Drug Market Analysis

Nevada
High Intensity Drug Trafficking Area

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Drug Market Analysis 2008

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

Figure 1. Nevada High Intensity Drug Trafficking Area.
STRATEGIC DRUG THREAT DEVELOPMENTS

- Methamphetamine price and purity have fluctuated to a greater extent in 2007 than in previous years. Mexican drug trafficking organizations (DTOs) have struggled to meet market demand as the government of Mexico has made precursor chemicals more difficult to obtain, curtailing clandestine manufacture of methamphetamine in that country.

- Demand for high-potency marijuana by abusers in the Nevada HIDTA region is increasing, fueling an expansion in indoor hydroponic cannabis cultivation throughout the area.

- Increasing abuse of pharmaceutical drugs has contributed to a rise in accidental drug overdoses in the region, particularly in Clark County, where pharmaceutical drugs were reported in more drug-related deaths than any other substance of abuse.

- Retail-level drug traffickers are attempting to increase the distribution of Mexican black tar and brown powder heroin in the region by targeting high school students, particularly in more affluent high schools in the Las Vegas area.

HIDTA OVERVIEW

The Nevada HIDTA region consists of Clark and Washoe Counties. Las Vegas (Clark County) and Reno (Washoe County) are the two largest metropolitan areas in the HIDTA region and are distribution centers for illicit drugs supplied to markets throughout the HIDTA region and other areas of the United States. Clark County is located less than 300 miles from Los Angeles, California, and Phoenix, Arizona, and less than 400 miles from several official ports of entry (POEs) along the Southwest Border, including Douglas and Nogales in Arizona and Calexico, Otay Mesa, and San Ysidro in California. Washoe County is located on the eastern slopes of the Sierra Nevada mountains and is less than 200 miles from San Francisco, California.

Clark County covers 7,910 square miles. Interstate 15, located in the southern tip of the state, is a primary route used by traffickers to transport illicit drugs from Los Angeles and southern California to Las Vegas; traffickers also use I-80 to transport illicit drugs from California drug markets into and through the northern part of the state. U.S. Highways 93 and 95 provide traffickers with additional routes to Las Vegas from drug markets in the Phoenix area and the Nogales and Douglas POEs.

In 2007, Clark County accounted for 71 percent of the state population (1,954,319 of 2,718,337). Approximately 27 percent of the Clark County population is Hispanic, the area’s largest and fastest-growing minority group. Since 1990, the Hispanic population in Clark County has increased four times faster than the non-Hispanic population. The growing Hispanic population enables Mexican DTOs to easily assimilate into Clark County’s communities, expand their drug trafficking activities, recruit new members, and reduce their risk of law enforcement detection.

Washoe County, which borders California and Oregon, covers an area of 6,600 square miles in the northwest section of Nevada. Major roadways that transit Washoe County include I-80, which passes through Reno and connects the county with San Francisco to the west and major metropolitan areas, such as Salt Lake City, Utah; Denver, Colorado; and Kansas City and St. Louis, Missouri, to the east. Traffickers use I-80 to supply most of the illicit drugs available in the county. US 395 transits Washoe County and intersects with I-80 in Reno. Traffickers use US 395 to move drugs from California into the region through Reno and Carson City, Nevada.

The population of Washoe County increased 23 percent from nearly 340,000 in 2000 to an estimated 418,000 in 2007. Steady growth in the county’s Hispanic population, including a significant influx of illegal immigrants, has been exploited.
by Mexican DTOs to expand their operations in the area. Approximately 20 percent of the population in Washoe County is Hispanic, accounting for the county’s largest minority group.

The gaming and entertainment industry attracts over 40 million visitors to the Nevada HIDTA region annually. Drug traffickers often use the large volume of tourists as cover for their illicit drug transportation and distribution operations. Traffickers typically move illicit drugs to or through the region in the same modes of transportation used by tourists—personal and commercial vehicles, buses, trains, and aircraft. Moreover, the nature of the 24-hour lifestyle in the gaming and entertainment industry attracts some visitors who may be vulnerable to drug abuse, thus compounding local drug distribution in the region. Additionally, the high volume of cash transactions taking place in the local gaming and entertainment industry provides opportunities for drug traffickers to commingle their illicit funds with gaming proceeds in an attempt to mask the origin of such funds.

