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NATIONAL DRUG INTELLIGENCE CENTER
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National Drug Threat Summary

The trafficking and abuse of illicit drugs are a great burden on citizens, private businesses, financial institutions, public health systems, and law enforcement agencies in the United States. These burdens are manifested and measured in many ways; however, the most striking evidence of the impact of drug trafficking and abuse on U.S. society is the thousands of drug-related deaths (overdoses, homicides, accidents, or other fatal incidents) that occur each year.

Compounding the tremendous costs to society from drug-induced and drug-related deaths, the trafficking of illicit drugs burdens various components of domestic financial sectors as individuals and organizations frequently engage in illegal activities to generate income in order to purchase drugs or finance drug trafficking operations. Mortgage fraud, counterfeiting, shoplifting, insurance fraud, ransom kidnapping, identity theft, home invasion, personal property theft, and many other criminal activities often are undertaken by drug users and distributors to support drug addictions, to control market share, or to fund trafficking operations.

While the adverse effects on society from drug trafficking and abuse are high, recent progress against drug production and distribution is apparent in several areas. In 2007 law enforcement reporting, seizure data, and drug-use consequence data all indicate sustained cocaine shortages in at least 38 prominent drug markets throughout much of the United States, particularly in eastern states. These shortages were occasioned by large cocaine seizures and the disruption by law enforcement of Mexican drug trafficking organizations (DTOs). In addition to cocaine shortages, law enforcement efforts resulted in the highest-ever recorded levels for coca and domestic cannabis eradication. Moreover, domestic methamphetamine production has declined significantly since 2004, and preliminary data reveal that methamphetamine laboratory seizures are continuing to decline in 2007, a further sign of decreasing methamphetamine production. The abuse of fentanyl (often in combination with heroin), which resulted in hundreds of drug-induced deaths in early 2006,[1] decreased significantly following the seizure of a large clandestine fentanyl laboratory in Mexico—this laboratory very likely supplied much of the drug during the 2006 surge in overdose deaths. A growing number of states are implementing centralized electronic prescription monitoring programs (PMPs) that track individual prescriptions. These PMPs, now established in 24 states, have made acquiring pharmaceutical drugs through prescription forgery, doctor-shopping, or indiscriminate prescribing much more difficult. The availability of several drugs, including LSD (lysergic acid diethylamide), PCP (phencyclidine), and GHB (gamma-hydroxybutyrate), has decreased to very low levels, and a resurgence of these drugs appears unlikely in the near term, since there is no significant involvement in the production or distribution of these drugs by national- or international-level DTOs, and use appears limited to niche users.

Notwithstanding these successes, many law enforcement challenges remain, particularly the danger posed by the growing strength and organization of Mexico- and Canada-based Asian DTOs. Mexican DTOs—the principal smugglers and distributors of illicit drugs in the United States—are exerting more control over illicit drug trafficking throughout the nation. Moreover, Colombian DTOs are increasingly relying on Mexican DTOs to smuggle South American heroin into the United States on their behalf, enabling Mexican DTOs to control the flow of both Mexican and, increasingly, South

1. Law enforcement data regarding fentanyl-related deaths show that more than 50 percent of subjects who died had tested positive for cocaine, suggesting that many of the subjects may have used a lethal fentanyl/cocaine combination.

American heroin to U.S. drug markets. Since 2005 Mexican DTOs have gained control over a much greater portion of the U.S. methamphetamine market. As domestic methamphetamine production has decreased, Mexican DTOs have increased production in Mexico and expanded their methamphetamine distribution networks, supplanting many independent dealers who previously distributed locally produced methamphetamine. Mexican DTOs also are improving and expanding their cannabis cultivation operations in the United States and are coordinating cultivation operations in multiple states, even in eastern states.

Canada-based Asian DTOs are a significant and growing concern to law enforcement. Canada-based Asian DTOs are increasingly producing high-potency marijuana in the United States at indoor sites and have relocated some of their growing operations from Canada to states in the Northwest and Northeast. Canada-based Asian DTOs also have largely reconstituted a U.S. MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) market that was greatly diminished after many of the principal organizations that supplied the drug to U.S. distributors were dismantled by law enforcement in 2002. Canada-based Asian DTOs have greatly increased MDMA production in Canada and have established wholesale distribution operations in several U.S. cities. These Asian DTOs are now the principal suppliers of the drug in the United States. In addition, Canada-based Asian DTOs are increasingly producing methamphetamine in very large clandestine laboratories in Canada for distribution in both Canada and the United States.

Southwest Border Region
Drug Transportation and Homeland Security Issues

Drug Transportation

The Southwest Border Region is the most significant national-level storage, transportation, and transshipment area for illicit drug shipments that are destined for drug markets throughout the United States. The region is the principal arrival zone for most drugs smuggled into the United States; more illicit drugs are seized along the Southwest Border than in any other arrival zone. Mexican DTOs have developed sophisticated and expansive drug transportation networks extending from the Southwest Border to all regions of the United States. They smuggle significant quantities of illicit drugs through and between ports of entry (POEs) along the Southwest Border and store them in communities throughout the region. Most of the region's principal metropolitan areas, including Dallas, El Paso, Houston, Los Angeles, Phoenix, San Antonio, and San Diego, are significant storage locations as well as regional and national transportation and distribution centers. Mexican DTOs and criminal groups transport drug shipments from these locations to destinations throughout the country.

Homeland Security Issues

The threat posed to the nation by Mexican DTOs that operate in Mexico and the Southwest Border Region extends well beyond drug trafficking to other criminal activities, including border violence, firearms trafficking, and alien smuggling.

Border Violence

Violence is often associated with drug trafficking along the border; however, law enforcement officials have noted a significant escalation in the level of violence in recent years. Much of the violence occurring along the Southwest Border is a result of conflict between the Gulf Cartel and the cartels composing The Alliance[2] for control of key drug smuggling routes into the United States, particularly through Nuevo Laredo, Tamaulipas, Mexico. Since the arrest of Gulf Cartel leader Osiel Cárdenas-Guillén in 2003, The Alliance has attempted to wrest control of the drug smuggling corridor through Nuevo Laredo from the Gulf Cartel, resulting in a significant increase in violence along the Southwest Border in South Texas. In addition, drug-related violence is reportedly shifting from the Mexican state of Tamaulipas to the states of Nuevo León and Sonora. Recent law enforcement and open source reporting indicates that cartel-related violence is decreasing in a few Mexican cities such as Nuevo Laredo, while increasing in other areas of northern Mexico, particularly in Monterrey.

The escalation of drug-related violence occurring along the border among DTOs increasingly involves DTO use of violent paramilitary enforcement groups. Mexican DTOs use such groups to protect operations and drug shipments as well as to target members of rival drug cartels and law enforcement officers. Los Zetas, the enforcement arm of the Gulf Cartel, may be the most technologically advanced, sophisticated, and violent of these paramilitary enforcement groups. Some Los Zetas members are former Mexican Special Forces soldiers and maintain expertise in the use of heavy weaponry, specialized military tactics, sophisticated communications equipment, intelligence collection, and countersurveillance techniques.

2. The Alliance, also known as The Federation, is a cooperating group of Mexican drug trafficking organizations (DTOs) that share resources such as transportation routes and money launderers. The Alliance was formed to counter the Gulf Cartel. The Alliance includes organizations headed by Joaquín Guzmán-Loera, Ismael Zambada-García, Juan José Esparragosa-Moreno, Arturo and Hector Beltrán-Leyva, Edgar Valdez-Villareal, Armando Valencia-Cornelio, and Ignazio Coronel-Villareal.

Although much of the violence attributed to conflicts over control of smuggling routes has remained in Mexico, some has spilled into the United States. Murders and kidnappings linked to Mexican DTOs as well as assaults against U.S. law enforcement officers are becoming increasingly common along the Southwest Border. Violence directed at law enforcement officers along the Southwest Border, primarily U.S. Border Patrol agents, often is intended to deter agents from seizing illicit drug shipments or as a diversion during drug smuggling operations. In addition, drug-related violence has expanded from Tijuana, Baja California Norte; Ciudad Juárez, Chihuahua; and Nuevo Laredo, Tamaulipas, into other geographic areas along the border, including Agua Prieta and Cananea, Sonora, and Palomas, Chihuahua.

Firearms Trafficking

Mexican DTOs and their associated enforcement groups generally rely on firearms trafficking from the United States to Mexico to obtain weapons for their smuggling and enforcement operations. Drug traffickers, firearms smugglers, and independent criminals smuggle large quantities of firearms and ammunition from the United States to Mexico on behalf of Mexican DTOs, who then use these weapons to defend territory, eliminate rivals, enforce business dealings, control members, and challenge law enforcement. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) estimates that thousands of weapons are smuggled into Mexico every year. Firearms are typically purchased or stolen from gun stores, pawnshops, gun shows, and private residences prior to being smuggled into Mexico, where they are often sold for a markup of 300 to 400 percent. Moreover, large caches of firearms often are stored on both sides of the Southwest Border for use by Mexican DTOs and their enforcement groups.

Alien Smuggling

The Southwest Border Region is the principal entry point for undocumented aliens from Mexico, Central America, and South America. Undocumented aliens from special-interest countries such as Afghanistan, Iran, Iraq, and Pakistan also illegally enter the United States through the region. Mexican DTOs collect fees from alien smuggling organizations for the use of specific smuggling routes. Among those individuals illegally crossing the border are criminal aliens and gang members who pose public safety concerns for communities throughout the country. In addition, hundreds of undocumented aliens from special-interest countries illegally cross the U.S.–Mexico border annually. Available reporting indicates that some alien smuggling organizations and Mexican DTOs specialize in smuggling special-interest aliens into the United States.

Violence associated with alien smuggling has increased in recent years, particularly in Arizona. Expanding border security initiatives and additional Border Patrol resources are very likely obstructing regularly used smuggling routes and fueling this increase in violence, particularly violence directed at law enforcement officers. Alien smugglers and guides are more likely than in past years to use violence against U.S. law enforcement officers in order to smuggle groups of undocumented aliens across the Southwest Border. Conflicts are also emerging among rival alien smuggling organizations. Assaults, kidnappings, and hostage situations attributed to this conflict are increasing, particularly in Tucson and Phoenix, Arizona.

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Cocaine

Overview

Large cocaine seizures and strong cocaine interdiction operations appear to have disrupted the ability of some foreign DTOs to supply cocaine to the United States and have caused many U.S. cities, primarily cities in the eastern United States, to experience decreased availability of cocaine during the first half of 2007. In certain cities, these shortages have continued through October 2007. However, Mexican DTOs will most likely undertake concerted efforts to reestablish their supply chain, and because cocaine production in South America appears to be stable or increasing, cocaine availability could return to normal levels during late 2007 and early 2008. Mexican DTOs are the dominant distributors of wholesale quantities of cocaine in the United States, and no other group is positioned to challenge them in the near term.

Strategic Findings

- Potential South American cocaine production increased in 2006 as Colombian coca growers adapted their growing practices to counter intensified coca eradication.

- The Eastern Pacific route, the primary cocaine transportation route within the Mexico–Central America Corridor, may be gaining even greater prominence in cocaine trafficking to the United States.

- Cocaine smuggling through South Texas POEs most likely accounts for a greater portion of the cocaine available in U.S. drug markets than does cocaine smuggled through any other area of the Southwest Border, despite cocaine flow through California POEs increasing sharply in 2006.

- Cocaine availability decreased in several U.S. drug markets during the first half of 2007, most likely because of a combination of factors that included large cocaine seizures in transit toward the United States, law enforcement efforts against prominent Mexican DTOs, violent conflicts between competing Mexican DTOs, and increased competition from non-U.S. markets.

- High levels of cocaine-related crime, rates of abuse, and overdose incidents are a considerable burden to the nation—a condition not likely to diminish in the near term.

Potential South American cocaine production increased in 2006 as Colombian coca growers adapted their growing practices to counter intensified coca eradication. Despite increasingly aggressive coca eradication efforts, U.S. Government estimates of coca cultivation in South America indicate that cocaine producers potentially produced 970 metric tons (MT) of pure cocaine in 2006 (see Table 1 on page 2), a 7 percent increase from 910 MT in 2005 and the highest level since 2002.[3] Coca growers, primarily in Colombia, have sustained and seemingly increased overall cultivation in South America by expanding growing operations to areas where large-scale coca cultivation had not been reported previously. The U.S. State Department reports that 2006 was the sixth consecutive year of record aerial spraying[4] in Colombia, surpassing the previous year's record by 24 percent. Intelligence community reporting indicates that many of the fields in the new growing areas were most likely planted away from traditional cultivation areas where eradication has intensified. Intelligence reporting also indicates that Colombian coca growers have responded to eradication efforts by

3. To estimate the amount of cocaine departing South America for world markets, the Interagency Assessment of Cocaine Movement (IACM) assesses that 940 MT of pure cocaine was produced in South America during 2006. This differs from the 970 MT estimate because the IACM constructs an "average" potential cocaine production estimate to account for differences in when annual coca cultivation surveys are conducted in Colombia, Peru, and Bolivia.
4. According to the U.S. State Department, aerial eradication in Colombia is measured in the number of hectares sprayed annually.

Table 1. Estimated Andean Region Coca Cultivation and Potential Pure Cocaine Production, 2002–2006[a]

	2002	2003	2004	2005	2006
Net Cultivation (hectares)	200,750	166,300	166,200	204,500	220,000
Bolivia	21,600	23,200	24,600	26,500	25,800
Colombia	144,450	113,850	114,100	144,000	157,200
Peru	34,700	29,250	27,500	34,000	37,000
Potential Pure Cocaine Production (metric tons)	975	805	775	910	970
Bolivia*	110	100	115	115	115
Colombia	585	460	430	545	610
Peru	280	245	230	250	245

Source: Crime and Narcotics Center.

*Amounts for 2002 through 2005 are based on old estimates of cocaine processing efficiency (1993) and thus could tend to understate actual output.

a. Numbers may not add exactly due to rounding and may differ from figures published in previous National Drug Threat Assessments because of updated data and improved methodologies.

the radical pruning (drastically cutting back the bush, often down to the ground, to protect the plant from the herbicide) and vigorous replanting of sprayed coca bushes. These practices allow for more rapid regeneration or replacement of sprayed fields.

The Eastern Pacific route, the primary cocaine transportation route within the Mexico–Central America Corridor, may be gaining even greater prominence in cocaine trafficking to the United States. The estimated amount of cocaine moving toward the United States from South America has remained consistent; however, the amount detected moving toward the United States through the Eastern Pacific Vector of the Mexico–Central America Corridor—which is composed of the Eastern Pacific, Central America, and Western Caribbean transportation vectors—(see Figure 1 on page 3) appears to be increasing. The Interagency Assessment of Cocaine Movement (IACM) estimates that between 530 and 710 MT of cocaine departed South America toward the United States in 2006, an amount similar to the 2005 estimate of between 518 and 733 MT.[5] The percentage of cocaine reported moving from South America toward the United States through the Mexico–Central America Corridor also remained steady at 90 percent between 2005 and 2006. However, a greater percentage of the cocaine that moved through the Mexico–Central America Corridor in 2006 appears to have moved through the Eastern Pacific Vector. The IACM estimates that 66 percent of the cocaine reported departing South America toward the United States during 2006 moved through the Eastern Pacific Vector. This was a 32 percent increase from the 50 percent that moved through the vector in 2005, according to the IACM. By comparison, the percentage of cocaine reported moving through the Western Caribbean Vector toward the United States decreased from 38 percent in 2005 to 24 percent in 2006. While these

5. Estimates of the amount of cocaine departing from South America toward the United States integrate production-, consumption-, and movement-based estimates and are presented as a range of the amount of cocaine leaving South America toward the United States during any given year. The exact amount of cocaine that departed South America toward the United States falls within this range and presently cannot be determined because of imprecision in the data.

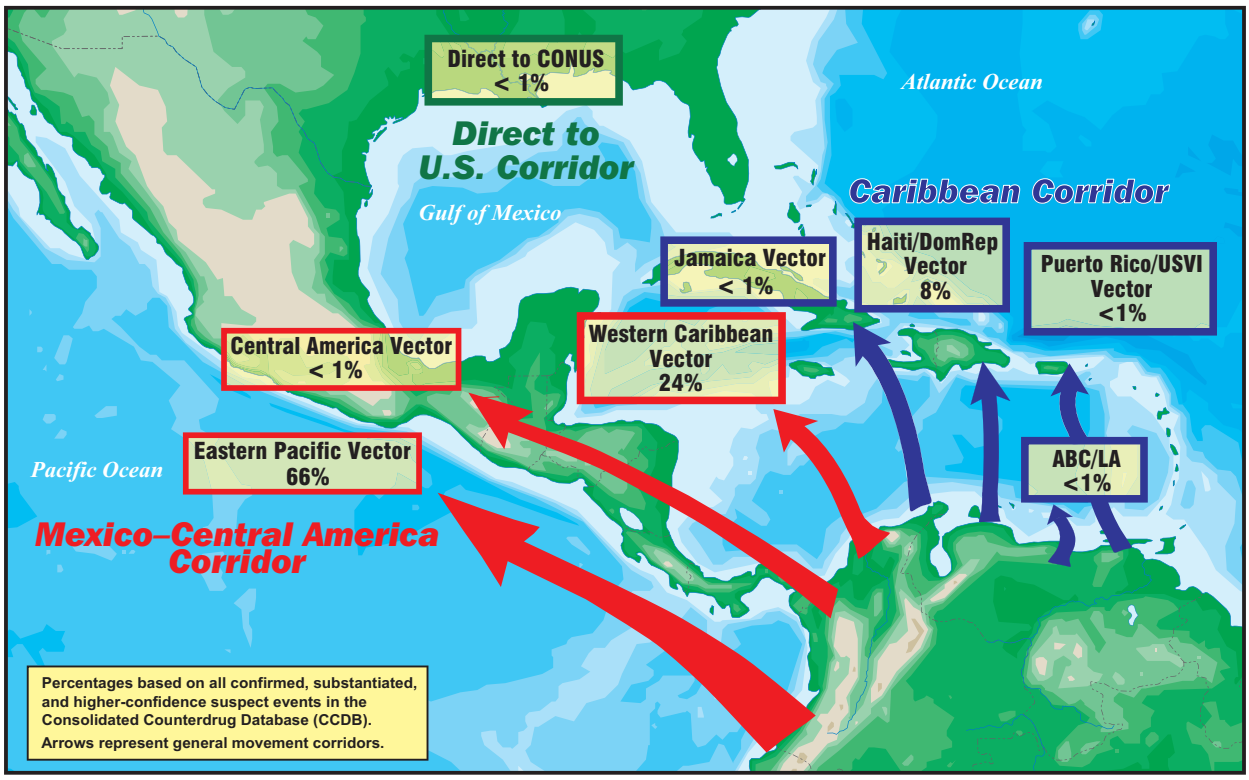


Figure 1. Vectors in the Transit Zone–CCDB-documented cocaine flow departing South America, January–December 2006.

data appear to indicate more cocaine moving through the Eastern Pacific, it may be more reflective of situational awareness than actual changes in trafficking routes (see Intelligence Gaps on page 6).

Cocaine smuggling through South Texas POEs most likely accounts for a greater portion of the cocaine available in U.S. drug markets than does cocaine smuggled through any other area of the Southwest Border, despite cocaine flow through California POEs increasing sharply in 2006. Much of the cocaine smuggled into the United States enters through South Texas POEs. National Seizure System (NSS) data reveal that of the 5.2 MT of cocaine seized at Texas POEs during 2006, over 4.3 MT were seized at three POEs in South Texas (Laredo, Hidalgo/Pharr, and Brownsville). The seizures at these South Texas POEs in 2006 accounted for 33 percent (4.3 of 13.0 MT) of all cocaine seizures at or between Southwest Border POEs and 13 percent (4.3 of 32.5 MT) of all cocaine seized within the entire U.S. Arrival Zone during 2006.[6] Moreover, the large amount of cocaine seized at checkpoints and traffic stops on highways north of these POEs confirms the heavy flow of cocaine through the South Texas region. Notwithstanding South Texas' primacy with respect to cocaine flow into the United States, cocaine seizures at California POEs along the Southwest Border are very high and have increased sharply from 1.9 MT in 2004 to 2.4 MT in 2005 to 3.7 MT in 2006. Much of this increase is attributable to an increase in cocaine seizures at the Calexico POE, from which 2.3 MT of cocaine were seized in 2006, much higher than in 2004 (823 kg) and 2005 (760 kg).

6. The U.S. Arrival Zone is defined as all land, air, and maritime entry points into the United States, U.S. Virgin Islands, Puerto Rico, and 150 miles inside the U.S. Southwest Border.

Cocaine availability decreased in several U.S. drug markets during the first half of 2007, most likely because of a combination of factors that included large cocaine seizures in transit toward the United States, law enforcement efforts against prominent Mexican DTOs, violent conflicts between competing Mexican DTOs, and increased competition from non-U.S. markets.

During spring 2007 federal, state, and local law enforcement agencies in several U.S. drug markets reported that cocaine availability decreased and that cocaine shortages were apparent in their jurisdictions. By June 2007 law enforcement agencies in 38 large and midsize drug markets reported decreased cocaine availability to various degrees (see Map 4 in Appendix B). Cocaine shortages were most evident in the Great Lakes, New England, and Mid-Atlantic Regions of the country, but some major drug markets outside these areas also reported indications of decreased cocaine availability. These markets include Atlanta, Los Angeles, Phoenix, and San Francisco. Investigators in many of the 38 drug markets report that drug distributors were unable to obtain their regular supplies of cocaine. Law enforcement reporting in many of these markets indicates that the decrease in availability was accompanied by a corresponding increase in cocaine prices and a decrease in cocaine purity. Some reported price increases were significant—nearly doubling in some cases—while others were less dramatic, remaining near or only slightly higher than the normal price ranges. Regardless of the amount of the reported price increase from city to city, the trend was evident, since cocaine prices in many different markets over a large portion of the country appeared to increase simultaneously. Decreased cocaine availability continued into the second half of 2007, but recent reporting indicates that cocaine availability levels may be returning to normal levels in some markets.

Analysis of Quest Diagnostics[7] workplace drug testing data and DAWN *Live!* [8] (Drug Abuse Warning Network) data appear to support the assertion of decreased cocaine availability. Quest Diagnostics data are available in 30 of the 38 cities in which cocaine shortages were reported. (See Map 5 in Appendix B.) In 26 of the 30 cities, cocaine positivity rates—the percentage of workers or work seekers who show positive for recent cocaine use in occupational drug tests—decreased during the second quarter of 2007 when compared with the same period (second quarter) in 2006 (see Table 6 in Appendix C). Moreover, national cocaine positivity rates from workplace drug tests were 21 percent lower during the second quarter of 2007 (0.553%) than during the same period in 2006 (0.700%). (See Chart 1 on page 5.) Additionally, DAWN *Live!* data are available in 10 of the 38 cities in which cocaine shortages were reported. These data reveal that the percentage of drug-related emergency department (ED) visits involving cocaine was lower during the second quarter of 2007 than the second quarter of 2006 in nine of the 10 cities (see Map 6 in Appendix B).

Analysis of NSS data indicates a decrease in the flow of cocaine across the Southwest Border during the second quarter of 2007.[9] According to the NSS, the amount of cocaine seized during the second quarter of 2007 was 39 percent lower (from 6,987 kg to 4,249 kg) than during the same period in 2006. (See Table 2 on page 5.) In

7. Quest Diagnostics is an independent corporation that conducts employment-related drug testing services for private industry and the federal government. As a public service, Quest publishes *The Quest Diagnostics Drug Testing Index*, a periodic report that examines drug test positivity rates (the proportion of positive results for a drug to all such drug tests performed) for the combined U.S. workforce—which includes general workers and federally mandated, safety-sensitive workers.
8. Drug Abuse Warning Network (DAWN) collects data from numerous hospital emergency departments in 13 metropolitan areas as well as from a nationally representative sample of hospitals. Data are collected on all drug-related emergency department visits to measure the effects of substance use, misuse, and abuse.
9. National Seizure System (NSS) data may not include all seizures for the second quarter of 2007, since some seizures are not reported to El Paso Intelligence Center (EPIC) on a timely basis or are not entered into the NSS immediately because of personnel limitations.

Table 2. Southwest Border Area Seizures for Cocaine, by Quarter in Kilograms, Third Quarter 2003–Second Quarter 2007[a]

Third Quarter 2003	Fourth Quarter 2003	First Quarter 2004	Second Quarter 2004	Third Quarter 2004	Fourth Quarter 2004	First Quarter 2005	Second Quarter 2005
4,172	4,644	6,140	5,130	5,397	5,881	4,557	5,295

Third Quarter 2005	Fourth Quarter 2005	First Quarter 2006	Second Quarter 2006	Third Quarter 2006	Fourth Quarter 2006	First Quarter 2007	Second Quarter 2007
7,117	5,693	6,109	6,987	8,152	6,173	7,111	4,249

Source: National Seizure System.

a. Southwest Border area seizures include all seizures at POEs, between POEs, and within 150 miles of the Southwest Border.

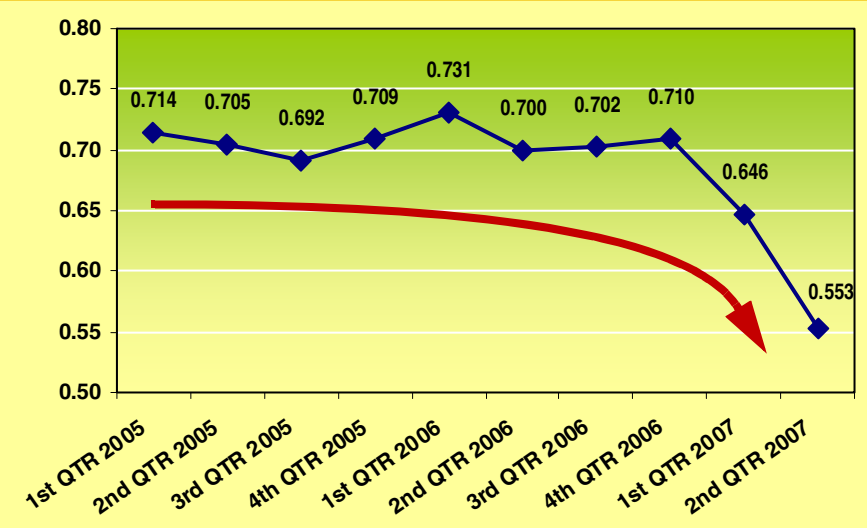
fact, NSS cocaine seizures recorded during the second quarter of 2007 were the lowest recorded for any quarter since the third quarter of 2003.

Much of the second quarter 2007 decrease in NSS seizures for cocaine can be attributed to lower seizure amounts in Texas. NSS data show a 56 percent decrease in cocaine seizures in Texas from the first quarter of 2007 (5,244 kg) to the second quarter of 2007 (2,327 kg). Second quarter 2007 cocaine seizures in Texas were also significantly lower than cocaine seizures during the same period in 2006 (4,586 kg) and 2005 (3,490 kg). Southwest area cocaine seizure totals for other border states during the second quarter of 2007 were similar to those for past quarters.

