



Drug Market Analysis

2008

Milwaukee

High Intensity Drug Trafficking Area



NATIONAL DRUG INTELLIGENCE CENTER
U.S. DEPARTMENT OF JUSTICE



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



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PREFACE

This assessment provides a strategic overview of the illicit drug situation in the Milwaukee High Intensity Drug Trafficking Area (HIDTA) region, highlighting significant trends and law enforcement concerns related to the trafficking and abuse of illicit drugs. The report was prepared through detailed analysis of recent law enforcement reporting, information obtained through interviews with law enforcement and public health officials, and available statistical data. The report is designed to provide policymakers, resource planners, and law enforcement officials with a focused discussion of key drug issues and developments facing the Milwaukee HIDTA.



Figure 1. Milwaukee High Intensity Drug Trafficking Area.



STRATEGIC DRUG THREAT DEVELOPMENTS

- Crack cocaine distribution by street gang members poses the most significant drug threat to the Milwaukee HIDTA region; crack has been linked to more drug-related violent crime in the region than any other illicit drug.
- Cocaine availability in Milwaukee was lower in 2007 than in 2006, most likely as a result of decreasing supplies in Chicago, the principal source of cocaine to the region. Additionally, targeted enforcement actions against Chicago drug distributors who travel to the region quite likely contributed to decreased cocaine availability.
- Heroin abuse has increased in the Milwaukee HIDTA region because of the decreased cost of heroin, particularly among young Caucasians in suburban areas. Prescription opiate abuse also increased among young Caucasians in 2007. These abusers later switch to heroin because of its lower cost and increased availability.
- Canada-based Asian traffickers increased the availability of Canadian MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) in the HIDTA region in 2007. Consequently, the abuse of MDMA by college age individuals has risen.
- Hispanic and African American street gangs in Milwaukee are increasingly involving female and juvenile associates in their drug trafficking activities.

HIDTA OVERVIEW

The Milwaukee HIDTA region encompasses Kenosha, Milwaukee, Racine, and Waukesha Counties in the southeastern corner of Wisconsin (see [Figure 1 on page 1](#)). An estimated 1.6 million people reside in the region; most live in the city and county of Milwaukee. Other significant population centers include Kenosha, Racine, Waukesha, and West Allis.

The Milwaukee HIDTA region receives most of its illicit drug supply from Mexican drug trafficking organizations (DTOs) and criminal groups based in Chicago, Illinois, which lies approximately 90 miles south of Milwaukee. Mexican traffickers typically transport wholesale quantities of illicit drugs from locations along the Southwest Border to stash houses in the Chicago area, from which they supply distributors in the Milwaukee HIDTA region. Additionally, various other traffickers transport illicit drugs to the Milwaukee HIDTA region from Arizona, California, Massachusetts, New Mexico, New York, Oregon, Texas, Washington, and Canada.

The city of Milwaukee is divided by Interstate 94/794, which separates the north and south sides of the city into ethnically and racially distinct communities. Most Hispanics in the region, including persons of Mexican, Dominican, Colombian, and Puerto Rican descent, live south of Interstate 94/794 in Milwaukee County. Hispanic criminal groups and street gangs operate primarily on the south side of Milwaukee, where they mask their operations within Hispanic communities and dominate the distribution of powder cocaine and marijuana. African Americans compose more than 80 percent of the population of Milwaukee residing north of Interstate 94/794. Most African American criminal groups and street gangs operate on the north side of the city, concealing their operations within African American communities; they are the primary distributors of crack cocaine and marijuana in this area of the region. Asian street gangs and Caucasian independent dealers also distribute illicit drugs throughout the region.

DRUG THREAT OVERVIEW

Cocaine and heroin pose the most significant drug threats to the Milwaukee HIDTA region. Eleven of the 16 state and local law enforcement agencies in the Milwaukee HIDTA region that responded to the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2007 indicated that cocaine posed the greatest threat to their area. Law enforcement reporting indicates that cocaine availability in Milwaukee was lower in 2007 than in 2006, most likely an effect of reported cocaine shortages in Chicago during the same period. Traditionally, cocaine availability in Milwaukee decreases for a short time each December, when many members of Mexican trafficking groups return to Mexico to visit family for the holiday season; however, cocaine shortages persisted in Milwaukee throughout 2007. Despite lower availability and slightly higher retail prices, cocaine traffickers were still able to purchase sufficient quantities of the drug for distribution in the region. Heroin, primarily South American (SA) and, to a much lesser extent, Southeast Asian (SEA) and Southwest Asian (SWA), also poses a serious threat to the region; it is increasingly being abused and is often associated with overdose deaths. Marijuana is the most commonly available and widely abused illicit drug in the region. Most marijuana available in the region is commercial-grade Mexican marijuana; however, the availability of high-potency marijuana is rising because of increased demand. Locally grown marijuana is also available.

