

UNCLASSIFIED



U.S. Department of Justice  
Drug Enforcement Administration



# 2018 NATIONAL DRUG THREAT ASSESSMENT



UNCLASSIFIED

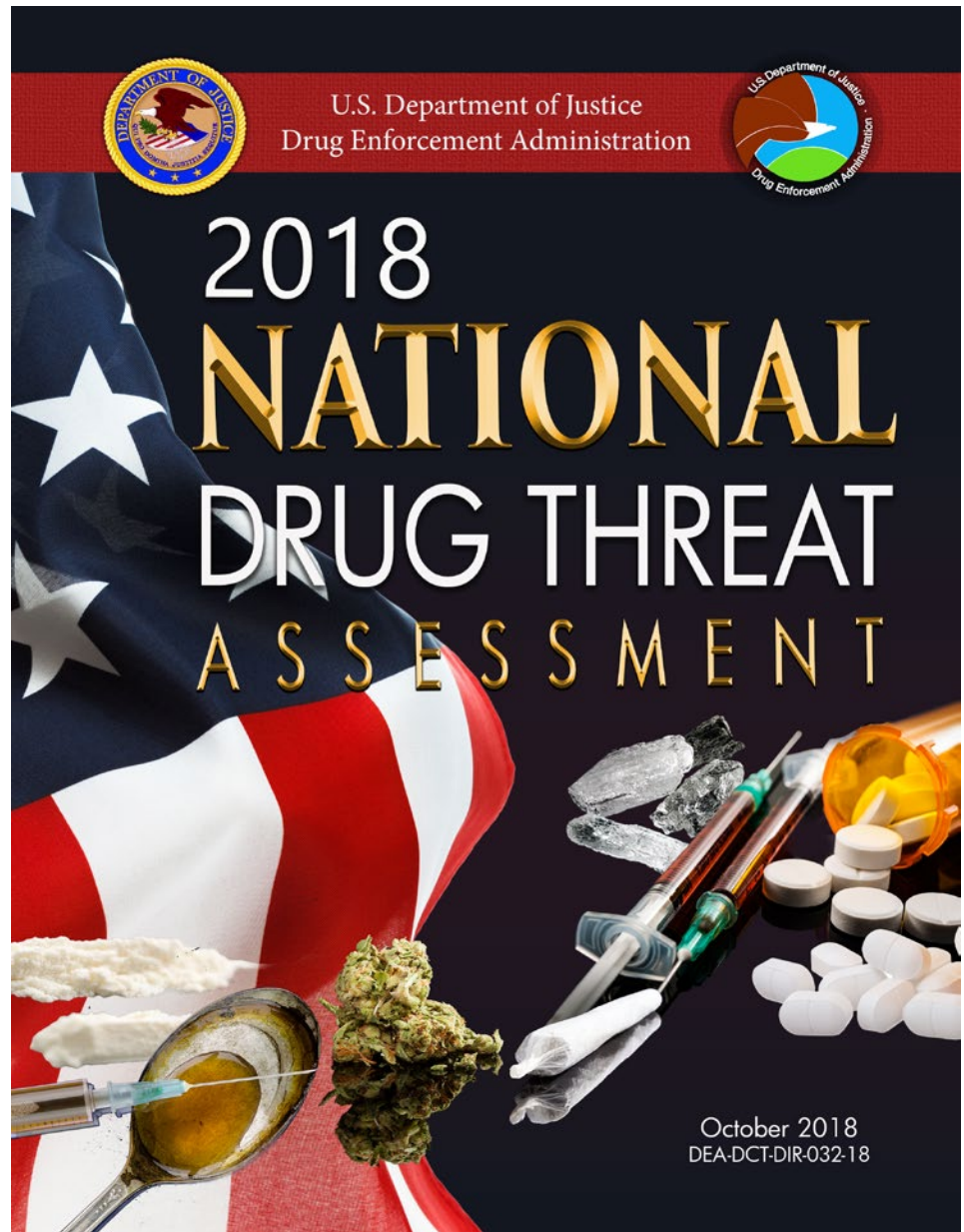
October 2018  
DEA-DCT-DIR-032-18

This page intentionally left blank.



# Drug Enforcement Administration

## 2018 National Drug Threat Assessment



This product was prepared by the DEA Strategic Intelligence Section. Comments and questions may be addressed to the Chief, Analysis and Production Section, at [DEAIntelPublications@usdoj.gov](mailto:DEAIntelPublications@usdoj.gov).

This page intentionally left blank.

# TABLE OF CONTENTS

<b>Letter from the Acting Administrator .....</b>	<b>iii</b>
<b>Executive Summary .....</b>	<b>v</b>
<b>Controlled Prescription Drugs .....</b>	<b>1</b>
<b>Heroin .....</b>	<b>11</b>
<b>Fentanyl and Other Synthetic Opioids .....</b>	<b>21</b>
<b>Cocaine .....</b>	<b>39</b>
<b>Methamphetamine .....</b>	<b>59</b>
<b>Marijuana .....</b>	<b>77</b>
<b>New Psychoactive Substances (NPS) .....</b>	<b>89</b>
<b>Transnational Criminal Organizations .....</b>	<b>97</b>
<b>Gangs .....</b>	<b>107</b>
<b>Illicit Finance .....</b>	<b>123</b>
Puerto Rico and the U.S. Virgin Islands .....	131
Guam .....	135
Tribal Lands .....	137
Appendix A: Additional Tables .....	140
Appendix B: Twenty-Three DEA Field Divisions .....	144
Appendix C: National Drug Threat Assessment Scope and Methodology .....	145
Appendix D: Acronym Glossary .....	146

This page intentionally left blank.

## LETTER FROM THE ACTING ADMINISTRATOR



I am pleased to present the 2018 National Drug Threat Assessment (NDTA), a comprehensive, strategic assessment of the illicit drug threats posed to our communities.

The NDTA was produced in partnership with local, state, tribal, and federal agencies. It integrates reporting from law enforcement, intelligence, and public health agencies to provide timely, strategic drug-related intelligence to formulate counterdrug policies. Further, it helps law enforcement personnel, educators, and prevention and treatment specialists establish priorities and allocate resources.

The trafficking and abuse of illicit drugs poses a severe danger to our citizens and a significant challenge for our law enforcement and health care systems. Through robust enforcement, public education, prevention, treatment, and collaboration with our partners, we can protect our citizens from dangerous drugs and their dire consequences.

Thank you to our partners for their contributions to this report. Your input continues to help us meet the needs of the law enforcement, intelligence, prevention, and treatment provider communities as well as shape counterdrug policies. My colleagues and I at DEA look forward to collaborating on future strategic counterdrug initiatives that impact our national security interests, at home and abroad.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Uttam Dhillon', with a long horizontal flourish extending to the right.

Uttam Dhillon  
Acting Administrator  
Drug Enforcement Administration

This page intentionally left blank.

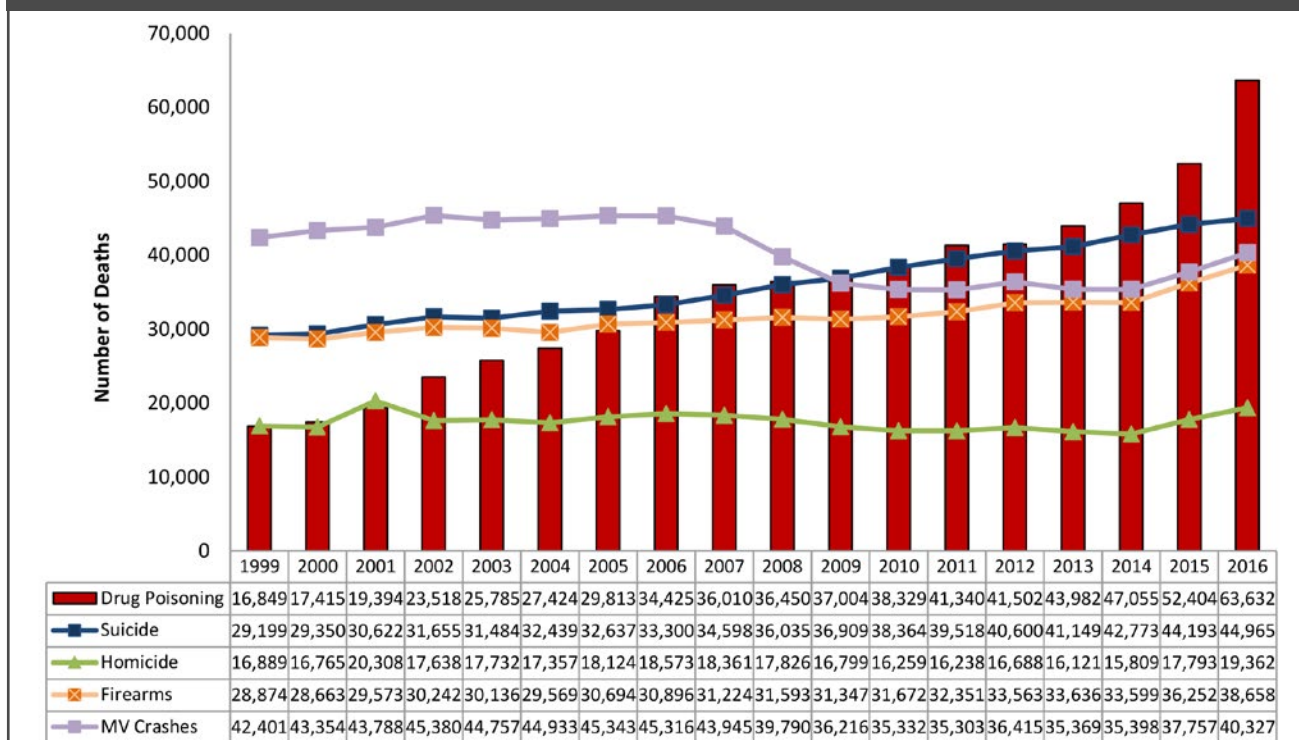


# EXECUTIVE SUMMARY

The 2018 National Drug Threat Assessment (NDTA)<sup>1</sup> is a comprehensive strategic assessment of the threat posed to the United States by domestic and international drug trafficking and the abuse of illicit drugs. The report combines federal, state, local, and tribal law enforcement reporting; public health data; open source reporting; and intelligence from other government agencies to determine which substances and criminal organizations represent the greatest threat to the United States.

Illicit drugs, as well as the transnational and domestic criminal organizations who traffic them, continue to represent significant threats to public health, law enforcement, and national security in the United States. Drug poisoning deaths are the leading cause of injury death in the United States; they are currently at their highest ever recorded level and, every year since 2011, have outnumbered deaths by firearms, motor vehicle crashes, suicide, and homicide. In 2016, approximately 174 people died every day from drug poisoning (see Figure 1). The opioid threat (controlled prescription drugs, synthetic opioids, and heroin) has reached epidemic levels and currently shows no signs of abating, affecting large portions of the United States. Meanwhile, as the ongoing opioid crisis justly receives national attention, the methamphetamine threat remains prevalent; the cocaine threat has rebounded; new psychoactive substances (NPS) are still challenging; and the domestic marijuana situation continues to evolve.

**Figure 1. Number of Injury Deaths by Drug Poisoning, Suicide, Homicide, Firearms, and Motor Vehicle Crashes in the United States, 1999 – 2015<sup>2</sup>**



Source: Centers for Disease Control and Prevention

<sup>1</sup> Analyst Note: The information in this report is current as of August 2018.

<sup>2</sup> Drug overdose deaths are identified using ICD-10 underlying cause-of-death codes X40-X44, X60-X64, X85, and Y10-Y14. Drug overdose deaths involving selected drug categories are identified using ICD-10 multiple cause-of-death codes: heroin, T40.1; natural and semisynthetic opioids, T40.2; methadone, T40.3; synthetic opioids other than methadone, T40.4; cocaine, T40.5; and psychostimulants with abuse potential, T43.6. Categories are not mutually exclusive because deaths may involve more than one drug. Also, not all states report death data the same or at all to the Centers for Disease Control and Prevention (CDC), meaning nationwide counts of drug overdose deaths, especially deaths by a specific drug(s), may vary from statewide counts. As a result, CDC has stated the true number of drug overdose deaths is almost certainly much higher than the numbers officially reported.

**Controlled Prescription Drugs (CPDs):** CPDs are still responsible for the most drug-involved overdose deaths and are the second most commonly abused substance in the United States. As CPD abuse has increased significantly, traffickers are now disguising other opioids as CPDs in attempts to gain access to new users. Most individuals who report misuse of prescription pain relievers cite physical pain as the most common reason for abuse; these misused pain relievers are most frequently obtained from a friend or relative.

**Heroin:** Heroin use and availability continue to increase in the United States. The occurrence of heroin mixed with fentanyl is also increasing. Mexico remains the primary source of heroin available in the United States according to all available sources of intelligence, including law enforcement investigations and scientific data. Further, significant increases in opium poppy cultivation and heroin production in Mexico allow Mexican TCOs to supply high-purity, low-cost heroin, even as U.S. demand has continued to increase.

**Fentanyl and Other Synthetic Opioids:** Illicit fentanyl and other synthetic opioids — primarily sourced from China and Mexico—are now the most lethal category of opioids used in the United States. Traffickers— wittingly or unwittingly— are increasingly selling fentanyl to users without mixing it with any other controlled substances and are also increasingly selling fentanyl in the form of counterfeit prescription pills. Fentanyl suppliers will continue to experiment with new fentanyl-related substances and adjust supplies in attempts to circumvent new regulations imposed by the United States, China, and Mexico.

**Cocaine:** Cocaine availability and use in the United States have rebounded, in large part due to the significant increases in coca cultivation and cocaine production in Colombia. As a result, past-year cocaine initiates and cocaine-involved overdose deaths are exceeding 2007 benchmark levels. Simultaneously, the increasing presence of fentanyl in the cocaine supply, likely related to the ongoing opioid crisis, is exacerbating the re-merging cocaine threat.

**Methamphetamine:** Methamphetamine remains prevalent and widely available, with most of the methamphetamine available in the United States being produced in Mexico and smuggled across the Southwest Border (SWB). Domestic production occurs at much lower levels than in Mexico, and seizures of domestic methamphetamine laboratories have declined steadily for many years.

**Marijuana:** Marijuana remains the most commonly used illicit drug in the United States. The overall landscape continues to evolve; although still illegal under Federal law, more states have passed legislation regarding the possession, use, and cultivation of marijuana and its associated products. Although seizure amounts coming across the SWB have decreased in recent years, Mexico remains the most significant foreign source for marijuana available in the United States. Domestic marijuana production continues to increase, as does the availability and production of marijuana-related products.

**New Psychoactive Substances (NPS):** The number of new NPS continues to increase worldwide, but remains a limited threat in the United States compared to other widely available illicit drugs. China remains the primary source for the synthetic cannabinoids and synthetic cathinones that are trafficked into the United States. The availability and popularity of specific NPS in the United States continues to change every year, as traffickers experiment with new and unregulated substances.

**Mexican Transnational Criminal Organizations (TCOs):** Mexican TCOs remain the greatest criminal drug threat to the United States; no other group is currently positioned to challenge them. The Sinaloa Cartel maintains the most expansive footprint in the United States, while Cartel Jalisco Nueva Generacion's (CJNG) domestic presence has significantly expanded in the past few years. Although 2017 drug-related murders in Mexico surpassed previous levels of violence, U.S.-based Mexican TCO members generally refrain from extending inter-cartel conflicts domestically.

**Colombian TCOs:** Colombian TCOs' majority control over the production and supply of cocaine to Mexican TCOs allows Colombian TCOs to maintain an indirect influence on U.S. drug markets. Smaller Colombian TCOs still directly supply wholesale quantities of cocaine and heroin to Northeast and East Coast drug markets.

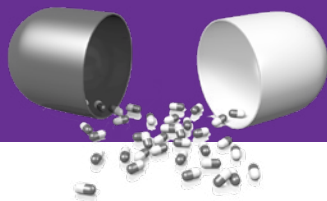
**Dominican TCOs:** Dominican TCOs dominate the mid-level distribution of cocaine and white powder heroin in major drug markets throughout the Northeast, and predominate at the highest levels of the heroin and fentanyl trade in certain areas of the region. They also engage in some street-level sales. Dominican TCOs work in collaboration with foreign suppliers to have cocaine and heroin shipped directly to the continental United States and its territories from Mexico, Colombia, Venezuela, and the Dominican Republic. Family members and friends of Dominican nationality or American citizens of Dominican descent comprise the majority of Dominican TCOs, insulating them from outside threats.

**Asian TCOs:** Asian TCOs specialize in international money laundering by transferring funds to and from China and Hong Kong through the use of front companies and other money laundering methods. Asian TCOs continue to operate indoor marijuana grow houses in states with legal personal-use marijuana laws and also remain the 3,4-Methylenedioxymethamphetamine (MDMA, commonly known as Ecstasy) source of supply in U.S. markets by trafficking MDMA from clandestine laboratories in Canada into the United States.

**Gangs:** National and neighborhood-based street gangs and prison gangs continue to dominate the market for the street-sales and distribution of illicit drugs in their respective territories throughout the country. Struggle for control of these lucrative drug trafficking territories continues to be the largest factor fueling the street-gang violence facing local communities. Meanwhile, some street gangs are working in conjunction with rival gangs in order to increase their drug revenues, while individual members of assorted street gangs have profited by forming relationships with friends and family associated with Mexican cartels.

**Illicit Finance:** TCOs' primary methods for laundering illicit proceeds have largely remained the same over the past several years. However, the amount of bulk cash seized has been steadily decreasing. This is a possible indication of TCOs' increasing reliance on innovative money laundering methods. Virtual currencies, such as Bitcoin, are becoming increasingly mainstream and offer traffickers a relatively secure method for moving illicit proceeds around the world with much less risk compared to traditional methods.

This page intentionally left blank.



# CONTROLLED PRESCRIPTION DRUGS (CPDS)

## OVERVIEW

Controlled Prescription Drug (CPD)<sup>3</sup> abuse, specifically of opioid analgesics<sup>4</sup> has been linked to the largest number of overdose deaths in the United States every year since 2001. Deaths related to CPDs, cocaine, psychostimulants with abuse potential,<sup>5</sup> and heroin all continue to rise (see Figure 2); however, 2016 was the first year deaths from synthetic opioids (other than methadone), the category that includes fentanyl, has been higher than deaths from other illicit drugs.

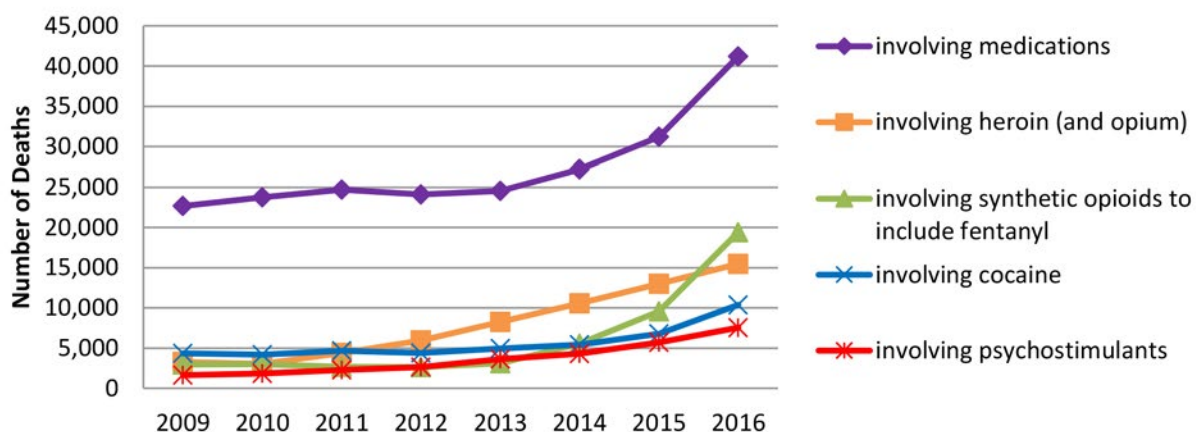
According to the Centers for Disease Control and Prevention (CDC), opioids — which include prescription opioids and heroin—

represented 66 percent of the approximately 64,000 fatal drug overdoses in 2016. This equated to nearly 116 opioid overdose deaths per day. Abuse of CPDs has lessened in some areas, although the number of individuals reporting current use of CPDs is still more than those reporting use of cocaine, heroin, and methamphetamine.

## AVAILABILITY

Drug Enforcement Administration (DEA) reporting shows high CPD availability in cities throughout the United States (see Figure 3). Thirteen of DEA's Field Divisions (FD) reported that CPD availability was high during 2017. While most FDs reported availability

Figure 2. Drug Overdose Deaths Involving Selected Drugs, 2009-2016.



Source: National Center for Health Statistics/Centers for Disease Control and Prevention<sup>6</sup>

<sup>3</sup> Controlled prescription drugs (CPDs) includes, but is not limited to narcotics (e.g. Vicodin, OxyContin), depressants (e.g. Valium, Xanax), stimulants (e.g. Adderall, Ritalin), and anabolic steroids (e.g. Anadrol, Oxandrin).

<sup>4</sup> Opioid analgesic overdose deaths include deaths from natural and semi-synthetics: codeine, morphine, oxycodone, hydrocodone, and methadone.

<sup>5</sup> Psychostimulants with abuse potential: include such drugs as methamphetamine, amphetamine, methylphenidate (Ritalin), and 3, 4-methylenedioxy-methamphetamine (MDMA, ecstasy).

<sup>6</sup> The CDC drug poisoning death category "medications" was formerly "prescription drugs" but was changed for two reasons: (1) the category includes Over-The-Counter drugs, and (2) in December 2015 the National Center for Health Statistics changed the definition to include "...other and unspecified narcotics" which slightly increased the numbers.

**Figure 3. DEA Field Division Reporting of CPD Availability in 2017 and Comparison to Previous Period.**

Field Division	Availability During First Half of 2017	Availability Compared to Second Half of 2016
Atlanta Field Division	High	Stable
Caribbean Field Division	Moderate	Stable
Chicago Field Division	High	Stable
Dallas Field Division	High	Stable
Denver Field Division	Moderate	Stable
Detroit Field Division	High	Stable
El Paso Field Division	Moderate	Stable
Houston Field Division	High	Stable
Los Angeles Field Division	High	Stable
Miami Field Division	High	More
New England Field Division	High	Stable
New Jersey Field Division	Moderate	Stable
New Orleans Field Division	High	Stable
New York Field Division	Moderate	Stable
Philadelphia Field Division	High	Stable
Phoenix Field Division	Moderate	Stable
San Diego Field Division	High	More
San Francisco Field Division	High	Stable
Seattle Field Division	High	Stable
St. Louis Field Division	High	Stable
Washington Field Division	High	Stable

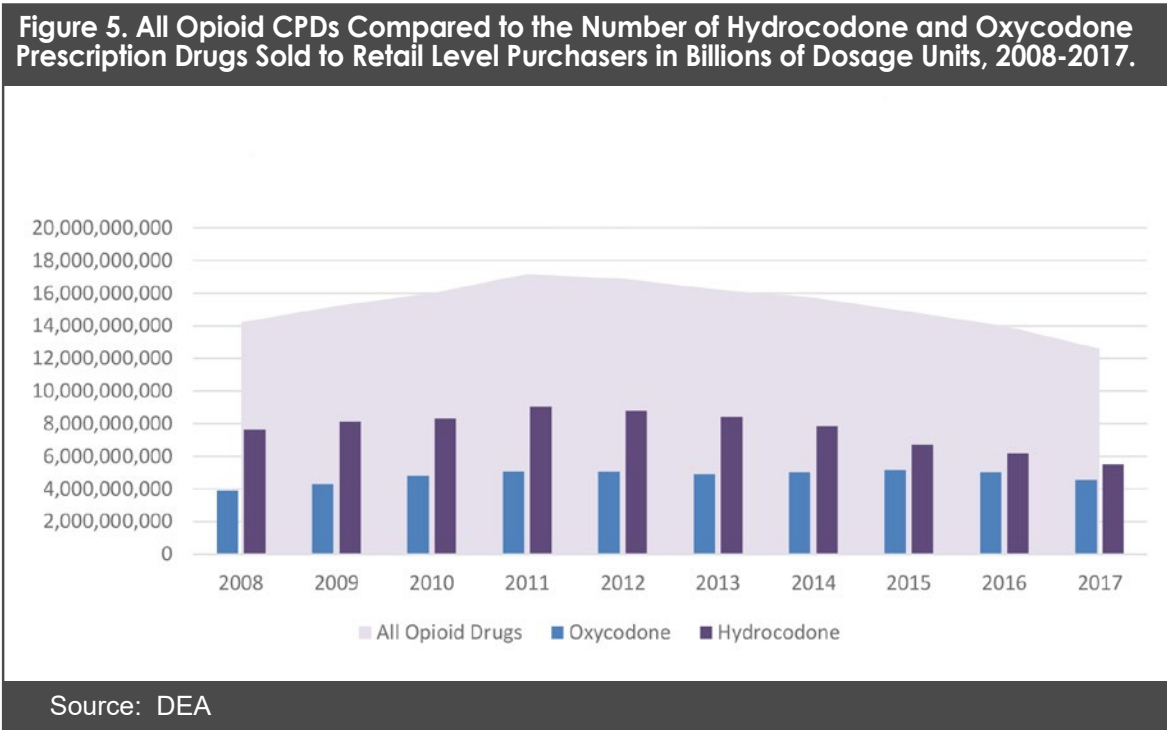
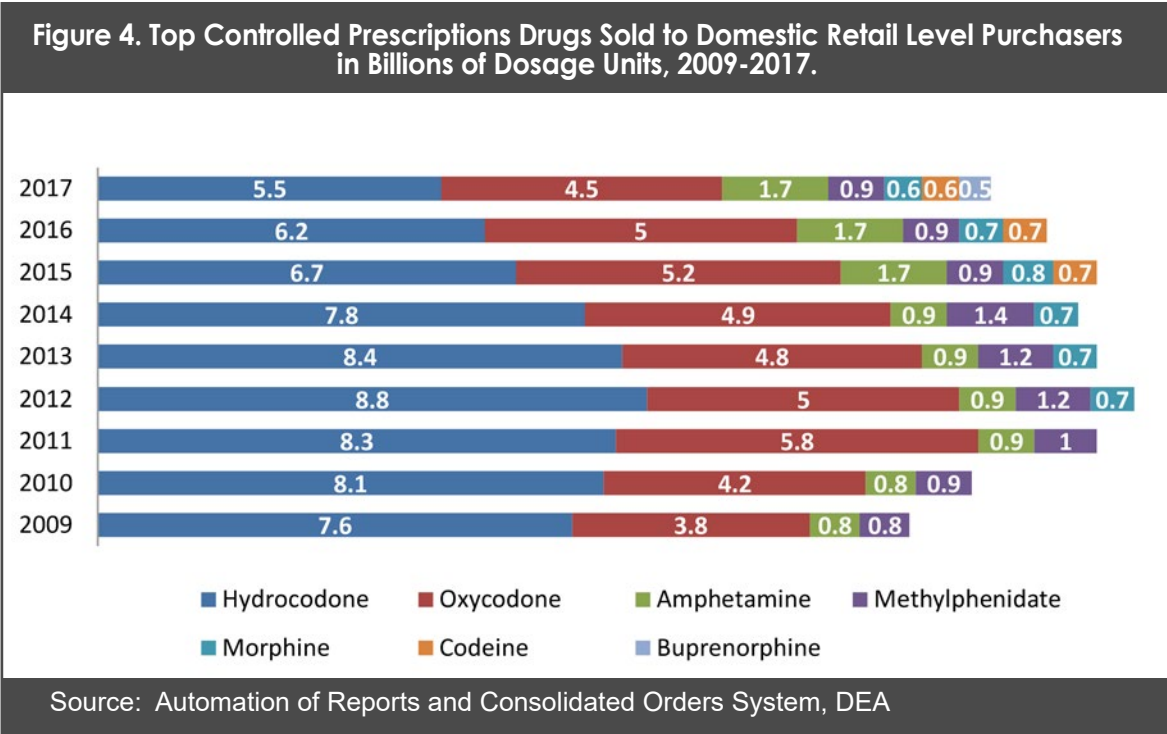
Source: DEA Field Division Reporting<sup>7</sup>

was stable at high levels compared to the previous reporting period, the Miami and San Diego FDs reported more availability than the previous year. The Phoenix FD reported availability as moderate and leveled off as stable. Possible reasons for this include the high availability of heroin and counterfeit prescription pills, as well as Arizona’s proximity to the border, where individuals can drive across and purchase pharmaceuticals from pharmacies in Mexico. Heroin and counterfeit pills made from illicitly manufactured fentanyl and fentanyl-related compounds have entered into the drug supply, attracting unwary CPD users with lethal consequences, as synthetic opioid overdoses significantly increased in 2016.

Opioids accounted for four out of the seven top controlled prescription drugs distributed nationwide at the retail level (hospitals, pharmacies, practitioners, treatment programs, and teaching institutions) by number of dosage units from 2009 to 2017 (see Figure 4). Over the past nine years, hydrocodone and oxycodone products were the opioid prescription drugs most widely sold in dosage units at the retail level. In addition, two stimulants, amphetamines and methylphenidate (i.e., Ritalin), have maintained a continued and established presence over the years. Buprenorphine, an addiction therapeutic used to treat opioid dependence, replaced methadone in the top seven in 2017.

The amount of prescription opioids available on the legitimate market remains significant. DEA data from the Automation of Reports and Consolidated Orders System (ARCOS) indicates the amount of opioid CPDs legitimately distributed to retail level purchasers peaked in 2011, at 17.2 billion dosage units, and has since remained below that amount, with 12.6 billion dosage units manufactured and distributed in 2017. Of the 12.6 billion prescription opioid dosage units sold to retail level purchasers in 2017, 79 percent were oxycodone and hydrocodone products (see Figure 5).

<sup>7</sup> Two new DEA Field Divisions, Louisville and Omaha, were opened in 2018, making 23; however, at the time the Field Divisions were surveyed for availability in 2017, there were 21.



## PRESCRIPTION DRUG MONITORING PROGRAMS

Prescription Drug Monitoring Programs (PDMPs) continue to be among the most promising state-level intervention mechanisms to improve opioid prescribing and dispensing, inform clinical practice, and protect patients at risk. As of April 2018, all 50 states, Washington, DC, and Guam have active PDMPs tracking in-state prescriptions. These programs, designed to track the prescribing and dispensing of controlled prescription drugs to patients, can give a prescriber or pharmacist critical information regarding a patient's controlled substance prescription history. This information can help prescribers and pharmacists identify patients at high-risk who would benefit from early intervention. Additionally, law enforcement officials can utilize PDMPs to identify practitioners and registrants that are prescribing and dispensing illegitimately for no valid medical purpose. The funding and operational oversight varies by state. Some states have measures and specific practices in place to allow interstate sharing of information.

## DEA'S NATIONAL PRESCRIPTION DRUG TAKE-BACK DAY

Held twice each year, collection sites are provided by DEA to offer an anonymous, safe, responsible way to dispose of unneeded prescription medication. In April 2018, DEA conducted its 15th National Prescription Drug Take-Back Day at 5,842 collection sites across the country, collecting 949,046 pounds, almost 475 tons, of unused, expired, or unwanted medication. Since this program began in September 2010, 9.9 million pounds of unwanted prescription and over-the-counter drugs, which could have potentially been diverted on the street, have been removed from medicine cabinets, kitchen drawers, and nightstands voluntarily by citizens around the country.

- In February 2018, DEA San Diego arrested one individual and seized a pill press machine capable of manufacturing 10,000 counterfeit pharmaceutical pills and MDMA tablets. A search of a gym locker used by the defendant resulted in the seizure of a pistol with a silencer, a loaded magazine, approximately 8,000 Xanax pills and ¼ pound of cocaine.

## ABUSE

Abuse levels of CPDs remains high, as CPDs are the second most commonly abused substance after marijuana (see Figure 6). There were 18.6 million people aged 12 or older who misused prescription psychotherapeutic drugs in 2016. This number included 11.5 million who misused pain relievers<sup>8</sup> in the previous year, and 6.2 million past month users (see Figure 6). Due in part to the large number of people who abuse licit CPDs, other opioids are now being disguised and sold as CPDs, as traffickers look to gain access to new users (see Heroin and Fentanyl Sections).

Monitoring the Future (MTF) survey data for 2017 showed a decrease in adolescent trends for past year prescription narcotics<sup>9</sup>—or CPD—abuse. MTF reported 11 percent of the 12th grade students surveyed reported misusing prescription drugs, down one percent from the previous year. There was also a 0.5 percent decrease in past month prescription drug use among 12th graders.

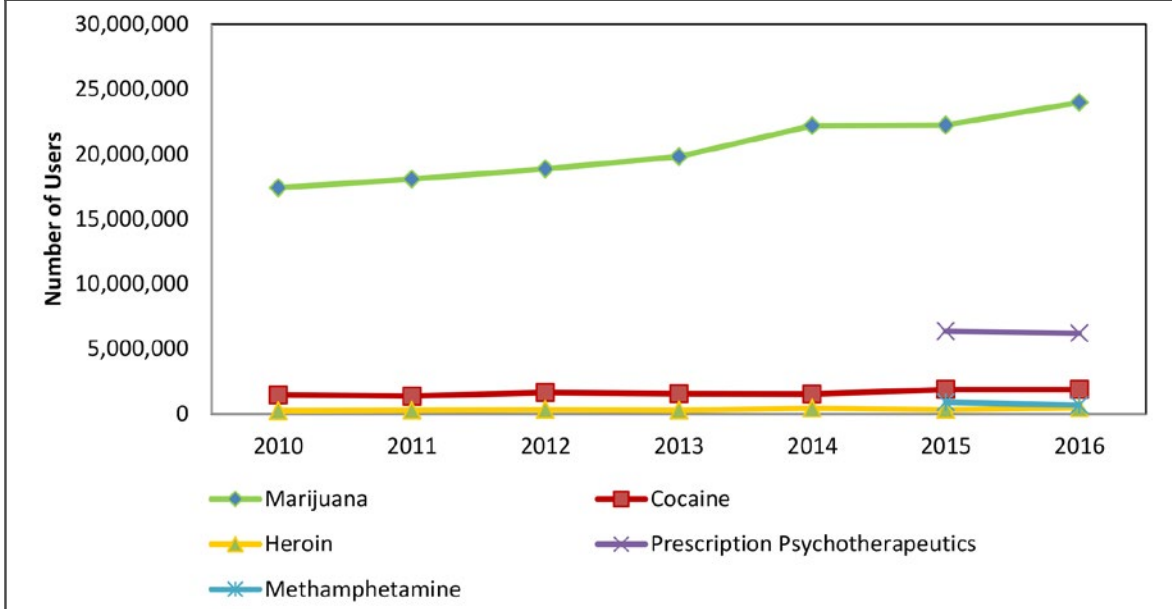
There is no information available on admissions to privately funded treatment facilities; however, according to the Substance Abuse and Mental Health Services Administration's (SAMHSA) Treatment Episode Data Set (TEDS), there were

<sup>8</sup> Pain relievers include hydrocodone, oxycodone, tramadol, fentanyl, oxymorphone, hydromorphone, morphine, meperidine, buprenorphine, and methadone.

<sup>9</sup> Prescription narcotics abuse includes use of any of the following: amphetamines, sedatives (barbiturates), narcotics other than heroin, or tranquilizers "...without a doctor telling you to use them."

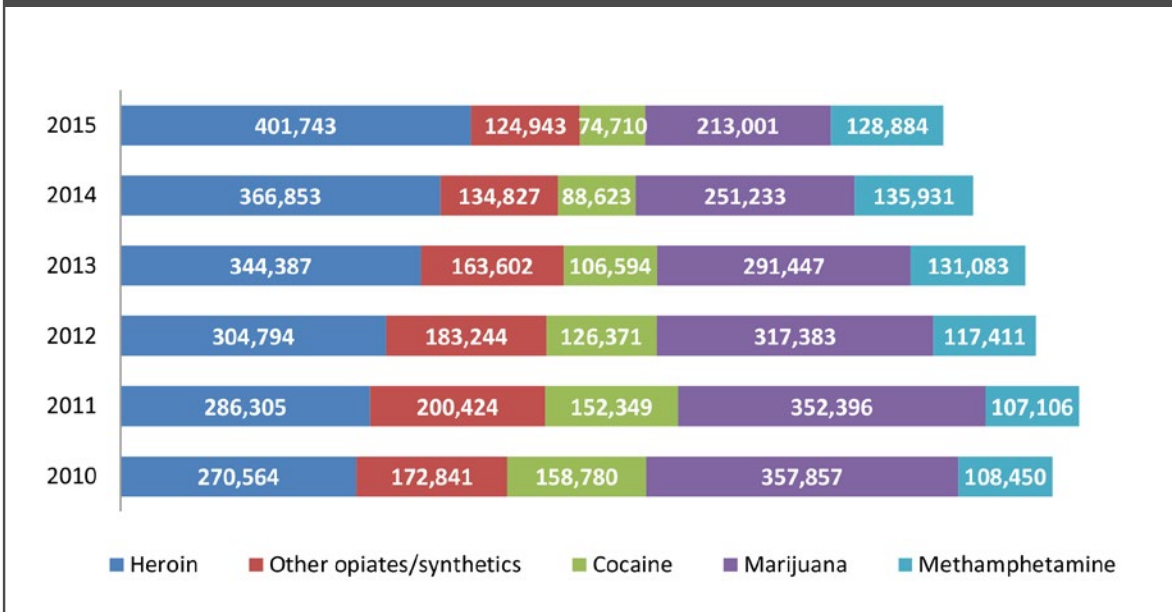


Figure 6. Number of Past Month, Nonmedical Users of Psychotherapeutic Drugs Compared to Other Select Drugs of Abuse, 2010-2016.<sup>10,11,12</sup>



Source: Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health

Figure 7. Number of Admissions to Publicly Licensed Treatment Facilities, by Primary Substance, 2015.



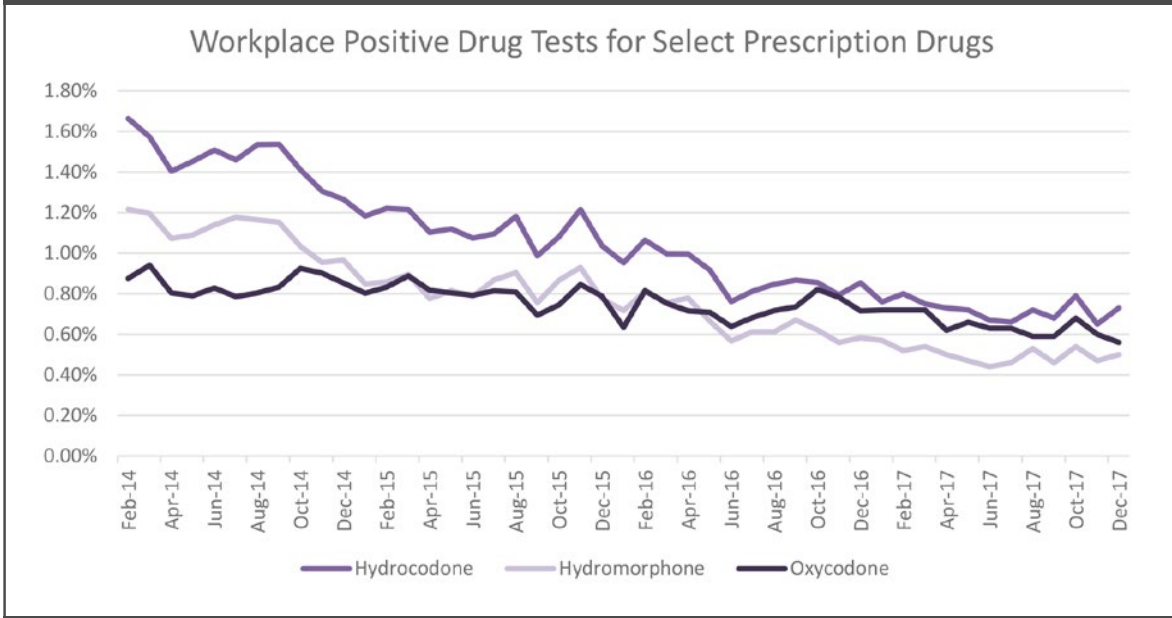
Source: Treatment Episodes Data Set

<sup>10</sup> Cocaine includes crack cocaine.

<sup>11</sup> Prescription psychotherapeutics includes pain relievers, tranquilizers, stimulants, or sedatives, and does not include over-the-counter drugs.

<sup>12</sup> Trend analysis on the National Survey on Drug Use and Health prescription psychotherapeutic drugs and methamphetamine abuse only dates to 2015 due to the redesign of the question in 2015.

Figure 8. Workplace Positive Drug Tests for Select Prescription Drugs<sup>13</sup>.



Source: Office of National Drug Control Policy/Quest Diagnostics Drug Testing Index

124,943 treatment admissions to publicly-funded facilities for non-heroin opiates/synthetic abuse<sup>14</sup> in 2015, the latest year for which data is available (see Figure 7). The number of non-heroin opiate treatment admissions peaked in 2011 and has decreased steadily since then. This decline can in part be attributed to some CPD abusers switching to heroin or other illicit opioids. A relatively small percentage of CPD abusers, when unable to obtain or afford CPDs, begin using heroin as a cheaper alternative offering similar opioid-like effects. As the CPD abuser population is approximately seven times larger than the heroin user population, CPD abusers transitioning to heroin or other synthetic opioids represent a significant portion of the people who initiate use of these substances. Other reasons for the decline in admissions could include the success of PDMPs, pill abusers seeking treatment at private facilities, increased efforts from law enforcement and public health entities, and corresponding increases in overdose deaths of non-heroin opioid abusers.

The 2016 National Survey on Drug Use and Health (NSDUH) report indicates

approximately 1.7 million people aged 12 or older were current misusers of prescription stimulants. Of those, approximately 92,000, or 5.4 percent of this population, were aged 12 to 17. The prescription stimulant category includes amphetamine and methylphenidate products that are prescribed for the treatment of attention deficit hyperactivity disorder (ADHD) among other conditions. These schedule II products are marketed under the brand names Adderall, Dextrostat, Vyvanse, Ritalin and Dexedrine. This survey data coincides with the popular reputation of nonmedical use of amphetamines on campuses as study-aids to improve concentration, rather than something harmful or addictive.

The number of hydrocodone and hydromorphone users testing positive in the work place has decreased since 2014. One contributing factor in this trend is the rescheduling of hydrocodone combination products to Schedule II in October 2014. Positive oxycodone and oxymorphone work place test results have remained steady at less than one percent for the past two years (see Figure 8).

<sup>13</sup> Data for hydrocodone and hydromorphone were not provided for April 2017. The percentages for March 2017 and May 2017 were averaged and included for April 2017.

<sup>14</sup> Non-heroin opiates/synthetics include buprenorphine, codeine, hydrocodone, hydromorphone, meperidine, morphine, opium, oxycodone, pentazocine, propoxyphene, tramadol, and any other drug with morphine-like effects.

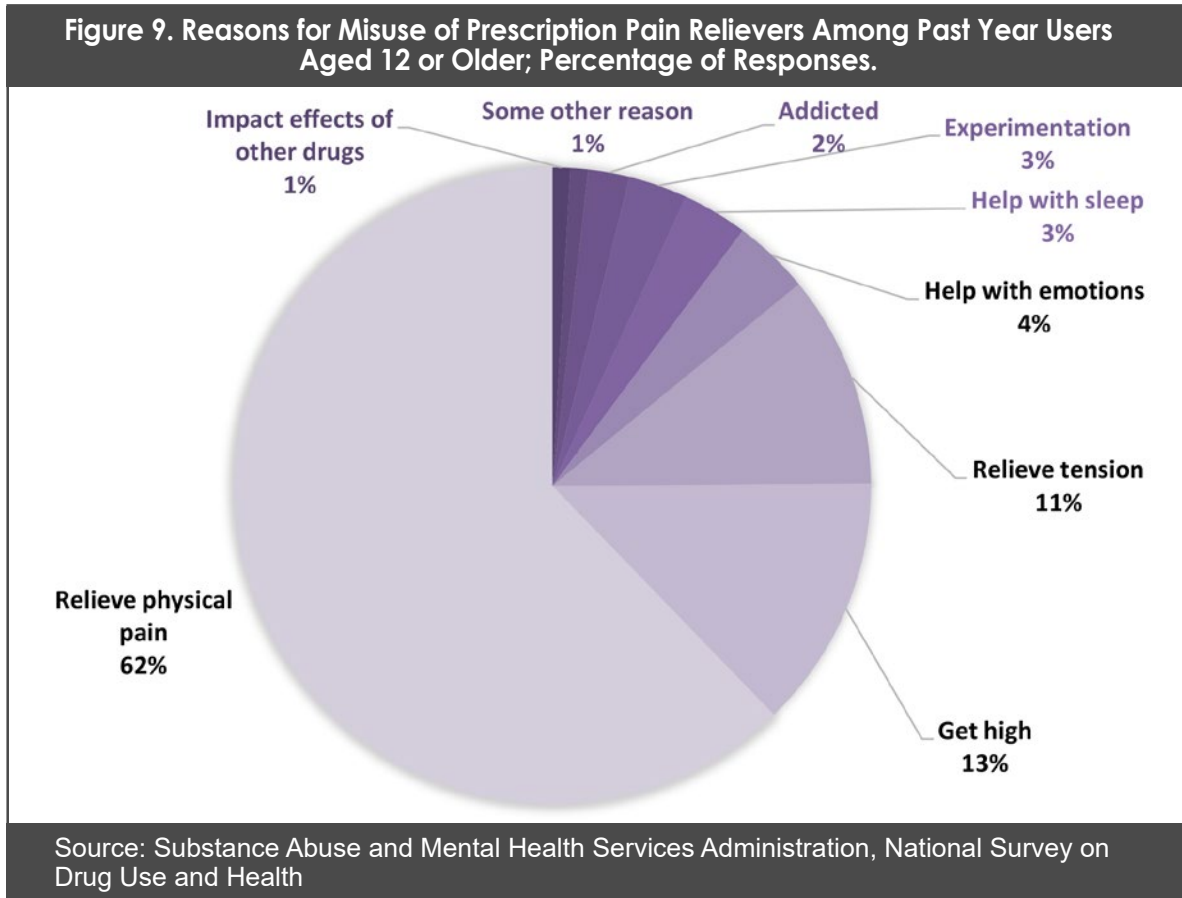
## DIVERSION

According to the 2016 NSDUH, 62.3 percent of the population aged 12 or older who reported misuse of pain relievers, cited relief of physical pain as the most common reason for that misuse. Misuse of prescribed pain relievers occurs when these substances are used by someone other than for whom they were intended, or else used in a manner other than prescribed. Other popular reasons for misuse included to get high and to relieve tension (see Figure 9). The average age of first misuse of prescription pain relievers among past year initiates was 25.8 years.

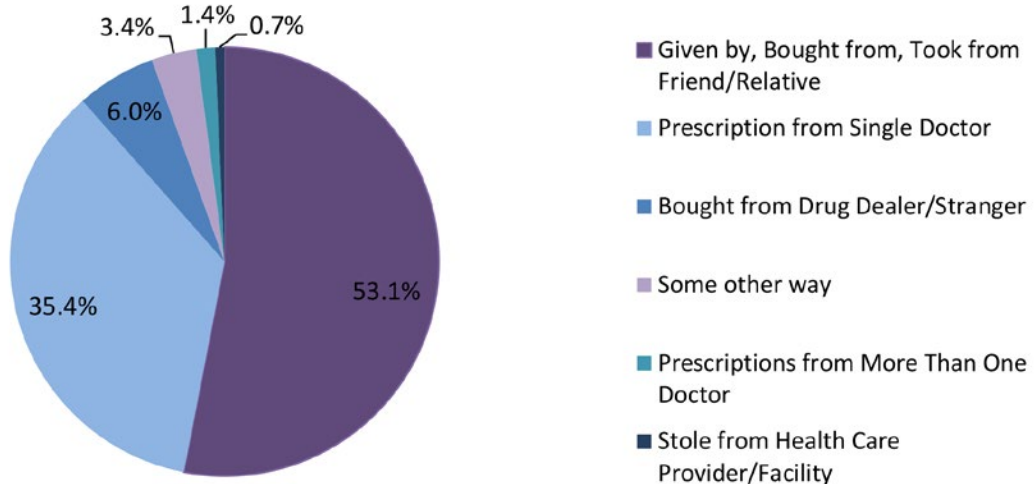
The majority of survey respondents who reported misusing prescription pain relievers stated a variety of means by which they obtained them. Fifty-three percent said they were “given by, bought from, or took from a friend or relative.” Of these misusers,

40.4 percent got their most recently used prescription pain relievers “from a friend or relative for free” while the remainder either bought or took them from a friend or relative without asking (see Figure 10). Another 37.5 percent said they got them through prescriptions or stole them from a doctor’s office, clinic, hospital, or pharmacy. Of those, 35.4 percent said their prescription came from a single doctor, while 1.4 percent said their prescription came from more than one doctor. Frequent or chronic users were more likely than others to primarily obtain prescription pain relievers from a drug dealer or stranger.

