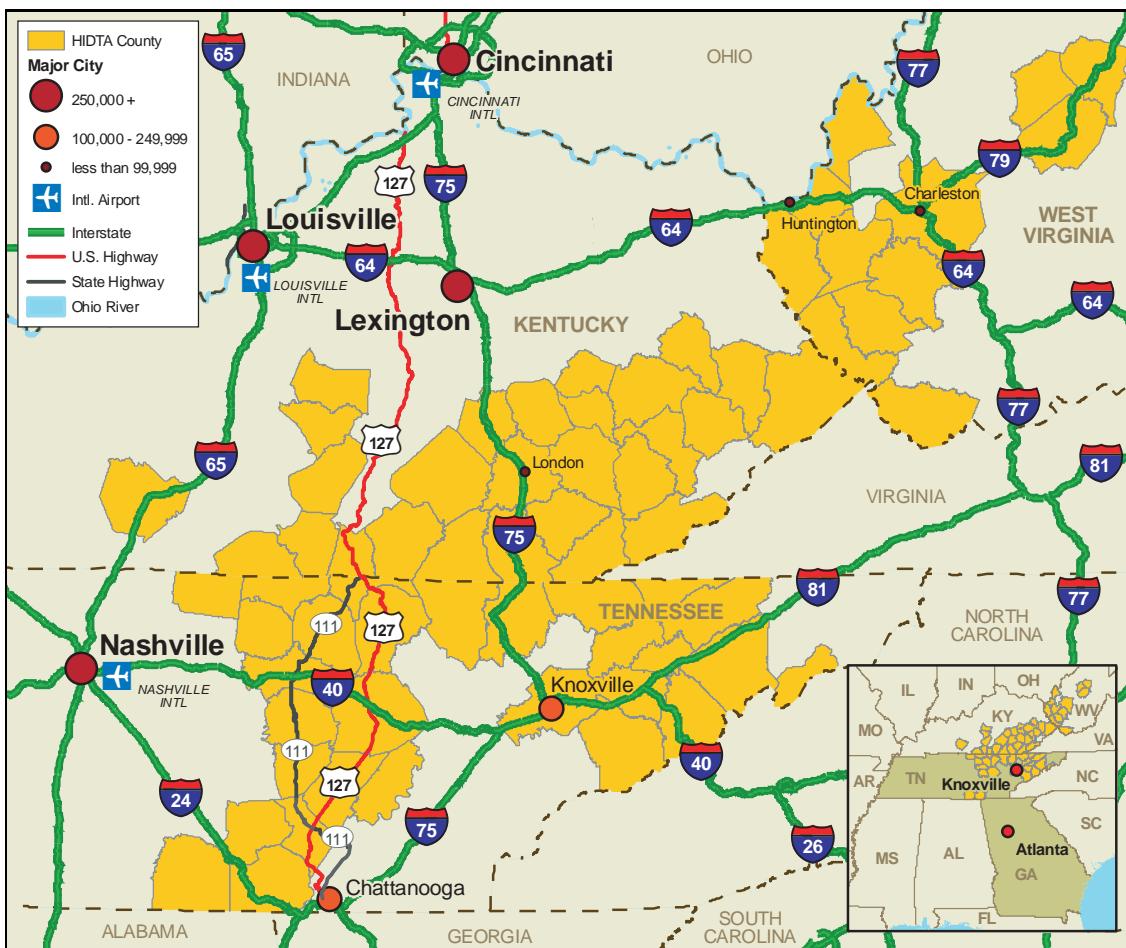


Figure 3. Appalachia HIDTA transportation infrastructure.

result of state restrictions on over-the-counter products containing pseudoephedrine, which have made local production more difficult, combined with an influx of Mexican ice methamphetamine to the area, which has made local powder methamphetamine production less necessary.

Powder cocaine is converted to crack cocaine in the region, primarily by African American DTOs and members of street gangs. Most conversion sites are located at or near distribution sites; the drug is distributed on an as-needed basis, typically in ounce quantities.

## Transportation

Drug traffickers operating in the region typically use private and commercial vehicles to transport illicit drugs to and from the Appalachia HIDTA region. (See Figure 3.) Mexican DTOs frequently transport powder cocaine, Mexican

marijuana, and ice methamphetamine, among other drugs, into the region from Atlanta, other southeastern cities, and cities in the Southwest. Further, Caucasian and African American DTOs generally transport drugs to the region from Atlanta and other source areas, including Baltimore, Maryland; Cleveland and Columbus, Ohio; Detroit, Michigan; Charlotte, North Carolina; Pittsburgh, Pennsylvania; and New York, New York.

