



Milwaukee

High Intensity Drug Trafficking Area

Drug Market Analysis 2009



**NATIONAL DRUG INTELLIGENCE CENTER
U.S. DEPARTMENT OF JUSTICE**





Milwaukee

High Intensity Drug Trafficking Area

Drug Market Analysis 2009

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.



NATIONAL DRUG INTELLIGENCE CENTER
U.S. DEPARTMENT OF JUSTICE



This page intentionally left blank.

Table of Contents

Preface..... 1

Strategic Drug Threat Developments..... 2

HIDTA Overview 2

Drug Threat Overview 3

Drug Trafficking Organizations 4

Production 5

Transportation 6

Distribution 8

Drug-Related Crime 9

Abuse 9

Illicit Finance 11

Outlook 12

Sources 13

This page intentionally left blank.

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

- Cocaine distribution by street gang members poses a significant drug threat to the Milwaukee HIDTA region. However, cocaine availability has decreased, as indicated by increased wholesale cocaine prices, decreased cocaine purity, a decline in the number of cocaine-related admissions to publicly funded treatment facilities, and a decline in the number of cocaine-related deaths.
- Heroin abuse has increased in the Milwaukee HIDTA region. Law enforcement officials report that young Caucasian individuals are increasingly abusing heroin; many of these individuals switched to heroin after initially abusing controlled prescription opioids.
- Heroin purity varies in the region, ranging from as low as 16 percent to as high as 89 percent. Law enforcement officials report that the wide purity range most likely contributed to an increase in heroin-related deaths in the region.
- Outdoor cannabis grow operations have increased in the HIDTA region, particularly in Kenosha County. Law enforcement officials report that most of these grows are coordinated and operated by Hispanics and typically yield 1,000 to more than 10,000 plants.
- Law enforcement officials report that illegal diversion and abuse of controlled prescription drugs (CPDs) are common in the Milwaukee HIDTA region and that availability and abuse of controlled prescription opioids have increased. According to the Milwaukee County Medical Examiner, the number of controlled prescription opioid-related deaths in Milwaukee County increased more than 31 percent from 2003 through 2007. Benzodiazepines are also commonly abused in the region; the number of benzodiazepine-related deaths in Milwaukee County increased from 58 in 2003 to 155 in 2007.

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 1.68 million people reside in the region; more than half (56.3%) 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 the Southwest Border, the West Coast, 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. According to the National Drug Intelligence Center (NDIC) National Drug Threat Survey¹ (NDTS) 2009, 12 of the 16 state and local law enforcement respondents in the Milwaukee HIDTA region identify either crack cocaine (7) or heroin (5) as the drug that poses the greatest threat to their jurisdictions.

Law enforcement officials report that cocaine availability in the HIDTA region decreased from August 2008 through March 2009 as indicated by an increase in cocaine prices, a decrease in purity levels, and a decline in the number cocaine-related publicly funded treatment admissions. Cocaine availability in Milwaukee typically 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 the Milwaukee HIDTA region. Law enforcement reporting indicates that cocaine prices have increased in Milwaukee, Racine, and Waukesha Counties; in Milwaukee, for example, a kilogram of cocaine that typically sold for \$21,000 to \$23,000 in June 2008 increased to as much as \$32,000 in August 2008. Additionally, cocaine prices have increased significantly in Racine County, where an ounce of cocaine increased from approximately \$600 in June 2008 to as much as \$900 in August 2008. Law enforcement

officials report that cocaine purity has decreased in some areas of the HIDTA region, an indication that distributors are cutting the drug in order to stretch supplies and sustain profits. 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) heroin, poses a serious threat to the region. Heroin abuse and related deaths have increased in the HIDTA region. Young Caucasians in suburban areas are increasingly abusing heroin; many of these heroin abusers initiated opioid abuse through controlled prescription narcotics and later switched to heroin, which typically is lower in price. According to the Milwaukee County Medical Examiner, the number of heroin-related deaths in Milwaukee County increased from 2004 (13) to 2007 (36). Law enforcement officials attribute much of the increase in heroin-related deaths to the wide range in purity (16% to 89%) for heroin available in the HIDTA region.