Analysis of information and intelligence available to NDIC indicates that the factors most likely contributing to the shortage are large seizures of cocaine while in transit toward Mexico as well as law enforcement operations against Mexican DTOs operating inside and outside the United States, including extraditions of key members of

Chart 1. Rates of National Positive Cocaine Results in Workplace Drug Tests, 2005–2007*

The percentage of workers or work seekers who tested positive for recent cocaine use in occupational drug tests was 21 percent lower during the second quarter of 2007 than during the same period in 2006.



Source: Quest Diagnostics.
*Only 2 quarters are available for 2007.

Mexican DTOs. These seizures and law enforcement operations occurred nearly simultaneously and appear to have had a cumulative effect, resulting in disruptions to the cocaine supply chain. In addition, conflicts between competing Mexican DTOs and increased shipments of cocaine to non-U.S. markets may have affected the amount of cocaine available for shipment to the United States.

High levels of cocaine-related crime, rates of abuse, and overdose incidents are a considerable burden to the nation—a condition not likely to diminish in the near term. Law enforcement reporting, national drug prevalence studies, and emergency department reporting all indicate that the adverse impact on society brought about by the trafficking and abuse of cocaine is very high, higher than for other drugs in many measured areas. For example, National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) data for 2007 show that 40.1 percent of state and local law enforcement agencies report cocaine or crack cocaine as the greatest drug threat in their area—higher than for any other drug (see Map 2 in Appendix B). Moreover, NDTS data show that nationally, the percentage of state and local agencies that identified cocaine as the drug that most contributed to violent crime (46.9%) and property crime (40.9%) was much higher than for any other drug. Compounding the problem posed to the nation by cocaine-related crime is the relatively high number of cocaine abusers. National Survey on Drug Use and Health (NSDUH) data for 2006 show that over 6.0 million individuals aged 12 and older used cocaine within the past year, similar to 2005 (5.5 million users) and at a rate higher than for all other illegal drugs except marijuana. The adverse consequences of cocaine use are also quite high, as evidenced by DAWN *Live!* data for 2005 (the most recently published data available for all drugs)[10] that show cocaine abuse was involved in approximately 31 percent (448,481 of 1,449,154) of reported drug misuse/abuse ED visits in 2005. This was the second consecutive year that cocaine misuse/abuse ED visits exceeded those for any other illicit drug.

Intelligence Gaps

Uncertainty exists regarding the precision of coca cultivation estimates. Although the best available estimates indicate an increase in coca cultivation in South America, the rapid adaptation by coca growers and their changing cultivation practices challenge analysts' ability to develop cocaine production estimates with a high degree of certainty. The land area surveyed for coca cultivation in South America increased each year from 2004 through 2006, and in each year, coca fields were discovered in areas not previously surveyed or known for large-scale coca cultivation. Analysts are uncertain as to how long these newly discovered coca fields have been active. Moreover, analysts also are uncertain about the productivity of coca fields that are rapidly replanted after aerial eradication and about the productivity of vigorously pruned coca bushes.

While current data and reporting suggest that Mexican and Colombian traffickers are increasing the flow of cocaine through the Eastern Pacific, the trend may only be reflective of the counterdrug community's greater awareness of cocaine shipments in the Eastern Pacific versus shipments of cocaine in other vectors. Factors that affect the counterdrug community's ability to accurately and consistently estimate the annual flow of cocaine through different transportation vectors include the availability of information on drug movements, the accessibility of counterdrug assets such as ships and planes that are capable of detecting and interdicting shipments of cocaine, reporting from foreign counterdrug forces, and the changing of tactics by traffickers that thwart the detection/interception of cocaine shipments.

10. The most recently published DAWN estimates for all drugs are for 2005; however, unweighted data from 2007 DAWN *Live!* for 2006 and 2007 were provided to National Drug Intelligence Center (NDIC) for its use in preparing several recent cocaine assessments. Data from DAWN *Live!* are not representative or final and cannot be compared with other data from other years.

Increased cocaine trafficking and abuse in non-U.S. markets may have been a contributing factor to recent cocaine shortages in the United States; however, the full effect is very difficult to determine. The IACM indicates that the amount of cocaine being transported from South America to non-U.S. markets, particularly to Europe, has increased since 2004. Similarly, the IACM reports that cocaine consumption in non-U.S. markets is increasing. However, many of the cocaine consumption and flow estimates in non-U.S. markets are imprecise. The imprecision of these studies, combined with uncertainties regarding total cocaine production and U.S. consumption, makes it difficult to determine the extent to which expanding non-U.S. markets have contributed to recent cocaine shortages in the United States.

Predictive Estimates

In many of the cities in which cocaine shortages were reported, DTOs will most likely reestablish cocaine distribution at or near 2006 levels in the near term. The disruption to cocaine distribution and availability in the first half of 2007 probably was not the result of a decrease in cocaine production or worldwide availability. Rather, the cocaine decrease in U.S. drug markets appeared to be partly the result of large cocaine seizures in the Eastern Pacific during a period of disruption and infighting among Mexican DTOs and increased cocaine shipments to markets outside the United States. Despite the disruptions, wholesale distributors will most likely either reestablish distribution with their original sources of supply in Mexico or establish new sources of supply with other Mexican DTOs. In fact, cocaine availability may already be returning to previous levels in some areas. The Philadelphia/Camden High Intensity Drug Trafficking Area (HIDTA)—the first drug market to report sustained cocaine shortages—reported in August 2007 that cocaine availability was returning to levels observed before the 2007 shortage.

Wholesale cocaine prices in the United States may remain high in 2008 even if cocaine availability returns to 2006 levels. Cocaine traffickers may try to exploit actual or perceived shortages of cocaine by inflating the price of kilogram quantities of cocaine. Competition among distributors will most likely bring about a balance in prices relative to supply; however, in the near term, distributors may hold prices at artificially high levels to increase their profits. For example, some investigators in Atlanta report that the city briefly experienced cocaine shortages during 2007 and that the shortages caused a permanent increase in cocaine prices at the wholesale and retail levels.

Heroin

Overview

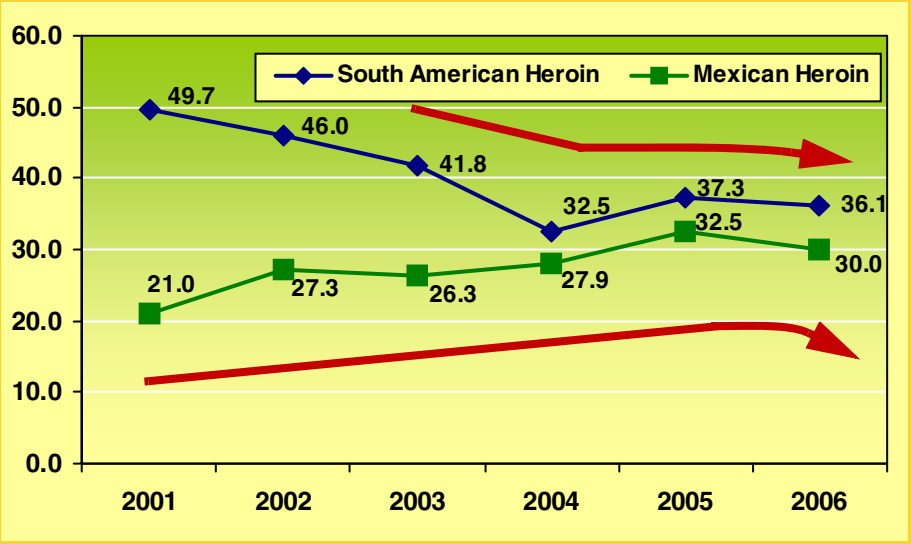
Heroin is readily available in most large metropolitan areas and, increasingly, in some suburban and rural markets throughout the country. Abuse levels are stable at relatively low levels; however, abuse is increasing among young adults in a number of suburban and rural areas. Abuse is generally concentrated in the Northeast, where the drug is most available. The majority of the heroin consumed in eastern markets of the United States is South American, and the availability of other forms of white heroin (Southwest Asian and Southeast Asian) is limited. Abuse of prescription narcotics as a precursor to heroin among adolescents is an emerging concern to law enforcement and public health officials. Also of concern is the abuse of cheese heroin—a combination of Mexican black tar heroin and over-the-counter pain relievers that contain diphenhydramine HCl—which has been encountered in a small number of areas.

Strategic Findings

- Overall decreases in retail purity of South American heroin and increasing retail purity of Mexican heroin may aid Mexican DTOs in expanding Mexican heroin distribution.
- Colombian DTOs increasingly rely on Mexican DTOs to smuggle South American heroin into the United States.
- The availability of Southwest Asian heroin in the United States is at a low level and will very likely remain so in the near term.
- Southeast Asian heroin remains available in certain U.S. drug markets; however, availability is limited and appears to be declining.
- Expanded opium poppy cultivation and decreased eradication in Mexico have resulted in a significant increase in the potential amount of Mexican heroin destined for the United States.
- Deaths occasioned by the abuse of fentanyl (often used in combination with heroin) have decreased sharply since spring 2006.

Chart 2. South American and Mexican Retail Heroin Purity, by Percentage, 2001–2006

The percentages of retail heroin purity of South American and Mexican heroin have nearly converged and now show only a 6.1 percent difference in purity.



Source: Heroin Domestic Monitor Program, 2006.

- The abuse of cheese heroin, which has contributed to numerous overdose deaths in Dallas, Texas, since 2005, has emerged in a few other drug markets.

Overall decreases in retail purity of South American heroin and increasing retail purity of Mexican heroin may aid Mexican DTOs in expanding Mexican heroin distribution. Drug Enforcement Administration (DEA) Heroin Domestic Monitor Program (HDMP)[11] data show that South American heroin average retail purity has typically been much higher than that of Mexican heroin; however, recent declines in South American heroin purity and increases in Mexican heroin purity have narrowed the gap considerably. According to HDMP data, South American heroin purity decreased from 49.7 percent in 2001 to 36.1 percent in 2006, while Mexican heroin purity increased over that same period from 21.0 percent to 30.0 percent (see Chart 2 on page 8). The cause of the decreasing South American retail heroin purity is unclear. Nevertheless, the increased purity may enable Mexican DTOs to market Mexican heroin in traditional South American heroin strongholds.

Colombian DTOs increasingly rely on Mexican DTOs to smuggle South American heroin into the United States. Colombian DTOs typically employ couriers on commercial flights and, to a lesser extent, cruise ships to smuggle South American heroin into the United States; however, they are increasingly contracting with Mexican DTOs to smuggle the drug overland across the Southwest Border and then on to U.S. drug markets. According to law enforcement reporting and 2006 POE seizure data, the majority of the South American heroin available in domestic markets is transported by individual couriers on commercial aircraft destined for U.S. international airports, particularly John F. Kennedy International Airport and Miami International Airport (see Table 3).[12] However, law enforcement reporting reveals that Colombian organizations

Table 3. Top 10 Ports of Entry for Heroin Seizures, in Kilograms, 2005 and 2006 Combined

Port of Entry	Seizure Amount	Seizure Events
New York Airports (JFK International and LaGuardia)*	634.6	243
Miami International Airport	238.6	135
Laredo POE	166.9	35
El Paso POE	126.9	21
San Ysidro POE	118.4	17
San Juan Port	126.6	2
Newark Liberty International Airport	84.8	48
Nogales POE	68.4	28
Memphis International Airport	62.9	21
Fort Lauderdale International Airport	37.6	21

Source: National Seizure System.

*Most seizures were made at JFK International Airport.

11. The Drug Enforcement Administration (DEA) Heroin Domestic Monitor Program (HDMP) is a heroin purchase program designed to identify the purity, price, and source of origin of heroin available at the retail level in 28 major U.S. metropolitan markets. Heroin samples, obtained from undercover purchases, are submitted to the program and are subject to in-depth chemical analysis at the DEA Special Testing and Research Laboratory in order to determine the purity and, if possible, the geographic source area of the heroin.

12. The heroin seized at the New York airports and at the Miami, Newark, Memphis, and Fort Lauderdale airports was almost entirely white heroin, the vast majority of which came from South America.

increasingly employ Mexican DTOs to transport South American heroin on their behalf. For instance, intelligence reporting from the Middle Atlantic–Great Lakes Organized Crime Law Enforcement Network (MAGLOCLEN) indicates that Colombian DTOs are contracting with Mexican DTOs to transport heroin from the Southwest Border to Colombian criminal groups in eastern drug markets, such as New York City. As payment, Mexican DTOs receive transportation fees from the Colombian DTOs in cash or by wire after the heroin is delivered by the Mexican organization. Mexican DTOs typically transport the South American heroin in vehicles, on buses and trains, and on commercial aircraft through southern California, South Texas, and West Texas POEs using the overland routes that they had established to transport cocaine as well as Mexican marijuana, methamphetamine, and heroin; they often use low-level couriers in doing so.

The availability of Southwest Asian heroin in the United States is at a low level and will very likely remain so in the near term. Southwest Asian heroin remains available in some U.S. heroin markets, primarily large metropolitan areas, including Chicago, Detroit, St. Louis, Atlanta, and New York City; availability appears to have increased marginally in recent years. Data from HDMP for 2000 through 2006 support this contention, indicating that Southwest Asian heroin is available only in limited quantities in a certain number of markets throughout the country and that availability in those markets has remained consistent in recent years.

Analysis of law enforcement and intelligence reporting indicates that despite significant increased opium production in Afghanistan (see Table 4 on page 11), the availability of Southwest Asian heroin in the United States will quite likely remain at a low level for the near term. The amount of South American heroin produced appears sufficient to supply the demand for white powder heroin in the United States. Colombian and Dominican traffickers—and, increasingly, Mexican traffickers—maintain well-established transportation and distribution networks to ensure a consistent flow of South American heroin to U.S. markets. Conversely, transportation and distribution networks that would be necessary to significantly increase the availability of Southwest Asian heroin in the United States appear limited at present. A significant interruption in the availability of high-purity South American heroin could present the opportunity for increased availability of Southwest Asian heroin in the United States, especially given potentially higher returns for traffickers from U.S. sales of cheaper Southwest Asian drugs.

Southeast Asian heroin remains available in certain U.S. drug markets; however, availability is limited and appears to be declining. Southeast Asian heroin is available on a limited basis in a limited number of markets in the eastern United States such as Baltimore, New York City, and Washington, D.C., where white heroin is most commonly abused. However, the availability of South American heroin far surpasses that of Southeast Asian heroin in these markets, and availability of Southeast Asian heroin appears to be declining. Southeast Asian heroin prices have increased, while retail purity has decreased. Moreover, the level of potential heroin production in Southeast Asian nations (Burma, Laos, Thailand, and Vietnam) has significantly decreased overall during the past 5 years (see Table 4 on page 11). As such, it is unlikely that Southeast Asian heroin availability will increase in the near term.

Expanded opium poppy cultivation and decreased eradication in Mexico have resulted in a significant increase in the potential amount of Mexican heroin destined for the United States. Opium cultivation and heroin production in Mexico increased significantly from 2005 to 2006. According to Central Intelligence Agency (CIA) production estimates, 5,100 hectares of opium poppy were cultivated in Mexico in 2006, a significant increase over the 3,300 hectares cultivated in 2005. Most of this new opium poppy cultivation was concentrated in

the northern areas of Mexico, where the climate allows for a greater yield of opium gum per hectare. In northern Mexico, opium cultivators yield 23 kilograms of opium gum per hectare, compared with 19 kilograms of opium gum per hectare in southern Mexico. Further, between 2005 and 2006, opium eradication decreased in Mexico. While the Mexican Government's eradication efforts continued to fall within set guidelines, eradication decreased 22 percent from 21,609 hectares in 2005 to 16,831 hectares in 2006. This decline in eradication, occurring at the same time as increased opium cultivation, led to a 59 percent increase in potential Mexican heroin production levels. (See Table 4.) Most of the heroin produced was transported to the United States for distribution.

Deaths occasioned by the abuse of fentanyl (often used in combination with heroin) have decreased sharply since spring 2006. Overdoses from the abuse of fentanyl combinations have occurred periodically in various areas of the United States for many years; however, no fentanyl overdose outbreaks have been as geographically diverse and long-lasting as the outbreak that began in late 2005, peaked in May 2006, and then receded sharply. During this outbreak many distributors mixed fentanyl with heroin and sold the combination, often to unsuspecting heroin users. Fentanyl also was mixed with other substances, including cocaine.[13] Health departments/medical examiner offices reporting the highest numbers of fentanyl-related overdose deaths during that period include offices in Illinois (362), Pennsylvania (260), Michigan (212), and New Jersey (139). Additionally, DEA data show that there were 972 confirmed fentanyl-related deaths in six jurisdictions and 162 suspected fentanyl-related deaths in other jurisdictions during the time frame of this outbreak. (A few of the deaths may have involved prescription fentanyl administered in combination with heroin, although most health department and law enforcement officials believe that the majority of deaths did, in fact, involve clandestinely produced fentanyl that was combined with heroin and sold to heroin users.) Throughout the first half of 2007, the number of reported fentanyl-related deaths decreased, and by June most state health departments in areas that had been affected by the outbreak reported that the number of fentanyl-related deaths had dropped back to pre-2005 levels.

Heroin production in Mexico appears to be increasing. Decreases in production were noted in Southeast Asian countries (Burma, Laos, Thailand, and Vietnam).

Table 4. Potential Worldwide Heroin Production, in Metric Tons, 2002–2006

	2002	2003	2004	2005	2006
Mexico	6.8	11.9	8.6	8.0	12.7
Colombia	8.5	7.8	3.8	*	4.6
Afghanistan	150.0	337.0	582.0	526.6	664.0
Burma	60.0	46.0	31.5	36.0	22.0
Laos	17.0	19.0	5.0	2.7	1.0
Pakistan	0.5	5.2	NA	3.8	4.2
Thailand	0.9	NA	NA	NA	NA
Vietnam	1.0	NA	NA	NA	0.0
Guatemala	NA	NA	1.4	0.4	NA
Total	244.7	426.9	632.3	577.5	708.5

Source: Crime and Narcotics Center.
NA–not available
*CNC did not report an estimate for Colombia in 2005.

13. Law enforcement data regarding fentanyl-related deaths show that more than 50 percent of subjects who died had tested positive for cocaine, suggesting that many of the subjects may have used a lethal fentanyl/cocaine combination.

The abuse of cheese heroin, which has contributed to numerous overdose deaths in Dallas, Texas, since 2005, has emerged in a few other drug markets. The abuse of cheese heroin (a black tar heroin/diphenhydramine mixture) in the Dallas area has contributed to as many as 22 deaths in Dallas County since 2005. The deaths were not initially attributed to cheese heroin, but when reports of increasing abuse emerged in April 2007, the Dallas County Medical Examiner's office reexamined heroin-related overdose deaths in decedents aged 18 and younger and discovered the presence of a significant amount of diphenhydramine in 22 cases. The Medical Examiner's office is currently reexamining heroin-related overdose deaths from the last 10 years in order to locate additional cases of heroin-diphenhydramine combinations. In response to this trend, some stores in the Dallas area have stopped selling products containing diphenhydramine, and others have placed diphenhydramine products behind the prescription drug counter and are requiring customers to produce identification before purchasing the product.

There are no current reports of widespread cheese heroin abuse outside the Dallas area; however, in March the Boulder County, Colorado, Drug Task Force reported that novice heroin abusers were crushing over-the-counter pain relief tablets containing acetaminophen and diphenhydramine, mixing them into black tar heroin, and snorting the mixture. In July the Shreveport, Louisiana, Police Department seized 77 grams of cheese heroin from a local heroin distributor. Treatment officials in Ohio report that young adults who abuse heroin sometimes also abuse diphenhydramine-based medications in an effort to prolong their heroin high. These abusers generally consume the diphenhydramine separately and do not mix it into the heroin.

Intelligence Gaps

The percentage of U.S. market share held by each of the four types of heroin (South American, Southeast Asian, Southwest Asian, and Mexican) is somewhat unclear. No program currently exists that is designed to produce a nationally representative sample of heroin available in the United States. Data from the Heroin Signature Program (HSP)[14] and HDMP do, however, provide indicators of changes in the geographic origin of heroin supplying U.S. heroin users.

Predictive Estimates

Southeast Asian heroin availability may decrease in the near term. Southeast Asian heroin availability is currently limited to few U.S. markets, and South American heroin is far more commonly abused in white heroin markets. Further, purity levels of Southeast Asian heroin are declining while prices are rising, making this type of heroin less attractive to consumers. Significant declines in heroin production in Southeast Asian nations, accompanied by rising costs and declining purity, indicate that availability of Southeast Asian heroin may decrease in U.S. markets.

Widespread abuse of cheese heroin will most likely not expand beyond the Dallas area; however, occasional copycat incidents may occur. Since the extensive media coverage of the cheese heroin overdoses in Dallas, communities in the area have commenced an expansive information campaign and have taken steps to limit the availability of diphenhydramine-based products to minors. Subsequently, very few incidents of cheese heroin abuse have been reported outside the Dallas area, and cheese-related overdose incidents have significantly declined. Further occurrences of cheese distribution and abuse will most likely be limited to isolated incidents or to distributors using the name "cheese" in order to exploit media coverage of the Dallas trend.

14. The DEA Heroin Signature Program (HSP) is designed to provide indicators of the geographic origins of heroin at the wholesale level. Samples are drawn primarily from port of entry (POE) seizures, as well as from a random sample of other seizures and purchases submitted to DEA laboratories, and are analyzed by the DEA Special Testing and Research Laboratory to determine the purity and, if possible, the geographic source area of the heroin.

Marijuana

Overview

The threat associated with marijuana trafficking and abuse is rising, largely the result of a growing demand for high-potency marijuana as well as a concomitant increase in the drug's availability. An increase in domestic cannabis cultivation by DTOs contributes to this threat, particularly the recent expansion of cultivation operations by Mexican, Asian, and Cuban DTOs. Mexican DTOs are expanding their networks by moving some of their operations from western to eastern states and to remote areas where cannabis has not been previously cultivated. Canada-based Asian DTOs and criminal groups are cultivating large quantities of high-potency marijuana in indoor sites in various regions of the country, and they are expanding their networks to control a greater portion of wholesale marijuana distribution. Cuban groups appear to have expanded their operations significantly in 2006 and 2007 from southern Florida to other southeastern states, particularly Georgia and North Carolina.

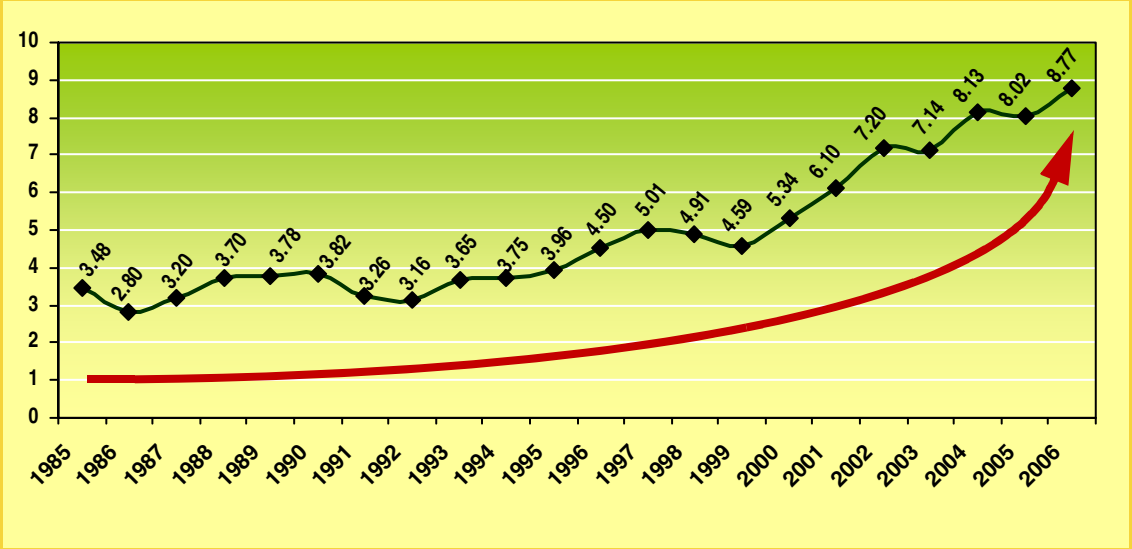
Strategic Findings

- Marijuana potency reached its highest recorded level in 2006, most likely attributable to improvements in outdoor and indoor cannabis cultivation methods.
- Indoor cannabis cultivation is increasing in some areas of the country as growers attempt to avoid outdoor eradication and attain higher profits through production of indoor-grown, high-potency marijuana.
- Cuban DTOs and criminal groups in the Southeast are expanding indoor grow operations northward to avoid detection and attain better access to drug markets.
- The involvement of Mexican DTOs in outdoor cannabis cultivation within the United States is expanding to eastern states—an apparent attempt to avoid heightened law enforcement pressure in western states.
- Mexican DTOs have relocated many of their cannabis cultivation operations in Mexico from traditional growing areas to more remote locations in central and northern Mexico, primarily to reduce the risk of eradication and gain more direct access to U.S. drug markets.
- Asian DTOs and criminal groups are increasingly becoming involved in marijuana trafficking in every region of the United States.
- Large quantities of marijuana seized along the Southwest Border—particularly in Arizona—are very likely the result of increased smuggling operations by Mexican DTOs and increased law enforcement efforts.
- The demand for marijuana appears to be relatively stable and declining slightly in some areas; however, many users now prefer and abuse higher-potency marijuana over commercial-grade marijuana.

Marijuana potency reached its highest recorded level in 2006, most likely attributable to improvements in outdoor and indoor cultivation methods. The University of Mississippi Potency Monitoring Project data for 2006 indicate that the average THC (delta-9-tetrahydrocannabinol)—the psychoactive chemical in marijuana—level in tested samples of marijuana increased to the highest-ever recorded level since the project's inception in 1975. According to project data, the average THC content of all tested marijuana samples nationwide increased to 8.77 percent in 2006, nearly doubling since 1996 (4.50%) (see Chart 3 on page 14). Most of the marijuana available in the United States is lower-potency, commercial-grade marijuana produced in Mexico; however, the national average potency of marijuana appears to be

Chart 3. Average Percentage of THC in Samples of Seized Marijuana, 1985–2006

The average THC content of marijuana nearly doubled between 1996 and 2006.



Source: The University of Mississippi Potency Monitoring Project.

increasing because of a rising prevalence in domestic drug markets of high-potency marijuana that is generally produced in Canada and the United States through improved and highly efficient outdoor and indoor cultivation methods. Independent growers—and, increasingly, criminal groups and DTOs—operating in Canada and the United States use advanced equipment and cultivation methods to produce a higher-potency crop, including using cloned starter plants and high-nutrient fertilizers. For example, indoor grow operations recently discovered in the Atlanta area (see text box on page 15) yielded marijuana with a THC content of over 18 percent.

Indoor cannabis cultivation is increasing in some areas of the country as growers attempt to avoid outdoor eradication and attain higher profits through production of indoor-grown, high-potency marijuana. Federal, state, and local law enforcement reporting indicates that vigorous outdoor cannabis eradication efforts have caused many marijuana producers, particularly Caucasian groups, to relocate indoors even in leading outdoor grow states such as California and Tennessee. In addition to the reduced risk of detection, indoor cannabis cultivators benefit from higher profits because cultivation is a year-round process with four to six harvests per year and controlled conditions that enable growers to produce high-quality marijuana that commands higher prices in most drug markets (see Table 5 in Appendix C). These factors have contributed to a sharp increase in indoor cultivation reported by law enforcement, evidenced by an 85 percent increase nationwide in indoor plant eradication between 2000 and 2006 (see Table 5 on page 15). Moreover, Domestic Cannabis Eradication/Suppression Program (DCE/SP) data show that the number of indoor sites seized increased 38 percent from 2001 (2,379 sites) to 2006 (3,274).

