



**U.S. Department of Justice
National Drug Intelligence Center**



Midwest High Intensity Drug Trafficking Area



Drug Market Analysis 2010

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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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Strategic Drug Threat Developments

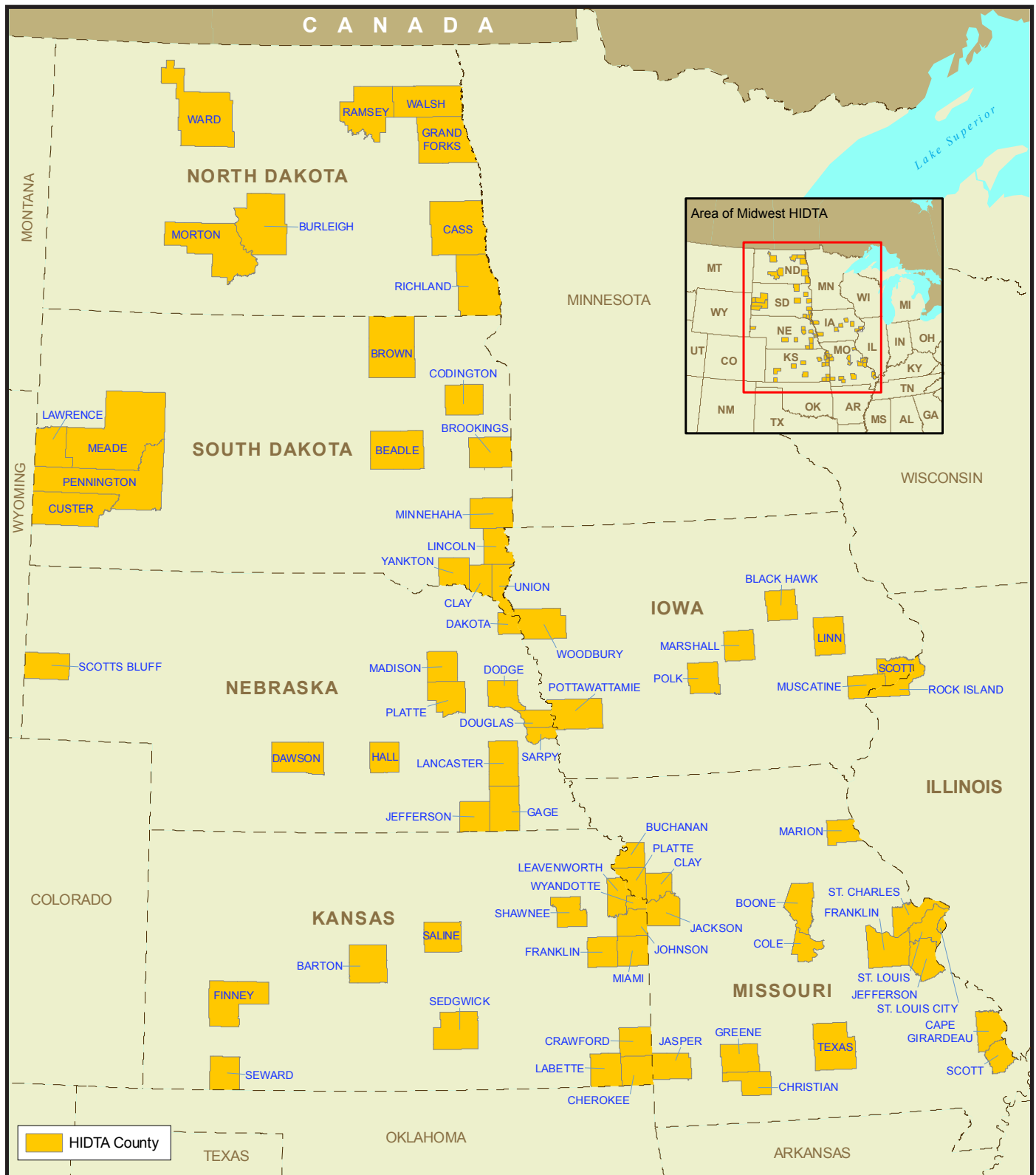
The Midwest High Intensity Drug Trafficking Area (HIDTA) region is a significant transit area for illicit drugs. Its central geographic location is widely used by traffickers who transport methamphetamine, cocaine, heroin, marijuana, and other illicit drugs into the area from Southwest Border and Northern Border locations en route to midwestern and northeastern markets, including Chicago and New York. Mexican drug trafficking organizations (DTOs) dominate wholesale methamphetamine, cocaine, heroin, and marijuana distribution in the HIDTA region. African American, Hispanic, and Caucasian traffickers operate at the midlevel and retail level.

The widespread availability and abuse of methamphetamine and cocaine and associated violence, the local production of methamphetamine, increased Mexican heroin availability and abuse, and controlled prescription drug (CPD) abuse are the most significant drug concerns in the HIDTA region.

The following are significant, strategic drug threat developments in the Midwest HIDTA region:

- Increasing availability of Mexican black tar heroin and brown powder heroin in the HIDTA region during the past year resulted in increased abuse, particularly among young Caucasians in suburban and rural communities, and in smaller markets in Kansas and Missouri, where the drug was not previously available. This situation is expected to result in increased heroin-related treatment admissions and overdoses.
- Mexican methamphetamine shortages were reported in the region during 2009 (mostly in smaller North Dakota markets), while cocaine availability has varied over the past few years. Unstable methamphetamine and cocaine supplies, along with an increasing market share of lower-potency Mexican d,l-methamphetamine (nonephedrine-based), have caused some abusers to switch between methamphetamine and cocaine, based on the availability of both drugs and the potency of methamphetamine. This situation is expected to continue in the near term.
- Law enforcement officials in some areas of the Midwest HIDTA region, such as the Kansas City metropolitan area and North Dakota, report that the distribution and abuse of CPDs (primarily prescription opioids) pose an increasing threat. If abusers are unable to obtain CPDs at a low cost, some may switch to heroin, which is increasingly available and relatively inexpensive.

Figure 1. Midwest High Intensity Drug Trafficking Area



HIDTA Overview

The Midwest HIDTA region consists of 73 counties in a seven-state area that stretches from North Dakota to Missouri. (See Figure 1 on page 2.) Mexican traffickers exploit the extensive interstate highway network and central location of the HIDTA region to transship wholesale quantities of ice methamphetamine, cocaine, marijuana, and heroin from the Southwest Border area to national-level markets in the Midwest and Northeast, including Chicago and New York City. The HIDTA region also is vulnerable to drug trafficking from the Northern Border, since North Dakota shares a 300-mile-long border and 18 official land ports of entry (POEs) with Canada. (See Figure 5 on page 8.) The area between Northern Border POEs is isolated, rural, and rife with opportunities for drug traffickers and criminal groups to smuggle Canadian marijuana, MDMA (3,4-methylenedioxymethamphetamine, also referred to as ecstasy), and pseudoephedrine and ephedrine (methamphetamine precursor chemicals) into the HIDTA region.^a

A significant portion of the drugs that enter the Midwest HIDTA region are abused in local drug markets. The region's primary markets are Kansas City and St. Louis, Missouri; Omaha, Nebraska; as well as Des Moines/Cedar Rapids, Iowa; its secondary markets are Fargo/Grand Forks, North Dakota; Sioux City, Iowa/Sioux Falls, South Dakota; Springfield, Missouri; and Wichita, Kansas. (See Appendix A.) The widespread distribution and abuse of crack cocaine and ice methamphetamine and associated violence are the primary drug threats in these market areas.