Drug traffickers and some abusers in the Appalachia HIDTA region use package delivery services to ship illicit drugs into the region, particularly pharmaceuticals obtained from Internet pharmacies. According to law enforcement officials, the number of parcels containing such items is rising as a result of increasing orders originating in the area to online pharmacies. Further, the Kentucky Bureau of Investigation estimates that 85 percent of all pharmaceuticals shipped into the HIDTA

## Appalachia High Intensity Drug Trafficking Area Drug Market Analysis

---

region through package delivery services are ordered from Internet pharmacies operating in Florida, followed by Arizona, Pennsylvania, Illinois, North Carolina, and Texas.

### **Distribution**

Mexican DTOs are the primary wholesale distributors of powder cocaine, Mexican marijuana, and ice methamphetamine. Some Mexican DTOs in urban areas also distribute these drugs at the retail level in addition to crack cocaine and Mexican black tar heroin. Caucasian DTOs are the principal distributors of locally produced marijuana; they also distribute Mexican marijuana, powder methamphetamine, powder cocaine, diverted pharmaceuticals and, to varying degrees, Mexican black tar heroin. African American DTOs typically distribute powder and crack cocaine, Mexican black tar heroin, and locally produced marijuana at the retail level. Members of street gangs and OMGs serve as retail-level distributors of most illicit drugs available in the region. Retail distribution typically takes place at open-air drug markets, private homes and businesses, and housing projects throughout the region, as well as in prearranged meeting areas such as parking lots; however, most retail distribution in Kentucky takes place in homes and businesses.

### **Drug-Related Crime**

Drug-related crime statistics are not consistently tracked and recorded by law enforcement officials in the HIDTA region. However, drug-related violence poses a serious threat to law enforcement and the citizenry of the Appalachia HIDTA, particularly in its West Virginia counties. The violent, drug-related crime includes assaults, robberies, home invasions, and shootings. Law enforcement officials in West Virginia report rising levels of violence in Boone, Braxton, Cabell, Gilmer, Kanawha, Lewis, Lincoln, Logan, Mason, Mingo, McDowell, and Wayne Counties as traffickers, particularly crack dealers, compete for drug territory. According to data from the NDIC

National Drug Threat Survey (NDTS) 2006, 16 of the 34 state and local law enforcement agencies in the Appalachia HIDTA that responded to the NDTS 2006 report crack as the drug that most contributes to violent crime in their jurisdictions.

### **Abuse**

Marijuana is the most widely abused illicit drug in the Appalachia HIDTA region; diverted pharmaceuticals, cocaine, and methamphetamine (powder and ice) are also commonly abused. Heroin and ODDs are abused throughout the region, but to a lesser extent. According to data from the Substance Abuse & Mental Health Services Administration (SAMHSA) Treatment Episode Data Set (TEDS), more individuals were treated for marijuana abuse in Kentucky from 2001 through 2005 (the year for which the latest data are available) than were treated for the abuse of cocaine (smoked and by other routes of administration), heroin, pharmaceutical drugs (including other opiates, hallucinogens, stimulants, tranquilizers, and sedatives), or amphetamines, which include methamphetamine.<sup>6</sup> (See Figure 4 on page 9.)

Law enforcement officials report that drug abusers in the region are more inclined to use diverted pharmaceuticals than any other drug except marijuana. Moreover, treatment providers in the region report increasing abuse of benzodiazepines, particularly alprazolam, chlordiazepoxide, clonazepam, and diazepam. Treatment providers also report that many users are abusing illicit drugs in combination with prescription narcotics. In addition, the Tennessee Office of the State Medical Examiner reports that illicit drugs were mentioned as a cause of death in 104 of the 129 deaths that the office reviewed in Tennessee HIDTA counties in 2005; most of the drug-related deaths involved a combination of drugs such as prescription narcotics, benzodiazepines, cocaine, and methamphetamine.

The abuse of high-purity ice methamphetamine is increasing in the Appalachia HIDTA region, largely as a result of its increased availability, ease

---

6. Treatment Episode Data Set (TEDS) data are available only at the state level; thus, the number of admissions reflects the entire state of Kentucky, not just the Kentucky HIDTA counties.