**Drug Threat Overview**

The distribution and abuse of ice methamphetamine pose the most significant drug threat to the Nevada HIDTA region. Most of the ice methamphetamine available in the region is supplied by Mexican DTOs that produce the drug in large-scale clandestine laboratories in Mexico. Mexican DTOs typically have been able to fully meet demand for the drug in the Nevada HIDTA region; however, in 2007 local officials reported fluctuations in ice methamphetamine availability and wide variances in price and purity. This situation is most likely the result of decreased methamphetamine production in Mexico following government of Mexico operations and administrative regulations designed to restrict access to precursor chemicals. Local, small-scale methamphetamine production also has declined significantly over the past few years.

Marijuana is the most widely available and frequently abused drug in the Nevada HIDTA region. Most of the marijuana available in the region is produced in Mexico and transported overland to the region; however, locally produced and Canadian high-potency marijuana are also available. Demand for high-potency marijuana by area abusers is increasing, leading to an expansion in indoor hydroponic cannabis cultivation in the region. Law enforcement officials report that the number of cannabis plants eradicated from indoor grow sites, as well as the number of indoor sites seized, increased significantly in 2007.

Powder cocaine is readily available throughout Nevada. Mexican DTOs transport the drug into the region from Mexico through POEs in California and Arizona. Mexican DTOs use the HIDTA region as a distribution center for cocaine. These DTOs supply wholesale quantities to other traffickers in the region and to traffickers operating in drug markets throughout the country, particularly markets in midwestern and eastern states. They also supply local African American and Hispanic street gangs with powder cocaine for conversion into crack cocaine. Street gangs typically distribute crack in urban areas, primarily Las Vegas and Reno.

Mexican black tar heroin and, to a lesser extent, brown powder heroin are also abused throughout the Nevada HIDTA region. Mexican DTOs supply various quantities of heroin to distributors, mainly Hispanic street gangs, and abusers in the area; however, they generally use the region as a transshipment center for heroin destined for drug markets throughout most of the country, primarily those in southwestern, midwestern, and eastern states. Retail-level heroin distributors in the region are attempting to expand distribution.

1. Mexican marijuana is typically cultivated along the western Sierra Madre mountains in Chihuahua, Sinaloa, and Durango, Mexico, as well as farther south in Michoacán and Guerrero, Mexico. This type of marijuana contains parts of the marijuana plant such as stems and seeds that are not of high potency. Mexican marijuana is generally the least expensive marijuana because of its prevalence and lower potency, which typically ranges from only 4 to 6 percent THC (delta-9-tetrahydrocannabinol) content.
their customer base by targeting high school students, particularly students at more affluent high schools in the Las Vegas area.

The distribution and abuse of diverted pharmaceutical drugs pose an increasing threat to the HIDTA region. The most widely available and commonly abused pharmaceutical drugs are prescription narcotics, such as Vicodin and Lortab (hydrocodone products), methadone, and OxyContin (oxycodone), and central nervous system (CNS) depressants, including Xanax (alprazolam) and Valium (diazepam)—both benzodiazepines. Pharmaceuticals are diverted by distributors and abusers in the region through prescription fraud, theft, illicit sale by patients, and illegal purchases over the Internet.

Various other dangerous drugs (ODDs) are distributed by traffickers in the Nevada HIDTA region, including MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy), LSD (lysergic acid diethylamide), psilocybin mushrooms, PCP (phencyclidine), and ketamine; however, ODDs pose a relatively low threat to the region compared with other illicit drugs. Asian DTO members, mostly of Chinese descent, are the primary wholesale, midlevel, and retail distributors of MDMA in the region. African American street gang members obtain PCP and ketamine from sources in California and distribute the drugs locally. Caucasian independent dealers are the primary retail distributors of LSD and psilocybin mushrooms.

Drug Trafficking Organizations

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.

Asian DTOs and criminal groups are the primary suppliers and distributors of MDMA and high-potency marijuana in the region. They generally obtain supplies of MDMA from sources in southern California for distribution in Las Vegas and from sources in San Francisco for distribution in Reno. Asian DTOs and criminal groups also transport high-potency marijuana to the region from California, Oregon, Washington, and Canada; they supply the marijuana to retail-level distributors and abusers in the area, primarily to Washoe County in the north. Additionally, law enforcement officials report that Asian criminal groups engage in limited indoor cannabis cultivation in the HIDTA region.