Marijuana is widely available and abused in the region. Most marijuana available in the region is commercial-grade Mexican marijuana; however, law enforcement officials report that the availability of high-potency marijuana has increased significantly in Kenosha, Milwaukee, and Racine Counties. Marijuana produced from locally grown cannabis is also available. Indoor grow sites typically are operated by Caucasian independent dealers who produce the drug for personal use or limited local distribution. Additionally, law enforcement officials report that the number of outdoor grows has increased, particularly in Kenosha and Racine Counties; most of these grows are operated by Hispanics.

A variety of other illicit drugs also pose substantial threats to the region. Diverted CPDs, particularly prescription opioids, are commonly abused in the region. According to the Milwaukee

1. National Drug Threat Survey (NDTS) data for 2009 cited in this report are as of February 12, 2009. NDTS data cited are raw, unweighted responses from federal, state, and local law enforcement agencies solicited through either the National Drug Intelligence Center (NDIC) or the Office of National Drug Control Policy (ONDCP) High Intensity Drug Trafficking Area (HIDTA) program. Data cited may include responses from agencies that are part of the NDTS 2009 national sample and/or agencies that are part of HIDTA solicitation lists.

County Medical Examiner, the number of controlled prescription opioid-related deaths in Milwaukee County increased 28 percent from 2003 (133) through 2007 (170); most were attributed to methadone, morphine, and oxycodone. Many abusers of controlled prescription opioids eventually switch to heroin because of the relatively high cost of CPDs compared with heroin. Additionally, benzodiazepines are also abused commonly in the region; the number of benzodiazepine-related deaths in Milwaukee County increased significantly from 2003 (58) to 2007 (155). MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) is commonly transported into the area from California and Canada. 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 supply heroin and powder cocaine to local criminal groups and 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.

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 and Mexican Posse are well-organized, operate under a hierarchical structure, and have established rules and guidelines. Their cohesiveness and tightly knit structure make members reluctant to cooperate with law enforcement during investigations of other gang members, including those 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 resulted in the successful removal of 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 street gangs are distributing MDMA on the north side of Milwaukee. Gangster Disciples and Vice Lords, with connections to Chicago-based gangs of the same names, distribute drugs on the north side of the city; however, many local gangs are also active in drug distribution 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 generally are more willing than Hispanic street gang members

to cooperate with law enforcement investigators in providing information about other members.

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. Asian traffickers from California usually supply the powder cocaine that these groups distribute. 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.

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; it is 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.

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.

Additionally, some street gang members use social networking Internet sites such as MySpace, Facebook, 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 Caucasian and Hispanic 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 also are available. Much of the marijuana produced locally originates from cannabis cultivated at indoor grow sites, which are more common than outdoor sites, largely because of the short outdoor growing season and high population density in the HIDTA region. Indoor grow sites typically are operated by Caucasian independent dealers who produce the drug for personal use or limited local distribution. Law enforcement officials report that the number of outdoor grows has increased, particularly in Kenosha and Racine counties in the HIDTA region and in the neighboring counties of Rock and Walworth in Wisconsin and Lake and McHenry in Illinois. Most of these grows are coordinated and maintained by Hispanics and are located in cornfields and forests, where trees are cut down in order to allow the plants to get sunlight. These grow sites can yield 1,000 to more than 10,000 cannabis plants. The operators often use generators and pumps to draw water from nearby ponds. Some local producers purchase equipment from Internet web sites, while other producers purchase growing equipment from local stores.

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, heroin, MDMA, and other illicit drugs through the U.S. Postal Service and private parcel delivery services. For example, in January 2009 the Kenosha Metro Drug Unit seized 2.64 pounds of Mexican black tar heroin that was shipped to a residence in Kenosha; the residence was occupied by a male and female, both Caucasian and 40 years of age. 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 traffickers 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 Mexican drug cartels and 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. Prior to 2005 heroin traffickers in New York, New York, and Boston, Massachusetts, 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. Nearly all of the heroin available in the area now originates in Colombia. Most heroin transits the U.S.–Mexico border en route to Chicago for eventual distribution in Milwaukee; however, law enforcement officials report that some heroin traffickers are transporting heroin from Mexico to Canada and then to Chicago. Dominican and Nigerian drug traffickers in Chicago typically supply heroin to Hispanic dealers, primarily Dominicans and Puerto Ricans, on the south side of Milwaukee and African American dealers on the north side of the city.