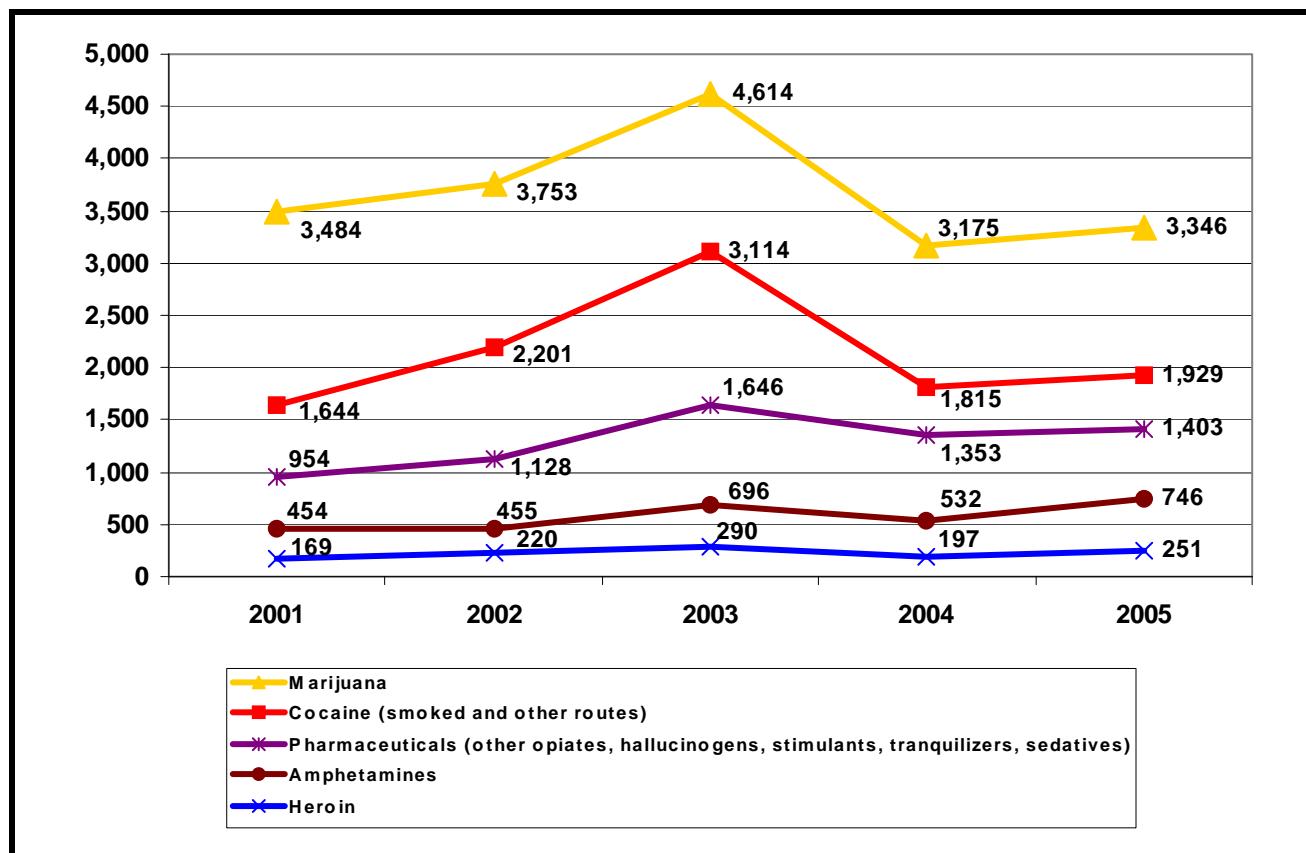


Figure 4. Number of treatment admissions to publicly funded treatment facilities in Kentucky, 2001–2005.

Source: Treatment Episode Data Set.

of administration (smoking), and consistently low price. Ice methamphetamine abuse crosses all demographic categories in the HIDTA region, including teenagers and young adults active in the area's club scene. Heroin abuse remains low throughout the region; however, law enforcement officials in Tennessee and Kentucky report that demand for Mexican black tar heroin is growing among middle- and upper-income abusers. The abuse of ODDs is at low levels.