A variety of other illicit drugs also pose substantial threats to the region. Diverted pharmaceutical drugs, particularly prescription opiates, are commonly abused in the region. Many abusers of prescription opiates eventually switch to heroin use because of the relatively high cost of pharmaceutical drugs as compared with heroin. MDMA is commonly transported into the area from California and Canada; abuse and availability of the drug are trending upward. Methamphetamine availability and abuse in the region are limited.

DRUG TRAFFICKING ORGANIZATIONS

Numerous DTOs in the Milwaukee HIDTA region supply illicit drugs to street gangs and criminal groups that dominate retail-level drug distribution in the area. Mexican DTOs supply wholesale quantities of powder cocaine and commercial-grade marijuana to Hispanic and, to a lesser extent, African American dealers in the region for local distribution. Hispanic distributors on the south side of Milwaukee receive wholesale shipments of powder cocaine and marijuana from Mexican DTOs in Chicago, Mexico, and sources along the Southwest Border. African American distributors on the north side of Milwaukee have less direct connections to Mexican DTOs and usually receive large drug shipments from African American and Hispanic street gangs and criminal groups in Chicago and from Hispanic distributors on the south side of Milwaukee. Dominican and Nigerian DTOs based in Chicago and, to a lesser extent, New York City and Boston supply heroin and powder cocaine to local independent dealers in the region. Asian DTOs based in Canada supply wholesale shipments of high-potency marijuana and MDMA to street gangs and independent dealers for local distribution in the region; Asian DTOs based along the west coast supply high-potency marijuana, MDMA, and smaller, less frequent shipments of powder cocaine to local distributors in the region.

Numerous street gangs distribute illicit drugs in the Milwaukee HIDTA region, primarily at the retail level. The Milwaukee Police Department estimates that 50 gangs with over 1,000 members operate in the area. Several long-term multiagency gang investigations in Milwaukee concluded in early 2008 with the indictments of 100 gang members ([see text box on page 4](#)).



Law Enforcement Cracks Down on Gangs in Milwaukee

Federal, state, and local law enforcement agencies recently concluded several successful investigations as part of a sustained and continuing “Milwaukee Safe Streets” effort to address the drug, gang, and violence problems in Milwaukee. In April 2008 the U.S. Attorney for the Eastern District of Wisconsin announced the indictment of 24 members of 1st and Keefe Vice Lords on charges of powder cocaine, crack cocaine, and marijuana distribution. This was the second round of indictments involving this local branch of the Vice Lords, following one in 2006 that indicted 17 members for powder and crack cocaine distribution. In February 2008 federal and local officials announced the indictment of 45 members of Nash Street Boys. In January 2008, 31 members of a gang operating on the east side of Milwaukee were indicted for distributing over 1,000 kilograms of high-potency marijuana supplied from northern California. As a result of the investigations, 100 Milwaukee gang members were indicted on federal drug charges during the first few months of 2008.

Source: Federal Bureau of Investigation Milwaukee Field Office; U.S. Attorney Eastern District of Wisconsin.

Hispanic street gangs are the primary retail-level distributors of powder cocaine, marijuana, and limited amounts of crack cocaine on the south side of Milwaukee. Hispanic gangs such as Latin Kings, Mexican Posse, and Spanish Cobras are well-organized, operate under a hierarchical structure, and have established manifestos. Their cohesiveness and tightly knit structure make members reluctant to cooperate with law enforcement against other gang members during investigations, including members of rival gangs. Many gang members are first- and second-generation immigrants who have familial ties in Mexico; fear of reprisal against these family members facilitates gang allegiance and fosters uncooperative relationships with law enforcement. Despite the reluctance of gang members to cooperate with law

enforcement officers, recent investigations have successfully removed Hispanic gang members who were distributing illicit drugs on the south side of Milwaukee.