Drug Threat Overview

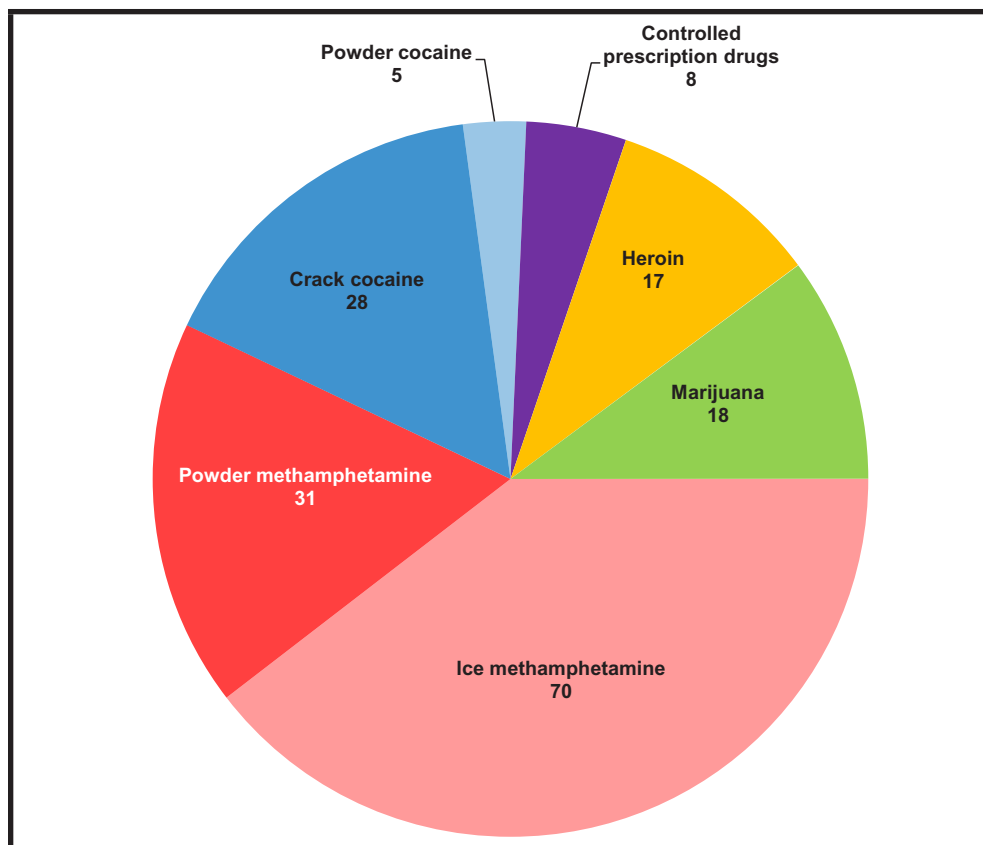
Methamphetamine distribution and abuse and associated violence are the greatest drug threats to the Midwest HIDTA region. According to the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2010,^b 101 of the 178 federal, state, and local law enforcement respondents in the Midwest HIDTA region identify methamphetamine as the drug that poses the greatest threat to their jurisdictions. (See Figure 2 on page 4.) Well-established Mexican traffickers are supplying sufficient quantities of ice methamphetamine to meet demand for the drug in most HIDTA cities, and 81 NDTS 2010 respondents categorize the drug as highly available in their jurisdictions. (See text box on page 4.) In addition, local methamphetamine production in the HIDTA counties increased (from 302 laboratories reported seized^c in 2008 to 342 in 2009), although current production levels remain significantly lower than in 2005, the peak year for such seizures. Some law enforcement officials in Missouri, including officials with the Jasper County Drug Task Force, Jefferson County Municipal Enforcement Group, and Mineral Area Drug Task Force, report that the majority of methamphetamine available in their jurisdiction is locally produced.

Crack cocaine distribution, abuse, and associated crime are pervasive in urban areas of the HIDTA region and have a direct and profound impact on law enforcement and public health resources. According to the NDIC NDTS 2010, 33 of the 178 federal, state, and local law enforcement respondents in the Midwest HIDTA region identify crack or powder cocaine as the drug that poses the greatest drug threat to their jurisdictions. Cocaine availability in the region has been variable over the past few years, with several HIDTA markets, including Kansas City and St. Louis, reporting decreased availability during this time period. However, 66 NDTS 2010 respondents classify crack cocaine as highly available in their jurisdictions, while 52 respondents report that powder cocaine is highly available. In addition, local law enforcement agencies in North Dakota and South Dakota report a significant increase in powder cocaine availability in 2009.

Heroin availability and abuse in the HIDTA region have increased beyond the traditional market in St. Louis. Many law enforcement agencies in smaller towns and cities are now reporting the availability of heroin. In addition, towns and cities that are supplied from St. Louis have reported an increase in availability and abuse of heroin that is grayish white in color (origin often undeterminable). According to Treatment Episode Data Set (TEDS) reporting from 2007 to 2008, admissions for which heroin was the primary substance of abuse increased 37 percent in Missouri from 2,201 to 3,019. Law enforcement officials report that many abusers (usually teenage and young adult Caucasians) switched to heroin after initially abusing prescription opioids; some abusers use both prescription opioids and heroin.

- a. Law enforcement officials believe that available arrest and seizure statistics underrepresent the level of smuggling along the U.S.–Canada border.
- b. NDTS data for 2010 cited in this report are as of March 3, 2010. NDTS data cited are raw, unweighted responses from federal, state, and local law enforcement agencies solicited either through NDIC or the Office of National Drug Control Policy (ONDCP) HIDTA program. Data cited may include responses from agencies that are part of the NDTS 2010 national sample and/or agencies that are part of HIDTA solicitation lists.
- c. These data (as of March 2010) include only methamphetamine laboratories seized by federal, state, and local authorities in HIDTA counties and reported to the Drug Enforcement Administration (DEA) El Paso Intelligence Center (EPIC).

Figure 2. Greatest Drug Threat in the Midwest HIDTA Region as Reported by State and Local Law Enforcement Agencies, by Number of Respondents



Source: National Drug Threat Survey 2010.

Mexican Methamphetamine Availability in Midwest HIDTA Markets

In 2005, the government of Mexico (GOM) began implementing progressively increasing restrictions on the importation of ephedrine and pseudoephedrine to address widespread use of these chemicals in illicit d-methamphetamine production. By 2007, the GOM had announced a prohibition on importing these chemicals into Mexico in 2008 and a ban on the use of both chemicals beginning in 2009. These precursor restrictions disrupted methamphetamine production, resulting in a more than 50 percent decrease in the amount of methamphetamine seized along the Southwest Border from 2005 to 2007. In 2007 and 2008, some markets in the Midwest HIDTA region reported a concurrent decrease in methamphetamine availability. However, the GOM reported a dramatic increase in methamphetamine laboratory seizures from 2008 (47) through November 2009 (178) and, according to U.S. Customs and Border Protection (CBP), the amount of methamphetamine seized along the Southwest Border in 2009 was the highest annual seizure amount since 2005. Increased laboratory seizures in Mexico and border seizures of methamphetamine are indicative of rising Mexican methamphetamine production since 2007 as the result of Mexican producers finding foreign sources for illicit ephedrine and pseudoephedrine and by using alternative production methods.

Although Mexican methamphetamine availability has significantly increased in the past 2 years and the number of Midwest HIDTA markets reporting methamphetamine shortages decreased in 2009, law enforcement officials in some HIDTA markets continue to report that some abusers of Mexican methamphetamine are switching to cocaine or locally produced methamphetamine. This phenomenon is attributed in part to an increase in the market share of lower-purity d,l-methamphetamine (dextro,levo-methamphetamine) produced in Mexico. Because of limited access to ephedrine and pseudoephedrine, Mexican DTOs have attempted to compensate for the d-methamphetamine shortage by increasing production of lower potency d,l-methamphetamine—produced using the P2P method, which does not require ephedrine or pseudoephedrine.

Diverted CPDs are a growing threat to the HIDTA region. For example, law enforcement officials in Minot and Grand Forks, North Dakota, reported frequent CPD-controlled purchases or seizures in 2009. Distributors and abusers commonly divert CPDs through prescription forgeries, drug thefts, and doctor-shopping. In addition, the ease with which drug traffickers and abusers obtain CPDs through the Internet is a growing concern. Hydrocodones, oxycodones, and synthetic opioids are the most frequently abused CPDs.

High-potency marijuana is increasingly available in many HIDTA markets, indicating a growing demand for the drug. Law enforcement officials report that the increased importation of Canadian high-potency marijuana into the HIDTA region, as well as increased incidents of local indoor cultivation, are contributing to the rising availability of high-potency marijuana. For example, law enforcement officials in Grand Forks, Kansas City, and Rapid City report an increase in high-potency marijuana availability in 2009. Additionally, various branded types or strains of high-potency marijuana such as “Kush”^d are marketed to create demand and are sold at higher prices to increase profits. Commercial-grade marijuana remains widely available throughout the HIDTA region.