The percentage of opioid narcotics unaccounted for is small, although this amount still totaled more than nine million dosage units, or less than one percent of the nearly 13 billion dosage units sold to retailers in 2017 (see Figure 11). The



**Figure 10. Source Where Pain Relievers Were Obtained for Most Recent Misuse Among Past Year Users Aged 12 or Older, 2016.**



Source: Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health

**Figure 11. Number of Dosage Units of Opioid Narcotics Lost, 2010 - 2017 In Millions.**

	2010	2011	2012	2013	2014	2015	2016	2017
<b>Opioids</b>	<b>12.5</b>	<b>19.4</b>	<b>13.1</b>	<b>11.6</b>	<b>12.4</b>	<b>9.8</b>	<b>9.6</b>	<b>9.1</b>

Source: DEA

number of opioid narcotics distributed to retail level purchasers, in billions of dosage units, and the number of dosage units of opioid narcotics reported lost from the DEA Drug Theft and Loss Database<sup>15</sup> peaked in 2011, and have continued to decrease.

According to the DEA Drug Theft and Loss Database, the total number of prescription drug armed robberies, which resulted in the loss of a variety of prescription medications, has fluctuated but increased overall since 2010 (see Figure 12).

**Figure 12. Total Number of Prescription Drug Armed Robberies, 2010 - 2017.**

	2010	2011	2012	2013	2014	2015	2016	2017
<b>Armed Robbery</b>	<b>771</b>	<b>712</b>	<b>801</b>	<b>738</b>	<b>836</b>	<b>871</b>	<b>833</b>	<b>875</b>

Source: DEA

<sup>15</sup> The DEA Drug Theft and Loss Database compiles information on armed robberies, customer theft, employee pilferage, CPDs lost in transit, and night break-ins at analytical labs, distributors, exporters, hospitals/clinics, importers, manufacturers, mid-level practitioners, pharmacies, practitioners, researchers, reverse distributors, and teaching institutions. The Drug Theft and Loss Database is a live database, meaning all reported numbers are subject to change.

In 2017, Washington state experienced a 200 percent increase in the number of armed robberies from the previous year. The high street price of cough syrup with codeine was a contributing factor. Texas and Wisconsin each experienced 100 percent increases, although at 12 robberies, Wisconsin has seen a significant decrease since 2015. Moreover, Iowa, California, and Ohio all experienced nearly double the number of armed robberies than the previous year. California reported the highest number of armed robberies at 270, a 71 percent increase from the year before. Indiana experienced 168 prescription drug armed robberies in 2015, but saw significant decreases in 2016 and 2017, with 78 and 24 armed robberies respectively (see Figure 13).

The overall trend of incidents of CPDs being “lost in transit” decreased in 2017. “Lost in transit” describes controlled substances being misplaced while being moved from one point to another within the supply chain. In 2017, 22 states experienced increases in the number of incidents occurring, with the greatest increases occurring in Wisconsin, Nebraska, Mississippi, Wyoming, Idaho, and New Jersey. Wisconsin experienced a significant increase for the third straight year, accounting for nearly one third of the total 15,882 lost in transit incidents reported nationwide (see Figure 14). It is unclear if these dosage units are being diverted, destroyed, or truly lost.

In addition to armed robberies, loss of CPDs also occurs through customer theft, employee pilferage, and burglary, as well as losses in transit. Between 2016 and 2017, incidents of employee pilferage and nighttime break-ins increased in 25 states, Washington, DC, and Puerto Rico. The greatest percentage of increases in employee pilferage in 2017 occurred in Washington, DC; South Dakota; Delaware; Wyoming; Arkansas; and Puerto Rico. The incidents of customer theft decreased in all but ten states.

## ECONOMIC IMPACT OF PRESCRIPTION DRUG ABUSE

The economic impact of prescription drug abuse is significant. These costs are carried by the public sector in increased health care, substance abuse treatment, and criminal justice costs. The costs associated with prescription opioid abuse represent a substantial and growing economic burden for society. The increasing prevalence

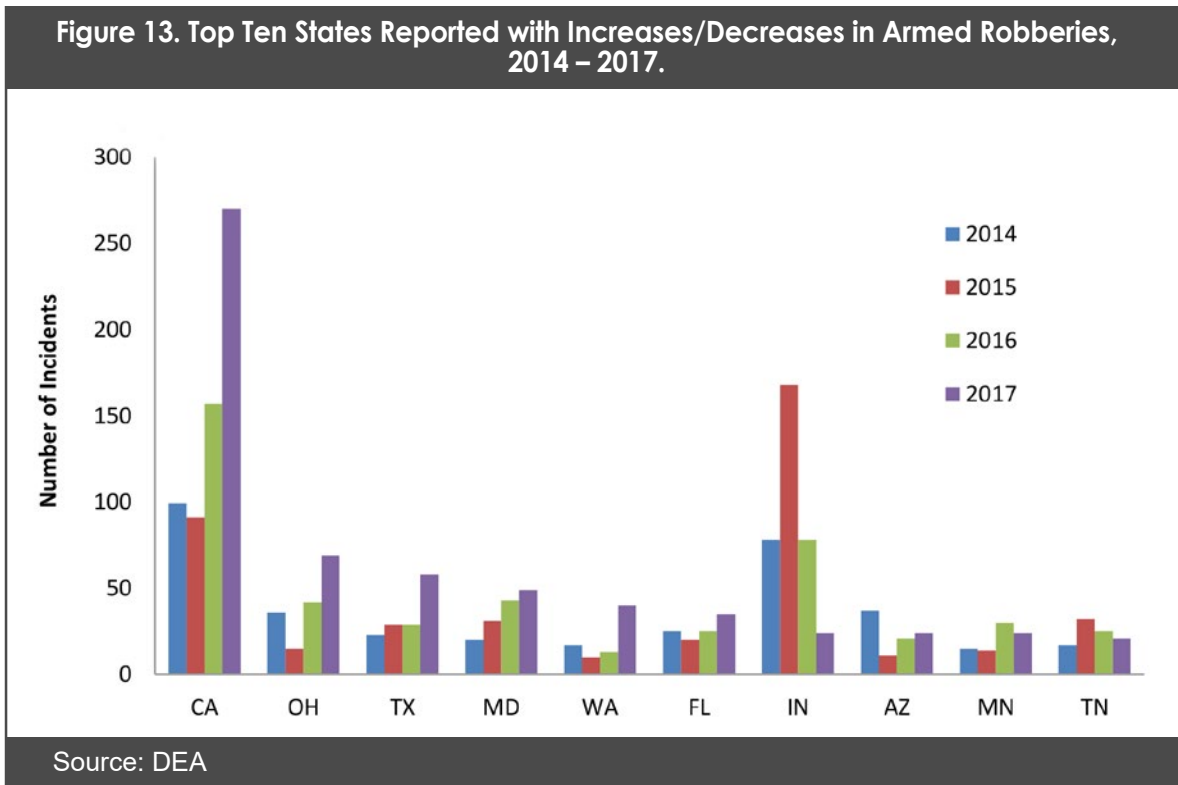
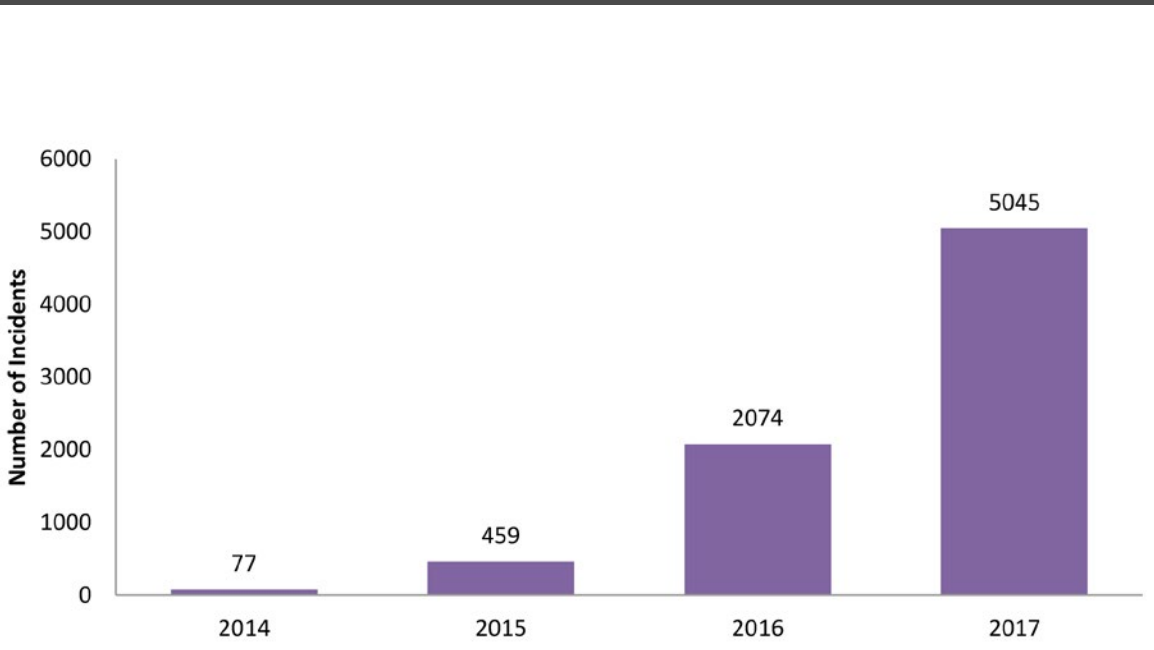


Figure 14. Wisconsin Controlled Prescription Drugs Lost in Transit Incidents, 2014-2017.



Source: DEA

of abuse suggests an even greater societal burden in the future, manifesting in increases in emergency department admissions and costs associated with first responders in overdose events.

In addition to health care costs, the productivity of a worker is greatly reduced when the worker abuses drugs, including CPDs, due to absenteeism and decreased participation in the work force. An employed person who is a current drug user is twice as likely to skip one or more work days a month, and is also more likely to miss two or more days due to illness or injury when compared to non-drug users.

Unscrupulous physicians, pharmacists, and doctor shoppers add to the health care burden in the United States.

- In July 2017, a Vermont doctor was charged with prescription fraud and Medicaid fraud. The doctor authorized prescriptions for controlled substances utilizing personal information from patient records, and then diverted the substances for personal use.
- In March 2018, DEA San Diego arrested a physician and seven co-conspirators who were responsible for distributing hundreds of thousands of hydrocodone tablets to

the community. The physician issued at least 16 separate prescriptions for hydrocodone to seven patients who were deceased.

- In April 2018, an Indiana medical office assistant was charged with prescription fraud and possession of a controlled substance. In addition to utilizing fraudulent prescriptions, the assistant paid for them utilizing unwitting patient's insurance information.

## OUTLOOK

CPD availability and abuse will continue to pose a significant drug threat to the United States as demonstrated by the increase in overdose deaths. Diversion will likely become more difficult due to the implementation of legislation and successful law enforcement efforts that have proven effective. Increased awareness in the medical community, restrictions placed on opioid prescriptions, and successful prescription drug monitoring programs and data sharing will be contributing factors. With the successful reduction in availability of controlled prescription drugs, more users may shift to abusing heroin and other cheaper, easier-to-obtain opioids that produce similar effects for users of prescription drugs.



## OVERVIEW

The United States continues to face a crisis involving heroin use. The use of heroin has grown at an alarming rate and the death toll increases each year. According to the most recent overdose death statistics, in 2016 there were 15,469 heroin-related deaths in the United States, a 19 percent increase from 2015. Rates of deaths involving heroin increased in almost all U.S. Census regions from 2006 to 2016. Mortality statistics indicate that individuals from every demographic use heroin, and deaths attributed to heroin have been increasing every year since 2010. The increase from 2015 to 2016 may be driven in part by increases in the heroin supply and by the use of fentanyl related substances as an adulterant to heroin.

Mexican TCOs continue to dominate the heroin market in the United States by controlling the supply, trafficking, and wholesale distribution of heroin. They control smuggling routes across the SWB and they arrange the transport and distribution of heroin throughout the United States. Mexican TCOs work with U.S. based gangs and other drug trafficking organizations who distribute the drugs at the regional and local levels.

## AVAILABILITY

Heroin is readily available in the United States and is sold in various forms; fine powder, sticky tar, granular or chunky, gummy/pasty, pills, or a rock-like black substance that shatters like glass. Powder heroin sold in the United States varies in color and can be smoked, snorted or injected. The cutting agents used may contribute to its color and appearance. All of DEA's Field Divisions reported that heroin is available in their areas of responsibility. Availability ranges from moderately available to highly available (see Figure 15). DEA reporting continues to indicate that there is ample supply to meet the demand of heroin users.

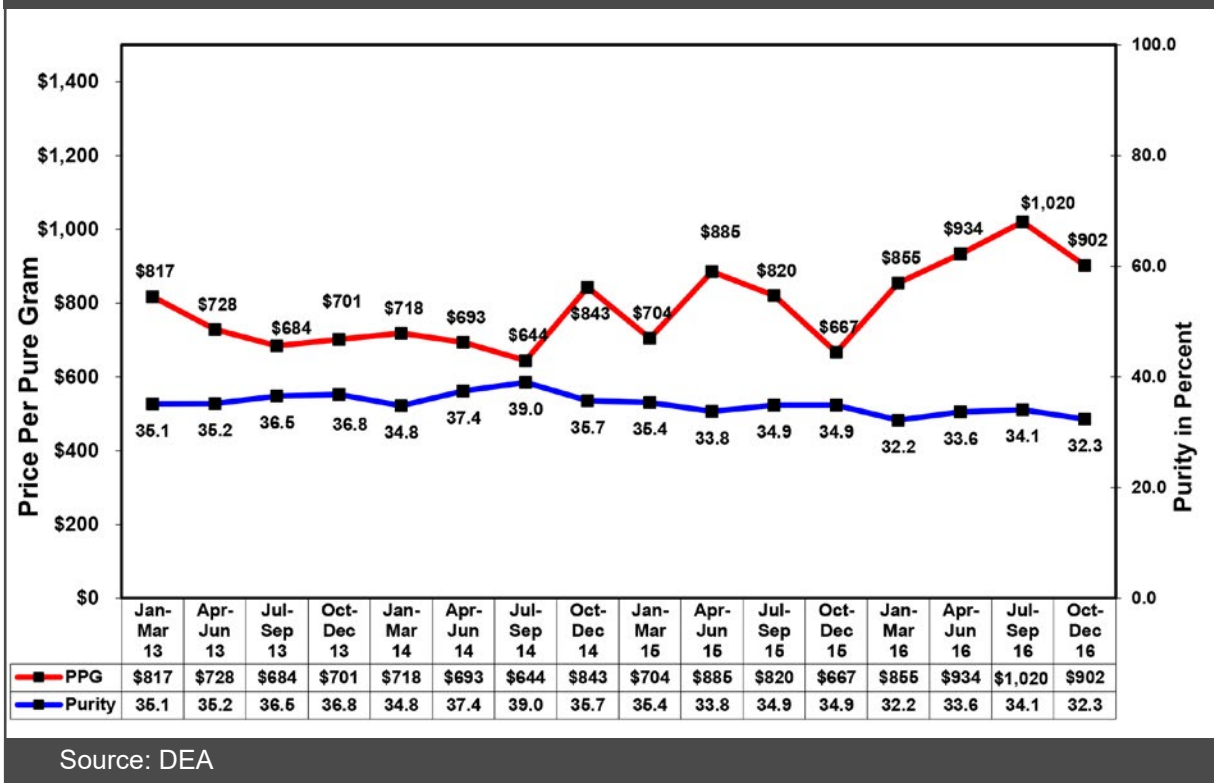
Figure 15. DEA Field Division Reporting of Heroin Availability in the First Half of 2017 and Comparison to Previous Period.

Field Division	Availability During First Half of 2017	Availability Compared to Second Half of 2016
Atlanta Field Division	High	Stable
Caribbean Field Division	Moderate	Stable
Chicago Field Division	High	Stable
Dallas Field Division	Moderate	Stable
Denver Field Division	Moderate	More
Detroit Field Division	High	Stable
El Paso Field Division	Moderate	Stable
Houston Field Division	Moderate	More
Los Angeles Field Division	High	Stable
Miami Field Division	High	More
New England Field Division	High	Stable
New Jersey Field Division	High	Stable
New Orleans Field Division	High	More
New York Field Division	High	Stable
Philadelphia Field Division	High	More
Phoenix Field Division	Moderate	Stable
San Diego Field Division	Moderate	Stable
San Francisco Field Division	Moderate	More
Seattle Field Division	High	Stable
St. Louis Field Division	High	More
Washington Field Division	High	More

Source: DEA Field Division Reporting<sup>16</sup>

<sup>16</sup> Two new DEA Field Divisions, Louisville and Omaha, were opened in 2018, making 23; however, at the time the Field Divisions were surveyed for availability in 2017, there were 21.

Figure 16. Domestic Heroin Purchases, January 2013 - December 2016.



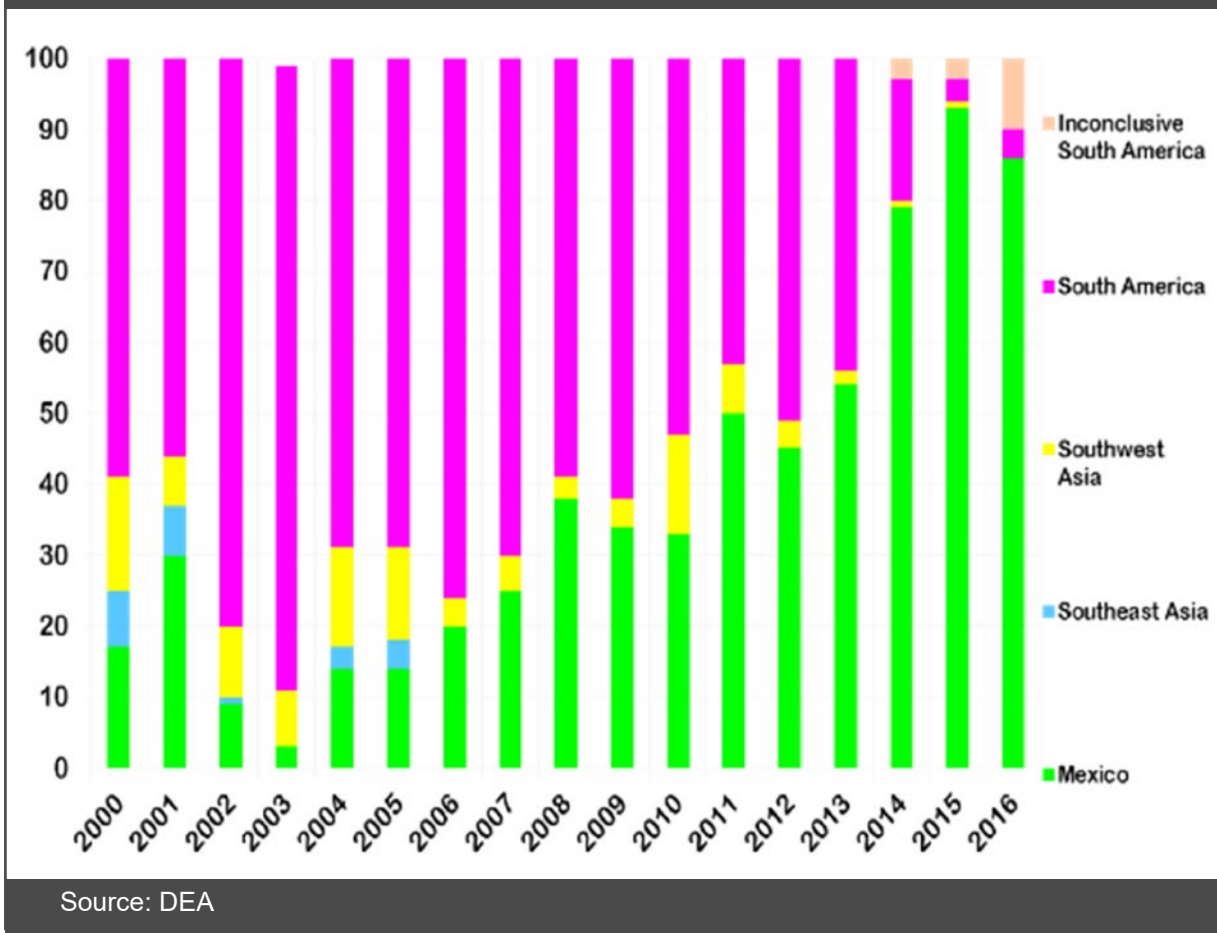
According to the analysis of price and purity information derived from drug undercover purchased exhibits sent to the DEA laboratories, from January 2016 through December 2016, the price per pure gram (PPG) for heroin increased 5.5 percent, from \$855 to \$902 while the purity level averaged 33 percent, a slight dip from the prior years (see Figure 16). For the past several years, there has been a steady fluctuation in PPG until October 2015, when the PPG dropped substantially to \$667 from \$820 while purity levels remained about the same. In 2016, prices began an upward trend, while purity levels remained relatively stable. Heroin PPG data, unlike cocaine PPG and methamphetamine PPG, show a different pattern related to the price and purity of the drug. For both cocaine and methamphetamine, the PPG decreased as purity levels increased (see Cocaine and Methamphetamine sections). The reasons for this anomaly may be due to demand. Heroin is a highly addictive drug, which contributes to enabling suppliers to keep their prices at a steady level while meeting demand.

The DEA Special Testing and Research Laboratory classify seized exhibits of heroin based upon the source area of the world where the heroin originates, the method of production and type of heroin. The source of origin classifications are: MEX/T (Mexican tar), MEX/BP (Mexican brown powder), MEX-SA (Mexican white powder), SA (Colombian white powder), SWA (Southwest Asia), SEA (Southeast Asia) and Inconclusive South American (INC-SA). INC-SA is white powder heroin processed using the South American method but unable to be sourced to Mexico or Colombia. The 2016 Heroin Signature Program (HSP) reports findings from the analysis of 744 samples, representing 1,632 kilograms of heroin. Heroin from Mexico accounted for 86 percent of the heroin by weight analyzed through the HSP in 2016. Heroin classified as INC-SA accounted for ten percent; SA heroin accounted for four percent; and SWA heroin accounted for less than one percent (see Figure 17).

The HSP also identifies purity levels for heroin sold at the wholesale level. White powder heroin from Mexico had average purity levels as high as 82 percent through



Figure 17. Source of Origin for the United States Wholesale-Level Heroin Seizures, 2000-2016.



2016. MEX/T ranged from 34 percent to 43 percent. White powder heroin purity at the wholesale level exceeded purity at the retail level where the highest average purity level observed did not exceed 34.1 percent in 2016. Purity levels for the other classifications ranged from 26 percent to 47 percent.

The DEA Heroin Domestic Monitor Program (HDMP) collects and analyzes price and purity data of heroin sold at the retail level. The HDMP collects data on the geographic origin, price, purity, adulterants, and diluents of heroin sold at the street-level in major metropolitan areas of the United States. The source origin and type purchased under the HDMP provide a snapshot of the heroin sold in these cities to identify local user preference and availability. HDMP purchases in 2016 revealed that MEX-SA and MEX/T were the most prominent types of heroin in the U.S. retail markets. Of the heroin exhibits analyzed under the HDMP, the overall average purity of Mexican heroin was 31 percent (see Figure 18).

The source of origin for retail level purchases in the eastern part of the United States remained consistent with prior years. In the eastern HDMP cities, white powder heroin was sold in all cities along with MEX/BP (see Figure 19). Black tar heroin (MEX/T) was sold in the 12 western cities that participated in the HDMP, and there was little to no white powder heroin (see Figure 20). INC-SA, white powder where the origin cannot be determined was sold in all HDMP cities. Four (4) exhibits of SWA heroin purchased on the East Coast under the HDMP; however, the presence of this form is rare. From the late 1990's until 2014, Colombian sourced heroin was the most prominent form of heroin available in the U.S. Since 2015 most of the heroin sold in the U.S. is from Mexico. The form of heroin purchased is generally due to user preference, with all forms available in the western cities: brown powder, white powder and tar, and only the powder form (no tar) in the east.

Figure 18. Source of Origin and Purity for Retail-level Heroin Purchases in U.S. Cities, 2016.

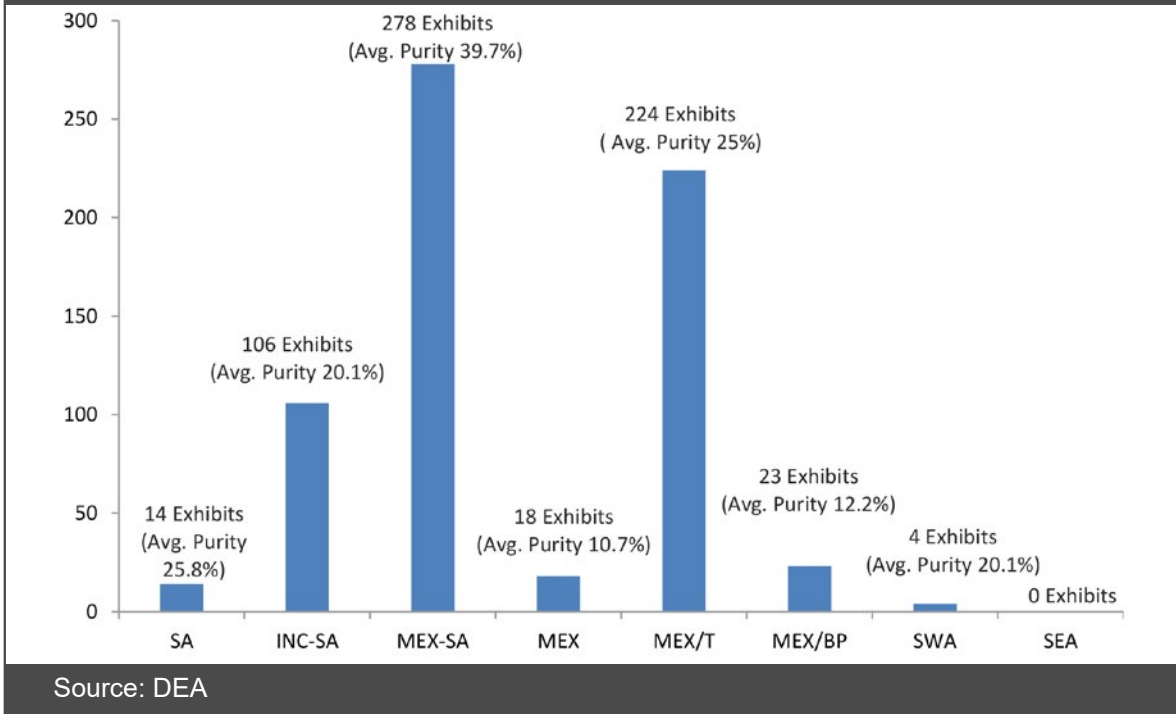


Figure 19. Source of Origin for Retail-level Heroin Purchased in Eastern U.S. Cities, 2006-2016.

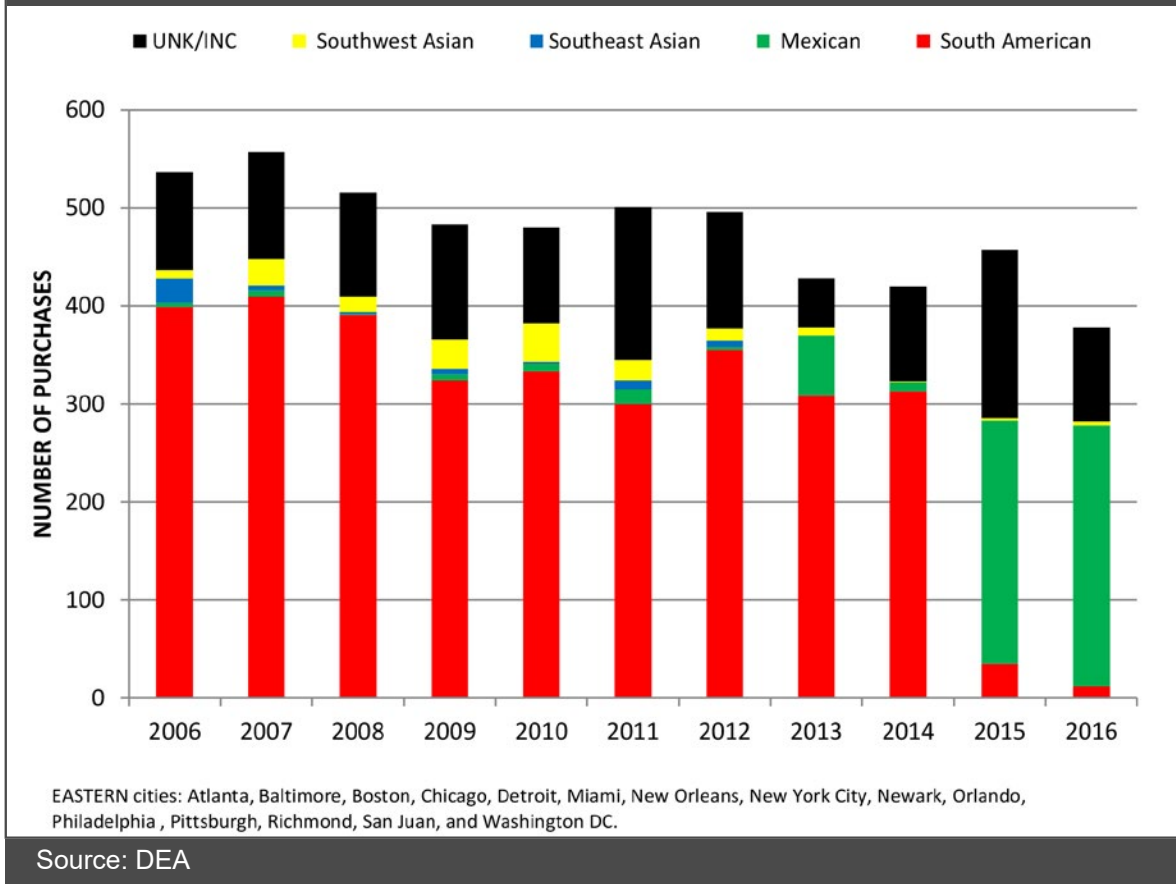
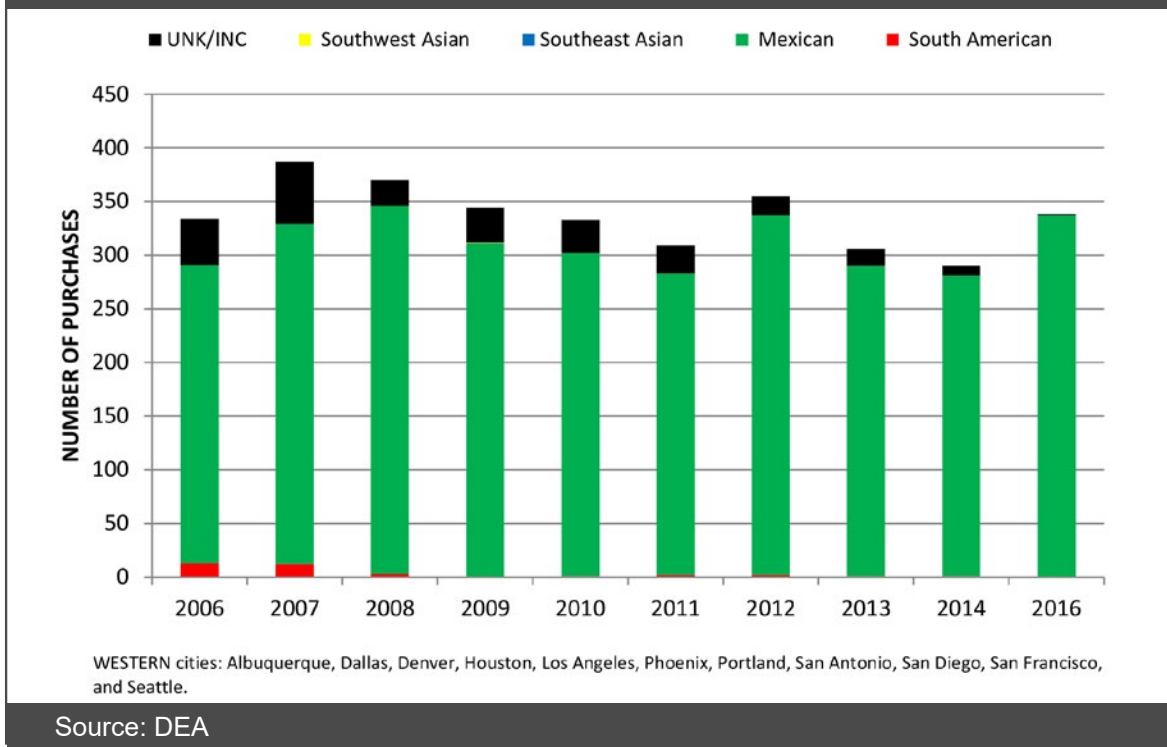


Figure 20. Source of Origin for Retail-level Heroin Purchased in Western U.S. Cities, 2006 - 2016.



Further analysis of 2016 HDMP exhibits indicate that out of 667 heroin exhibits analyzed, 158 (11%) were found to contain fentanyl and/or fentanyl-related substances, which is an increase from 2015 (see Figure 21). The increase in the exhibits that contain fentanyl and/or fentanyl-related substances coincides with DEA reporting that indicates that the popularity of fentanyl-related substances as an adulterant is expanding.

## USE

The heroin user population in the United States continues to grow and results from national-level treatment data and statistical death data indicate heroin availability is increasing. TEDS reporting indicates that, between 2005 and 2015, the number of admissions to publicly funded facilities for primary heroin abuse increased by 54 percent, from 260,902 to 401,743 admissions (see Figure 22). Heroin admissions in 2015 increased 26 percent over the prior year. Young adults (aged 20-34) comprised the largest group admitted for heroin treatment.

Sixty-one percent of those admitted for treatment reported that they used additional substances.

CDC drug overdose data for 2016 indicates that there were 15,469 drug poisoning deaths involving heroin,<sup>17</sup> a 21 percent increase over the 12,989 heroin-involved overdose deaths in 2015 (see Figure 23). The states that lead the nation for heroin-related deaths (approximately 1,000 or more) were Ohio, New York, Illinois, and Pennsylvania. Almost all jurisdictions that reported heroin-related deaths showed an increase, with the highest rates of increase occurring in Washington D.C., West Virginia, and Ohio.

All states and jurisdictions— with the exception of Wyoming, Montana, South Dakota, and Nebraska— reported age-adjusted overdose death rates<sup>18</sup> (see Figure 24). In 2016, Washington, DC experienced the highest age-adjusted rate of heroin-related deaths at 17.3 per 100,000, followed by West Virginia (14.9) and Ohio (13.5).

<sup>17</sup> No overdose deaths were reported in Wyoming, Montana, South Dakota or Nebraska.

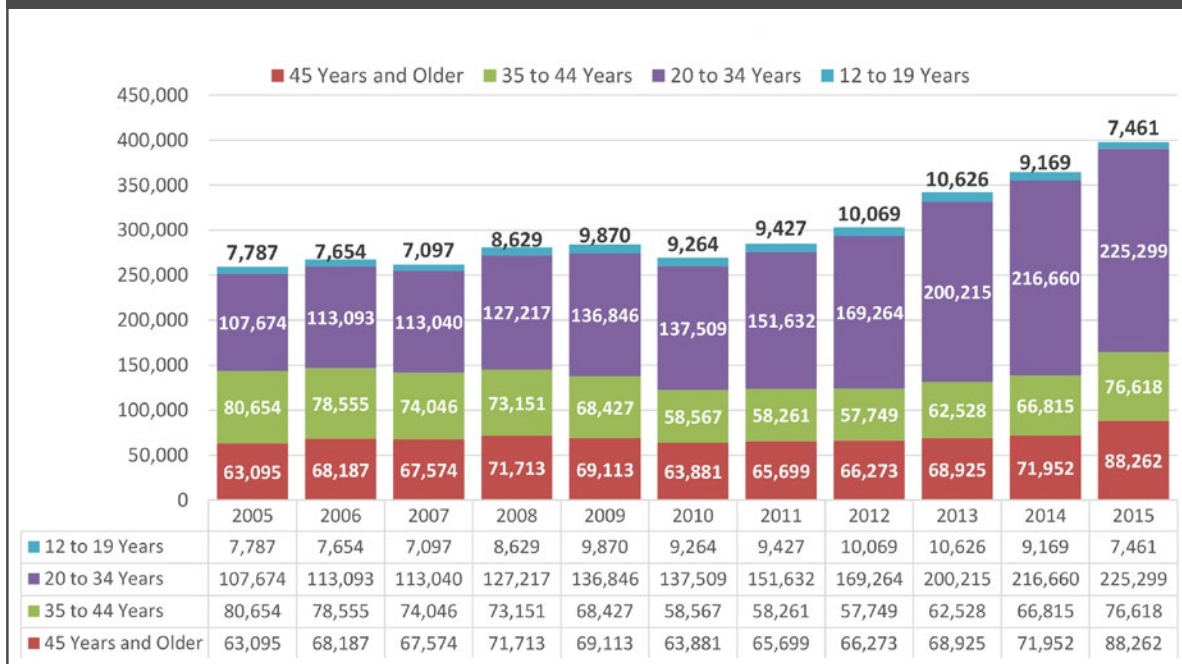
<sup>18</sup> CDC excluded overdose death reporting for these states.

Figure 21. Cities with Heroin Exhibits that Contained Fentanyl or Fentanyl-Related Substances, 2016 Heroin Domestic Monitor Program.



Source: DEA

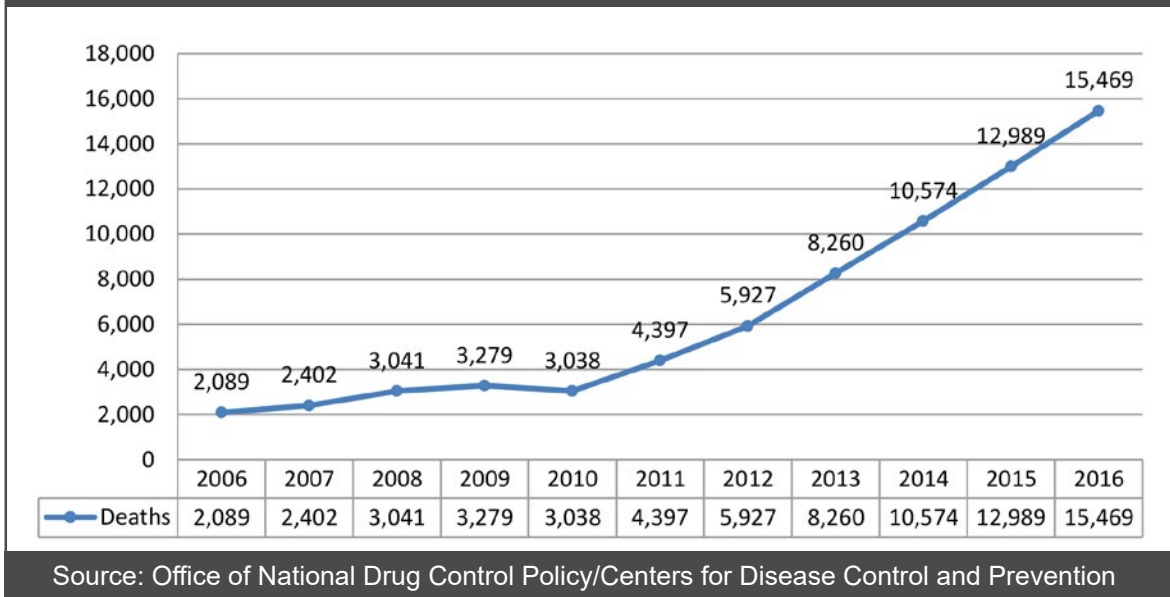
Figure 22. Heroin Admissions by Year and Age, 2005 - 2015.<sup>19</sup>



Source: Treatment Episode Data Set

<sup>19</sup> Census population estimate data on age, gender, and race/ethnicity are currently not available for Puerto Rico; therefore, the totals reflected in Figure 22 exclude primary heroin admissions in Puerto Rico.

Figure 23. Heroin Deaths in the United States, 2006 –2016.



Nationwide the rates of drug overdose deaths involving heroin increased to 4.9 per 100,000 population from 4.1 in 2015.

Heroin-involved overdose deaths increased across all Census regions from 2015 to 2016, with some of the largest increases occurring in the Northeast and the South (see Figure 25). The Northeast reported a 24.84 percent increase in heroin-related deaths and the South showed a 22.06 percent increase over the prior year. In 2016, the Census regions reported heroin-related deaths per 100,000 population: Northeast (7.9), Midwest (7.1), South (3.8) and West (2.7). The West reported a 10.45 percent increase and the Midwest reported a 15.36 percent increase over the prior year. In 2014, the gap in heroin-related overdoses occurring in the Northeast and Midwest began to close when both regions reported similar death rates. The South and the West had less than half the number of deaths in 2014 and deaths continue to trend upwards at the same pace.

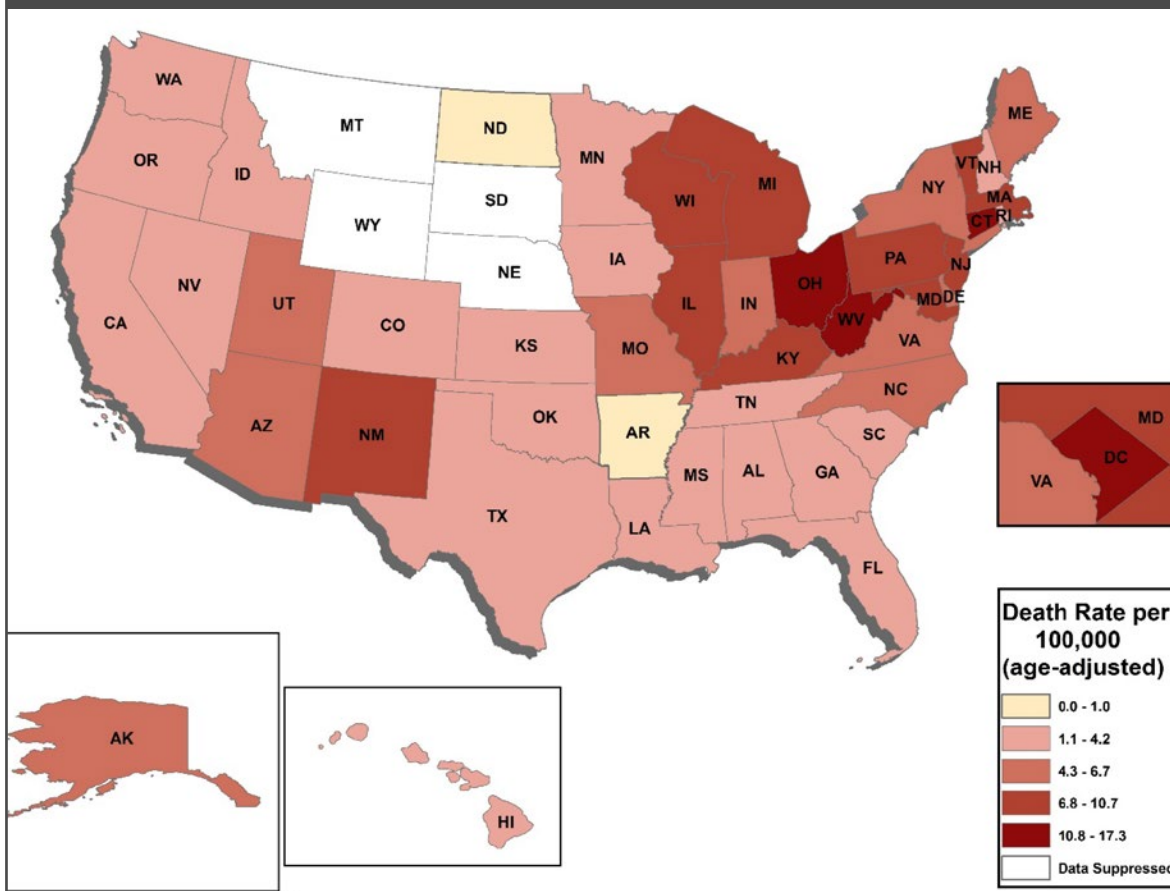
National-level survey data results indicate that use remains high and stable. According to NSDUH, in 2016 an estimated 948,000 people aged 12 or older used heroin in the past year. The estimate of past year heroin users in 2016 was similar to the estimates in 2014 and 2015. About 475,000, approximately 0.2 percent of the population aged 12 or older, were current heroin users in 2016, also similar to the 2015 estimates.

In 2016, less than 0.1 percent (3,000) of adolescents aged 12 to 17 were current heroin users, approximately the same rate since 2007. Among young adults aged 18 to 25 in 2016, 0.3 percent (88,000) were current heroin users. In 2016, 0.2 percent (383,000) of adults aged 26 or older were current heroin users. The percentage of young adults in 2016 who were current heroin users was similar to the percentages in 2015. The percentage of adults aged 26 or older in 2016 was also similar to the percentages in 2014 and 2015.

In 2016, 0.1 percent (13,000) of adolescents aged 12 to 17 were past year users. This percentage was slightly lower than the percentages in 2015. Among young adults aged 18 to 25 in 2016, 0.7 percent (227,000) were past year heroin users. This percentage was similar to the percentages in 2015. In 2016, 0.3 percent (708,000) of adults aged 26 or older were past year heroin users. This percentage was similar to the percentages in 2015.

According to the 2017 MTF, the prevalence of reported heroin use among 8th, 10th and 12th graders has been declining since 2009. Survey respondents view heroin as one of the most dangerous drugs. In 2016, prevalence of reported use reached its lowest levels in all three grades (0.3%) with little change in 2017. There has been

Figure 24. Age Adjusted Heroin Deaths in the U.S. by Census Region, 2016.



Source: Office of National Drug Control Policy/Centers for Disease Control and Prevention

little fluctuation in the very high levels of disapproval of heroin use over the years, though it did rise gradually between 2000 and 2010. Perceived availability of heroin among 8th, 10th, and 12th graders has declined since the 1990s, and has been level since 2014. The percentage of 12th grade students who stated that heroin is “fairly easy” or “very easy” to obtain has remained at approximately 20 percent since 2009.

## PRODUCTION

Four geographic source areas produce the world’s heroin supply: South America, Mexico, Southwest Asia, and Southeast Asia. Southwest Asia, while the dominant producer represents a very small portion of the U.S. heroin market. Southeast Asian heroin is rarely encountered in U.S. markets. In 2017, heroin from Mexico accounted for 91 percent (by weight) of the heroin analyzed through the DEA’s HSP.

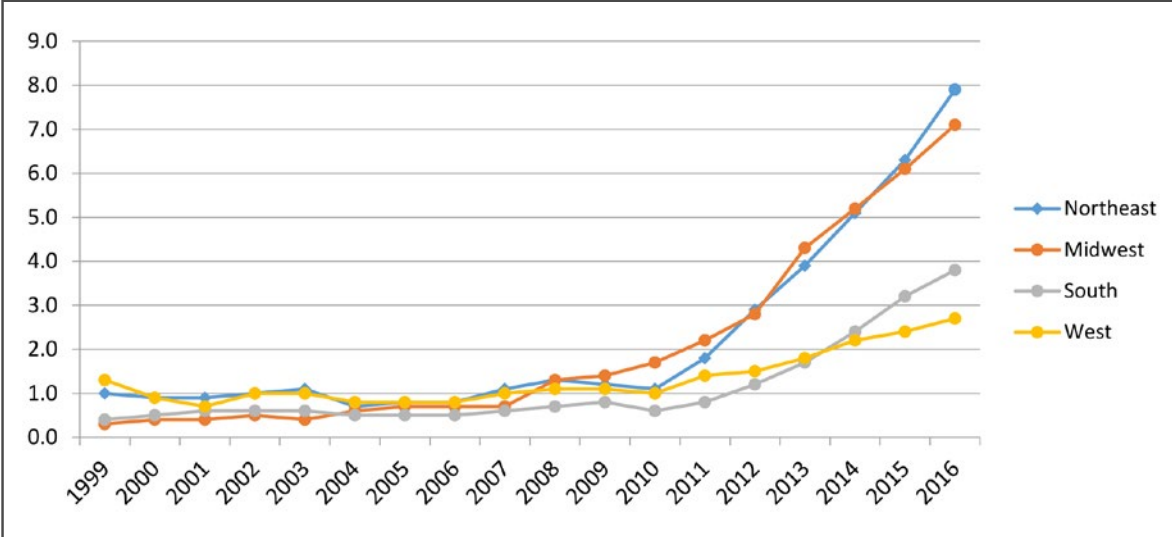
Heroin from South America accounted for most of the remainder with less than one percent by weight from Southwest Asia.

The annual United States Government estimate of Mexican Poppy Cultivation and Heroin Production found poppy cultivation reached a record high in 2017. Poppy cultivation in Mexico rose 38 percent, from 32,000 hectares in 2016 to 44,100 hectares in 2017. Similarly, potential pure heroin production increased by 37 percent, from 81 metric tons in 2016 to 111 metric tons in 2017.