African American street gangs are the predominant retail-level distributors of cocaine and marijuana on the north side of Milwaukee. They convert powder cocaine to crack, generally at stash houses in half-kilogram quantities at a time. Additionally, the Milwaukee Police Department reports that African American gangs have increased their involvement in MDMA distribution during the past 2 years. Gangster Disciples and Vice Lords, with connections to Chicago-based gangs of the same names, are the principal African American street gangs operating on the north side of the city; however, many local gangs are also active on the north side and are often named after streets or neighborhoods where the members grew up or where they currently operate. Typically, these gangs are loosely organized without a hierarchical structure. If arrested, African American gang members are generally more willing than Hispanic street gang members to cooperate with law enforcement investigators in providing information about other members.

Hispanic and African American street gangs, particularly those in the city of Milwaukee, are increasingly using females—often girlfriends or relatives of gang members—and juveniles to carry out drug trafficking activities. The role of females in street gangs was previously limited to retail-level drug sales and laundering illicit drug profits by purchasing cars, real estate, and cellular phones in their names; however, the Milwaukee HIDTA Drug Gang Task Force reports that females are increasingly distributing midlevel and wholesale-level quantities of illicit drugs. Street gangs are also recruiting middle school and high school students to distribute illicit drugs at the retail level, act as look-outs for gang-related activities, and commit crimes such as shootings, carjackings, and robberies.

Asian street gangs, primarily Vietnamese, Laotian, and Hmong, distribute high-potency marijuana and MDMA in the Milwaukee HIDTA region;

they also distribute limited quantities of powder cocaine. The high-potency marijuana and MDMA that these groups distribute is generally supplied to them by Asian traffickers from Canada and the west coast of the United States. The powder cocaine that they distribute is usually supplied to them by Asian traffickers from San Diego, Fresno, and Sacramento, California. Asian street gangs operating in the region are tight-knit groups with connections to national-level Asian DTOs; they typically prefer to establish relationships and trust prior to working with individuals outside their group.

Drug Trafficking Organizations, Criminal Groups, and Gangs

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

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

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

Outlaw motorcycle gangs (OMGs) distribute various illicit drugs in the HIDTA region, including cocaine, heroin, marijuana, and methamphetamine. In addition to drug distribution, they also engage in criminal activities such as assault, burglary, fraud, money laundering, prostitution operations, robbery, and weapons violations. Outlaws Motorcycle Club is the largest and most active OMG operating in the region; they are a nationally affiliated, structured organization with a chain of command, including a president, vice president, and other officers.

Members of DTOs, criminal groups, and street gangs use a variety of communication methods to conduct their drug operations. Contracted cellular phones, two-way direct connect phones, and BlackBerries are commonly used by drug distributors; however, the use of "disposable" communication equipment is increasing. Street gang members and other drug distributors in the HIDTA region are increasingly using prepaid cellular phones, which can be purchased at a low cost and with relative anonymity, factors that result in frequent disposal of the phones and circumvention of law enforcement communication intercepts. For example, the leader of an African American street gang on the north side of Milwaukee used more than 20 different cellular phones to coordinate drug-related activities of the gang; most were prepaid phones that the leader routinely discarded and replaced. Additionally, some street gang members use social networking Internet sites such as MySpace and BLNK, as well as personal web pages to communicate and boast about their gang membership and related activities.

PRODUCTION

Drug production in the Milwaukee HIDTA region is generally limited to crack cocaine conversion and cannabis cultivation; African American criminal groups and street gangs are the primary producers of crack cocaine, while independent Caucasian producers are the principal cultivators of cannabis.

The conversion of powder cocaine to crack is a significant concern in the HIDTA region because of the drug's association with violent and property crimes. Crack cocaine distributors commit crimes including assault and homicide in order to control local drug operations, while crack abusers sometimes commit robbery or theft to obtain the drug. African American street gang members typically convert powder cocaine into crack in half-kilogram quantities at a time.

Most marijuana available in the Milwaukee HIDTA region is commercial-grade Mexican



marijuana; high-potency marijuana produced in California and Canada and locally produced marijuana are also available. Marijuana produced locally originates from cannabis cultivated at indoor grow sites, which are more common than outdoor sites, largely because of the short growing season and high population density in the HIDTA region. Indoor grow sites are typically operated by Caucasian independent dealers who produce the drug for personal use or limited local distribution.