Asian drug traffickers (primarily Vietnamese, Laotian, and Hmong) transport wholesale quantities of high-potency marijuana and MDMA into the region from locations in Canada and western states (see text box). Some Asian traffickers transport these drugs from Canada through Michigan and Minnesota and into the HIDTA region. For example, law enforcement officials report that MDMA is increasingly transported from Canada through Sault Ste. Marie, Michigan, through Marinette, Wisconsin, and then south on U.S. Highway 41 to southern Wisconsin counties. 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 the West Coast of the United States. Additionally, some Asian traffickers based in California also transport powder cocaine to the area.

Laotian DTO Distributed Over 100,000 MDMA Tablets Monthly to the Midwest and Southern Regions of the United States

In March 2009, 10 members of a Laotian DTO were arrested as a result of an 18-month investigation into MDMA distribution from Ontario, Canada, to various U.S. states. Law enforcement officials report that for at least 4 years the DTO had been distributing more than 100,000 MDMA tablets per month in Illinois, Wisconsin, Michigan, Tennessee, Kentucky, and Florida. Law enforcement officials estimate that the DTO had transported approximately 20,000 tablets quarterly to Aurora, Illinois; some of the tablets were later distributed in Milwaukee. The DTO paid young adults minimal funds (\$1,000 to \$5,000) to transport each shipment of 20,000 MDMA tablets in privately owned vehicles from Windsor, Ontario, primarily through Detroit, to various destinations for distribution. The investigation was led by the Milwaukee HIDTA Drug Gang Task Force and Milwaukee DEA Task Force, in cooperation with the Illinois State Police North Central Task Force; U.S. Immigration and Customs Enforcement and the Office of Inspector General in Detroit; the St. Petersburg Police Department in Florida; DEA personnel in Chicago, Detroit, Fresno, Louisville, Nashville, Sacramento, St. Louis, and Tampa/St. Petersburg; and the Ontario Provincial Police in Canada. The investigation resulted in the dismantling of this DTO, the arrests of 10 individuals (1 in Wisconsin, 6 in Illinois, 1 in Tennessee, 1 in Florida, and 1 in Canada), and the seizure of 42,933 MDMA tablets, 4 ounces of cocaine, 5.25 grams of THC (delta-9-tetrahydrocannabinol), 11 vehicles, 10 firearms, and \$3,348 in cash.

Source: Milwaukee High Intensity Drug Trafficking Area.

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, criminal groups, and street gangs; heroin, diverted CPDs, MDMA, and limited amounts of methamphetamine are generally distributed by independent dealers or 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, some African American and Hispanic drug traffickers travel to Chicago to purchase cocaine for local distribution.

Heroin distribution in the Milwaukee HIDTA region is conducted primarily by criminal groups and independent dealers with connections to Dominican and Nigerian traffickers from Chicago (see text box). African American criminal groups are the primary distributors of heroin on the north side of Milwaukee, while Hispanic drug dealers, primarily Dominicans and Puerto Ricans, distribute most of the heroin on the south side of the city. Law enforcement officials in Racine report that heroin distribution by Hispanic criminal groups has increased since 2007; previously, nearly all the heroin in Racine had been distributed by African American dealers. Caucasian independent dealers also distribute heroin in the region, but generally in smaller quantities provided to friends or associates.

Twenty-Seven Individuals Indicted for Heroin Distribution That Resulted in Five Deaths

In July 2008 the U.S. Attorney for the Eastern District of Wisconsin announced the indictment of 27 individuals for their alleged participation in heroin distribution that resulted in numerous fatal and nonfatal overdoses. A Chicago-based West African drug distributor supplied heroin to a Chicago-based leader of a Milwaukee drug trafficking group. The Chicago-based leader supplied heroin to members of the group who traveled from Milwaukee to Chicago every 2 weeks to purchase heroin, which was later distributed to drug dealers in Milwaukee and Waukesha Counties.