Caucasian criminal groups and independent dealers also distribute MDMA and high-potency marijuana in the Nevada HIDTA region. Caucasian traffickers typically travel to California, Oregon, Washington, and Canada to obtain supplies of these drugs and then transport them back to
their home areas for local distribution. Caucasian criminal groups and local independent dealers also cultivate cannabis within the region, primarily at indoor grow sites; they distribute the marijuana throughout Nevada.

Street gangs, primarily African American and Hispanic gangs, are actively engaged in retail-level drug distribution within the region. African American street gangs are the primary retail distributors of crack cocaine and PCP (phencyclidine). They produce most of their crack cocaine supplies locally, but occasionally transport small quantities to the region that they obtain from gang contacts in southern California. Hispanic street gangs are engaged in the retail distribution of ice methamphetamine, powder cocaine, Mexican marijuana, and heroin throughout the area. These gangs also distribute crack cocaine, but to a lesser extent. Additionally, law enforcement officials report that a number of “hybrid” street gangs are forming in metropolitan areas of the region and engaging in drug trafficking. The hybrid gangs emulate national gangs, such as Bloods and Crips, but have little or no affiliation with them other than adopting their names, symbolism, and representing style. Hybrid gang members are much less likely to wear colors, display gang signs, or have tattoos, making it much harder for law enforcement officials to identify them.

Production

Illicit drug production in the Nevada HIDTA region is typically limited to small-scale methamphetamine production, indoor cannabis cultivation, and crack cocaine conversion. Local production of powder methamphetamine has declined significantly as a result of restrictions the Nevada legislature placed on retail pseudoephedrine sales in 2001. The Nevada legislature also implemented enhanced penalties for manufacturing methamphetamine under certain circumstances, further curtailing methamphetamine production in the region. Methamphetamine production steadily decreased over the past 7 years from a high of 195 laboratories seized in 2001 to only eight seized in 2007 within the state (see Table 1). Most laboratories in the region are small and capable of producing less than an ounce of the drug per production cycle—enough for personal use or limited retail-level distribution.

Marijuana is the most widely abused drug in the region and demand for high-potency marijuana is increasing. To meet demand, traffickers in the region are increasingly establishing indoor cannabis cultivation operations—Nevada’s arid climate and poor soil conditions are not conducive to outdoor cultivation. Most indoor cultivation sites employ sophisticated hydroponic growing techniques necessary for high-potency marijuana production. Caucasian criminal groups, independent dealers, and Asian DTOs are the predominant cannabis cultivators in the region; they generally manage grow sites independently; however, Asian DTOs often operate several sites simultaneously, working in coordination with

<table>
<thead>
<tr>
<th>Year</th>
<th>Clark County</th>
<th>Washoe County</th>
<th>State of Nevada</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>179</td>
<td>13</td>
<td>195</td>
</tr>
<tr>
<td>2002</td>
<td>69</td>
<td>10</td>
<td>81</td>
</tr>
<tr>
<td>2003</td>
<td>68</td>
<td>6</td>
<td>77</td>
</tr>
<tr>
<td>2004</td>
<td>43</td>
<td>9</td>
<td>52</td>
</tr>
<tr>
<td>2005</td>
<td>22</td>
<td>2</td>
<td>27</td>
</tr>
<tr>
<td>2006</td>
<td>13</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>2007</td>
<td>7</td>
<td>1</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: National Seizure System, as of March 10, 2008.

2. Assembly Bill 33, Chapter 11 doubles the penalty for manufacturing methamphetamine within 500 feet of a residence, business, place of worship, school, park, playground, recreation facility, in the presence of a child, or in any manner that creates great risk or harm to another person.
associates in other cities within and outside the region. The number of indoor grow sites seized by law enforcement officials increased from 15 in 2005, to 27 in 2006, to 38 in 2007. The number of plants eradicated at these sites ranged from 30 to 300 and the sites typically were found in residential neighborhoods and rural areas such as the south side of Lake Tahoe and in sections of North Las Vegas. Moreover, the number of cannabis plants eradicated by officials increased significantly in the region, from 953 plants in 2005 to 5,970 plants in 2007, according to data from the Drug Enforcement Administration (DEA) Domestic Cannabis Eradication/Suppression Program (DCE/SP) (see Figure 2). Some cannabis plants are cultivated legally in the region under Nevada’s medical marijuana law, which allows for limited, personal-use marijuana production. Individuals registered with the state may cultivate up to three mature and four immature plants at one time for medicinal purposes. Law enforcement officials report that some marijuana traffickers are cultivating cannabis under the guise of this law, but are doing so well in excess of legal limits.