## TRANSPORTATION AND DISTRIBUTION

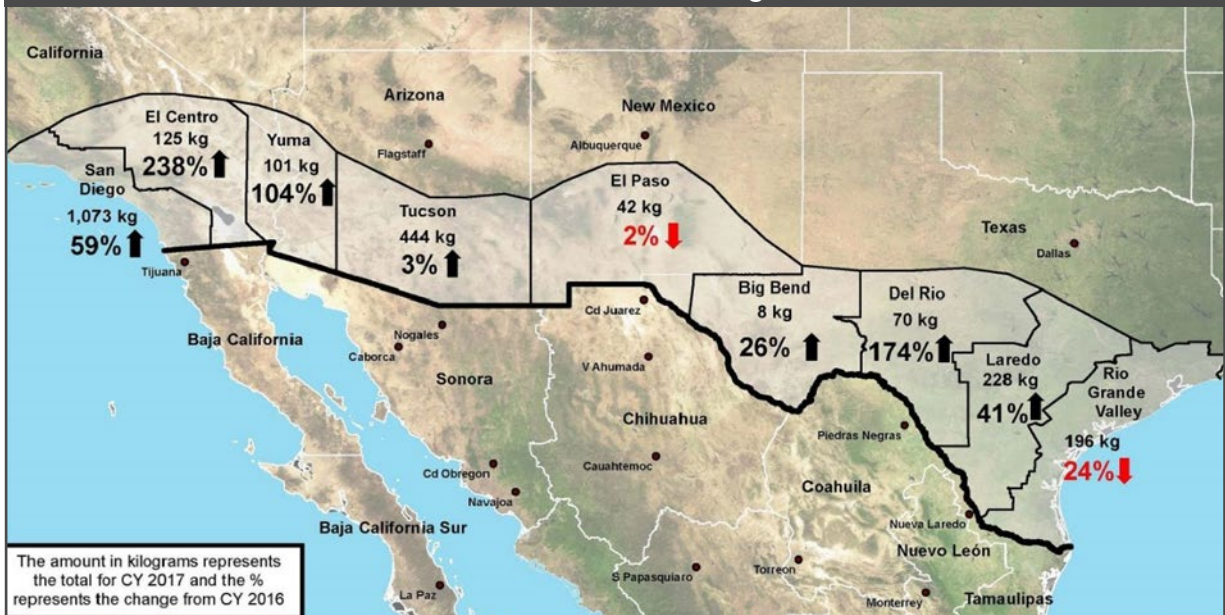
The SWB remains the primary entry point for heroin into the United States. Most of the heroin seized by CBP occurs along the U.S.-Mexico border near San Diego, California. In 2017, approximately 1,073 kilograms of

Figure 25. Heroin-Related Deaths by U.S. Census Region, 1999 - 2016 Age Adjusted Rates.



Source: DEA

Figure 26. Customs and Border Protection Heroin Seizures by Southwest Border Corridor in CY 2017, with Percent Change from CY 2016.



Source: U.S. Customs and Border Protection

heroin were seized in the San Diego corridor, a 59 percent increase over the total seized in 2016 (see Figure 26). A small percentage of all heroin seized by CBP along the land border was between Ports of Entry (POEs). The CBP San Diego sector reported the greatest amount of heroin seized of all non-POE land border seizures, followed by the Tucson sector.

Mexican TCOs control the movement of heroin that enters the United States across the SWB, until it reaches its destination in cities all over the United States. The majority of the flow is through POVs entering the United States at legal ports of entry, followed by tractor-trailers, where the heroin is co-mingled with legal goods (see Figure 27). Body carriers represent a smaller percentage of heroin movement

Figure 27. Heroin Concealed in Privately Owned Vehicles, 2018.



Source: U.S. Customs and Border Protection

across the SWB and they typically smuggle amounts ranging from three to six pounds taped to their torso, or in shoes and backpacks. A very small percentage of the heroin seized by law enforcement enters through the Northern Border between the United States and Canada. Heroin is also seized on the ferry from the Dominican Republic to Puerto Rico.

Heroin dealers in the United States vary from city to city, ranging from gang members to independent groups of every nationality. In the Northeast, street gangs and Dominican Drug Trafficking Organizations (DTOs) with direct ties to Mexican TCOs dominate the heroin trade. On the West Coast, Mexican TCOs and their gang affiliates dominate the heroin trade, and in Florida, Puerto Rican traffickers and Dominican DTOs are the largest heroin sources of supply. Heroin sourced to Mexico and Colombia is trafficked in New York predominately

by Dominican DTOs. In Tennessee, African-American street gangs with ties to major cities like Atlanta or Chicago are responsible for heroin distribution in both urban areas and residential suburbs. In Philadelphia, Dominican DTOs with ties to Mexico have a strong presence. In Washington state, Mexican TCOs transport heroin into the area.

## OUTLOOK

Heroin will remain a serious drug threat in the United States as heroin use and heroin availability increases. The flow of heroin into the United States from Mexico will easily meet the demands of an expanding heroin user population. Heroin-related overdose deaths will continue, partially due to the growing trend at the retail level of traffickers mixing fentanyl with heroin, which creates a higher risk of overdose to even the most experienced opioid users.





# FENTANYL AND OTHER SYNTHETIC OPIOIDS

## OVERVIEW

Fentanyl is a Schedule II synthetic opioid<sup>20</sup> approved for legitimate use as a painkiller and anesthetic. However, the drug's extremely strong opioid properties make it an attractive drug of abuse for both heroin and prescription opioid users. Clandestinely produced fentanyl is trafficked into the United States primarily from China and Mexico, and is responsible for the ongoing fentanyl epidemic. In contrast, the diversion of pharmaceutical fentanyl in the United States occurs on a small scale, with the diverted fentanyl products being intended for personal use and street sales. Fentanyl continues to be smuggled into the United States primarily in powder or counterfeit pill form, indicating illicitly produced fentanyl as opposed to pharmaceutical fentanyl from the countries of origin. Fentanyl-containing counterfeit pills, along with other new preparations of the drug, demonstrate fentanyl continues to be marketed to new user markets.

## AVAILABILITY

Fentanyl is widely available throughout the United States, with all DEA FDs reporting accessibility. Fentanyl is available in both its legitimate and illicit forms. Physicians prescribe legitimate fentanyl in the form of transdermal patches or lozenges. Fentanyl in these forms is diverted from the legitimate market, although on a smaller scale compared to clandestinely produced fentanyl. Illicitly produced fentanyl is synthesized in clandestine laboratories and typically distributed in a white powder form, to be mixed into heroin or pressed into counterfeit opioid prescription pills.

Fentanyl's availability is widespread and increasing, while also becoming more geographically diverse. Eleven out of 21 DEA FDs surveyed indicated fentanyl availability was "High" during the first half of 2017, meaning fentanyl was easily obtained at any time (see Figure 28). The other ten FDs were

**Figure 28. DEA Field Division Reporting of Fentanyl Availability in the First Half of 2017 and Comparison to Previous Period.**

Field Division	Availability During First Half of 2017	Availability Compared to Second Half of 2016
Atlanta Field Division	Moderate	More
Caribbean Field Division	Low	Stable
Chicago Field Division	High	More
Dallas Field Division	Low	More
Denver Field Division	Low	Stable
Detroit Field Division	High	More
El Paso Field Division	Low	Stable
Houston Field Division	Low	More
Los Angeles Field Division	High	More
Miami Field Division	High	More
New England Field Division	High	More
New Jersey Field Division	Moderate	More
New Orleans Field Division	High	Stable
New York Field Division	Moderate	More
Philadelphia Field Division	High	More
Phoenix Field Division	High	More
San Diego Field Division	Moderate	More
San Francisco Field Division	Moderate	More
Seattle Field Division	High	More
St. Louis Field Division	High	More
Washington Field Division	High	More

Source: DEA Field Division Reporting<sup>21</sup>

<sup>20</sup> In this document, the phrase "synthetic opioid" refers to only those substances which are classified as opioids and have no plant-based material in their production (i.e. fentanyl, fentanyl-related substances, and other novel opioids) and therefore does not include heroin.

<sup>21</sup> Two new DEA Field Divisions, Louisville and Omaha, were opened in 2018, making 23; however, at the time the Field Divisions were surveyed for availability in 2017, there were 21.

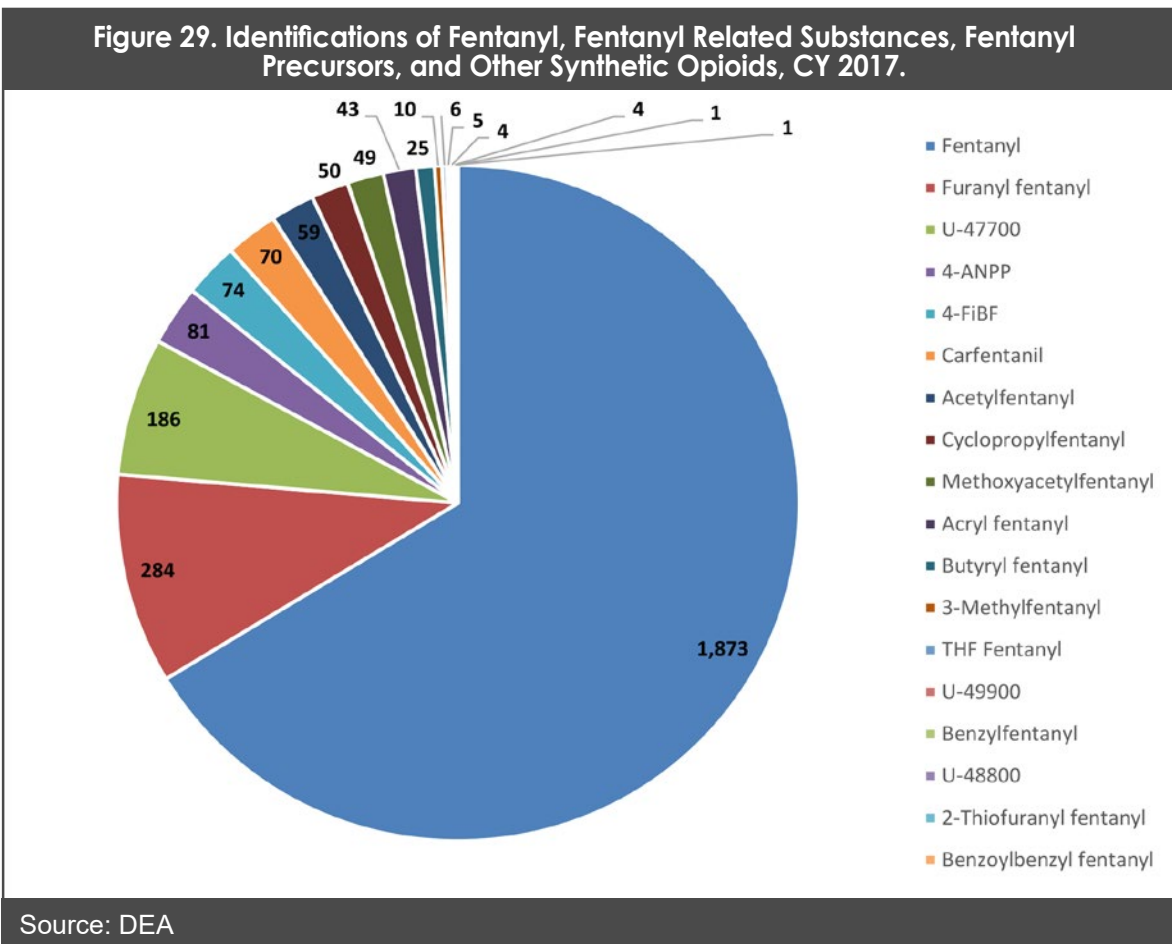
split evenly between reporting fentanyl as having either “moderate” or “low” availability. In addition, 17 out of the 21 FDs indicated fentanyl was “more” available compared to the second half of 2016, demonstrating fentanyl use is increasing across all parts of the United States. The other four FDs indicated fentanyl availability was “stable” compared to the second half of 2016, meaning no FD reported fentanyl availability as “less” in comparison to 2016.

Fentanyl-related substances (FRS) are also increasingly becoming available throughout the United States. These substances are in the fentanyl chemical family, but have minor variations in chemical structure. These substances are typically sold as alternatives to, or substitutes for, fentanyl, but may also be sold as heroin or pressed into counterfeit prescription medications. Most of these substances are not approved for use in humans, so information about potency and lethal dosage are frequently unknown.

Fentanyl continues to be the primary synthetic opioid available in the United States, while more FRS and other new opioids continue to be identified, according to DEA’s Emerging Trends Program. In

CY 2017, there were 2,825 identifications of fentanyl, FRS, fentanyl precursors, and other new opioids based on exhibits seized and analyzed by DEA. Fentanyl accounted for approximately 66 percent, or 1,873 of the identifications (see Figure 29). Further, of the 1,873 fentanyl identifications, fentanyl was found as the only controlled substance in approximately 43 percent of the identifications and was found in combination with heroin in approximately 47 percent of the identifications. This indicates fentanyl at the retail level is still primarily tied to the opioid market as opposed to the markets for other common controlled substances, such as cocaine or methamphetamine.

The overwhelming majority of fentanyl exhibits analyzed in the United States have been fentanyl in powder form, but fentanyl in counterfeit pill form still represents a significant public health risk and law enforcement challenge in the near term. As of September 2017, DEA had analyzed 583 kilograms of fentanyl powder compared to 17 kilograms of fentanyl in tablet form for CY 2017. However, simply comparing the total weights of each form of fentanyl seized does not provide an accurate representation of the threat posed by fentanyl in counterfeit pills.



According to the 2016 NSDUH, there were approximately 3.4 million current misusers of prescription pain relievers compared to 475,000 current heroin users. Traditionally, fentanyl was mixed with or sold as white powder heroin, which potentially limited the overall scope of the fentanyl user market. However, as traffickers have expanded into the sale of fentanyl-containing counterfeit pills, the scope of users who were exposed to fentanyl increased significantly; the prescription pain reliever misuser population is almost ten times that of the heroin user population.

According to national estimates from the National Forensic Laboratory Information System (NFLIS), fentanyl represented approximately the same percentage of all reports of fentanyl and FRS reported between 2015 and 2016. In 2015, fentanyl represented 14,440 reports (84.59%) of the total 17,071 reports of fentanyl and FRS identified in NFLIS. For comparison, in 2016, fentanyl represented 34,204 reports (85.33%) of the total 40,083 reports of fentanyl and FRS identified. This demonstrates that fentanyl continues to be the most popular synthetic opioid available

**Figure 30. National Annual Estimates of Fentanyl and Fentanyl-Related Substances Reported in NFLIS, 2015-2016.<sup>22</sup>**

Fentanyl and Fentanyl- Related Substances	2015		2016	
	Number	Percent	Number	Percent
Fentanyl	14,440	84.59%	34,204	85.33%
Acetyl fentanyl	2,412	14.13%	1,669	4.16%
Furanyl fentanyl	0	0.00%	2,273	5.67%
Carfentanil	0	0.00%	1,100	2.74%
3-Methylfentanil	1	0.01%	427	1.07%
Butyryl fentanyl	205	1.20%	93	0.23%
Fluoroisobutyryl fentanyl	0	0.00%	82	0.20%
p-Fluoroisobutyryl fentanyl	0	0.00%	76	0.19%
p-Fluorobutyryl fentanyl	2	0.01%	72	0.18%
Valeryl fentanyl	0	0.00%	52	1.13%
Acryl fentanyl	0	0.00%	26	0.06%
p-Fluorofentanyl	8	0.05%	5	0.01%
o-Fluorofentanyl	0	0.00%	3	0.01%
Beta-hydroxythiofentanyl	3	0.02%	0	0.00%
ANPP	0	0.00%	1	0.00%
Acetyl-alpha-methylfentanyl	1	0.01%	0	0.00%
Alpha-methylfentanyl	0	0.00%	1	0.00%
4-Methoxy-butyryl fentanyl <sup>23</sup>	0	0.00%	*	*

Source: DEA National Forensic Laboratory Information System

<sup>22</sup> This table includes drugs submitted to laboratories from January 1, 2015 through December 31, 2016 that were analyzed within three months of the calendar year reporting period.

<sup>23</sup> Estimates that do not meet NFLIS standards of precision and reliability are denoted with “\*\*”.

in the United States, even as the total reports of fentanyl and FRS increase each year.

Nevertheless, the number of fentanyl-related substance reports increased significantly between 2015 and 2016, as both more total exhibits of FRS were analyzed and more FRS were analyzed and confirmed for the first time. In 2015, seven FRS contributed to the 2,631 total FRS reports identified in NFLIS. However, in 2016, 12 total FRS combined for 5,879 reports identified, marking a 123 percent increase in total reports in one year (see Figure 30). In 2016, the most commonly identified FRS was furanyl fentanyl, with 2,273 identifications; previously, acetyl fentanyl was the most commonly identified FRS with 2,412 identifications. The most widely available FRS can vary from year to year depending on a combination of user feedback and international control efforts.

According to DEA's Fentanyl Signature Profiling Program<sup>24</sup> (FSPP), in CY 2017, fentanyl seized and analyzed in the United States averaged 5.1 percent pure, based on analysis of approximately 520 fentanyl powder exhibits representing 960 kilograms. FSPP analysis indicated fentanyl available in the United States can range from 0.1 percent to 97.8 percent pure, depending on the source of the fentanyl. DEA and CBP reporting indicate the fentanyl shipped directly from China is typically seized in smaller quantities but with purities commonly testing above 90 percent. By comparison, fentanyl trafficked overland into the United States from Mexico is typically seized in larger, bulk quantities but with much lower purity, with exhibits on average testing at less than ten percent pure.

As fentanyl has become more available in the United States, it has increasingly been seen in new and unique mixtures/cocktails. In 2017, one of the most widely reported and most dangerous of these mixtures was "gray death." This drug cocktail reportedly contained different drugs depending on where in the country it was reported. Across all references to "gray death,"<sup>25</sup> the cocktail is described as a mixture of illicit opioids with the appearance of concrete

mix and gray in color. The consistency of the substance described varied, and ranged from a hard and chunky material to a finer powder used for snorting and inhaling smoke. According to the Southeast Florida Fusion Center, "gray death" was comprised of heroin, fentanyl, carfentanil, and U-47700. The "gray death" mixture has been reported in multiple states, to include: Alabama, Indiana, Georgia, Ohio, Pennsylvania, and possibly New York (see Figure 31). In powder form, "gray death" can go airborne, which could be harmful, or even fatal, to law enforcement officers; as such, police are cautioned to avoid field-testing suspected "gray death" and wear appropriate personal protective equipment (PPE).

- Between February 2017 and May 2017, the Georgia Bureau of Investigation had received 50 overdose cases involving "gray death," mostly from the Atlanta area. Samples of reported "gray death" seized from Georgia were a match to a sample submitted from Alabama. However, the amount of each ingredient present differed between the two cases. Additionally, some Georgia samples contained butyrylfentanyl and acrylfentanyl, while others had a completely different composition.
- In May 2017, the Stuart Police Department in Stuart, Florida published an Officer Safety Alert about the possible appearance of "grey death." During that month, officers received reports of a possible overdose in Jensen Beach. Two, possibly three, people took a drug they believed to be "grey death." Two of the subjects suffered overdose effects and were hospitalized. No drugs were recovered.
- In early March 2017, the DEA Buffalo Resident Office (RO) obtained 48 grams of suspected fentanyl, which appeared cement-gray in color (see Figure 32). This gray-colored fentanyl was linked to multiple drug overdose deaths in various states. As such, it is suspected, though unconfirmed, the gray fentanyl may be linked to

<sup>24</sup> DEA's FSPP performs in-depth chemical analyses on fentanyl and fentanyl-related exhibits obtained from seizures made throughout the United States. Analytical methodologies developed by DEA give in-depth reporting on seizures and also link seizures for intelligence purposes. FSPP data is not intended to reflect U.S. market share, but is rather a snapshot of current trends.

<sup>25</sup> The spellings "gray death" and "grey death" are used interchangeably in this report to refer to the same 'brand' of illicit drug cocktail. Reporting from across the law enforcement community contains both spellings.

Figure 31. "Grey Death" in Chunky Rock Form.



Source: Gulf Coast High Intensity Drug Trafficking Area

Figure 32. Gray-Colored Fentanyl Obtained by DEA Buffalo.



Source: DEA

"gray death." The seized fentanyl was powdery in texture as opposed to the chunky texture described by other law enforcement agencies.

Fentanyl available in the United States is often sold under the same or similar "brands" as heroin, which can lead to confusion and wariness among customers depending on what the customer is seeking. For example, one of the most popular "names" associated with high quality heroin is "China White," but distributors across the United States all use "China White" to mean different products. Moreover, it is highly likely many distributors do not know what exactly they are selling when it comes to differentiating between heroin, fentanyl, and fentanyl-laced heroin, as well as differentiating between diverted pills and fentanyl-containing counterfeit pills. This probably means many distributors are

## DEA EMERGENCY SCHEDULES FENTANYL-RELATED SUBSTANCES

On November 9, 2017, the U.S. Department of Justice (DOJ) announced it was temporarily emergency scheduling all substances chemically related to fentanyl as Schedule I drugs under the Controlled Substances Act (CSA). This order, effective February 2018, signifies criminals who possess, import, distribute, or manufacture any FRS is subject to criminal prosecution in the same manner as for fentanyl and other controlled substances. Overseas chemical manufacturers, aided by illicit domestic distributors, currently attempt to evade regulatory controls by creating structural variants of fentanyl that are not directly listed under the CSA. This action will make it easier for law enforcement officers and federal prosecutors to arrest and prosecute traffickers of all forms of FRS without having to rely on the Analogue Act.

not intentionally deceiving customers; instead, suppliers do not always inform distributors specifically what substances or combinations of substances they are selling. Still, other distributors actively cut heroin with fentanyl to extend their heroin supply; however, it is often unclear whether customers in these cases are aware of how/if their heroin has been cut.

- In October 2017, a Boston, Massachusetts-area illicit drug distributor was actively involved in selling heroin and fentanyl in the Boston, Massachusetts and Lynn, Massachusetts areas. This distributor was also reportedly specifically involved in the distribution of kilogram quantities of "China White," described as fentanyl-laced heroin.
- In October 2017, a Phoenix, Arizona-area illicit drug distributor offered to sell pills to multiple customers. Based on the response

## DOJ AND TREASURY DEPARTMENT ANNOUNCE FIRST EVER INDICTMENTS, SANCTIONS AGAINST CHINESE FENTANYL MANUFACTURES

In October 2017, the DOJ announced federal grand juries in the Southern District of Mississippi and the District of North Dakota returned indictments against two Chinese nationals and their North American based traffickers and distributors for separate conspiracies to distribute large quantities of fentanyl and fentanyl analogues and other opiate substances in the United States. The Chinese nationals are the first manufacturers and distributors of fentanyl and other opiate substances to be designated as Consolidated Priority Organization Targets (CPOTs).

Both CPOTs sold/distributed fentanyl and other illegal drugs over the Internet, sometimes operating across multiple websites in order to sell fentanyl and fentanyl analogues directly to customers in the United States. One of the suspects was charged with operating at least two chemical plants capable of producing ton quantities of fentanyl and fentanyl analogues. The suspect monitored legislation and law enforcement activities in the United States and China, modifying the chemical structure of fentanyl analogues produced to evade prosecution in the United States. Another suspect was charged with sending pill presses, stamps, and dies used to shape fentanyl into pills in addition to trafficking in fentanyl and fentanyl analogues. Pill presses were shipped to customers in the United States through the mail or international parcel delivery services.

In April 2018, the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) identified one of the CPOTs as a Significant Foreign Narcotics Trafficker pursuant to the Kingpin Act. OFAC also designated the CPOT's Hong Kong registered chemical company as being used to facilitate the unlawful importation of fentanyl and other controlled substances into the United States. As a result, any assets in which the CPOT has an interest which are located in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC's regulations generally prohibit all dealings by U.S. persons within (or transiting) the United States that involve any property or interests in property of blocked persons. This represents significant action on behalf of the United States Government to target fentanyl traffickers and chemical companies alleged to have shipped fentanyl from China to the United States.

from one of the customers, the referenced pills were blue fentanyl pills marked with "M 30", made to resemble oxycodone pills. The customer was hesitant when offered the pills and indicated customers are afraid of the pills from Mexico because "they have poison in them." Another customer explained nobody wanted to buy these pills because they had fentanyl, which was killing people, and individuals selling these pills were being charged for the deaths of persons who died from consuming them.

- In July 2017, a Philadelphia, Pennsylvania-area heroin and fentanyl distributor sold what was claimed to be brown/beige colored heroin which was later determined to contain both fentanyl and heroin, according to DEA lab analysis. During this same time period, the distributor discussed being able to obtain "China White," described as high quality fentanyl. Later, in August 2017, the same distributor sold what he/she claimed to be "white" heroin, which was later determined to contain fentanyl and acetyl fentanyl with no heroin.

- In March 2017, a Cincinnati, Ohio-area illicit drug distributor sold heroin, fentanyl, and fentanyl-laced heroin to various customers. The same distributor would often alter the quality of the substance being provided based on the number of customers and how much product the customers were seeking to purchase. Whenever several customers were seeking to purchase one to two ounces of heroin, the distributor would cut the heroin more to stretch supplies. The distributor also sold retail quantities of fentanyl-laced heroin and fentanyl with other cuts.

### LARGEST FENTANYL SEIZURE OCCURRED IN QUEENS, NEW YORK APARTMENT

In August 2017, DEA seized 66 kilograms of fentanyl, the largest seizure of fentanyl in United States history (see Figure 33). The shipment was located in an apartment in Queens, New York and was linked to the Sinaloa Cartel. Previously, the largest recorded single seizure of fentanyl was 40 kilograms seized from a pickup truck in Bartow County, Georgia.

Figure 33. Fentanyl Seized from Queens, New York Apartment.



Source: High Intensity Drug Trafficking Area/Domestic Highway Enforcement

## USE

Fentanyl use continues its prevalence in the United States and is a major contributor to the continuing epidemic of drug overdose deaths. Fentanyl's high potency and powerful effects continue to lead to users overdosing and dying in record high numbers. Fentanyl

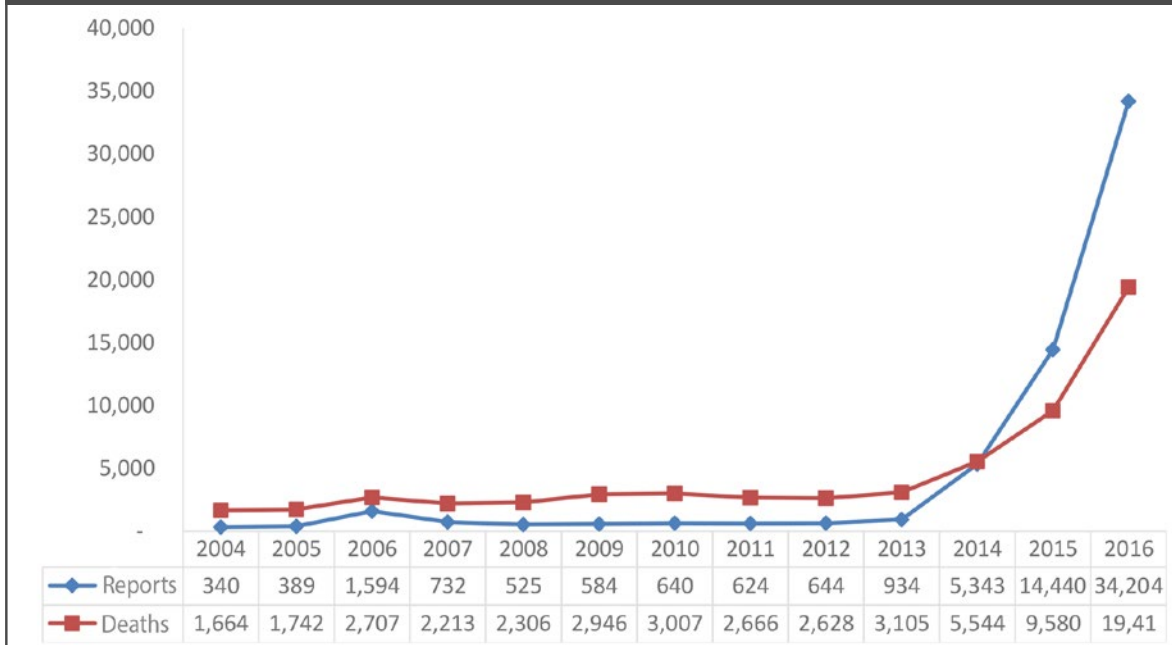
use continues to be most prevalent in areas of the country with high rates of heroin and prescription opioid deaths and availability, indicating fentanyl use still presents the greatest threat among the opioid user population. In addition, the increasing availability and use of fentanyl-containing counterfeit pills demonstrate a relationship with sudden outbreaks of overdose deaths.

The CDC reported a 103 percent increase in synthetic opioid deaths from 2015 to 2016, from 9,580 deaths to 19,413 deaths. Synthetic opioids are now involved in more deaths than any other illicit drug. While the synthetic opioid category does include other substances such as tramadol, fentanyl largely dominates the category. There is a strong relationship between the number of synthetic opioid deaths and the number of fentanyl reports encountered by forensic labs (see Figure 34). When the number of fentanyl reports in NFLIS increase, so too does the number of synthetic opioid deaths recorded by the CDC.

Death certificates continue to report the presence of fentanyl with other substances of abuse, indicating the increased availability of fentanyl. According to highlights from the 2016 mortality data, the annual percentage of fentanyl reported in death certificates reporting heroin, cocaine, psychostimulants, and semi-synthetic opioids has increased significantly since 2014. Moreover, the removal of fentanyl from cocaine-, heroin-, or prescription pain medication-involved overdose data can change the respective trends. The removal of fentanyl-involved deaths from other categories between 2013 and 2016 has these effects: cocaine-involved deaths increased 32 percent versus 110 percent, heroin-involved deaths increased 20 percent versus 87 percent, and semi-synthetic prescription pain medication-involved deaths increased seven percent versus 32 percent.

The increased presence of fentanyl in multiple different drug categories has important public health implications. Tolerances for one class of drugs do not prepare a user for a different class of drugs. As such, individuals who are primarily stimulant users (i.e. cocaine and/or methamphetamine users) are at a significantly increased risk of a fatal overdose if they inadvertently use fentanyl, because of their inexperience with opioids. Additionally, this means messaging directed

**Figure 34. Number of Synthetic Opioid<sup>26</sup>-Involved Deaths and Fentanyl Reports in NFLIS by Year, 2004-2016.**



Source: Centers for Disease Control and Prevention and DEA National Forensic Laboratory Information System

at opioid users (e.g. a warning of a ‘bad batch’ of heroin) and programs designed to help opioid users (e.g. needle exchanges) may be ineffective at reaching non-opioid users, for whom these treatments and messages are not intended.

The areas of the United States most heavily affected by illicit fentanyl continue to be those parts of the country with high rates of white powder heroin use. In CY 2016, states with the highest rates of synthetic opioid-involved overdose deaths per 100,000 population and the largest number of fentanyl reports contained in NFLIS are correlated with those same metrics for heroin and semi-synthetic prescription pain medications. West Virginia experienced the second highest age-adjusted totals for both heroin- and fentanyl-involved overdose deaths in addition to the highest total of semi-synthetic prescription pain medication-involved overdose deaths per 100,000 population: 14.9 heroin overdoses, 26.3 fentanyl-involved overdose deaths, and 18.5 semi-synthetic prescription pain medication-involved overdose deaths (see Figure 35). Ohio reported the most heroin, fentanyl, and combined hydrocodone and oxycodone reports: 20,964 heroin reports;

9,244 fentanyl reports; 5,702 combined oxycodone and hydrocodone reports (see Figure 36).

Fentanyl’s top ten list for overdoses shares three states—Ohio, Connecticut, and Massachusetts— in common with heroin’s top ten list for overdoses, and shares two states—Rhode Island and Maine—in common with semi-synthetic prescription pain medications’ top ten overdose list (see Figure 37). The top ten lists for NFLIS reports among all three drugs shared three states: Ohio, Pennsylvania, and New York. In addition, NFLIS reports demonstrate a strong link between the top states for heroin and fentanyl reports. These two substances share four states in common on their respective top ten NFLIS reports list: Illinois, Massachusetts, Maryland, and Virginia (see Figure 38). In comparison, only one state—Florida—was linked between fentanyl and semi-synthetic prescription pain medication lab reports, possibly because of Florida’s history as a state with high levels of prescription drug abuse.

It is increasingly more common for fentanyl to be mixed with adulterants and diluents and sold as heroin, with no heroin present in the

<sup>26</sup> In 2014, 76 percent of all synthetic opioid-involved deaths specifically mentioned fentanyl.



**Figure 35. Top Ten States by Age-Adjusted Rate of Drug-Involved Overdose Deaths Each for Heroin, Fentanyl, and Semi-Synthetic Prescription Pain Medications, CY 2016.**

Heroin		Fentanyl		Semi-Synthetic Prescription Pain Medication	
States	Death Rate	States	Death Rate	States	Death Rate
District of Columbia	17.3	New Hampshire	30.3	West Virginia	18.5
West Virginia	14.9	West Virginia	26.3	Utah	11.5
Ohio	13.5	Massachusetts	23.5	Maine	10.8
Connecticut	13.1	Ohio	21.1	Maryland	10.7
Maryland	10.7	District of Columbia	19.2	Tennessee	10.2
New Jersey	9.7	Maryland	17.8	Kentucky	9.3
Massachusetts	9.5	Rhode Island	17.8	Rhode Island	8.1
Vermont	8.7	Maine	17.3	Nevada	7.6
Illinois	8.2	Connecticut	14.8	New Mexico	7.5
New Mexico	8.2	Kentucky	11.5	District of Columbia	7.4

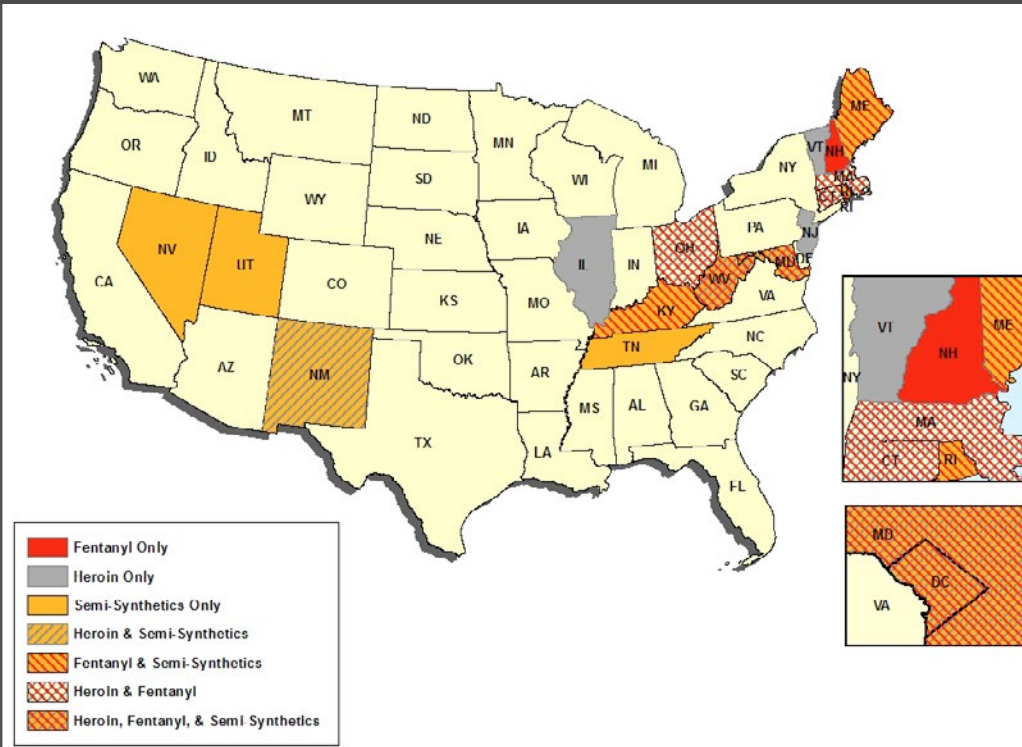
Source: DEA and Centers for Disease Control and Prevention

**Figure 36. Top Ten States by Number of NFLIS Reports Each for Heroin, Fentanyl, and Combined Hydrocodone and Oxycodone, CY 2016.**

Heroin		Fentanyl		Hydrocodone and Oxycodone	
States	Reports	States	Reports	States	Reports
Ohio	20,964	Ohio	9,224	Ohio	5,702
Pennsylvania	17,222	Massachusetts	6,028	Arkansas	3,533
New Jersey	14,970	Pennsylvania	3,173	Tennessee	3,478
California	12,837	New York	2,365	Virginia	3,331
Illinois	11,240	New Jersey	1,770	Georgia	3,237
New York	10,597	Maryland	1,587	Louisiana	2,709
Massachusetts	9,461	Illinois	1,582	Florida	2,695
Maryland	7,933	New Hampshire	1,524	Kentucky	2,655
Virginia	6,584	Virginia	1,450	Pennsylvania	2,537
Texas	5,212	Florida	1,137	New York	2,403

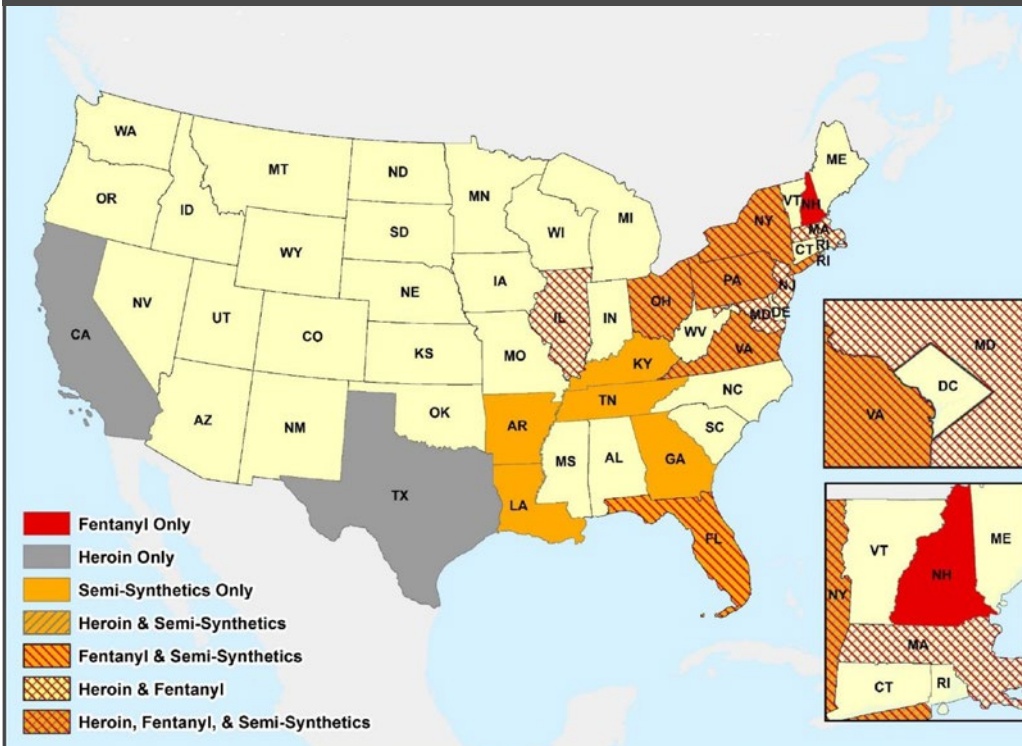
Source: DEA

Figure 37. Top Ten States with Most Drug Poisoning Deaths Per 100,000 Population Each for Heroin, Fentanyl, and Prescription Opioids, CY 2016.



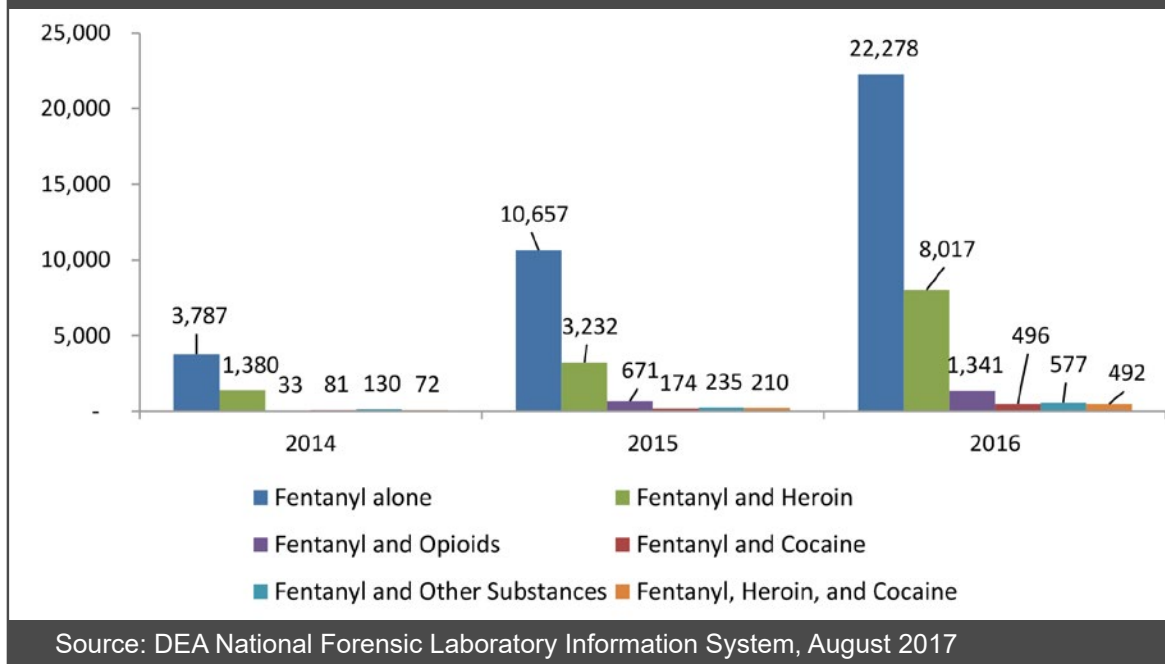
Source: DEA and Centers for Disease Control and Prevention

Figure 38. Top Ten States with Most NFLIS Submissions Each for Heroin, Fentanyl, and Prescription Opioids, CY 2016.



Source: DEA

Figure 39. Fentanyl Combination Reports in NFLIS, 2014 - 2016.



product. In 2016, an overwhelming majority of fentanyl exhibits in NFLIS were fentanyl alone, without heroin, at 22,278 reports (see Figure 39). DEA reporting reveals fentanyl in these forms possesses the following qualities: looks like heroin, presents in the same packaging as heroin, and displays similar stamps or brands as heroin. While many heroin users have no desire to use fentanyl, some do seek it out because of its potency. This can cause public health warnings to have unintended consequences; notifying the community that a particular heroin stamp is known to contain fentanyl or cause overdoses may cause some users to go in search of it.

The presence of fentanyl-containing counterfeit pills in an area is increasingly associated with spikes in overdose deaths. Fentanyl traffickers use fentanyl powder and pill presses to produce pills that resemble popular prescription opioids such as oxycodone and hydrocodone. As the popularity of fentanyl-containing pills increases, fentanyl has been observed in non-opioid prescription drugs, such as alprazolam. According to research from The Partnership for Safe Medicines (PSM), as of September 2017, 40 states had encountered fentanyl-containing counterfeit pills. PSM reported confirmed overdose deaths from fentanyl-containing pills in at least 16 of those states. The other 24 states probably had deaths attributable to fentanyl-containing pills; however, because awareness of fentanyl-

containing pills was limited when research started in 2015, those deaths may not have been investigated for counterfeit drugs. In many cases, the colorings, markings, and shape of the counterfeit CPDs were consistent with authentic prescription medications, meaning users would not necessarily be able to identify fentanyl-containing pills from authentic prescription medications. CPD users may be unaware of the strength of fentanyl-containing pills compared to authentic diverted prescription medications and as such are more susceptible to overdosing.

- In November 2017, the Mississippi State Crime Lab found fentanyl in the system of a recently deceased person who overdosed by taking an unknown amount of pills. This death was the fifth overdose in Madison County, Mississippi for 2017. The lab reported seeing an increase in fentanyl disguised as oxycodone.
- In June 2017, more than two dozen patients were admitted to an emergency room in Macon, Georgia over a two-day-span after ingesting counterfeit Percocet pills. The patients all admitted to having taken the pills but did not initially suspect them to be counterfeit. Analysis later revealed the pills contained a

mix of various substances including cyclopropyl fentanyl and U-47700.

- In March 2017, the Medical Examiner’s Office in Maricopa County, Arizona reported 32 confirmed overdose deaths from counterfeit pills containing fentanyl between May 2015 and February 2017. The DEA Heroin Enforcement Action Team attributed the fatalities to fentanyl-containing counterfeit oxycodone pills smuggled into the United States by Mexican DTOs. In addition to fentanyl, nearly 75 percent of the overdoses contained dipyrone, a painkiller banned for use in the United States since 1977.

The variable amount of fentanyl present in fentanyl-containing pills is another major contributor to pills’ lethality. According to DEA’s FSPP, in CY 2017, the average fentanyl-laced tablet contained 1.1 milligrams of fentanyl with a range of 0.03 to 1.99 milligrams per tablet, based on an analysis of 26 tablet exhibits representing nine kilograms. This range of purities represents a large degree of variability in the amount of active substance in each fentanyl-laced pill and/or in each batch of fentanyl-laced pills (see Figure 40). Clandestine pill mill operators create hot spots, or areas of higher concentration, of

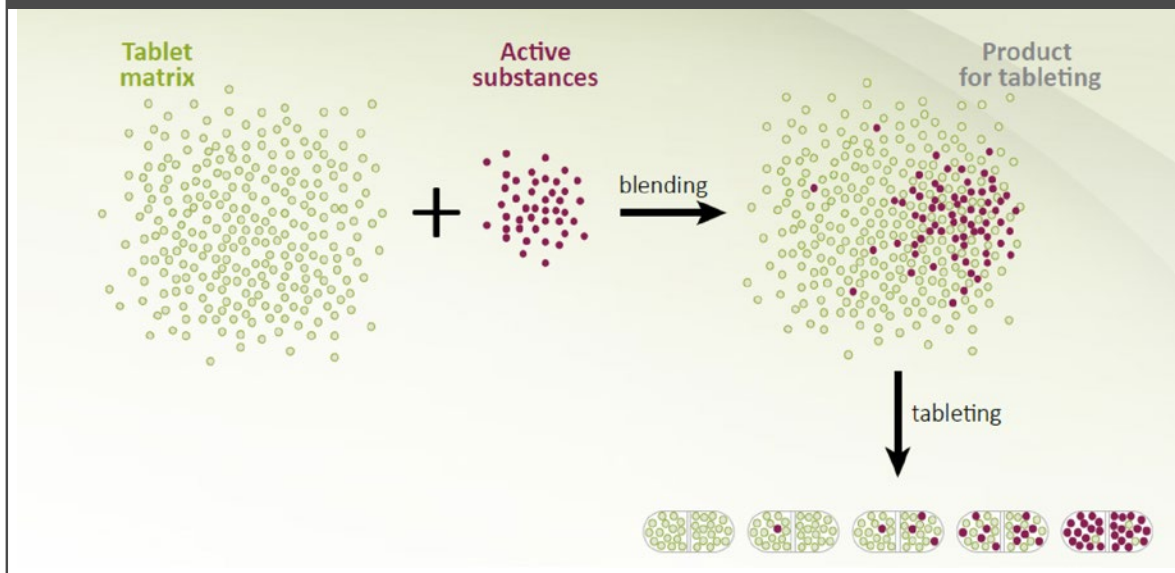
fentanyl in batches of pills due to improper mixing. This means even fentanyl-containing counterfeit pills from the same batch and appearing simultaneously in a market could be very different in terms of their potential lethality due to variations in milling operations.

## PRODUCTION

Illicitly-produced fentanyl and FRS are manufactured in China and Mexico. Fentanyl is synthesized in laboratories entirely from chemicals and requires no plant material to produce, unlike heroin. There are two primary methods to synthesize fentanyl: the Janssen method and the Siegfried method. Clandestinely-produced fentanyl is synthesized using the Siegfried method, as it is simpler for DTO cooks to follow the steps involved. This method can use N-phenethyl-4-piperidone (NPP) as its starting point and synthesizes 4-anilino-N-phenethyl-4-piperidone (ANPP), an immediate precursor to fentanyl. DEA has regulated both NPP and 4-ANPP as these substances have no legitimate purpose other than as precursors to synthesize fentanyl.

In 2018, China’s Ministry of Public Security announced scheduling controls on both NPP and 4-ANPP; the controls took effect February 1, 2018. In total, China has domestically controlled 138 NPS, to include

Figure 40. Variable Dose of Active Substance in Clandestinely Manufactured Pills.