TRANSPORTATION

Traffickers use numerous modes of transportation to smuggle illicit drugs into the HIDTA region; however, they most frequently use private and commercial vehicles. Drug shipments transported in vehicles are typically placed in hidden compartments or commingled with legitimate products. Drug traffickers also employ couriers on trains, buses, and aircraft to transport illicit drugs into the region. Some criminals ship marijuana, cocaine, MDMA, and other illicit drugs through the U.S. Postal Service and private parcel delivery services. For example, in late 2007 the Racine Police Department reported an increase in the use of package delivery services to ship 2- to 5-kilogram quantities of cocaine from Texas, Arizona, and Mexico to the city. Additionally, in early 2008 Milwaukee County law enforcement confiscated multiple high-potency marijuana shipments from California that were sent to distributors in the Milwaukee area. Some drug traffickers use axle grease, coffee grounds, dryer sheets, garlic, mustard, pepper, or spray foam in the packaging to mask drug odor and deter law enforcement interdiction. Law enforcement officials are also encountering packaging coated with more caustic chemicals, such as bleach and drain cleaner, which are believed to be used to hide the scent of the drugs and to thwart drug-detecting canines.

Mexican criminal groups are the primary traffickers of cocaine and marijuana to the region. These groups transport wholesale quantities of powder cocaine and commercial-grade marijuana into the area from Chicago and various source

locations in Arizona, New Mexico, Texas, and southern California. Mexican traffickers typically transport drug shipments to Milwaukee, where they are stored and broken down into smaller quantities for distribution in markets such as Racine, Waukesha, and Kenosha. Many Mexican criminal groups and street gangs in the region have organizational or familial connections in Chicago and Mexico that supply them with significant amounts of illicit drugs. Additionally, some traffickers are increasingly dealing directly with traffickers based along the Southwest Border, who generally offer better prices than suppliers in Chicago.

Dominican and Nigerian traffickers transport wholesale quantities of heroin and powder cocaine to the HIDTA region from Chicago and, to a lesser extent, the east coast of the United States. Prior to 2005 heroin traffickers in New York City and Boston supplied much of the heroin available in the region; however, increased availability of, and competitive prices for, heroin in Chicago contributed to a shift in heroin supply from sources on the east coast to sources based in Chicago. Now, nearly all heroin available in the area originates in Colombia and transits the Southwest Border to Chicago for eventual distribution in Milwaukee. Typically, Dominican traffickers in Chicago and, to a lesser extent, on the east coast supply SA heroin to Hispanic dealers on the south side. African American dealers on the north side of the city traditionally deal with other African Americans—either gang members or individuals—whose source of supply is generally an African national. Nigerian traffickers from Chicago also supply very limited amounts of SEA and SWA heroin to African American dealers on the north side of Milwaukee.

Asian traffickers, typically Vietnamese, Laotian, and Hmong, are increasingly transporting wholesale quantities of high-potency marijuana and MDMA into the region from locations in Canada and along the west coast. Some Asian traffickers transport these drugs from Montreal, Toronto, and Kitchener, Canada, through Michigan and Minnesota and into the HIDTA region. Some traffickers recruit young

Caucasian females and elderly couples to transport MDMA into the United States from Canada. Asian traffickers also transport high-potency marijuana and MDMA to the region from California, Washington, and Oregon. Additionally, Asian traffickers based in San Diego, Fresno, and Sacramento, California, transport powder cocaine to the area.

Somali criminal groups sometimes use Milwaukee as a transit point for khat shipments sent from Europe and destined for Minneapolis. Successful law enforcement efforts have disrupted direct shipments to Minneapolis, and as a result, Somali criminal groups sometimes ship the drug into Milwaukee for transshipment to Minneapolis. The Milwaukee Police Department reportedly seized 25 pounds of khat in 2007, down from 700 pounds seized in 2006.

DISTRIBUTION

Various DTOs, criminal groups, street gangs, and independent dealers dominate retail-level drug distribution in the Milwaukee HIDTA region. Cocaine and marijuana are typically distributed by DTOs, large criminal groups, and street gangs, while heroin, diverted pharmaceutical drugs, MDMA, and limited amounts of methamphetamine are generally sold by independent dealers or small criminal groups.