African American street gangs and, to a lesser extent, Hispanic street gangs convert most of the crack cocaine available in the region from powder cocaine they typically acquire from Mexican DTOs and criminal groups. They generally produce crack at or near distribution sites in urban areas such as Las Vegas, North Las Vegas, and Reno.

**Transportation**

The Nevada HIDTA region, particularly Las Vegas, is a regional and national-level transshipment area for Mexican DTOs that transport wholesale quantities of ice methamphetamine, cocaine, and marijuana. Mexican DTOs also use the region as a transshipment center for Mexican black tar and brown powder heroin. Illicit drugs destined for markets outside the region often are stored by traffickers at stash locations in the area before being transshipped to drug markets throughout the country, including markets in Hawaii and in midwestern and eastern states.

Mexican traffickers transport most illicit drugs available in the Nevada HIDTA region from Mexico, southern California, and Arizona into the area in privately owned and commercial vehicles traveling on I-15 and I-80 as well as US 93, 95, and 395. Traffickers also use commercial air, buses, and railroads to transport drugs to the region. Additionally, distributors and abusers who acquire ODDs and pharmaceutical drugs over the Internet typically receive them by package delivery services and U.S. mail.

Many Mexican traffickers use vehicles modified with hidden storage compartments capable of concealing multipound shipments of drugs or bulk cash. These compartments generally have electronic or magnetic switches that require
several steps to open. They usually are welded into body frames, gas tanks, and passenger areas. Additionally, trafficking vehicles may have global positioning system (GPS) devices hard-wired into them to enable DTO leaders to track deliveries and observe deviations from prescribed routes as a result of law enforcement intervention. The drivers of these vehicles are frequently illegal immigrants who are hired to drive from one location to another without knowledge of the specific contraband that is in the vehicle or specific knowledge of the DTO. Additionally, the drivers usually hold fraudulent identification.

Asian criminal groups, particularly Vietnamese and Chinese, and some outlaw motorcycle gangs (OMGs) transport high-potency marijuana and MDMA from Canada, California, and the Pacific Northwest to the Nevada HIDTA region in privately owned vehicles, rental cars and, to a lesser extent, commercial aircraft, buses, and trains. They also employ package delivery services and U.S. mail to transport illicit drugs into the region.

**DISTRIBUTION**

Mexican DTOs and criminal groups dominate the wholesale distribution of methamphetamine, powder cocaine, Mexican commercial-grade marijuana, and Mexican black tar and brown powder heroin. They typically store bulk quantities of these drugs at stash locations, such as rented storage facilities, private residences, retail businesses, and warehouses, where they are repackaged for distribution to other traffickers within and outside the HIDTA region. Asian DTOs and Caucasian traffickers generally control the wholesale distribution of high-potency marijuana and MDMA in the northern area of the HIDTA region, primarily Washoe County (see Table 2 on page 8).

Various criminal groups, street gangs, OMGs, and independent dealers are involved in the retail distribution of illicit drugs in the Nevada HIDTA region. Mexican criminal groups and Hispanic street gangs are the primary retail-level distributors of methamphetamine, powder cocaine, and Mexican black tar and brown powder heroin in the region, while African American and Hispanic street gangs control retail crack cocaine distribution. Asian criminal groups, primarily Vietnamese and Chinese, Caucasian dealers and, to a lesser extent, OMGs are the primary retail-level distributors of high-potency marijuana and MDMA in the region. Most criminal groups, street gangs, and OMGs also distribute commercial-grade marijuana at the retail level. Particular groups and dealers tend to dominate the distribution of certain drugs in the region; however, most groups and dealers will distribute any illicit drug if sufficient quantities become available to them (see Table 2 on page 8). Retail distribution typically occurs in open-air markets, nightclubs, strip clubs, and on college campuses.