MDMA and other drugs, such as LSD (lysergic acid diethylamine) and PCP (phencyclidine), are available and abused to varying degrees. Law enforcement officials in Kansas City and St. Louis and in several cities in North Dakota (including Bismarck and Fargo) and South Dakota (Brookings, Madison, Pierre, Sioux Falls, and Watertown) report increased MDMA availability and abuse in 2009. Laboratory testing of samples from Kansas City, Omaha, and St. Louis indicate that the MDMA tablets often were adulterated with BZP (benzylpiperazine) or TFMPP (1-(3-trifluoromethylphenyl)piperazine). In addition, law enforcement agencies in Kansas City and Pittsburg, Kansas, (which is supplied from Kansas City), report increased PCP availability in 2009.

Drug Trafficking Organizations

Mexican DTOs are the primary organizational threat to the Midwest HIDTA region. These DTOs manage sophisticated smuggling, transportation, and distribution networks for methamphetamine, cocaine, marijuana, and heroin. Mexican DTOs compartmentalize duties, employ advanced security and communications techniques, gather intelligence, and use violence and intimidation to control organization members and secure smuggling territories. Over the past few years, the structure of these Mexican DTOs has changed from traditional hierarchical organizations to decentralized networks of interdependent, task-oriented cells. For example, one cell may be responsible for transporting drug shipments, another for distributing drugs within the markets, and yet another for laundering drug proceeds. While the compartmentalized cell structure insulates DTO leaders from law enforcement, the leaders maintain control over market supply (availability and distribution).

An increasing illegal and legal Mexican and Central American population in suburban and rural towns has fueled the expansion and dominance of Mexican polydrug trafficking groups. Mexican DTOs exploit the infrastructure of these growing communities to mask their activities from law enforcement officials and to expand their distribution networks. Small, rural law enforcement agencies, constrained by a lack of resources and cultural and language differences, are often unable to infiltrate these DTOs.

African American and Hispanic street gangs are the principal retail-level drug distributors in metropolitan areas of the HIDTA region. African American street gangs (often Bloods and Crips gang factions) dominate distribution of crack cocaine and also distribute retail quantities of marijuana in markets such as Kansas City, Omaha, St. Louis, Cedar Rapids, Des Moines, Springfield, and Wichita. Sureños^e factions (including Florencia 13, also known as F-13) are the predominant Hispanic street gangs operating in the Midwest HIDTA. Hispanic street gangs operate in markets such as Kansas City, Omaha, St. Louis, Wichita, and Cedar Rapids. Members of street gangs operating within the HIDTA region are often difficult to classify or affiliate with a specific gang, and turf boundaries are not clearly defined.

d. High-potency marijuana is commonly marketed with brand names to promote sales of particular types of marijuana that exhibit unique characteristics, including smell, taste, and appearance.

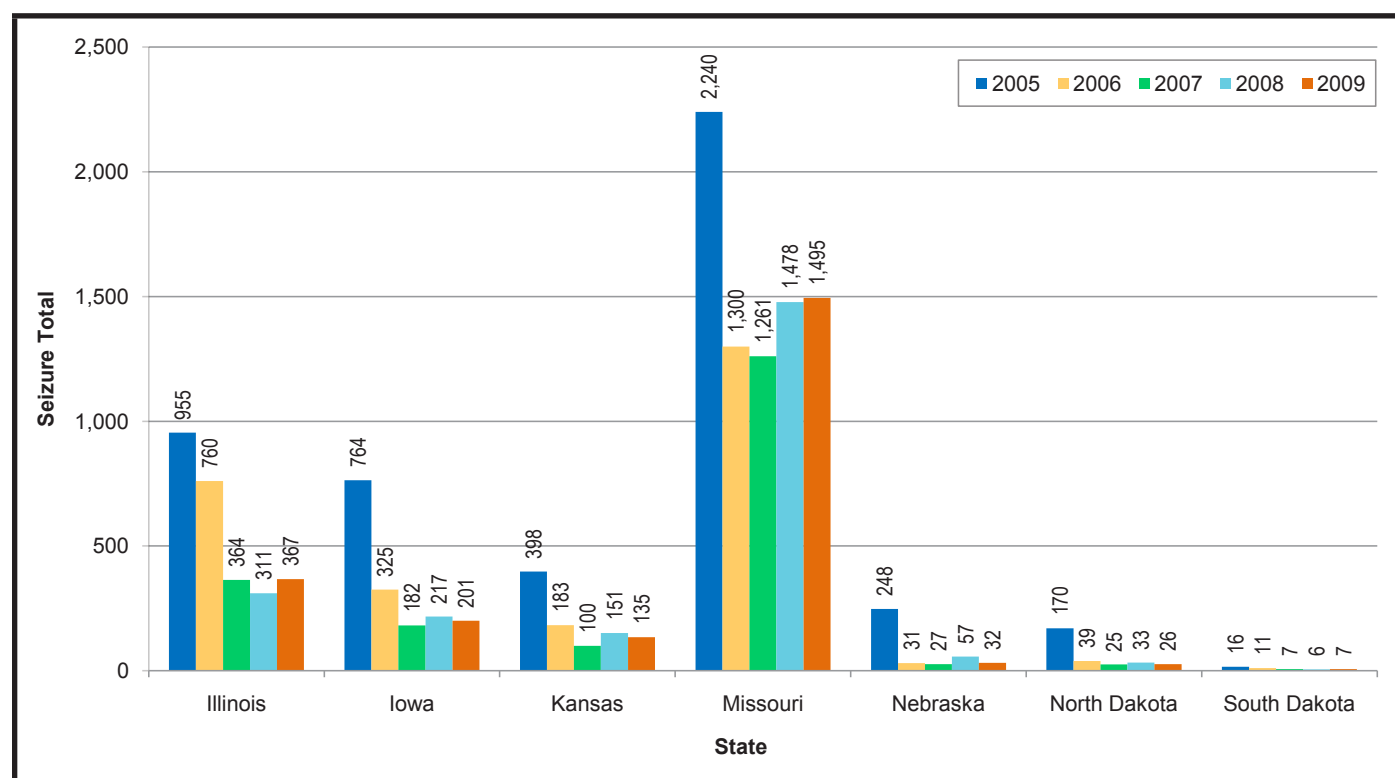
e. Sureños and Norteños are affiliations of Hispanic street gangs that initially were formed in the California Department of Corrections by members who wanted to join together to protect themselves from incarcerated street gang members from other areas. Hispanic street gangs in southern California (Bakersfield and points south) were known as Sureños street gangs, while those from central and northern California (north of Bakersfield) were known as Norteños street gangs. Hispanic street gangs operating in the Midwest HIDTA typically claim Sureños affiliation but often are not connected to gangs in southern California.

Some Chicago-based African American street gangs such as Gangster Disciples, Black Peace Stone Nation, and Vice Lords operate in several HIDTA cities, including Cedar Rapids; Columbia, Missouri; Davenport, Iowa; Fargo; Omaha; Sioux City; Sioux Falls; and Springfield, Missouri. These gang members typically travel from Chicago, Detroit, Minneapolis, and other markets in order to distribute crack cocaine and then return home. Law enforcement officials also report increased street gang activity in some HIDTA cities such as Garden City, Kansas; Kansas City; and St. Louis. Officials in Pennington County, South Dakota, and in Kansas City, Missouri, report that gang members sometimes advertise drugs for sale on social networking Internet sites, such as MySpace and Facebook, and also post pictures of themselves posing with drugs and/or weapons.