Cuban DTOs and criminal groups in the Southeast are expanding indoor grow operations northward to avoid detection and attain better access to drug markets. Cuban DTOs have cultivated high-potency cannabis at indoor grow sites in southeastern states—primarily in southern Florida—for several years; however, Cuban groups appear to have expanded their operations significantly in 2006 and 2007. The Florida Department of Law Enforcement (FDLE) reports that the number of indoor cannabis grows operated by Cuban DTOs in

Table 5. Domestic Cannabis Eradication, Outdoor and Indoor Plant Seizures, 2000–2006

	2000	2001	2002	2003	2004	2005	2006
Outdoor	2,597,798	3,068,632	3,128,800	3,427,923	2,996,225	3,938,151	4,830,766
Indoor	217,105	236,128	213,040	223,183	203,896	270,935	400,892
Total	2,814,903	3,304,760	3,341,840	3,651,106	3,200,121	4,209,086	5,231,658

Source: Domestic Cannabis Eradication/Suppression Program.

South Florida has increased sharply and is the leading cause of the increase in indoor grow seizures in Florida between 2001 (210) and 2006 (384). During that period, the influence of these Florida-based Cuban DTOs appears to have increased significantly, extending beyond southern Florida to other southeastern states. Intelligence derived from recent law enforcement investigations reveals that cannabis cultivation by Cuban DTOs has advanced from independent Cuban groups operating small grows for relatively small profit, to a seemingly coordinated effort by these groups to operate large-scale, indoor cannabis grow sites across Florida, Georgia, and North Carolina. In fact, law enforcement reporting indicates that many—perhaps most—of the Cuban-operated, indoor cannabis cultivation sites in Florida, Georgia, and North Carolina may be linked to a single Florida-based Cuban DTO. The unusually high number of Cuban-operated indoor cannabis grow site seizures in Georgia in early 2007 (see text box) will result in a sharp increase in the annual number of plants eradicated statewide in 2007, compared with previous years when indoor cultivation was relatively limited. For example, cannabis plant seizures will most likely exceed 10,000 plants in Georgia in 2007; according to DCE/SP data, only 1,160 indoor cannabis plants were eradicated in Georgia in 2006.

The involvement of Mexican DTOs in outdoor cannabis cultivation within the United States is expanding to eastern states—an apparent attempt to avoid heightened law enforcement pressure in western states. A number of Mexican DTOs that cultivate cannabis in the United States have relocated some of their operations to states outside of their principal operating areas in California, Washington, and Oregon, seemingly to avoid improved and intensified aerial detection and eradication in those states. This practice—first observed in 1999, but becoming much more prominent since 2005—initially involved relocation from northern California to remote areas of other western states. However, in 2005 Mexican DTOs greatly expanded their cultivation sites in Arizona. In 2005 and 2006, Mexican DTOs further expanded their operations, establishing outdoor cultivation sites east of the Mississippi River in Arkansas, Georgia, North Carolina, and Tennessee, often in remote areas where cannabis had not been previously cultivated. Mexican cannabis growers operating large-scale grows east of the Mississippi River are increasingly being linked by law enforcement

The Number of Cuban-Operated Indoor Grows in Georgia Increased Sharply in Early 2007

Law enforcement reporting and seizure data indicate that the number of indoor cannabis grow sites operating in Georgia has increased sharply and that most seized sites were large, well-organized sites controlled by Cubans. According to the Atlanta HIDTA, over 86 residences in 14 counties in Georgia have been identified since January 2007 as indoor cannabis cultivation sites operated by Cubans. These indoor grow sites typically are large (some sites contain as many as 400 to 700 plants) and employ advanced growing techniques and equipment such as automatically timed grow lights, irrigation systems, carbon dioxide generators and high-nitrogen fertilizers that enable the groups to complete a harvest every 90 to 109 days or three to four crops per year.

Table 6. Cannabis Eradication in Mexico, in Hectares, 2001–2006

2001	2002	2003	2004	2005	2006
28,698	30,774	36,584	30,851	30,843	31,161

Source: Crime and Narcotics Center.

officials to Mexican DTOs[15] operating in California and Mexico, suggesting a coordinated effort with respect to cannabis cultivation by Mexican DTOs that now spans the United States. Many of these groups maintain direct contact or affiliation with larger DTOs in the United States and Mexico and maintain a level of coordination among operating areas, moving labor and materials to the various sites as needed.

Mexican DTOs have relocated many of their cannabis cultivation operations in Mexico from traditional growing areas to more remote locations in central and northern Mexico, primarily to reduce the risk of eradication and gain more access to U.S. drug markets. According to the CIA Crime and Narcotics Center (CNC), Mexican DTOs have relocated many of their cannabis-growing operations from traditional growing areas in the states of Guerrero, Nayarit, and Michoacán to remote mountain areas of Durango, Sinaloa, and Sonora in central and northern Mexico since the 1990s. CNC reports that the relocation is most likely the result of sustained high levels of detection and eradication in traditional growing areas (see Table 6) as well as a desire on the part of the DTOs to reduce transportation costs to the Southwest Border and gain more direct access to drug markets throughout the United States.

Asian DTOs and criminal groups are increasingly becoming involved in marijuana trafficking in every region of the United States. Asian DTO and criminal group involvement in indoor cannabis cultivation within the United States has increased dramatically since 2005; their cultivation operations are yielding significant quantities of high-potency marijuana. Asian DTOs and criminal groups, primarily ethnic Chinese and Vietnamese, have established cultivation operations in every Organized Crime Drug Enforcement Task Force (OCDETF) region of the country, including larger, coordinated operations in the Pacific and New England Regions. Some of the Canada-based Asian DTOs that cultivate cannabis at indoor grow sites are relocating from Canada to the United States, particularly to states near the Northern Border, including Washington, Oregon, northern California, and New Hampshire. Additionally, recent law enforcement reporting indicates that Asian DTOs and criminal groups have also expanded cultivation operations into southern California, Colorado, Pennsylvania, and Texas. For example, in March 2006 a sophisticated indoor cannabis grow operated by two individuals of Vietnamese descent was found in a house in a residential neighborhood in Montrose, a suburb of Houston, Texas, that contained approximately 1,000 cannabis plants worth an estimated $4 million as well as hydroponic equipment, a watering system, fertilizer, and insecticide. Every room in the house was used for cultivation, indicating that the primary purpose of the residence was cannabis cultivation.

Large quantities of marijuana seized along the Southwest Border—particularly in Arizona—are very likely the result of increased smuggling operations by Mexican DTOs and increased law enforcement efforts. Marijuana smuggling from Mexico—the primary foreign source for marijuana in the United States—through the Arizona–Mexico portion of the Southwest Border appears to be increasing. Cannabis cultivation in Mexico is very high (see Table 7 on page 17), and most of the marijuana produced in that

15. These Mexican DTOs are composed of Mexican nationals, who may or may not be associated with a cartel in Mexico.

country is destined for U.S. drug markets. Although overall marijuana production in Mexico appears to have decreased since peaking in 2003, U.S. Customs and Border Protection (CBP) and NSS data indicate that the amount seized at or between POEs along the Southwest Border has remained relatively stable overall (see Table 8). Moreover, since 2001 marijuana seizures within the Tucson Border Patrol Sector[16] have accounted for an increasing percentage of the overall marijuana seizures along the U.S.–Mexico border (see Table 9), and in 2006 the sector reported higher seizure totals than any other border sector (616,534 pounds). The increase in marijuana seizures in the Tucson Border Patrol Sector is quite likely the result of both a shift toward the sector by Mexican DTOs in response to previous law enforcement operations in other states and increased law enforcement efforts such as the Arizona Border Control Initiative, Secure Border Initiative, and Operation Jump Start as well as the allocation of additional Border Patrol resources to the Arizona–Mexico border.

The demand for marijuana appears to be relatively stable and declining slightly in some areas; however, many users now prefer and abuse higher-potency marijuana over commercial-grade marijuana. Rates of use for marijuana are much higher than for any other illicit drug; however, rates of use appear to be declining slightly (see Table 1 and Table 2 in Appendix C). Anecdotal reporting indicates that marijuana users are demonstrating a preference for higher-potency marijuana. The user preference trending toward higher-potency marijuana is reported in most areas but is most apparent in the Southwest Region. For example, law enforcement officials in Dallas report that the availability of Mexican marijuana exceeds the demand, causing a surplus of the drug and retail price decreases in 2007 (from $450 to $350 per pound). During the same period, rising demand for high-potency marijuana pushed the retail price of the drug up 29 percent (from $3,100 to $4,000 per pound). This price increase occurred during a period of increasing high-potency marijuana availability, a condition that would normally result in lower prices.

Table 7. Cannabis Cultivation and Production in Mexico, 2001–2005

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

Source: Crime and Narcotics Center.

Table 8. Marijuana Seizures on the Southwest Border, in Kilograms, 2001–2006

	2001	2002	2003	2004	2005	2006
Southwest Border	1,108,654	1,117,790	1,208,244	1,106,680	1,032,835	1,115,710

Source: National Seizure System.

Table 9. Marijuana Seizures on the Southwest Border Tucson Sector Only, in Pounds, 2001–2006

2001	2002	2003	2004	2005	2006
233,807	305,390	364,127	446,757	488,760	616,534

Source: Office of Border Control.

16. The Tucson Border Patrol Sector includes all of Arizona except for Yuma, La Paz, and Mohave Counties.

Table 10. Marijuana Seizures at or Between U.S.–Canada Ports of Entry in Kilograms, 2001–2006

2001	2002	2003	2004	2005	2006
3,549	7,851	10,288	4,147	9,458	4,170

Source: National Seizure System.

Intelligence Gaps

The quantity of marijuana available for consumption in the United States remains largely unknown, primarily because of limited domestic production data. Domestic marijuana estimates are based on cannabis eradication and seizure statistics. However, these statistics are underreported—sometime greatly underreported—in some areas because reporting is voluntary for most agencies.

The degree to which marijuana is smuggled from Canada into the United States by Asian DTOs is somewhat unclear. Law enforcement and intelligence reporting indicates that Asian DTOs in Canada have significantly increased the amount of high-potency marijuana smuggled into the United States from Canada via the U.S.–Canada border since 2001. However, data on marijuana seizures at or between U.S.–Canada POEs do not appear to support this reporting. According to NSS data, the amount of marijuana seized at or between U.S.–Canada POEs fluctuated from 2001 through 2006 and does not show a clear trend, either increasing or decreasing (see Table 10). If marijuana smuggling from Canada into the United States were increasing to the degree indicated by law enforcement reporting, increasing marijuana seizures at the U.S.–Canada border would be an expected result.

Predictive Estimates

Increased cannabis cultivation may result in reduced marijuana prices. The recent increases in cannabis cultivation and marijuana production within the United States coincide with the continued flow of marijuana from foreign sources, which may lead to market saturation in major markets. This saturation could reduce the price of the drug significantly.

DTOs and criminal groups that traditionally grew cannabis outdoors will most likely move operations indoors in order to avoid law enforcement detection and to reap higher profits. DTOs and criminal groups, including Caucasian and Mexican groups, will adapt to the increasing law enforcement pressure and improved detection capabilities associated with outdoor grow sites and will most likely shift operations indoors in order to better protect the crops. As such, the groups will produce higher-potency marijuana year-round, allowing for an exponential increase in profits derived. This shift to indoor cultivation is already being noted among law enforcement sources in several areas of the country, such as Appalachian states, where some Caucasian groups have already shifted operations indoors. (However, it is plausible primarily because of the higher profit margins that the next significant shift from outdoor to indoor cultivation will be among Mexican DTOs and criminal groups—the largest producers and distributors of domestically produced marijuana.)

Methamphetamine

Overview

Methamphetamine production and distribution are undergoing significant changes. Methamphetamine use has stabilized nationally after increasing during much of the 1990s through 2002, and domestic production of methamphetamine has decreased dramatically since 2004. Nevertheless, the increasing prevalence of high-purity ice methamphetamine throughout the country and the expansion of Mexican and, more recently, Asian DTO methamphetamine networks have largely sustained methamphetamine markets in the United States. Despite significant chemical import restrictions in Mexico, methamphetamine production in that country is very high, and Mexico is the primary source of methamphetamine in U.S. drug markets. Moreover, large-scale production of methamphetamine has increased significantly in Canada as outlaw motorcycle gangs (OMGs) and Asian DTOs expand their position with respect to methamphetamine production in Canada. Some methamphetamine produced in Canada is distributed in U.S. drug markets, particularly methamphetamine tablets sold as MDMA. Nevertheless, Mexican DTOs distributing Mexican methamphetamine continue to dominate domestic markets. In fact, distribution of the drug in domestic drug markets by Mexican DTOs is increasing, supplanting many local dealers who had previously produced and distributed the drug independently.

Strategic Findings

- Mexican DTOs are circumventing chemical sale and import restrictions in Mexico in order to maintain large-scale methamphetamine production in that country.

- Mexican methamphetamine distribution networks are expanding in many U.S. drug markets and have supplanted many local midlevel and retail dealers in areas of the Great Lakes, Pacific, Southeast, Southwest, and West Central Regions.

- Methamphetamine production in Canada has increased; some Canadian methamphetamine is intended for distribution in U.S. drug markets.

- State and federal precursor chemical controls and sustained law enforcement pressure continue to drive down domestic methamphetamine production levels.

- Methamphetamine availability trends in U.S. drug markets are mixed; some markets in western states have reported sporadic and temporary shortages, while markets in other regions have reported stable to increasing availability.

- Law enforcement pressure and chemical controls in the United States and Mexico appear to be contributing to intermittent methamphetamine shortages in some western drug markets.

- Methamphetamine use appears to be stable; however, treatment for methamphetamine abuse has more than doubled since 2000.

Mexican DTOs are circumventing chemical sale and import restrictions in Mexico in order to maintain large-scale methamphetamine production in that country. Available law enforcement and intelligence reporting regarding methamphetamine production in Mexico, the primary source of methamphetamine to U.S. drug markets, appears to indicate that production was high and stable in 2006. The high level of production was accomplished by Mexican DTOs despite strong restrictions placed by the government of Mexico on the importation and legitimate distribution of precursor chemicals in mid-2005. Nonetheless, the import and chemical restrictions imposed by the Mexican Government have impacted the methamphetamine operations of Mexican DTOs. In order to maintain production levels, Mexican DTOs have adapted their operating procedures in several

Table 11. Methamphetamine Seizures on the Southwest Border, in Kilograms, 1998–2007*

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
23	0	777	1,254	1,200	1,861	2,410	2,893	2,790	1,447

Source: National Seizure System.
*Data as of August 14, 2007.

ways, including smuggling restricted chemicals through new routes, importing nonrestricted chemical derivatives instead of precursor chemicals, and using alternative production methods. For example, Mexican DTOs smuggle pseudoephedrine and ephedrine into Mexico from source areas in China (often with assistance from ethnic Chinese associates) and India using indirect smuggling routes that include transit through Central Africa, Europe, and South America. In addition, packages containing ephedrine and pseudoephedrine are commonly mislabeled as other items during transit to Mexican methamphetamine producers in order to avoid inspection by law enforcement at airports and seaports in Mexico. This circumvention of chemical control laws in Mexico has enabled producers to maintain a stable level of production and a continuous flow of methamphetamine into the United States, as evidenced by methamphetamine seizures at or between POEs along the Southwest Border (see Table 11).

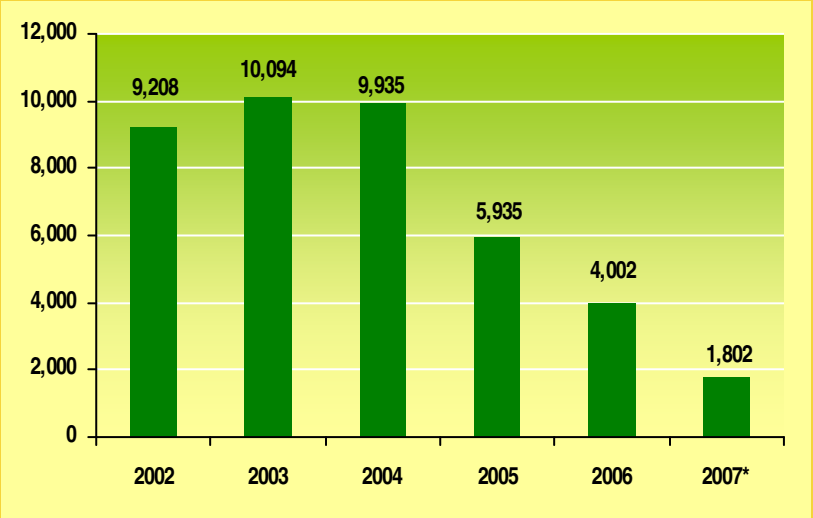
Mexican methamphetamine distribution networks are expanding in many U.S. drug markets and have supplanted many local midlevel and retail dealers in areas of the Great Lakes, Pacific, Southeast, Southwest, and West Central Regions. Mexican DTOs have expanded their methamphetamine distribution networks, particularly in methamphetamine markets previously supplied by local distributors. Law enforcement authorities in cities, including Akron (OH), Hannibal (MO), Dallas and Houston (TX), Mobile (AL), Nashville (TN), Oklahoma City (OK), Orlando and Tampa (FL), Pueblo (CO), and Richmond and Shenandoah (VA), report the growing prevalence of Mexican DTOs at all levels of methamphetamine distribution in their areas and a concurrent increase in the availability of ice methamphetamine. Furthermore, law enforcement reporting indicates that in some cities—including Los Angeles, Chicago, Dallas and Fort Worth (TX), Memphis and Nashville (TN), and Oklahoma City—Mexican DTOs are exploiting their relationships with Hispanic and African American gangs as a means of controlling methamphetamine distribution at the midlevel and retail level.

Methamphetamine production in Canada has increased; some Canadian methamphetamine is intended for distribution in U.S. drug markets. Anecdotal law enforcement reporting and laboratory seizure data from Canada indicate a potentially significant increase in large-scale production of both ice methamphetamine and methamphetamine tablets since 2005.[17] The purported increase has been attributed by Canadian law enforcement officials to Canada-based Asian (Chinese and Vietnamese) criminal groups and OMGs (particularly Hells Angels Motorcycle Club), that reportedly produce the drug in large-scale laboratories in rural and residential areas of the country. According to the Royal Canadian Mounted Police (RCMP), methamphetamine tablets are produced primarily by Canada-based Asian DTOs in Quebec, particularly in Montreal. Conversely, ice and, to a much lesser extent, powder methamphetamine is produced in laboratories operated by OMGs and

17. Precise estimates of the amount of methamphetamine produced in Canada do not exist because there are no comprehensive estimates regarding the amount of pseudoephedrine illegally acquired by methamphetamine production groups in Canada.

Chart 4. Number of Reported Methamphetamine Laboratory Seizures, 2002–2007

Methamphetamine laboratory seizures in the United States have decreased dramatically since 2004.



Source: National Seizure System.
*Data as of October 11, 2007

Asian (primarily Chinese, but also Vietnamese) DTOs in superlabs[18] in central and western provinces such as Alberta, Manitoba, and Saskatchewan.

Methamphetamine producers in Canada acquire pseudoephedrine through relationships with illicit chemical brokers in China, from Indo-Canadian brokers who smuggle the drug from India, and through the diversion of legitimate supplies in Canada. RCMP reporting and laboratory seizure data indicate that methamphetamine producers in Canada currently have little difficulty acquiring bulk ephedrine or pseudoephedrine because most methamphetamine laboratories seized in 2006—15 of 23—had the capacity to produce 20 or more pounds of product per production cycle, and 6 had the capacity to produce between 2 and 20 pounds. According to RCMP reporting, most of the methamphetamine produced in Canada is intended to supply growing demand in that country; however, some is intended for distribution in the United States, Japan, and Australia. Canada-based methamphetamine traffickers typically transport ice and tableted methamphetamine into the United States through the same smuggling routes used by traffickers to smuggle Canadian marijuana and MDMA into the United States. In fact, tableted methamphetamine produced in Canada is sometimes sold in the United States as MDMA to unsuspecting buyers, most likely in an attempt to stretch their MDMA supplies.

State and federal precursor chemical controls and sustained law enforcement pressure continue to drive down domestic methamphetamine production levels. State and federal precursor chemical restrictions combined with sustained law enforcement pressure have reduced domestic methamphetamine production over the past several years. NSS data for 2007 show that the number of reported methamphetamine laboratory seizures has decreased sharply each year since 2004—the year that states began implementing strong, retail-level sales restrictions of ephedrine and pseudoephedrine products (see Chart 4). Moreover, in September 2006 the federal Combat Methamphetamine Epidemic Act of

18. Superlabs are clandestine laboratories in which 10 or more pounds of methamphetamine can be produced per cycle.

2005 became effective nationwide, setting restrictions on the retail sale of pseudoephedrine and ephedrine products; this Act appears to be contributing to continued decreases in domestic methamphetamine production, according to seizure data through mid-2007.

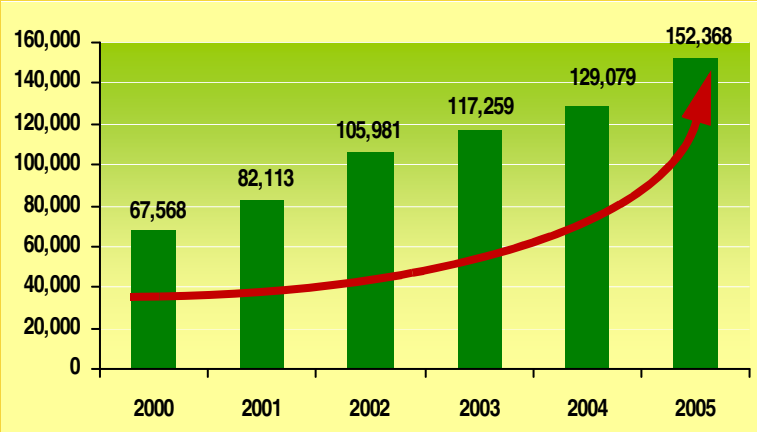
Methamphetamine availability trends in U.S. drug markets are mixed; some markets in western states have reported sporadic and temporary shortages, while markets in other regions have reported stable and increasing availability. Law enforcement reporting indicates atypical trends in methamphetamine availability in the first half of 2007. Law enforcement agencies in Bakersfield, Los Angeles, Modesto, and San Diego (CA); Las Vegas (NV); Minneapolis (MN); and Oregon reported decreases in the availability and purity of methamphetamine in their areas, and most reported a concurrent rise in methamphetamine prices during the first 6 months of 2007. Conversely, law enforcement agencies in Huntsville, Birmingham, Mobile, and Montgomery (AL); Batesville, Conway, Jonesville, and Little Rock (AR); Pueblo (CO); Jacksonville, Orlando, and Tampa (FL); Hannibal (MO); Newark (NJ); Akron (OH); Oklahoma City; Memphis and Nashville; Dallas and Houston; Salt Lake City (UT); and Richmond and Shenandoah (VA) report the availability of Mexican ice methamphetamine in their areas as stable to increasing; most also report that the influence of Mexican DTOs in their areas is growing.

Law enforcement pressure and chemical controls in the United States and Mexico appear to be contributing to intermittent methamphetamine shortages in some western drug markets. Several factors, including declining domestic methamphetamine production, precursor chemical controls and import restrictions in the United States and Mexico, and law enforcement pressure in both countries quite likely are contributing to recent shortages in some markets in western states. Limited domestic methamphetamine production—primarily the result of domestic precursor chemical controls—has resulted in decreased supplies of domestically produced methamphetamine nationwide and a subsequent dependence on Mexican methamphetamine. However, precursor chemical controls and import restrictions in Mexico have challenged Mexican DTOs' ability to access bulk quantities of precursor chemicals and, reportedly, have created difficulty in maintaining the high level of production in Mexico. Despite these challenges, Mexican DTOs have been able to maintain stable (or possibly slightly decreased) methamphetamine production in Mexico. Nevertheless, decreases in the availability of methamphetamine have reportedly occurred in a number of U.S. drug markets, particularly markets in western states that rely on supplies of Mexican methamphetamine as well as supplementary supplies of locally produced methamphetamine.

Methamphetamine use appears to be stable; however, treatment for methamphetamine abuse has more than doubled since 2000. NSDUH data show that the number of past month methamphetamine users remained relatively stable at approximately 0.7 million between 2002 and 2006. NSDUH data also show that rates of past year use for methamphetamine were relatively stable between 2002 (0.7%) and 2006 (0.8%) for individuals aged 12 and older. (See Table 1 in Appendix C.) Despite apparently stable rates of use, methamphetamine-related admissions to publicly funded treatment facilities have increased sharply since 2000 (see Chart 5 on page 23). A very likely contributor to the rise in methamphetamine treatment has been the increased availability of Mexican ice methamphetamine since approximately 2001. Ice methamphetamine typically is a more pure form of methamphetamine that usually is smoked. According to reporting from the National Institutes of Health, smoking methamphetamine results in a more rapid onset of addiction to the drug than does snorting or ingesting. The result is quite likely a higher percentage of addicted users who would be seeking treatment for addiction within the methamphetamine user population.

Chart 5. Number of Primary Methamphetamine Treatment Admissions to Publicly Funded Treatment Facilities, 2000–2005

Treatment admissions for methamphetamine have significantly increased since 2000, more than doubling from 67,568 in 2000 to 152,368 in 2005.



Source: Treatment Episode Data Set.

Intelligence Gaps

Production estimates and information regarding production potential and laboratory seizures in foreign source areas such as Canada, Mexico, and Southeast Asia are very limited. As a result, it is difficult to precisely estimate the relative influence of foreign methamphetamine production on U.S. drug markets.

Although law enforcement reporting in the Mid-Atlantic, New England, and New York/New Jersey Regions suggests an increase in methamphetamine distribution by Canada-based Asian DTOs, detailed information on the extent of their operations is somewhat limited. Asian DTOs typically operate within highly insular Asian communities in Canada and the United States that are very difficult for law enforcement to investigate and infiltrate.

Predictive Estimates

Bulk ephedrine smuggling through Colombia and to Mexico may increase in the near term. U.S. Department of State reporting indicates that Colombian DTOs are smuggling ephedrine shipments into Colombia for subsequent sale to Mexican DTOs. Detailed information on the extent of their operations is limited; however, this practice of smuggling ephedrine from Colombia, through Venezuela, to Mexico will very likely escalate if the government of Mexico further reduces legal importation of ephedrine and pseudoephedrine. Also of concern is the potential for Colombian DTOs to produce methamphetamine on a large scale if Mexico is unable to maintain a production level sufficient to meet U.S. demand.

Pharmaceutical Drugs

Overview

Over the past several years, pharmaceutical abusers typically acquired the drugs through doctor-shopping, forged prescriptions, or unscrupulous physicians and pharmacists working alone or in association; however, many of these individuals have been dissuaded from using these methods because of prescription monitoring programs (PMPs)[19] and increased law enforcement scrutiny. As a result, more abusers have shifted to other means of obtaining pharmaceuticals such as theft, purchases from Internet pharmacies, or acquisitions from retail distributors.