Powder and crack cocaine are distributed by various criminal groups and street gangs in the HIDTA region. Most of the cocaine supplied to the region is stored at stash houses in Milwaukee, where local dealers purchase the drug for retail distribution. Within Milwaukee, powder cocaine is distributed primarily on the south side by Hispanic criminal groups and street gangs, while crack cocaine is distributed principally on the north side by African American street gangs. In Racine, where law enforcement officials report that crack cocaine distribution is the most significant drug problem in the city, African American dealers travel to Chicago to purchase crack for local distribution. Hispanic dealers in Racine typically purchase kilograms of powder cocaine in Chicago,

which they later convert to crack and supply to local African American dealers. The Kenosha Police Department reports that targeted enforcement actions against Chicago drug distributors who travel to Kenosha resulted in lower availability of powder and crack cocaine in the city during late 2007 and early 2008.

Heroin distribution in the Milwaukee HIDTA region is conducted primarily by independent dealers and small criminal groups with connections to Dominican and Nigerian traffickers from Chicago and the east coast. Dominican traffickers supply local distributors with SA heroin, the most widely available type in the region, while Nigerian traffickers supply very limited amounts of SEA and SWA heroin. African American independent dealers are the primary distributors of heroin on the north side of Milwaukee, while Hispanic dealers distribute most of the heroin on the south side of the city. Caucasian independent dealers also distribute heroin in the region, but generally in smaller quantities provided to friends or associates. Additionally, suburban heroin abusers typically travel into the city of Milwaukee to purchase the drug from independent dealers; however, Racine officials report that over the past 2 years an increasing number of high school age individuals from Milwaukee have been traveling to Racine to purchase heroin.

Marijuana is commonly distributed throughout the HIDTA region by a variety of criminal groups, street gangs, and independent dealers. Hispanic criminal groups and street gangs are the primary distributors of commercial-grade marijuana on the south side of Milwaukee, while African American criminal groups distribute most of the marijuana available on the north side of the city. Officials in Racine and Kenosha report that most of the marijuana available in their jurisdictions is commercial-grade. Additionally, Kenosha officials report that the number of high school students selling marijuana increased significantly during the second half of 2007. Asian criminal groups and Caucasian independent dealers throughout the region distribute high-potency marijuana that they obtain from sources in Canada and on the west coast.



High-potency marijuana is increasingly available in some areas of the region, including West Allis as well as Kenosha and Waukesha Counties. For example, in Waukesha County, where residents are better able to afford the higher prices, most of the available marijuana is higher-potency.

Other illicit drugs, including diverted pharmaceutical drugs and MDMA, are also distributed throughout the region, most often by independent dealers and small criminal groups. Prescription opiates, including oxycodone, methadone, morphine, fentanyl, hydrocodone, and propoxyphene, are commonly distributed in the region. These drugs are typically obtained by distributors and abusers through doctor-shopping and fraudulent prescriptions, or from independent dealers who also abuse the drug. MDMA is typically distributed by Asian criminal groups and Caucasian

independent dealers who receive the drug from Vietnamese, Laotian, and Hmong drug traffickers in Canada and along the west coast; however, African American street gangs are increasingly distributing the drug on the north side of Milwaukee.

DRUG-RELATED CRIME

Criminal activity associated with the distribution and abuse of powder and crack cocaine is a significant problem in the Milwaukee HIDTA region. According to the NDTs 2007, 12 of the 16 state and local law enforcement respondents in the Milwaukee HIDTA region identify crack cocaine as the drug most associated with violent crime; 11 respondents report the same for property crime.

Street gangs and criminal groups in the Milwaukee HIDTA region commit various violent and property crimes, including assault, automobile theft, burglary, drive-by shootings, home invasion, homicide, money laundering, robbery, and weapons trafficking to facilitate their drug trafficking operations. Street gangs in the region are commonly involved in turf-oriented rivalries that sometimes lead to violent confrontations with other street gangs in the area. However, gang rivalries between African American north side gangs and Hispanic south side gangs are rare, since the gangs are separated by clearly demarcated geographical boundaries and usually distribute drugs to established customer bases in their respective communities. Additionally, a distinction exists between crimes committed by Hispanic gangs and those committed by African American gangs. Typically, Hispanic gangs commit violent crimes against rival gang members as a result of turf-oriented disputes, while African American gangs are more likely to commit violent crimes against other gang members to obtain drugs, money, or weapons. Drug distributors are particularly vulnerable to robbery and assault: they are reluctant to report these crimes out of fear that law enforcement will discover their drug operations. As a result, dealers increasingly carry weapons and often