Production

Methamphetamine production by independent Caucasian individuals and criminal groups in the Midwest HIDTA region has increased since a resurgence in 2007 and 2008, supported largely by pseudoephedrine smurfing operations. (See Figure 4 on page 7 for visual representation of county-level seizures in 2009 versus 2008.) After the passage of precursor control legislation in 2005 made it more difficult to obtain pseudoephedrine, local methamphetamine production in the region decreased substantially through 2007. (See Figure 3.) Law enforcement agencies seized more methamphetamine laboratories^f (1,495) in Missouri in 2009 than in any other state in the nation; however, officials in many areas, including southeastern Kansas and Minot, North Dakota, also reported notable increases in local methamphetamine production in 2009. Law enforcement officials in Council Bluffs, Des Moines, Kansas City, Sioux City, Springfield (Missouri), and southeastern Missouri report the use of the one-pot cook method—in many cases, with associated consequences. (See text box on page 7.)

Figure 3. Methamphetamine Clandestine Laboratory Seizures, by Midwest HIDTA States, 2005–2009



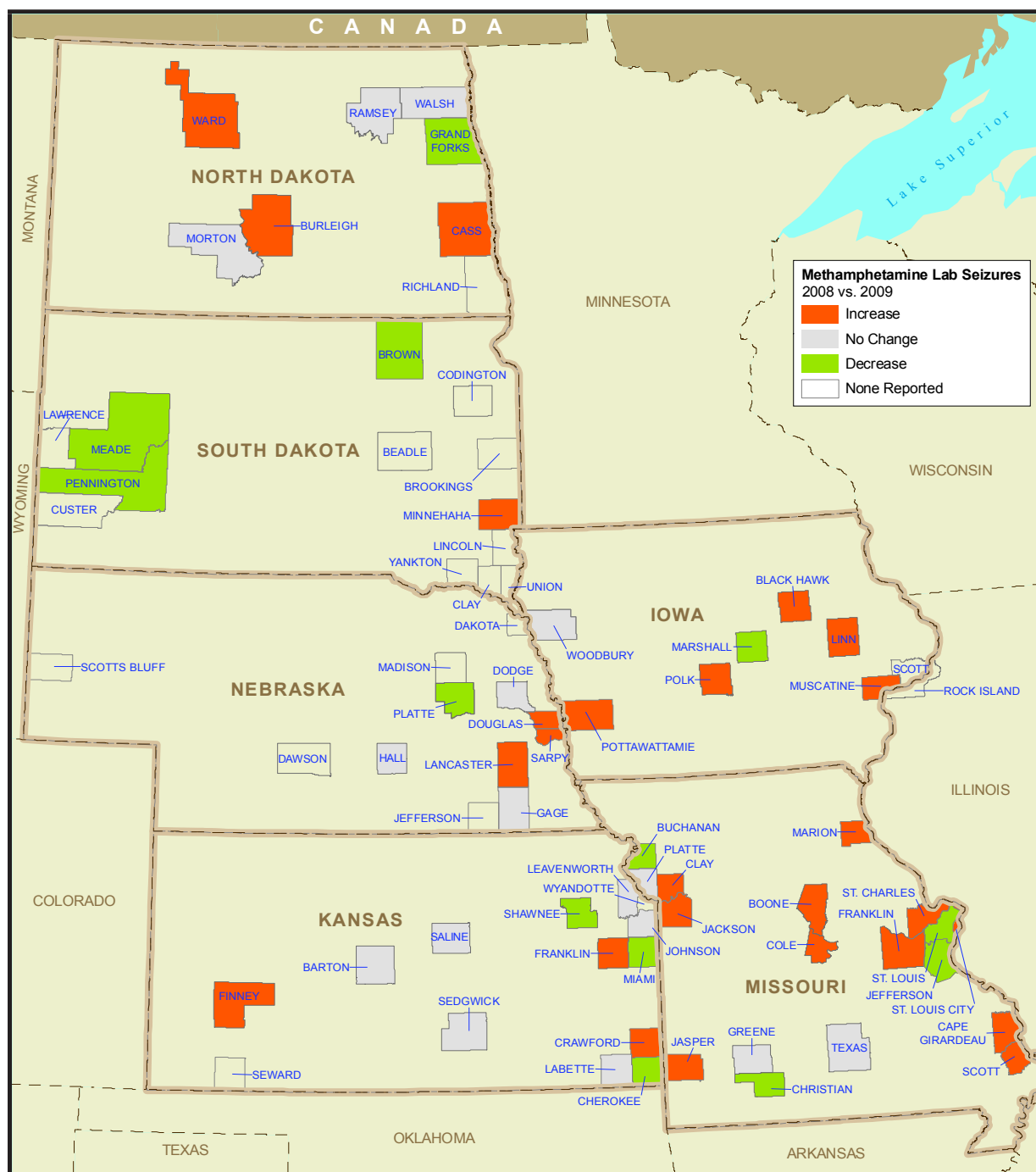
Source: National Seizure System, data run March 3, 2010.

f. These data (as of March 2010) include all methamphetamine laboratories; dumpsites; and chemicals, glassware, and equipment seized by federal, state, and local authorities and reported to the Drug Enforcement Administration (DEA) El Paso Intelligence Center (EPIC).

“One-Pot” or “Shake and Bake” Methamphetamine Production

A one-pot cook is actually a variation of the anhydrous ammonia method of production; however, in the one-pot method, cooks use a combination of commonly available chemicals to synthesize the anhydrous ammonia essential for methamphetamine production. In doing so, they are able to produce the drug in approximately 30 minutes at nearly any location by mixing ingredients in easily found containers, such as a 2-liter plastic soda bottle, as opposed to using other methods that require hours to heat ingredients on a stove, a process that could result in toxic fumes, primarily from the anhydrous ammonia. Producers often use the one-pot cook while traveling in vehicles and then dispose of waste components along roadsides. Discarded plastic bottles may carry residual chemicals that can be toxic, explosive, or flammable.

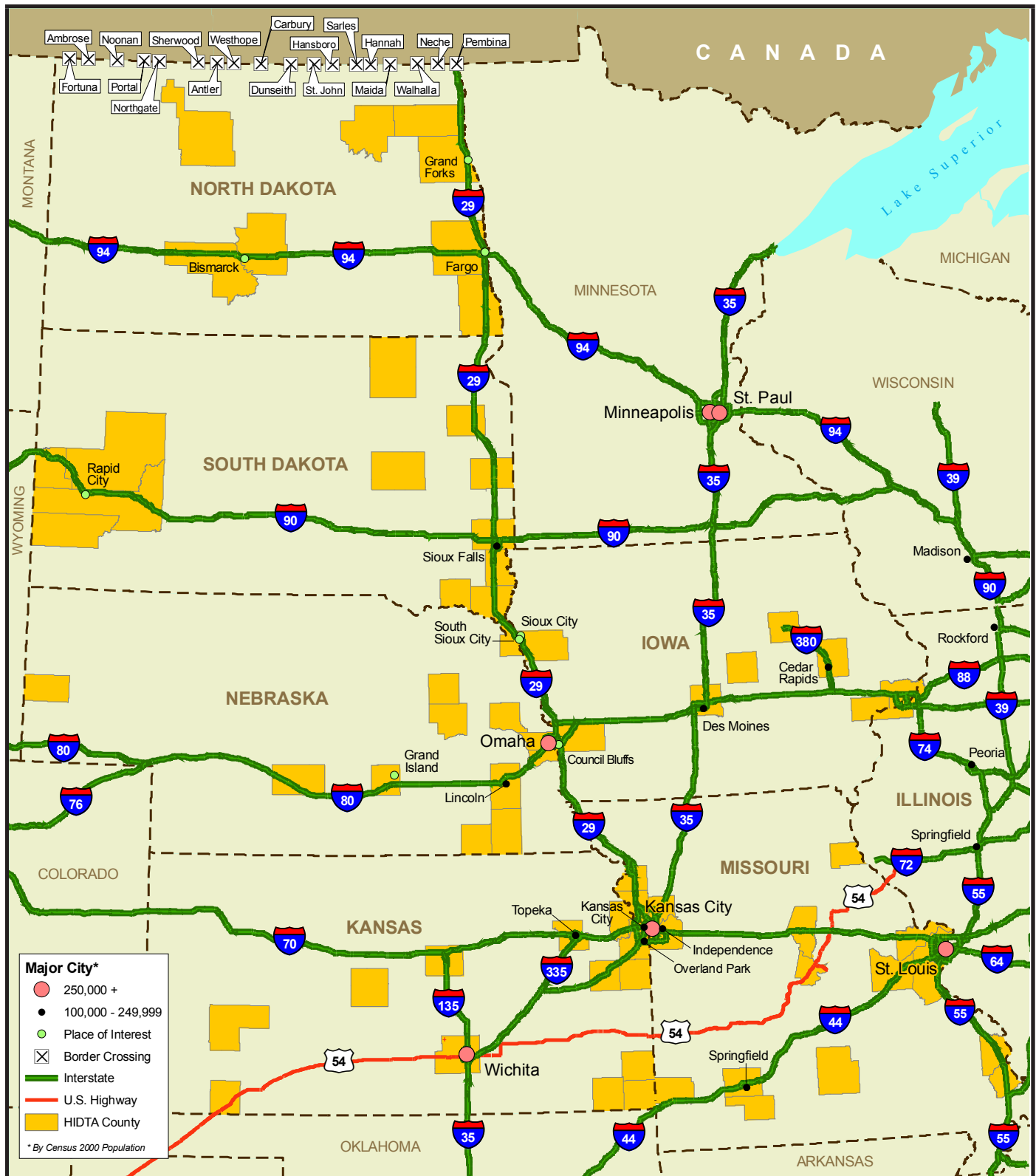
Figure 4. Change in Methamphetamine Laboratory Seizures, Midwest HIDTA Counties, 2008 and 2009