Strategic Findings

- Pharmaceutical drug abusers in a growing number of states are having greater difficulty in acquiring drugs through prescription forgery, doctor-shopping, or indiscriminate prescribing.
- Criminal groups and abusers occasionally steal pharmaceutical drugs from delivery trucks that transport the drugs from manufacturers to wholesale or retail distributors.
- The number of Internet pharmacies selling controlled and noncontrolled pharmaceutical drugs has increased.
- Methadone-related deaths and overdoses have increased sharply since the 1990s.
- Parents are less likely to talk to their children about the dangers of prescription drug abuse than they are about heroin, cocaine, crack, MDMA, marijuana, or alcohol abuse.

Pharmaceutical drug abusers in a growing number of states are having greater difficulty in acquiring drugs through prescription forgery, doctor-shopping, or indiscriminate prescribing. The number of states that have implemented PMPs to track prescriptions through traditional pharmacies has increased sharply, making the illegal acquisition of controlled pharmaceuticals much more difficult. Although several states have maintained some form of prescription monitoring for many decades, more effective electronic statewide programs began to be implemented in 2000. Since that time several states have implemented statewide PMPs to reduce prescription forgery, doctor-shopping, and indiscriminate prescribing by physicians. Sixteen states had implemented such programs by 2002, and by 2007, 24 states had implemented some form of a statewide PMP.

Criminal groups and abusers occasionally steal pharmaceutical drugs from delivery trucks that transport the drugs from manufacturers to wholesale or retail distributors. According to DEA, organized criminal groups occasionally target tractor-trailers transporting large shipments of controlled and noncontrolled pharmaceuticals from manufacturers to wholesale distributors and, more commonly, local courier trucks transporting the drugs to retail distributors such as pharmacies. DEA reporting suggests that thefts from tractor-trailers may be decreasing as thefts from smaller courier trucks increase. Although these thefts are infrequent and not currently considered a great threat, increased targeting of courier trucks is a concern. Investigators believe that tractor-trailer thefts have decreased in favor of courier truck thefts because small criminal groups are better able to target smaller trucks.

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

Table 12. Number of National Methadone-Related Deaths, 1999–2004

	1999	2000	2001	2002	2003	2004
Methadone-related deaths	786	988	1,456	2,360	2,974	3,849

Source: National Center for Health Statistics.

Table 13. Number of Methadone-Related Deaths in Select States, 2005–2006

	Florida	Kentucky	Maryland	New Mexico	North Carolina
2005	934	192	141	34	318
2006	974	197	179	47	325
Percentage change	**4.28**	**2.60**	**26.95**	**38.24**	**2.20**

Source: Florida Department of Law Enforcement Medical Examiner's Commission; Kentucky Office of State Medical Examiner; Maryland Office of State Medical Examiner; New Mexico Department of Health; North Carolina Office of the Chief Medical Examiner.

The number of Internet pharmacies selling controlled and noncontrolled pharmaceutical drugs has increased. The number of Internet pharmacies established since 2002 and particularly since 2005 has increased sharply. According to a study by the National Center on Addiction and Substance Abuse (CASA) at Columbia University, the number of Internet sites (pharmacies) offering Schedules II through V controlled prescription drugs increased 70 percent from 342 in 2006 to 581 in 2007. The study determined that 32 percent (187 of 581) of the sites were "anchor sites" (sites at which the customer could place an order and pay for the drugs), and the remaining 394 were simply portal sites that directed customers to the anchor sites. Of the anchor sites, 84 percent (157 of 187) did not require a prescription to purchase the drugs. Of the 30 sites that required a prescription, 57 percent (17 of 30) accepted a faxed prescription, increasing the risk of multiple use of one prescription or use of fraudulent prescriptions.

Methadone-related deaths and overdoses have increased sharply since the 1990s. According to the National Center for Health Statistics (NCHS), fatal overdoses involving methadone increased 390 percent from 1999 (786) to 2004 (3,849), the most recent national-level data available (see Table 12). Although national-level data are available only through 2004, analyses of state-level data in states with traditionally high rates of methadone-related deaths suggest that this trend has continued. For example, methadone-related deaths increased in 2005 and 2006 in Florida, Kentucky, Maryland, New Mexico, and North Carolina (see Table 13)—states in which methadone-related deaths have been relatively high for several years. Legitimate distribution of methadone also increased during this period, and the increase in methadone-related deaths appears to correspond closely with the increase in legitimate disbursements. Legitimate disbursement of methadone to pharmacies, hospitals, teaching institutions, and practitioners increased approximately 487 percent from 1999 (approximately 965,000 grams) through 2004 (over 4.7 million grams), and methadone-related deaths increased 390 percent. The cause of the increased number of methadone-related overdose deaths is multifaceted. These data indicate that in addition to methadone being used as treatment for heroin or other opiate addiction and for pain maintenance, some individuals may be seeking out the drug for abuse as it becomes more widely available. In addition, a new form of methadone (a 40-milligram diskette) intended for treatment of heroin and opiate addiction is sometimes inappropriately prescribed for pain maintenance, which may be contributing to some methadone overdoses.

Table 14. Percentages of Parents Who Discuss the Dangers of Drug Abuse "a lot" With Their Children, 2006

The percentage of parents discussing the dangers of prescription drug abuse is lower than the percentage discussing any other surveyed drug, except for MDMA.

Drugs in general	79.2
Cigarettes	67.0
Alcohol	69.4
Marijuana	69.7
Heroin/cocaine/crack	53.9
Nonprescription cold or cough medicines to get high	36.2
Prescription medicine that is not prescribed by a doctor to get high	32.8
MDMA	30.0

Source: Partnership Attitude Tracking Study.

Parents are less likely to talk to their children about the dangers of prescription drug abuse than they are about heroin, cocaine, crack, MDMA, marijuana, or alcohol abuse. Although the dangers of prescription drug abuse are generally understood by parents, and rates of use for prescription drugs are higher than those for most other major drugs of abuse, relatively few parents discuss prescription drug abuse with their teenage children. According to Partnership Attitude Tracking Study (PATS) data for 2006, 81.5 percent of parents perceive abuse of prescription drugs to be a growing problem among teenagers, yet only 36.2 percent of parents discuss with their children the dangers of using prescription drugs to get high—a lower percentage than for other major drugs of abuse or alcohol (see Table 14). PATS 2005 teen data (the latest data available) also show that 44 percent of adolescents in grades 7 through 12 did not perceive a great risk in trying pain relievers such as Vicodin (hydrocodone) or OxyContin (oxycodone) that a doctor did not prescribe for them. When the teens who reported using nonprescribed pain relievers were asked their reasons for using the drugs, 62 percent said that the drugs were easy to get from their parents' medicine cabinets, 51 percent said that the drugs were not "illegal" drugs, and 49 percent said that they could claim they had a prescription if caught with the drugs, according to PATS.

Intelligence Gaps

The extent to which high rates of both legitimate use and abuse of prescription drugs affects rates of use for illegal drugs such as heroin, cocaine, and methamphetamine is unclear. Law enforcement reporting indicates that some prescription narcotics abusers switch to heroin when prescription narcotics are unavailable. Moreover, according to an Ohio Substance Abuse Monitoring (OSAM) study of heroin abusers between the ages of 18 and 30 in Ohio, 65 percent of the participants report having been addicted to prescription opioids before abusing heroin. Although some studies (such as the OSAM study) suggest that the use of prescription drugs may predispose an individual to illegal drug use, other studies are inconclusive, and some suggest that prescription drug use may actually reduce occurrences of "self-medicating" with illegal drugs. Notwithstanding several seemingly conflicting studies, national-level demand studies seem to show little direct correlation. For example, Monitoring the Future (MTF) data show that from 2000 through

2006, rates of past year abuse for prescription narcotics, sedatives, and tranquilizers among twelfth graders were relatively stable overall (see Table 2 in Appendix C). However, during that same period past year rates of use for cocaine, crack, heroin, marijuana, methamphetamine, and MDMA decreased overall among twelfth graders. Similarly, NSDUH data show that from 2002 through 2006, rates of past year prescription narcotics abuse among individuals 12 and older increased, while rates of abuse for cocaine, crack, heroin, marijuana, methamphetamine, and MDMA either remained stable or declined (see Table 1 in Appendix C).

Predictive Estimates

Law enforcement will most likely be challenged to monitor a growing number of foreign-based Internet pharmacies as Americans become more accustomed to acquiring their drugs from such sources. According to a Pharmaceutical Research and Manufacturers of America (PhRMA) survey released in June 2007, approximately 5.4 million adults in the United States (2.5% of the population) have purchased prescription drugs from a foreign country such as Canada or Mexico in their lifetime. Moreover, approximately 50 percent of the survey respondents report that the reason they purchased drugs from another country was that they did not have a prescription for the drug(s) that they wanted. The survey further showed that 31 percent of the pharmaceutical purchases were conducted through Internet pharmacies. Furthermore, according to a 2007 CASA study, 48 percent (91 of 187) of Internet sites offering direct sales of pharmaceutical drugs to individuals indicated that the drugs would be shipped from a foreign country, while 26 percent (48 of 187) indicated that the drugs would be shipped from a U.S. pharmacy, and 26 percent (48 of 187) gave no indication of the source of the drug.

Other Dangerous Drugs

Overview

The trafficking and abuse of other dangerous drugs (ODDs), including MDMA, LSD, PCP, and GHB, have fluctuated greatly since the late 1990s. The availability and abuse of ODDs appear to have peaked in 2001 or 2002 and since that time have declined. For most ODDs (LSD, PCP, and GHB), availability and abuse have declined to very low levels with limited distribution. However, MDMA availability began rising in 2004 as Canada-based Asian DTOs significantly increased production of the drug in Canada and expanded distribution in U.S. drug markets that were largely abandoned by dismantled Israeli DTOs that had controlled most MDMA in the United States in the 1990s through 2002.

Strategic Findings

- MDMA production by Asian DTOs in Canada has increased significantly since 2004, fueling MDMA distribution by Canada-based Asian DTOs in U.S. drug markets.
- MDMA produced in Europe is distributed in U.S. drug markets, although at levels much lower than in the late 1990s.
- Domestic MDMA production is limited and will most likely remain at low levels in the near term.
- The availability and use of LSD have declined to low levels, occasioned by low production in small laboratories by relatively few producers.
- PCP production and distribution are limited and based primarily in southern California.
- GHB production and availability have decreased to low levels.

MDMA

MDMA production by Asian DTOs in Canada has increased significantly since 2004, fueling MDMA distribution by Canada-based Asian DTOs in U.S. drug markets. Reporting from Canadian and U.S. law enforcement officials as well as recent seizure data suggests that MDMA production in Canada by Canada-based Asian DTOs has increased sharply, particularly since 2004. RCMP reporting indicates that Asian DTOs—primarily Chinese but also some Vietnamese groups—in Canada have significantly increased MDMA production, particularly in Vancouver, Toronto, and Montreal. According to RCMP seizure data, the number of MDMA laboratory seizures in Canada has remained relatively stable since 2004 (see Table 15); however, law enforcement reporting indicates that the capacity of Canadian MDMA laboratories has increased greatly. For example, RCMP reports that all of the laboratories seized in 2006 were large-capacity MDMA superlabs; five of these laboratories were capable of producing at least 22 pounds per production cycle. The RCMP estimates that the combined production from all Canadian MDMA laboratories exceeds 2 million tablets per week.

Much of the MDMA produced in Canada is intended for distribution by Canada-based Asian groups in U.S. drug markets. The increasing flow of MDMA from Canada is widely reported by federal, state, and local law enforcement agencies along the U.S.–Canada border, and MDMA seizure data in Northern Border states appear to support this contention.

Table 15. Number of MDMA Laboratory Seizures in Canada, 2002–2006

2002	2003	2004	2005	2006
11	10	18	17	16

Source: Royal Canadian Mounted Police.

According to the Federal-wide Drug Seizure System (FDSS), the amount of MDMA seized in states that border Canada has increased since 2002; the largest amounts were seized in Michigan, New York, and Washington (see Table 16). According to the RCMP, Chinese DTOs that produce MDMA in Canada typically provide the drug to Vietnamese criminal groups that smuggle it into the United States for subsequent distribution. Consequently, the increased flow of MDMA from Canada to the United States by Canada-based Asian DTOs has resulted in Canada's becoming the primary source of MDMA to U.S. drug markets. In fact, over half of the HIDTA Program Offices (17 of 32) reported in 2007 that Canada was the origin for most MDMA available in their areas.

MDMA produced in Europe is distributed in U.S. drug markets, although at levels much lower than in the late 1990s. MDMA produced in Europe, particularly in the Netherlands, Belgium, and Germany, is smuggled into the United States for distribution; however, the amounts distributed and the influence of European MDMA distribution groups have diminished greatly since the 1990s. Federal, state, and local law enforcement reporting indicates that distribution of MDMA produced in Europe is far less common than distribution of Canadian MDMA. For example, only 3 out of 32 HIDTAs reported European MDMA distributors in their areas, compared with 17 HIDTAs reporting Canadian MDMA distributors. Nevertheless, law enforcement reporting from some large MDMA markets, such as Los Angeles, Miami, New York, and Philadelphia, indicates that European-produced MDMA is generally available and distributed in those areas.

Domestic MDMA production is limited and will most likely remain at low levels in the near term. Domestic MDMA production has never occurred on a significant scale, as evidenced by consistently low numbers of MDMA laboratory seizures (see Table 7 in Appendix C). NSS data indicate that only 85 domestic MDMA laboratories were seized since 2000. Moreover, domestic laboratories typically are small-capacity

Table 16. Federal Drug Seizures for MDMA in Northern Border States in Dosage Units, 2002–2006

Among Northern Border states, the highest amount of MDMA is seized consistently in Michigan, New York, and Washington.

State	2002	2003	2004	2005	2006
Idaho	268	0	0	33	6
Maine	0	27	750	93	151
Michigan	143,587	83,586	70,309	443,451	1,613,249
Minnesota	127	2,514	1,229	5,008	112,921
Montana	16,019	0	20	2	127,159
New Hampshire	0	0	2,633	9,517	1
New York	2,790,013	413,658	740,546	1,249,747	1,141,629
North Dakota	0	0	19	1	7
Vermont	31	17,811	47,879	56,437	26,240
Washington	407,753	50,624	558,347	1,415,344	2,464,256
Total	**3,357,798**	**568,220**	**1,421,732**	**3,179,633**	**5,485,619**

Source: Federal-Wide Drug Seizure System.

laboratories. In fact, NSS data show that 53 percent (45 of 85) of MDMA laboratories seized in the United States since 2000 were very small operations in which less than 2 ounces could be produced per production cycle. Only 6 of the 85 MDMA laboratory seizures in the United States since 2000 were superlabs.

LSD

The availability of LSD has declined to low levels, occasioned by low production in small laboratories by relatively few producers. The availability of LSD has declined to very low levels since the seizure of a large LSD laboratory in Kansas and the arrest of its operators in late 2000. According to DEA, the same operators of the Kansas laboratory had previously produced LSD in a Santa Fe, New Mexico, laboratory, in which approximately 10 million dosage units of LSD were produced every 5 weeks from September 1997 through October 1999. Following the Kansas laboratory seizure and arrests of the operators, the nationwide availability of LSD appears to have decreased sharply. In fact, the amount of LSD submitted for testing to DEA's STRIDE (System to Retrieve Information From Drug Evidence) program decreased over 99 percent between 2000 and 2001. Since 2001, LSD samples submitted for testing have not significantly increased[20] (see Table 17). Similarly, NSS data show that only five LSD laboratories have been seized since 2001 (see Table 7 in Appendix C). According to law enforcement reporting, the seized laboratories were operated by a small number of experienced chemists—primarily local Caucasian independent manufacturers—and were of limited capacity: three of which produced less than 2 ounces, and two of which produced between 2 and 8 ounces.

PCP

PCP production and distribution is limited and based primarily in southern California. PCP laboratory seizure data indicate that domestic PCP production is relatively low and decreasing. According to NSS data, only 39 PCP laboratories were seized from 2002 through 2006; moreover, the number of seized laboratories has decreased every year since 2003 (see Table 7 in Appendix C). Most of the laboratories seized since 2002 were small (capable of producing less than 2 ounces); four were capable of producing more than 20 pounds. Law enforcement reporting from drug markets where PCP is most available, particularly Los Angeles, indicates that African American street gangs, primarily Bloods and Crips, control most PCP production and distribution; however, other criminal groups and independent dealers also produce PCP. Most PCP production occurs in southern California. In fact, of the 39 labs seized from 2002 through 2006, 32 were seized in California; 17 of the 32 were located in Los Angeles. In addition to southern California, street gangs distribute PCP primarily in the New England and Mid-Atlantic Regions, especially in Maryland, New York, Pennsylvania, Virginia, and Washington, D.C. Some PCP distribution has also been reported in Oklahoma, Louisiana, and Texas.

Table 17. Number of LSD Samples Submitted for Testing, in Dosage Units, 2000–2006

2000	2001	2002	2003	2004	2005	2006
24,460,970	93,974	1,624	667	146,585	627	346,078

Source: System to Retrieve Information From Drug Evidence.

20. LSD seizures have fluctuated since 2000, and because thousands of dosage units of LSD may be contained in a single small bottle of LSD, year-to-year fluctuations can appear significant when, in fact, the difference may only be the result of a single seizure of liquid LSD. (Since 2000, seizures have remained far below those of previous years, fluctuating between .00256 percent and .0141 percent of the seizures made in 2000.)

GHB

GHB production and availability have decreased to low levels. GHB trafficking has declined to a low level since its apparent peak in 2000. NSS data reveal that domestic production of the drug is limited—only 86 laboratories have been seized since 2000 (see Table 7 in Appendix C). Most of the seized laboratories were small-capacity laboratories (in which less than 2 ounces typically were produced) located in residences. Most of the limited GHB production that occurs domestically appears to take place in California and Texas, according to seizure data. These states report the highest number of laboratory seizures between 2000 and 2007 among states indicating GHB laboratory activity (eight and five, respectively). Moreover, recent law enforcement reporting has identified GHB production in Los Angeles, San Diego, and Dallas. Analysis of NSS data also reveals that some foreign-produced GHB originating in Europe has been seized in the United States. For example, NSS data for 2006 show 247 seizures of GHB that entered the United States from Europe, particularly England, totaling 230.5 pounds.

Overall, GHB availability is very limited, as evidenced by infrequent law enforcement reporting of GHB distribution. For example, only 6 of 930 OCDETF case initiations in 2006 referenced GHB production or distribution by the organization under investigation. Moreover, NDTS 2007 data show that most state and local law enforcement agencies (81.7%) report either low or no availability of GHB in their areas.

Intelligence Gaps

The precise proportion of Canadian- and European-produced MDMA in U.S. drug markets is unclear. Although Canada appears to be the primary source of MDMA distributed in U.S. drug markets, the ratio of Canadian MDMA to European MDMA in these drug markets cannot be precisely ascertained with available data and reporting.

Predictive Estimates

MDMA use has decreased since peaking in 2001; however, use of the drug may increase in the near term. NSDUH and MTF data both reveal a significant overall decrease in past year rates of MDMA use among all measured age groups since 2002 (see Table 1 and Table 2 in Appendix C). However, past year use among both eighth and twelfth graders trended slightly upward from 2005 to 2006. Moreover, the perceived harmfulness of trying MDMA once or twice decreased among tenth and twelfth graders and decreased significantly among eighth graders between 2005 and 2006 (see Table 8 in Appendix C). Declines in perceived harmfulness of use at a time of increasing production and distribution by Canada-based Asian DTOs could result in increased rates of MDMA use in the near term.

Illicit Finance

Overview

Diversification is a vital component of drug money laundering operations in the United States. The majority of DTOs operating in the United States—including launderers working for Mexican and Colombian DTOs that are responsible for most wholesale-level drug trafficking—rely on multiple methods to move and launder illicit proceeds. Law enforcement investigations initiated since January 2006 indicate that most DTOs use two or more techniques to launder drug proceeds. Even in Southwest Border states, where bulk cash smuggling is the predominant method of moving drug proceeds, most organizations use a variety of drug money laundering techniques, including wire remittances through MSBs and the use of front companies, real estate purchases, and structured deposits in traditional depository institutions.

Strategic Findings

- Bulk cash smuggling from the United States to Mexico has increased.
- Money services businesses (MSBs) have become a critical component to the ability of DTOs to launder illicit drug proceeds.
- Many DTOs exploit traditional depository institutions, sometimes innovatively.
- Structuring in unusually small amounts is being employed by DTOs as a money laundering technique.
- Emerging technology is equipping DTOs with novel money laundering techniques.

Bulk Cash Smuggling

Bulk cash smuggling from the United States to Mexico has increased. Bulk cash smuggling from U.S. drug markets through the Southwest Border area to Mexico has increased. This is most likely the result of enhanced U.S. anti-money laundering (AML) regulations and law enforcement actions, which have made it more difficult for drug traffickers to launder drug proceeds through many U.S. financial institutions. Bulk cash smuggling is the primary technique used by Mexican DTOs. Typically, bulk cash is transported by Mexican DTOs to consolidation points throughout the United States and moved overland to the Southwest Border. Consolidation points are often major metropolitan areas or larger drug markets, such as Atlanta, Charlotte (NC), Chicago, Denver, Detroit, Miami, and New York. For example, law enforcement officials in Chicago estimate that between $10 million and $24 million in bulk cash drug proceeds are moved from that city each month, destined for Southwest Border locations. Additionally, law enforcement agencies have made several large bulk currency seizures from passengers traveling from U.S. drug markets dominated by Mexican DTOs to Southwest Border areas on Mexican bus lines. A number of Mexican bus lines operate daily service between Mexico, Southwest Border states, and many of the known bulk cash consolidation points used by Mexican traffickers. Once bulk cash crosses the Southwest Border, one or a combination of the following occurs:

- The cash is deposited into Mexican financial institutions (banks, *casas de cambio,*[21] and *centros cambiarios*[22]), with portions of the money electronically wire-transferred to:
  - the United States

21. *Casas de cambio* located in Mexico are nonbank financial institutions (currency exchangers) that provide a variety of financial services and are highly regulated by the Mexican Government. As of March 2007, 24 *casas de cambio* were registered with Mexico's Federal Income Secretary.
22. *Centros cambiarios* are nonbank financial institutions in Mexico that generally perform a variety of financial services, including currency exchange and money remittances. *Centros cambiarios* are often colocated with other businesses such as grocery stores and pharmacies. One of the chief differences between *centros cambiarios* and *casas de cambio* is that the *casas* may also engage in international money remittances.

  - other Mexican financial institutions
  - other Latin American countries for placement into the financial systems
  - other countries, such as Panama, Korea, China, Taiwan, and Hong Kong, where it is used to facilitate the Black Market Peso Exchange (BMPE)
- The cash is repatriated to the United States by Mexican financial institutions for reintroduction into the U.S. financial system.
- The cash is smuggled in bulk farther south to Guatemala, Panama, Colombia, or other Latin American countries.
- The cash is used in Mexico for operational expenses.

Money Services Businesses

MSBs have become a critical component to the ability of DTOs to launder illicit drug proceeds. Many DTOs use U.S.-based MSBs—particularly money transmittal and check-cashing businesses as well as *casas de cambio*[23]—to launder drug proceeds, frequently in conjunction with bulk cash smuggling. The diversity of services offered at many MSBs accommodates launderers' needs. Mexican DTOs often wire illicit proceeds in structured amounts through MSBs to collection points in Southwest Border states, where the wires are cashed, and most of the money is then smuggled across the border. In some cases, DTOs wire money directly to Mexico. Law enforcement reporting reveals that Mexico is the primary destination for suspicious funds sent through MSBs; however, law enforcement officials also report that significant amounts of money are also sent through MSBs to Colombia, the Dominican Republic, Russia, and various locations in Central America and South America. Money orders purchased at MSBs and U.S. Post Offices are also commonly used by drug traffickers to launder money. A review of OCDETF case initiations indicates that approximately 20 percent of its newly initiated money laundering investigations contain a money order component. Law enforcement officials, especially those from U.S. Immigration and Customs Enforcement (ICE) and DEA and the regulatory community, have noted the continuous movement of money orders to Mexico and other Latin American countries in money laundering schemes. Additionally, open-system prepaid cards, also a product provided by MSBs, are used by drug money launderers. These cards can effectively be used to remit money across borders because card value can be added or withdrawn at automated teller machines (ATMs) worldwide.

Traditional Depository Institutions

Many DTOs exploit traditional depository institutions, sometimes innovatively. Traffickers exploit the services provided by traditional depository institutions to launder significant amounts of illicit drug proceeds, despite provisions in the USA PATRIOT Act that tightened AML programs for such institutions. According to Financial Crimes Enforcement Network (FinCEN) reporting, Suspicious Activity Report (SAR) filings for Bank Secrecy Act (BSA)/Structuring/Money Laundering continue to be high (302,818 filings in 2006) and remain the leading violation type by far of all suspicious activity reported by depository institutions. In addition to structuring, DTOs, primarily Colombian and Mexican, move illicit drug proceeds by depositing money in U.S. bank accounts and then quickly withdrawing the money from ATMs located in other states or countries; they also move these funds by wire transfer. Additionally, DTOs use correspondent, "payable through," and nested accounts to covertly access the U.S. financial system and

23. *Casas de cambio* located in the U.S. are generally very small money services businesses (MSBs) and have no affiliation with *casas de cambio* located in Mexico. The primary function of U.S. *casas de cambio* is to provide currency exchange services, although many engage in other financial services, including selling money orders and cashier's checks, wire-transferring funds, and making payments for customers from *casa* accounts.

move money within the United States and throughout the world.[24]

Emerging Methods and Technology

Structuring in unusually small amounts is being employed by DTOs as a money laundering technique. Structuring in unusually small amounts is gaining in prominence among DTOs as a money laundering technique. It is similar to traditional structuring; the principal difference is that this method of structuring involves numerous deposits of cash, purchases of money orders, or transfers of money through MSBs in amounts that are so far below normal BSA or AML thresholds—usually under $1,000—that they do not trigger the filing of SARs. For example, a recent federal investigation revealed that collusive money remitter agents in New York City recommended that customers divide their drug proceeds among other collusive agents to reduce the amount of money that a particular agent was transferring, thus reducing suspicion. In a separate investigation in New York, an MSB employee structured more than $83,000 through money orders and wire transfers in amounts between $800 and $900. Such structuring may necessitate the use of more banks, more bank accounts, more smurfs, or some combination of all three.

Emerging technology is equipping DTOs with novel money laundering techniques. New technologies, including online and mobile payment systems and online role-playing games, may provide drug traffickers with more innovative ways to launder illicit proceeds. Mobile payments,[25] which by some financial analyst estimates will total $55 billion in 2008, provide traffickers greater access to existing payment mechanisms such as bank and credit card accounts and prepaid cards through web-enabled cell phones, allowing them to use financial services remotely. Online payment systems, including digital currencies, offer anonymity, versatility, and convenience and will continue to gain in popularity with international drug money launderers because such systems have a global reach and reduce issues linked to fluctuating exchange rates. Some online payment services are unable to definitively authenticate customer identification, and others openly promote anonymous payments. In fact, in April 2007 a federal grand jury indicted two companies that were operating digital currency businesses for money laundering violations, alleging that the defendants failed to conduct due diligence on their customers and charging them with operating an unlicensed money transmitting business. Additionally, online role-playing games, also referred to as "Virtual Worlds," afford traffickers a number of unique money laundering opportunities. Drug traffickers can legitimize their income through accounts established with online game companies through the following methods:

- Selling virtual game items to other players for a credit to their account; the game company periodically settles the account by issuing a legitimate check to the account owner/launderer for the virtual items sold in the game.
- Accepting virtual money in exchange for illicit drugs, thereafter receiving a legitimate check from the game company.
- Maintaining multiple game accounts through which they can buy items from and sell items to themselves, in a cyber version of a trade-based money laundering scheme.
- Selling virtual currency in exchange for real money to other players.