Nash Street Boys Distribute Cocaine and Marijuana in Milwaukee

In February 2008, 45 members of a violent African American street gang known as Nash Street Boys were indicted for drug distribution and gang-related criminal activity. Over a 2-year period, Nash Street Boys sold \$1 million worth of cocaine and marijuana. Most members of the gang were from Milwaukee, but two were from Racine, one from Chicago, and one from Mexico. Sources in Chicago and Racine supplied cocaine and marijuana to the gang for distribution in the HIDTA region. Authorities executed 11 search warrants, primarily in a neighborhood around North 19th and West Nash Streets on the north side of Milwaukee. During the investigation, officials seized 3.57 kilograms of cocaine, 19 grams of crack cocaine, 5 automobiles, 10 firearms, \$349,150 in cash, and \$41,500 worth of jewelry. Members of the gang have been linked to multiple violent crimes, including shootings at a nightclub and a shoot-out that sent bullets into an innocent family's home. Members also robbed, beat, and set on fire a man whom they suspected of cooperating with law enforcement.

Source: Milwaukee Police Department.

employ heavily armed lookouts and bodyguards, who represent a threat to law enforcement officers who encounter them.

Compounding the problems attendant to drug-related criminal activity perpetrated by distributors, abusers commit various crimes to obtain drugs or money to purchase drugs. For example, law enforcement officials report that the number of pharmacy robberies committed by abusers in the HIDTA region has increased over the past year as the demand for prescription drugs has risen. They further report an increase in the number of robberies committed by abusers for the purpose of obtaining money to purchase drugs.

ABUSE

Marijuana is the most widely available and abused illicit drug in the Milwaukee HIDTA region; however, the abuse of cocaine and heroin poses greater concerns to public health and law enforcement officials because of the drugs' highly addictive nature and potential for overdose. Commercial-grade and high-potency marijuana are available and abused in the region; state and local law enforcement officials report an increase in the availability of high-potency marijuana in the

counties of Kenosha, Milwaukee, and Waukesha. Marijuana ranks second only to cocaine in the number of drug abuse treatment admissions in the HIDTA region.

Cocaine is readily available and abused in the area; powder cocaine is commonly abused by Hispanic and Caucasian users, and crack cocaine is typically used by African American abusers. Some younger individuals are reportedly experimenting with crack; the Racine Police Department reports an increase in crack cocaine use by students in city high schools. Over 65 percent of the publicly funded treatment admissions for cocaine abuse in Wisconsin in 2006 (the latest year for which such data are available) occurred in the HIDTA region—most of those (over 87%) occurred in Milwaukee County (see Table 1). According to the Milwaukee County Medical Examiner, cocaine contributed to approximately 52 percent of all drug-related deaths in the first eight months of 2007,¹ most of which involved Caucasian (52%) and African American (45%) abusers.

1. Drug-related deaths in 2007 include preliminary, partial data compiled by the Milwaukee County Medical Examiner through August 31, 2007.

Table 1. Publicly Funded Drug Abuse Treatment Admissions in Milwaukee HIDTA Counties, 2006^a

	Kenosha	Milwaukee	Racine	Waukesha	HIDTA Total	Statewide Total
Cocaine	18	1,773	87	154	2,032	3,116
Marijuana	11	1,091	12	253	1,367	3,530
Opiates	8	403	14	196	621	1,278
Hallucinogens	0	3	0	0	3	28
Stimulants	0	12	0	5	17	466
Tranquilizers	0	2	1	5	8	43
Barbiturates	0	3	0	9	12	21
Inhalants	0	0	0	0	0	12

Note: Data represent admissions to government-sponsored programs and exclude Medicaid and private insurance admissions.

Source: State of Wisconsin, Department of Health and Family Services.

a. The latest year for which data are available.



Heroin abuse and associated deaths have increased over the past few years in the Milwaukee HIDTA region. African Americans and Caucasians are the primary abusers of heroin in the area; Hispanics also abuse the drug, but to a lesser extent. Many current heroin abusers, particularly young Caucasians in suburban areas, initiated opiate abuse through prescription narcotics and later switched to heroin, which is typically lower in price and more readily available. For example, in 2007 oxycodone prices doubled from \$0.50 per milligram to \$1.00 per milligram, while heroin prices declined. Moreover, current heroin abusers have reportedly been drawn to the drug by high purity levels in the region; law enforcement officials reported heroin purity levels as high as 85 percent during 2007. High purity levels may have contributed to multiple heroin overdoses that recently occurred in the HIDTA region. According to the Milwaukee County Medical Examiner, the number of heroin-related deaths doubled from 2003 (13) to 2006 (26); preliminary data for the first 8 months of 2007 reveal that 20 heroin-related deaths occurred in the region (see Table 2 on page 11). Law enforcement officials report that the number of deaths would have been higher had it not been for successful first-response treatment applied to overdose victims by experienced emergency medical services (EMS) personnel. EMS providers apply a first-response treatment of Narcan,² which immediately reverses respiratory arrest caused by a heroin or other opiate overdose.