Source: National Seizure System.

Cannabis cultivation—at both indoor and outdoor sites—takes place throughout the Midwest HIDTA region. Marijuana production in the HIDTA region has been relatively stable over the past several years, with some law enforcement agencies, including the Combined Ozarks Multijurisdictional Enforcement Team and the Sedgwick County Sheriff's Department, reporting increased indoor and outdoor cannabis cultivation seizures in 2009.

Figure 5. Midwest HIDTA Transportation Infrastructure



Transportation

The Midwest HIDTA region is vulnerable to drug trafficking from the Southwest Border because of its connectivity to that region. Mexican traffickers transport drugs into the Midwest HIDTA region from Mexico through distribution hubs in California (Los Angeles) and the Southwest Border area (El Paso and Dallas, Texas, and Phoenix and Tucson, Arizona). Interstate highways are the primary trafficking routes; however, virtually all U.S. highways, state highways, and local roads are used by traffickers to transport illicit drugs. Major interstates that traverse the HIDTA region are Interstates 29, 35, 44, 55, 70, 80, 90, and 94. (See Figure 5 on page 8.) Mexican traffickers transport substantial quantities of ice methamphetamine, cocaine, marijuana, and heroin into and through the HIDTA region for local consumption and en route to national-level markets in the Midwest and Northeast, including Chicago and New York. As such, many opportunities exist for the interdiction of drugs and illicit proceeds in the region—and recent seizures highlight the importance of interdiction programs in the HIDTA region. For example, in March 2010, the Iowa State Patrol seized approximately \$870,500 on I-80 in Pottawattamie County from a private vehicle en route to Las Vegas from Minnesota. In addition, in January 2008, law enforcement officials seized 3 pounds of methamphetamine and \$384,000 from a private vehicle en route from San Diego to Grand Island/Greeley, Nebraska. Based on this traffic stop, Tri-City Drug Task Force members developed an investigation of a Mexican DTO operating in California, Arizona, Kansas, Iowa, and Nebraska; as a result of investigative efforts from 2008 through 2009, law enforcement officials were able to seize 3.37 kilograms of methamphetamine, 9 firearms, and \$421,000.

African American, Asian, Caucasian, and Hispanic street gangs, criminal groups, and independent dealers transport powder and crack cocaine, Mexican marijuana, and PCP to the region, but less frequently than in the past. These local, retail-level distributors avoid the risk of interdiction and law enforcement detection by purchasing illicit drugs from Mexican wholesalers in Garden City, Kansas City, Omaha, and Wichita. African American street gang members based in Chicago, Detroit, and Minneapolis also transport crack and powder cocaine and marijuana to metropolitan areas in Iowa, Nebraska, North Dakota, and South Dakota.

Asian trafficking groups transport MDMA and Canadian marijuana into and through the HIDTA region. Additionally, Caucasian trafficking groups transport Mexican and Canadian marijuana, Mexican methamphetamine, and limited quantities of MDMA to the region.

Distribution

Mexican DTOs and criminal groups control the wholesale and much of the midlevel distribution of methamphetamine, powder cocaine, marijuana, and heroin in the HIDTA region. They use Kansas City and St. Louis as distribution centers to supply illicit drugs to major market areas throughout the United States as well as to supply dealers in the HIDTA region. Most Mexican DTOs and criminal groups do not stockpile drug shipments for extended periods of time but, rather, use vacant stash houses and apartments for short-term storage and distribution to midlevel dealers. Mexican wholesale and midlevel dealers are the primary sources of supply for Caucasian and African American retailers, conducting most sales through referrals and prearranged meetings rather than in open-air settings.

Mexican DTOs have significantly increased their ice methamphetamine distribution operations in the Midwest HIDTA region over the past few years. Domestic precursor control legislation enacted in 2005 resulted in decreased methamphetamine production throughout the region, a situation that Mexican DTOs exploited by increasing their distribution operations to meet demand for the drug. Law enforcement agencies in most HIDTA drug markets now report that the majority of available methamphetamine is Mexican ice methamphetamine. However, several areas (southeast Kansas; St. Louis, Missouri; Grand Island and Omaha, Nebraska; Fargo and Grand Forks, North Dakota; and central South Dakota and the cities of Sturgis and Pierre) report either limited ice methamphetamine availability or sustained low purity in 2009.

Various ethnic street gangs and criminal groups distribute illicit drugs at the retail level in the Midwest HIDTA region. Retail crack distribution is conducted primarily by African American street gangs and criminal groups at open-air drug markets in many areas, but aggressive law enforcement efforts have forced some of these distributors to conduct sales from apartments or at controlled locations. Hispanic street gangs distribute methamphetamine and marijuana at the retail level, while Caucasian street gangs, criminal groups, and local independent dealers distribute methamphetamine, marijuana, and limited quantities of MDMA at the retail level. Asian street gangs and criminal

groups distribute MDMA in Des Moines, Iowa; Columbia, Missouri; the Kansas City metropolitan area; Springfield; St. Louis; and Wichita, Kansas. Various outlaw motorcycle gangs (OMGs) such as El Forastero, Galloping Goose, Invaders, and Sons of Silence distribute methamphetamine and marijuana in the HIDTA region.

Drug-Related Crime

High levels of crime in the HIDTA region are often associated with the distribution and abuse of illicit drugs, particularly methamphetamine and crack cocaine. According to the NDIC NDTs 2010, 99 of the 178 federal, state, and local law enforcement respondents in the Midwest HIDTA identify ice or powder methamphetamine as the drug that most contributes to violent crime in their jurisdictions; 51 report the same for crack or powder cocaine. Street gangs and other crack cocaine and methamphetamine distributors commonly commit violent crimes, including assault, carjacking, drive-by shooting, home invasion, robbery, and firearms violations to protect and expand their drug operations. For example, as of October 2009, the St. Louis FBI Combined Enforcement Group had seized six guns and two assault rifles from a gang distributing crack cocaine, heroin, and marijuana in St. Louis City. In addition, in March 2010, a Salina, Kansas, man was sentenced to serve 60 months on a charge of carrying a firearm in furtherance of drug trafficking; he carried a .22 caliber handgun when he sold methamphetamine to undercover buyers. Methamphetamine and crack abuse are often associated with domestic violence and child abuse, and abusers often commit property crimes, such as burglary, forgery, fraud, larceny, and identity theft, to support their addictions.

Abuse

Methamphetamine and cocaine abuse is the most critical drug abuse concern in the HIDTA. Methamphetamine abuse severely strains the resources of public health departments, treatment centers, and social services agencies in the Midwest HIDTA region. Methamphetamine-related domestic violence, child abuse, and child neglect have burdened local foster care systems and social services. Because of methamphetamine's highly addictive nature, longer treatment programs and high recidivism rates encumber treatment centers in the area. Crack cocaine abuse continues to be a serious problem in many metropolitan areas of the Midwest HIDTA, and powder cocaine abuse increased in several HIDTA cities, including Grand Forks, in 2009.