24. A correspondent account enables financial institutions to provide banking services, including interbank funds transfers, to one another. A "payable through" account at a U.S. bank involves a foreign bank that holds a checking account at the U.S. institution. The foreign bank can then issue checks to its customers, who are considered signatories, allowing them to write checks and wire funds through the U.S. account. A nested account involves the use of a foreign bank's correspondent account at a U.S. bank by other foreign banks, which provides these second-tier banks and their customers indirect access to the U.S. financial system and results in an exponential increase in the number of individuals having signatory authority over a single account at a U.S. bank.
25. According to the Institute of Electrical and Electronics Engineers, Inc., mobile payment systems are defined as "any payment where a mobile device is used to activate and/or confirm the payment."

Drug Trafficking Organizations

Overview

Mexican DTOs are the most pervasive organizational threat to the United States. They are active in every region of the country and dominate the illicit drug trade in every area except the Northeast. Mexican DTOs are expanding their operations in the Northeast and have developed cooperative relationships with DTOs in that area in order to gain a larger share of the northeastern drug market. Canada-based Asian DTOs have emerged as significant transporters and distributors of high-potency marijuana and MDMA to markets throughout the United States. These DTOs also are expanding their existing indoor cannabis cultivation operations in the Pacific and Southwest Regions and have begun establishing indoor cannabis cultivation sites in the New England and West Central Regions. Colombian DTOs are dominant cocaine and heroin traffickers, particularly in the Northeast; however, they are increasingly relinquishing control to Mexican DTOs in order to shield themselves from law enforcement detection. Dominican DTOs are major transporters and distributors of cocaine and South American heroin in Florida and the Northeast, where they have developed working relationships with Puerto Rican, Colombian, and Mexican DTOs. Cuban DTOs are increasingly producing high-potency marijuana at indoor cannabis grow sites in Florida and other southeastern states. Jamaican DTOs also are prominent marijuana traffickers in the areas where they operate; in addition, they distribute cocaine in New York and Florida. Numerous other DTOs and criminal groups are active in the United States, although in most cases their influence and control are limited to particular regions. (See Table 18 on page 37 for an extensive list of drug trafficking organizations and criminal groups active in each region of the country.)

Strategic Findings

- Mexican DTOs control the transportation and wholesale distribution of most illicit drugs in every area of the country except the Northeast; their influence is increasing.
- Mexican DTOs are gaining a foothold in northeastern drug markets, where they previously had little influence.
- Asian DTOs and criminal groups based in Canada have emerged as significant producers, transporters, and distributors of high-potency marijuana and MDMA to drug markets throughout the United States.
- Colombian, Dominican, Cuban, and Jamaican DTOs serve as major transporters and distributors of illicit drugs in the United States.

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 midlevel and retail level.

Gangs are defined by the National Alliance of Gang Investigators' Association 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.

Mexican DTOs control the transportation and wholesale distribution of most illicit drugs in every area of the country except the Northeast; their influence is increasing. Mexican DTOs pose the greatest organizational threat to the Florida/Caribbean, Great Lakes, Pacific, Southeast, Southwest, and West Central Regions, exerting

unrivaled control over transportation and wholesale distribution of cocaine, Mexican heroin, Mexican marijuana, and ice methamphetamine. Their established overland transportation routes and entrenched distribution networks enable them to supply primary and secondary drug markets throughout these regions. Mexican DTOs are further expanding their influence throughout the country. In Florida, for instance, they have gained a greater share of the drug market by forcing African American street gangs out of midlevel drug distribution and relegating them to lower-level retail distribution. In the West Central Region, Mexican DTOs have dominated the major drug markets and are now expanding their influence and control over secondary drug markets in the region. Additionally, Mexican DTOs are expanding their ice methamphetamine distribution networks throughout the country in order to supplant diminishing supplies of domestically produced methamphetamine.

Mexican DTOs are gaining a foothold in northeastern drug markets, where they previously had little influence. The presence of Mexican DTOs is increasing in the Mid-Atlantic, New York/New Jersey, and New England Regions. They have emerged as predominant transporters and distributors of cocaine, South American heroin, Mexican marijuana, and ice methamphetamine in the Mid-Atlantic and New York/New Jersey Regions and as significant transporters and distributors of these drugs in the New England Region. Mexican DTOs transport illicit drugs to the Mid-Atlantic Region from southwestern states and Mexico as well as from major U.S. drug distribution centers, including Atlanta, Charlotte, Chicago, and New York City. In the New York/New Jersey Region, a longtime Colombian stronghold, Mexican DTOs have established cooperative relationships with Colombian and Dominican DTOs, which have enabled them to increase their market share without attendant violence. They have become principal transporters to the region, using their established overland transportation networks, and have increased their involvement in distribution activities as well, acting as wholesale distributors of cocaine, heroin, and marijuana to other DTOs and criminal groups in the region. Mexican DTOs also are expanding into New England. Traditionally, Mexican DTOs transported illicit drugs to New England on consignment for Colombian and Dominican DTOs. However, Mexican traffickers are beginning to bypass Colombian and Dominican DTOs and are increasingly transporting and distributing cocaine, marijuana, heroin, and limited quantities of ice methamphetamine in New England on their own behalf.

Asian DTOs and criminal groups based in Canada have emerged as significant producers, transporters, and distributors of high-potency marijuana and MDMA to drug markets throughout the United States. Canada-based Asian DTOs, primarily Vietnamese, grow and supply high-potency marijuana and produce MDMA to distribute in drug markets in Asia as well as the United States. In some regions of the United States, they are the primary suppliers of these drugs. Asian DTOs are the principal MDMA traffickers in the Mid-Atlantic, Pacific, Southeast, and West Central Regions and the principal high-potency marijuana traffickers in the Mid-Atlantic, New England, and West Central Regions. Over the past several years, Asian DTOs have significantly increased MDMA production in Canada. Much of this MDMA is smuggled across the U.S.–Canada border by couriers in private vehicles for distribution in U.S. markets. Asian DTOs are dominant producers of high-potency Canadian marijuana. According to law enforcement reporting, they smuggle a large portion of the marijuana that they produce in Canada across the U.S.–Canada border in private vehicles and commercial trucks for distribution in the United States. Additionally, some Asian DTOs appear to be shifting some of their cannabis cultivation operations from Canada into the New England and West Central Regions, most likely to avoid losing large marijuana loads at the U.S.–Canada border as a result of heightened law enforcement scrutiny and to increase profit margins by

avoiding cross-border transportation costs. In the Pacific and Southwest Regions, Asian DTOs are producing high-potency marijuana at large-scale indoor grow sites; during 2006 they increased their cannabis cultivation operations.

Colombian, Dominican, Cuban, and Jamaican DTOs serve as major transporters and distributors of illicit drugs in the United States. Colombian DTOs control the highest levels of cocaine and South American heroin trafficking in the Northeast and Florida; they also maintain bases of operation in other large drug markets, including Atlanta, Chicago, and Houston. In Chicago, New York City, and the Southwest Region, Colombian DTOs are increasingly relinquishing control of drug transportation and wholesale distribution to Mexican DTOs in order to insulate themselves from law enforcement interdiction. This arrangement has enabled Mexican DTOs to gain a larger share of the drug markets in these areas. Dominican DTOs transport and distribute cocaine and South American heroin, primarily in the Northeast and Florida. They have developed cooperative relationships with Colombian and, in some cases, Mexican DTOs in their areas of operation. Dominican DTOs in Florida also work very closely with Puerto Rican DTOs. Cuban DTOs are increasingly producing and distributing hydroponic marijuana in Florida and other southeastern states. These DTOs are cultivating high-potency marijuana in sophisticated indoor grow sites and then distributing the drug to markets as far away as New York City. Jamaican DTOs are prominent marijuana transporters and distributors in the New York/New Jersey and Florida/Caribbean Regions. Much of this marijuana is cultivated by Jamaican DTOs in Caribbean island nations. Jamaican DTOs also transport and distribute cocaine, primarily in Florida. Street gangs are prominent retail distributors of most illicit drugs, particularly crack, in every region of the country; in many regions they are the primary retail distributors. OMGs are actively involved in the distribution of illicit drugs, particularly cocaine, marijuana, and methamphetamine, in all regions of the United States. (See Table 18.)

Table 18. Drug Trafficking Organizations or Criminal Groups Operating in the United States

Region	Cocaine	Methamphetamine	Heroin	Marijuana	MDMA
Florida/Caribbean	African American Bahamian Caribbean-based Caucasian Colombian Cuban Dominican European Guatemalan Haitian Honduran Jamaican Mexican Nicaraguan Panamanian Puerto Rican Salvadoran Venezuelan Street gangs	Caucasian Mexican OMGs*	African American Caucasian Colombian Cuban Dominican Guatemalan Honduran Nicaraguan Panamanian Puerto Rican Salvadoran Venezuelan Street gangs	African American Caucasian Colombian Cuban Haitian Honduran Jamaican Mexican Nicaraguan Panamanian Salvadoran Street gangs	African American Asian Caucasian Colombian Cuban Dominican Israeli Street gangs

*OMGs–outlaw motorcycle gangs

Table 18. Drug Trafficking Organizations or Criminal Groups Operating in the United States (Continued)

Region	Cocaine	Methamphetamine	Heroin	Marijuana	MDMA
Great Lakes	African American Colombian Mexican Street gangs	Asian Mexican OMGs*	African American Colombian Mexican Nigerian	African American Asian Caucasian Mexican Middle Eastern	African American Asian Caucasian
Mid-Atlantic	African American Caucasian Colombian Dominican Mexican Puerto Rican Street gangs	Caucasian Hispanic Mexican OMGs*	African American Asian Caucasian Colombian Dominican Mexican Puerto Rican West African	African American Asian Caucasian Colombian Cuban Dominican Mexican Puerto Rican	Asian Caucasian Dominican Israeli
New England	African American Cambodian Caucasian Colombian Dominican Guatemalan Haitian Honduran Jamaican Laotian Mexican Nicaraguan Panamanian Puerto Rican Salvadoran Thai Vietnamese OMGs* Street gangs	Cambodian Caucasian Chinese Laotian Mexican Puerto Rican Vietnamese OMGs* Street gangs	Cambodian Caucasian Chinese Colombian Dominican Guatemalan Haitian Honduran Laotian Mexican Nicaraguan Panamanian Puerto Rican Salvadoran Vietnamese OMGs*	African American Cambodian Caucasian Chinese Colombian Dominican Guatemalan Haitian Honduran Jamaican Laotian Mexican Nicaraguan Panamanian Puerto Rican Salvadoran Vietnamese	Cambodian Caucasian Chinese Laotian Vietnamese OMGs*
New York/New Jersey	African American Caucasian Colombian Dominican Jamaican Mexican Puerto Rican Street gangs	Caucasian Filipino Mexican	African American Asian Caucasian Colombian Dominican Mexican Nigerian Pakistani Puerto Rican West African Street gangs	African American Asian Caucasian Colombian Dominican Jamaican Mexican Street gangs	Caucasian Colombian Dominican Jamaican Mexican Vietnamese Street gangs

*OMGs–outlaw motorcycle gangs

Table 18. Drug Trafficking Organizations or Criminal Groups Operating in the United States (Continued)

Region	Cocaine	Methamphetamine	Heroin	Marijuana	MDMA
Pacific	African American Caucasian Mexican Samoan Tongan Vietnamese OMGs* Street gangs	African American Caucasian Mexican OMGs* Street gangs	African American Caucasian Mexican OMGs* Street gangs	African American Caucasian Indonesian Malaysian Mexican Vietnamese Street gangs	African American Caucasian Indonesian Malaysian Mexican Vietnamese OMGs*
Southeast	African American Mexican Street gangs	African American Asian Caucasian Hispanic Mexican OMGs*	African American Caucasian Mexican Street gangs	African American Asian Caucasian Cuban Mexican	Mexican Vietnamese
Southwest	African American Colombian Mexican Street gangs	Asian Mexican OMGs*	Colombian Mexican	Asian Caucasian Jamaican Mexican	Asian
West Central	Caucasian Hispanic Mexican Street gangs	Caucasian Hispanic Mexican Native American OMGs* Street gangs	Asian Caucasian Hispanic Mexican Street gangs	African American Caucasian Hispanic Mexican Vietnamese OMGs* Street gangs	Asian Caucasian Vietnamese Street gangs

*OMGs–outlaw motorcycle gangs

Appendix A. OCDETF Regional Summaries

The following regional drug threat summaries provide strategic overviews of the illicit drug situation in each of the nine OCDETF regions, highlighting significant trends and law enforcement concerns relating to the trafficking and abuse of illicit drugs. The summaries were prepared through detailed analysis of recent law enforcement reporting, information obtained through interviews with law enforcement and public health officials, OCDETF case files, and available statistical data.

Florida/Caribbean Regional Overview

Regional Overview

The Florida/Caribbean (FC) Region encompasses Florida, the U.S. Commonwealth of Puerto Rico, and the territory of the U.S. Virgin Islands (USVI). Four HIDTA programs are located within the region—the Central, North, and South Florida HIDTAs and the Puerto Rico/U.S. Virgin Islands HIDTA. The FC Region also has five U.S. Attorneys Districts—three in Florida, one in Puerto Rico, and one in the USVI. The FC Region serves as an entry point for substantial quantities of cocaine and heroin and lesser amounts of marijuana and MDMA that are further transported to markets throughout the Mid-Atlantic, New England, New York/New Jersey, and Southeast Regions.

Drug Threat Overview

The production, trafficking, and abuse of illicit drugs pose varying threats throughout the FC Region. High levels of cocaine abuse and widespread availability of the drug, combined with

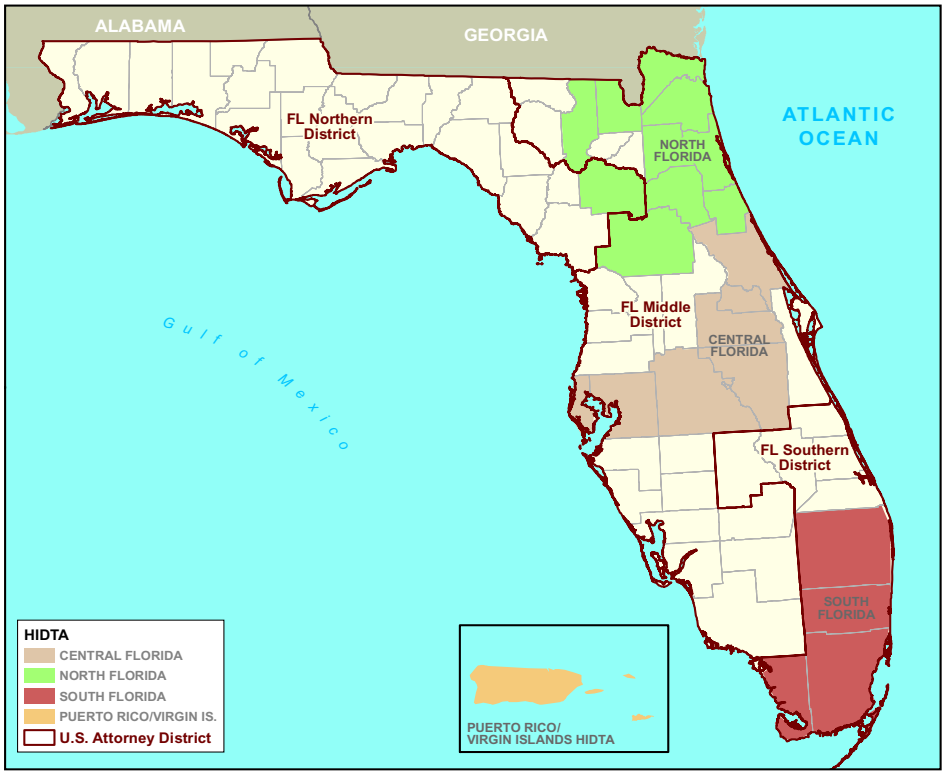


Figure 2. The Florida/Caribbean Region.

high levels of violence associated with both distribution and abuse, render cocaine the primary drug threat in the FC Region. The distribution and abuse of methamphetamine—particularly ice methamphetamine—heroin, and marijuana pose significant but varying drug threats. Ice methamphetamine availability, distribution, and abuse are increasing in Florida; abuse of the drug is rising in many rural areas of the state. In Puerto Rico and the USVI, however, there is no reported methamphetamine distribution or abuse. Heroin abuse in Puerto Rico and the USVI is low but increasing, and heroin availability and abuse are low throughout most of Florida. Increased production, abuse, and distribution of high-potency marijuana also create serious concerns for law enforcement officials in the FC Region. Nonetheless, they report that the drug does not pose as significant a problem as cocaine or methamphetamine because marijuana is generally associated with less violence and social disorder in the FC Region than other drugs.

Diverted pharmaceuticals and ODDs are of concern to law enforcement and public health officials in the FC Region. Diverted pharmaceuticals, particularly prescription narcotics and benzodiazepines, are widely available and abused. In fact, law enforcement officials report that diverted pharmaceuticals cause more deaths in the region than any other illicit drug. Moreover, law enforcement officials reported an escalating threat from Internet pharmacies in Florida during 2006. ODDs such as MDMA, GHB, and ketamine are available and abused in the FC Region; however, the overall threat posed by these drugs is considerably less than the threat posed by other drugs.

Strategic Regional Developments

- Atlanta is a national-level drug distribution center and is now the primary source for cocaine, ice methamphetamine, and Mexican marijuana distributed in central and northern Florida and a secondary source for these drugs in South Florida.
- Mexican DTOs are the dominant wholesale distributors of cocaine, ice methamphetamine, and Mexican marijuana in central and northern Florida; their influence is increasing in southern Florida and Puerto Rico.
- Mexican DTOs have forced African American street gangs from midlevel drug distribution in many areas of Florida, relegating them to lower-level retail distribution. This situation has led to rising levels of violence among African American street gangs, particularly in Jacksonville (FL), as these street gangs fight for remaining drug territories.
- Weapons smuggling from the continental United States, particularly from Florida into Puerto Rico and the USVI, is a rising law enforcement concern. Federal and local law enforcement officials report that the demand for weapons by drug traffickers in Puerto Rico and the USVI has fueled a black market in which illicit weapons generate large profits for arms dealers.

Variations From National Trends

- Colombian DTOs dominate wholesale cocaine and South American heroin trafficking in South Florida and the Caribbean. Colombian DTOs use these areas as part of their worldwide command, control, and communications base. From South Florida and the Caribbean, Colombian DTOs oversee the movement of cocaine and heroin shipments from source, staging, and transit zones in South America and Central America and Caribbean market areas to the continental United States, Europe, and Africa.
- Heroin abuse is extremely high in Puerto Rico. TEDS data show that in 2005 (the latest year for which data are available), heroin accounted for more treatment admissions to publicly funded facilities in Puerto Rico than any other drug. Data from Puerto

Rico's Forensic Sciences Institute indicate that forensic pathologists performed 185 drug-related autopsies in 2006; of these, intoxication caused by cocaine and opiates (primarily heroin) caused 81 deaths (44%), and heroin intoxication alone caused 25 deaths (14%).

- South Florida has emerged as a primary trafficking area for pharmaceutical drug diversion. Abusers and criminal groups working for organized drug diversion rings, particularly in northeastern states, often travel to South Florida, obtain prescriptions, and purchase the prescribed drugs, which they then transport to their points of origin for abuse or resale. Caribbean Division investigations in Puerto Rico have identified several doctors and associated pharmacies involved in the diversion of prescription drugs, both within Puerto Rico and to the Orlando area. Moreover, law enforcement officials report escalating Internet pharmacy problems in both Florida and Puerto Rico during 2006 and 2007.

Great Lakes Regional Overview

Regional Overview

The Great Lakes Region encompasses Indiana, Kentucky, Michigan, Minnesota, Ohio, Wisconsin, and the Northern and Central U.S. Attorneys Districts of Illinois. It includes the Chicago, Lake County, Michigan, Milwaukee, and Ohio HIDTAs and parts of the Appalachia HIDTA as well as 13 U.S. Attorneys Districts. The region comprises urban areas, including Chicago (IL), Cleveland and Columbus (OH), Detroit and Grand Rapids (MI), Gary and Indianapolis (IN), Louisville (KY), Milwaukee (WI), and Minneapolis/St. Paul (MN), as well as large, sparsely populated agricultural areas, which are often used by traffickers to produce methamphetamine and marijuana. Chicago and Detroit are the largest metropolitan areas in the region; they are also principal wholesale illicit drug distribution centers, supplying drug markets in the Great Lakes Region as well as those in the Mid-Atlantic, Southeast, and West Central Regions.

Drug Threat Overview

The distribution and abuse of cocaine (particularly crack) and, to a lesser extent, heroin pose the greatest threats to most urban areas within the region, while the abuse of methamphetamine and marijuana are typically the greatest drug threats in rural areas and smaller cities. Crack cocaine, heroin, and methamphetamine pose greater threats to public safety because these drugs are more addictive and are often associated with violent and property crime. Crack cocaine typically is reported as the greatest drug threat in metropolitan areas because of its widespread abuse and the violence attendant to its distribution. Marijuana is the most widely available and abused illicit drug in the region;

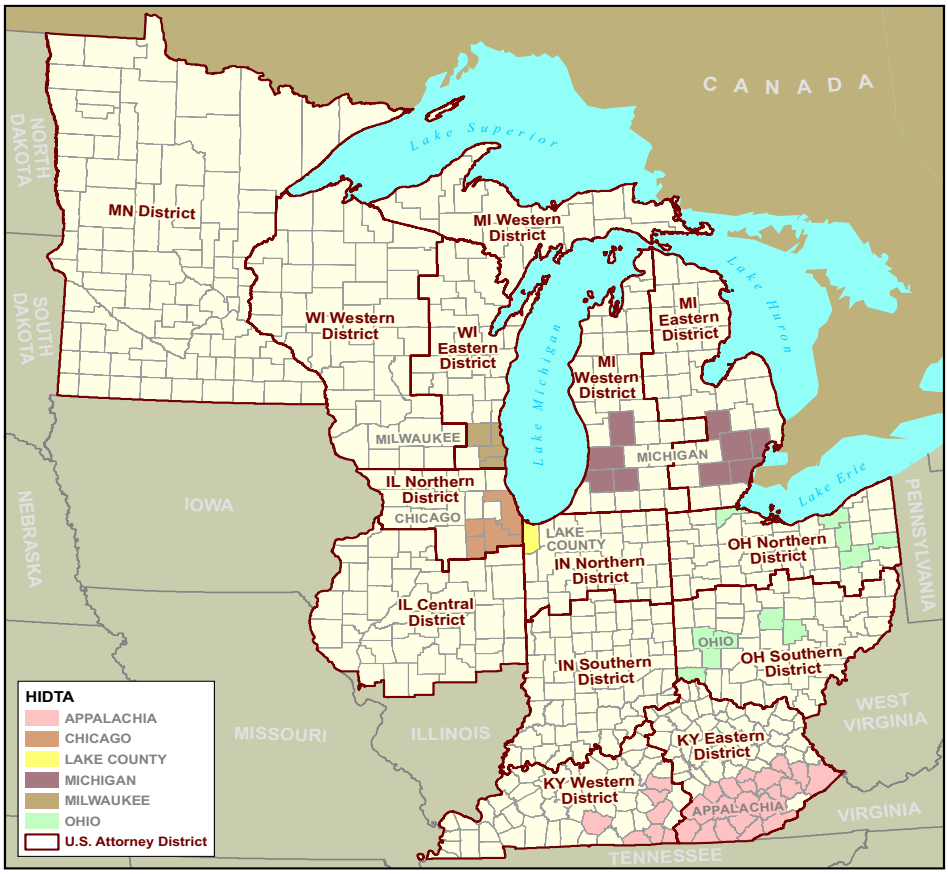


Figure 3. The Great Lakes Region.

however, it is generally reported by law enforcement as a lower threat because its distribution and abuse are less often associated with violent crime. The threats posed by ODDs and diverted pharmaceuticals vary but are usually much lower than the threats posed by other major drugs in the region.

Strategic Regional Developments

- Mexican DTOs, the dominant transporters and wholesale distributors of cocaine, heroin, marijuana, and ice methamphetamine in the Great Lakes Region, are extending their wholesale distribution operations from larger cities such as Chicago and Detroit to secondary markets, including Columbus, Cleveland, Grand Rapids, Indianapolis, Milwaukee, and Minneapolis.

- Methamphetamine production in the Great Lakes Region has declined significantly over the past 2 years because of precursor chemical control legislation, aggressive law enforcement efforts, and public awareness campaigns. As a result, high-purity Mexican ice methamphetamine supplied by Mexican DTOs has supplanted locally produced methamphetamine.

- Heroin abuse outside major metropolitan areas in Illinois, Indiana, Michigan, and Wisconsin, including suburban and rural areas of greater Chicago, Detroit, Gary, Milwaukee, and Minneapolis, is increasing, particularly among young Caucasian abusers. Many of these new, younger abusers transitioned from the abuse of prescription narcotics to the abuse of heroin.

- Fentanyl (often used in combination with heroin) posed a public health threat in various parts of the region, particularly in Chicago and Detroit, resulting in hundreds of overdoses and deaths in 2005 and 2006. The problem abated following the May 2006 seizure of an illicit fentanyl production laboratory in Toluca, Mexico, that reportedly was the primary source of the drug.

- Asian DTOs are increasingly smuggling Canadian MDMA into the Great Lakes Region, primarily through Michigan. The rising availability of MDMA within the region has increased the abuse of the drug among high school and college students.

Variations From National Trends

- Mexican ice methamphetamine availability is increasing in many areas of the Great Lakes Region; no increases in the availability of Asian and Canadian methamphetamine have been reported.

- The abuse of pharmaceutical drugs, particularly prescription narcotics, is increasing among teenagers and young adults. Treatment admissions for other opiates (including prescription narcotics such as hydrocodone, hydromorphone, and oxycodone) to publicly funded facilities in the region among individuals 12 to 20 years old increased 84 percent from 2002 (584) to 2005 (1,076), the latest year for which such data are available.

- Caucasian criminal groups and independent dealers are the primary distributors of MDMA in the Great Lakes Region; however, African American criminal groups and Hispanic gangs are becoming increasingly involved in MDMA distribution in Wisconsin, a factor that may lead to increased abuse of the drug in that state.

- Street gangs are the primary retail distributors of illicit drugs in the region and are expanding their cocaine distribution activities from larger cities to suburban communities, primarily in the Chicago area. This expansion is leading to increased violence—particularly violence associated with crack distribution and abuse—and is straining limited law enforcement and public health resources in suburban communities.