Diverted pharmaceutical drugs are becoming increasingly available and abused in the HIDTA region; prescription opiates, including oxycodone, methadone, morphine, hydrocodone, codeine, fentanyl, and propoxyphene, are the most commonly abused pharmaceuticals. According to the Milwaukee County Medical Examiner, the number of opiate-related deaths in Milwaukee County increased by over 31 percent between 2003 and 2006; most were attributed to methadone,

morphine, and oxycodone. Preliminary data for the first 8 months of 2007 reveal that 142 heroin- and prescription opiate-related deaths occurred in Milwaukee County (see Table 2 on page 11). Benzodiazepines are also commonly abused in the region, particularly diazepam (Valium) and alprazolam (Xanax); officials in Kenosha report that abuse of these drugs, along with OxyContin, is a significant concern. Racine officials report that OxyContin and hydrocodone products are widely diverted and abused in their area. Diverted pharmaceutical drugs are obtained by distributors and abusers through various methods, including doctor-shopping, fraudulent prescriptions, and unscrupulous physicians. For instance, in February 2008 a dentist in West Allis was charged with writing more than 900 fraudulent prescriptions over a 2½-year period to sustain his addiction to painkillers.

A variety of other drugs are available and abused in the Milwaukee HIDTA region. MDMA availability and abuse have increased in the region—Asian traffickers are increasingly transporting the drug into and through the region from Canada and California. MDMA is most commonly abused by college age individuals. The Milwaukee County Medical Examiner reports a recent increase in the number of homicide victims who are testing positive for MDMA. Methamphetamine abuse is considerably low compared with the abuse of other drugs in the area. Law enforcement reporting indicates that, although limited, methamphetamine abuse occurs among Caucasian individuals in particular areas of the region. For example, methamphetamine is available in West Allis bars and nightclubs frequented by members of the region's homosexual community. Huffing (the inhalation of chemical vapors) is becoming popular in Racine County among middle school students; they are inhaling hair spray and other aerosol products.

2. Narcan (naloxone), also marketed as Nalone and Narcanti, is an injectable narcotic antagonist that immediately reverses respiratory arrest caused by a heroin or other opiate overdose.

Table 2. Drug-Related Deaths in Milwaukee County, 2003–2007*

Drug	2003	2004	2005	2006	2007*
Antidepressants	58	80	73	72	57
Antihistamines	1	1	3	2	1
Antipsychotics	14	22	14	12	1
Anxiolytics, Sedatives, and Hypnotics	83	112	126	108	109
Barbiturates	7	6	6	1	2
Benzodiazepines	58	84	83	78	98
Other Anxiolytics, Sedatives, and Hypnotics	18	22	37	29	9
Cocaine	90	83	79	103	64
Heroin	13	13	25	26	20
Marijuana	0	0	0	0	1
MDMA (Ecstasy)	0	0	0	0	1
Muscle Relaxants	6	13	13	14	9
Opiates/Opioids	133	147	141	170	122
Buprenorphine	0	0	1	0	0
Codeine	8	7	5	11	9
Dihydrocodeine	0	0	0	0	1
Fentanyl	8	8	8	6	6
Hydrocodone	11	8	12	11	10
Hydromorphone	2	0	1	0	1
Meperidine	0	2	0	0	0
Methadone	19	41	25	51	36
Morphine (Also Heroin & Codeine Metab)	32	37	36	44	20
Oxycodone	26	27	36	40	25
Propoxyphene	19	13	10	6	12
Tramadol	4	3	7	1	2
Other Opiates/Opioids	4	1	0	0	0
Pseudoephedrine	1	1	1	1	0
Total Drug-Related Deaths**	153	178	182	190	125

Source: Milwaukee County Medical Examiner.

*Preliminary 2007 data through 8/31/07.