The abuse of heroin and CPDs is also problematic in certain areas of the Midwest HIDTA region. Law enforcement officials in Kansas and Missouri^g report increased heroin arrests and seizures, indicating increased heroin availability and abuse. Of significant concern to law enforcement and public health officials are the varied street-level heroin purities that sometimes result in heroin-related overdose deaths. In 2009, law enforcement officials in several markets and many smaller towns and rural counties, especially those in North Dakota, reported high levels of abuse as well as increased seizures and controlled purchases of CPDs. Marijuana abuse is pervasive throughout the Midwest HIDTA region but poses a lesser concern to public health and law enforcement officials than the abuse of methamphetamine or cocaine—drugs that are more addictive and have a greater potential for overdosing. Commercial-grade and high-potency marijuana are available and abused throughout the region. Officials in Grand Forks, Kansas City, and Rapid City report an increase in the availability and abuse of high-potency marijuana in 2009.

Illicit Finance

Mexican DTOs and criminal groups generate hundreds of millions of dollars in illicit drug proceeds annually in the Midwest HIDTA region, most of which is transported in bulk cash shipments to other destinations in the United States and Mexico for laundering. Illicit proceeds—including those generated in outlying markets—are consolidated by traffickers within the HIDTA's market areas for shipment to drug source cities, including El Paso and Houston, Texas, and Phoenix and Tucson, Arizona, as well as to Mexico. Traffickers transport bulk cash primarily via private and commercial vehicles that are often equipped with hidden compartments. For example, in May 2009 the Kansas Highway Patrol seized almost \$654,000 from a private vehicle on U.S. Highway 54 en route to El Paso from Kansas City; the currency was concealed in three plastic bags stored in a manufactured compartment.

g. Many cities in eastern Missouri reported an increase in CPD abuse during 2009. These cities fall within St. Louis's sphere of influence, where heroin abuse is much more prevalent than in other areas of the HIDTA region. This rise in CPD abuse may be due to heroin abusers seeking alternatives.

Mexican DTOs and other traffickers in the Midwest HIDTA region also use money services businesses (MSBs) such as money remitters and check cashing firms to launder drug proceeds. Mexican traffickers in the region also invest drug proceeds in real estate and businesses as well as expensive items, including jewelry and luxury vehicles. They frequently purchase cash-intensive businesses such as bars, jewelry stores, restaurants, and used car lots and commingle drug proceeds with profits generated at the business. Some wholesale-level traffickers in the HIDTA region are also using electronic commerce, such as digital currency, private automated teller machines (ATMs), mobile payments,^h and online payment systems, to launder illicit proceeds. In addition, law enforcement officials in Bismarck, North Dakota; Grand Island, Nebraska; Pittsburg, Kansas; Kansas City and St. Charles, Missouri; indicate that some traffickers accept prepaid cards for drug payments.

Outlook

NDIC analysts expect Mexican DTOs to continue their dominance over wholesale Mexican methamphetamine, cocaine, heroin, and marijuana distribution in the Midwest HIDTA region. Wholesale methamphetamine availability in the HIDTA is expected to increase in 2010 (as a result of increased production in Mexico); however, availability may outpace demand in smaller cities in the region if Mexicans supply lower potency d,l-methamphetamine rather than d-methamphetamine, as methamphetamine abusers seek a better “high” with cocaine. A sustained supply of lower-purity and/or -potency Mexican methamphetamine will also lead to increased local small-scale production of d-methamphetamine. Cocaine availability is expected to fluctuate but remain at levels sufficient to support demand in most markets. However, sustained cocaine shortages will persist in the St. Louis market area, where heroin availability is expected to increase. The counties surrounding St. Louis will see corresponding increases in heroin abuse and related treatment admissions and overdoses. In addition, if CPD abusers in the HIDTA region are unable to obtain prescription opioids at a low cost, some will switch to heroin, which is increasingly available and relatively inexpensive.

h. Mobile payments are any payments activated or confirmed by a mobile device, such as a cellular telephone.

Appendix A. Drug Markets

Overview

The Midwest HIDTA region contains several primary drug market areas, including the Kansas City, Omaha, St. Louis, and Des Moines/Cedar Rapids metropolitan areas and a number of secondary markets, including Fargo/Grand Forks, Sioux City/Sioux Falls, Springfield, and Wichita. (See Figure 5 on page 8.) Individual market discussions are intended to augment the overall discussion of drug trafficking and abuse in the Midwest HIDTA region, highlighting localized trends and deviations. The general drug situation in the Midwest HIDTA region applies to an individual market unless otherwise stated.

Primary Markets

Kansas City, Kansas/Missouri

The Kansas City metropolitan area includes Clay, Jackson, and Platte Counties in Missouri and Johnson and Wyandotte Counties in Kansas and has a combined population of almost 1.6 million. Kansas City is located near the geographic center of the United States at the intersection of several of the nation's busiest highways (Interstates 29, 35, and 70), making it a major transshipment point for illicit drugs and drug proceeds to, from, and between significant market areas in the West (Arizona, California, Colorado, Texas), the Midwest (Kansas, Missouri, Nebraska), and the East (Illinois, Michigan, New York).

The Kansas City metropolitan area is also a significant consumer market. Combating crack cocaine distribution and abuse consumes public resources in the inner city of Kansas City, while methamphetamine distribution and abuse are the major drug problems in outlying areas. African American crack distributors frequently obtain powder cocaine for conversion from Mexican and Hispanic midlevel dealers located in the northeast section of Kansas City, Missouri, and from Mexican wholesale and midlevel dealers in Kansas City, Kansas. Mexican wholesale and midlevel dealers are typically supplied by sources in the El Paso, Los Angeles, Phoenix, and Tucson areas. Mexican wholesale and midlevel dealers typically distribute methamphetamine in outlying and suburban areas of the metropolitan area; most of the methamphetamine available and abused is Mexican ice methamphetamine. While the quantity of heroin available in the market is not comparable to that of methamphetamine or cocaine, the availability of the drug has greatly increased in the Kansas City metropolitan area since 2007. Oxycodone and hydrocodone are the most commonly abused controlled prescription narcotics. Law enforcement officials report CPD abuse is increasing, particularly among Caucasians ages 16 to 24.

Drug-related violent crime poses a problem in the Kansas City metropolitan area. African American and Hispanic street gangs are the primary perpetrators, and both rely on illicit drug distribution for revenue. African American gangs are dominant; while many of these gangs claim Bloods or Crips affiliation, they are local and tend to be loosely organized and based on neighborhood affiliations. Hispanic street gangs are increasing in number and are more organized and tied to nationally affiliated gangs such as Sureños and F-13.

Omaha, Nebraska

The Omaha metropolitan area, which includes the city of Omaha and Douglas and Sarpy Counties in Nebraska, and Pottawattamie County in Iowa, is located on the eastern Nebraska border along the Missouri River and has a combined population of over 670,000. Interstates 29 and 80 intersect in the Omaha metropolitan area, providing drug traffickers easy access to the Kansas City metropolitan area and national drug markets in California and southwestern states. Omaha is a regional distribution center for illicit drugs—cocaine, methamphetamine, and marijuana are distributed from Omaha to neighboring states, including Iowa and South Dakota.

Mexican DTOs and criminal groups transport wholesale quantities of methamphetamine, powder cocaine, and marijuana to and through Omaha from distribution hubs in the state of Sinaloa, Mexico, and numerous Southwest region cities, including Phoenix, Tucson, San Diego, and Los Angeles. In addition, Mexican DTOs maintain connections throughout many smaller Nebraska towns near Omaha, such as Fremont, Grand Island, Lexington, and Norfolk, where large numbers of Mexican nationals have sought employment in meat packing and poultry processing plants. Mexican DTOs use their connections in these cities to smuggle illicit drugs into the Omaha metropolitan area.

Mexican DTOs have supplanted locally produced methamphetamine with Mexican ice methamphetamine in Omaha and surrounding counties. While Mexican methamphetamine availability has remained relatively stable in Omaha, law enforcement officials in areas supplied by Omaha report that the purity of Mexican methamphetamine was low during 2009. As a result, some users seeking a “better” high switched back to locally produced methamphetamine or cocaine.