Mid-Atlantic Regional Overview

Regional Overview

The Mid-Atlantic Region (MAR) is composed of Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia. Within the MAR are three HIDTAs—the Philadelphia/Camden HIDTA, the Washington/Baltimore HIDTA, and parts of the Appalachia HIDTA—as well as 10 U.S. Attorneys Districts. The MAR contains four of the largest metropolitan areas in the United States: Philadelphia (PA) is ranked fourth; the District of Columbia, eighth; Baltimore (MD), nineteenth; and Pittsburgh (PA), twenty-first. These metropolitan areas also are the region's principal drug markets. Secondary drug markets in the MAR include Richmond, Roanoke, and the Tidewater area of Virginia; Charleston and Wheeling (WV); Harrisburg, Scranton, and Allentown (PA); and Dover and Wilmington (DE). The large abuser population in the region sustains wide-scale distribution of cocaine, marijuana, and methamphetamine. Methamphetamine is transported from the Southwest and Pacific Regions, cocaine is shipped from the Florida/Caribbean Region, and heroin, Canadian marijuana, and MDMA are smuggled through POEs in the New York/New Jersey Region.

Drug Threat Overview

The distribution and abuse of cocaine pose the most significant drug threat in the region, as a result of the drug's wide availability and association with violence and property crime. Heroin poses a threat; the drug is available in most major markets, and its availability reportedly is rising in many smaller markets. Heroin is of particular concern to law enforcement and public health officials in Baltimore, where abuse of the drug is widespread; it is the leading drug threat in that city. The methamphetamine threat in the region is moderate but has increased, especially in some areas with growing Hispanic communities. Methamphetamine production in the region has decreased; however, Mexican DTOs are supplying more ice methamphetamine to the region than they had in the

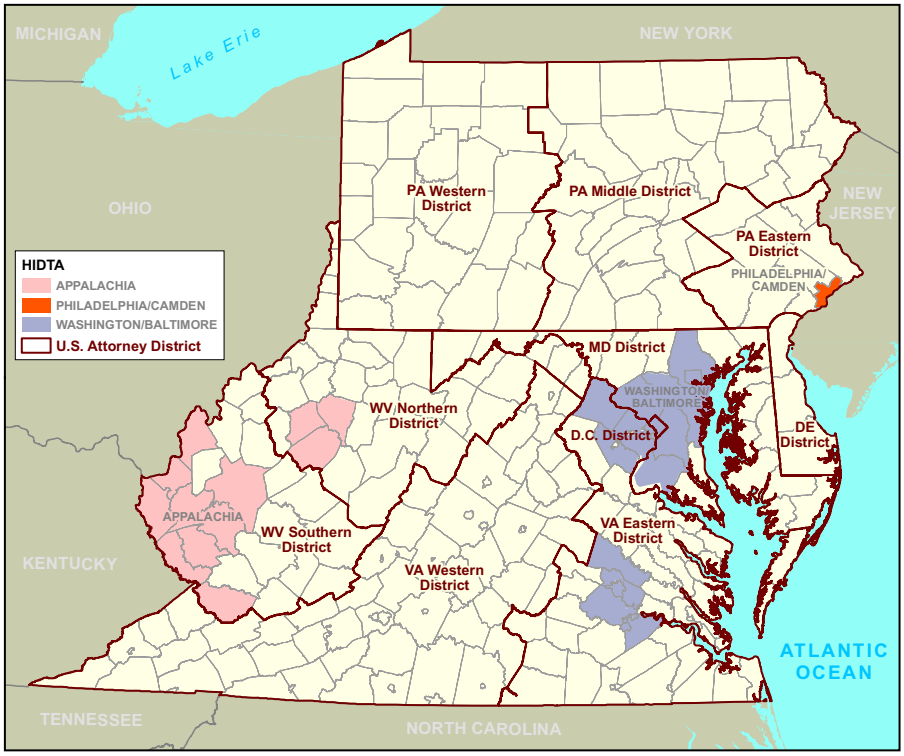


Figure 4. The Mid-Atlantic Region.

past. Marijuana, particularly commercial-grade Mexican marijuana, is the most widely available and abused illicit drug in the MAR. However, the availability of high-potency marijuana is increasing throughout much of the region. Prescription drugs—particularly hydrocodone and oxycodone products as well as benzodiazepines—are widely diverted and abused in the region. Other dangerous drugs such as GHB, LSD, MDMA, and PCP are available and abused in various local markets.

Strategic Regional Developments

- Mexican DTOs increasingly transport and distribute cocaine, heroin, marijuana, and ice methamphetamine in the MAR. These DTOs generally use well-established overland transportation networks extending from Mexico and southwestern states. However, Mexican DTOs have recently begun to transport some illicit drugs to the region from Atlanta (GA) and Charlotte (NC). Mexican DTOs often are employed by Colombian DTOs to transport illicit drugs to the MAR on their behalf, sometimes receiving drugs as payment.

- Canada-based Vietnamese DTOs and criminal groups are emerging as significant producers and transporters of wholesale quantities of high-potency Canadian marijuana as well as MDMA to the region. They typically smuggle these drugs from Canada into the region overland through POEs in western New York.

- Diverted pharmaceutical abuse among adolescents is a rising concern; the number of teenagers and young adults in the region who abuse prescription drugs—such as hydrocodone, oxycodone, and benzodiazepines—is increasing.

Variations From National Trends

- Mexican DTOs operating from the Southwest Region are becoming increasingly involved in cocaine trafficking within the MAR, especially in Baltimore, Philadelphia, and Washington, D.C., as well as in areas of southern Virginia and the Shenandoah Valley.

- An increasing number of Dominican DTOs are bypassing Colombian sources of supply in New York City and the MAR and are obtaining cocaine at discounted prices from Mexican sources at the Southwest Border in order to increase profit margins.

- Colombian and Dominican DTOs are in firm control of the wholesale distribution of heroin, primarily South American heroin, in the MAR. Most of the heroin and cocaine transported by these DTOs enters the region from New York; additional amounts are transported directly to the region from California, southwestern states, Florida, and the Caribbean islands. Mexican DTOs also transport South American heroin to the region; they do so in the employ of Colombian DTOs and on their own behalf.

- The threat posed to the MAR by methamphetamine is relatively low—however, methamphetamine availability and abuse are increasing in a number of areas in the region, including the Shenandoah Valley of Virginia, the northwestern counties of Pennsylvania, and the Pocono Mountains area of Pennsylvania.

- While the demand for marijuana is declining at the national level, marijuana demand in the MAR is high and relatively stable. According to TEDS data, the number of marijuana-related treatment admissions to publicly funded treatment facilities increased overall from 2001 (25,029) through 2005 (30,242), reaching a peak in 2004 (34,494).

Marijuana is abused by every ethnic, age, and socioeconomic group. The popularity of high-potency marijuana, especially among younger abusers, is a key factor in the high level of demand for the drug.

- Methadone-related fatal and nonfatal overdoses have increased in areas of Maryland, Pennsylvania, Virginia, and West Virginia. Virginia and West Virginia ranked in the top 10 states that reported methadone-related deaths in 2004, according to the latest data available from the Centers for Disease Control and Prevention (CDC).

New England Regional Overview

Regional Overview

The New England (NE) Region encompasses Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. Significant drug markets in these states include Hartford (CT); Portland (ME); Concord, Manchester, and Nashua (NH); Providence (RI); Burlington (VT); Springfield (MA); and the Boston (MA) metropolitan area, which includes Lawrence and Lowell. Six U.S. Attorneys Offices are located in the NE Region. Most of the illicit drugs available in the NE Region are transported from the Southwest Region, often by way of New York. The NE Region's geographic location near New York City and the U.S.–Canada border facilitates the smuggling of drugs into the region. New York City is the largest drug market in the eastern United States and the source for most of the South American heroin, cocaine, and commercial-grade marijuana available in New England. A large percentage of the MDMA, marijuana, and prescription drugs available in the region are smuggled into the area across the U.S.–Canada border.

Figure 5. The New England Region.

Drug Threat Overview

The distribution and abuse of heroin, primarily South American heroin, and prescription narcotics such as OxyContin and Percocet (oxycodone) and Vicodin (hydrocodone) pose the greatest drug threats in the NE Region. In some areas of the NE Region, heroin abusers who sought methadone treatment to combat their addiction are now abusing methadone. Consequently, many treatment providers are substituting buprenorphine products in place of methadone. Cocaine, mostly crack, is commonly abused in some areas of the region, particularly inner-city neighborhoods in Hartford, Bridgeport, Providence, and Boston. Crack cocaine availability has expanded in Maine and New Hampshire as well, largely because African American and Hispanic criminal groups and street gangs from Massachusetts and New York have increased distribution in those areas. Marijuana is widely abused throughout the area; most abusers prefer high-potency marijuana from Canada over commercial-grade marijuana from Mexico. Moreover, some Canada-based Vietnamese traffickers are beginning to smuggle powder methamphetamine that they produce in Canada into the region. Methamphetamine poses a relatively low threat in the NE Region; most abuse of the drug is concentrated in the gay male community in Boston. The threat posed in the region by ODDs varies; MDMA distribution and abuse are increasing, while the abuse of LSD, PCP, and psilocybin mushrooms is stable at low levels. Khat is smuggled into Maine and distributed and abused among the local Somali population.

Strategic Regional Developments

- Canada-based Asian DTOs are increasing their presence in the NE Region; they are shifting some of their operations, particularly hydroponic cannabis cultivation operations, from Canada into New England states, particularly Connecticut and New Hampshire.

- Asian DTOs, primarily Vietnamese, are smuggling increased quantities of MDMA into the region from Canada, using transportation and distribution networks that they had previously established for Canadian high-potency marijuana.

- Some Canada-based Vietnamese traffickers are beginning to manufacture methamphetamine in Canada. These traffickers are smuggling a portion of the methamphetamine into the region, sometimes trading it for cocaine. These groups then smuggle the cocaine into Canada for distribution in Canadian drug markets such as Montreal, where an apparent cocaine shortage is developing.

Variations From National Trends

- Heroin is the primary drug threat in New England—the only region of the country in which this drug is the leading problem. The heroin problem in the NE Region is driven in part by prescription narcotic abuse; prescription narcotic abusers often switch to heroin because of the drug's lower cost and higher purity.

- Methadone is the leading cause of drug-related deaths in Maine and New Hampshire. Heroin abusers who sought methadone treatment to combat their addiction are now abusing methadone. Consequently, many treatment providers are substituting buprenorphine products in place of methadone; law enforcement officials in parts of Maine report that individuals are now abusing buprenorphine products.

- Asian DTOs are establishing hydroponic cannabis grow operations within the NE Region. In doing so, these DTOs are attempting to avoid losing large marijuana loads at the U.S.–Canada border as a result of heightened law enforcement scrutiny and to increase profit margins by avoiding cross-border transportation costs.

- The methamphetamine threat is low in the NE Region—one of the few areas in the country where methamphetamine is not a significant threat. However, some Canada-based Vietnamese traffickers are beginning to engage in methamphetamine production and distribution in order to exploit developing markets in the region.

New York/New Jersey Regional Overview

Regional Overview

The New York/New Jersey (NY/NJ) Region encompasses the entire states of New York and New Jersey. The New York/New Jersey HIDTA and portions of the Philadelphia/Camden HIDTA are represented in the region, as are five U.S. Attorneys Districts. The region is densely populated and includes approximately 28 million individuals—9.3 percent of the population of the United States. New York City is the most significant drug market in the region and one of the largest in the United States. Secondary markets in the region include Buffalo, Rochester, Syracuse, and Albany (NY) and Jersey City, Paterson, Elizabeth, Trenton, and Camden (NJ).

Drug Threat Overview

Cocaine and heroin pose the most serious drug threats in the region. Cocaine is frequently abused throughout the area, and availability of the drug typically is high; however, in February 2007 several cocaine markets in the region reported atypical decreases in powder cocaine availability and significant increases in cocaine prices. Cocaine distribution, particularly crack cocaine distribution, is often conducted by violent street gang members, who reportedly perpetrate a considerable portion of the drug-related violence that occurs in the region. Heroin abuse in the region is extensive. The heroin available in the area is among the purest in the

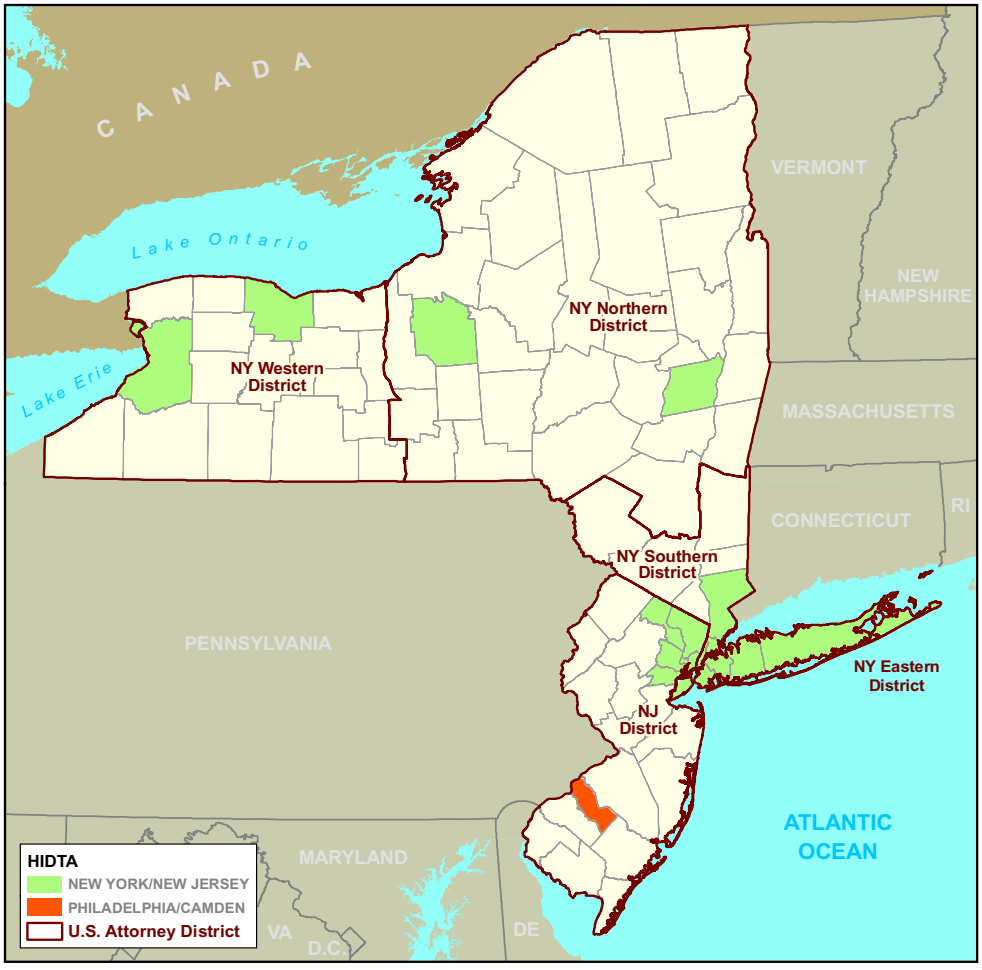


Figure 6. The New York/New Jersey Region.

nation, drawing an increasing number of abusers, including young adults. They abuse heroin in New Jersey at a rate more than twice the national average.[26] Marijuana is the most commonly abused illicit drug in the region, and the availability of high-potency marijuana from Canada and from indoor grow sites in the region has increased. Methamphetamine poses a lesser threat than other drugs, despite the fact that its availability has increased; high-purity Mexican ice methamphetamine is more available in the region than it was in the past. MDMA, diverted pharmaceuticals, and ODDs pose a low threat.

Strategic Regional Developments

- The purity of South American heroin available in the region has decreased slightly. Newark (NJ), which previously led the nation in South American heroin purity, now ranks behind Philadelphia (PA) and New York City. South American heroin purity has been decreasing in the region since 2003; however, this is the first time since 2001 that Newark did not lead the nation in South American heroin purity.

- Despite reported decreases in South American heroin purity, heroin poses an increasing threat to the region. Heroin abuse, particularly among young people, is rising. The reason for the increase is largely unknown; however, law enforcement and public health officials believe that it may be due, in part, to the ease with which high-purity South American heroin can be administered—by inhalation rather than by injection. Further, some prescription narcotics abusers switch to heroin if it is more readily available or less expensive than prescription narcotics.

- Asian (primarily Vietnamese) DTOs based in Canada are using networks that they established for marijuana distribution to supply increasing amounts of high-potency Canadian marijuana as well as MDMA to midlevel and retail-level distributors in the region.

- Canada-based Asian DTOs and criminal groups as well as members of OMGs have increased their use of the St. Regis Mohawk (Akwesasne) Reservation as a transportation corridor to smuggle high-potency Canadian marijuana and MDMA into the region.

- Asian DTOs have increased the size of high-potency marijuana loads that they ship from Canada into the region through western New York POEs. The loads had weighed several hundred pounds and had usually been transported in private vehicles; now most weigh several thousand pounds and are transported in commercial vehicles. This increase could mean that these DTOs are expanding their marijuana distribution operations to more domestic drug markets, including those outside the region.

- Italian organized crime groups have increased their production of high-potency hydroponic marijuana at indoor grow sites on Long Island because of the high profit margins associated with the drug and the lesser criminal penalties prescribed for marijuana-related offenses.

- The availability and abuse of high-purity Mexican ice methamphetamine have increased in the region, fueled by local Mexican wholesale distributors who transport multipound quantities of ice methamphetamine into the NY/NJ Region from laboratories in Mexico and from transshipment locations in Southwest Border states, California, and Atlanta.

- The New York State Department of Health recently introduced official state prescription

26. The State of New Jersey Department of Human Services reports that 5 percent of young adults (ages 18 to 25) in New Jersey report lifetime heroin abuse, compared with 2 percent nationwide.

forms that contain security features designed to prevent alterations and forged prescriptions. The use of these new forms has contributed to a decrease in local pharmaceutical diversion in New York and may have forced abusers and traffickers to use alternate methods of acquiring pharmaceutical drugs, such as ordering them from Internet pharmacies.

Variations From National Trends

- Heroin poses a more serious threat in the NY/NJ Region than it does in most other regions of the country. The heroin consumed in the NY/NJ Region is among the purest in the nation, and heroin-related admissions to publicly funded treatment facilities far exceed those of any other illicit drug. Heroin abuse in the region has increased, encompassing a growing abuser population that includes a rising number of younger users.

- Methamphetamine abuse, while increasing in the region, poses a low threat in the NY/NJ Region—one of the few areas in the country where the methamphetamine threat is not significant. Most of the methamphetamine available in the area is transported from California and southwestern states. However, some methamphetamine is locally produced; most methamphetamine laboratories established in the region are small—quantities produced in them are sufficient for personal use and limited distribution only.

- The abuse of prescription narcotics has increased in the NY/NJ region, particularly among high school and college students. Law enforcement officials in the region report widespread diversion and abuse of prescription narcotics, including Vicodin, OxyContin, methadone, and buprenorphine. Treatment admissions for prescription narcotic abuse in the region rose 92.4 percent between 2001 (4,449) and 2005 (8,559), the latest year for which such data are available; treatment admissions for individuals aged 12 to 20 rose 427 percent (137 to 722) during the same period.

Pacific Regional Overview

Regional Overview

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

Drug Threat Overview

Methamphetamine trafficking and abuse pose the greatest threat to the region, largely because of the widespread availability of the drug, high

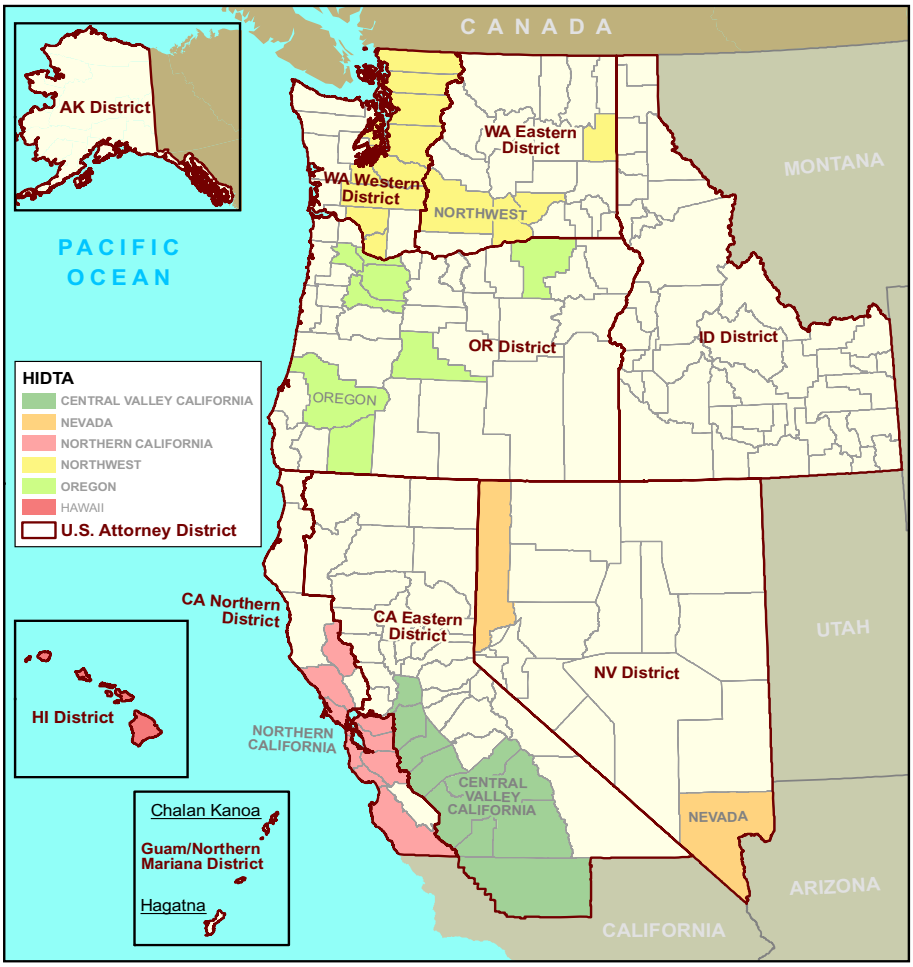


Figure 7. The Pacific Region.

levels of methamphetamine abuse, and high levels of methamphetamine-related violent crime and property crime. Marijuana availability is widespread, and abuse of the drug is increasing throughout the region. This situation is a combined result of rising overall demand and increased availability of high-potency marijuana. Additionally, marijuana distributors in California have aggressively exploited state medical marijuana laws to facilitate illegal cannabis cultivation. The transportation, multilevel distribution, and high levels of abuse of heroin and cocaine also are significant drug problems in the region. The distribution and abuse of ODDs and diverted pharmaceutical drugs pose fewer significant problems than those of other illicit drugs; however, the threat is increasing in many areas.

Strategic Regional Developments

- Cannabis cultivation and marijuana production operations at both outdoor and indoor locations in the Pacific Region are extensive, becoming more sophisticated, and increasing in size. Rising levels of cannabis cultivation have increased the risk of harm to law enforcement, public health officials, and private citizens.

- Asian DTOs and criminal groups pose a moderate, yet increasing, drug trafficking threat to the Pacific Region. Throughout 2006 the incidence of Asian DTOs—predominantly Vietnamese groups—operating larger indoor cannabis cultivation sites has increased significantly.

- Some Canada-based Vietnamese criminal groups have relocated a number of their indoor cannabis cultivation operations from Canada to the region, most likely to capitalize on increasing regional and national demand for high-potency marijuana, to reduce transportation costs associated with cross-border smuggling, and to minimize their exposure to law enforcement border operations.

- Asian DTOs and criminal groups are producing and smuggling increasing amounts of MDMA from Canada for regional and nationwide distribution—the threat from MDMA trafficking and abuse is increasing in the Pacific Region.

Variations From National Trends

- State and local law enforcement officials report that methamphetamine contributes to more violent and property crime in the region than any other drug.

- Mexican ice methamphetamine has emerged as the most prevalent type of methamphetamine available in the Pacific Region, primarily as a result of significant decreases in local methamphetamine production over the past several years. To increase their customer base, Mexican DTOs in northern California are employing a new technique for marketing methamphetamine that is directed toward younger users—they are adding flavoring and coloring to the drug. This form of methamphetamine first emerged in Contra Costa County in 2007.

Southeast Regional Overview

Regional Overview

The Southeast (SE) Region encompasses Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. It includes three HIDTA program areas—Atlanta, Gulf Coast, and part of Appalachia. In addition, 20 U.S. Attorneys Districts are located in the region. Atlanta is a national-level distribution center for powder cocaine, ice methamphetamine, and Mexican marijuana; the city also is a regional distribution center for MDMA. The cities of Charlotte, Greensboro, and Raleigh (NC) have emerged as secondary distribution centers for illicit drugs destined for drug markets within the region and other parts of the country.

Drug Threat Overview

The production, abuse, and distribution of illicit drugs pose varying threat levels throughout the Southeast Region. Cocaine poses the most significant threat; the drug is widely abused and frequently associated with violent crime in the region, and availability is typically high. However, in late February 2007 several cocaine markets in the area, including Atlanta, reported atypical decreases in powder cocaine availability. Methamphetamine, primarily ice methamphetamine supplied by Mexican DTOs, is a serious threat to the region and in some areas represents a threat equal to that of cocaine. Precursor legislation has led to declining local powder methamphetamine production in the region. However, Mexican DTOs have supplanted 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 to the drug; ice methamphetamine abuse crosses most demographic categories in the region, including teenagers and young adults. Marijuana is the most widely

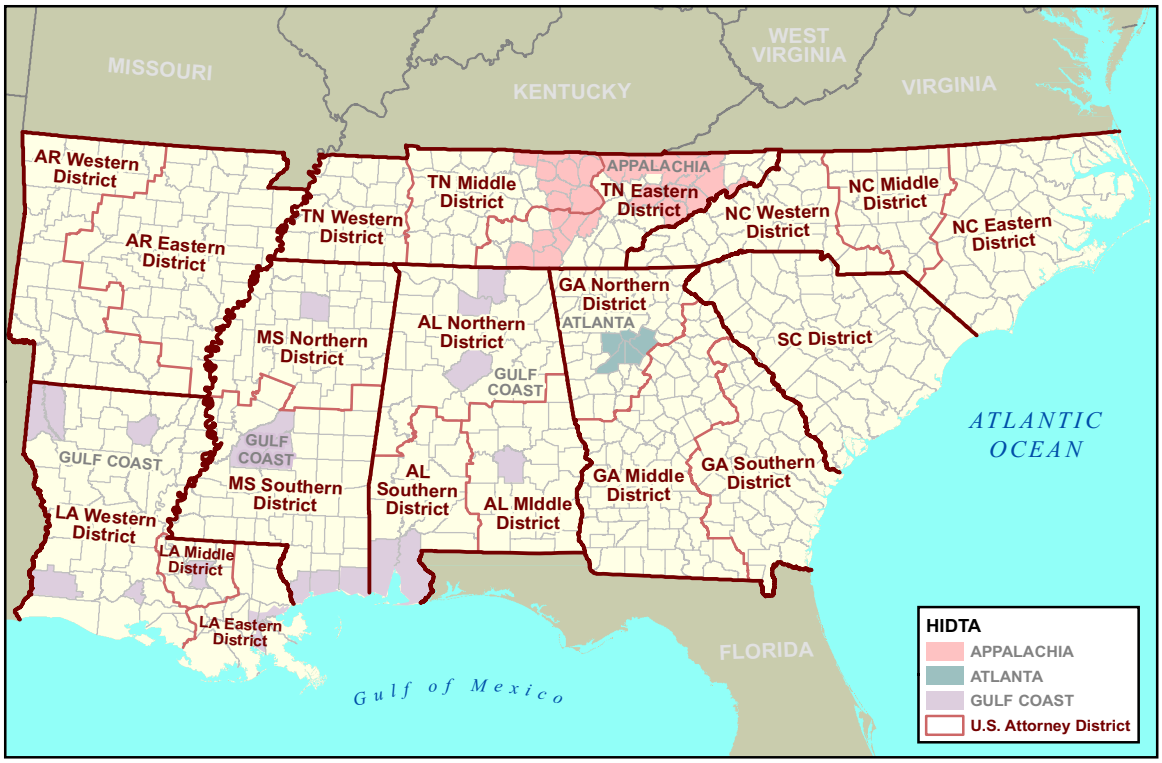


Figure 8. The Southeast Region.

abused illicit drug throughout the Southeast Region. Heroin poses a relatively low threat to most of the region; however, some areas of Louisiana, Mississippi, and North Carolina are experiencing high levels of heroin abuse. ODDs, including MDMA, and pharmaceutical drugs are available and abused to varying degrees and pose a low threat.