Source: United Nations Office on Drugs and Crime

23 synthetic opioids. Notable synthetic opioids controlled by China include, but are not limited to, carfentanil, furanyl fentanyl, valeryl fentanyl, and acryl fentanyl. In October 2017, ANPP and NPP were included in Table I of the Convention against Drugs and Psychotropic Substances of 1988, which placed them under international control. These new restrictions will likely make synthesizing fentanyl more difficult in the near term for DTOs currently reliant on receiving already synthesized NPP. However, DTOs with trained chemists will likely be able to either synthesize NPP or else switch to another method of fentanyl synthesis. DTOs have consistently demonstrated the ability to adapt to precursor chemical restrictions, such as with methamphetamine, all while maintaining a consistent supply of product to the United States.

### FENTANYL PRODUCTION LABORATORY SEIZED IN MEXICO FOR THE FIRST TIME SINCE 2016

In November 2017, a Mexican Army patrol deployed to a remote part of Sinaloa state discovered what was later confirmed as a fentanyl production laboratory, the first such discovery in Mexico since 2006. Mexican authorities seized 809 grams of NPP; 1,442 grams of ANPP; 80 liters and 789 grams of noscapine; and 66 grams of fentanyl at the site, in addition to laboratory equipment. The discovery suggests lab operators were using the Siegfried method to synthesize fentanyl at this location, supporting previous United States Government (USG) assessments that Mexico was likely a source, alongside China, for illicitly-produced fentanyl in the United States. Neither NPP nor ANPP have any legitimate uses outside of being precursors used to synthesize fentanyl, according to DEA laboratory information.

## TRANSPORTATION AND DISTRIBUTION

Fentanyl is transported into the United States in parcel packages directly from China or from China through Canada, and is also smuggled across the SWB from Mexico. Large volumes of fentanyl are seized at the SWB, although these seizures are typically low in purity, less than ten percent on average. Conversely, the smaller volumes seized after arriving in the mail directly from China can have purities over 90 percent.

Because of the differences in both seizure size and average purity, it is currently not possible to determine which source, Mexico or China, is the greater direct threat as a supplier of fentanyl to the United States. While seizures likely originating in Mexico represent the largest total gross weight of fentanyl seized in the United States, the overall low purity of this fentanyl means a relatively small portion of a given fentanyl seizure is actually fentanyl. Fentanyl sourced from China arrives in significantly smaller quantities than fentanyl sourced from Mexico, but due to its exceptionally high purity, it both poses a greater risk to the purchaser/user and can be adulterated many more times. DEA reporting also indicates Mexican traffickers order fentanyl from China, adulterate it, and smuggle it into the United States themselves, meaning an unknown amount of seized Mexican parcels containing fentanyl are ultimately of Chinese origin. In addition, Mexican traffickers' primary source of supply for fentanyl precursor chemicals is also China.

## MEXICO-SOURCED FENTANYL

Fentanyl trafficked by Mexican TCOs is typically in multi-kilogram quantities and is combined with adulterants in clandestine facilities in Mexico prior to it moving into the SWB region. Mexican TCOs most commonly smuggle the multi-kilogram loads of fentanyl concealed in POVs before trafficking the drugs through SWB POEs. According to CBP and DEA reporting, although fentanyl is often seized as a part of poly drug loads (generally cocaine, heroin, and methamphetamine), fentanyl mixtures with other illicit drugs are very uncommon at the wholesale level. This

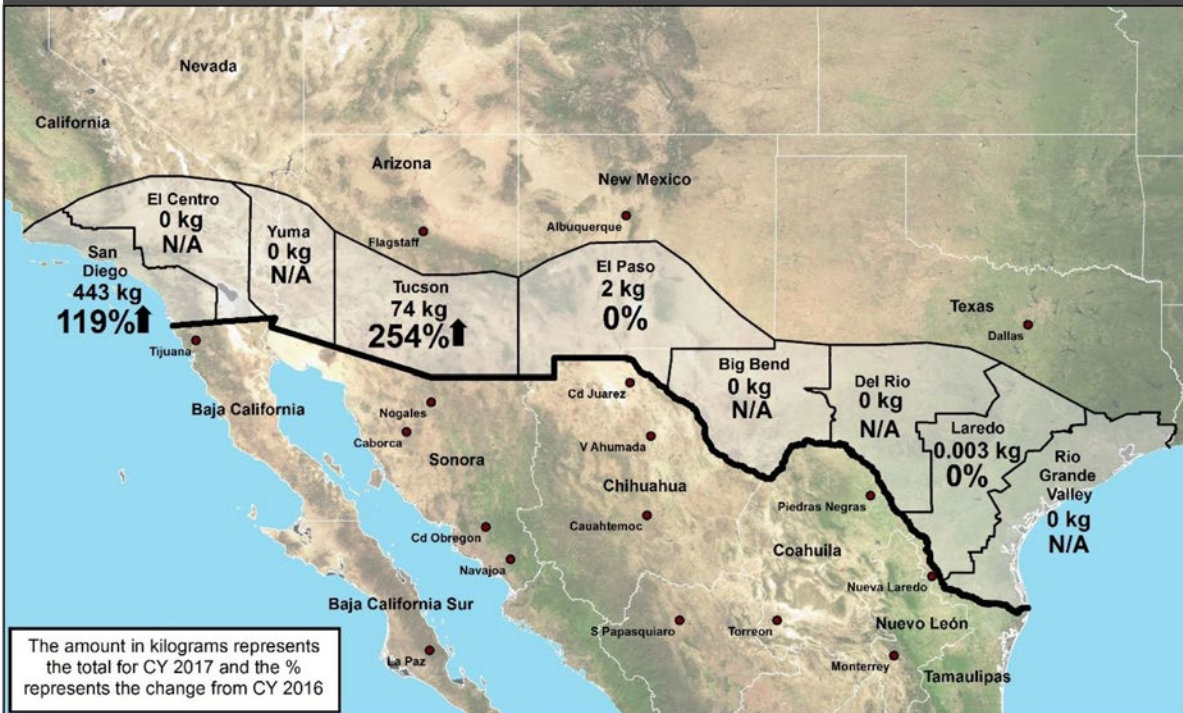
indicates the mixing of fentanyl with other illicit drugs is most frequently done inside the United States and is not representative of any definitive Mexican TCO strategy.

Fentanyl seizures<sup>27</sup> at SWB POEs increased by 135 percent— from 223 kilograms to 524 kilograms— between CY 2016 and CY 2017. The CBP San Diego Field Office AOR remains the primary entry region for fentanyl entering the United States via the SWB (see Figure 41). Approximately 85 percent of the fentanyl seized— 447 kilograms of 524 kilograms— entering the United States via the SWB flowed through the San Diego POE in CY 2017. During this timeframe, personally operated vehicles were the conveyance for 74 percent of the fentanyl seized, by weight, at SWB POEs. The second largest volume of flow— 14 percent of all the fentanyl seized along the SWB— was seized in the CBP Tucson Field Office AOR in CY 2017. In comparison, during CY 2016, the CBP San Diego Field Office AOR accounted for 91 percent of all the fentanyl seized along the SWB and the CBP Tucson Field Office AOR accounted for nine percent.

For both the San Diego and Tucson Field Office AORs, the number of fentanyl seizures at the POEs increased between CY 2016 and CY 2017. The San Diego Field Office reported 68 fentanyl seizures— compared to 23 in CY 2016— and the Tucson Field Office reported 31 fentanyl seizures— compared to five in CY 2016. These two offices accounted for 99 of the 109 fentanyl seizures at SWB POEs reported in CY 2017.

DEA investigative reporting indicates, the Sinaloa and CJNG Cartels are likely the primary groups trafficking fentanyl into the United States via the SWB. Most CBP fentanyl seizures occur at POEs in Southern California. These POEs are directly adjacent to areas in Mexico with a strong Sinaloa and CJNG presence and both of these cartels are known to smuggle multi-kilogram drug loads through California POEs. The presence of fentanyl comingled with other poly drug loads typical of Sinaloa and CJNG suggests strong links between these TCOs and fentanyl trafficking into the United States.

Figure 41. Custom Border and Protection Fentanyl Seizures by Southwest Border Corridor in CY 2017, with Percent Change from CY 2016.



The amount in kilograms represents the total for CY 2017 and the % represents the change from CY 2016

Source: DEA

<sup>27</sup> These data include only seizures vetted by CBP’s Office of Field Operations.

## CHINA-SOURCED FENTANYL

Fentanyl and FRS are also being imported in low weight, high concentration shipments via mail and express consignment from China. These shipments are likely being imported by small criminal networks because of the potential for fentanyl and FRS to generate high revenue without the need for allegiance to a larger DTO or Mexican TCO. According to CBP data, nearly all fentanyl seized from international mail and express consignment operations<sup>28</sup> (ECO) originated in China<sup>29</sup> and averaged less than 700 grams in weight. CBP laboratory analysis of similar seizures indicated international mail and ECO seizures are typically over 50 percent pure.

Fentanyl sourced from China accounted for 97 percent of fentanyl seized from the international mail and ECO environments in both CY 2017 and CY 2016. China-sourced fentanyl, by weight, accounted for 165 kilograms of the total 171 kilograms seized from the international mail and ECO environment during CY 2017. This represents a 140 percent increase in the amount of fentanyl sourced from China seized in the mail and ECO environments between CY 2016 and CY 2017—from 69 kilograms to 165 kilograms. To help distinguish between the mail/ECO product line of fentanyl and the SWB product line of fentanyl, CBP's Laboratory and Scientific Services Directorate tested 63 fentanyl samples—nearly all of which were mail/

### DEA ARRESTS ONE OF THE MOST PROLIFIC DARK WEB FENTANYL DISTRIBUTORS IN THE UNITED STATES

In November 2016, DEA officials executed a search on a residence in Cottonwood Heights, Utah after investigating what was believed to be a fentanyl distribution operation manufacturing counterfeit fentanyl pills and other counterfeit medications. The search led to the seizure of \$1.2 million United States Currency (USC); \$2 million virtual currency (VC); 750 grams of fentanyl powder; 400 grams of alprazolam; approximately 200,000 counterfeit oxycodone pills containing fentanyl; approximately 100,000 counterfeit alprazolam pills; and four commercial-grade pill presses (see Figures 42 & 43).

The distribution network operated by purchasing fentanyl and pill presses over the dark web from China and subsequently selling counterfeit pills containing fentanyl over the dark web. The sales were conducted over AlphaBay, which at the time was the largest dark web market. During this time, the suspect was widely considered by customers to be the number one seller of fentanyl-containing pills on AlphaBay due to overwhelmingly positive customer feedback and the ability to ship drugs in bulk quantities. Customers would purchase fentanyl and other counterfeit pills using Bitcoin. The suspect used a close network of friends and associates in and around Salt Lake City to package and mail thousands of orders for customers across all 50 states.

Figure 42. Counterfeit Pills Containing Fentanyl.



Figure 43. U.S. Currency Found at Suspect's Residence.



Source: DEA

<sup>28</sup> Express consignment operations refer to operations involving parcel courier companies.

<sup>29</sup> Use of the term "China" includes both China and Hong Kong for the purposes of this data set.

ECO seizures—and determined 51 percent of the samples tested between 90 and 100 percent purity. Moreover, 79 percent of the samples analyzed were over 50 percent pure, further distinguishing the two product lines.

Criminal indictments relating to fentanyl smuggling in the mail/ECO environment further suggest individuals involved in U.S.-based fentanyl smuggling act alone or as part of relatively small, independent criminal networks. These networks typically distribute fentanyl locally or sell it to others via the Internet. Further, the increasing use of relatively anonymous “dark web”<sup>30</sup> purchases, paid using money service business (MSB) transfers or virtual currency, facilitates fentanyl trafficking in the mail and ECO environments. For instance, AlphaBay, a dark web marketplace shut down by the Federal Bureau of Investigation (FBI) in July 2017, reportedly had over 200,000 users; 40,000 vendors; 21,000 opioid listings; and 4,100 fentanyl listings. Despite this success, the popularity of fentanyl listings on the dark web indicates it is highly likely dark web fentanyl transactions are extensive and are likely to persist. The National Cyber-Forensics and Training Alliance estimates there are between 100-150 fentanyl vendors currently operating on the dark web. Moreover, as of January 2018, FBI analysis identified approximately 700 fentanyl-related sales listings on the current top six English-language dark web marketplaces.

Clandestine fentanyl pill press operations are becoming increasingly popular in the United States due to the profitability of fentanyl pills and the large potential user market. Traffickers typically purchase already synthesized fentanyl and fentanyl-related compounds in powder form, in addition to pill presses available from China, to create counterfeit pills intended for street sales. Under U.S. law, DEA must be notified when a pill press is imported into the country. However, foreign pill press vendors circumvent this requirement by mislabeling equipment or sending equipment disassembled to avoid detection by port authorities or law enforcement. These laboratories are often found in residential areas and can present challenges for local police departments responding to requests for assistance or executing search warrants.

<sup>30</sup> The dark web refers to the portion of the Internet that is intentionally hidden and is only accessible through encrypted applications, such as TOR.

Figure 44. Pill Press Equipment Seized in Richmond, Texas.



Source: DEA

Figure 45. Fraudulent Oxycodone Tablets Containing Fentanyl Seized in Richmond, Texas.



Source: DEA



## OUTLOOK

Figure 46. Counterfeit Oxycodone Pills Containing Fentanyl and U-47700 Seized in Tucson, Arizona.



Source: Arizona High Intensity Drug Trafficking Area

- In May 2017, the DEA San Antonio and Houston Offices executed a search warrant and seized 35 pounds of fraudulent oxycodone tablets containing suspected fentanyl in Richmond, Texas. Additionally, the search revealed four pill presses, one pound of fentanyl powder, 13 pounds of fraudulent Adderall and Xanax tablets containing methamphetamine, one pound of crystal methamphetamine, and multiple weapons (see Figures 44 & 45).
- In February 2017, an investigation conducted by the Arizona High Intensity Drug Trafficking Area (HIDTA), the FBI, and the Pima County Sheriff's Office resulted in the seizure of 3,150 blue tablets with an "M30" imprint in Tucson, Arizona (see Figure 46). The tablet imprints and color are consistent with pharmaceutically manufactured oxycodone tablets. Tucson Police Department Crime Laboratory analysis of four of the tablets revealed the presence of fentanyl in all the tablets. Three tablets also contained U-47700; lidocaine; suspected noscapine;<sup>31</sup> and suspected meconin.<sup>32</sup>

Fentanyl will continue to be a serious threat to the United States while the current illicit production continues and fentanyl availability remains prevalent. Fentanyl's lethality will continue to pose challenges and risks to law enforcement and first responders as well as contribute to increasing numbers of overdose deaths. Moreover, new regulations imposed by the United States, China, and Mexico may decrease fentanyl availability and trafficking in the short term but are unlikely to affect long term change, as traffickers will continue to experiment with new FRS and adjust supplies accordingly. Drug traffickers will continue to be drawn to fentanyl because of the high profits associated with its distribution. Additionally, the use of both the open and dark web to obscure transactions and to distribute fentanyl directly to both users and independent drug trafficking organizations presents challenges for law enforcement and policy makers working to restrict the flow of fentanyl to the United States.

<sup>31</sup> Noscapine is an antitussive (cough suppressing) medication popular in Mexico and commonly identified in samples of heroin sourced to Mexico.

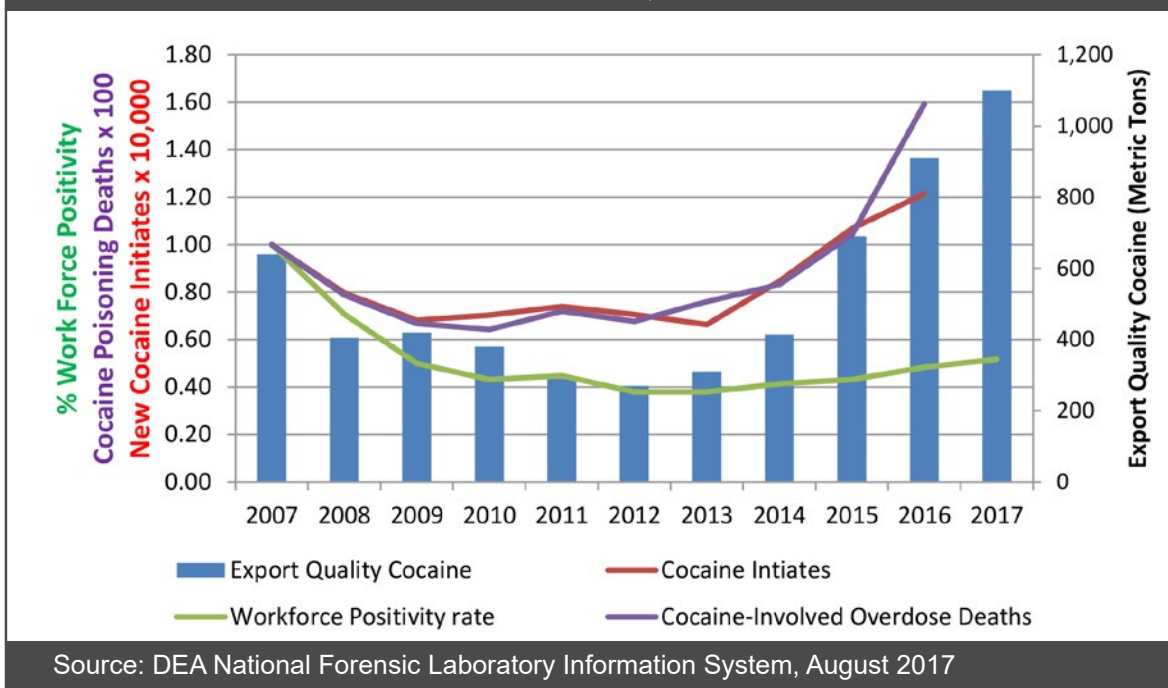
<sup>32</sup> Meconin as a substance is an indicator of heroin.

This page intentionally left blank.



# COCAINE

Figure 47. U.S. Cocaine Indicators and Colombia Export Quality Cocaine Production, based on 2007 Value, 2007-2017.



## OVERVIEW

Cocaine availability and use in the United States continued to rise between 2016 and 2017, with domestic abuse indicators (including past-year cocaine initiates and cocaine-involved overdose deaths) surpassing 2007 benchmarks previously reached in 2016 (see Figure 47). Increased availability levels and concurrent lowered domestic prices will likely propel this trend through the near-term. Record levels of coca cultivation and cocaine production in Colombia, the primary source for cocaine seized and tested in the United States, has widened the cocaine market, leading to increased domestic abuse. Simultaneously, the increasing appearance of fentanyl into the cocaine supply, likely related to the ongoing opioid crisis, is exacerbating the cocaine abuse problem by accelerating cocaine-involved overdose deaths. The continuing surge in cultivation and production will likely translate into further increased domestic availability, reduced domestic prices, and—coupled with the continuing opioid epidemic—more cocaine-related overdose deaths in 2018.

## AVAILABILITY

The majority of DEA FDs in 2017 indicated cocaine availability was moderate in their area, meaning cocaine is accessible. Nine DEA FDs—Atlanta, Caribbean, Miami, New Jersey, New York, Houston, Los Angeles, Philadelphia, and Washington—indicated cocaine availability was high, meaning cocaine is easily obtained at any time (see Figure 48). Five DEA FDs—Chicago, New England, San Diego, San Francisco, and Washington—indicated cocaine was more available in their areas than in the previous reporting period. In addition, three DEA FDs indicated cocaine was an increasing threat in their region compared with the last reporting period. In 2017, cocaine became the fourth greatest drug threat in the Dallas and Seattle FDs (up from fifth) and the St. Louis FD reported cocaine was now the third greatest drug threat (up from fourth).

Colombia remains the primary source for the majority of cocaine seized and tested in the United States. According to DEA's Cocaine Signature Program (CSP), in 2017, approximately 93 percent of cocaine samples tested were of Colombian origin, four percent were of Peruvian origin, and three percent were of Unknown origin (see Figure 49). The average purity for all wholesale level cocaine bricks analyzed was 84.4 percent. Of all wholesale cocaine bricks tested, 59 percent were uncut—meaning they did not contain any adulterants or diluents—which represents a significant increase from 2016. Per CSP analysis, the percentage of uncut cocaine bricks directly relates to the export quality of Colombian cocaine, which increased significantly throughout the past year. The last time the percentage of uncut cocaine bricks exceeded 40 percent was in 2007: the year in the previous decade with the highest domestic cocaine availability. The rest of the bricks analyzed were cut with various diluents, with 40 percent containing levamisole and/or levamisole mixtures with dexamisole and two percent containing various other cutting agents.

Average retail price per pure gram of cocaine decreased while average gram purity increased between January 2012 and March 2017, likely representative of higher domestic cocaine availability compared to the previous five years. Between January 2012 and March 2017, price decreased eight percent (\$174 to \$160) and purity increased 22 percent (49.1% to 59.9%) (see Figure 50). Between March 2016 and March 2017, the average retail price for cocaine decreased 10.1 percent (\$178 to \$160). Between October and December 2016, overall average purity increased 16.1 percent (51.6% to 59.9%)—peaking at 62.8 percent purity in late 2016. This peak briefly surpassed the 2007 benchmark of 61.1 percent average purity. At the same time, the retail price hit the lowest point since 2007, falling to \$139. Since late 2016, average purity has fallen slightly and retail prices have risen. However, the overall trend of lower prices but higher purity suggests demand has not fully caught up to supply—resulting in a cheaper, more pure product than five years ago.

Since 2007, Colombian cocaine production and average annual cocaine purity in the United States have had a moderately

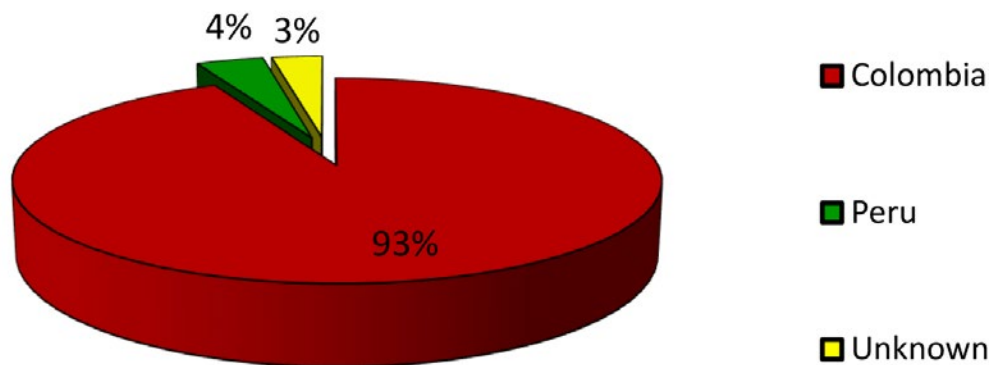
**Figure 48. DEA Field Division Reporting of Cocaine Availability in the First Half of 2017 and Comparison to Previous Period.**

Field Division	Availability During First Half of 2017	Availability Compared to Second Half of 2016
Atlanta Field Division	High	Stable
Caribbean Field Division	High	Stable
Chicago Field Division	Moderate	More
Dallas Field Division	Moderate	Stable
Denver Field Division	Moderate	Stable
Detroit Field Division	Moderate	Stable
El Paso Field Division	Moderate	Stable
Houston Field Division	High	Stable
Los Angeles Field Division	High	Stable
Miami Field Division	High	Stable
New England Field Division	Moderate	More
New Jersey Field Division	High	Stable
New Orleans Field Division	Moderate	Stable
New York Field Division	High	Stable
Philadelphia Field Division	High	Stable
Phoenix Field Division	Moderate	Stable
San Diego Field Division	Moderate	More
San Francisco Field Division	Moderate	More
Seattle Field Division	Moderate	Stable
St. Louis Field Division	Moderate	Stable
Washington Field Division	High	More

Source: DEA Field Division Reporting<sup>33</sup>

<sup>33</sup> Two new DEA Field Divisions, Louisville and Omaha, were opened in 2018, making 23; however, at the time the Field Divisions were surveyed for availability in 2017, there were 21.

Figure 49. Origin of Cocaine Samples Seized in the United States Mainland, 2017.



Source: DEA

### DEA'S COCAINE SIGNATURE PROGRAM

Each year, through the CSP, in-depth chemical analyses are performed on approximately 2,500 cocaine hydrochloride (HCl) exhibits obtained from bulk seizures made throughout the United States. The program also examines a smaller number of cocaine exhibits seized from around the world. Additionally, samples of solvents, reagents, and other materials seized from South American illicit cocaine laboratories are examined. Analytical methodologies developed at the Special Testing and Research Laboratory give evidence of how and where the coca leaf was processed into cocaine base (geographical origin), and how cocaine base was converted into cocaine hydrochloride (processing method). State-of-the-art scientific methods can determine the geographic origin of the coca leaf, down to the sub-regional growing region used to produce a cocaine exhibit with a confidence level exceeding 96 percent.

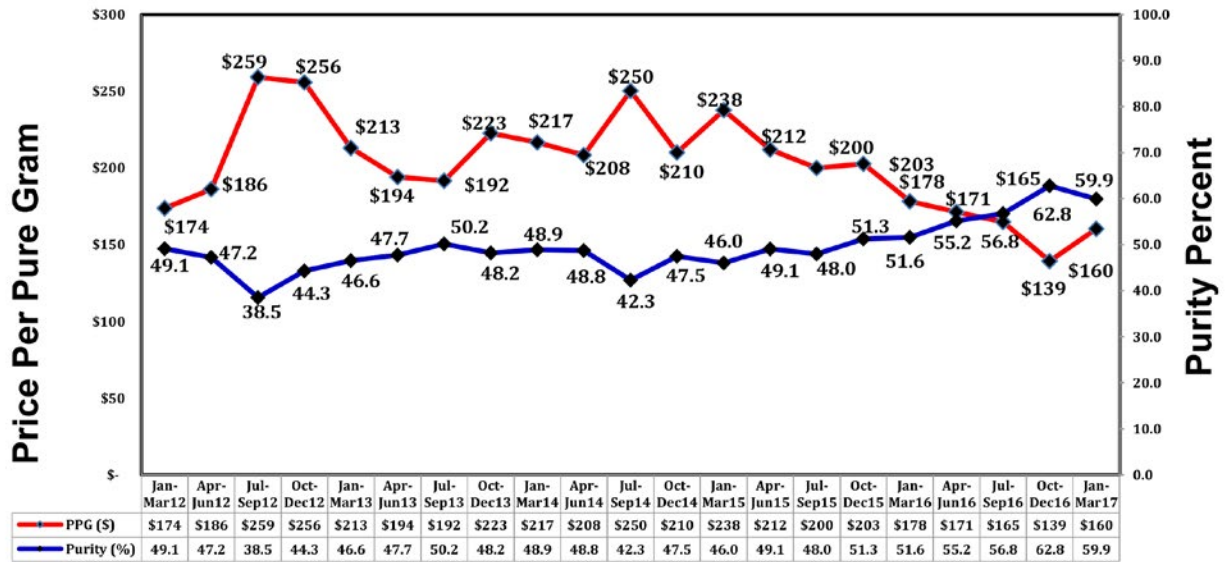
CSP analysis has consistently indicated that Colombian-origin cocaine dominates the market in the United States. These forensic findings are consistent with all available law enforcement intelligence and investigative reporting. CSP data is not intended to reflect U.S. market share, but is rather a snapshot of current trends. The CSP also provides a huge dataset (over 47,000 exhibits since 1998) for strategic intelligence analysis that reflects random cocaine samples taken from all wholesale-level domestic seizures (submitted to all DEA laboratories) that total metric tons of cocaine each year.

strong correlation. However, the relationship between the retail level cocaine price in the United States and cocaine production in Colombia is weak. Previously, increases in Colombian cocaine production were assumed to lead to increases in average retail purity and decreases in average retail prices in the United States. However, analysis of the last 15 years of cocaine price and purity data reveals a weak relationship between domestic prices and cocaine production.

This likely means other factors, including competition within local drug markets and changes in the user population, have a greater influence on domestic price.

According to NFLIS, drug reports of cocaine submitted to state and local laboratories remained stable between 2015 and 2016, after increasing slightly between 2014 and 2015 and steadily decreasing from 2006 through 2014. Nationally, cocaine

Figure 50. Price and Purity of Domestic Cocaine Purchases, January 2012 – March 2017.



Source: DEA

### "HIGH HEAT" COCAINE

Throughout 2017, there have been increased reports from various DEA FDs referencing the production and/or sale of “High Heat” cocaine.<sup>34</sup> Reporting in almost all of these cases indicated “High Heat” was very high purity cocaine, typically reported as above 97 percent pure. Additionally, “High Heat” cocaine was reported to cost thousands of United States Dollars (USD) more per kilogram than “less pure” cocaine, which was considered less desirable. Because of this product’s desirability, current reporting indicates an emerging but concentrated high-end, specialty market where traffickers are willing to pay substantially more money for an allegedly pure product specifically known as “High Heat” cocaine. Although drug trafficking organizations are normally interested in purchasing highly pure, uncut cocaine, the development of a specialty market represents a further evolution of the cocaine market.

Originally, reporting concerning “High Heat” cocaine was concentrated in Colombia, California, New York, and Canada. However, DEA reporting from October 2017 from the Atlanta FD indicated that drug traffickers in Spain imported multi-hundred kilogram amounts of “High Heat” cocaine from Central America. Also in October 2017, DEA reporting from the San Diego FD identified a wholesaler operating between Tijuana, Mexico and San Diego who was seeking to import “High Heat” cocaine into the U.S. supplied by CJNG for prospective clients.

submissions represented 14 percent of all drugs reported in NFLIS in 2016: cocaine was the third most frequently identified drug after cannabis/tetrahydrocannabinol (THC) and methamphetamine. Laboratories representing cities in the South and Northeast, including McAllen, Miami, Orlando, New York City, Baltimore,

Philadelphia, Augusta, ME, and Tampa, reported the highest levels of cocaine submissions.

In 2017 and early 2018, multiple DEA FDs reported increases in the quantity and purity of cocaine available in their AORs. Additionally, many divisions also reported decreases in the kilogram price of cocaine,

<sup>34</sup> “High Heat” cocaine is a term used by drug traffickers to describe the purported high-purity of a sample of cocaine and is not to be confused with an actual new form of pure cocaine.

likely a response to increased availability. In addition, some divisions have reported an increase in crack cocaine usage and availability. Conversely, some field divisions intermittently reported less demand for cocaine despite widespread availability, seemingly correlated to the rise of fentanyl in those areas.

- New England FD reporting from September 2017 indicates that cocaine is increasingly accessible in the region, but is becoming less popular in some areas since fentanyl

has become available. New England FD reporting for earlier in the year reiterated there was “not much of a demand” for cocaine, so the market was less active despite increases in availability.

- Philadelphia FD reporting shows both more powder cocaine and crack cocaine availability throughout 2017, leading to increased arrests for possession or distribution. Lancaster City Police reported “seeing more cases involving kilo[grams]” and an

## UNCOMMONLY LARGE SEIZURES NEAR SOUTHWEST BORDER

Although seizures of cocaine in transit are routine over various routes, it is uncommon to see very large shipments of cocaine headed towards the US-Mexico border. Multiple multi-kilogram shipments in only a few months demonstrates that increased coca production has likely caused increased cocaine HCl supplies throughout the cocaine supply chain, enabling trafficking organizations to risk moving larger shipments despite more law enforcement efforts at the SWB. The United States can expect to see more frequent, larger cocaine and multi-drug shipments as cocaine stocks continue to rise, in spite of increased security at the SWB.

In November 2017, the Mexican Army (SEDENA) and the Sonora State Police interdicted a commercial truck and trailer transporting a load of lemons at the Cucapah military checkpoint located near San Luis Rio Colorado, Sonora, Mexico, resulting in the seizure of the largest amount of cocaine in the checkpoint’s history. The authorities found 961 packages of cocaine, weighing approximately 1,126.8 kilograms, 16 packages of crystal methamphetamine, weighing approximately 12.6 kilograms, and 24.2 kilograms of heroin (see Figure 51). The shipment of lemons came from Michoacán and was destined for Tijuana, Baja California.



Source: SEDENA, Sonora State Police, DEA Nogales Resident Office

In February 2018, SEDENA, while conducting routine interdiction operations at the same checkpoint, seized a commercial truck and trailer containing a shipment of avocados. The shipment contained 896.9 kilograms of cocaine, 40.6 kilograms of fentanyl powder, 4.3 kilograms of heroin, approximately 5,200 pills containing fentanyl, and 4.3 kilograms of an unidentified grey powder. As with the load of lemons, the truck departed from Michoacán and was destined for Tijuana.

increase of packages sent through the United States Postal Service (USPS), with a majority originating in Puerto Rico.

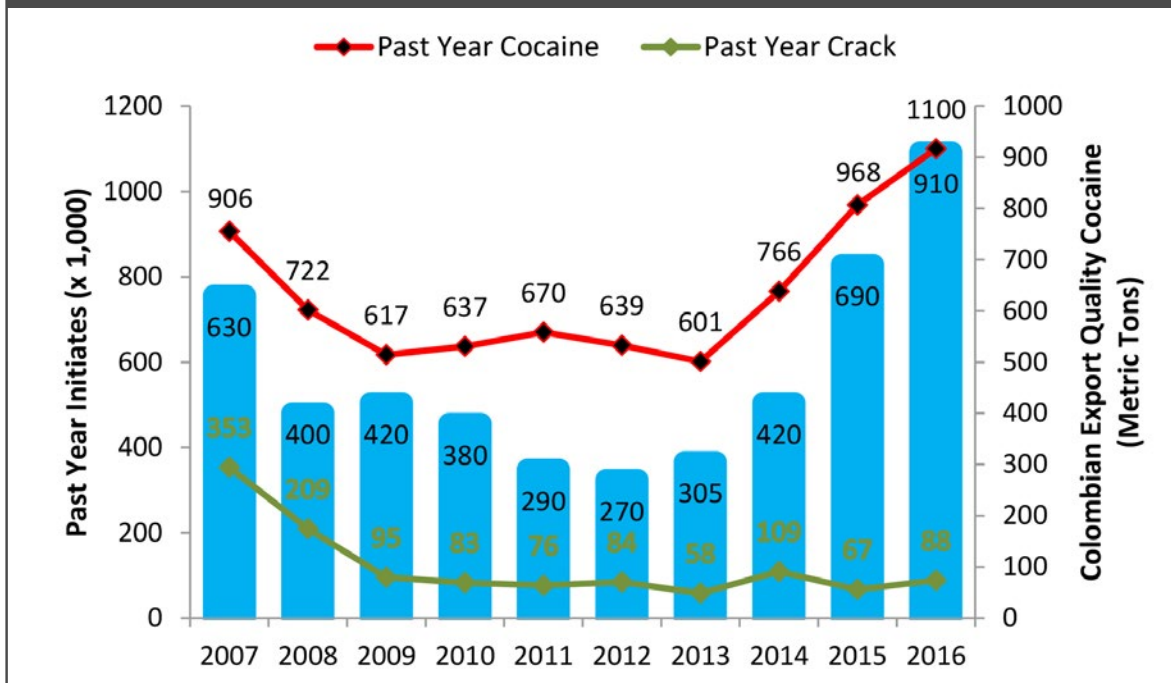
- Chicago FD reporting indicates that demand for cocaine through 2018 remains high, along with a rise in heroin demand and an increase in fentanyl availability. Reporting also indicates widespread, increased cocaine availability.
- Dallas FD reporting shows a notable drop in the price of kilogram bricks of cocaine from the first half of 2017 into the first half of 2018. The decline in price corresponds with an increase in cocaine availability throughout the Dallas FD area of responsibility (AOR). Reporting also indicates that cocaine distributors are still making profits despite lowered prices, meaning the price decrease is unlikely to shrink the market or cause distributors to stop selling cocaine in the short-term.
- St. Louis FD reporting shows an uptick in the presence of cocaine in parts of Nebraska, Kansas, and

Missouri, which are not traditionally large cocaine markets. Reporting from the El Paso FD also notes a “high demand for cocaine in Nebraska,” referencing a supplier who relocated to Nebraska due to demand changes.

## USE

Use of both powder and crack cocaine has continued to grow in the United States. Among regular consumers, a broad distinction can be made between more socially integrated users, who often snort powder cocaine (cocaine HCl), and more marginalized users, who inject cocaine or smoke crack (cocaine base/crack cocaine). According to the 2016 NSDUH, there were an estimated 1.9 million persons aged 12 or older who were current cocaine users (meaning they had used the drug within the past month); this estimate includes the use of both powdered and crack cocaine. In 2016, there were an estimated 432,000 current users of crack. These data indicate about 0.7 percent of the population aged 12 or older are current cocaine users and 0.2 percent are current crack users. Neither the overall cocaine population nor the crack sub-population experienced a statistically

Figure 52. Past Year Cocaine Initiates and Export Quality Cocaine Production.



Source: National Survey on Drug Use and Health and United States Government



significant increase from 2015 to 2016. Use in 2016 was similar to most years between 2007 and 2015, but lower than in 2002 to 2006. Similarly, 2016 crack use was similar to most years from 2008 to 2015, but it was lower than 2002 to 2007.

- In 2016, past year cocaine initiates continued to surpass 2007 benchmark levels for cocaine use. The number of past year cocaine initiates increased 12 percent from 968,000 in 2015 to 1.1 million in 2016 (see Figure 52). According to NSDUH data, 1.3 million current cocaine users were aged 26 and older in 2016. Average age at first cocaine use among recent cocaine initiates was 21.8 years. The number of recent initiates has risen to levels comparable with those of the early 2000s, meaning more people initiated cocaine use in 2016 than did so between 2008 and 2014.
- In 2016, past year crack initiates increased 138 percent, from 37,000 in 2015 to 88,000 in 2016, after declining nearly 71 percent between 2014 and 2015. Since reaching a high of 353,000 in 2007, past year crack

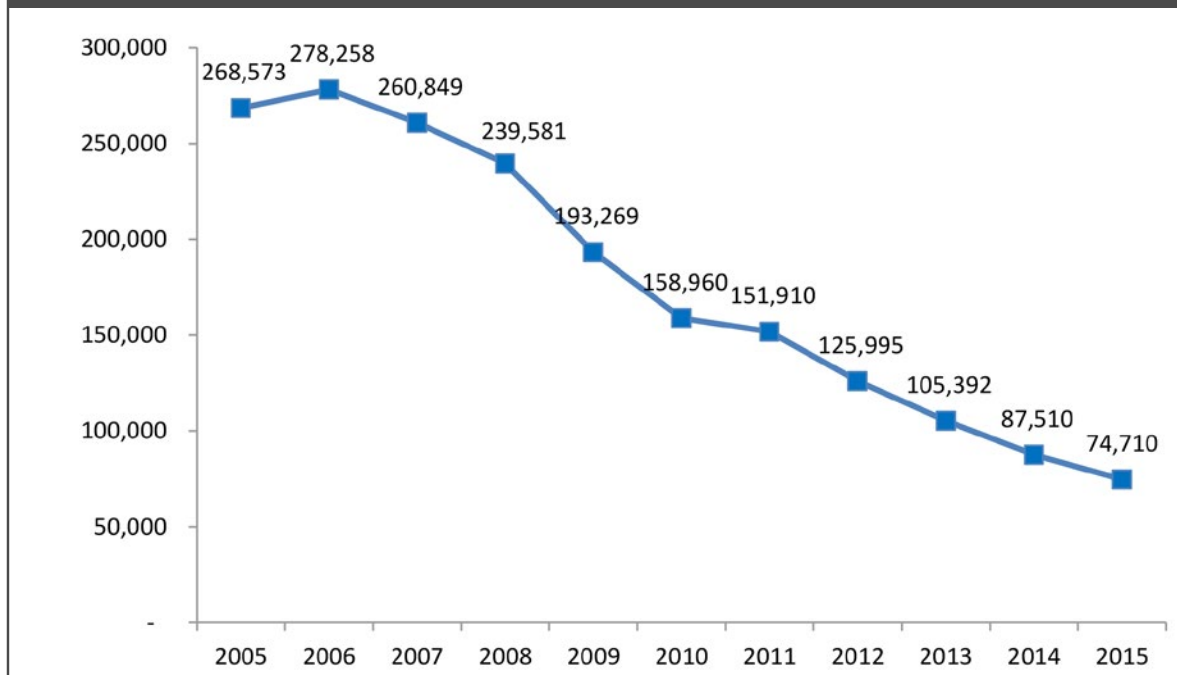
initiates have dropped precipitously. Since then, past year initiates have fluctuated before reaching an all-time low in 2015. Previously, crack initiation had declined by nearly 71 percent between 2014 and 2015, according to prior NSDUH data. This sudden influx of crack cocaine initiates in 2016 highlights increased conversion of powdered cocaine into crack cocaine as a likely consequence of increased domestic cocaine supply due to record cocaine production.

### *Treatment Episode Data Set*

Treatment data indicates the number of cocaine-related admissions (aged 12 and older) to publicly funded facilities declined over 78 percent from 268,573 admissions in 2005 to 74,710 in 2015 (see Figure 53). This data represented 14 percent and five percent of all admissions to publicly funded facilities respectively in 2005 and 2015.

The average age at admission among primary crack cocaine admissions was 44 years versus 38 for powder cocaine. Crack cocaine—referred to in TEDS as smoked cocaine—represented 72 percent of all primary cocaine admissions in 2015. However, NSDUH data indicates there were

Figure 53. Primary Cocaine Admissions Aged 12 and Older, 2005-2015.



Source: Treatment Episode Data Set

far fewer past-year crack cocaine users (833,000) than past-year powder cocaine users (3.99 million) in 2015. TEDS data shows a steady, continued decline in the number of primary admissions for cocaine, contrary to other data sources that indicate increased cocaine availability and use.

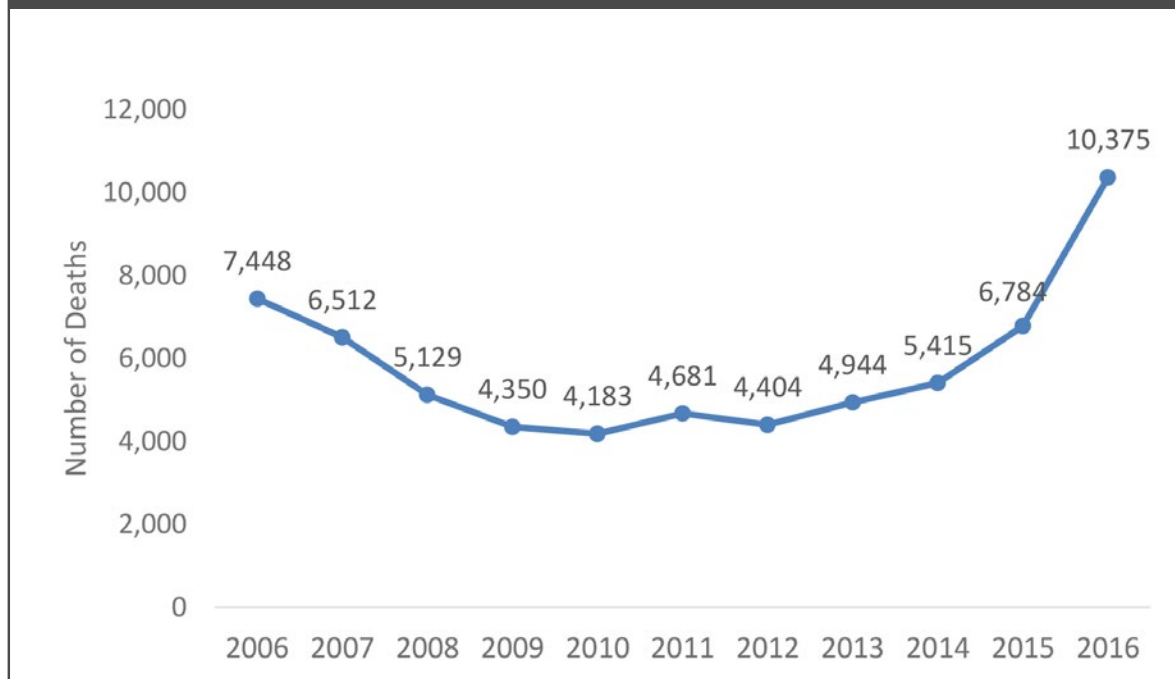
The perception of regular use of both powder and crack cocaine as harmful has declined for high school students. According to the 2017 Monitoring the Future Survey, 74.9 percent of 12th graders perceived using cocaine regularly as harmful; while still high, this is the lowest percentage of students who perceive regular powdered cocaine use as harmful since 1984. Similarly, 79.8 percent of 12th graders perceive using crack regularly as harmful, the lowest percentage since 1987 (the earliest available data). Use rates for all forms of cocaine also increased for 8th, 10th, and 12th graders in 2017 for the first time in a decade to 2.5 percent, after steadily decreasing and reaching an all-time low in 2016.

The CDC reported cocaine-involved drug poisoning deaths increased for the fourth straight year, with more cocaine deaths recorded in 2016 than any other year since at least 1999. Cocaine contributes to a significant number of drug poisoning deaths

in the United States, with some regions of the United States seeing significant increases in cocaine-related deaths and other areas continuing to report low fatalities concurrent with lower levels of cocaine availability and use compared with other drugs. According to the CDC, there were 10,375 cocaine-involved deaths in the United States in 2016 (see Figure 54). This represents a 52.9 percent increase in cocaine-related overdose deaths from 2015 to 2016. Analysis of state-level 2016 drug overdose data reveals the greatest age adjusted drug overdose rates for cocaine deaths were in Washington DC, Rhode Island, Ohio, Massachusetts, and West Virginia (see Figure 55).

- According to the Florida Medical Examiners Commission, in 2016, cocaine caused the most deaths compared to other drugs analyzed, increasing 83 percent over 2015. Occurrences of cocaine in overdose deaths increased by 57.1 percent (1,834 to 2,882). The Miami Medical Examiner district saw a 51.9 percent increase in cocaine-related deaths (289 to 439), the most in any district and since at least 2002 (the earliest year for which data is available in this report). West Palm Beach saw the largest increase in deaths—134.1 percent—from 173 in 2015 to 405 in 2016.

Figure 54. Drug Poisoning Deaths Involving Cocaine, 2006 – 2016.



Source: National Center for Health Statistics/Centers for Disease Control and Prevention

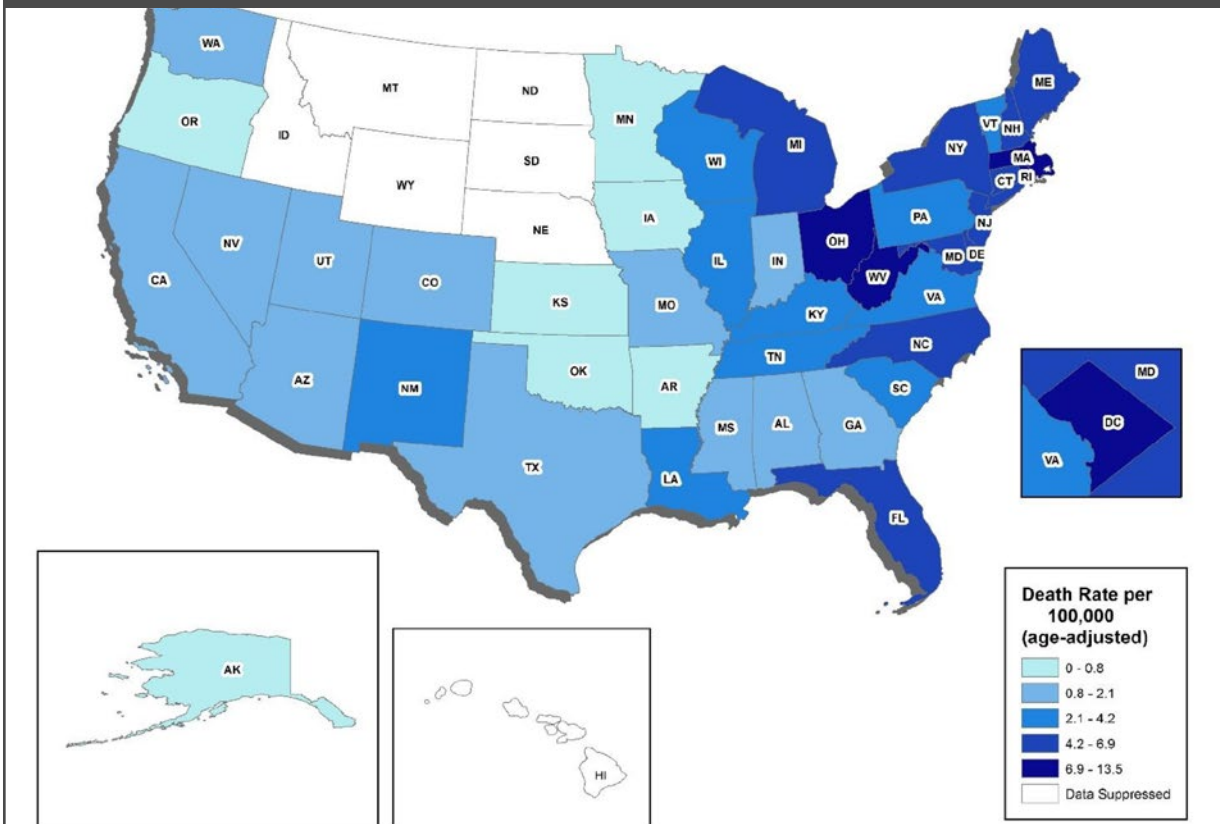
- For New York City, cocaine was the second leading cause of overdose deaths and was found in 46 percent of overdose deaths (9.2 per 100,000 residents), a 61.4 percent increase from the 2015 rate of 5.7 per 100,000 residents. This represents the highest rate of cocaine-related deaths per 100,000 residents since 2006. Additionally, fentanyl was found in 37 percent of cocaine-involved overdose deaths that did not involve heroin, up from ten percent in 2015.
- In Ohio, cocaine-related overdose deaths rose significantly from 685 in 2015 to 1,109 in 2016, a 61.9 percent increase, with 80.2 percent of these deaths also involving an opiate. Furthermore, nearly 55.8 percent of cocaine-related deaths involved fentanyl and related opiates in particular. Cocaine-related overdose deaths outpaced all other drugs in Ohio, except heroin and fentanyl.
- The Delaware Division of Forensic Science reported cocaine-related overdose deaths rose 308.3 percent

between 2015 and 2016 (24 to 98) in the state of Delaware. Cocaine-related deaths were second only to fentanyl-related deaths and outpaced heroin-related deaths for the first time in at least four years.