**Total drug-related deaths are lower than the sum of the deaths associated with individual drug types because of mixed drug toxicities (more than one drug associated with a single death).



ILLICIT FINANCE

Traffickers use a variety of methods, including bulk currency smuggling, money remittance companies, stored value cards, luxury goods purchases, front businesses, and real estate investments, to launder illicit drug proceeds generated in the HIDTA region. Some Hispanic traffickers transport bulk currency derived from drug sales to family and friends in Mexico. They also transfer illicit funds through money remitters and by converting drug proceeds to stored value cards. African American distributors are less likely to transport illicit funds outside the HIDTA region and instead purchase expensive items such as luxury vehicles, apartments, vehicle accessories, and jewelry. Various traffickers use a number of front businesses to launder drug proceeds in the region, including barber shops, beauty salons, car washes, candy stores, child care facilities, restaurants, retail clothing stores, taverns, and used car dealerships.

Some traffickers also are increasingly purchasing residential real estate in an attempt to mask the illicit nature of their proceeds. The state of Wisconsin provides tax credits for housing rehabilitation; these credits are enticing some local distributors to purchase and refurbish dilapidated properties. Once a property is refurbished, the distributor either rents or sells the property. Distributors who rent the residential property report drug proceeds as rental income in addition to actual rent received from legitimate tenants. Additionally, some local distributors are purchasing residential properties and immediately selling them at substantially increased prices to indebted associates. The distributor receives profit from the sale, seemingly legitimizing the income, while the indebted associates typically default on the loans, often defrauding banks or mortgage companies.

OUTLOOK

Despite reported cocaine shortages in the Milwaukee HIDTA region, local distributors will be able to maintain their supplies, albeit at higher prices. If cocaine shortages intensify, local distributors would most likely increase their direct dealings with traffickers along the Southwest Border in order to purchase sufficient supplies of cocaine at more favorable prices.

Heroin abuse, particularly among younger abusers, is likely to increase in the Milwaukee HIDTA region; the increase will be caused, in large part, by prescription opiate abusers who switch to heroin because of lower prices and ready availability.

African American street gangs on the north side of Milwaukee will quite likely increase their distribution of MDMA, leading to increased abuse of the drug among African Americans who previously did not have access to the drug.

Recent law enforcement successes in combating street gangs in Milwaukee should have a positive effect on overall crime in the neighborhoods where these gangs operate, at least in the near term. Persistent law enforcement efforts and community involvement will be instrumental in ensuring that these gangs do not reestablish operations and that others do not replace them.

SOURCES

Local, State, and Regional

Bayside Police Department
 Caledonia Police Department
 Cudahy Police Department
 Franklin Police Department
 Jefferson County Drug Task Force
 Kenosha County Sheriff's Office
 Kenosha Police Department
 Kenosha Street Crimes Unit
 Menomonee Police Department
 Milwaukee County Medical Examiner's Office
 Milwaukee County Sheriff's Office
 Milwaukee Police Department
 Mount Pleasant Police Department
 New Berlin Police Department
 Oak Creek Police Department
 Pewaukee City Police Department
 Racine County Sheriff's Department
 Racine Police Department
 Sheboygan Police Department
 South Milwaukee Police Department
 State of Wisconsin
 Department of Health and Family Services
 Division of Mental Health and Substance Abuse Services
 Department of Justice
 Division of Criminal Investigation
 Town of Burlington Police Department
 University of Wisconsin-Milwaukee Police Department
 Walworth County Sheriff's Office
 Washington County Sheriff's Department
 Waukesha County Sheriff's Office
 Wauwatosa Police Department
 West Allis Police Department
 Wisconsin State Patrol

Federal

Executive Office of the President
 Office of National Drug Control Policy
 Milwaukee High Intensity Drug Trafficking Area
 Drug Gang Task Force
 Fugitive Task Force
 Investigative Support Center – HITS
 Milwaukee Metropolitan Enforcement Group
 Prosecution Initiative
 REACT – Interdiction Unit
 U.S. Department of Commerce
 U.S. Census Bureau
 U.S. Department of Homeland Security
 U.S. Immigration and Customs Enforcement
 U.S. Department of Justice
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Drug Enforcement Administration
 Milwaukee District Office
 Federal Bureau of Investigation
 Milwaukee Field Office
 U.S. Attorneys Office
 Eastern District of Wisconsin



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