Strategic Regional Developments

- Mexican DTOs have established Atlanta as a national-level distribution and transshipment center for powder cocaine, ice methamphetamine, and Mexican marijuana. They typically transport significant quantities of these drugs from Mexico, California, and southwestern states to stash locations within the Atlanta metropolitan area, from which they either distribute the drugs locally or transport them to drug markets within the Florida/Caribbean, Mid-Atlantic, New England, New York/New Jersey, Southeast, and West Central Regions.

- Mexican DTOs are also establishing Charlotte, Greensboro, and Raleigh (NC) as secondary distribution centers for most drugs in order to spread their operations over a larger geographic area and minimize the risk of loss occasioned by heightened law enforcement scrutiny in Atlanta.

- New Orleans (LA) has experienced increased drug-related violence as retail-level drug distributors displaced by Hurricane Katrina return to the city and attempt to reestablish their trafficking operations. Upon their return, many of these distributors are finding a diminished customer base, leading them to seek additional distribution territory. This situation has resulted in increasingly violent turf battles among retail distributors, contributing to escalating homicide rates in the city.

- Indoor cannabis cultivation is increasing in the Southeast Region as growers attempt to avoid outdoor eradication and attain higher profits through the production of higher-potency marijuana. Cuban criminal groups with ties to organizations in the Florida/Caribbean Region are increasingly cultivating cannabis at indoor grow sites in the SE Region.

Variations From National Trends

- African American criminal groups and street gangs that typically distribute crack cocaine, heroin, marijuana and, occasionally, MDMA have recently begun to distribute ice methamphetamine.

- New Orleans drug traffickers have formed new associations with sources of supply in Texas, particularly traffickers in Houston. Approximately 150,000 New Orleans residents were evacuated and relocated to the Houston area in 2005 because of Hurricane Katrina. Some of these evacuees were drug traffickers from high-crime areas of New Orleans, and, upon relocating to Houston, they formed relationships with local drug dealers and gang members. Many of these traffickers have returned to New Orleans, and the relationships that they forged with Houston-based traffickers have enabled them to reestablish drug markets in New Orleans with a steady source of supply.

Southwest Regional Overview

Regional Overview

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

Drug Threat Overview

The drug threat facing the Southwest Region is extensive, encompassing drug production, cross-border smuggling, national drug transportation, multilevel drug distribution, increasing abuse rates, drug-related crime, and money laundering. Methamphetamine, cocaine, marijuana, heroin, ODDs, and diverted pharmaceutical drugs pose varying threats to the Southwest Region. Methamphetamine poses the greatest drug threat because of the amount smuggled into the region from Mexico, the high rates of abuse, and the increasing amount of violence and property crime related to the drug. The threat posed by the trafficking and abuse of cocaine is increasing, primarily because Mexican DTOs dominate the cocaine market in the region and have emerged as the primary suppliers of cocaine to other regions of the country. Marijuana is the most readily available drug in the Southwest Region; more marijuana is seized along the Southwest Border than all other drugs combined. Drug traffickers often use marijuana smuggling and distribution to finance other trafficking activities. The trafficking and abuse of heroin also pose significant drug threats because of the large quantities of Mexican black tar and Mexican brown powder

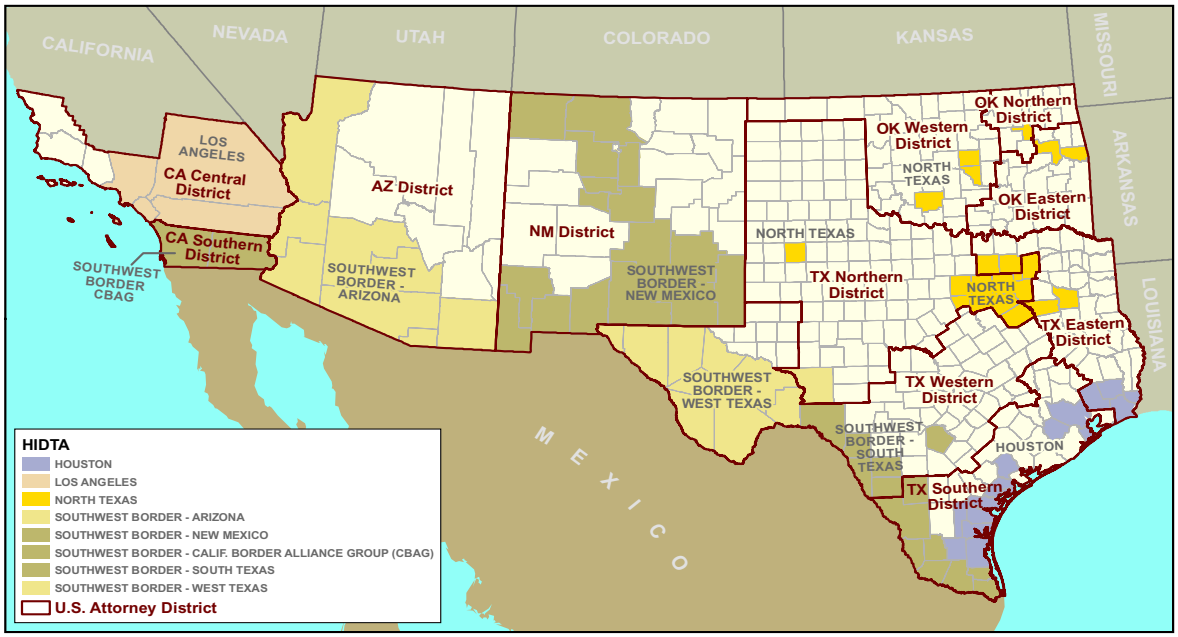


Figure 9. The Southwest Region.

heroin that are smuggled into the region from Mexico for local distribution and transshipment to other regions of the country. ODDs and diverted pharmaceutical drugs pose a lesser drug threat to the region, largely because the drugs are transported, distributed, and abused less frequently than other illicit drugs.

Strategic Regional Developments

- Mexican DTOs are the primary organizational threat to the Southwest Region, primarily because of the breadth of their trafficking operations along the U.S.–Mexico border. They exert more influence over drug trafficking in the Southwest Region than any other trafficking group because of their extensive cross-border trafficking networks as well as their expansive transportation and distribution operations.

- Mexican DTOs operating along the U.S.–Mexico border are no longer solely drug trafficking organizations; they are expanding into other criminal enterprises to generate additional income. Many DTOs now engage in alien smuggling, extortion, and ransom kidnapping to help fund their drug trafficking operations.

- Mexican ice methamphetamine is the dominant form of methamphetamine available in the region and has replaced locally produced powder methamphetamine. This is a result of Mexican DTOs' transferring methamphetamine production operations to Mexico and the enactment of state and local precursor chemical control legislation that dramatically decreased methamphetamine production in the region.

- Mexican DTOs are expanding cannabis cultivation operations in the Southwest Region, most likely to capitalize on increasing regional and national demand for higher-potency marijuana. Mexican DTOs control the largest cannabis plots in the region and often locate them on public lands, including in national forests.

- Several port expansion projects are underway in Mexico; they involve the development of intermodal transportation networks connecting Mexico's maritime ports with markets in the interior of the United States. These projects will most likely increase the volume of commercial truck and rail traffic entering the Southwest Region from Mexico, providing traffickers with additional opportunities to conceal their illicit operations.

Variations From National Trends

- Several Mexican DTOs are engaged in violent disputes over control of smuggling routes that traverse the Southwest Border. Most of this violence has remained in Mexico; some, including violence against law enforcement personnel who patrol the Southwest Border, has spilled into the region. Violence is also emerging in Southwest Border areas and communities that have not experienced high levels of smuggling-related violence in the past.

- Abuse of cheese heroin is increasing in the Dallas area. At least 11 schools within the Dallas Independent School District (DISD) reported the presence of the drug combination on their campuses. Moreover, local officials attribute the deaths of at least 22 Dallas County individuals since 2005 to cheese heroin; eight were DISD students.

- African American criminal groups are becoming increasingly involved in methamphetamine distribution in the region. This includes an increasing number of crack cocaine distribution groups that are now distributing methamphetamine in addition to crack cocaine. Additionally, some African American crack cocaine abusers are switching to methamphetamine. These trends have been reported by law enforcement and health officials in southeastern New Mexico, Dallas and Tyler (TX), and Oklahoma City.

West Central Regional Overview

Regional Overview

The West Central Region is composed of large metropolitan areas as well as expansive, sparsely populated locations that include public and Native American tribal lands within 11 states; the region also shares an international border with Canada. The West Central Region is populated by approximately 22.6 million people; more than 50 percent reside in metropolitan and urban areas. Traffickers distribute large quantities of illicit drugs from St. Louis, Kansas City, Des Moines, Omaha, Denver, and Salt Lake City. These cities facilitate access to markets in the West Central Region and the rest of the country, primarily because of their geographic locations along major interstate highways and other transportation systems.

Drug Threat Overview

Methamphetamine poses the greatest overall drug threat to the region because of its wide availability and association with violence, identity theft, and property crime. Mexican DTOs have capitalized on declining local methamphetamine production to supply the region's methamphetamine market with low-cost, high-purity ice methamphetamine. The distribution and abuse of powder and crack cocaine and Mexican black tar and brown powder heroin also are significant drug threats. Marijuana is the most widely available and abused drug in the region. The threat posed by ODDs is low and varies by state. The diversion and abuse of pharmaceutical drugs are generally low.

Strategic Regional Developments

- Mexican DTOs have reinforced their position as the dominant illicit drug transporters and distributors in the West Central Region. They exploit well-established trafficking networks and a sophisticated distribution system that reaches from sources of supply in Mexico and southwestern states to regional distribution hubs in Denver, Kansas City and St. Louis (MO), Omaha, and Salt Lake City.

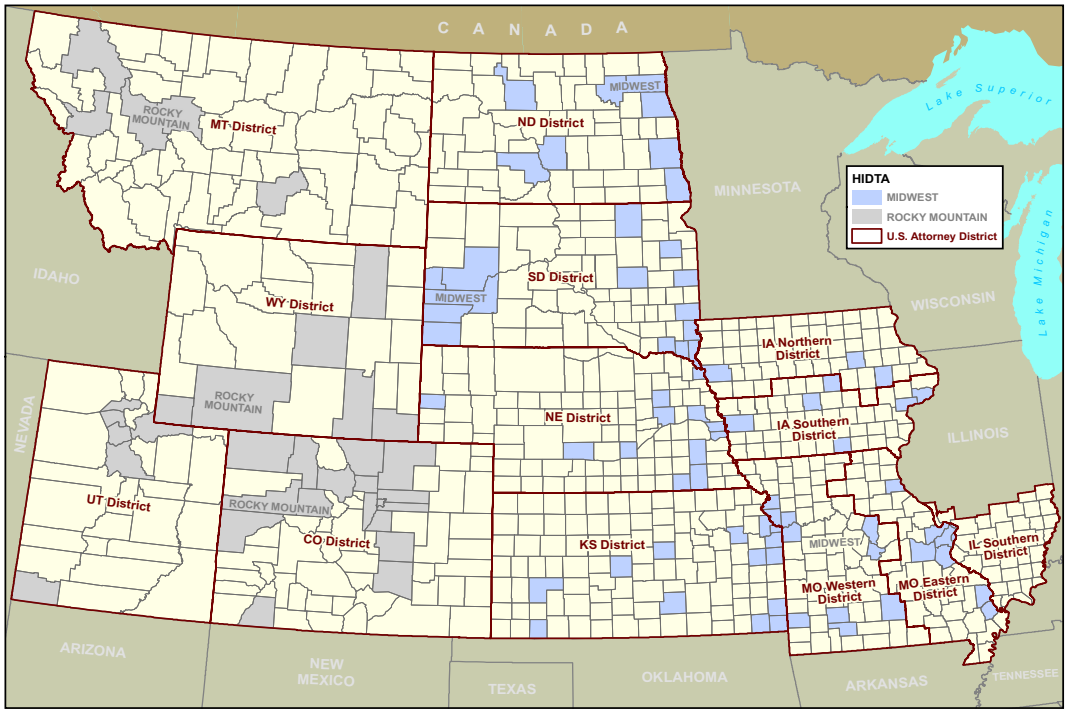


Figure 10. The West Central Region.

- Denver, Kansas City, and St. Louis have emerged as significant transshipment centers for cocaine, Mexican ice methamphetamine, and Mexican marijuana smuggled by Mexican DTOs to drug markets in the Northeast, including New York City.

- Mexican DTOs are expanding their distribution operations in metropolitan areas within Missouri, where they had previously maintained a limited presence. These traffickers provide wholesale and midlevel distributors with a consistent source for cocaine, Mexican ice methamphetamine, and Mexican marijuana.

- Crack cocaine distributors in some areas of the region are now selling powder cocaine to users along with instructions on how to convert the powder into crack. They are doing so in order to avoid the more stringent penalties associated with crack distribution.

- Some abusers are beginning to use crack cocaine in place of methamphetamine in metropolitan areas and smaller towns, such as Hannibal (MO), that have experienced significant declines in the availability of locally produced methamphetamine.

- Asian DTOs with ties to Canada have recently begun to establish hydroponic cannabis grow operations in the region to capitalize on the rising demand for high-potency marijuana. In addition, they are quite likely establishing grow sites in the region to avoid losing marijuana loads at the U.S.–Canada border as a result of heightened law enforcement scrutiny and to increase profit margins by avoiding cross-border transportation costs.

- The abuse of cheese heroin is emerging in Boulder County (CO). This drug appears to be popular among 10- to 16-year-old Hispanic juveniles in the region, both male and female.

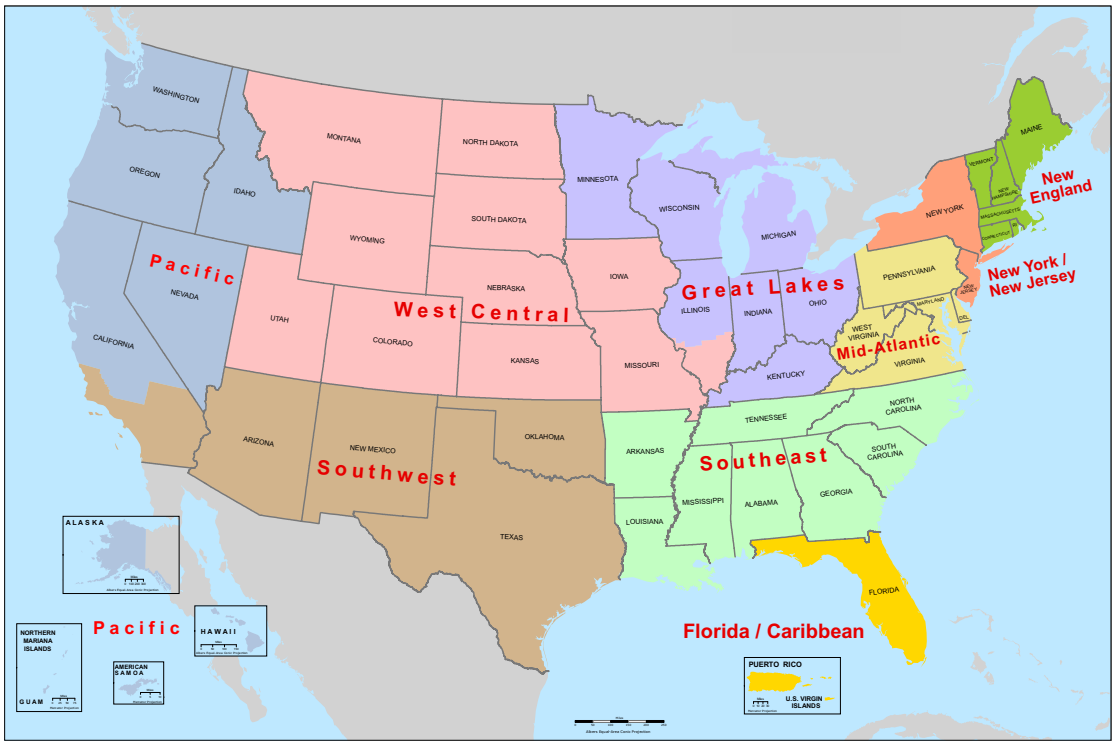
Variations From National Trends

- Retail distribution of crack cocaine by Hispanic dealers is increasing in many urban drug markets within the region. Hispanic dealers are forcing out African American retailers who previously controlled all crack distribution in these areas. As such, many African American crack cocaine dealers are moving their operations to outlying suburban and rural areas to avoid confrontation and violence.

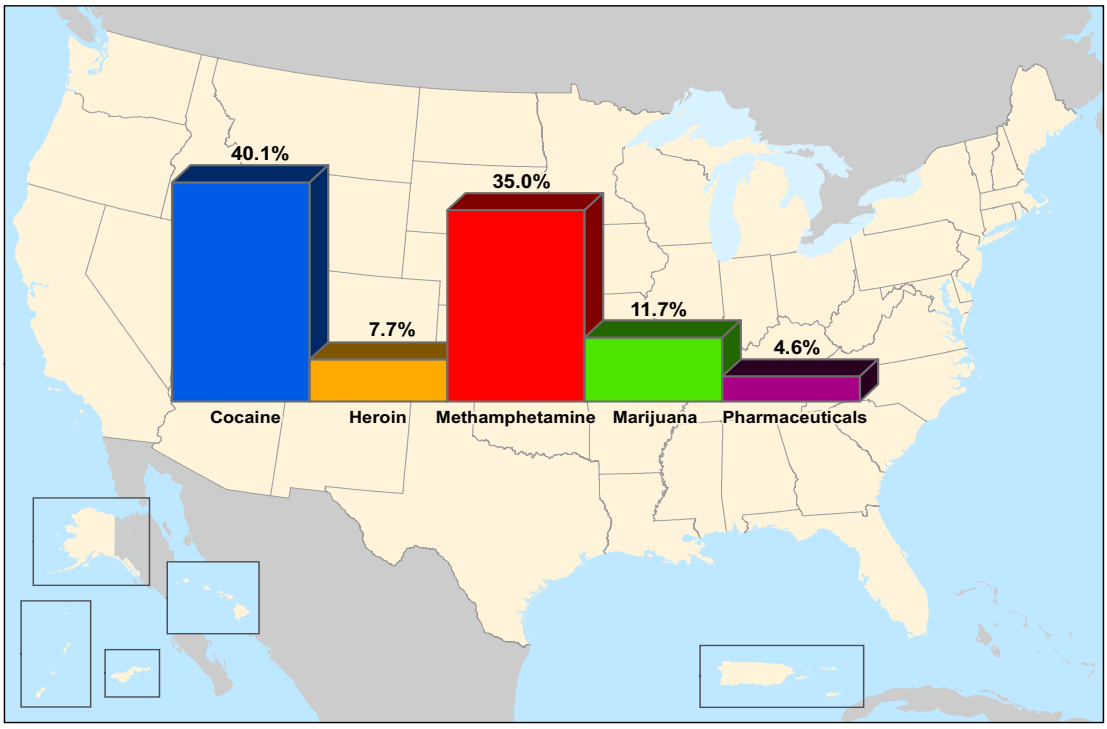
- The availability and retail distribution of white powder heroin have surpassed those of Mexican heroin over the past 2 years in the St. Louis metropolitan area and St. Louis County.

- Retail theft of pharmaceutical drugs has dramatically increased since 2004 in areas of the region. For instance, pharmacy robberies and burglaries in the Denver and Salt Lake City metropolitan areas have increased by 50 percent in each of the last 2 years.

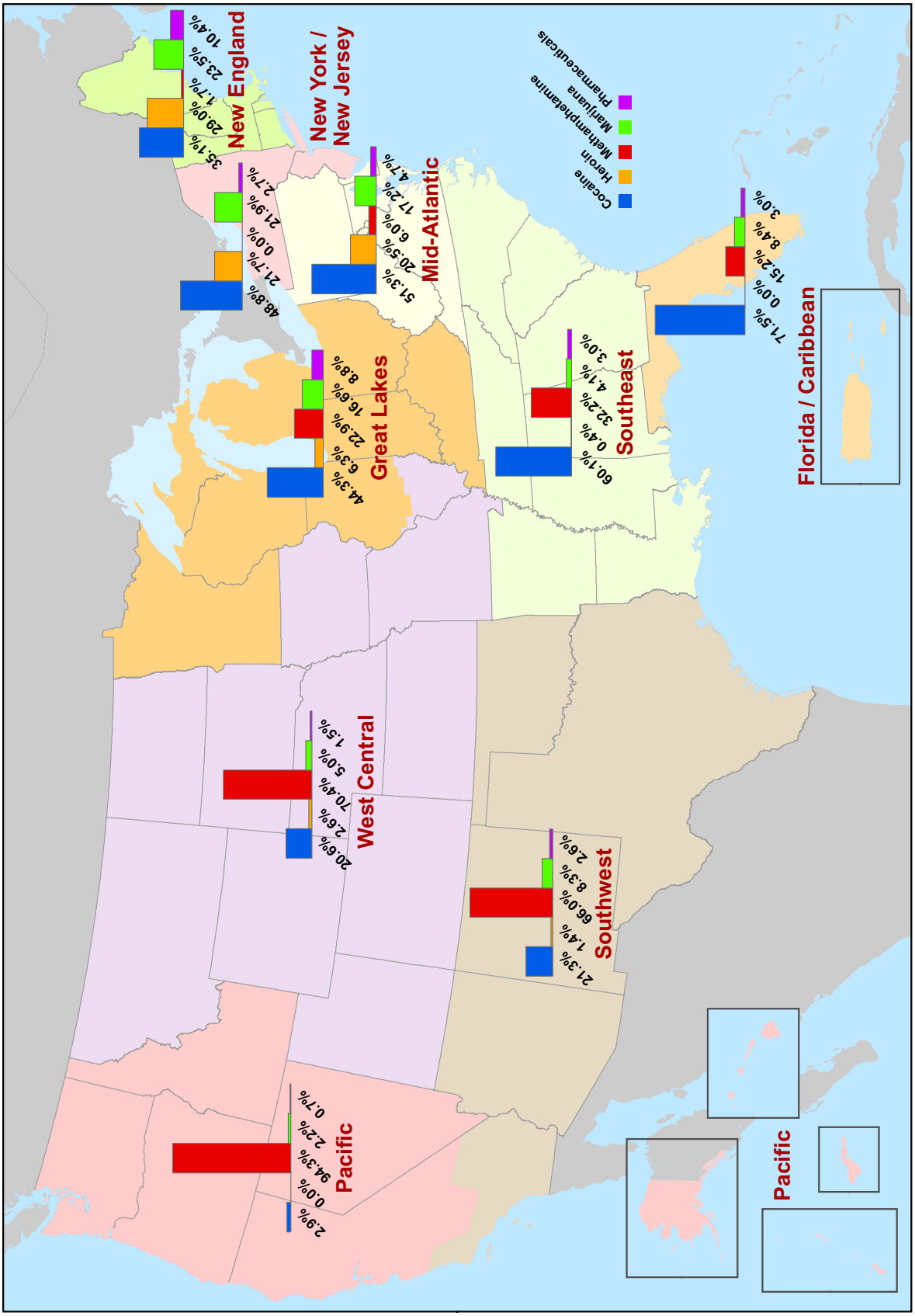
Appendix B. Maps



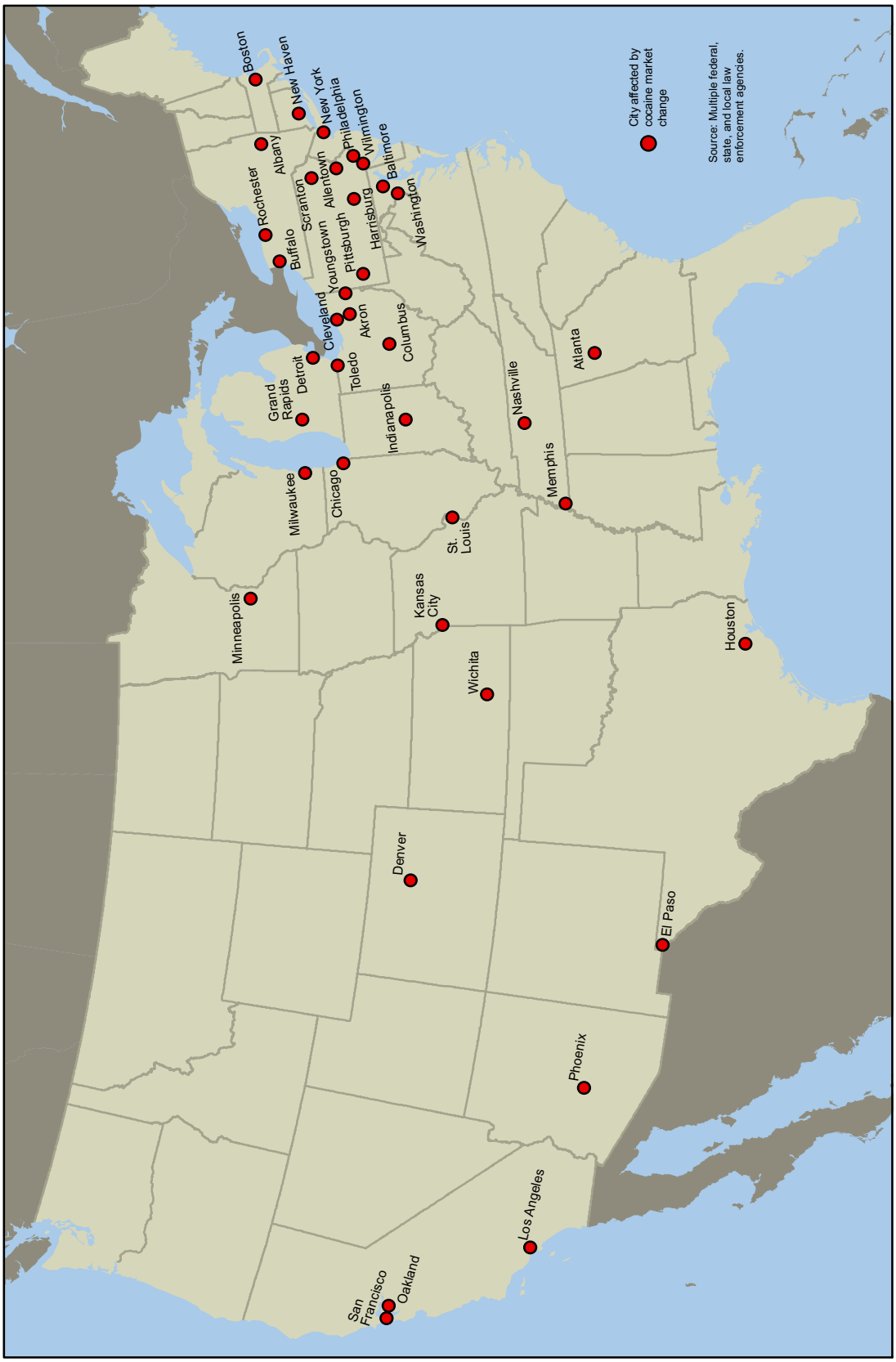
Map 1. Nine OCDETF regions.