Heroin sales conducted by this DTO resulted in five overdose deaths—four in Waukesha County and one in Milwaukee County. All five abusers were Caucasians in their early twenties. Six additional nonfatal overdoses occurred in Waukesha County, where Narcan^a was used to revive the abusers.

Source: Milwaukee High Intensity Drug Trafficking Area; U.S. Attorney, Eastern District of Wisconsin.

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

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. Asian criminal groups and Caucasian independent dealers also distribute high-potency marijuana throughout the HIDTA region. Law enforcement officials report that high-potency marijuana availability is increasing in various

counties of the region, including Kenosha, Milwaukee, and Racine. Additionally, in Waukesha County, where residents are able to afford higher prices, much of the marijuana that is available is high-potency marijuana.

Other illicit drugs, including diverted CPDs and MDMA, are also distributed throughout the region, most often by independent dealers and small criminal groups. Controlled prescription opioids, including oxycodone, methadone, morphine, and hydrocodone, 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 also distribute 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 2009, 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 shooting, 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. For example,

in June 2008 the U.S. Attorney for the Eastern District of Wisconsin indicted 15 members of the Gangster Disciples street gang in Racine for their alleged distribution of powder and crack cocaine and marijuana; gang members relied on the use of intimidation and violence to generate drug profits by excluding nongang members from selling drugs in their territory. Additionally, in July 2008, 19 members of the Trey 8 Mob street gang in Milwaukee were indicted for their alleged distribution of powder and crack cocaine and marijuana. According to the indictment, some members, to advance their criminal enterprise, used threats and acts of violence that resulted in serious bodily injuries to their victims. On the contrary, gang rivalries between African American northside gangs and Hispanic southside gangs in Milwaukee are rare, since the gangs are separated by clearly demarcated geographical boundaries and usually distribute drugs to established customer bases in their respective communities. 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 employ heavily armed lookouts and bodyguards, who represent a threat to law enforcement officers who encounter them.

Abuse

Marijuana is widely available and abused in the Milwaukee HIDTA region; however, cocaine and heroin pose 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 Racine.

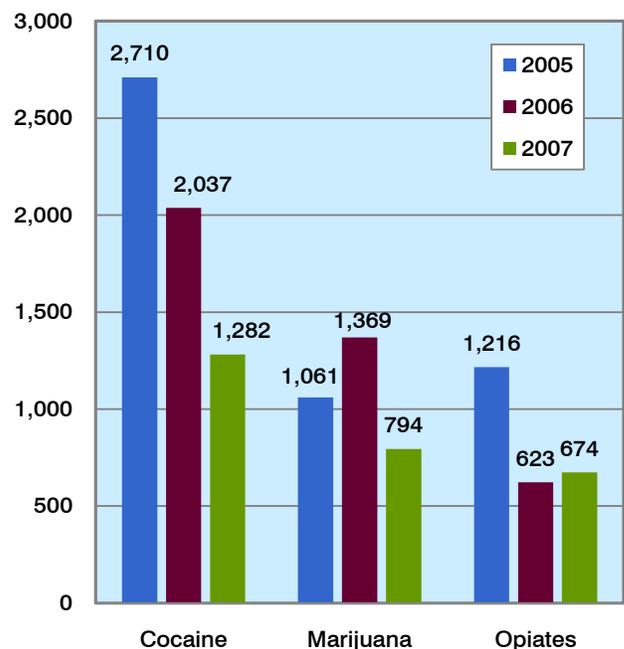
Cocaine is available and abused throughout the HIDTA region; powder cocaine is commonly abused by Hispanic and Caucasian users, and crack cocaine is typically abused by African American users. More than half (52.5%) of the cocaine-related treatment admissions to publicly funded facilities in Wisconsin in 2007 (the latest year for which such data are available) occurred in the HIDTA region—most of those (81.0%) occurred in Milwaukee County. The number of cocaine-related treatment admissions to publicly funded facilities in the Milwaukee HIDTA region decreased 37.1 percent from 2006 (2,037) to 2007 (1,282). (See Figure 2.) Additionally, Milwaukee County Medical Examiner reporting indicates that cocaine contributed to approximately 46.4 percent of all drug-related deaths in 2007 (90 of 194), a decline from 54.2 percent in 2006 (103 of 190).² (See Figure 3 on page 11.) The decline in the number of cocaine-related treatment admissions and deaths corresponds with the decrease in cocaine availability reported by law enforcement.