## COCAINE AND FENTANYL

The mixture of cocaine with fentanyl and other synthetic opioids remains a dangerous trend in an expanding number of markets. Previously, the threat was primarily concentrated in traditional cocaine markets, such as Florida, New York, Massachusetts, and Maryland; however, it has now moved beyond cocaine-dominated areas into states with high opiate proliferation, such as Ohio and West Virginia. Additionally, examples of cocaine and fentanyl mixtures have been analyzed in states with neither a high synthetic opioid presence nor a high cocaine presence, such as Arkansas, Washington, and Missouri, extending the reach of both drugs outside of their traditional markets.

Figure 55. 2016 Cocaine-Related Overdose Deaths per 100,000 Population.



Source: Centers for Disease Control and Prevention

Fentanyl is sometimes deliberately mixed with cocaine to create a “speedball” or with cocaine and heroin for a “super speedball”. The desired outcome can be for the user to experience the “high” of the cocaine with the depressant (heroin and/or fentanyl) helping to ease the otherwise sharp comedown after the effects of the cocaine subside. However, neither national use nor death report information can determine which drug is the principal drug responsible in a multi-drug overdose or whether the decedent is primarily a cocaine or opioid user. Regardless, fentanyl/cocaine mixtures often target a user-base that is typically unaware it is consuming fentanyl and thus more likely to have an adverse reaction than one who intentionally sought out the opioid.

Law enforcement and NFLIS reporting indicate “speedball” mixtures of cocaine and fentanyl are on the rise. For fentanyl reports analyzed, NFLIS recorded only 125 reports of fentanyl that also included cocaine in 2015 but 2016 saw a nearly 297 percent increase in fentanyl reports also containing cocaine (496 out of 34,204 total reports). In 2016, the number of “super speedball” (fentanyl, cocaine, and heroin) reports also rose significantly, to 492 reports out of 34,204 total fentanyl reports, an increase of 134.3 percent. The overwhelming majority of fentanyl reports and cocaine reports submitted to NFLIS contain only fentanyl or only cocaine. This, along with law enforcement reporting, indicates most cocaine-fentanyl mixtures are most likely not mixed at the wholesale level and the majority are probably unintentional.

- In July 2017, in Jersey City, New Jersey, five people overdosed, two fatally, on a mixture of cocaine, carfentanil, and hydroxyzine. The victims were administered naloxone. Reports indicate the drugs were likely used concurrently and the victims believed they were only consuming cocaine. In December 2017, Union and Middlesex Counties experienced several fatal and non-fatal overdoses. Again, the victims believed they were only consuming crack cocaine but forensic analysis and toxicology results identified both cocaine and fentanyl.

- In March 2017, an overdose death in Seattle, Washington was believed to have been caused by cocaine intentionally laced with fentanyl after a toxicology report found the victim’s blood contained 4-ANPP, a fentanyl precursor. Laboratory analysis later confirmed the presence of cocaine adulterated with furanyl fentanyl.
- In December 2017, in Peoria, Illinois, methoxyacetyl fentanyl was reportedly sold as crack cocaine, causing multiple fatalities. The Peoria Police Department believed the unsuspecting cocaine users had only intended to purchase and consume cocaine. Methoxyacetyl fentanyl is a Schedule I controlled substance and is an off-white powdery substance strongly resembling crack cocaine.
- The Pennsylvania State Police and the Lancaster County Drug Task Force both reported crack cocaine has become more readily available throughout southern and central Pennsylvania in 2017. The Lancaster County Drug Task Force also reported crack cocaine that tested positive in preliminary field-tests for fentanyl. However, it was unknown “if the dealer knew it was fentanyl.”
- In January 2018, DEA reporting linked fentanyl-tainted crack cocaine to an estimated 19 overdoses and 11 deaths in several cities in the southern Virginia area. Naloxone successfully revived several of the overdose victims, leading investigators to believe fentanyl was mixed into the crack (see Figure 56).<sup>35</sup> Some of the suspected crack cocaine field-tested positive for both fentanyl and cocaine, tests later confirmed by analysis from DEA’s Mid-Atlantic Laboratory.

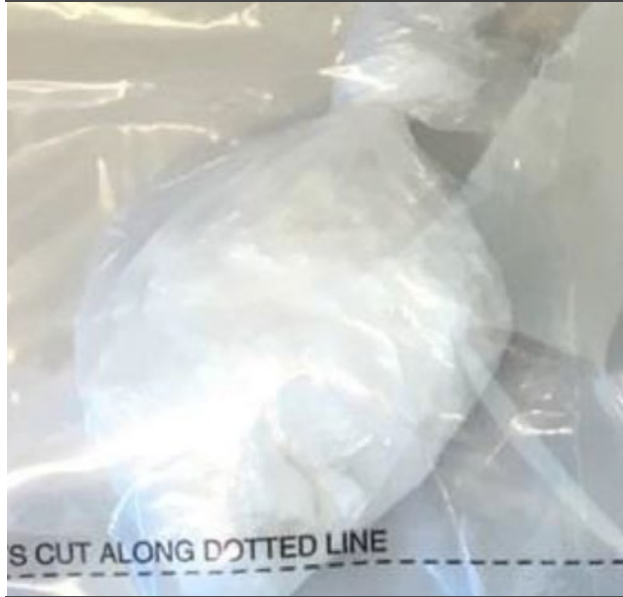
The expansion of fentanyl-contaminated cocaine is fueling a surge in cocaine-related overdose deaths, further exacerbating the issues caused by increased cocaine production and domestic abuses. In 2016, the majority of cocaine-related overdose deaths nationally were in conjunction with an opioid. While overall cocaine-involved overdose deaths have risen sharply, the removal of synthetic opioids from cocaine-

<sup>35</sup> Naloxone does not reverse cocaine and other stimulant drug overdoses; it is only effective for opioid overdoses. Therefore, successfully reviving an overdose victim with naloxone indicates the presence of opioids. However, positive naloxone results do not show whether the victim consumed the opioids intentionally or any characteristics in regards to purity, potency, or type of opioid consumed.

involved overdose deaths drops the 2016 value (10,375) to 6,191, which is below the last peak value from 2006 (7,448) (see Figure 57). Furthermore, 4,184 of the 7,263 deaths—or 57.6 percent—involving cocaine and an opioid in 2016 involved synthetic opioids other than methadone—the category dominated by fentanyl. Both overall cocaine-

involved deaths and cocaine deaths without synthetic opioids (cocaine with no fentanyl present) have increased since 2012; however, the overall percentage of cocaine-related deaths also involving synthetic opioids rose from only three percent of all cocaine deaths in 2007 to nearly 40 percent in 2016.

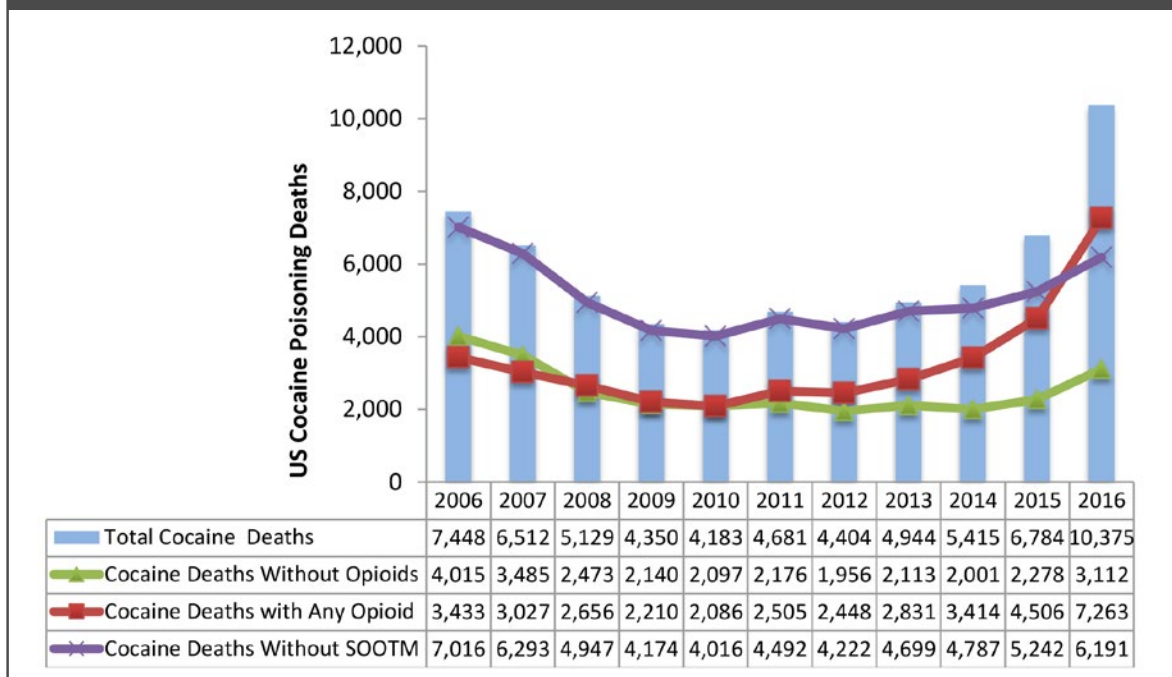
Figure 56. Crack Cocaine Contaminated with Fentanyl.



Source: DEA Norfolk Resident Office

- In Connecticut, over 52 percent of all cocaine-involved overdose deaths also involved fentanyl. Connecticut is among the top ten states for both age-adjusted rates of cocaine-involved overdose deaths and synthetic opioid-involved overdose deaths. The state saw a 240.5 percent increase in the number of cocaine and fentanyl involved deaths from 2015 to 2016 (42 to 143). Meanwhile, the number of overall cocaine-involved deaths rose 54.8 percent (177 to 274).
- Although representing only 16 percent of all overdose deaths, cocaine-involved overdose deaths in Maine increased 71.4 percent since 2015 (from 35 to 60). Additionally, fentanyl was involved in over half— 56.7 percent— of all cocaine-involved deaths in 2016.

Figure 57. Opioid Involvement in Cocaine Overdose Deaths, 2006 – 2016.



Source: Centers for Disease Control and Prevention

- In Virginia, in 2016, 54 percent of fatal cocaine overdoses also involved lethal doses of fentanyl. Statewide, cocaine-involved overdose deaths rose 67.8 percent from 2015 to 2016 (from 174 to 292 deaths).

## PRODUCTION

Potential pure cocaine production in Colombia is estimated to have increased 19 percent between 2016 and 2017, from 772 metric tons to 921 metric tons (see Figure 58). Since 2012, cocaine production has more than quadrupled and current production estimates are at the highest levels recorded since at least 2007.

According to 2017 estimates, Colombia's coca cultivation increased 11 percent in 2017, from 188,000 hectares in 2016 to 209,000 hectares, setting a new record for the second consecutive year. Because of the increases in cultivation, potential pure production, and coca field maturation, the amount of export quality cocaine available for trafficking increased as well as the amount of cocaine likely to reach the United States. Cultivation has increased for a variety of factors, to include decreases in aerial and manual eradication.

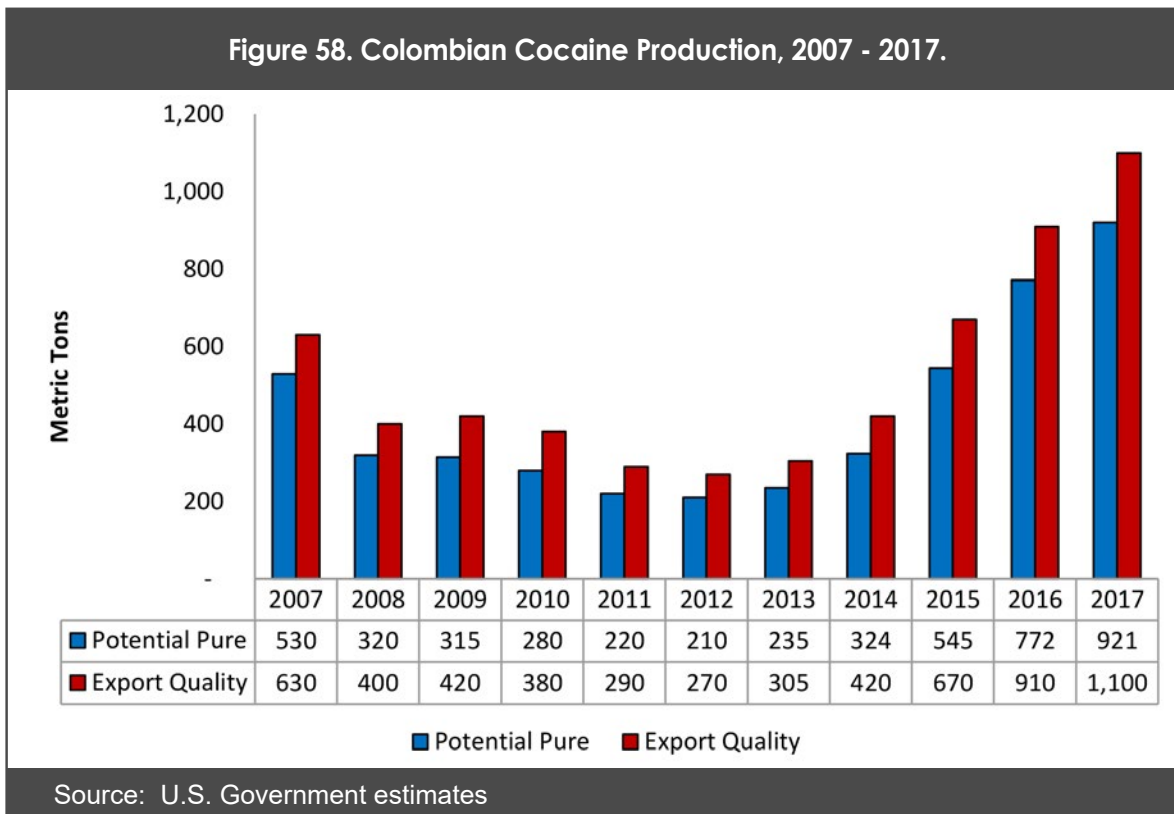
Colombia-sourced cocaine continues to dominate the U.S. market. According to DEA's CSP, approximately 93 percent of samples analyzed in 2017 were sourced to Colombia. Therefore, production estimates for Peru or Bolivia are less significant for the United States cocaine market compared to production estimates for Colombia.

Colombian TCOs continue to dominate the cocaine supply to the United States due to their experience and long standing working relationships with Caribbean, Central American, and Mexican traffickers.

## TRANSPORTATION AND DISTRIBUTION

Due to a greater supply, cocaine movement from South America remained at elevated levels in 2017. In 2017, at least 84 percent of the documented cocaine departing South America transited the Eastern Pacific (EPAC). Shipments around the Galapagos Islands increased to 17 percent of overall flow in 2017, up from four percent in 2016 and one percent in 2015. In 2017, 16 percent of cocaine moved through the Caribbean, nine percent traveling through the Western Caribbean and seven percent through the Eastern Caribbean (see Figure 59). In 2017, Mexico emerged as the primary destination

Figure 58. Colombian Cocaine Production, 2007 - 2017.



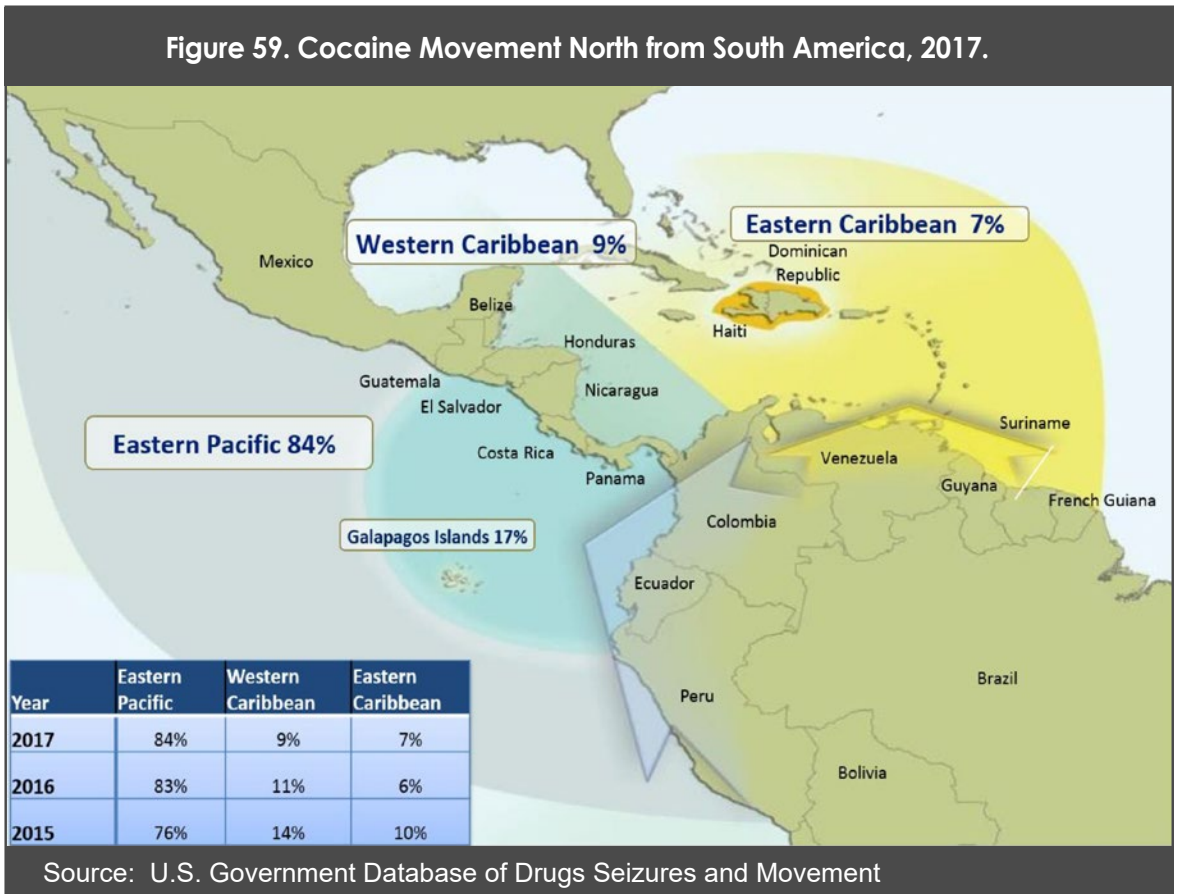
for cocaine documented departing South America mostly due to cocaine movements aboard noncommercial maritime vessels in the Eastern Pacific. As in previous years, by volume, the majority of the documented movement was via go-fast vessels.

Transit zone seizures increased from Fiscal Year (FY) 2016 to FY 2017, further indicating a larger supply of cocaine available for the domestic market and traffickers' continued willingness to take greater risks associated with an increased law enforcement presence in these areas. During FY 2017, CBP's Air and Marine Operations (AMO) in conjunction with the Joint Interagency Task Force-South (JIATF-S) seized or disrupted over 209,390 pounds (94,977.7 kilograms) of cocaine in the transit zone,<sup>36</sup> an increase of 5.9 percent from FY 2016 (197,677 pounds or 89,664.8 kilograms).

The SWB remains the principal entry point for the majority of the cocaine entering the United States, with most seizures occurring at POEs or United States Border Patrol (USBP) checkpoints. Cocaine seizures along the SWB rose 23.5 percent from CY 2016 to CY

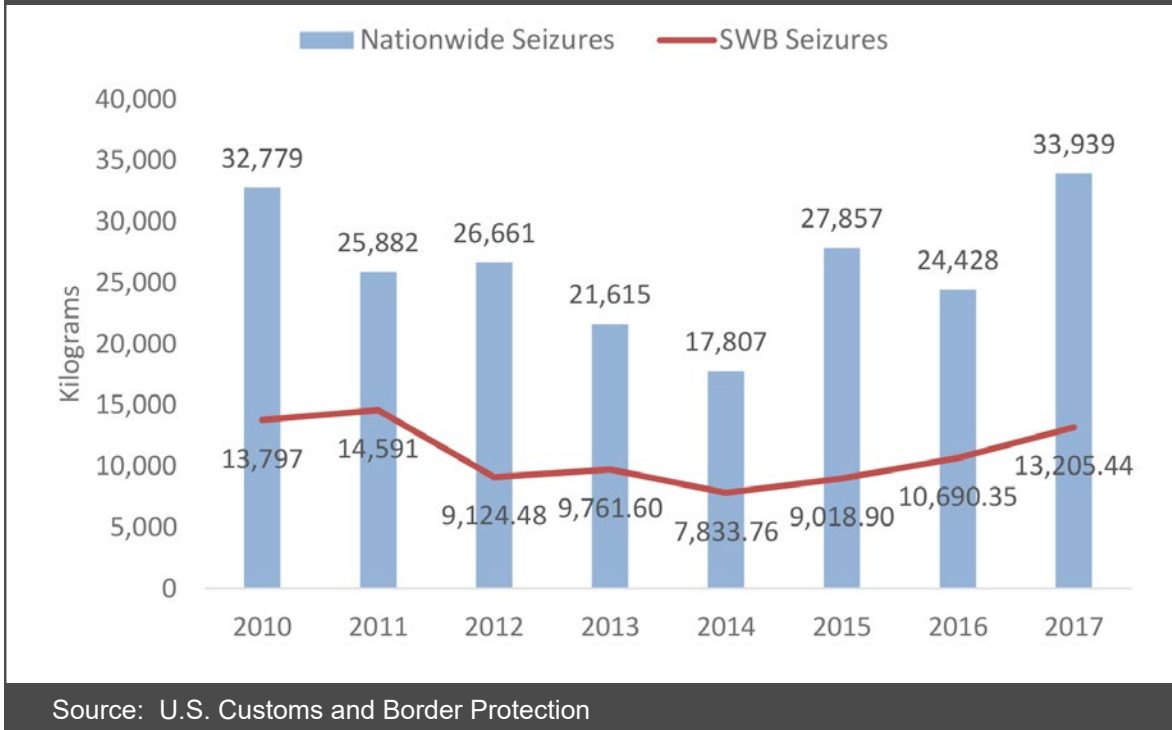
2017 — from 10,690 kilograms to 13,205 kilograms — totaling the most cocaine seized along the SWB since CY 2012. This marks the third consecutive year cocaine seizures along the SWB have increased, following decreasing seizures between CY 2013 and CY 2014 (see Figure 60). Total number of seizures rose as well for the third straight year between 2016 and 2017, following decreasing incidences between 2013 and 2014. Total incidents rose from 1,225 in CY 2016 to 1,424 in CY 2017, most likely due to the increase in Colombian production and higher domestic demand. Total nationwide seizures have reached their highest level since at least 2010, reaching 33,939 kilograms in CY 2017—a 38.9 percent increase over CY 2016 (24,428 kilograms).

The majority of cocaine entering the SWB in CY 2016 flowed through the San Diego corridor (6,578 kilograms or 49.8%) and the Rio Grande Valley corridor (2,646 kilograms or 20%) (see Figure 61). Additionally, incidents in the San Diego corridor increased 26.8 percent and in the Rio Grande Valley corridor by 16.7 percent



<sup>36</sup> The Transit Zone is defined as the Gulf of Mexico, Florida Straits, Caribbean, and the Atlantic and Pacific oceans.

Figure 60. U.S. Customs and Border Protection Nationwide and Southwest Border Cocaine Seizures, CY 2010 – CY 2017.



between CY 2016 and CY 2017. This marks the third straight year seizures and incidents in the San Diego corridor have increased. The weight of total seizures in the Big Bend corridor increased 144 percent and in the Laredo corridor 111 percent, the two largest increases. Furthermore, California saw the most seizures by weight with 53.2 percent—7,021 kilograms—while 39 percent—5,145 kilograms—occurred in Texas.

Cocaine trafficking organizations use a wide variety of methods to transport cocaine into and throughout the United States. POVs remain the primary method used to smuggle cocaine across the SWB. Traffickers hide cocaine amongst legitimate cargo of commercial trucks or within secret compartments built within passenger vehicles. Traffickers are also increasingly targeting seaports along the East Coast of the United States as law enforcement efforts have increased along the SWB.

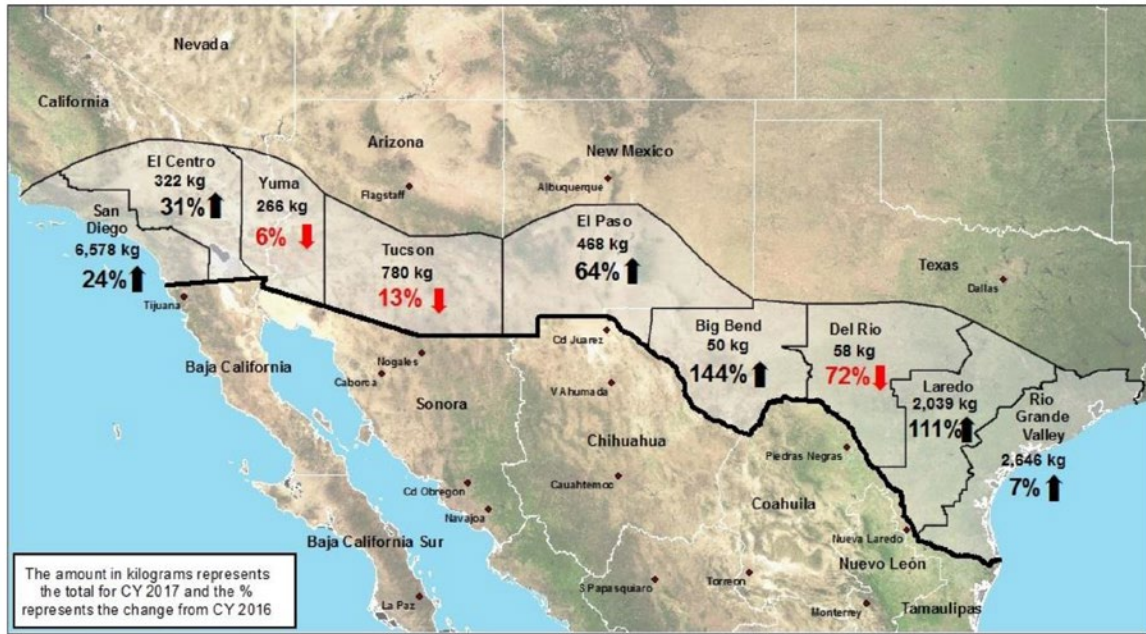
- In January 2018, Border Patrol Agents at the Falfurrias, Texas USBP Checkpoint seized 15 bundles of cocaine, weighing 20.09 kilograms, hidden in the toilet of a commercial

passenger bus. The bundles were hidden underneath lead lining sheets, wrapped in clear cellophane and black tape (see Figure 62).

- In December 2017, the McAllen District Office (DO) supported by Houston HIDTA and CBP inspected a suspicious freight shipment in Pharr, Texas. The shipment was destined for Atlanta, Georgia and contained numerous commercial bags of noodles. After a K-9 free air sniff search of the five pallets resulted in an alert for the presence of narcotics, x-ray examination found one pallet contained approximately 50 brick shaped packages. The packages had a combined weight of approximately 58.5 kilograms of suspected cocaine and were comingled inside the bags of noodles (see Figure 63).
- In November 2017, CBP officers from the Area Port of Philadelphia seized 321.64 kilograms hidden in false walls within several bedroom and kitchen cabinets shipped from Puerto Rico (see Figure 64). The false compartments concealed 256 bricks



**Figure 61. Customs and Border Protection Cocaine Seizures by Southwest Border Corridor in CY 2017, with Percent Change from CY 2016.**



Source: U.S. Customs and Border Protection and DEA

**Figure 62. Cocaine Hidden in Passenger Bus Toilet.**



Source: DEA Corpus Christi

**Figure 63. Cocaine Concealed in Commercial Bags of Noodles.**



Source: McAllen District Office High Intensity Drug Trafficking Area

Figure 64. Cocaine Concealed Inside Wooden Furniture.



Source: Philadelphia Customs and Border Protection

of a white powdery substance that field-tested positive for cocaine, resulting in CBP's sixth largest cocaine seizure, and 10th largest seizure of any illicit drug, in the Port of Philadelphia.

- In December 2017, Combined Anti-Drugs Task Force Team agents conducted a traffic stop on a rental truck with Canadian registration in Calcasieu Parish, Louisiana. A consensual search of the truck revealed a total of 219.5 pounds of cocaine packaged in 80 bundles hidden inside luggage on the truck bed (see Figure 65).

Commercial air is another widely used conveyance method for cocaine traffickers smuggling cocaine from South America and the Caribbean into the United States. Although overland smuggling remains the predominate method for moving most cocaine into the United States, air smuggling from South America and the Caribbean has been increasing due to regional instability, lax airport security measures (as compared to the United States), and often understaffed local law enforcement. Air smuggling typically consists of four different yet equally important parts: couriers, cargo, mail, and internal conspiracy. In courier cases, passengers smuggle small quantities of cocaine on commercial flights, most often originating in South American and Caribbean airports. Cocaine concealed in cargo shipments can range from under a kilogram to several hundreds of kilograms

Figure 65. 219.5 Pounds of Cocaine Concealed Inside Luggage.



Source: Department of Homeland Security (DHS) Blue Lightning Operations Center/Gulf Coast HIDTA Watch Center

in a single shipment. Mail shipments of cocaine originating in South America and the Caribbean often transit through the United States intended for foreign destinations; however, increasingly mail shipments sent from Puerto Rico and the U.S. Virgin Islands are destined for domestic addresses. Corrupt airline or airport personnel on both ends of a flight will also conspire to traffic various quantities cocaine concealed in baggage, via body carries, or secreted somewhere on the aircraft. Increasingly, traffickers utilize private airplanes and secondary airports to augment commercial smuggling, particularly in the wake of the devastation of Hurricanes Irma and Maria. In much of the Caribbean, private airports have little to no security and limited law enforcement supervision due to limited resources, creating smuggling opportunities with little risk of exposure.

- In October 2017, Guyana Customs Anti-Narcotics Unit (CANU) officers seized four rope-and-cloth hammocks at a parcel handling facility at the Eugene F. Correira International Airport destined for Brooklyn, New York, which emitted a strong odor recognized as cocaine (see Figure 66). Laboratory analysis was not conducted; however, the ropes of the hammock were damp and a Guyana Police Force (GPF) K-9 air sniff and a field-test kit wipe both resulted in positive alerts for cocaine. CANU later advised that the cocaine saturated ropes had a total weight of 6.742 kilograms, but were unable to ascertain how much cocaine each rope actually contained.

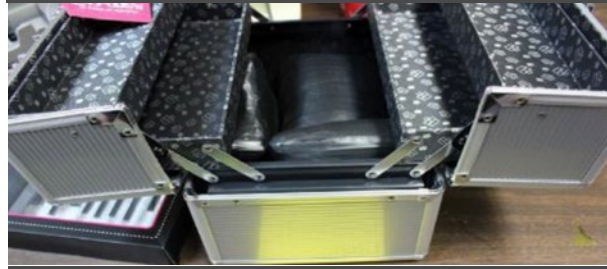
Figure 66. Cocaine-Soaked Hammocks.



Source: Guyana Customs Anti-Narcotics Unit/  
DEA Georgetown Country Office

- In September 2017, CBP and ship security officials disrupted a smuggling ring aboard a cruise ship docked in Miami, Florida. Two crewmembers attempted to transport approximately three kilograms of cocaine stowed in their cabin. The crewmembers admitted to previously bringing cocaine into Miami and to having brought the cocaine on board the vessel while in the port of Nassau, Bahamas.
- In December 2017, a DEA Caribbean Division Heroin Initiative Enforcement Group and United States Postal Inspectors interdicted a parcel of suspected narcotics shipping via USPS from Puerto Rico to the continental United States. A Puerto Rico Police Department (PRPD) canine (K-9) conducted an open-air sniff of the parcel, alerting for the presence of narcotics. Three brick shaped objects concealed inside tested positive for cocaine, resulting in the seizure of approximately 2.1 kilograms of suspected cocaine (see Figure 67).
- In March 2018, U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations

Figure 67. Suspected Cocaine Bricks Concealed Inside USPS Priority Mail.



Source: DEA Caribbean Division Heroin  
Initiative Enforcement Group II (E-2)

(HSI), CBP's Caribbean Air and Marine Branch (CAMB), and the PRPD seized 1,441 kilograms of cocaine in Vega Alta from an abandoned 32-foot Century vessel north of Puerto Rico. The vessel contained 1,289 bricks of cocaine weighing 1,441 kilograms and a Dominican Republic national was arrested in conjunction with the seizure.

Mexican TCOs dominate cocaine transportation throughout the United States, but rely on local criminal groups for retail-level distribution. Colombian trafficking networks remain the primary suppliers of wholesale quantities of cocaine to the majority of East Coast drug markets, although Mexican TCOs have mostly supplanted Colombian TCOs throughout the rest of the United States. After Mexican and Colombian trafficking organizations transport cocaine into the United States, local U.S. criminal groups and street gangs facilitate mid- and retail-level distribution. Mexican and Colombian TCOs work to actively minimize their involvement with U.S. law enforcement and therefore primarily try to limit their roles to wholesale-level transportation. Although some Colombian and Dominican organizations still participate in cocaine distribution along the East Coast, the distribution is on a smaller scale than in previous years. Currently, no trafficking organization has the power to challenge Mexican TCO control of the cocaine market in the United States due to their strong working relationships with smaller U.S. criminal groups and street gangs and control over all major cocaine trafficking routes.

## COCAINE SHIPMENTS CONCEALED IN BLACK TAR COATING

In November 2017, investigators seized a container filled with floor tiles shipped from the port in Rio Haina, Dominican Republic to Port Everglades, FL. Investigators seized the container and recovered 103 kilograms of cocaine, which was concealed in four boxes mixed in with pallets of floor tiles. Each of the four boxes was lined on the inside with a coating of black coal tar and then sealed with shrink-wrap (see Figure 68).

The purpose of the black coal tar, the type used in roofing, is presumably to mask odors emitted from narcotics and reduce the likelihood of detection by drug-sniffing K9 units. The use of this concealment tactic in conjunction with a maritime shipping method demonstrates the continually evolving ways trafficking organizations will attempt to transport drugs.

**Figure 68. Open Boxes Coated in Black Coal Tar.**



Source: New York Field Division DEA

- New England FD reporting reveals that although Mexican TCOs often serve as the area's ultimate sources of supply for cocaine, Dominican DTOs are more actively involved in the retail distribution of cocaine throughout the division. Often, the line between what constitutes a Dominican "drug trafficking organization" and "transnational criminal organization" is ambiguous, as many New England-based distributors maintain economic, familial, and/or drug ties to the Dominican Republic.
- Atlanta FD reporting reveals that Mexican TCOs remain Atlanta's most prominent sources of supply, although drug trafficking organizations in the region continue to be poly-drug. Cocaine is distributed to mid/street-level members of African American and Hispanic DTOs, as well as local street gangs. In addition, Atlanta FD reporting indicates that the Metropolitan Atlanta area continues to serve as the Southeast's largest hub for wholesale cocaine transportation and distribution.
- New Jersey FD reporting indicates that cocaine trafficking organizations are hierarchical based on nationality. Colombian trafficking groups have historically controlled the distribution of cocaine in the NJD AOR, while Dominican groups have handled the retail distribution. The Dominican groups then sell to the African-American street gangs, who handle street-level distribution. Increasingly, New Jersey FD reporting reveals that Mexican DTOs are expanding their scope of operations into all levels of cocaine transportation and distribution.
- Detroit FD reporting indicates that Mexican DTOs transport and distribute most of the cocaine at the wholesale level in the Metropolitan Detroit area, which originates from Sonora and Sinaloa-based sources. These

- Mexican DTOs smuggle kilogram quantities of cocaine directly from the SWB, without the cocaine being stored or redistributed from other major Midwest markets like Chicago or St. Louis. African-American DTOs dominate mid-level and retail-level distribution of cocaine, often obtaining cocaine directly from the SWB. Albanian and Indo-Canadian DTOs use the Detroit area as a transshipment point for major Canadian markets, like Toronto, Ontario, transporting the cocaine in personal vehicles across both the Southwest and Northern borders.
- Los Angeles FD reporting reveals Mexican TCOs dominate the wholesale transportation and distribution of cocaine throughout the AOR. Mexican TCOs routinely receive bulk quantities of cocaine directly from sources of supply in Mexico and distribute the cocaine to various DTOs throughout the Los Angeles metropolitan area and other U.S. cities. African-American, Caucasian, and Hispanic organizations, as well as Pacific Islander and local Hawaiians in Hawaii, distribute cocaine at the retail-level. Large interstate shipments of cocaine are routinely transported from the southern California area to other metropolitan areas throughout the United States.

## OUTLOOK

The United States can expect continuing increases in domestic supply levels and cocaine abuse, through at least 2019. With surging coca cultivation and cocaine production in Colombia, northbound cocaine flows are expected to continue at current levels, although new trafficking patterns may develop due to law enforcement activities in the Eastern Pacific. New initiates, seizures, and positive workplace drug tests will very likely also continue to rise and may even surpass 2007-benchmark levels. Due to the ongoing proliferation of fentanyl and other synthetic opioids into the expanded domestic cocaine supply, cocaine-related deaths will continue to rise through 2018, potentially reaching epidemic levels in the next few years.

This page intentionally left blank.



# METHAMPHETAMINE

## OVERVIEW

Methamphetamine seizures, survey data, price and purity data, as well as law enforcement reporting all indicate methamphetamine continues to be readily available throughout the United States. Most of the methamphetamine available in the United States is produced clandestinely in Mexico and smuggled across the SWB. Domestic production continues to occur at much lower levels than in Mexico and seizures of domestic methamphetamine laboratories have continued to decline.

## AVAILABILITY

Methamphetamine is available throughout the United States, with the highest availability in the West and Midwest regions of the country. However, in recent years, methamphetamine has been increasing in prevalence in areas that have, historically, not been major markets for the drug, particularly the Northeast. The majority of DEA FDs indicated methamphetamine availability was high throughout the United States. In 2017, 13 of 21 DEA FDs surveyed reported methamphetamine availability was high and four reported methamphetamine availability was moderate. Six divisions reported methamphetamine was more available compared to the previous reporting period, and the remaining 15 divisions reported stable availability in 2017 (see Figure 69).

Methamphetamine reported to NFLIS increased 7.48 percent between 2015 (272,823 reports) and 2016 (314,872), according to the most current data available. In addition, methamphetamine reports increased significantly — 174.9 percent — since 2009 (134,891 reports). NFLIS data also indicates methamphetamine exhibits have continued to represent a larger portion of the total number of all drug exhibits reported. Methamphetamine exhibits have grown from representing eight percent of all exhibits submitted in 2009 to 20.3 percent of all exhibits submitted in 2016.

Figure 69. DEA Field Division Reporting of Methamphetamine Availability in the First Half of 2017 and Comparison to Previous Period.

Field Division	Availability During First Half of 2017	Availability Compared to Second Half of 2016
Atlanta Field Division	High	More
Caribbean Field Division	Low	Stable
Chicago Field Division	High	More
Dallas Field Division	High	Stable
Denver Field Division	High	Stable
Detroit Field Division	Moderate	More
El Paso Field Division	High	Stable
Houston Field Division	High	More
Los Angeles Field Division	High	Stable
Miami Field Division	Moderate	More
New England Field Division	Low	Stable
New Jersey Field Division	Low	Stable
New Orleans Field Division	High	Stable
New York Field Division	Low	Stable
Philadelphia Field Division	Moderate	More
Phoenix Field Division	High	Stable
San Diego Field Division	High	More
San Francisco Field Division	High	Stable
Seattle Field Division	High	Stable
St. Louis Field Division	High	Stable
Washington Field Division	Moderate	More

Source: DEA Field Division Reporting<sup>37</sup>

<sup>37</sup> Two new DEA Field Divisions, Louisville and Omaha, were opened in 2018, making 23; however, at the time the Field Divisions were surveyed for availability in 2017, there were 21.

## PURITY, POTENCY, AND PRICE

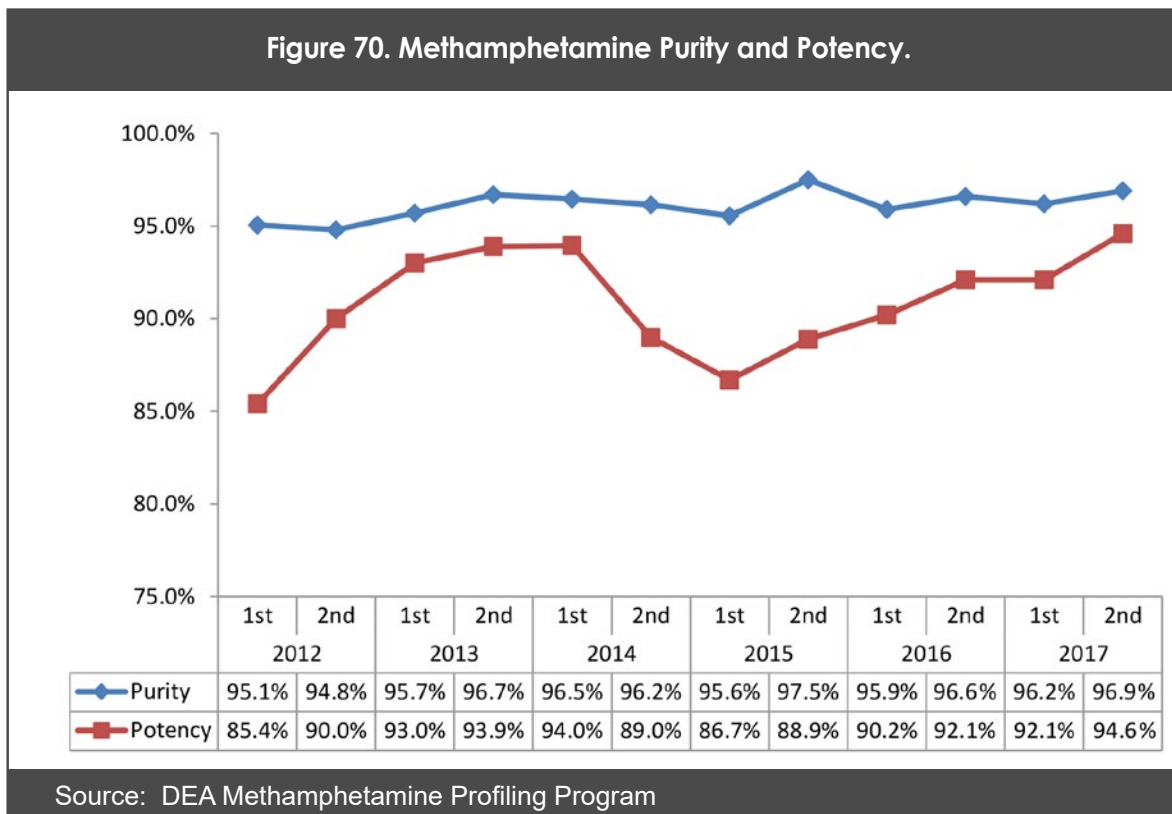
Purity,<sup>38</sup> potency,<sup>39</sup> and price data indicate methamphetamine availability is increasing in the United States. Through September 2016, DEA reported methamphetamine per-gram purity levels averaged above 90 percent, while prices remained low and stable. Additionally, seizures sampled through the DEA Methamphetamine Profiling Program (MPP) continue to have high purity and potency, indicating high availability of methamphetamine.

- Methamphetamine sampled through the MPP in the second half of 2017 averaged 96.9 percent purity and 94.6 percent potency (see Figure 70).
- Analysis of domestic methamphetamine purchases from January 2012 through March 2017 indicates the price per pure gram of methamphetamine decreased 13.6

percent— from \$81 to \$70— while the purity increased six percent— from 87.9 percent to 93.2 percent (see Figure 71).

Methamphetamine prices continue to decline throughout the United States, as Mexican TCOs continue to be the primary producer and supplier of low cost, high purity methamphetamine. Mexican TCOs continue to regularly produce large multi-kilogram quantities of methamphetamine, which has led to a large supply of methamphetamine in the U.S. market. Additionally, the majority of Mexican TCOs are involved in methamphetamine trafficking, which has led to increased competition among the different TCO groups. As a result, Mexican TCOs continue to explore new markets in an attempt to increase the methamphetamine customer base. The price of methamphetamine may begin to rebound with a market expansion, as current established market prices remain low and steady.

Figure 70. Methamphetamine Purity and Potency.

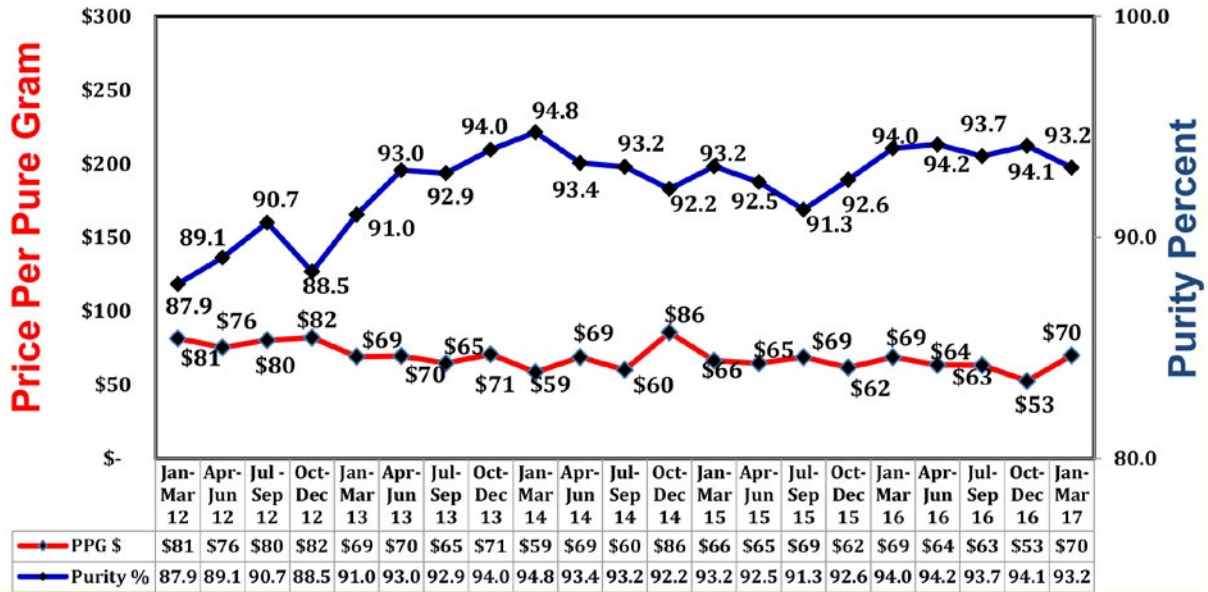


<sup>38</sup> Purity is defined as a measure of the amount of an illicit substance present in a sample compared to other substances in the sample such as adulterants, diluents, or solvents.

<sup>39</sup> Potency is defined as the measure of drug activity in terms of the dosage required to exert an effect on the body and is measured by the amount of the highly potent d-isomer present in the drug substance.



Figure 71. Domestic Methamphetamine Purchases, January 2012 - March 2017.



Source: DEA

### FENTANYL AND METHAMPHETAMINE COMBINATIONS

There have been seizures of the methamphetamine mixed with fentanyl and fentanyl-related substances in select markets of the United States. Although fentanyl is typically either mixed with or sold as heroin, DEA forensic laboratories have analyzed some reports containing methamphetamine. These reports contained various combinations of methamphetamine with fentanyl, fentanyl-related substances, heroin, and cocaine (see Figure 72).

Methamphetamine has historically been mixed with heroin to create a “speedball,” although such combinations have been rare. Mixtures of methamphetamine with fentanyl are a rare occurrence, but may be used to achieve the same effect as traditional speedballs. There is also the possibility that these mixtures result from contamination during methamphetamine processing and packaging for re-sale by poly-drug traffickers, rather than an intentional combination.

Figure 72. Number of Reports Analyzed by DEA Laboratory Containing Fentanyl and Methamphetamine (as of 3/28/18).