The illegal diversion of pharmaceutical drugs occurs throughout the Nevada HIDTA region. Caucasian independent dealers, African American street gang members, and Native Americans are the primary retail distributors of diverted pharmaceutical drugs, primarily OxyContin, Lortab, Percocet, Soma, and Vicodin.

Many retail distributors use cell phones to facilitate drug sales in the HIDTA region. They typically use cell phones for a limited period of time, usually 30 days, and then discard the phones to enhance their communication security. Distributors also exploit point-to-point capabilities offered by wireless systems, believing that point-to-point communication technology is impervious to law enforcement interception. Additionally, distributors use text messaging for communication and control of illicit drug-related activities.
### Table 2. Drug Distribution in the Nevada HIDTA Region, by Group, 2007

<table>
<thead>
<tr>
<th>Drug Distribution Group</th>
<th>Drugs Distributed at the Wholesale Level</th>
<th>Drugs Distributed at the Retail Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>NA</td>
<td>Crack cocaine, Mexican black tar and brown powder heroin, marijuana, ODDs</td>
</tr>
<tr>
<td>Asian</td>
<td>High-potency marijuana, MDMA</td>
<td>High-potency marijuana and MDMA</td>
</tr>
<tr>
<td>Caucasian</td>
<td>Marijuana, MDMA</td>
<td>Cocaine, marijuana, MDMA, methamphetamine, diverted pharmaceutical drugs, ODDs</td>
</tr>
<tr>
<td>Hispanic</td>
<td>Powder cocaine, Mexican black tar and brown powder heroin, methamphetamine, marijuana</td>
<td>Powder and crack cocaine, ice methamphetamine, methamphetamine, marijuana, Mexican black tar and brown powder heroin</td>
</tr>
<tr>
<td>Mexican</td>
<td>Powder cocaine, Mexican black tar and brown powder heroin, ice methamphetamine, marijuana</td>
<td>Powder cocaine, marijuana, Mexican black tar and brown powder heroin, ice methamphetamine, powder methamphetamine</td>
</tr>
<tr>
<td>Native American</td>
<td>NA</td>
<td>Methamphetamine, marijuana, diverted pharmaceutical drugs</td>
</tr>
<tr>
<td>Vietnamese</td>
<td>High-potency marijuana, MDMA</td>
<td>High-potency marijuana, MDMA</td>
</tr>
<tr>
<td>Street gangs</td>
<td>NA</td>
<td>Powder and crack cocaine, Mexican black tar and brown powder heroin, marijuana, MDMA, methamphetamine, ODDs, diverted pharmaceutical drugs</td>
</tr>
<tr>
<td>OMGs</td>
<td>NA</td>
<td>Marijuana, methamphetamine</td>
</tr>
</tbody>
</table>

Source: Drug Enforcement Administration.  
NA—Not applicable.

### Drug-Related Crime

Methamphetamine trafficking and abuse contribute significantly to crime in the Nevada HIDTA region. According to the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2007, 27 of the 28 state and local law enforcement respondents in the region identified methamphetamine as the drug most associated with violent crime; 27 respondents reported the same for property crime. Additionally, law enforcement officials report that many violent crimes, including armed robberies, assaults, and homicides, are committed by drug distributors in the course of drug trafficking operations, while a considerable number of property crimes, including burglary, identity theft, larceny, and theft of copper wire from industrial, commercial, and residential sites, are being committed by methamphetamine abusers seeking to acquire drug funds.

The abuse of pharmaceutical drugs also has been linked to identity theft in the HIDTA region. According to DEA officials, pharmaceutical drug abusers are increasingly engaging in identity theft to obtain fraudulent prescriptions for oxycodone and hydrocodone. Moreover, pharmacy break-ins by pharmaceutical drug abusers have increased as some abusers who have become addicted to the drugs are becoming more desperate to acquire supplies.

Street gangs operating in the region, many of which engage in retail-level drug trafficking, perpetrate a considerable portion of the crime that occurs in the region each year, according to law enforcement officials. The Las Vegas Metropolitan Police Department Gang Crimes Bureau
High Intensity Drug Trafficking Area

reports that while the total number of gangs in the Las Vegas metropolitan area decreased between 2002 and 2007, gang membership increased from approximately 6,500 to 8,200 during the same time period. Additionally, the number of gang members in Reno increased from approximately 1,517 in 2006 to approximately 1,704 in 2007, according to the Regional Gang Unit of the Reno Police Department. Law enforcement officials anticipate that gang-related violent crime may rise in the region as a result of increased gang membership. Moreover, Nevada Department of Public Safety officials report that 15- to 34-year-old males (most active gang members are in this age group) perpetrate the vast majority of violent crimes in the region. Law enforcement officials throughout the region further report that gang members under 21 years of age are more likely to commit violent acts toward law enforcement officers.