St. Louis, Missouri

The St. Louis metropolitan area, which includes the city of St. Louis and St. Louis, Jefferson, Franklin, and St. Charles Counties, is located in east central Missouri along the Mississippi River. St. Louis is a significant consumer market and also serves as a transshipment and distribution hub for Mexican traffickers who supply cocaine, heroin, marijuana, and methamphetamine throughout Missouri and to markets in other states, including Illinois, Iowa, Kansas, Nebraska, and Wisconsin. The convergence of Interstates 44, 55, 64, and 70 in St. Louis provides easy access for distributors to transport illicit drugs from the Southwest Border to St. Louis and markets outside the HIDTA region.

Mexican DTOs in St. Louis have primary sources of supply in Phoenix, and Tucson; they also acquire heroin, cocaine, methamphetamine, and marijuana from sources in Atlanta, Chicago, Dallas, Denver, El Paso, Houston, and Los Angeles. Local law enforcement investigations have also discovered that Mexican traffickers operating in St. Louis frequently have connections in Chicago, Memphis, and New York City.

Heroin and crack distribution and abuse are major drug problems in St. Louis; however, law enforcement officials report that since 2008, cocaine availabilityⁱ in the metropolitan area has declined while heroin availability has increased. White powder heroin (origin often unknown and grey in color) and Mexican black tar heroin and brown powder heroin are all available in St. Louis, although the St. Louis Metropolitan Police Laboratory reports that most submissions in 2009 were of white powder heroin. Investigations in St. Louis have revealed that Chicago is the source of supply for the majority of white powder available and that Oakland and Sacramento, California, also serve as sources of supply for black tar heroin.

Methamphetamine is rarely encountered in the city of St. Louis, but it is the primary drug problem in surrounding counties, including St. Louis County. Methamphetamine production remains relatively high in eastern and southern Missouri, particularly in the areas adjacent to St. Louis. (See Map 1 on page 14.) According to law enforcement officials, laboratory operators in these locations travel to neighboring counties and states to purchase large amounts of precursor chemicals and return to the area to manufacture methamphetamine.

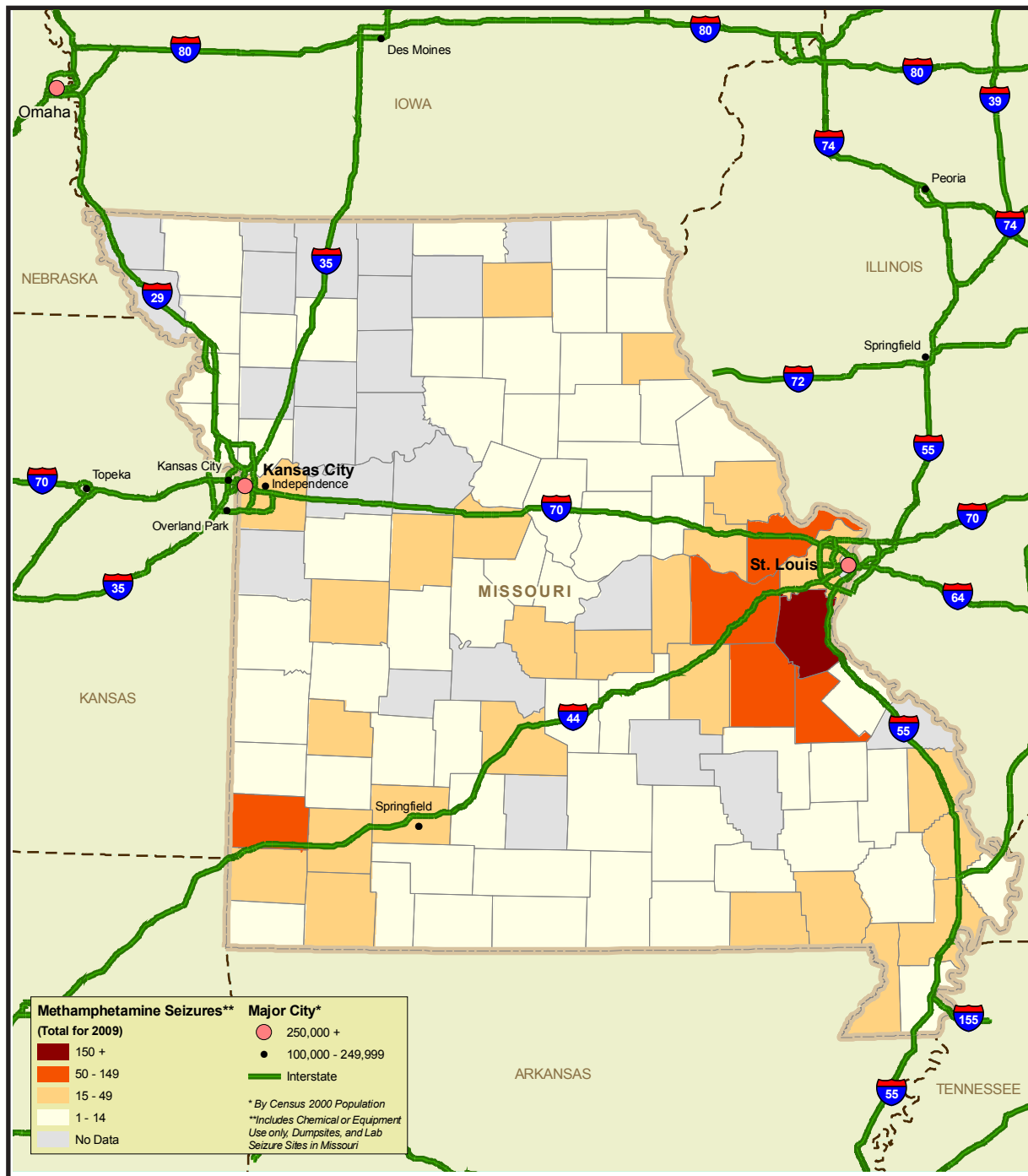
Des Moines/Cedar Rapids, Iowa

Cedar Rapids is the second-largest city in Iowa and is located in the eastern part of the state on the Cedar River in Linn County, which has a population of over 197,000. Cedar Rapids is primarily a consumer market for illicit drugs, but some cocaine and marijuana are supplied from Cedar Rapids to neighboring cities in Iowa, particularly Cedar Falls, Waterloo, and Dubuque.

The Des Moines metropolitan area, which includes the city of Des Moines as well as the rest of Polk County, has almost 375,000 residents. The highway infrastructure in the Des Moines area facilitates the transportation of illicit drugs and drug proceeds to and from the area. Interstates 35 and 80 intersect in Polk County northeast of Des Moines and are the principal highways that serve the area. Des Moines is primarily a consumer market, but Mexican DTOs also use Des Moines as a transshipment center for ice methamphetamine destined for northeastern markets.

Crack cocaine distribution and abuse are significant drug concerns to law enforcement and public health officials in Cedar Rapids, while law enforcement officials in Des Moines consider ice methamphetamine to be the greatest drug threat. Chicago serves as a major source of all drugs supplying both cities and Chicago-based street gangs, primarily Latin Kings, Gangster Disciples, and Vice Lords, which dominate the retail distribution of crack and powder cocaine in Cedar Rapids and Des Moines. Additionally, law enforcement officials representing the cities report an increase in local methamphetamine production, and officials in Des Moines report use of the one-pot method in 2009.

i. Law enforcement officials in St. Louis report that cocaine availability has been variable since nationwide cocaine shortages in 2006 but has decreased since 2008. In addition, the number of cocaine submissions to the St. Louis Metropolitan Police Laboratory declined in 2009.

Map 1. Methamphetamine Laboratory Seizures in Missouri, by County, 2009

Source: National Seizure System, data run March 2010.

Secondary Markets

Fargo/Grand Forks, North Dakota

The Fargo/Grand Forks area includes Cass, Grand Forks, Ramsey, Richland, and Walsh Counties in North Dakota. The population of the area's five counties is approximately 215,000, roughly one-third of the total population of the state. The Fargo/Grand Forks area is primarily a consumer market for illicit drugs; however, it does serve as a distribution center for small communities in eastern and central North Dakota.