Methamphetamine combinations	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	TOTAL
Fentanyl	0	0	0	16	18	34
Heroin & Fentanyl	0	3	4	18	30	55
Cocaine & Fentanyl	0	0	0	1	0	1
Cocaine, Heroin, & Fentanyl	0	0	1	1	3	5
Fentanyl-related substances	0	3	0	4	3	10

Source: DEA

## DEA'S METHAMPHETAMINE PROFILING PROGRAM (MPP)

The DEA MPP provides an in-depth chemical analysis of selected methamphetamine samples to establish trends associated with the manufacture of methamphetamine seized primarily in the United States. The MPP further establishes the method used to manufacture methamphetamine, as well as tracking purity levels and other related trends. However, the MPP is unable to determine the source origin of methamphetamine samples because the drug is synthetically produced, unlike morphine and cocaine, which are extracted from plant sources. It should also be noted that the MPP data set is only reflective of the MPP sampling plan, and is not representative of all methamphetamine samples submitted to the DEA laboratory system.

## USE

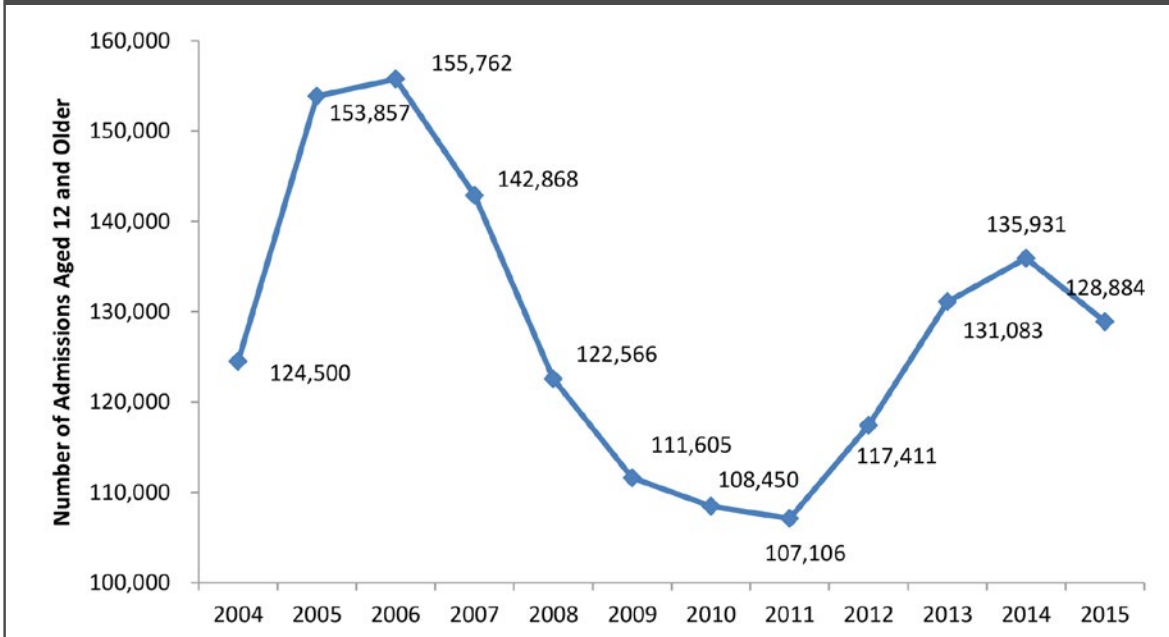
Treatment and survey data at the national level may indicate that methamphetamine use decreased from the previous year. However, use and treatment numbers still remain higher than lows seen in previous years. Significantly, deaths from psychostimulants (the majority being methamphetamine) are rising.

- According to NSDUH,<sup>40</sup> the number of current users 12 years or older was 667,000 representing 0.2 percent of the population. The majority (594,000) of current users were age 26 or older. Approximately 9,000 adolescents aged 12 to 17 were current methamphetamine users, and approximately 65,000 between the ages of 18 and 25 had used methamphetamine in the past month. Previously, in 2015, the number of current users 12 years or older was 897,000, with the majority of 757,000 being 26 or older.

- Methamphetamine/amphetamines (stimulants) were reported by nine percent of TEDS admissions as the primary abused substance by individuals aged 12 years and older in 2015. Of those admissions, 94 percent were admitted for methamphetamine abuse.
- While the overall number of methamphetamine-related treatment admissions continues to increase since 2011, it is still lower than the peak number of admissions in 2006. There was also a decrease in methamphetamine-related admissions in 2015 compared to the previous year. Data indicates in 2015, 128,884 admissions to publicly funded facilities were methamphetamine related, which is a five percent decrease from 2014 admissions (see Figure 73).
- The percentage of positive workplace drug tests for amphetamines (to include methamphetamine) in the combined workforce increased nine percent from 1.11 percent in 2015 to 1.20 percent in 2016. Amphetamine positivity has increased steadily since 2012, climbing 33 percent.

<sup>40</sup> The NSDUH questionnaire underwent a partial redesign in 2015. A separate section with methamphetamine questions was added, replacing the methamphetamine questions that were previously asked within the context of prescription stimulants. These changes led to potential breaks in the comparability of 2015 estimates with estimates from prior years.

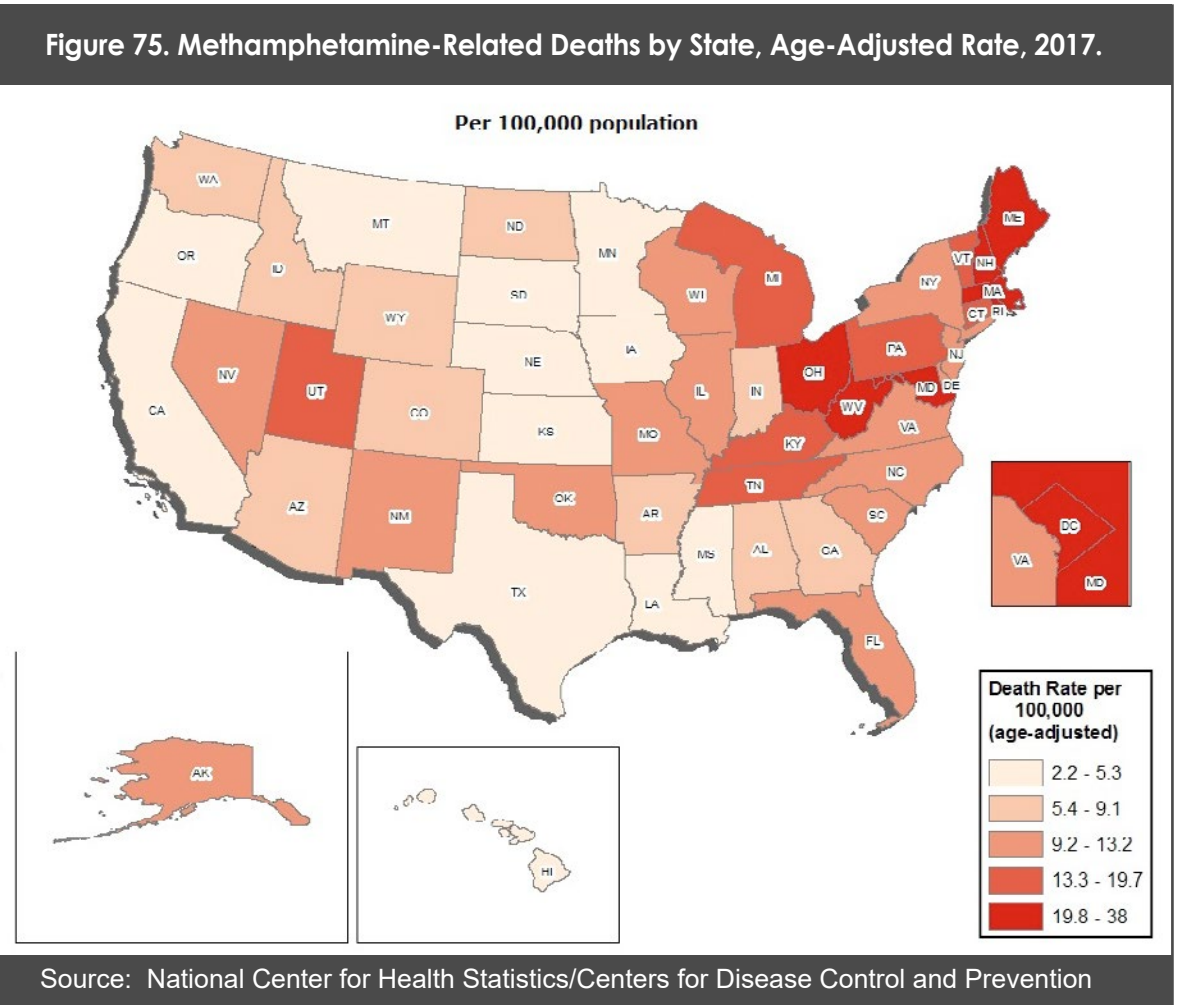
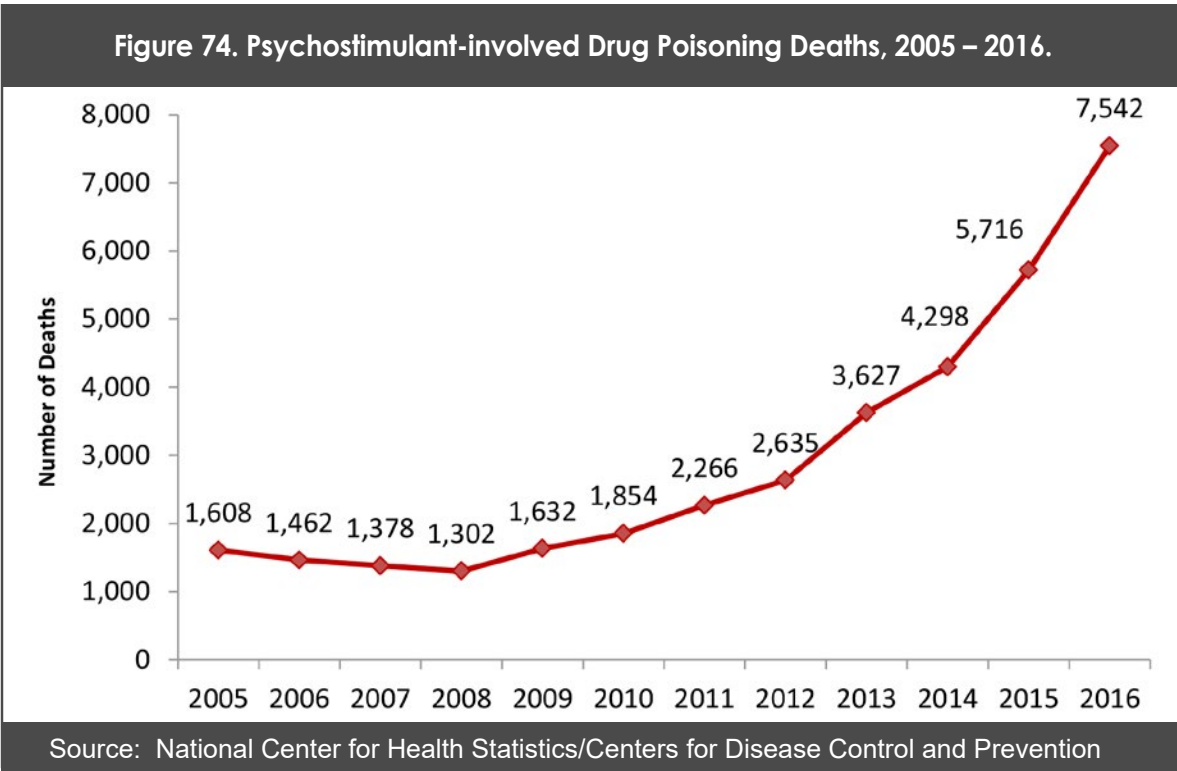
Figure 73. Methamphetamine Primary Admissions to Publicly Funded Treatment Facilities, 2004 – 2015



Source: Treatment Episode Data Set

## METHAMPHETAMINE DRUG POISONING DEATHS

The number of deaths in the category psychostimulants with abuse potential continues to increase significantly. According to the CDC, methamphetamine drug poisoning deaths are included under the broader “psychostimulant with abuse potential” category. The psychostimulants with abuse potential category includes multiple drugs such as caffeine and phenylethylamines (including MDMA, amphetamine, and methamphetamine), and cathinones such as ethylone. Although the value changes from year to year, in recent years (2010 – 2015) approximately 85-90 percent of the drug poisoning deaths that were reported under psychostimulants mentioned methamphetamine in the death certificate. According to the CDC, in 2016 there were 7,542 psychostimulant drug poisoning deaths in the United States, representing a 32 percent increase from 2015, and a 387 percent increase since 2005 (see Figures 74 & 75).



## PRODUCTION

Methamphetamine laboratory seizures continue to decrease across the United States and are at the lowest level in 15 years. The passage of the Combat Methamphetamine Epidemic Act (CMEA) in 2006 reduced domestic methamphetamine production. Additionally, the methamphetamine produced in Mexico is a high purity, high potency, low cost alternative. Shortly after the passage of the CMEA, Mexico introduced similar legislation regarding precursors, notably pseudoephedrine. Most of the methamphetamine available in the United States is now produced in Mexico and smuggled across the SWB. Though restrictions have been placed on precursor chemicals in Mexico, Mexican TCOs continue to adapt by finding alternative methods of manufacture, with much of the precursor chemicals being sourced back to companies in China.

### THE COMBAT METHAMPHETAMINE EPIDEMIC ACT 2005

The CMEA of 2005 was signed into law on March 9, 2006 to regulate, among other things, retail, over-the-counter sales of methamphetamine precursor chemicals, such as ephedrine, pseudoephedrine, and phenylpropanolamine products. Retail provisions of the CMEA include: daily sales limits and 30-day purchase limits, placement of product out of direct customer access, sales logbooks, customer ID verification, employee training, and self-certification of regulated sellers. The CMEA is found as Title VII of the USA Patriot Improvement and Reauthorization Act of 2005 (Public Law 109-177).

## DOMESTIC PRODUCTION

In the early 2000s, methamphetamine laboratories were on the rise in the United States and peaked in 2004 with approximately 23,703 methamphetamine laboratory incidents<sup>41</sup> reported to the El Paso Intelligence Center (EPIC) National Seizure System (NSS). Domestic methamphetamine production has been decreasing since 2004, rose moderately in 2010 before decreasing again. Domestic production is currently at its lowest point since 2000 (see Figure 76).

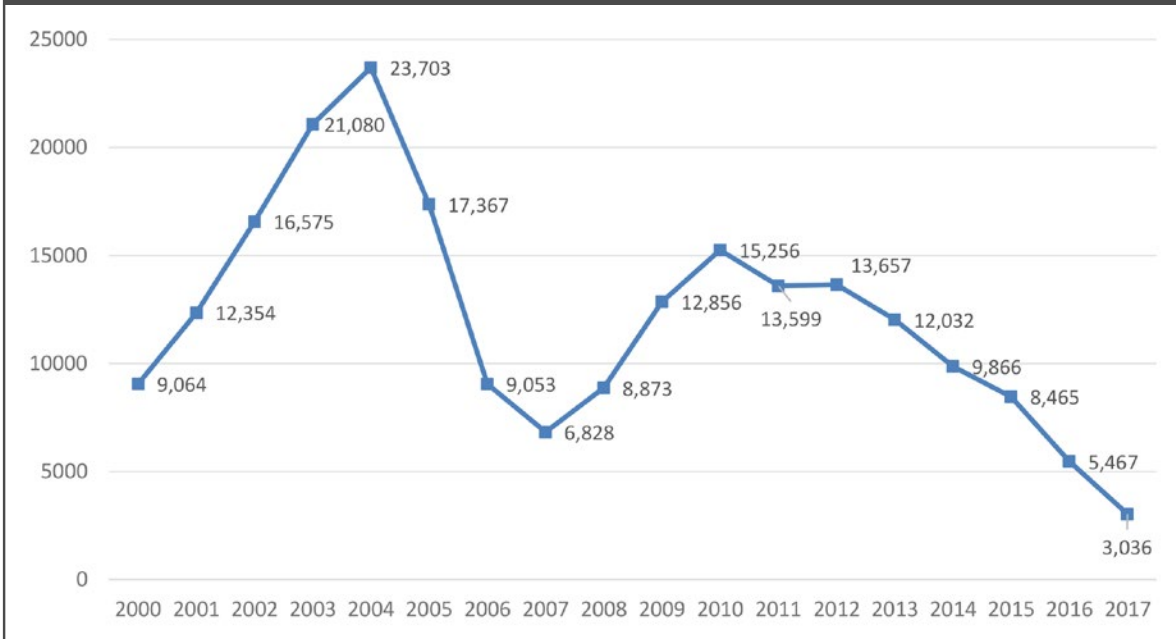
According to NSS reporting, methamphetamine is the most frequently manufactured drug seized in clandestine laboratories in the United States (see Figure 77). Clandestine laboratories can be set up anywhere: in private residences, motel and hotel rooms, apartments, house trailers, mobile homes, campgrounds, and commercial establishments. The majority of incidents reported to NSS were seizures of clandestine labs (69%), while others were discoveries of dumpsites (23%), or seizures of equipment or chemicals only (8%).

Many of the domestic methamphetamine laboratories seized in 2017 were small-capacity production laboratories, known as the “one-pot” or “shake and bake.” A laboratory of this size generally produces two ounces or less of methamphetamine per production cycle, making it small-scale and easy to conceal. Common household items (i.e. pseudoephedrine/ephedrine tablets, lithium batteries, camp fuel, starting fluid, and cold packs) are used as ingredients and mixed inside a container, such as a plastic soda bottle. This method produces small amounts of methamphetamine, and is very portable. “One pot” laboratories are often dangerous, and in many cases can cause fires, serious injuries, or even death.

The number of domestic methamphetamine laboratories seized decreased nearly 78 percent from 2012 (13,657) to 2017 (3,036). In 2017, 81 percent of all methamphetamine laboratories seized in the United States were small laboratories capable of producing two ounces or less of methamphetamine (see Figure 78).

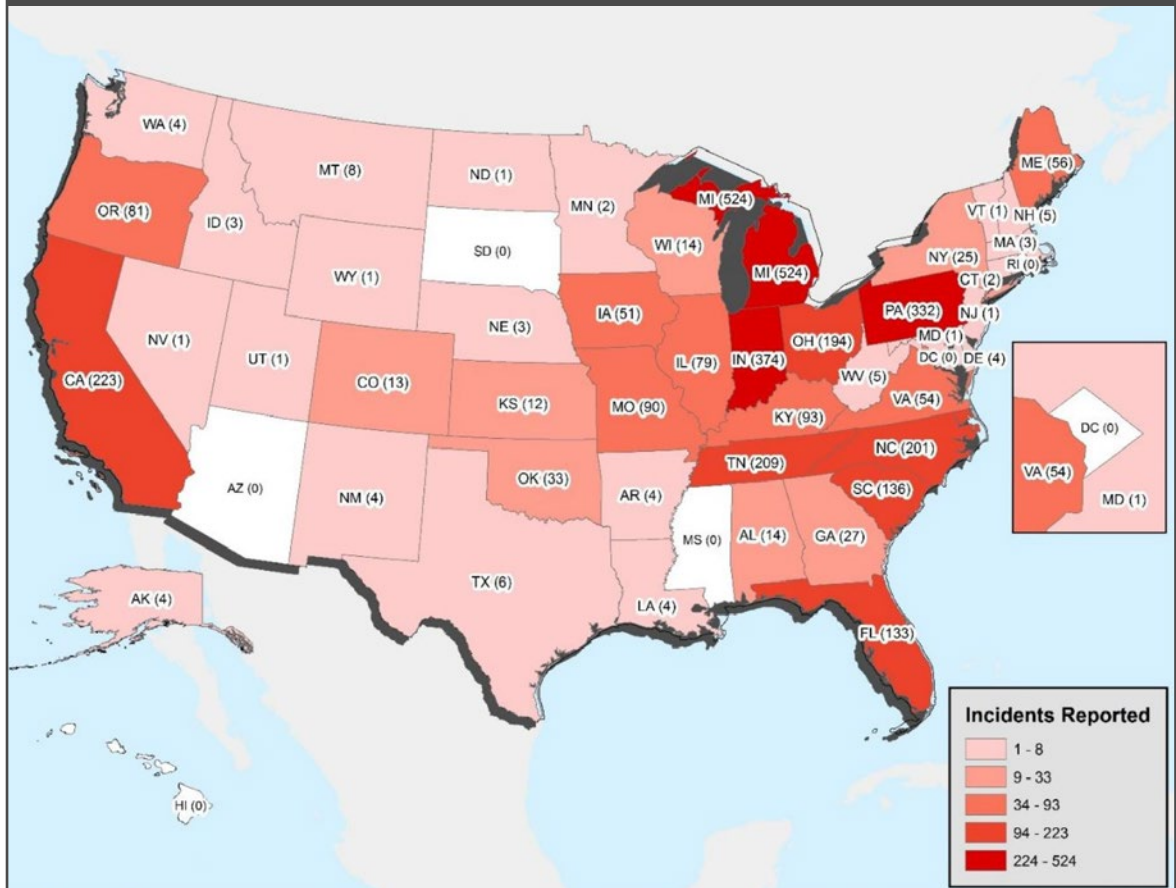
<sup>41</sup> Incidents include Dumpsites, Chemical Only or Equipment Only Seizures, and Laboratory Seizures.

Figure 76. Number of Methamphetamine Laboratory Incidents, 2000 – 2017.



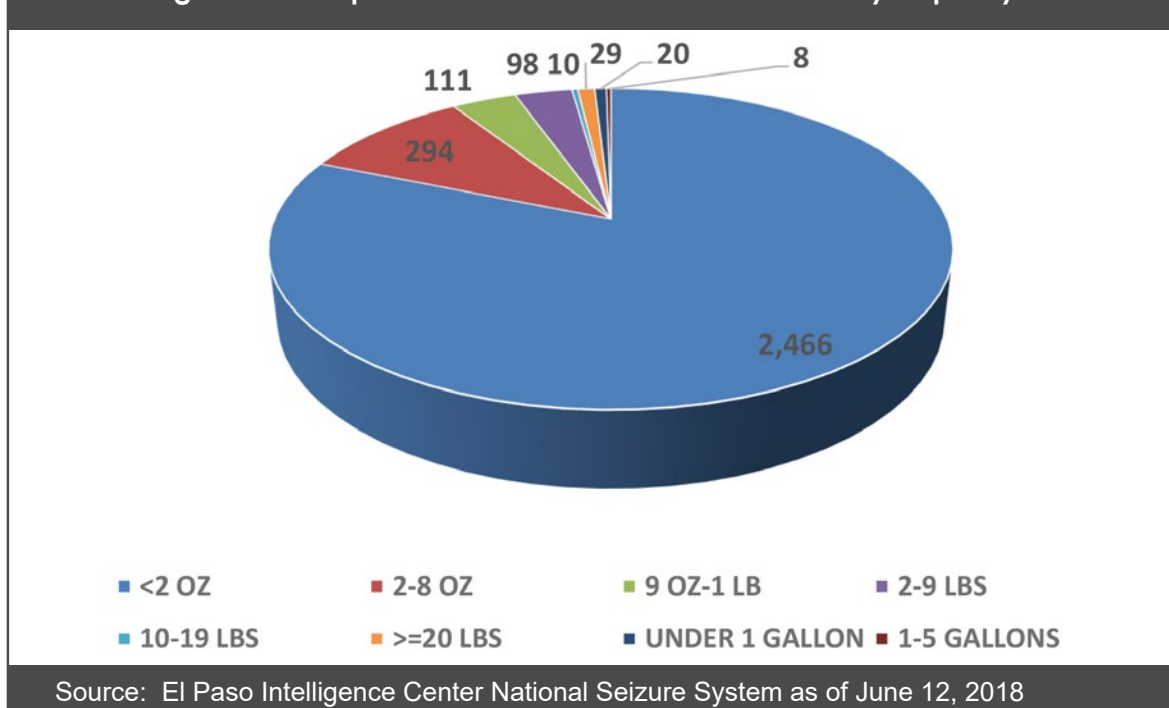
Source: El Paso Intelligence Center National Seizure System as of June 12, 2018

Figure 77. Total of All Methamphetamine Clandestine Laboratory Incidents Including Laboratories, Dumpsites, and Chemical/Equipment Seizures, CY 2017.



Source: El Paso Intelligence Center National Seizure System as of June 12, 2018

Figure 78. Comparison of Seized Clandestine Laboratory Capacity.



## FOREIGN PRODUCTION

Although domestic production has been decreasing, methamphetamine production in Mexico continues, as Mexican TCOs have moved away from the heavily restricted precursor pseudoephedrine in favor of other methods that involve chemicals that are easier to obtain. Mexican TCOs produce methamphetamine using the reductive amination method, which uses the precursor Phenyl-2-propanone (P2P) instead of pseudoephedrine. Mexico-produced methamphetamine is particularly pure and potent. According to the DEA MPP, 97 percent of samples analyzed were produced using the reductive amination method, using P2P as the precursor chemical.

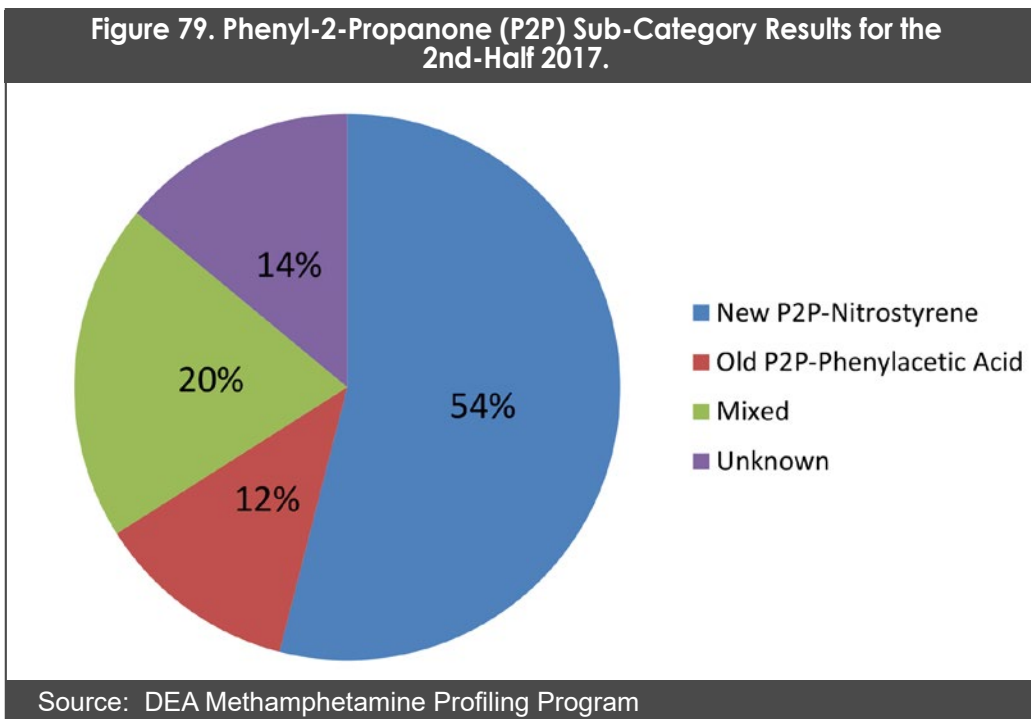
In mid-2014, a new forensic profile emerged for samples from the Mexico border and other domestic locations, becoming the primary method for samples seized at the U.S.-Mexico border and also in the interior of the United States. This new profile is believed to be linked to an alternate P2P recipe, which starts with benzaldehyde and nitroethane as the key precursors. This method is referred to as the nitrostyrene method because nitrostyrene is produced in the reaction of benzaldehyde and nitroethane. The new P2P-

Nitrostyrene production sub-category is now in the majority with 54 percent (see Figure 79).

Investigative reporting suggests precursor chemical availability and price drive the P2P production technique used by Mexican methamphetamine manufacturers. In October 2015, the Government of Mexico formally controlled the P2P precursor chemicals benzaldehyde and nitroethane, which caused prices for these chemicals to increase over 300 percent on the black market. Data from the MPP reflects the impact these regulations have had on precursor chemicals as samples of the new P2P-Nitrostyrene method decreased from the first half of 2017 from 71 percent of samples analyzed to the current 54 percent.

- In October 2017, DEA Newark, CBP, and the New Jersey Metro Port Initiative received information on a shipment of 80 drums (17,600 kilograms) of benzaldehyde, originating from India and destined for Port au Prince, Haiti. Neither the shipper nor the recipient filed the required trans-shipment notice to DEA. When the vessel stopped at the Port of Newark, CBP unloaded

Figure 79. Phenyl-2-Propanone (P2P) Sub-Category Results for the 2nd-Half 2017.



the cargo and samples were taken, confirming the chemical to be benzaldehyde. It was discovered the shipment was no longer destined for Haiti, but re-directed to a port in Mexico. The chemicals were seized in November 2017.

Rather than wait on shipments of preferred precursor chemicals, significant methamphetamine producers in Mexico will adopt alternative P2P production methods in order to keep up with demand, according to investigative reporting. Monomethylamine, for example, is a critical precursor for the production of methamphetamine, and Mexico-based manufacturers continue to attempt to synthesize this chemical themselves rather than importing the chemical directly/indirectly from China. Identifying, targeting, and restricting chemicals necessary for production is one of the ways methamphetamine production can be impacted or controlled. While there are many methods to produce methamphetamine, production follows a predictable pattern of chemical reactions and ingredients. Making precursor chemical availability challenging could drive the domestic wholesale price of methamphetamine up while availability may decrease.

## TRANSPORTATION AND DISTRIBUTION

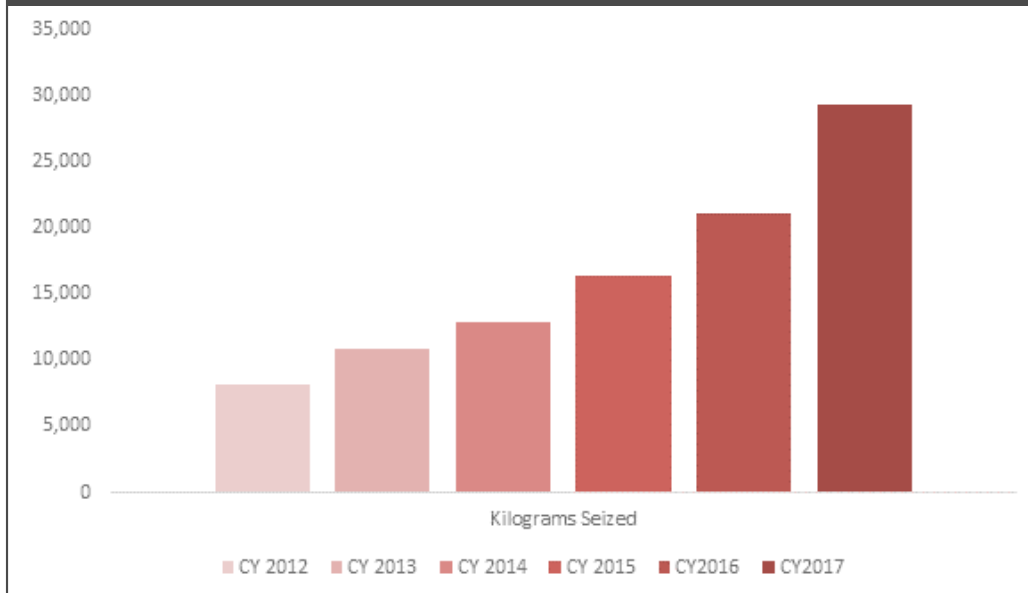
Methamphetamine is seized in every state across the United States. Mexican TCOs control wholesale methamphetamine distribution, while both Mexican and Caucasian criminal groups typically control retail distribution in the United States.

The SWB remains the main entry point for the majority of methamphetamine entering the United States. According to CBP, 97 percent of methamphetamine seizures occur at or near the SWB and methamphetamine seizures continue to increase along the SWB. Methamphetamine seizures along the SWB increased 256 percent from CY 2012 (8,213 kilograms) to CY 2017 (29,235 kilograms) (see Figure 80). The majority (54%) of methamphetamine seized along the SWB in CY 2017 occurred in the San Diego corridor. Seizures increased in every corridor along the SWB with the exception of El Paso and Tucson (see Figure 81).

Traffickers employ various methods and techniques in the concealment of methamphetamine, such as human couriers, commercial flights, parcel services, and commercial buses. Commonly, traffickers transport small, multi-kilogram shipments of methamphetamine in POVs.

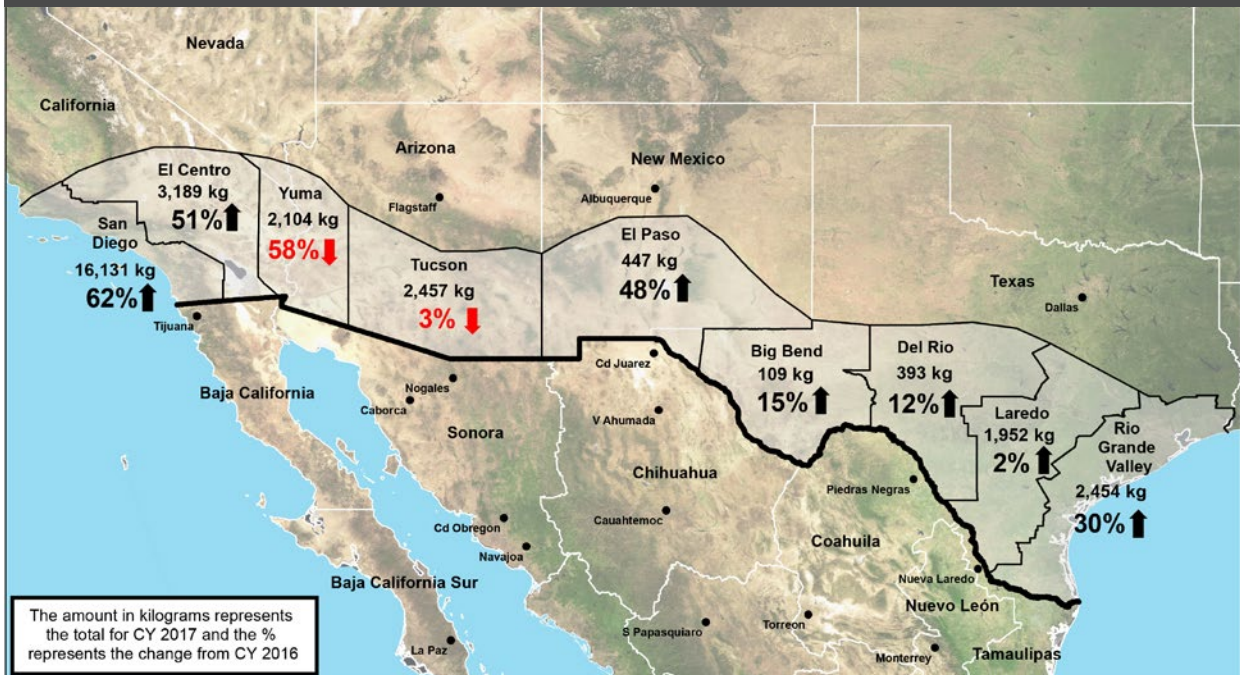


**Figure 80. Customs and Border Protection Southwest Border Methamphetamine Seizures, CY 2012 – CY 2017.**



Source: U.S. Customs and Border Protection

**Figure 81. Customs and Border Protection Methamphetamine Seizures by Southwest Border Corridor in CY 2017, with Percent Change from CY 2016.**



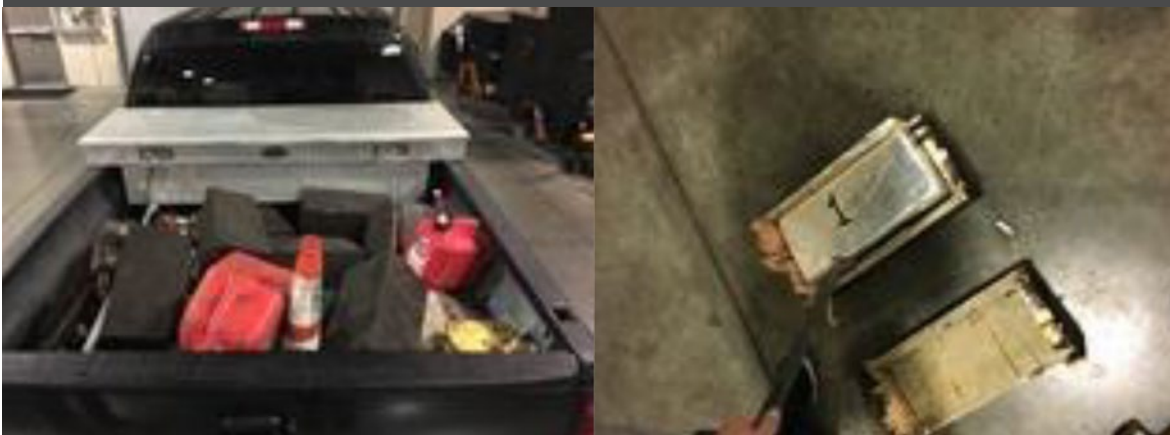
Source: U.S. Customs and Border Protection

- In January 2017, a pickup was surveilled and detained for being a suspected load vehicle near Laredo, Texas by the DEA Laredo DO. Wooden containers found in the truck bed were made to look like vehicle/trailer chocks, concealing 81 kilograms of methamphetamine (see Figure 82). The tactic had been seen once before

in November 2016, also in Laredo, Texas. 24 kilograms of crystal methamphetamine were seized.

Methamphetamine has commonly been concealed in vehicle tires or spare tires. Tires and other natural voids in vehicles have been a long running method for smuggling methamphetamine and other contraband.

Figure 82. Methamphetamine hidden in wheel chocks.



Source: DEA

Figures 83. Methamphetamine Paste Concealed Within Compartments in Wheel Rims.



Source: DEA

- In December 2017, DEA intercepted a Lincoln Navigator with modifications to the wheels in Nashville, Tennessee. Each wheel rim contained two welded compartments concealing methamphetamine paste. The compartments were welded shut and wrapped around the circumference of the wheels. 50 kilograms of methamphetamine was removed from the eight compartments (see Figure 83).
- In May 2017, CBP in Laredo, Texas seized 52 kilograms of crystal meth concealed within soap flakes (see Figure 84). A first time importer was sent to secondary screening, where x-ray abnormalities were found in the product. Seventy-three of the 4,608 five-gallon plastic containers in the truck contained the methamphetamine. The methamphetamine crystals were comingled with the soap flakes, making the concealment method highly unusual. Illicit drugs are usually placed along with intact containers of commodities, underneath, or in pallets, but not often mixed inside containers.

A novel technique that may become an emerging trend is the use of drones. Though not favored by traffickers due to their noise, short battery life, and limited payload, advances in technology may make this method more feasible. As the technology advances and addresses these shortcomings, drones may prove more attractive to smugglers, which in turn may increase their prevalence as a smuggling technique across the border.

According to DEA, CBP, and open source reporting, there have been several instances of the use of drones, with multiple types of drug loads. In 2015, two people pled guilty to dropping 28 pounds of heroin into Calexico, California via a drone. The same year, USBP observed a drone dropping 30 pound bundles of marijuana in San Luis, Arizona. In August 2017, a 25 year old U.S. citizen was arrested near San Diego for flying 13 pounds of methamphetamine across the border using a drone (see Figure 85).

The biggest advantage for drone use is the operator can be far away from the area where the drugs are dropped, decreasing the likelihood of being caught. Some higher-end drones have built-in GPS and

Figures 84. Crystal Methamphetamine Concealed Within Soap Flake Containers.



Source: U.S. Customs and Border Protection

Figure 85. Drone Used to fly 13 lbs. of Methamphetamine Near San Diego.



Source: DEA

autopilot features, making them able to run automated routes via programmed waypoints.

In addition to the previously mentioned concealment methods, methamphetamine can be dissolved in a variety of liquids, including vehicle fluids, water, and alcoholic beverages. Methamphetamine in solution seizures have increased in the last five years, however, these seizures continue to account for only a small percentage of all methamphetamine seizures.

- In February 2017, Atlanta FD personnel seized two bottles of methamphetamine in solution that had been packaged as an herbal aloe supplement. This was the first time the Atlanta FD had encountered this particular packaging technique. The bottles appeared to be factory sealed and weighed approximately 2.3 kilograms. A similar incident occurred in February in Laredo, TX, where CBP intercepted approximately 3.5 kilograms of methamphetamine in solution packaged as an aloe supplement (see Figure 86).
- In May 2017, DEA Dallas FD personnel seized 15 kilograms of methamphetamine and a methamphetamine conversion laboratory at a Dallas, TX residence. During the search, crystallized methamphetamine residue was found in bottles of an aloe vera supplement. The bottles were packaged in plastic within a box with the brand name on it,

Figure 86. Herbal Aloe Supplement Containing Methamphetamine in Solution, February 2017.



Source: DEA

Figures 87. Supplement Bottles in Commercial Packaging Containing Methamphetamine in Solution, May 2017.

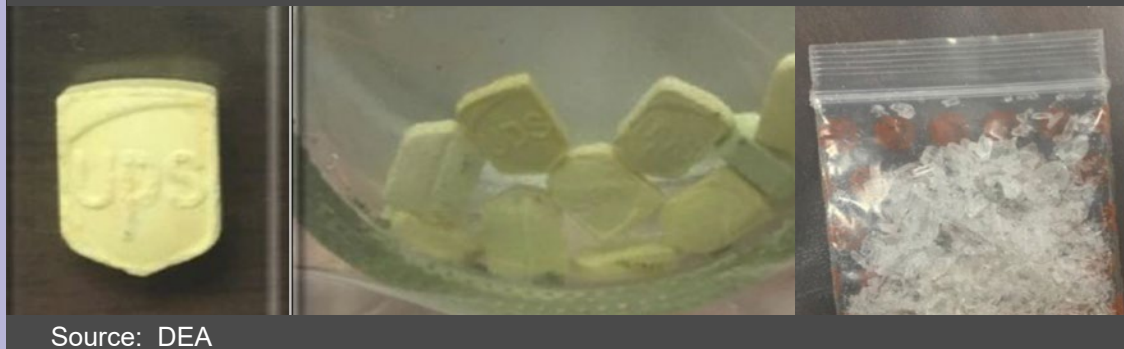


Source: DEA

## METHAMPHETAMINE PILLS EMERGE IN SOUTH CAROLINA

In January 2018, the DEA Columbia DO received information regarding methamphetamine in pill form in South Carolina. Reporting indicates the pills were made to resemble ecstasy (see Figure 88). As with other drugs of abuse, this product innovation illustrates the determination of DTOs to make methamphetamine appealing to non-traditional users.

Figure 88. Seized Methamphetamine Pills and Crystal Methamphetamine.



Source: DEA

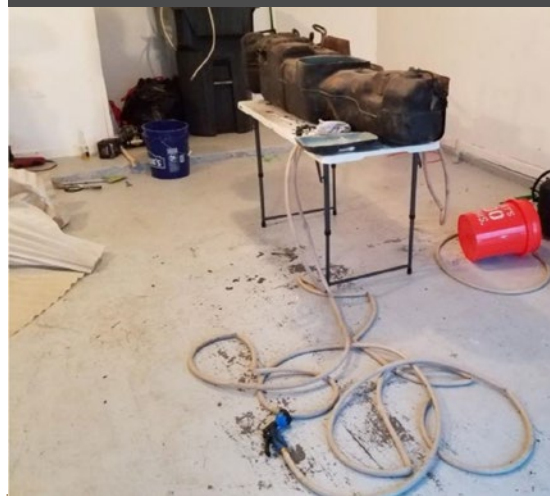
making the items appear store-bought (see Figures 87). The branding on the bottles was similar to the previous example.

## CONVERSION LABORATORIES

Methamphetamine conversion laboratories are not used for production, but are instead used to convert either powder methamphetamine into crystal methamphetamine or to recrystallize methamphetamine in solution back into crystal methamphetamine. Each year since 2000, the majority of conversion laboratory seizures have occurred in California. In 2017, conversion laboratories seized in California accounted for 50 percent of all conversion laboratories seized nationwide. Although most conversion laboratories are seized in California or other SWB states, there have been laboratories seized in states farther from the border. In 2017, there were conversion laboratories seized in Georgia and Kansas.

- In June 2017, two methamphetamine conversion laboratories were seized in Georgia. Law enforcement authorities seized 19 gallons of methamphetamine in solution in a gas tank, 200 pounds of methamphetamine in solution, 300 pounds of crystal methamphetamine, and various other chemicals (see Figure 89).

Figure 89. Methamphetamine in Solution Seized From Conversion Laboratories in Georgia.



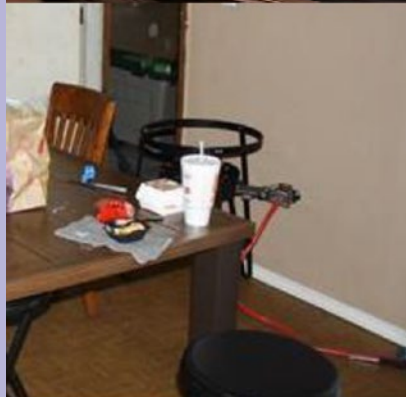
Source: DEA

## METHAMPHETAMINE IN SOLUTION CONVERTED TO CRYSTAL METHAMPHETAMINE IN TURKEY FRYERS

In October and November 2017, DEA Dallas FD and Texoma HIDTA personnel seized 182 kilograms of methamphetamine in two separate investigations in the Dallas-Fort Worth area. In both instances, large quantities of methamphetamine in solution were hidden inside vehicle gas tanks and were eventually recrystallized into crystal methamphetamine using turkey fryers (see Figure 90). The vehicles were driven from Mexico to the United States, with a DTO in Michoacán, Mexico identified as the source of supply.

Large turkey fryers were found at two residences being used as methamphetamine conversion laboratories (see Figure 91). The size of a turkey fryer allows a large amount of methamphetamine in solution to be recrystallized, which is efficient for DTOs smuggling large quantities of methamphetamine in solution inside of fuel tanks. These laboratories require little to no sophisticated equipment, utilizing items commonly available at large retail stores. Moreover, these seizures illustrate the ease of establishing or moving a conversion laboratory, which are increasingly encountered in suburban and rural rental properties.

Figure 90. October 2017 Seizure of Methamphetamine in a Gas Tank and Conversion Laboratory Utilizing a Turkey Fryer.



Source: DEA

Figure 91. November 2017 Seizure of Methamphetamine in Two Gas tanks and Several Turkey Fryers Utilized in a Conversion Laboratory.



Source: DEA

## OUTLOOK

Mexican TCOs will continue to produce and traffic high-purity, high-potency methamphetamine across the Southwest Border into the United States. Mexican TCOs will continue to adapt their production methods as restrictions are placed on precursors, or precursor chemicals become temporarily unavailable or cost-prohibitive. The price of methamphetamine has continued to decline possibly due to an oversupply of methamphetamine in the U.S. market; however, as Mexican TCOs continue to explore new markets in an attempt to increase the methamphetamine customer base, the price may begin to rebound. Methamphetamine seizures along the SWB will likely increase as demand in the U.S. remains high. Domestic production will likely continue to decline as methamphetamine produced in Mexico continues to be a low cost, high purity, high potency alternative. Conversion laboratories will likely continue to increase as methamphetamine in solution remains an effective concealment method.

This page intentionally left blank.





# MARIJUANA

## OVERVIEW

Marijuana remains illegal under federal law; however, the overall landscape continues to evolve, as several states vote on referendums and initiatives and pass legislation regarding the possession, use, and cultivation of marijuana and its associated products. As the most commonly used illicit drug in the United States, marijuana is widely available and illicitly cultivated in all 50 states. The popularity of marijuana use along with the ease of abuse of some state laws entice diverse sizes and types of criminal organizations to become involved with illegal marijuana cultivation and distribution in the United States.

Mexico remains the most significant foreign source for marijuana in the United States. Along the Southwest Border in CY 2017, U.S. Customs and Border Protection seized nearly 500,000 kilograms of marijuana in approximately 20,000 incidents. Far fewer quantities of marijuana are smuggled into the U.S. from Canada and the Caribbean.

In June 2018, Canada voted to legalize the sales of marijuana. Implementation is expected to take place in October 2018.

Marijuana is readily available throughout the United States. Of the DEA FDs surveyed, 19 reported high availability, and two reported moderate availability of marijuana in their jurisdictions. The three FDs that reported increased availability of marijuana from the previous year, Denver, New England, and New York, are in locations where there is state-approved so-called “medical” marijuana. The remaining Divisions reported availability as stable (see Figure 92).