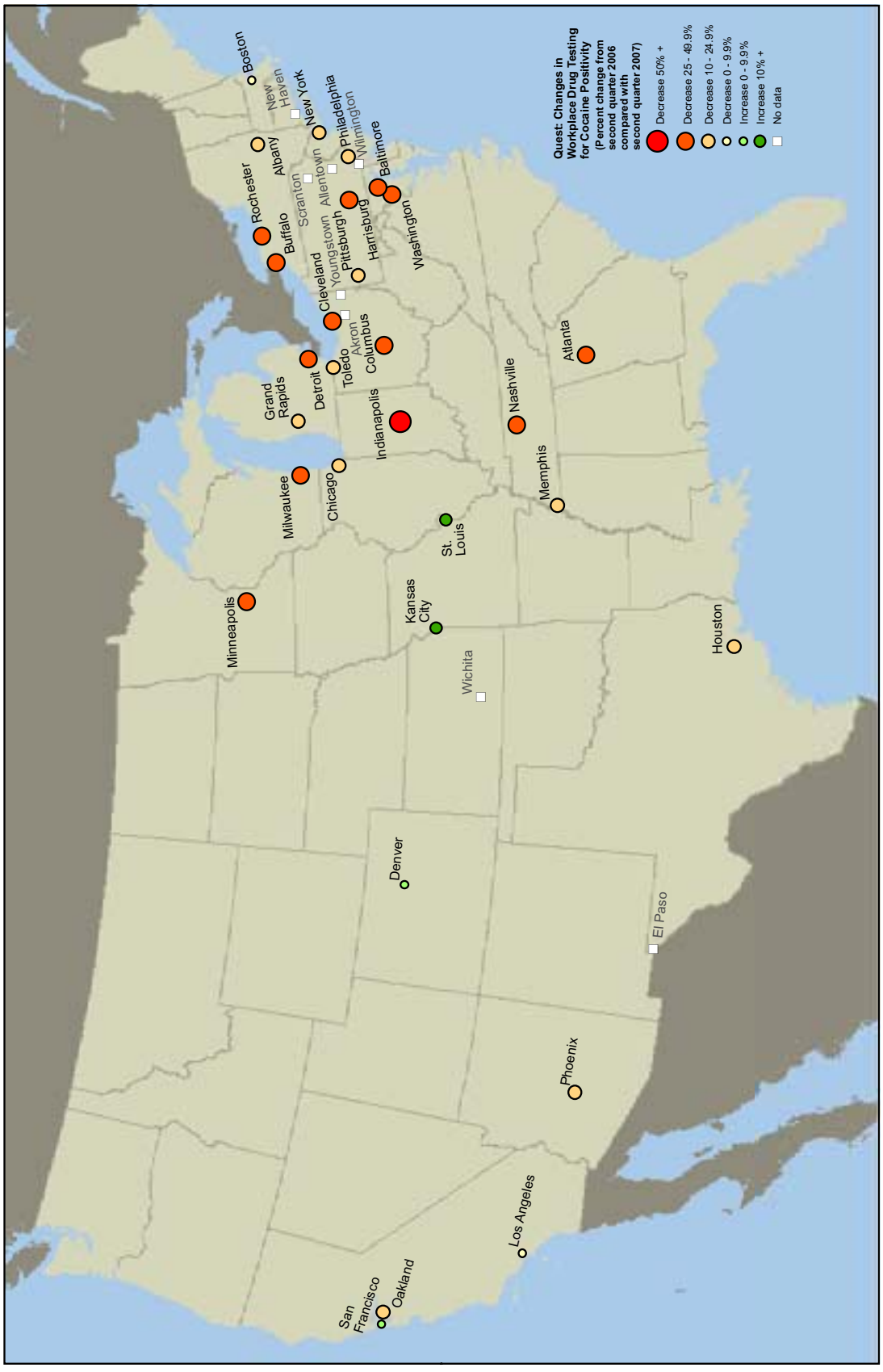
Map 2. National Drug Threat Survey 2007 greatest drug threat as reported by state and local agencies.



Map 3. National Drug Threat Survey 2007 greatest drug threat by region as reported by state and local agencies.



Map 4. U.S. cities with cocaine shortages reported by law enforcement agencies during the second quarter of 2007.



Map 5. Changes in Quest cocaine positivity results in cities with reported cocaine shortages, second quarter 2006 compared with second quarter 2007.

Map 6. DAWN: Changes in cocaine emergency department visits for second quarters of 2006 and 2007.

Appendix C. Tables

Table 1. Trends in Percentage of Past Year Drug Use, 2002–2006

		2002	2003	2004	2005	2006
Major Drugs	**Cocaine (any form)**					
	Individuals (12 and older)	2.5	2.5	2.4	2.3	2.5
	Adolescents (12-17)	2.1	1.8	1.6	1.7	1.6
	Adults (18-25)	6.7	6.6	6.6	6.9	6.9
	Adults (26 and older)	1.8	1.9	1.7	1.5	1.8
	Crack					
	Individuals (12 and older)	0.7	0.6	0.5	0.6	0.6
	Adolescents (12-17)	0.4	0.4	0.3	0.2	0.3
	Adults (18-25)	0.9	0.9	0.8	1.0	0.9
	Adults (26 and older)	0.7	0.6	0.5	0.5	0.6
	Heroin					
	Individuals (12 and older)	0.2	0.1	0.2	0.2	0.2
	Adolescents (12-17)	0.2	0.1	0.2	0.1	0.1
	Adults (18-25)	0.4	0.3	0.4	0.5	0.4
	Adults (26 and older)	0.1	0.1	0.1	0.1	0.2
	Marijuana					
	Individuals (12 and older)	11.0	10.6	10.6	10.4	10.3
	Adolescents (12-17)	15.8	15.0	14.5	13.3	13.2
	Adults (18-25)	29.8	28.5	27.8	28.0	28.0
	Adults (26 and older)	7.0	6.9	7.0	6.9	6.8
	Methamphetamine					
	Individuals (12 and older)	0.7	0.7	0.8	0.7	0.8
	Adolescents (12-17)	1.0	0.7	0.7	0.7	0.7
	Adults (18-25)	2.0	1.9	1.9	1.8	1.7
	Adults (26 and older)	0.5	0.5	0.6	0.5	0.6
Pharmaceuticals	**Prescription Narcotics**					
	Individuals (12 and older)	4.7	4.9	4.7	4.9	5.1
	Adolescents (12-17)	7.6	7.7	7.4	6.9	7.2
	Adults (18-25)	11.4	12.0	11.9	12.4	12.4
	Adults (26 and older)	3.1	3.3	3.0	3.3	3.6

Table 1. Trends in Percentage of Past Year Drug Use, 2002–2006 (Continued)

		2002	2003	2004	2005	2006
Other Dangerous Drugs	**LSD**					
	Individuals (12 and older)	0.4	0.2	0.2	0.2	0.3
	Adolescents (12-17)	1.3	0.6	0.6	0.6	0.4
	Adults (18-25)	1.8	1.1	1.0	1.0	1.2
	Adults (26 and older)	0.1	0.0	0.1	0.0	0.1
	MDMA					
	Individuals (12 and older)	1.3	0.9	0.8	0.8	0.9
	Adolescents (12-17)	2.2	1.3	1.2	1.0	1.2
	Adults (18-25)	5.8	3.7	3.1	3.1	3.8
	Adults (26 and older)	0.5	0.3	0.3	0.4	0.3
	PCP					
	Individuals (12 and older)	0.1	0.1	0.1	0.1	0.1
	Adolescents (12-17)	0.4	0.4	0.3	0.3	0.2
	Adults (18-25)	0.3	0.4	0.3	0.2	0.2
	Adults (26 and older)	0.0	0.0	0.0	0.0	0.0

Source: National Survey on Drug Use and Health.

Table 2. Adolescent Trends in Percentage of Past Year Drug Use, 2002–2006

		2002	2003	2004	2005	2006
Major Drugs	**Cocaine (any form)**					
	8th Grade	2.3	2.2	2.0	2.2	2.0
	10th Grade	4.0	3.3	3.7	3.5	3.2
	12th Grade	5.0	4.8	5.3	5.1	5.7
	Crack cocaine					
	8th Grade	1.6	1.6	1.3	1.4	1.3
	10th Grade	2.3	1.6	1.7	1.7	1.3
	12th Grade	2.3	2.2	2.3	1.9	2.1
	Heroin					
	8th Grade	0.9	0.9	1.0	0.8	0.8
	10th Grade	1.1	0.7	0.9	0.9	0.9
	12th Grade	1.0	0.8	0.9	0.8	0.8
	Marijuana/hashish					
	8th Grade	14.6	12.8	11.8	12.2	11.7
	10th Grade	30.3	28.2	27.5	26.6	25.2
	12th Grade	36.2	34.9	34.3	33.6	31.5
	Methamphetamine					
	8th Grade	2.2	2.5	1.5	1.8	1.8
	10th Grade	3.9	3.3	3.0	2.9	1.8
	12th Grade	3.6	3.2	3.4	2.5	2.5
	MDMA					
	8th grade	2.9	2.1	1.7	1.7	1.4
	10th grade	4.9	3.0	2.4	2.6	2.8
	12th grade	7.4	4.5	4.0	3.0	4.1
Pharmaceuticals	**Prescription Narcotics**					
	8th Grade	NA	NA	NA	NA	NA
	10th Grade	NA	NA	NA	NA	NA
	12th Grade	9.4	9.3	9.5	9.0	9.0
	Sedatives/Barbiturates					
	8th Grade	NA	NA	NA	NA	NA
	10th Grade	NA	NA	NA	NA	NA
	12th Grade	6.7	6.0	6.5	7.2	6.6
	Tranquilizers					
	8th Grade	NA	NA	NA	NA	2.6
	10th Grade	NA	NA	NA	NA	5.2
	12th Grade	7.7	6.7	7.3	6.8	6.6

Table 2. Adolescent Trends in Percentage of Past Year Drug Use, 2002–2006 (Continued)

		2002	2003	2004	2005	2006
Other Dangerous Drugs	**GHB**					
	8th Grade	0.8	0.9	0.7	0.5	0.8
	10th Grade	1.4	1.4	0.8	0.8	0.7
	12th Grade	1.5	1.4	2.0	1.1	1.1
	Inhalants					
	8th Grade	7.7	8.7	9.6	9.5	9.1
	10th Grade	5.8	5.4	5.9	6.0	6.5
	12th Grade	4.5	3.9	4.2	5.0	4.5
	LSD					
	8th Grade	1.5	1.3	1.1	1.2	0.9
	10th Grade	2.6	1.7	1.6	1.5	1.7
	12th Grade	3.5	1.9	2.2	1.8	1.7
	PCP					
	8th Grade	NA	NA	NA	NA	NA
	10th Grade	NA	NA	NA	NA	NA
	12th Grade	1.1	1.3	0.7	1.3	0.7

Source: Monitoring the Future.
NA–not available

Table 3. Federal-Wide Drug Seizures, in Kilograms, 2002–2006

Drug	Category	2002	2003	2004	2005	2006
Cocaine	State	50,094.4	54,919.6	62,475.6	53,162.9	55,248.5
	High Seas	52,291.3	62,303.0	110,045.8	121,499.1	95,490.2
	Total	**102,385.7**	**117,222.6**	**175,521.4**	**174,662.0**	**150,738.7**
Hashish	State	617.5	155.0	98.7	388.2	174.8
	High Seas	0	0	67.3	0	0
	Total	**617.5**	**155.0**	**166.0**	**388.2**	**174.8**
Heroin	State	2,854.3	2,403.0	2,096.1	1,717.2	1,764.4
	High Seas	1.1	2.2	20.0	9.0	9.6
	Total	**2,855.4**	**2,405.2**	**2,116.1**	**1,726.2**	**1,774.0**
Marijuana	State	1,083,019.7	1,226,645.8	1,171,871.1	1,112,015.1	1,137,250.4
	High Seas	19,716.4	6,076.1	8,638.1	5,151.2	7,717.2
	Total	**1,102,736.1**	**1,232,721.9**	**1,180,509.2**	**1,117,166.3**	**1,144,967.6**
Methamphetamine	State	2,504.5	4,138.9	3,900.3	4,772.1	4,589.8
	High Seas	0	0	0	0	0
	Total	**2,504.5**	**4,138.9**	**3,900.3**	**4,772.1**	**4,589.8**

Source: Federal-Wide Drug Seizure System.

Table 4. Number of Federal Drug-Related Arrests, United States, 2002–2006

	Drug	2002	2003	2004	2005	2006
Major Drugs	Cocaine	12,226	10,951	12,222	12,114	7,608
	Marijuana	5,509	6,216	6,252	5,599	5,039
	Heroin	2,578	2,169	2,534	2,141	2,109
	Methamphetamine	6,231	6,055	5,893	6,090	2,597
Other Dangerous Drugs	MDMA	1,506	1,023	937	764	690
	GHB	0	10	20	19	2
	LSD	27	21	25	8	25
	PCP	49	117	67	57	60
	Steroids	64	65	95	57	25
Pharmaceuticals	Oxycodone	0	27	137	236	237
	Hydrocodone	1	17	111	186	242
	Hydromorphone	35	28	28	11	12
	Benzodiazepines	44	27	23	26	30
	Methylphenidate	0	1	1	2	4

Source: Drug Enforcement Administration.

Table 5. Price Differences Between Commercial-Grade and High-Grade Marijuana in U.S. Cities,* 2006

State	City	Wholesale Price in Dollars		Difference
		Commercial Grade	Domestic High Grade	
California	San Diego	250-300/lb	3,000-5,200/lb	+2,750-4,900
Colorado	Denver	250-800/lb	3,000-4,000/lb	+2,750-3,200
Georgia	Atlanta	500-1,000/lb	3,000-5,000/lb	+2,500-4,000
Illinois	Chicago	450-700/lb	2,000-4,000/lb	+1,600-3,300
New York	New York	700-1,500/lb	2,100-7,500/lb	+1,400-6,000

Source: *National Illicit Drug Prices June 2007 Intelligence Bulletin*.
*Prices for both domestic high-potency and commercial-grade marijuana were available only for these cities.

Table 6. Quest Diagnostics Positivity Rates for Cocaine in Cities Where Cocaine Shortages Were Reported, Second Quarter 2006 and Second Quarter 2007

City	Second Quarter 2006	Second Quarter 2007	Percent Change*
Akron, OH	Insufficient Data	Insufficient Data	Insufficient Data
Albany, NY	0.403%	0.349%	-13.4
Allentown, PA	Insufficient Data	Insufficient Data	Insufficient Data
Atlanta, GA	0.802%	0.546%	-31.9
Baltimore, MD	0.760%	0.494%	-35.0
Boston, MA	0.691%	0.642%	-7.2
Buffalo, NY	0.614%	0.392%	-36.2
Chicago, IL	0.715%	0.622%	-12.9
Cleveland, OH	0.474%	0.334%	-29.4
Columbus, OH	0.615%	0.451%	-26.6
Denver, CO	0.562%	0.580%	3.3
Detroit, MI	0.682%	0.371%	-45.6
El Paso, TX	Insufficient Data	Insufficient Data	Insufficient Data
Grand Rapids, MI	0.426%	0.339%	-20.3
Harrisburg, PA	0.810%	0.567%	-30.0
Houston, TX	0.722%	0.559%	-22.5
Indianapolis, IN	0.908%	0.412%	-54.6
Kansas City, KS	0.439%	0.641%	45.9
Los Angeles, CA	0.370%	0.357%	-3.7
Memphis, TN	0.814%	0.637%	-21.8
Milwaukee, WI	0.601%	0.352%	-41.4
Minneapolis, MN	0.290%	0.205%	-29.5
Nashville, TN	0.842%	0.582%	-30.9
New Haven, CT	Insufficient Data	Insufficient Data	Insufficient Data
New York City, NY	0.609%	0.471%	-22.7
Oakland, CA	0.541%	0.445%	-17.8
Philadelphia, PA	0.684%	0.559%	-18.3
Phoenix, AZ	0.388%	0.337%	-13.1
Pittsburgh, PA	0.765%	0.595%	-22.1
Rochester, NY	0.433%	0.256%	-40.8

Table 6. Quest Diagnostics Positivity Rates for Cocaine in Cities Where Cocaine Shortages Were Reported, Second Quarter 2006 and Second Quarter 2007 (Continued)

City	Second Quarter 2006	Second Quarter 2007	Percent Change*
Saint Louis, MO	0.471%	0.546%	15.8
San Francisco, CA	0.348%	0.351%	0.9
Scranton, PA	Insufficient Data	Insufficient Data	Insufficient Data
Toledo, OH	0.654%	0.547%	-16.4
Washington, DC	0.587%	0.420%	-28.4
Wichita, KS	Insufficient Data	Insufficient Data	Insufficient Data
Wilmington, DE	Insufficient Data	Insufficient Data	Insufficient Data
Youngstown, OH	Insufficient Data	Insufficient Data	Insufficient Data
Average Percent	**0.600%**	**0.470%**	-20.2

Source: Quest Diagnostics.
*Percent change may not equal the average calculated from the first two columns because of the rounding of the quarter numbers.

Table 7. Laboratory Seizures Involving Other Dangerous Drugs, 2000–2007*

	2000	2001	2002	2003	2004	2005	2006	2007*
LSD	1	0	1	2	1	1	0	0
PCP	8	14	7	11	9	7	5	2
GHB	24	16	10	7	15	5	7	2
MDMA	6	12	8	10	16	13	17	3

Source: National Seizure System.
*Data are current through October 12, 2007.

Table 8. Percentage of 8th, 10th, and 12th Graders Who Perceive Great Risk in Trying MDMA Once or Twice, 2001–2006

	2001	2002	2003	2004	2005	2006
8th Graders	35.8	38.9	41.9	42.5	40.0	32.8
10th Graders	39.4	43.5	49.7	52.0	51.4	48.4
12th Graders	45.7	52.2	56.3	57.7	60.1	59.3

Source: Monitoring the Future.

Appendix D. Scope and Methodology

The *National Drug Threat Assessment 2008* is a comprehensive assessment of the threat posed to the United States by the trafficking and abuse of illicit drugs. It was prepared through detailed analysis of the most recent law enforcement, intelligence, and public health data available to counterdrug agencies through the date of publication. While the delay in the development of some drug-related data or reporting may affect the accuracy of predictive analysis, the most recent reporting available was extensively incorporated into the report to overcome data deficiencies.

The *National Drug Threat Assessment 2008* includes information provided by 3,050 state and local law enforcement agencies through the NDIC National Drug Threat Survey 2007 (NDTS). State and local law enforcement agencies also provided information through personal interviews with NDIC Field Program Specialists, a nationwide network of law enforcement professionals assembled by NDIC to promote information sharing among federal, state, and local law enforcement agencies.

The *National Drug Threat Assessment 2008* addresses the trafficking and use of primary substances of abuse as well as the laundering of proceeds generated through illicit drug sales. It also addresses the role that DTOs and organized gangs serve in domestic drug trafficking. This assessment focuses only on national-level issues of strategic significance and is not intended to serve as a full reference document addressing all facets of drug trafficking and abuse.

Major substances of abuse are discussed in terms of their availability, production and cultivation, transportation, distribution, and demand. Drug trends are also identified and addressed for each OCDETF region.

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

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

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

Distribution. The evaluation of illicit drug distribution was mostly qualitative. Analysts considered the extent to which specific drugs are distributed nationally, regionally, and in principal distribution centers based on law enforcement reporting. Also considered were qualitative data pertaining to the involvement of organized criminal groups, including their involvement in wholesale, midlevel, and retail distribution.[27]

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

Demand. The evaluation of the domestic demand for illicit drugs was based on accepted interagency estimates and data captured in national substance abuse indicators. Quantitative and qualitative information that was evaluated includes the estimated number of total users, prevalence of drug use among various age groups, emergency department information, and admissions to treatment facilities. The differing methodologies applied by national substance abuse indicators, as well as their inherent limitations, were considered and addressed in assessing domestic drug demand.

NDTS data used in this report do not imply that there is only one drug threat per state or region or that only one drug is available per state or region. A percentage given for a state or region represents the proportion of state and local law enforcement agencies in that state or region that identified a particular drug as their greatest threat or as available at low, moderate, or high levels. This assessment breaks the country into nine regions as shown in Map 1 in Appendix B. For representation of survey data by region, see Map 3 in Appendix B.

Sources

Numerous state and local law enforcement agencies throughout the United States provided valuable input to this report through their participation in the National Drug Threat Survey and interviews with NDIC Field Program Specialists. These agencies were too numerous to list individually.

- **Central Intelligence Agency**
  - Crime and Narcotics Center
- **City of Philadelphia**
  - Division of Social Services
    - Department of Behavioral Health and Mental Retardation Services
      - Coordinating Office for Drug and Alcohol Abuse Programs
- **Dallas County**
  - Department of Forensic Sciences
    - Medical Examiner's Office
- **Executive Office of the President**
  - Office of National Drug Control Policy
    - High Intensity Drug Trafficking Areas
      - Appalachia
      - Arizona
      - Atlanta
      - Central Florida
      - Central Valley California
      - Chicago
      - Gulf Coast
      - Hawaii
      - Houston
      - Lake County
      - Los Angeles
      - Michigan
      - Midwest
      - Milwaukee
      - Nevada
      - New England
      - New York/New Jersey
      - Northern California
      - North Florida
      - North Texas
      - Northwest
      - Ohio
      - Oregon
      - Philadelphia/Camden
      - Puerto Rico/U.S. Virgin Islands
      - Rocky Mountain
      - South Florida
      - Southwest Border
      - Washington/Baltimore
- **Florida Department of Law Enforcement**
  - Medical Examiner's Commission
- **International Medical Products Anti-Counterfeiting Taskforce**
- **Kentucky Office of State Medical Examiner**
- **Maryland Office of State Medical Examiner**
- **National Alliance for Model State Drug Laws**
- **National Alliance of Gang Investigators' Associations**
- **National Association of Counties**
- **National Center on Addiction and Substance Abuse**
  - Columbia University
- **New Mexico Department of Health**

- **New York City Police Department**
  - Narcotics Division
    - Queens
- **North Carolina Office of the Chief Medical Examiner**
- **Partnership Attitude Tracking Study**
- **Pharmaceutical Research and Manufacturers of America**
- **Royal Canadian Mounted Police**
- **State of Ohio**
  - Department of Alcohol and Drug Addiction Services
    - Ohio Substance Abuse Monitoring Network
- **United Nations International Narcotics Control Board**
- **U.S. Department of Agriculture**
  - Forest Service
    - National Forest System
- **U.S. Department of Defense**
  - Defense Intelligence Agency
  - Joint Task Force/North
  - Joint Interagency Task Force/South
  - Joint Interagency Task Force/West
  - National Maritime Intelligence Center
  - Naval Criminal Investigative Service
  - U.S. Air Force
- **U.S. Department of Health and Human Services**
  - Centers for Disease Control and Prevention
    - National Center for Health Statistics
  - National Institutes of Health
    - National Institute on Drug Abuse
      - Community Epidemiology Work Group
      - Monitoring the Future
      - University of Mississippi
        - Potency Monitoring Project
  - Substance Abuse and Mental Health Services Administration
    - Drug Abuse Warning Network
    - National Survey on Drug Use and Health
    - Treatment Episode Data Set
  - U.S. Food and Drug Administration
- **U.S. Department of Homeland Security**
  - U.S. Coast Guard
    - Intelligence Coordination Center
  - U.S. Customs and Border Protection
    - Border Patrol Intelligence Center
  - U.S. Immigration and Customs Enforcement
- **U.S. Department of Justice**
  - Bureau of Alcohol, Tobacco, Firearms and Explosives
  - Bureau of Justice Assistance
    - Middle Atlantic–Great Lakes Organized Crime Law Enforcement Network
    - Mid-States Organized Crime Information Center
    - New England State Police Information Network
    - Regional Information Sharing Systems
    - Regional Organized Crime Information Center
    - Rocky Mountain Information Network
    - Western States Information Network
  - Criminal Division
    - Organized Crime Drug Enforcement Task Force
  - Drug Enforcement Administration
    - Atlanta Field Division
    - Boston Field Division
    - Caribbean Field Division
    - Chicago Field Division
    - Cocaine Signature Program

- Dallas Field Division
- Denver Field Division
- Detroit Field Division
- Domestic Cannabis Eradication/Suppression Program
- El Paso Field Division
- El Paso Intelligence Center
  - National Seizure System
- Federal-Wide Drug Seizure System
- Heroin Domestic Monitor Program
- Heroin Signature Program
- Houston Field Division
- Los Angeles Field Division
- Miami Field Division
- National Forensic Laboratory Information System
- Newark Field Division
- New Orleans Field Division
- New York Field Division
- Office of Diversion Control
- Philadelphia Field Division
- Phoenix Field Division
- San Diego Field Division
- San Francisco Field Division
- Seattle Field Division
- Special Operations Division
- St. Louis Field Division
- System to Retrieve Information From Drug Evidence
- Washington, D.C., Field Division

Executive Office for U.S. Attorneys
- U.S. Attorneys Offices

Federal Bureau of Investigation
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- New York Field Office

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- Seattle Field Office
- Springfield Field Office
- St. Louis Field Office
- Strategic Intelligence and Analysis Unit
- Tampa Field Office
- Washington, D.C., Field Office

Federal Bureau of Prisons

National Institute of Justice

- Arrestee Drug Abuse Monitoring Program

Office of Juvenile Justice and Delinquency Prevention

- National Youth Gang Center

U.S. Marshals Service

U.S. Department of State

- International Narcotics Control Strategy Report

U.S. Department of the Treasury

- Financial Crimes Enforcement Network
- Internal Revenue Service
  - Criminal Investigation Division

U.S. Government Accountability Office

U.S. Postal Service

- U.S. Postal Inspection Service

U.S. Sentencing Commission

World Health Organization

Cover photos from left to right:

NDIC - Assorted pills
DEA - Khat seizure
DEA - Vehicle concealment
Kansas City Missouri Police Department - Crack cocaine concealed in cigarettes
DEA - Marijuana-laced Pot Tarts
NDIC - Atlanta, Georgia
DEA - Ice methamphetamine
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