Cocaine and methamphetamine distribution and abuse are significant drug concerns to law enforcement and public health officials in Fargo and Grand Forks. State and local law enforcement officials in Fargo report that ice methamphetamine was limited in availability and low in purity during 2009, which contributed to an increase in local methamphetamine production. Powder cocaine availability increased in Grand Forks in the first half of 2009, and law enforcement officials in the area increasingly reported encountering diverted CPDs during 2009. Despite the proximity of the Fargo/Grand Forks area to Canada, Mexican commercial-grade marijuana is more available than Canadian high-potency marijuana. However, the North Dakota Bureau of Criminal Investigation reported an increase in high-potency marijuana availability in both cities in 2009.

Sioux City, Iowa/Sioux Falls, South Dakota

The Sioux City/Sioux Falls area—which includes Woodbury County, Iowa; Dakota County, Nebraska; and Clay, Lincoln, Minnehaha, Union, and Yankton Counties, South Dakota—is located along the I-29 corridor in northwestern Iowa (Sioux City), northeastern Nebraska (South Sioux City), and southeastern South Dakota (Sioux Falls). Sioux City/Sioux Falls is a regional distribution center for methamphetamine, marijuana, cocaine, and MDMA; these drugs are distributed from the area to markets in Iowa, Minnesota, Montana, Nebraska, and South Dakota.

Mexican criminal groups transport wholesale quantities of methamphetamine, marijuana, and powder cocaine, and limited quantities of Mexican black tar heroin to the area from California and Arizona as well as from Omaha. Mexican wholesale traffickers sell methamphetamine and other illicit drugs to Mexican and Caucasian midlevel dealers, who in turn sell the drugs to the area's retail distributors. Caucasian independent dealers are the primary retail distributors in the Sioux City/Sioux Falls area; African American, Mexican, and Native American independent dealers also distribute drugs at the retail level. In addition, law enforcement officials in Sioux Falls report that Asian criminal groups are transporting methamphetamine to the metropolitan area from Worthington, Minnesota.

The distribution and abuse of crack cocaine, powder cocaine, and methamphetamine are significant drug problems in the Sioux City/Sioux Falls area and are frequently associated with violent and property crimes. It is anticipated that crack cocaine availability will temporarily decline in 2010 as the result of the arrests of six Chicago street gang members in late 2009 who were supplying much of the drug. The Sioux Falls Metro Gang Task Force reports an increasing Hispanic gang population active in methamphetamine distribution. CPD diversion and abuse increased in the Sioux Falls area in 2009.

Springfield, Missouri

Springfield, with a population of more than 150,000, is the county seat of Greene County and is situated along I-44, which connects Springfield to St. Louis and Oklahoma City, Oklahoma. Springfield is a consumer market and a state distribution center. Mexican traffickers transport wholesale quantities of ice methamphetamine, cocaine, and marijuana from Fayetteville, Arkansas; Bakersfield, California; Phoenix, and Texas to Springfield for distribution. Cocaine, marijuana, and methamphetamine are distributed from Springfield to areas throughout Missouri.

Ice methamphetamine and crack cocaine distribution and abuse are major drug threats to Springfield and are frequently associated with violent crimes. A slight increase in high-potency marijuana availability and abuse is attributed to the large college population in Springfield that typically prefers this type of marijuana and increased seizures of small-scale cannabis grows (both indoor and outdoor) in the Springfield area in 2009. In addition, area law enforcement officials report an increase in local methamphetamine production, including the use of the one-pot method, which resulted in several fires. Local law enforcement officials also report that CPD abuse is a growing concern in the area.

Wichita, Kansas, Area

The Wichita metropolitan area, which includes Wichita as well as the rest of Sedgwick County, has more than 450,000 residents and is located in south central Kansas. Situated at the intersection of I-35 and US 54, two major drug transportation routes from the Southwest Border, Wichita is a drug distribution hub and a significant consumer market. Mexican DTOs and criminal groups are the principal transporters of most illicit drugs available in Wichita and Sedgwick County. Mexican ice methamphetamine, powder cocaine, and marijuana are distributed from Wichita to many southeast and south central Kansas towns. Asian criminal groups from Canada and Washington transport MDMA to Wichita, where it is distributed by Asian street gangs and criminals as well as by independent, college-age users.

Sources

Local, State, and Regional

Illinois

Quad City Metropolitan Enforcement Group

Iowa

Cedar Rapids/DEA Task Force
 Cedar Rapids Police Department
 Denison Police Department
 Des Moines/DEA Task Force
 Harrison County Sheriff's Office
 Iowa Division of Narcotics Enforcement
 Iowa State Patrol
 Linn County Sheriff's Department
 Muscatine Task Force
 O'Brien County Sheriff's Office
 Sioux City Police Department
 Tri-State Drug Task Force

Kansas

Garden City/DEA Task Force
 Kansas Office of Attorney General
 Kansas Bureau of Investigation
 Southeast Kansas Drug Task Force
 Kearney County Sheriff's Department
 Merriam Police Department
 Overland Park Police Department
 Sedgwick County Sheriff's Office
 Wichita/DEA Task Force
 Wichita Police Department
 Gang/Felony Assault Unit

Missouri

Combined Ozarks Multijurisdictional Enforcement Team
 Franklin County Narcotics Enforcement Unit
 Jackson County Drug Task Force
 Jasper County Drug Task Force
 Jefferson County Municipal Enforcement Group
 Joplin Police Department
 Kansas City DEA Interdiction Task Force
 Kansas City Metropolitan Enforcement Task Force

Kansas City Police Department
 Financial Investigations Unit
 Street Gang Squad
 Street Illicit Drugs Unit
 Mid-Missouri Unified Strike Team and Narcotics Group
 Mineral Area Drug Task Force
 Missouri State Highway Patrol
 Southeast Missouri Drug Task Force
 Springfield/DEA Task Force
 St. Charles County Drug Task Force
 St. Louis FBI Combined Enforcement Task Force
 St. Louis Interdiction Groups
 St. Louis Metropolitan Police Department
 Criminal Forensics Section
 Narcotics Division
 St. Louis Multijurisdictional Drug Enforcement

Nebraska

III Corps Drug Task Force
 Cass County Sheriff's Department
 Lincoln/Lancaster Drug Task Force
 Nebraska Highway Patrol
 Omaha Metro Drug Task Force
 Tri-City Federal Drug Task Force
 Western Intelligence Narcotics Group

North Dakota

Devils Lake Police Department
 Fargo/DEA Task Force
 Grand Forks County Drug Task Force
 Grand Forks Police Department
 Metro Area Safe Trails Task Force (Bismarck)
 North Dakota Bureau of Criminal Investigation
 North Dakota Highway Patrol

South Dakota

Madison Police Department
 Mitchell Police Department
 Pennington County Drug Task Force
 Pierre Police Department
 Sioux Falls Area Drug Task Force
 Sioux Falls Metro Gang Task Force
 Sioux Falls Police Department
 South Dakota Division of Criminal Investigation

Federal

Executive Office of the President

Office of National Drug Control Policy

High Intensity Drug Trafficking Area

Midwest

U.S. Department of Commerce

U.S. Census Bureau

U.S. Department of Health and Human Services

Substance Abuse and Mental Health Services Administration

Treatment Episode Data Set

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

Drug Enforcement Administration

Chicago Division

Fargo Resident Office

El Paso Intelligence Center

National Seizure System

St. Louis Division

Cedar Rapids Office

Des Moines Office

Kansas City Office

Omaha District Office

Federal Bureau of Investigation

Kansas City Field Office

Northern Plains Safe Trails Drug Enforcement Task Force

St. Louis Field Division

U.S. Attorneys Office

District of Kansas

District of Nebraska

District of North Dakota

District of South Dakota

Eastern District of Missouri

Northern District of Iowa

Southern District of Illinois

Southern District of Iowa

Western District of Missouri

Questions and comments may be directed to
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LEO <https://www.leo.gov/http://leowcs.leopriv.gov/lesig/ndic/index.htm>

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