**Figure 92. DEA Field Division Reporting of Marijuana Availability in the First Half of 2017 and Comparison to Previous Period.**

Field Division	Availability During First Half of 2017	Availability Compared to Second Half of 2016
Atlanta Field Division	High	Stable
Caribbean Field Division	Moderate	Stable
Chicago Field Division	High	Stable
Dallas Field Division	High	Stable
Denver Field Division	High	More
Detroit Field Division	High	Stable
El Paso Field Division	High	Stable
Houston Field Division	High	Stable
Los Angeles Field Division	High	Stable
Miami Field Division	High	Stable
New England Field Division	High	More
New Jersey Field Division	Moderate	Stable
New Orleans Field Division	High	Stable
New York Field Division	High	More
Philadelphia Field Division	High	Stable
Phoenix Field Division	High	Stable
San Diego Field Division	High	Less
San Francisco Field Division	High	Stable
Seattle Field Division	High	Stable
St. Louis Field Division	High	Stable
Washington Field Division	High	Stable

Source: DEA Field Division Reporting<sup>42</sup>

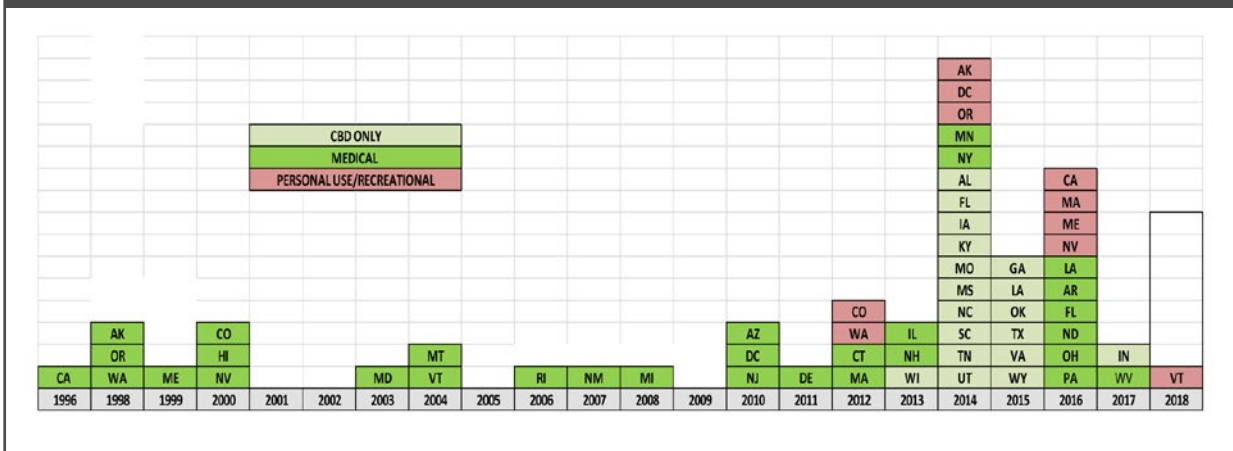
<sup>42</sup> Two new DEA Field Divisions, Louisville and Omaha, were opened in 2018, making 23; however, at the time the Field Divisions were surveyed for availability in 2017, there were 21.

# STATE MARIJUANA MEASURES

Federal prohibition on marijuana has existed since the 1937 Marijuana Tax Act, which was later replaced by the 1970 CSA. Marijuana remains illegal under federal law; however, since 1996, individual states and Washington, DC have purported to authorize a variety of measures relating to the use, possession and cultivation of marijuana. Figures 93 and 94 reflect the categories of state-approved marijuana measures passed as of July 2018.

(prescription) is needed to cultivate or possess marijuana for therapeutic purposes. Some states require patients to register with the state, while other states have voluntary registries. In some states, patients using marijuana for therapeutic purposes are allowed to grow their own marijuana, while in other states patients can only obtain their marijuana from a doctor. The number of plants permitted also varies by state, as some states allow for extended plant counts while others place stricter limits on the number of plants patients can grow. Extended plant counts are often used as a cover to grow and sell “licit” marijuana for profit on the black market.

Figure 93: Timeline of State and Washington, DC-Approved Marijuana Measures.



Source: DEA

### State-Approved Marijuana

**Decriminalization:** In 1973, states began to decriminalize marijuana. As of August 2018, 21 states and Washington DC have decriminalized marijuana. The decriminalization of marijuana does not mean marijuana use or possession is legal. Typically, it means a minor penalty or fine is imposed for possession of small “personal use,” also sometimes referred to as “recreational” amounts of marijuana, but there is no jail sentence levied.

**“Medical” Marijuana<sup>43</sup> Initiatives:** As of August 2018, 30 states and the District of Columbia have approved “medical” marijuana. The regulatory scope of these marijuana programs varies significantly between the states (see Figure 93). In states that purport to authorize use of marijuana for therapeutic use, typically a recommendation from a doctor (not a

### Personal Use Marijuana Initiatives:

In 2012, states began passing laws purporting to authorize use of marijuana. As of August 2018, nine states and the District of Columbia have personal use marijuana laws. Vermont and the District of Columbia are unique in that they do not permit the retail sales of marijuana for personal use. All of these jurisdictions allow their citizens to possess smaller, user-amounts of marijuana (one ounce or less for Alaska, California, Colorado, Massachusetts, Nevada, Oregon, and Washington; two ounces or less for DC; and 2.5 ounces or less for Maine). Permitted user-amounts of marijuana infused edibles and marijuana concentrates also vary by state. These jurisdictions, except for Washington, allow their citizens to grow personal use marijuana. The allowable plant counts vary by state also, and in some cases allow for growth by multiple adults per household. Colorado law allows each adult resident to

<sup>43</sup> Marijuana is a Schedule I substance under the Controlled Substance Act (CSA) with no current accepted medical use in the United States. The term “medical marijuana” is used in this publication exclusively in reference to state-approved so called “medical marijuana.”

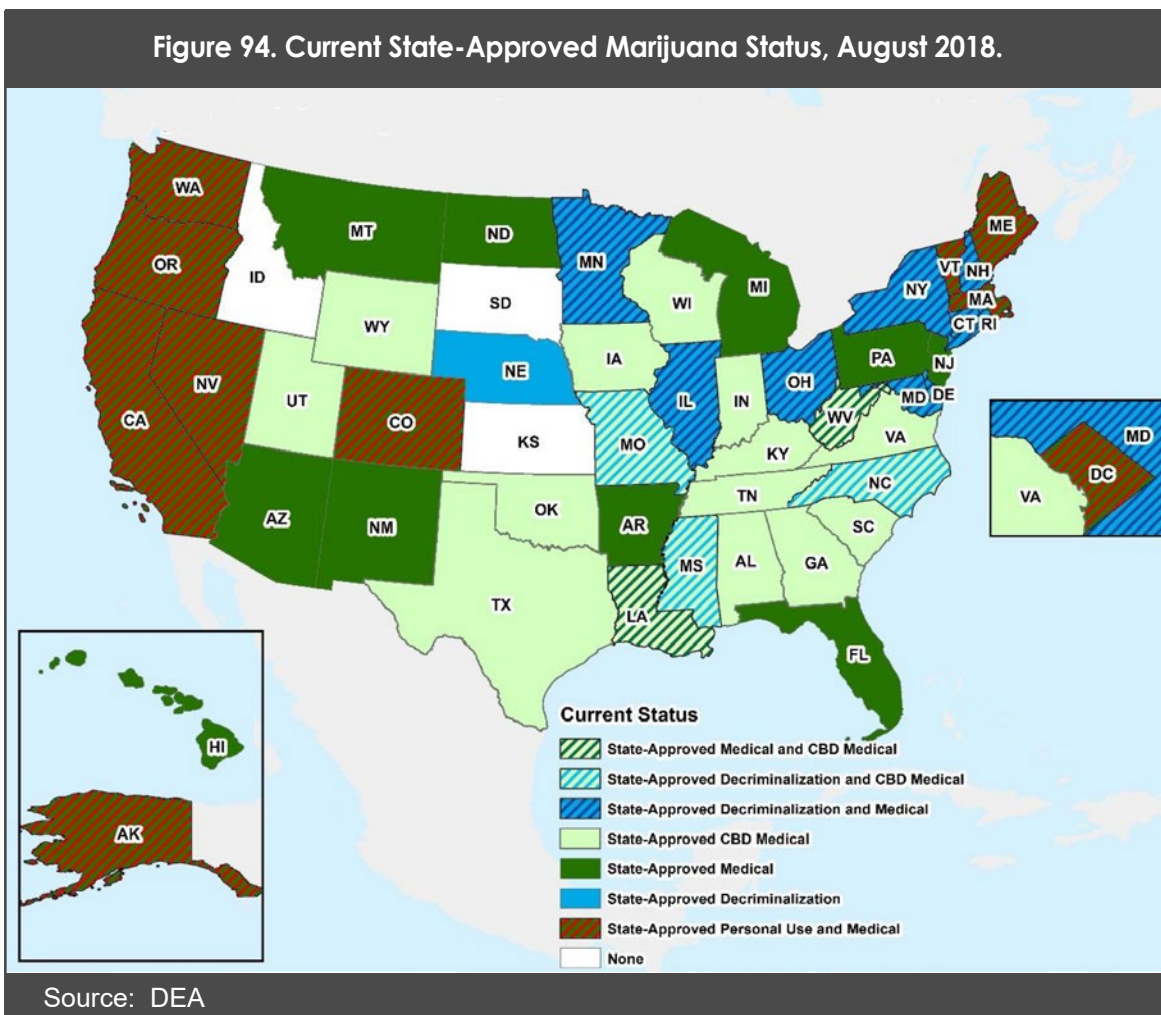
grow six plants and also allows residents to “assist” others in growing marijuana.

**Cannabidiol (CBD) Marijuana Initiatives:**

In 2014, states began passing legislation regarding marijuana that is typically referred to as “Limited Access” or “Cannabidiol (CBD)-only marijuana.” CBD is a cannabinoid/chemical compound of marijuana. CBD - typically ingested in the form of oils, oil-filled capsules, or tinctures - is extracted from marijuana that contains low levels of THC and high levels of CBD. Many advocates of CBD claim it helps alleviate a number of medical conditions. As of August 2018, 18 states have approved legislation regarding CBD-only. A number of these CBD-only laws purport to permit small, controlled studies to be conducted at universities. Some states, such as Virginia, have passed legislation that does not define or provide in-state methods of access to, or production of, CBD. In June 2018, the FDA approved a marijuana-derived CBD product for use in treating Dravet and Lennox-Gastaut (LGS) syndromes, two seizure disorders.

**Industrial Hemp:** At least 34 states have laws in place related to industrial hemp. A provision of the U.S. Agricultural Act of 2014, which became law in February 2014, changed federal law regarding the cultivation of industrial hemp under approved pilot research programs. The new law, codified at 7 United States Code § 5940, and for the purposes of the 2014 Act, defined industrial hemp as a cannabis plant, or any part thereof, that contains no more than 0.3 percent THC. Some states have specified the concentration of THC be based on dry weight of any part of the marijuana plant. The law further provides that, notwithstanding the CSA, or any other federal law, an institution of higher education or state departments of agriculture may “grow or cultivate” industrial hemp for agricultural and academic research if such activity is allowed under the law of the state in which such institution of higher education or state department of agriculture is located, and the growing site is “certified by, and registered with, the state department of agriculture.” The law did not provide for commercial distribution.

Figure 94. Current State-Approved Marijuana Status, August 2018.



On August 12, 2016, the U.S. Department of Agriculture, in consultation with the DEA and the Food and Drug Administration, published a Statement of Principles (SOP) on Industrial Hemp to inform the public how Federal law applies to industrial hemp activities in accordance with Section 7606 of the Agricultural Act of 2014. This SOP reiterated that the Agricultural Act of 2014 only allowed for research purposes and not for general commercial activity, and that agricultural and market research provisions did not extend to the production of CBD products. Section 7606 did not remove industrial hemp from CSA scheduling.

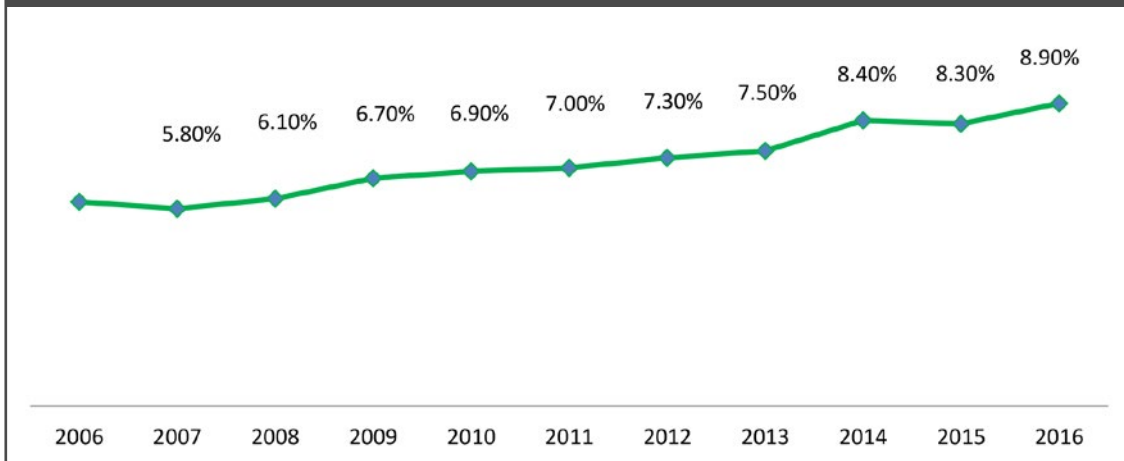
In 2017, 38 states and Puerto Rico considered legislation regarding industrial hemp. These considerations

included clarification of existing laws and establishment of new programs and licensing requirements. Fifteen states passed legislation authorizing new pilot or research programs. The governors of New Mexico and Arizona vetoed legislation that would have allowed for such pilot programs.

## USE

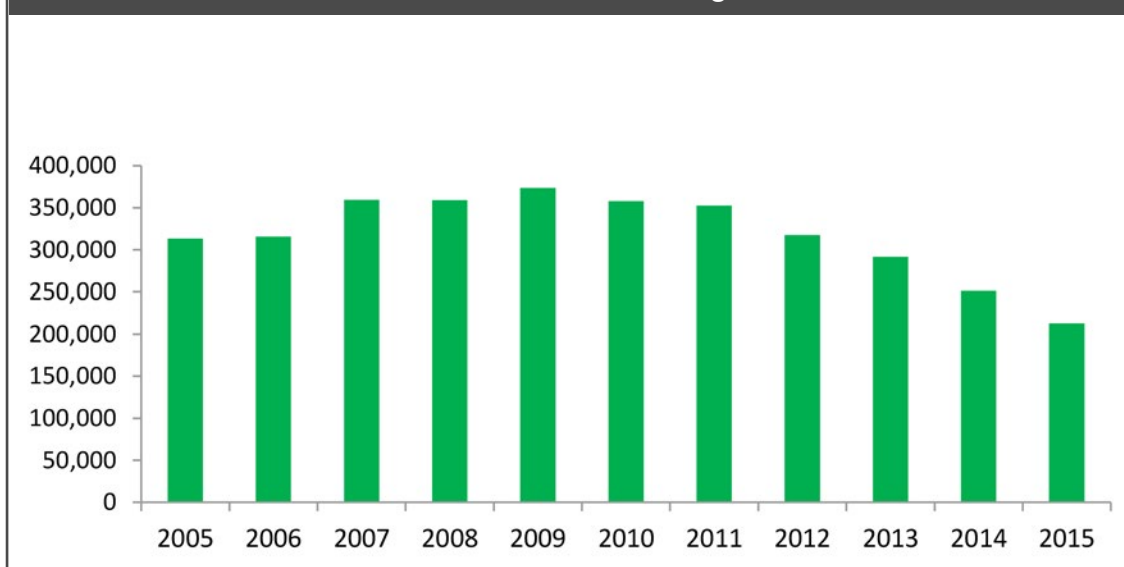
Marijuana is the most commonly used illicit drug in the United States. NSDUH estimated 24 million people (8.9 percent of the population) were current marijuana users (see Figure 95). In 2016, approximately 6.5 percent of adolescents aged 12 to 17, 20.8 percent (or 1 in 5) of young adults aged 18-25, and 7.2 percent of adults aged 26 or older used marijuana at least once in the past

**Figure 95. Percentage of Past Month Marijuana Users Among People Aged 12 or Older, 2006-2016.**



Source: Results from the 2016 National Survey on Drug Use and Health, September 2017

**Figure 96. Number of Publicly-Funded Primary Substance of Abuse Marijuana Treatment Admissions for the United States, Aged 12+, 2005 to 2015.**



Source: Treatment Episode Data Set

month. According to the 2017 MTF survey, daily use rates for students were 0.8 percent for 8th graders, 2.9 percent for 10th graders, and 5.9 percent for 12th graders, with one in 17 adolescents currently smoking marijuana daily.

According to the 2017 MTF survey, there was very little change in the percentages of both daily and monthly marijuana use by 8th, 10th, and 12th grade students.

Disapproval of regular use of marijuana is high in 8th, 10th, and 12th grades, at 81, 70, and 65 percent, respectively. However, disapproval of trying marijuana, as well as the perception of use as harmful, both continue to decline for all three grades.

Vaping marijuana, as opposed to the more traditional method of smoking it, is a relatively new trend, and as such has no prior data with which to compare it. However, in 2017 the NSDUH survey asked questions on vaping for the first time. Ten percent of 12th grade students, eight percent of 10th graders, and three percent of 8th graders reported vaping in the past year. In all of the grades, more than 25 percent of the students who had used marijuana had vaped it.

The number of publicly-funded substance abuse treatment admissions for marijuana has continued to decline since 2010 (see Figure 96). According to the 2015 TEDS data, marijuana accounts for 14 percent of publicly-funded treatment admissions in the United States. Just over half (51%) were referred by the criminal justice system, a slight decrease from the previous two years. These percentages do not include privately-funded treatment. Marijuana/hashish admissions were the category least likely of all admissions to have been self-referred for treatment.

## U.S. MARIJUANA MARKETS

Under the CSA and the Single Convention, marijuana may be produced under specific circumstances, for medical and scientific purposes. All other production of marijuana is illicit. The majority of marijuana available in the United States is illicitly produced in the U.S. by growers purportedly licensed at the state level to serve “medical” or personal use markets, or by drug trafficking organizations producing marijuana in the United States. Foreign-produced marijuana is also trafficked

into the United States. These markets operate differently and should be described independently.

Illicit markets are supplied by illicit domestic-produced marijuana, diverted domestic state-approved marijuana, and foreign-produced marijuana trafficked into the United States.

- Illicit domestic-produced marijuana is cultivated by various types and sizes of organizations. These range from individuals growing a limited number of plants to supplement their income, to organized groups growing large quantities of marijuana intended for distribution across the United States.
- State-approved marijuana is diverted to the illicit market in several ways. Some individuals or groups operate under the guise of state-legality using either valid or counterfeit state-approved medical recommendations. Instead of using the marijuana they purchase, they sell some or all of their marijuana to the illicit market. Other people purchase medical or personal use marijuana, and then resell it out of state for profit.
- State-approved medical and personal use markets are supplied by a growing number of state-approved producers and retail stores. State-approved marijuana markets are changing the dynamic for law enforcement across the United States. Each state has created unique laws, and many of these laws are in flux, creating a challenging environment for law enforcement.

Money-laundering and the opportunities the state-marijuana businesses afford for DTOs and others to launder money through U.S. banks is a significant concern. The ability to regulate and monitor the capacity of the various sizes and types of personal grows provides opportunity for individuals and DTOs to profit from production and sales under the guise of legality. Proceeds from these types of operations are introduced into the domestic banking system disguised as legitimate funds since many U.S. banks have refused to do business with known marijuana growers due to the laws surrounding illicit proceeds.

## PRODUCTION

### Domestic Production

Domestic production has continued to increase, as has the availability of different types of marijuana products. Marijuana is produced in all 50 states in varying quantities. One of the most prolific cannabis growing regions of the United States is Humboldt County, California. Humboldt, Mendocino, and Trinity Counties are located in the Northwest California cannabis growing region often referred to as the “Emerald Triangle.” Criminal organizations of all sizes and types are involved in illegal cannabis cultivation there and throughout the United States.

State-approved marijuana markets are impacting the supply of marijuana in the United States with the nationwide increase in state-approved personal use marijuana sales and medical sales. The Washington State Liquor and Cannabis Board’s 2017 Annual Report announced 319 million U.S. Dollars in revenue from legal marijuana taxes and licensing fees.

State-approved personal use marijuana cultivation, often referred to as “home grows,” has changed the nationwide marijuana trafficking picture (see Figure 97). In states where cultivation is legal, organizations have established networks of grow houses that produce large amounts of marijuana that are sold in out-of-state markets. Since states have various laws regarding how many plants an individual is allowed to have—based on a recommendation from a doctor—and the fact that some states require patients to register with the state and others do not, it is unknown how many people may be operating under the guise of state-approved medical marijuana legality. What is known is that traffickers are transporting their marijuana across state lines, into states where it is not legal to grow it, and/or the laws are different.

Some medical marijuana states have either capped the number of plants allowed or prohibited personal home grows. The ability to regulate and monitor the capacity of the various sizes and types of personal grows is challenging and provides opportunity for individuals and organizations to profit from illegal production/sales under the guise of legality.

Figure 97. Outdoor Marijuana Grow.



Source: North Metro Task Force, Thornton, Colorado

### DEVASTATING EFFECTS FROM CULTIVATION ON PUBLIC LANDS

Millions of acres of public lands are being destroyed as a result of the illegal cultivation of marijuana. These growing operations produce tons of toxic rubbish, devastating the landscape and endangering wildlife by ruining natural habitats (see Figures 98 & 99). Illicit cultivation of marijuana also threatens statewide water supplies and places harsh demands on other power supplies. The National Wildlife Refuge System in California, Nevada, and Oregon reports these sites are dangerous to employees and to the public in general, and are expensive to find and reclaim.

Figure 98. Remnants of Illegal Marijuana Grow Camp- National Wildlife Refuge.



Source: Department of Interior, U.S. Fish and Wildlife Service

**Figure 99. Remnants of Illegal Marijuana Grow Operation.**



Source: Department of Interior, U.S. Fish and Wildlife Service

Marijuana can be grown both outdoors and indoors. Outdoor grows are conducted in a variety of settings, from backyards to multiple-acre public lands and are frequently co-mingled among common legitimate crops. Marijuana cultivation on public lands is undiminished despite opportunities to grow legally. This is likely because there is large profit to be made on un-regulated and untaxed marijuana, and because growers can maintain larger crops on vast lands. Grows on public lands are often in remote areas that are difficult to access and expensive to maintain. These grows are also challenging for law enforcement to discover and have environmental consequences that result in damage to the landscape, wildlife, and public water supplies.

Indoor production is becoming more common. In locations outside of areas with year-round mild climates, indoor grows can continue to be profitable year-round because traffickers do not have to rely on climate conditions or growing seasons. They are often located in residential houses and large warehouses. Indoor grows require large amounts of water and artificial light, which creates high demand on local utility companies (see Figure 100). Individuals conducting indoor grows often steal power by illegally wiring directly into the city's power system, which in turns, drives up the price of power for legitimate customers (see Figure 101).

Responding to marijuana grow sites is an increasing concern for first responders. Homes where marijuana is grown indoors often sustain structural damage. Moisture, condensation, and mold can spread throughout the residence. Growers often

**Figure 100. Indoor Marijuana Grow in Aurora, Colorado.**



Source: North Metro Task Force, Denver, Colorado

**Figure 101. Illegally Diverted Electricity at an Indoor Marijuana Grow.**



Source: North Metro Task Force, Thornton, Colorado

cut holes in floors and exterior walls in order to install ventilation tubes, as well as tamper with electrical systems in order to supply multiple high-power grow lights and industrial air-conditioning units. These alterations are often done by tenant growers with little regard for fire risk or the home's structural integrity. Altered electrical systems with loose and entangled wires, flammable fertilizers and chemicals, explosive materials such as propane and butane, holes cut into subfloors for venting, booby traps, and weapons all pose clear hazards to firefighters or police officers responding to the residence in an emergency situation.

Booby traps and weapons are often encountered at outdoor grow sites as well. "Fish Hook" traps are used to discourage wildlife, law enforcement, and other intruders from entering grow sites (see Figure 102). Marijuana grow owners also routinely employ guards for their grow operations.

For FY 2017, the DEA Domestic Cannabis Eradication/Suppression Program (DCE/SP), in coordination with state and local law enforcement agencies, eradicated over 3 million plants located in 5,461 grow site locations throughout the United States (see Figure 103). Under the DCE/

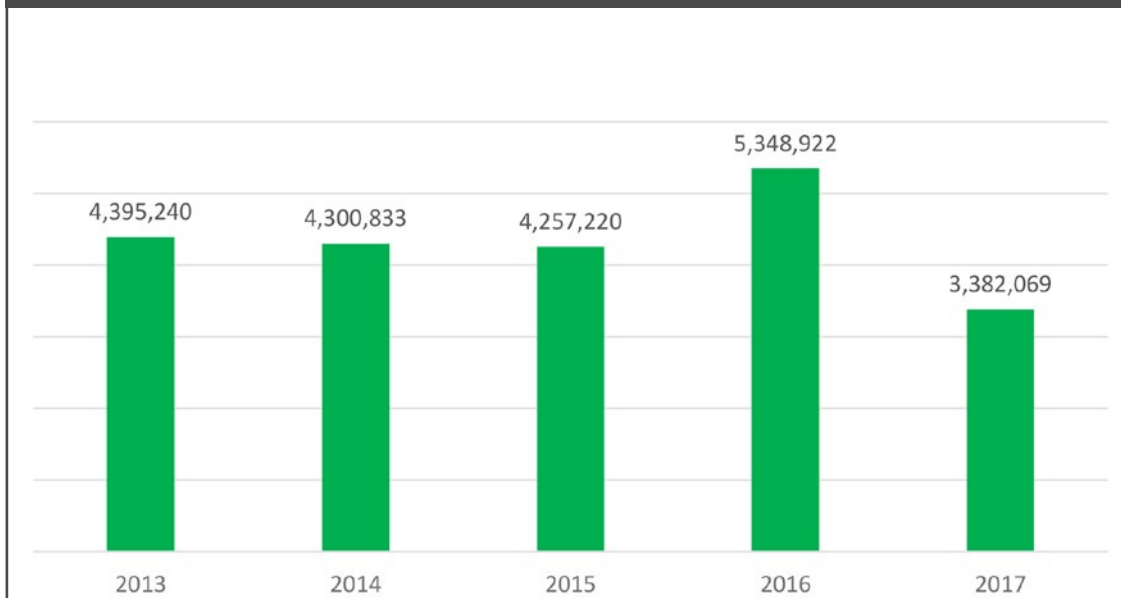
Figure 102. Fish Hook traps in an Illegal National Forest Marijuana Grow.



Source: Integral Ecology Research Center

SP program, 72 percent (2.5 million) of the eradicated plants were from California. This 35 percent decrease from the previous year may be, in part, due to the number of wildfires California experienced in and near public lands and National Forests in 2017. From the eradication sites, there were 2,829 weapons seized, a 28 percent decrease in the number of weapons seized in the previous FY. Seventeen percent of the weapons were seized in Indiana, and 14 percent were seized in California.

Figure 103. Number of Cannabis Plants Eradicated from Indoor and Outdoor Grow Sites by the Domestic Cannabis Eradication and Suppression Program, FY 2017.



Source: DEA



## FOREIGN PRODUCTION

Marijuana is also smuggled into the United States from Mexico, and in smaller volumes from Canada and the Caribbean. Marijuana from Mexico is typically classified as “commercial-grade” or “low-grade” marijuana. The quality of marijuana produced in Mexico and the Caribbean is generally considered by users to be inferior to the marijuana produced in the United States and Canada.

## MARIJUANA CONCENTRATES/EXTRACTS AND THC EXTRACTION LABS

Marijuana concentrates such as hashish, hash oil, and keif, and THC extraction laboratories continue to pose a threat as the use of alternative forms of marijuana gains popularity in the United States. Percentage of THC present in concentrated forms is much higher than that of traditional leafy marijuana, 56 percent and 11 percent, respectively. The effects from long-term use of marijuana concentrates are unknown.

Marijuana concentrates are often consumed in e-cigarettes and vaporizers. Marijuana concentrates are also found in other forms such as edible products like cookies, brownies and gummy candies; topicals/lotions, tinctures, capsules, and patches. These new forms of marijuana present challenges to law enforcement, as they are easier to conceal than traditional leafy marijuana.

Tetrahydrocannabinolic acid (THCA), a Schedule I drug, is a biosynthetic precursor of THC that is present in live marijuana plants.

THCA that is extracted, using various methods, from undried cannabis plants, is typically clear or white in color, with a texture in the form of crystals, powder, or oil. THCA decarboxylates/converts to THC when it is heated (see Figure 104).

Cannabinoids, to include THC, are extracted from marijuana plant material in a variety of ways. The majority of the cannabinoids are found in the oily resin on the outside of the cannabis plant. One of the most common and most dangerous methods of extraction involves the use of butane, a solvent that dissolves the cannabinoids, allowing them to separate from the other plant material. Other solvents, like Freon, hexane, isopropyl alcohol, and ethanol, are also used. Carbon dioxide extraction, also known as supercritical fluid extraction, uses high pressure to separate the cannabinoids from the plant material. The ice-water filtration method uses ice or dry-ice for this separation: the cold temperatures make the resin brittle enough to break away from the plant material. The “rosin technique” extracts cannabinoids using heated pressure, often from a flat-iron, heated spoon, or a commercial heat-press made for producing marijuana concentrates.

Extraction labs using butane solvent continue to cause explosions, resulting in injuries and structural damage. There is no comprehensive nation-wide count of THC extraction labs and currently no uniform tracking mechanism in place. EPIC’s NSS has the ability to track these incidents, though there is no mandate for state, local, and tribal law enforcement to report their data to the system. For calendar year 2017, a total of 260 extraction labs were reported

Figure 104. THCA From an Extraction Laboratory in Riverside County, California.



Source: Riverside County, California Sheriff and DEA

Figure 105. THC Extraction Lab, Marijuana Concentrates, and Sacks of Marijuana, 2017.



Source: DEA

Figure 106. Marijuana Concealed in Furniture, Propane Tank, and Cement Blocks.



Source: U.S. Customs and Border Protection

to the NSS; 68 percent of the labs were reported in California, and 27 percent were reported in Oregon. Thirty-five percent of the reported extraction labs reported were listed at residential locations and 25 percent were reported/discovered as the result of a fire or explosion.

- San Bernardino, California: The San Bernardino County Sheriff's department seized a large scale THC extraction laboratory in late 2017. Items seized from the laboratory included marijuana concentrates in various forms, as well as processing chemicals and equipment (see Figure 105).

ports of entry on both the northern and southern borders. Once marijuana has been smuggled into the United States, it is often stored in warehouses along the border prior to being sent to cities throughout the United States.

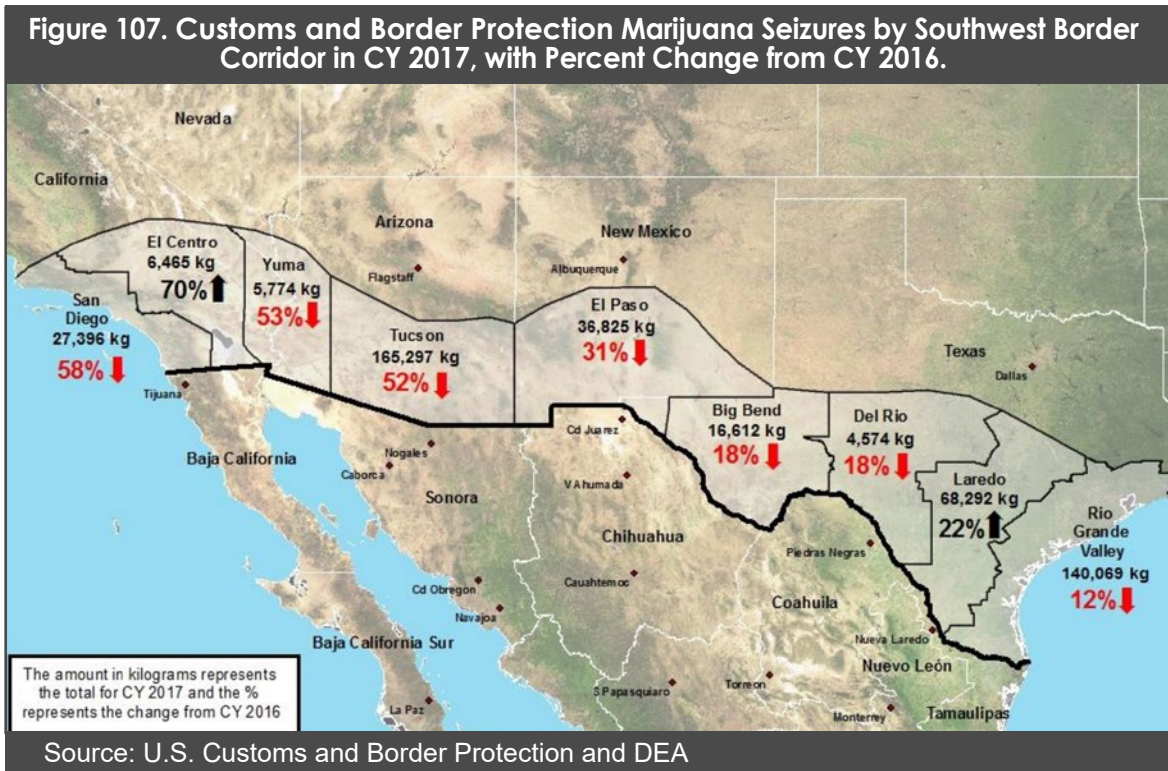
- In May 2018, CBP in Texas seized almost 80 kilograms of marijuana that was concealed within various pieces of wooden furniture, 27 kilograms of marijuana from a modified propane tank mounted in the bed of a pick-up truck, and approximately 350 kilograms of marijuana concealed within cement blocks that were wrapped and sealed in pallets. (See Figure 106)
- In May 2018, DEA San Diego seized approximately 23,000 pounds of marijuana from a tractor-trailer located in Calexico, CA.
- In June 2018, CBP seized almost 15,000 pounds of marijuana from a tractor-trailer attempting to enter the United States from Mexico at the Otay Mesa, CA POE.

## TRANSPORTATION AND DISTRIBUTION

### Transportation of Foreign-Produced Marijuana

Large quantities of foreign-produced marijuana are smuggled into the United States via personally owned vehicles, commercial vehicles, buses, rail systems, subterranean tunnels, small boats, unmanned aerial vehicles/drones, catapults, and walked across by backpackers. Unlike other illicit drugs, the majority of marijuana smuggled into the United States occurs between the

The total weight of marijuana seized by CBP along the SWB declined by 34.7 percent from CY 2016 to CY 2017 (see Figure 107). Despite a decrease in the



number of incidents, there was a significant increase in the total weight of marijuana seized in the El Centro corridor. DEA reporting indicates Mexican drug traffickers are selling Mexico sourced marijuana for use in THC extraction laboratories in Southern California, to TCOs that traffic marijuana concentrates and edible products.

Total weight of marijuana seized by CBP along the Northern Border declined by approximately 30 percent between 2016 and 2017; however, the summer months of both years experienced an increase in the number of seizure incidents.

## TRANSPORTATION OF DOMESTICALLY PRODUCED MARIJUANA

Marijuana produced in the United States is typically transported across state lines from states where local laws purport to allow for the cultivation of marijuana, to, or through, states where they do not, for personal use as well as for resale in both large and small quantities. Transportation is carried out in personally owned vehicles, rented vehicles, semi-trucks, tractor trailers, vehicle hauler trailers, trains, and buses via U.S. highways. Personal and commercial planes are also used to transport shipments of marijuana.

The use of commercial parcel services like the USPS, FedEx, and UPS is also common. Concentrated forms of marijuana are more compact than plant material and because of this lack of bulk, are concealed in envelopes and flattened parcels.

## OUTLOOK

Domestic use of marijuana will remain high and is likely to increase. Domestic production and trafficking of marijuana will likely increase as more states adopt or change current marijuana laws. Individuals and criminal organizations will exploit state-legality in these localities to produce and traffic their product to the illicit market, particularly to states without state-approved marijuana. Mexico-produced marijuana will continue to be trafficked into the United States in bulk quantities, though in declining amounts.

Fragmented and developing medical and personal use laws among the states will continue to create uncertainty and increasingly complex issues for the public, law enforcement, banking systems, and medical professionals. Marijuana will remain a part of domestic and international political discussions for the near future.



# NEW PSYCHOACTIVE SUBSTANCES (NPS)

## OVERVIEW

NPS<sup>44</sup> are a wide-ranging group of synthetic substances created to mimic the effects of scheduled or controlled illicit drugs. In order to be deemed a “new” psychoactive substance, the drug does not need to be newly created, only newly abused and/or observed on the illicit market. Moreover, many NPS’ existences have been previously documented in scientific and regulatory communities. The most common varieties of NPS available and abused in the United States are synthetic cannabinoids and synthetic cathinones. Other classes of NPS include opioids, hallucinogens, tryptamines, benzodiazepines, and piperazines. Synthetic cannabinoids consist of chemicals commonly applied to plant material designed to be smoked or suspended in an oil form to be used in e-cigarettes. Synthetic cathinones are powdered or crystal chemicals, usually consumed in powder, tablet, or capsule form.

## AVAILABILITY

The NPS market continues to be very dynamic and is characterized by the emergence of large numbers of new substances belonging to diverse chemical groups. Nevertheless, the overall size of the market for such substances is still relatively small when compared with other drug markets. One of the most troubling aspects of NPS is that users are unaware of the content and the potency of the substances contained in a given product. This potentially exposes users of NPS to additional health risks, many of which may be very significant, especially as little or no scientific information is available to determine the effects that these products may have and how best to counteract them.

Between 2009 and 2016, 106 countries and territories reported the emergence of 739 different NPS to the United Nations Office on Drugs and Crime (UNODC). New substances

often emerge quickly and disappear again, while some become used regularly among a small group of users. Although the market changes every year, a core group of over 80 NPS were reported by the UNODC every year between 2009 and 2015, displaying an established presence on the global market. Conversely, about 60 NPS appear to have disappeared from the market since 2013. NPS are still sometimes sold under the name of controlled drugs such as lysergic acid diethylamide (LSD) and ecstasy; meanwhile, a market for some NPS in their own right appears to have been established.

NPS are available throughout the United States. Most DEA FDs reported stable availability for synthetic cannabinoids and synthetic cathinones during the first half of 2017, and no FDs ranked them among the top threats. Synthetic cannabinoids remained available and were marketed towards young adults as well as the homeless population. To that end, at least one sheriff’s office in the Dallas FD AOR reported synthetic cannabinoid abuse and addiction were a significant issue among the homeless population in the area. The Houston Field Division also indicates synthetic cannabinoids were being marketed to the homeless population. Synthetic cathinones are also available and were marketed primarily towards young adults in the nightclub and rave music scenes. The Detroit Field Division reports the distribution of synthetic cathinones was common at nightclubs, raves, and college parties.

Synthetic cannabinoids are sold in colorful packaging, designed to reinforce the stereotype of synthetic cannabinoids being “safe” to use (see Figure 108). Packing for these substances often feature colorful cartoonish graphics on professionally manufactured, vacuum-sealed packaging. This provides prospective users with an implicit, largely fraudulent, impression of quality control. The chemical compounds used to manufacture synthetic cannabinoids vary widely in potency and often contain other substances. One of the banned substances,

<sup>41</sup> Synthetic opioids, such as fentanyl analogues, are often included under the heading of NPS. However, given the threat posed by fentanyl, fentanyl analogues, and other synthetic opioids in the United States, those substances are discussed in their own section of the report.

HU-210, is estimated to be between 100 and 800 times more potent than THC. This results in a substance that can cause hallucinations and irrationally dangerous/combative behavior. Packets can be purchased from wholesalers in quantities of three, five, or ten grams for between \$5 and \$15 each. These packets were then sold to users at prices ranging between \$10 and \$40, depending on the size and potency of the individual packets. In addition to graphic packages, synthetic cannabinoid-dosed plant material is packaged in small baggies similar to traditional drugs.

To counter the availability of synthetic cannabinoids, states and cities are passing legislation which allows officials to shut down stores that sell these products if they appear to be intended for human consumption, regardless of what the packaging might state. Synthetic cannabinoid traffickers have responded by moving distribution into locations traditionally associated with the distribution of traditional drugs. This was highlighted by a takedown of a synthetic cannabinoid trafficking group in the Dallas FD AOR, which was operating in a residential location. While this shift poses new challenges and threats to law enforcement, it should also be interpreted

Figure 108. Example of K2 Packaging in the Dallas Field Division.

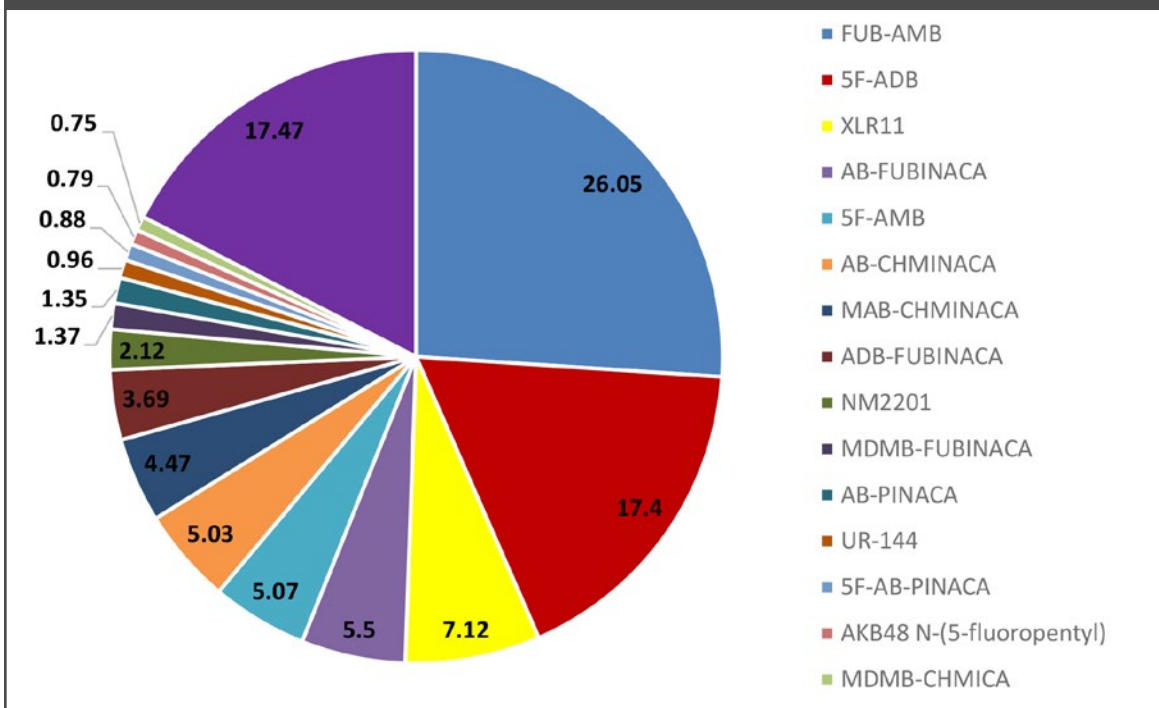


Source: DEA

as evidence that recent seizures are having an impact on synthetic cannabinoid trafficking organizations.

According to NFLIS, in 2016 there were 25,350 synthetic cannabinoid reports,<sup>45</sup> a slight decrease from the 29,588 reports in 2015. The most commonly occurring synthetic cannabinoid in the United States in 2016 was FUB-AMB at 26 percent, according to NFLIS. The second most common synthetic cannabinoid was 5F-ADB at 17 percent

Figure 109. Percentage of Synthetic Cannabinoid Reports in the United States, 2016.



Source: DEA National Forensic Laboratory Information System

<sup>45</sup> National Annual Estimates of the 25 most frequently reported synthetic cannabinoids.

(see Figure 109). DEA used its authority to emergency schedule FUB-AMB as a Schedule I controlled substance in November 2017, and used the same authority to control 5F-ADB in April of 2017. The most commonly encountered synthetic cannabinoids change from year to year as traffickers adapt to U.S. and other international regulations by introducing new unscheduled substances.

## USE

NPS are marketed towards and often used by younger individuals, although people of all ages have been documented using NPS. These substances may be particularly attractive to drug users that are subjected to drug screening, such as inmates, parolees, and probationers, as drug screens often do not have the ability to identify all NPS. A 2017 study of Washington, DC probationers and parolees found individuals frequently tested positive for both newly identified synthetic cannabinoids as well as previously scheduled synthetic cannabinoids. This indicates that new synthetic cannabinoid variants do not necessarily replace older synthetic cannabinoid variants, even after older variants are controlled. If a traditional drug screen includes a test for use of particular NPS, users can switch to an alternate NPS variety that is not captured. The homeless population is another community that appears to be at a higher risk for using NPS.

## SYNTHETIC CANNABINOIDS

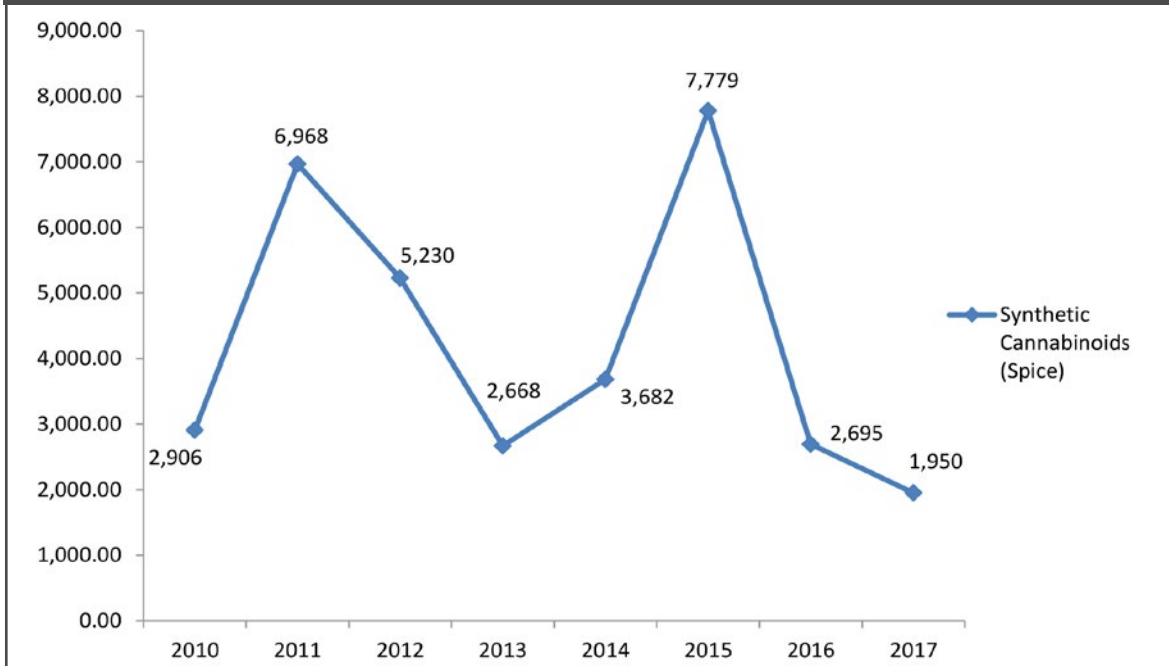
Synthetic cannabinoids are most commonly inhaled. Traffickers coat dried plant material with synthetic cannabinoid chemicals. These substances are commonly smoked in cigarettes, pipes, and other smoking devices. Synthetic cannabinoids are also available in an oil form, to be used in e-cigarettes or vape pens. These substances are also sometimes pressed into counterfeit prescription pills. The American Association of Poison Control Centers (AAPCC) reports that in 2017 there were 1,950 calls to poison centers across the country regarding synthetic cannabinoid exposure (see Figure 110). This is a 75 percent decrease from the record-high 7,779 AAPCC calls in 2015 and a 28 percent decrease from the 2,695 calls in 2016. The sharp increases and decreases in calls to poison control centers may be due to the short-lived popularity of some NPS varieties or else to medical providers becoming

increasingly familiar with proper treatments for these substances, lessening the need to contact poison control centers. Synthetic cannabinoid substances differ in the effects on the user as well as how potent/harmful the drugs are. This means some substances are more prone to causing overdoses and hospitalizations than others. Each year, traffickers experiment with different synthetic cannabinoids, creating variability in which substances are most widely available and the risk of poisoning associated with each substance.

- In October 2017, at least 60 synthetic cannabinoid overdoses were reported over a one-week timespan in Minneapolis, Minnesota. The overdoses caused hallucinations and violent behavior in some users, while other users were left nearly comatose according to health officials. The Minnesota Poison Control System stated this was the biggest outbreak of synthetic cannabinoid overdoses since 2015 and also indicated this outbreak was likely to change the number of synthetic cannabinoid overdoses from 2017 and increase the totals from 2016.
- During the week of July 7, 2017, approximately 158 people in Lancaster County, Pennsylvania were treated for synthetic cannabinoid overdoses. According to Lancaster Emergency Medical Services, none of the overdoses were fatal, but patients' symptoms were sometimes serious and ranged from very low blood pressure to unconsciousness. This influx of overdose patients from synthetic cannabinoids was "taxing" to local hospitals that were already "well above capacity."