Heroin abuse and associated deaths have increased over the past few years in the Milwaukee HIDTA region. Young Caucasians in suburban areas are increasingly abusing heroin; many of these users initiated opioid abuse through abuse of CPDs and later switched to heroin, which is typically lower in price. According to the Milwaukee County Medical Examiner, the number of heroin-related deaths in Milwaukee County increased from 13 in 2004 to 36 in 2007. (See Figure 3 on page 11.) Law enforcement officials report that a wide range of heroin purity levels (16% to 89%) available in the area most likely contributed to some of the heroin overdoses that occurred in the HIDTA region during that period. Moreover, law enforcement officials report that the number of deaths would have been higher had it not been for successful first-response treatment by experienced

emergency medical services personnel, who administered Narcan to overdose victims.

Diverted CPDs are increasingly available and abused in the HIDTA region. Law enforcement officials in all four counties of the HIDTA region (Kenosha, Milwaukee, Racine, and Waukesha) report that controlled prescription opioids, particularly oxycodone, are widely diverted and abused in their counties. According to the Milwaukee County Medical Examiner, the number of controlled prescription opioid-related deaths in Milwaukee County increased 28 percent between 2003 (133) and 2007 (170); most were attributed to methadone, morphine, and oxycodone. (See Figure 3 on page 11.) Benzodiazepines, including diazepam (Valium) and alprazolam (Xanax), also are abused commonly in the region; the number of benzodiazepine-related deaths in Milwaukee

Figure 2. Drug-Related Treatment Admissions to Publicly Funded Facilities in Milwaukee HIDTA Counties, 2005–2007*



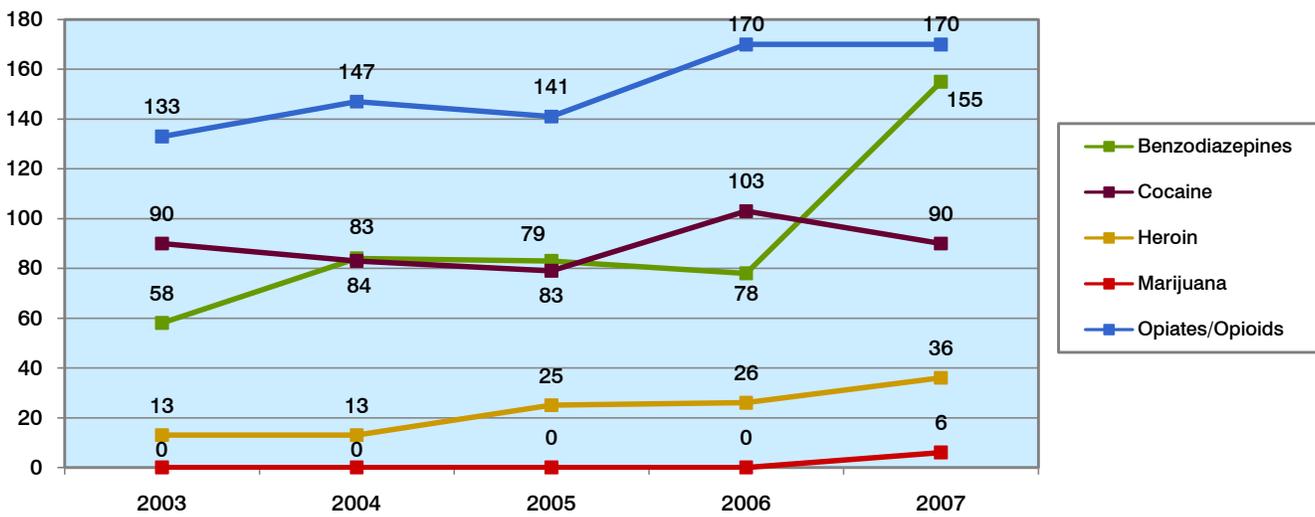
Source: State of Wisconsin, Department of Health and Family Services.