## Illicit Finance

Mexican DTOs typically transport drug proceeds in bulk by private vehicle from the Appalachia HIDTA region to Atlanta and the Southwest Border area for eventual smuggling to Mexico. Mexican DTOs and other wholesale distributors transfer drug proceeds from the region using money services businesses such as money remittance firms. Most midlevel and retail-level traffickers launder drug proceeds through the purchase of

real estate and expensive consumer items, including automobiles, clothing, electronic equipment, and jewelry. In urban areas of the region, midlevel and retail-level traffickers often purchase cash-intensive front businesses, such as automobile shops, grocery stores, pawn shops, and restaurants, which they use to commingle drug proceeds with legitimate income. Some family-based organizations in more rural areas simply hide drug proceeds in bulk, drawing cash as needed to make purchases, rather than using banks or government institutions, which they generally distrust.

## Outlook

The influence of Mexican DTOs in the Appalachia HIDTA region will quite likely increase in the next year as they expand their drug trafficking operations in the HIDTA region as well as in the eastern United States. Mexican DTOs will supply the HIDTA region with increasing quantities of cocaine, Mexican marijuana, and ice methamphetamine that

---

## Appalachia High Intensity Drug Trafficking Area Drug Market Analysis

---

they obtain from other Mexican DTOs operating in Atlanta or in Southwest Border states. Additionally, Atlanta-based Mexican DTOs may attempt to expand their networks directly into the Appalachia HIDTA region to capitalize on new and underdeveloped drug markets.

The availability of Mexican ice methamphetamine will increase over the next year, fueled largely by Mexican DTOs supplying increasing demand for the drug by new user groups, including teenagers and young adults.

Mexican black tar heroin abuse in the Appalachia HIDTA region may rise marginally in the coming year, particularly among middle- and upper-income abusers, who seem to prefer that kind of heroin. Mexican DTOs will be well-positioned to increase heroin supplies, if necessary, by virtue of their entrenched distribution networks within the region.

The Appalachia HIDTA region will remain one of the nation's leading source areas for domestically produced marijuana. Outdoor cannabis cultivation will inevitably continue in remote areas of the region, including on public lands. A relatively high poverty rate in the region's remote areas will ensure acceptance of cannabis cultivation by some local residents who regard it as a necessary means to supplement low incomes. Additionally, indoor cannabis cultivation, which is presently limited throughout much of the region, will increase, particularly as more sophisticated marijuana producers begin to capitalize on higher profit margins associated with high-potency marijuana that is more effectively produced at indoor locations.

## Sources

---

### Local, State, and Regional

#### Kentucky

Kentucky Bureau of Investigation  
Kentucky State Police  
Laurel County Sheriff's Office  
Office of the Chief Medical Examiner, Louisville  
Operation UNITE

#### Tennessee

5<sup>th</sup> Judicial District Drug and Violent Crime Task Force  
Alcoholic Beverage Commission  
Clinton Police Department Criminal Investigation Division  
Cumberland County Sheriff's Department  
Newport Police Department  
Office of the State Medical Examiner, Nashville  
Sevier County Sheriff's Office  
Tennessee Bureau of Investigation  
Tennessee Department of Health  
Tennessee Methamphetamine Task Force

#### West Virginia

Boone County Sheriff's Office  
Braxton County Sheriff's Office  
Charleston Anti-Gang Enforcement Team  
Charleston Police Department  
Lewis County Sheriff's Office  
Logan County Sheriff's Office  
Mason County Sheriff's Office  
McDowell County Sheriff's Office  
Metro Drug Enforcement Network Team  
Wayne County Sheriff's Office  
West Virginia State Police  
Bureau of Criminal Investigation

Appalachia High Intensity Drug Trafficking Area Drug Market Analysis

**Federal**

Executive Office of the President

Office of National Drug Control Policy

High Intensity Drug Trafficking Areas

Appalachia

Gulf Coast-Blue Lightning Operations Control Center

National Marijuana Initiative

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 & Mental Health Services Administration

Treatment Episode Data Set

U.S. Department of Justice

Drug Enforcement Administration

Atlanta Field Division

Chattanooga Resident Office

Domestic Cannabis Eradication/Suppression Program

El Paso Intelligence Center

National Clandestine Laboratory Seizure System

Knoxville Resident Office

Federal Bureau of Investigation

**Other**

*Lexington Herald-Leader*

University of Mississippi

Potency Monitoring Projects

[www.drugscience.org](http://www.drugscience.org)



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](http://www.usdoj.gov/ndic) ADNET <http://ndicosa> RISS [ndic.riss.net](http://ndic.riss.net)  
LEO <https://cgate.leo.gov/http/leowcs.leopriv.gov/lesig/ndic/index.htm>

070307