ABUSE

According to data from the Substance Abuse and Mental Health Services Administration (SAMHSA) Treatment Episode Data Set (TEDS), the number of methamphetamine-related admissions to publicly funded treatment facilities in Nevada exceeded those for any other substance of abuse, including alcohol, during 2006 (the latest year for which such data are available); this has been the case for the past several years (see Table 3). Nevada also leads the nation in reported rate of methamphetamine abuse, according to the 2006 National Survey on Drug Use and Health. In response to high levels of methamphetamine abuse in the state, the governor of Nevada commissioned a Governor’s Working Group on Methamphetamine Use in January 2007. This program funds methamphetamine-related substance abuse prevention, education, treatment, and law enforcement activities from 2007 through 2009.

While methamphetamine is the most often reported substance of abuse for publicly funded treatment admissions in Nevada, diverted pharmaceutical drugs are cited in more drug-related deaths in Clark County than any other substance. Moreover, the number of drug-related deaths associated with diverted pharmaceutical drugs in Clark County increased significantly between 2006 (165) and 2007 (336). However, a portion of this increase may be the result of an improved reporting mechanism implemented by the Clark County Coroner’s Office in Nevada. (See Table 4 on page 10.)

Table 3. Treatment Admissions to Publicly Funded Facilities in Nevada, by Substance, 2004–2006

<table>
<thead>
<tr>
<th>Substance</th>
<th>Year</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
</tr>
<tr>
<td>Alcohol only</td>
<td>3,074</td>
<td>1,957</td>
<td>2,324</td>
</tr>
<tr>
<td>Alcohol with drug</td>
<td>1,508</td>
<td>1,341</td>
<td>1,269</td>
</tr>
<tr>
<td>Heroin</td>
<td>648</td>
<td>475</td>
<td>607</td>
</tr>
<tr>
<td>Other opiates</td>
<td>297</td>
<td>261</td>
<td>267</td>
</tr>
<tr>
<td>Cocaine (smoked)</td>
<td>872</td>
<td>538</td>
<td>665</td>
</tr>
<tr>
<td>Cocaine (other routes)</td>
<td>244</td>
<td>165</td>
<td>203</td>
</tr>
<tr>
<td>Marijuana/hashish</td>
<td>1,457</td>
<td>1,622</td>
<td>1,409</td>
</tr>
<tr>
<td>Methamphetamine/amphetamine</td>
<td>3,330</td>
<td>3,392</td>
<td>3,199</td>
</tr>
</tbody>
</table>

Source: Treatment Episode Data Set.

3. From 2002 through 2005 an estimated 1.4 million persons (0.6 percent of the total U.S. population) aged 12 or older used methamphetamine in the past year. Rates of abuse were highest in Nevada (2.0%), Montana (1.5%), and Wyoming (1.5%).
Table 4. Drug-Related Deaths, Clark County, by Drug, 2004–2007

<table>
<thead>
<tr>
<th>Drug</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>115</td>
<td>147</td>
<td>165</td>
<td>336</td>
</tr>
<tr>
<td>Cocaine</td>
<td>93</td>
<td>109</td>
<td>115</td>
<td>58</td>
</tr>
<tr>
<td>Methamphetamine</td>
<td>78</td>
<td>65</td>
<td>80</td>
<td>56</td>
</tr>
<tr>
<td>Heroin</td>
<td>24</td>
<td>40</td>
<td>35</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Clark County Coroner’s Office.

**Illicit Finance**

Bulk cash smuggling is the primary method used by traffickers to move illicit drug proceeds from the Nevada HIDTA to source areas. They generally smuggle bulk cash in hidden compartments of private and commercial vehicles that they drive to California or Mexico. Traffickers also smuggle bulk cash through parcel delivery services and, to a lesser extent, by couriers aboard commercial aircraft and buses. Additionally, some traffickers consolidate illicit proceeds generated in the region at stash locations, combine them with funds generated in other regions of the country, and transport the proceeds in bulk to Mexico.