*The latest year for which data are available.

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

2. 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).

Figure 3. Drug-Related Deaths in Milwaukee County, 2003–2007



Source: Milwaukee County Medical Examiner.

County increased significantly from 2003 (58) to 2007 (155). (See Figure 3.) Diverted CPDs are obtained by distributors and abusers through various methods, including doctor-shopping, fraudulent prescriptions, theft, and unscrupulous physicians.

A variety of other drugs are available and abused in the Milwaukee HIDTA region. MDMA is abused in the region, most commonly by college-age individuals. The Milwaukee County Medical Examiner reports that only one MDMA-related overdose death occurred in Milwaukee County in 2007 and that incidents of homicide victims testing positive for MDMA are more common than MDMA-related overdose deaths. 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.

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, restaurants, retail clothing stores, taverns, and used car dealerships.

Some traffickers purchase residential real estate in an attempt to mask the illicit origins of their proceeds. The state of Wisconsin provides tax credits for housing rehabilitation; these credits entice 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 purchase residential properties and immediately sell them at substantially increased prices to indebted associates. The distributor receives profits 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 will 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 among young suburban abusers most likely will increase, particularly among Caucasian individuals who currently are abusing controlled prescription opioids. Law enforcement officials in the HIDTA region report that many individuals who developed dependence on controlled prescription opioids have switched

to heroin because it is less expensive than controlled prescription opioids. This trend most likely will increase as controlled prescription opioid abuse continues among new users and heroin availability remains high. The increase in heroin abuse may strain public health services and law enforcement resources in the HIDTA region.

The availability of marijuana most likely will increase in the HIDTA region. According to law enforcement reporting, high-potency marijuana availability is increasing in Kenosha, Milwaukee, and Racine Counties, and Hispanic outdoor grow operations are increasing in Kenosha and Racine Counties. Increased availability of marijuana will most likely persist as Asian traffickers continue to transport high-potency marijuana into the region, local indoor cannabis growers increase their operations to profit from higher-potency marijuana, and Hispanic marijuana producers expand outdoor cannabis grow operations in the HIDTA region.

Diverted CPDs will continue to be widely available and abused in the HIDTA region as distributors and abusers obtain the drugs through various methods, including doctor-shopping, fraudulent prescriptions, theft, and unscrupulous physicians.

Recent law enforcement successes in combating street gangs and criminal groups in Milwaukee may reduce crime rates in the near term in the neighborhoods where these gangs operate.

Sources

Local, State, and Regional

Bayside Police Department
 Caledonia Police Department
 Cudahy Police Department
 Franklin Police Department
 Glendale Police Department
 Jefferson County Drug Task Force
 Kenosha County Sheriff's Office
 Kenosha Police Department
 Kenosha Street Crimes Unit
 Menomonee Falls 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
 Waukesha Police Department
 Wauwatosa Police Department
 West Allis Police Department
 West Milwaukee 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
 Chicago Division
 Milwaukee District Office
 Federal Bureau of Investigation
 Milwaukee Field Office
 U.S. Attorneys Office
 Eastern District of Wisconsin

This page intentionally left blank.

This page intentionally left blank.

This page intentionally left blank.

**Questions and comments may be directed to
Great Lakes/Mid-Atlantic Unit, Regional Threat Analysis Branch.**

National Drug Intelligence Center

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

NDIC publications are available on the following web sites:

INTERNET www.usdoj.gov/ndic ADNET <http://ndicosa.adnet.sgov.gov> RISS ndic.riss.net
LEO <https://www.leo.gov/http://leowcs.leopriv.gov/lesig/ndic/index.htm>