Traffickers also use traditional depository financial institutions and money services businesses (MSBs), including money transmitters located in the area, to launder drug proceeds within the HIDTA region. They generally use MSBs to wire funds to other locations, typically along the Southwest Border, where they are collected and smuggled in bulk to Mexico; they also wire funds directly to Mexico. The funds are often deposited into a Mexican bank or a casa de cambio (exchange house) and then repatriated to the United States through electronic wires or bulk cash transportation by armored car or courier services.

DTOs, gangs, and independent dealers operating in the region also invest in cash-intensive front business such as restaurants, night clubs, and convenience stores that they use to commingle drug proceeds with legitimate business earnings. Additionally, they invest drug proceeds in residential real estate property that they improve slightly and sell to associates or complicit individuals for a profit, enabling them to conceal the true nature of their proceeds.

Law enforcement and media reports indicate that criminals typically attempt to launder money through casinos by exchanging illicit cash for casino chips and then either cash in the chips as legitimate gambling winnings or wire-transfer the money as winnings to out-of-state accounts. They can use slot machines in much the same manner. This method typically is used to launder smaller amounts of drug proceeds, as the process is slow, cumbersome, and easily tracked and documented by the casinos. Large sums would require employment of a smurfing\(^4\) crew and numerous accounts to transfer the money to avoid detection. The Nevada Gaming Commission and Internal Revenue Service closely monitor currency transaction reports.

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\(^4\) A technique whereby large amounts of cash are divided into smaller amounts to avoid Bank Secrecy Act (BSA) filing requirements and then deposited or wired.
**Outlook**

The Nevada HIDTA region’s role as a trans-shipment area for significant quantities of ice methamphetamine, marijuana, cocaine, and heroin will continue as a result of well organized, entrenched drug trafficking operations conducted by DTOs and criminal groups in the area.

The Nevada HIDTA region will continue to experience a disruption in methamphetamine availability throughout the region if chemical controls enacted by the government of Mexico result in a sustained decrease in Mexican methamphetamine production in that country; local production in the region will not be sufficient to cover any shortfall in methamphetamine supply.

Mexican DTOs struggled to meet market demand for methamphetamine in 2007 and this resulted in local officials reporting fluctuations in ice methamphetamine availability and wide variations in prices and purity. If this trend continues, the Nevada HIDTA will likely witness a decrease in methamphetamine-related crime, treatment admissions, and overdose deaths.

The abuse of pharmaceutical drugs will escalate as demand increases and traffickers increase their involvement in diversion and distribution methods through Internet pharmacies, prescription fraud, and pharmacy thefts.

The demand for high-potency marijuana in the region will increase as abusers become more accustomed to higher-quality marijuana. To meet rising demand, Hispanic, Asian, and Caucasian independent suppliers and criminal groups will establish larger, more sophisticated indoor, hydroponic cannabis cultivation operations in the region.
Sources

Local, State, and Regional
City of Las Vegas
Clark County Coroner’s Office
Henderson Police Department
Las Vegas Metropolitan Police Department
  Gang Crimes Bureau
North Las Vegas Police Department
  Narcotics Division
Reno Police Department
  Street Enforcement Team
State of Nevada
  Department of Justice
  Department of Public Safety
    Bureau of Records and Identification
    Nevada Highway Patrol
  Health Division

Federal
Executive Office of the President
  Office of National Drug Control Policy
    High Intensity Drug Trafficking Area
      Nevada
U.S. Department of Commerce
  U.S. Census Bureau
U.S. Department of Health and Human Services
  Substance Abuse and Mental Health Services Administration
    Office of Applied Studies
      Treatment Episode Data Set
U.S. Department of Homeland Security
  Immigration and Customs Enforcement
    Las Vegas Division
U.S. Department of Justice
  Criminal Division
    Organized Crime Drug Enforcement Task Force
Drug Enforcement Administration
  Domestic Cannabis Eradication/Suppression Program
El Paso Intelligence Center
  National Seizure System
Los Angeles Field Division
  Las Vegas District Office
Federal Bureau of Investigation
  Uniform Crime Report
U.S. Department of the Treasury
  Internal Revenue Service
Nevada
High Intensity Drug Trafficking Area