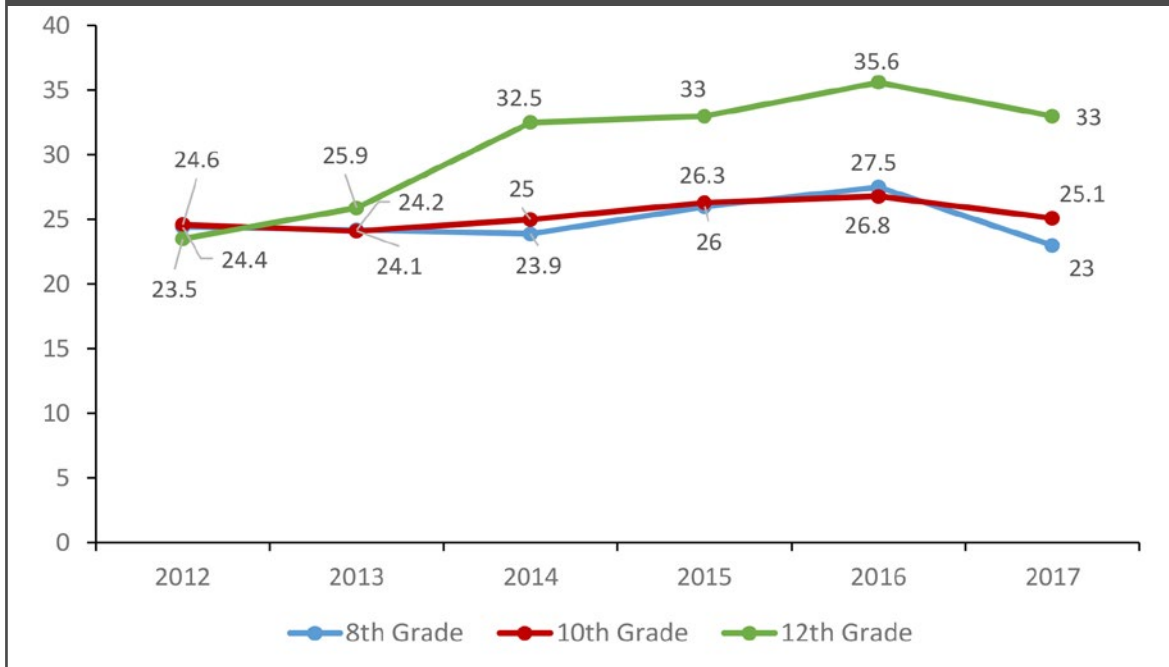
According to MTF survey data, annual prevalence of synthetic cannabinoid use among 8th, 10th, and 12th graders remained low. In 2017, an average of 2.8 percent of students surveyed indicated using synthetic cannabinoids in the past year, down from 3.1 percent in 2016. In 2017, two percent of 8th graders, 2.7 percent of 10th graders, and 3.7 percent of 12th graders reported past year use of synthetic cannabinoids. The perceived

Figure 110. Number of Exposure Calls to the American Association of Poison Control Centers, 2010-2017.



Source: American Association of Poison Control Centers

Figure 111. Percentage of 8th, 10th, and 12th Graders Perceiving Harmfulness of Synthetic Cannabinoid Use, 2012-2017.



Source: Monitoring the Future

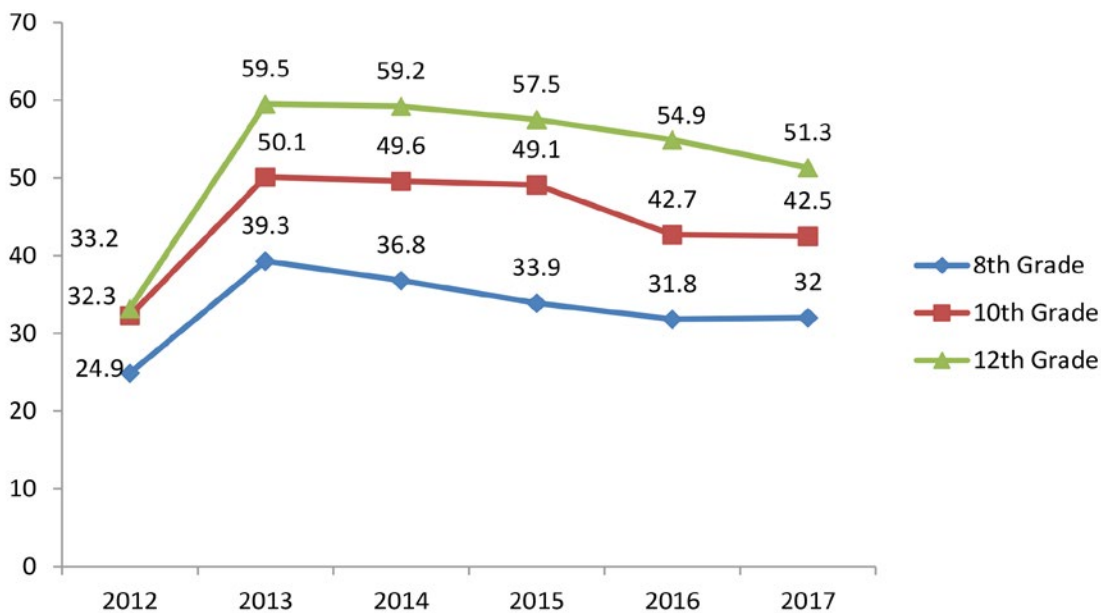


## SYNTHETIC CANNABINOID EMERGENCY TREATMENT EXPOSURES IN TEXAS, 2015-2017

The Houston FD indicated emergency treatment exposures associated with synthetic cannabinoids decreased 31.4 percent from 2016 to 2017, and decreased 70.3 percent from 2015 to 2017 in Texas. This significant reduction is related, in part, to law enforcement/community outreach programs, as well as an increase in treatment options made available by health care professionals. The reported number of emergency treatment exposures associated with synthetic cannabinoids in Texas declined in 2016 and 2017 after steadily increasing from 2013 to 2015. Data from the Texas Poison Center Network (TCPN) indicate 67.2 percent of persons subjected to synthetic cannabinoid emergency treatment exposures inhaled the drug, 17.1 percent ingested it, and 10.1 percent both inhaled and ingested it. TPCN also reports the majority (67.3%) of abuse/misuse occurred in the person's residence while less than 2.5 percent of abuse/misuse happened in a school or workplace.

In contrast to the TPCN statistics, the Austin-Travis County Emergency Medical Services (EMS) reported a surge in synthetic cannabinoid-related emergency calls during CY 2017. EMS calls related to synthetic cannabinoids previously decreased by 27 percent between CY 2015 and CY 2016, but increased 66 percent between CY 2016 and CY 2017. Specifically, the Austin-Travis County EMS notes this dramatic rise was the direct result of synthetic cannabinoid-related emergency calls regarding the homeless population in areas of downtown Austin.

Figure 112. Percentage of 8th, 10th, and 12th Graders Perceiving Harmfulness of Synthetic Cathinone Use, 2012 – 2017.



Source: Monitoring the Future

harmfulness of synthetic cannabinoid use decreased for the first time since data on these drugs were first collected in 2012. In 2017, a combined average of 27 percent of 8th, 10th, and 12th grade students surveyed viewed synthetic cannabinoid use as harmful, a ten percent relative decrease from the approximately 30 percent of students who felt the same in 2016 (see Figure 111).

## SYNTHETIC CATHINONES

Synthetic cathinones are usually consumed in pill or capsule form. Occasionally, users smoke or insufflate them. Synthetic cathinones are commonly misrepresented and/or sold as substitutes for MDMA, Molly, Ecstasy, etc., for use in the rave and club scenes. These substances are popular in these settings as they provide users with short boosts of energy and euphoria.

In 2017, MTF survey data showed that the average percentage of 8th, 10th, and 12th graders reporting synthetic cathinone use decreased from 0.8 percent in 2016 to 0.5 percent in 2017. MTF survey data also indicate perceptions of synthetic cathinones' harmfulness were relatively stable between 2016 and 2017 among 8th and 10th graders. The most notable decline in 2017 was among 12th graders, with 51.3 percent viewing synthetic cathinones as harmful, a decrease of 6.5 percent from 2016 (see Figure 112). The overall trend of more 8th, 10th, and 12th graders perceiving synthetic cathinone use as harmful compared to synthetic cannabinoid use continued in 2017.

## PRODUCTION

NPS are created from chemicals in laboratories and do not require any plant material. Each variety of these substances requires different precursor chemicals and scientific processes to synthesize. Producers of these synthetic substances require relatively sophisticated equipment along with moderate chemistry knowledge and skill, creating a barrier to entry for unskilled producers and traffickers. As these substances are widely available in China and other Asian and European countries, most U.S.-based traffickers can purchase the drugs already synthesized and have them shipped through mail carriers to perform final processing and packaging

## SYNTHETIC CATHINONE USE IN A HIGH RISK POPULATION

Research published in the *Journal of Analytical Toxicology* in March 2017 detected NPS use in a large number of New York City nightclub and dance festival attendees—a high risk population. The research study surveyed 679 nightclub and festival attendees in New York City from July through September of 2015, with participants being surveyed outside ten different venues over 21 days. Participants were asked if they were willing to donate a hair sample to be tested for “new drugs.” In total, 80 hair samples from different parts of the body were analyzed, 26 of which tested positive for at least one NPS. Methylone, butylone, and methoxetamine were detected exclusively or more often concurrently in 25 out of 26 cases which tested positive for at least one NPS. Previous research indicated many nightclub and dance festival attendees reporting MDMA use tested positive for methylone and/or butylone, with four out of ten self-reported MDMA/ecstasy/Molly users testing positive for these drugs after reporting no use of synthetic cathinones or unknown pills or powders. This is consistent with previous analysis and reporting indicating some NPS users, especially young users who are more likely to attend electronic dance music parties at nightclubs and dance festivals, are unintentionally exposed to these substances while seeking to use other party drugs, like MDMA.

The same study participants of nightclub and festival attendees indicated synthetic cannabinoids were not detected in any of the tested hair samples; however, it is possible newly introduced synthetic cannabinoids were out of the range of targeted substances. The researchers also noted that different groups of NPS are used by different social groups. Nightclub attendees and partygoers are likely to use synthetic cathinones whereas use of synthetic cannabinoids, being cheap and potent substitutes for THC, is often associated with homeless and/or mentally ill individuals, who are more likely to use these drugs to temporarily escape personal or social problems.

on the substances domestically. “Spice processing labs” are the sites used for the final processing of synthetic cannabinoids and the application of these substances onto plant material. Synthetic cathinones are ready to use in their powder and crystal forms, so additional processing outside of encapsulating or bagging is usually not needed.

Domestic spice processing laboratories are in residential spaces, such as homes and garages, as well as in warehouses. Traffickers dissolve powders into a solvent, typically ethanol or acetone, to create a liquid solution. Cement mixers distribute the synthetic cannabinoid solution on the plant material, or it can be sprayed onto dehydrated plant material (damiana leaf is frequently used for synthetic cannabinoids). At this stage, any uneven application of the chemicals onto the plant material can result in certain parts of the mixture having higher concentrations of the cannabinoids than others do. After the application of the synthetic cannabinoid liquid is finished, traffickers can then spray the plant material with commercial liquid flavorings, if desired, before leaving the product to dry. Once fully dry, the synthetic cannabinoids are packaged into individual foil packets for sales, with packets containing anywhere from a few grams to ten or more grams of product in each of them.

The foil packets used in synthetic cannabinoid sales are available online in wholesale quantities. The packets come pre-branded with any number of cartoon logos or other brand names. The wide availability of these packets combined with their built-in branding means two packets of synthetic cannabinoids may have very different contents. Distributors of synthetic cannabinoids all across the country may purchase the same brands of packages but sell different synthetic cannabinoids in their respective territories. Additionally, because of the variations in synthetic cannabinoid contents, even two identical packets sold in a store may have two completely different cannabinoids inside them.

## TRANSPORTATION AND DISTRIBUTION

Wholesale quantities of NPS are usually trafficked to the United States via commercial mail carriers from China, often being

## LIQUID SPICE SEIZED AT ARIZONA SMOKE SHOP

In May 2017, investigators from the DEA Phoenix FD along with the Maricopa County HIDTA Drug Suppression Task Forces, the Department of Public Safety, the Gila River Police K-9 Department, and the Maricopa County Sheriff’s Office executed search warrants at smoke shops selling liquid spice in Phoenix. Investigators seized four vials of liquid spice from a suspect involved in the manufacture of synthetic cannabinoids (see Figure 113). The vials of liquid spice were labeled as “strawberry vape oil,” likely in an attempt to disguise their true contents from law enforcement.

**Figure 113. Liquid Synthetic Cannabinoids Packaged as “Strawberry Vape Oil”.**



Source: Maricopa County Sheriff’s Office

intentionally mislabeled or described as potpourri or as material not for human consumption. Synthetic cannabinoids are distributed throughout the United States in gas stations and smoke shops, and have moved more to street sales in traditional illicit drug markets as law enforcement and policy makers have targeted stores selling synthetic cannabinoids. Synthetic cannabinoids are also suspended in oils and marketed as legal e-liquids or vape oils. In contrast, synthetic cathinones are widely distributed through street sales in tablets, capsules, or plastic baggies.

## OUTLOOK

NPS will continue to pose a nationwide threat, causing overdoses and occasionally deaths, while availability will likely remain

stable. New NPS will continue to be identified as traffickers work to circumvent international chemical controls and regulations, all while some popular NPS varieties will likely remain available despite their controlled status. Overdoses linked to NPS will continue to fluctuate greatly, as the potencies and toxicities of the NPS available in the United States change from year to year. NPS remain inexpensive and can still be purchased from stores as well as on the clear web<sup>46</sup> and dark web. Therefore, the perception of the NPS threat will continue to increase and decrease based on the prevalence of mass overdose events and the increased public attention that result from these incidents.

---

<sup>46</sup> The clear web refers to that portion of the Internet accessible through web browsers and is indexed and catalogued by search engines.



# TRANSNATIONAL CRIMINAL ORGANIZATIONS

## MEXICAN TRANSNATIONAL CRIMINAL ORGANIZATIONS

### OVERVIEW

Mexican TCOs continue to control lucrative smuggling corridors, primarily across the SWB, and maintain the greatest drug trafficking influence in the United States, with continued signs of growth. They continue to expand their criminal influence by engaging in business alliances with other TCOs, including independent TCOs, and work in conjunction with Transnational Gangs, US based street gangs, prison gangs, and Asian money laundering organizations. Mexican TCOs export significant quantities of heroin, cocaine, methamphetamine, marijuana, and fentanyl into the United States annually. The drugs are delivered to user markets in the United States through transportation routes and distribution cells that are managed or influenced by Mexican TCOs, and with the cooperation and participation of local street gangs.

### MOST SIGNIFICANT MEXICAN TCOs CURRENTLY ACTIVE IN THE UNITED STATES

Although offshoots from previously established TCOs continue to emerge, DEA assesses the following six Mexican TCOs as having the greatest drug trafficking impact on the United States: Sinaloa Cartel, CJNG, Juarez Cartel, Gulf Cartel, Los Zetas Cartel, and Beltran-Leyva Organization (BLO). Each of these TCOs maintains drug distribution cells in designated cities across the United States that either report directly to TCO leaders in Mexico or indirectly through intermediaries. The following is a background on each of the six major Mexican TCOs, with examples of their drug trafficking impact on distinct U.S. cities:

**Sinaloa Cartel** – The Sinaloa Cartel, based in the Mexican State of Sinaloa, is one of the oldest and more established drug trafficking organizations in Mexico. The Sinaloa Cartel

controls drug trafficking activity in various regions in Mexico, particularly along the Pacific Coast. Additionally, it maintains the most expansive international footprint compared to other Mexican TCOs. The Sinaloa Cartel exports and distributes wholesale amounts of methamphetamine, marijuana, cocaine, heroin, and fentanyl in the United States by maintaining distribution hubs in cities that include Phoenix, Los Angeles, Denver, and Chicago. Illicit drugs distributed by the Sinaloa Cartel are primarily smuggled into the United States through crossing points located along Mexico's border with California, Arizona, New Mexico, and west Texas.

**Jalisco New Generation Cartel – CJNG**, based in the city of Guadalajara in the Mexican state of Jalisco, is the most recently formed of the six TCOs. With drug distribution hubs in the U.S. cities of Los Angeles, New York, Chicago, and Atlanta, it is one of the most powerful and fastest growing cartels in Mexico and the United States. CJNG smuggles illicit drugs into the United States by accessing various trafficking corridors along the SWB to include Tijuana, Juarez, and Nuevo Laredo. CJNG's rapid expansion of its drug trafficking activities is characterized by the organization's willingness to engage in violent confrontations with Mexican Government security forces and rival cartels. Like most major Mexican TCOs, CJNG is a poly-drug trafficking group, manufacturing and/or distributing large amounts of cocaine, heroin, methamphetamine, and fentanyl. CJNG reportedly has presence in 22 of 32 Mexican states.

**Juarez Cartel** – The Juarez Cartel is one of the older Mexican TCOs. The Mexican State of Chihuahua, south of west Texas and New Mexico, represents the traditional area of operation of the Juarez Cartel. The Juarez Cartel endured a multi-year turf war with the Sinaloa Cartel, which, at its height in mid-2010, resulted in many drug-related murders in Chihuahua. Though not as expansive as its rival Sinaloa Cartel, the Juarez Cartel

continues to impact United States drug consumer markets primarily in El Paso, Denver, Chicago, and Oklahoma City. The Juarez Cartel mainly traffics marijuana and cocaine though recently it has expanded to heroin and methamphetamine distribution in the United States. Recent law enforcement reporting indicates opium cultivation overseen by the Juarez Cartel has increased significantly in the State of Chihuahua since 2013, outpacing marijuana cultivation in some regions.

**Gulf Cartel** – The Gulf Cartel has been in operation for decades. With a traditional power base in the Mexican State of Tamaulipas, the Gulf Cartel concentrates primarily on marijuana and cocaine trafficking but has also recently expanded into heroin and methamphetamine. Due to its influence over areas in northeast Mexico, the Gulf Cartel smuggles a majority of its drug shipments into South Texas through the border region between the Rio Grande Valley and South Padre Island. The Gulf Cartel maintains a presence in Atlanta, and holds key distribution hubs in Houston and Detroit.

**Los Zetas Cartel** – Los Zetas formed as an independent cartel in early 2010 when it officially splintered from the Gulf Cartel. At the time of the rupture, Los Zetas controlled drug trafficking in large parts of eastern, central, and southern Mexico. However, due to pressure from rival cartels, Mexican law enforcement, and internal conflicts, the influence of Los Zetas has lessened significantly in recent years. Los Zetas are currently divided into two rival factions – the Northeast Cartel (Cartel del Noreste, or CDN), representing a rebranded form of mainstream Zetas, and the Old School Zetas (Escuela Vieja or EV), which is a breakaway group. Members of Los Zetas smuggle the majority of their illicit drugs through the border area between Del Rio and Falcon Lake, Texas, with a base of power in Nuevo Laredo, Mexico. Los Zetas' members currently traffic cocaine, heroin, methamphetamine, and marijuana through key distribution hubs in Laredo, Dallas, and New Orleans, and have a known presence in Atlanta.

**Beltran-Leyva Organization** – The BLO asserted its independence after the Beltran-Leyva brothers and their network of drug trafficking associates split from the Sinaloa

Cartel in 2008. Though all the Beltran-Leyva brothers have now been killed or arrested, remnants of their organization continue to operate in various parts of Mexico, to include the States of Guerrero, Morelos, Nayarit, and Sinaloa. While these splinter groups function autonomously, they are still regarded as being under the general umbrella of BLO. The most prominent of these subgroups, Los Guerreros Unidos, continues to operate independently thanks in large part to its role in the heroin trade. BLO subgroups rely on their loose alliances with CJNG, the Juarez Cartel, and Los Zetas for access to drug smuggling corridors along the SWB. BLO members primarily traffic marijuana, cocaine, heroin, and methamphetamine, and maintain distribution centers in Phoenix, Los Angeles, Chicago, and Atlanta.

## STRUCTURE AND CHARACTERISTICS

Mexican TCO activity in the United States is mainly overseen by Mexican nationals or U.S. citizens of Mexican origin. U.S.-based TCO members of Mexican nationality enter the United States legally and illegally and often seek to conceal themselves within densely-populated Mexican-American communities. Mexican TCO members operating in the United States often share familial ties with, or can be traced back to, the natal region of leading cartel figures in Mexico. U.S.-based TCO members may reside in the United States prior to being employed by a Mexican TCO. In some cases, U.S.-based TCO members are given high-ranking positions within the organization upon returning to Mexico after years of successful activity in the United States.

## OPERATIONAL STRUCTURE IN THE UNITED STATES

U.S.-based Mexican TCOs are composed of various compartmentalized cells assigned with specific functions such as drug distribution or transportation, consolidation of drug proceeds, or money laundering. Mexican TCO operations in the United States typically function as a supply chain; operators in the chain are aware of their specific function, but are unaware of other aspects of an operation. In most cases, individuals hired to transport drug shipments within the United States are independent, third-party “contractors” who may be working for multiple Mexican

TCOs. There are increasing numbers of these transportation groups in some areas, and in many cases, they transport smaller shipments.

## RELATIONSHIP WITH LOCAL CRIMINAL GROUPS AND STREET GANGS

U.S.-based Mexican TCO members generally coordinate the transportation and distribution of bulk wholesale quantities of illicit drugs to U.S. markets while retail-level distribution is mainly handled by smaller local groups and street gangs not directly affiliated with Mexican TCOs. In some scenarios, Mexican TCOs collaborate with local criminal groups and gangs across the United States to distribute and transport drugs at the retail-level.

## DRUG SMUGGLING AND TRANSPORTATION METHODS

Mexican TCOs transport the majority of illicit drugs into the United States across the SWB using a wide array of smuggling techniques. The most common method employed by these TCOs involves transporting illicit drugs through U.S. POEs in passenger vehicles with concealed compartments or commingled with legitimate goods on tractor trailers. In some instances, regardless of method, the size of the loads has decreased, while the number of them has increased.

Other cross-border smuggling techniques employed by Mexican TCOs include the use of subterranean tunnels, which originate in Mexico and lead into safe-houses on the U.S. side of the border. Underground tunnels are mainly used to smuggle ton quantities of marijuana, though there are instances of other illicit drugs commingled in shipments. Tunnels seized and destroyed by U.S. law enforcement authorities along the SWB are primarily found in California and Arizona, and are generally associated with the Sinaloa Cartel.

Mexican TCOs also transport illicit drugs to the United States aboard commercial cargo trains and passenger buses. To a lesser extent, Mexican TCOs use maritime vessels off the coast of California. Mexican TCOs also rely on traditional drug smuggling methods, such as the use of backpackers, or “mules,” on clandestine land trails to cross remote areas of the SWB into the United States.

Mexican TCOs exploit various aerial methods to transport illicit drugs across the SWB. These methods include the use of ultralight aircraft and unmanned aerial systems (UASs) and drones to conduct air drops. Ultralights are primarily used to transport marijuana shipments, depositing the drugs in close proximity to the SWB. Currently, UASs can only convey small multi-kilogram amounts of illicit drugs at a time and are therefore not commonly used, though there is potential for increased growth and use. Mexican TCOs also use UASs to monitor the activity of U.S. law enforcement along the SWB to identify cross-border vulnerabilities.

## SPILLOVER VIOLENCE

Drug-related murders in Mexico continue to reach epidemic proportions. U.S.-based Mexican TCO members, however, generally refrain from inter-cartel violence so as to avoid law enforcement detection and scrutiny, resulting in little spillover violence in the United States. Mexican TCO-related acts of violence do occur in parts of the United States, particularly along the SWB; however, they are less frequent and mainly associated with ‘trafficker-on-trafficker’ incidents.

## COLOMBIAN TRANSNATIONAL CRIMINAL ORGANIZATIONS

## OVERVIEW

Colombian TCOs continue to impact the U.S. illicit drug market, though to a lesser extent than in the 1980s and 1990s. Colombian TCOs rely on a working partnership with Mexican TCOs to export cocaine from Colombia to U.S. markets. Mexican TCOs have taken over the role of principal exporters of wholesale cocaine into U.S. markets. According to DEA's CSP, the majority of the cocaine seized and tested in the United States is of Colombian origin. While Mexican TCOs dominate the wholesale distribution of Colombian cocaine in the United States, Colombian TCOs continue to control its production and supply. For the most part, large-scale Colombian TCOs work closely with Mexican and Central American TCOs to export multi-ton quantities of cocaine out of Colombia every year. Some small Colombian TCOs continue to maintain direct cocaine and heroin pipelines, for small amounts, into the United States through couriers on commercial flights and air cargo. Colombian TCO members also maintain a physical presence in the United States to assist in laundering drug proceeds.

## LARGE-SCALE COLOMBIAN TCOs

In 2017, the Colombian drug trade was dominated by several "Grupos Armados Organizados", or Armed Criminal Organizations referred to as GAOs, in addition to dissident factions of the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia or FARC). The GAOs, composed primarily of demobilized members of the United Self-Defense Forces of Colombia (Autodefensas Unidas de Colombia or AUC), are presently allied and working in partnership with dissident factions of the FARC. Mexican TCOs purchase multi-ton quantities of cocaine and multi-kilogram amounts of heroin from large-scale Colombian TCOs, who export those drugs to Central America and Mexico for eventual smuggling into the United States. Additionally, Colombian TCOs route cocaine and heroin shipments through the Caribbean where local TCOs receive and transport them into the United States and

Europe. The most significant Colombian TCO with an impact on U.S. drug markets:

**Gulf Clan** – The Gulf Clan, also known as Los Urabeños, Clan del Golfo, and Clan Usuga, which functions as a highly-structured and centralized criminal enterprise has evolved into the largest GAO in Colombia with a cohesive national presence. The Gulf Clan relies on drug trafficking activities and a military-style framework to maintain operability. Since emerging in the mid-2000s, the Gulf Clan has expanded throughout northern Colombia and other regions mainly by capitalizing on the demise of rival GAOs. Though it maintains a national reach, the Gulf Clan power base lies in its birthplace region of Urabá in northwest Colombia. From this strategic location, the Gulf Clan sends multi-ton quantities of cocaine via maritime conveyances to nearby Panama and other countries in Central America on a regular basis.

## COLLABORATION WITH MEXICAN TCOs

While Colombian TCOs control the production and shipment of the majority of cocaine destined for consumption in the United States, Mexican TCOs are responsible for its exportation into and distribution throughout the United States. Mexican TCOs work directly with Colombian sources of supply, often sending Mexican representatives to Colombia, Ecuador, and Venezuela to coordinate cocaine shipments. Similarly, Colombian TCOs maintain delegates in Mexico to serve as brokers for cocaine supply orders or illicit money movements. Additionally, Central American TCOs interface with both Mexican and Colombian TCOs for the northbound movement of cocaine and the southbound flow of illicit drug proceeds.

## COLOMBIAN TCO DRUG TRAFFICKING TRENDS

The majority of the cocaine and heroin produced and exported by Colombian TCOs to the United States is transported through Central America and Mexico. Colombian TCOs export large cocaine shipments to Mexico, Central America, and the Caribbean, using a variety of maritime and aerial means to include speedboats, fishing vessels, private



aircraft, semi-submersibles, and commercial air and sea cargo. Less commonly, Colombian TCOs transport cocaine over land across the Darien Gap, which connects northwest Colombia to Panama, using backpackers.

Colombian TCOs continue to use Ecuador and Venezuela as transshipment points for cocaine shipments bound for Mexico, Central America, and the Caribbean. As a result of successful counterdrug efforts by the Colombian Government, Colombian TCOs have shifted a sizable portion of their drug trafficking activities to neighboring countries outside the reach of Colombian authorities. Colombian TCOs generally will transport and store large quantities of cocaine in remote areas of Venezuela and Ecuador until a maritime or aerial conveyance can be secured for transportation.

## SMALL-SCALE COLOMBIAN TCOs

Smaller Colombian TCOs directly supply wholesale quantities of cocaine and heroin to the United States, primarily to Northeast and East Coast drug markets. Colombian TCOs previously dominated cocaine and heroin markets in the Midwest and East Coast; however, Mexican TCOs currently control many of these markets and are increasingly serving as sources of supply to Colombian TCOs based in these regions.

Smaller U.S.-based Colombian TCOs handle illicit money movements on behalf of larger Colombian TCOs, Mexican TCOs, or other criminal groups. Law enforcement reporting indicates that Cali, Colombia-based money launderers coordinate the receipt of drug proceeds in various U.S. cities to include Boston, Chicago, Houston, Miami, and New York. Once received, these funds are often placed in U.S.-based bank accounts and wire transferred externally under the guise of payment for products and services.

# DOMINICAN TRANSNATIONAL CRIMINAL ORGANIZATIONS

## OVERVIEW

Dominican TCOs dominate the mid-level distribution of cocaine and white powder heroin in major drug markets mainly in the Northeast, and predominate wholesale distribution of heroin and fentanyl in certain areas of the region. They also engage in street-level sales in certain parts of the region. Illegal drugs destined for Dominican TCOs in the Northeast primarily arrive first in New York City, where the drugs are distributed throughout the greater metropolitan area, or routed to secondary hubs and retail markets across the Northeast and parts of the mid-Atlantic region. Dominican TCOs work in collaboration with foreign suppliers to have cocaine, heroin, and fentanyl shipped directly to the Northeast from Mexico, Colombia, and the Dominican Republic.

## ORGANIZATIONAL STRUCTURE

Dominican TCOs typically operate as an unstructured network of independent groups without a centralized hierarchy. Each Dominican TCO independently maintains its own internal organized structure with an identified leader and subordinates in designated roles, ensuring compartmentalization of their criminal activities.

Dominican TCOs are typically comprised of family members and friends of Dominican nationality or American citizens of Dominican descent. By relying on these networks of family members, friends, and hometown acquaintances, Dominican TCOs are often able to remain insulated from outside threats. Dominican TCOs are willing to collaborate with different ethnic criminal groups in the United States, such as Puerto Rican, Colombian, and Mexican TCOs.

## AREAS OF INFLUENCE CONCENTRATED IN NORTHEAST

Dominican TCOs maintain their strongest influence in areas of the Northeast with a significant Dominican population, generally in cities located along the I-95 highway corridor. Dominican traffickers conceal their drug trafficking activities behind the cover of established ethnic Dominican communities in various parts of the Northeast. New York City serves as the main hub for Dominican TCO activity in the Northeast. The majority of foreign-sourced cocaine, heroin, and fentanyl shipments destined for Dominican traffickers arrive first in New York City, where they are broken down into smaller units for local and regional distribution before they are dispersed throughout the East Coast.

## RELATIONSHIP WITH LOCAL DTOS AND STREET GANGS

Dominican TCOs primarily function as intermediaries between foreign suppliers and domestic retailers. Dominican TCOs obtain multi-hundred kilogram quantities of cocaine and heroin from wholesalers, which they subsequently sell in increments to customers for local street sales. In many cases, the customers supplied by Dominican TCOs are street gangs with distribution amounts ranging from a few kilograms to multi-gram quantities in pre-bagged form, ready for street-level sales.

## DRUG TRAFFICKING ACTIVITIES

The vast majority of cocaine distributed by Dominican traffickers in the Northeast is of Colombian origin, while the vast majority of white powder heroin varies in origin between Mexico and Colombia. Dominican TCOs specialize in the distribution of cocaine and heroin and are also heavily involved in the distribution of fentanyl, and controlled prescription drugs, due to the current demand for opioids in the United States. To a lesser extent, they engage in the regional supply of other illegal drugs to include marijuana, methamphetamine, and NPS.

## ROLE IN RETAIL DRUG MARKET

Dominican TCOs engage in street-level sales in certain regions of the East Coast. Dominican TCOs based in New York City, New York, Philadelphia, Pennsylvania, and Lawrence, Massachusetts mainly source Dominican drug dealers involved in retail distribution. Dominican TCOs, particularly in the Northeast, have the infrastructure to handle all facets of drug distribution to include the wholesale, mid-level, and retail sectors. By diluting cocaine and heroin for street sales, Northeast Dominican traffickers can expand their inventory and profit.

## ASIAN TRANSNATIONAL CRIMINAL ORGANIZATIONS

### OVERVIEW

Asian TCOs specialize in the trafficking of marijuana, MDMA, and to a lesser extent, cocaine and methamphetamine. They are also heavily involved in international money laundering activities, which they work in partnership with Colombian and Mexican TCOs. Asian TCOs actively conduct drug trafficking activities on both coasts, and have distribution networks stretching across other parts of the country. U.S.-based Asian TCOs work in concert with Asian TCOs in Canada and other international locations to import and export illicit drugs to and from the United States.

### ORGANIZATIONAL STRUCTURE

Asian TCOs partner with and recruit Asian-Americans, blending into existing immigrant communities, to exploit U.S. drug markets. These groups are particularly adept at expanding in communities in California where growth in the number of Asian immigrants has been the greatest.

### MARIJUANA TRAFFICKING TRENDS

Asian TCOs have historically operated large, sophisticated indoor marijuana grow houses in residential homes, primarily in the western United States. Indoor grows are both traditional and hydroponic and are frequently located in suburban neighborhoods. With recent marijuana legalization actions, some Asian TCOs are overtly operating their marijuana grows and adhering to local regulations under the guise of supplying marijuana dispensaries. The resulting marijuana is instead illegally diverted to the states where it is much more profitable on the black market.

### MDMA TRAFFICKING TRENDS

Asian TCOs generally dominate the supply of MDMA in most U.S. markets. MDMA is typically imported from China to Canada, or manufactured in clandestine laboratories in Canada, then smuggled into the United States, in both tablet and powder form, across the Northern Border. It is also shipped directly into the United States from abroad via mail service. U.S.-based Asian TCOs work closely with Canada-based Asian TCOs to import MDMA.

### GENERAL TRAFFICKING TRENDS

Asian TCOs also traffic cocaine and methamphetamine, although in smaller quantities than marijuana and MDMA. Asian TCOs typically obtain ounce or gram quantities of cocaine and methamphetamine from Mexican sources of supply; in some cases, these groups obtain kilogram quantities.

### ROLE IN MONEY LAUNDERING

Asian TCOs in the United States play a key role in the laundering of illicit drug proceeds. Asian TCOs involved in money laundering contract their services and in some cases work jointly with other criminal groups, such as Mexican, Colombian, and Dominican TCOs. Money laundering tactics employed by Asian TCOs generally involve the transfer of funds to and from China and Hong Kong, using front companies to facilitate international money movement, and use of Hawala, pyramid and mirroring schemes. Asian TCOs in the United States rely on cash-intensive businesses in the United States to facilitate money laundering activities. There has been an increase in Chinese money laundering groups and Mexican TCOs collaborating to move/laundry money.

## OUTLOOK

Mexican TCOs will most likely continue to maintain a dominant influence over the wholesale importation and distribution of cocaine, heroin, marijuana, methamphetamine, and fentanyl in U.S. markets in the near term. No other criminal organization currently possesses a logistical infrastructure that can rival that of Mexican TCOs. Mexican TCOs will continue to grow in the United States through expansion of distribution networks and interaction with local criminal groups and gangs. This relationship will insulate Mexican TCOs from direct ties to street-level drug and money seizures and drug-related arrests made by U.S. law enforcement.

Due to increasing cocaine production in Colombia, and its associated profits, Colombian TCOs are expected to maintain dominance over the production and supply of the majority of cocaine destined for U.S. markets. Colombian TCOs are expected to continue to rely on their partnership with Mexican TCOs to purchase their products – primarily cocaine, while Mexican TCOs will remain the dominant cocaine wholesale supplier in the United States. It is further anticipated that Colombian TCOs will continue to maintain representatives in Mexico, Central America, the Caribbean, and the United States to broker and facilitate the exportation of cocaine and heroin to U.S. markets, and the subsequent repatriation of drug proceeds.

Dominican TCOs are positioned to retain their leading role in the mid-level distribution of illegal drugs, particularly in the Northeast. These TCOs ensure their sustainability through self-sufficiency, accessibility to diverse drug supply lines, smuggling routes, and conveyance methods involving multiple criminal organizations across several nations. Mexican and Colombian TCOs operating in the Northeast will likely maintain their working relationship with Dominican traffickers for the retail-level distribution of illicit drugs. As the Dominican Republic remains a significant drug transshipment node in the Caribbean, it will continue to offer criminal opportunities for Dominican TCOs operating along the East Coast.

Asian TCOs will remain a drug trafficking threat of concern in the United States, particularly in established marijuana and MDMA markets. They will likely continue to expand their relationships with Mexican and Colombian TCOs in furtherance of their drug and money laundering operations in the United States and abroad.

This page intentionally left blank.



# GANGS

The 2017 National Gang Report (NGR), published by the National Gang Intelligence Center (NGIC), indicates gangs around the country continue their pursuit of financial gain and strive to build their overall criminal enterprises. Though gangs participate in a wide variety of criminal activities, street-level drug trafficking remains their most lucrative venture. Other crimes frequently committed by gangs include assaults, threats, intimidation, robbery, large-scale drug trafficking, burglary, larceny, and weapons trafficking. Federal, state, and local law enforcement reported increases in large-scale drug trafficking over the past two years, which might indicate gangs are attempting to increase their drug trafficking activities beyond the level of street sales.

According to the NGR, law enforcement reported neighborhood-based gangs (NBGs) represent the greatest threat in their jurisdictions. National-level street gangs, with a presence in over 50 percent of reporting jurisdictions, are the second largest threat. Historically, both national-level and NBGs have had defined turfs and worked within those boundaries to make money for the gang. Rival gangs, or those attempting to usurp their territories, trigger violence and turf wars. Increasingly, some jurisdictions have witnessed national-level and NBGs putting aside rivalries with other gangs to work together for the sake of greater financial gains. These alliances have also increased the gangs' influence, power, and territorial expansion.

## NEIGHBORHOOD-BASED GANGS

NBGs operate mainly in the specific jurisdictions where they live. Many take on the names of national-level gangs and attempt to emulate them, but they rarely display the same level of sophistication or structure as national-level gangs. Often, members of one gang will join with members of another gang to form a hybrid gang operating in the same neighborhood. As drug distribution is the main source of revenue for these NBGs, the competition for the most

## GANG TERMINOLOGY

The term "Gang" refers to a group of three or more individuals, whose members collectively use a group identity of a common name, slogan, tattoo, style or color of clothing, or hand sign, and the purpose of their association is to engage in criminal activity and use violence or intimidation to further their criminal objectives.

The term "Prison Gang" refers to a criminal organization that originated within the penal system and has continued to operate within correctional facilities throughout the United States. Prison gangs are self-perpetuating criminal entities that can continue their operations outside the confines of the penal system.

The term "Outlaw Motorcycle Gang" (OMG) refers to highly-structured organizations whose members use their motorcycle clubs as conduits for criminal enterprises, such as violent crime, weapons trafficking, and drug trafficking.

lucrative territories brings increased levels of violence to the areas where they operate. This frequently means NBGs are a bigger threat to communities than the larger, more notorious national-level gangs.

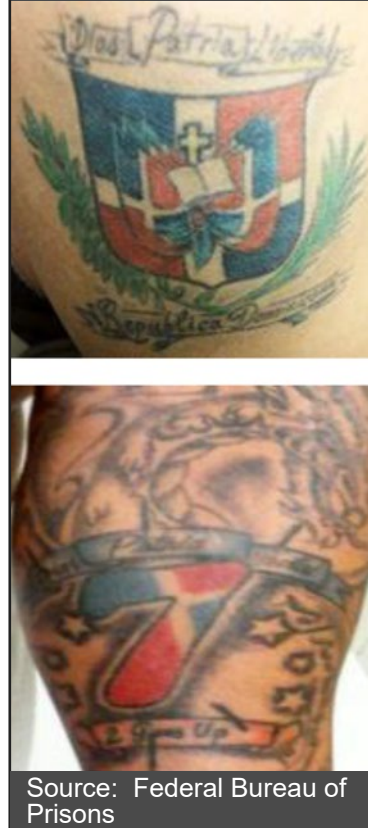
- In January 2017, 21 gang members were arrested on heroin trafficking, aggravated assault, and firearms offenses based on "Operation Great Lakes," a Fort Myers, Florida investigation of the Lake Boyz street gang. The Lake Boyz have operated in the Harlem Lakes neighborhood since the 1990s and the members have garnered over 400 charges and 200 convictions within the past two decades. The gang was suspected of involvement in a 2015 wave of violence where seven people, including a child, were shot in the span of seven hours.

- In September 2017, “Operation Lights Out” led to the Jersey Shore arrest of 29 alleged gang members of G-Shine, a Long Branch-based faction of the Bloods street gang. Weekly, G-Shine members reportedly distributed about 150 to 200 grams of powder and crack cocaine—with an estimated street value of \$225,000—and about 250 packets of heroin—with an estimated street value of \$22,500.
- In October 2017, members of the Millbrook Gangstas (MBG), Young Gunnaz (YGz), and Killbrook street gangs were arrested in connection with their violence and drug trafficking near the Mill Brook Houses in the Bronx, New York. The subjects were charged with racketeering, attempted murder, murder, firearms, bank fraud, and the sale of crack cocaine and marijuana.
- In November 2017, 14 Texas defendants were charged with felony offenses for their role in a Dallas-based criminal street gang known as YNB Stretch Gang, which operated in the 2600 Money Block distributing cocaine, crack cocaine, marijuana, methamphetamine, and MDMA/oxycodone pills. Proceeds from the drug sales were used to produce music videos glorifying acts of violence and promoting the YNB Stretch Gang lifestyle.

## NATIONAL-LEVEL GANGS

National-level gangs are often highly structured; maintain a strict hierarchy, a constitution, and definitive set of rules; and share common tattoos and symbols. They have a presence in many jurisdictions around the country. Many of these national-level gangs work in conjunction with their counterparts in other locations around the country to benefit the whole gang, such as the Latin Kings, which operate in both Chicago and Texas. Bloods and Crips, both nationally recognized, each have hundreds of “sets” of the principal gangs scattered around the country. In February 2018, eight members of the Sex Money Murder Bloods street gang were arrested in Rocky Mount,

Figure 114. Trinitarios Tattoos.



Source: Federal Bureau of Prisons

North Carolina for drug trafficking. The arrest led to the seizure of 520 bags of heroin, nearly \$14,000 in USC, three handguns, and crack cocaine.

- In March 2017, nine members of the Trinitarios (see Figure 114), a notorious Dominican street gang, were indicted for operating a major drug operation in Paterson, New Jersey leading to the seizure of cocaine with a street value of \$300,000, suspected drug proceeds of \$76,000, three handguns, heroin, and 82 pills containing fentanyl.
- In May 2017, 52 members and associates of the East Side Crips were indicted and charged with trafficking cocaine and crack cocaine in the Denver, Colorado metro area. These gang members dealt cocaine and crack cocaine in open-air drug markets near parks and public transportation centers where children and families congregated. The takedown was



one of Denver's largest federal drug enforcement actions in the past decade.

- In May 2017, more than 80 leaders and members of the United Blood Nation's Nine Trey Gangsters were arrested and indicted in North Carolina, South Carolina, Virginia, Florida, and New York for racketeering activities, including murder, attempted murder, narcotics distribution, firearms possession, bank fraud, and wire fraud. The defendants worked together to distribute heroin, cocaine, and marijuana.

## PRISON GANGS

Prison gangs are criminal organizations that operate in federal, state, and private correctional facilities throughout the United States. Like national-level gangs, prison gangs adopt a single name and identify with common signs, symbols, and tattoos, and provide protection for gang members, both while incarcerated and on the street. Many prison gangs have a hierarchy, an identifiable structure, definitive rules for joining and operating, and a constitution or manifesto. Membership in most prison gangs is for life and dropping out or disobeying rules is often punishable by death. The prison gangs' main objectives are to secure as much money, territory, and power as possible. As of July 2018, the Federal Bureau of Prisons (BOP) has more than an estimated 21,000 inmates tagged as gang members or gang associates.

Although they are rarely visible to the outside world, prison gangs pose a definite threat to law enforcement and the outside communities because of their continued association and working relationships with gang members on the street. Incarcerated gang members orchestrate criminal activities that are carried out by gang members on the street. Gang members on the street then return some of the criminal proceeds to the prison. Drug trafficking provides profits for the gang members on the street, and windfall profits when the drugs are smuggled into correctional facilities.

- In July 2017, 19 people were charged in an investigation into the Mexican Mafia (see Figure 115) prison gang, a violent and powerful group that traffics drugs both inside and outside

Figure 115. Mexican Mafia (La EME).



Source: Federal Bureau of Prisons

Figure 116. Crips Tattoo.



Source: Federal Bureau of Prisons

the prison through the use of the Sureños street gangs that fall under Mexican Mafia leadership. The street gangs were ordered to extort victims, sell drugs—to include methamphetamine and heroin—and collect money for incarcerated members of the Mexican Mafia. The charges include conspiracy to commit torture, assault, and arson; extortion; drug trafficking; and possession of an assault weapon. One of the incarcerated Mexican Mafia leaders allegedly worked as an enforcer for the Arellano-Felix cartel before being extradited to the United States in 2007.

- In November 2017, 26 people—including members of the 8-Trey Crips (see Figure 116) street gang and two Maryland correctional

Figure 117. Norteños Tattoos.



Source: Federal Bureau of Prisons

officers, one of whom was a high-ranking member of the 8-Trey Crips—were indicted for running a large-scale contraband delivery operation in several Maryland correctional facilities. The Crips correctional officer also controlled much of the gang's drug dealing outside the prison and oversaw the street sales that occurred regularly in Baltimore.

Cell phones smuggled into correctional institutions have become a major security issue in facilities around the country. Contraband cell phones give incarcerated gang members the ability to communicate with other gang members inside the prison, coordinate drug trafficking and criminal activity on the street, intimidate witnesses, and order hits on rival gang members. The cell phones are smuggled into the prisons by visitors, corrupt correctional employees, illicit mail, and even drones. In 2017, 5,897 cell phones were confiscated from BOP facilities alone.

- In February 2018, prison gang leaders—including two inmates already serving time at Pelican Bay State Prison in California—and members of Varrio Bosque Norteño, a Norteño-affiliated street gang (see Figure 117), were indicted for participation in a massive street- and prison-gang conspiracy that distributed methamphetamine, cocaine, and heroin using social media. The prison gang leaders

used cell phones smuggled into the prisons to coordinate their activities, and the subjects used multiple popular social media platforms to sell the drugs. The conspiracy involved suspects located in Northern California, Pennsylvania, and Oregon. Items seized in the investigation included 34 weapons, more than \$71,000 in USC, several hundred pounds of marijuana, and 52 empty bottles of codeine syrup.

- In March 2018, 23 members of the Cobb County, Georgia-based Ghost Face Gangsters (GFG), including three leaders of the prison-based gang, were indicted on charges of murder, robbery, kidnapping, racketeering, and drug distribution. GFG members allegedly used contraband cell phones to initiate drug sales both inside and outside the prison, trafficking methamphetamine, marijuana, and illegal pills.

In January 2017, federal charges were filed against members of the Irish Mob incarcerated in Oklahoma Department of Corrections facilities for money laundering and drug sales. The gang members used contraband cell phones to arrange the purchases and sales of drugs. The outside dealers then returned the proceeds to the incarcerated Irish Mob members through prepaid debit card and internet payments. Twenty-eight people were charged in connection to the Irish Mob drug ring, which trafficked large amounts of methamphetamine and heroin in Oklahoma City. The Oklahoma Department of Corrections confiscated 303 cellphones and 541 cellphone chargers in the past year.

## OUTLAW MOTORCYCLE GANGS

Though OMGs are fewer in number than traditional street gangs, they still present a threat to the communities where they reside due to their solid organizational structure, criminal sophistication, international presence, and their propensity for violence. National-level OMGs are extremely territorial and any entry onto their turf by an unknown or rival OMG can fuel violent disputes. The major OMGs in the United States are the Bandidos, Hells Angels, Mongols, Outcast,

Figure 118. Outlaw Motorcycle Gang Tattoos.



Source: Federal Bureau of Prisons

Outlaws, Pagan's, Sons of Silence, Vagos, and Wheels of Soul (see Figure 118). Major OMGs have support clubs, which are smaller motorcycle clubs that serve as subordinates to the OMG, paying taxes and often carrying out criminal acts on behalf of the larger, dominant OMG. Many OMGs recruit from their support clubs and patch-in members who have proved their allegiance to the OMG by participating in activities designed to expand the membership and territory of the OMG. In an effort to increase their numbers and thereby maintain their standing and dominance in the OMG world, many OMGs are inducting new members from street and prison gangs.

OMGs make a concerted effort to avoid detection and seek limited interaction with law enforcement, conducting their criminal activities as covertly as possible. It is not uncommon for them to try to gain a favorable presence in the community by engaging in sociable activities, such as sponsoring a charitable event. Nevertheless, OMGs are involved in violent criminal activities such as murder, kidnapping, extortion, and drug trafficking.

- In January 2018, 12 members and associates of the Clarksville Chapter of the Mongols OMG were indicted in Tennessee on criminal charges including murder, attempted murder, assault, kidnapping, robbery, extortion, witness tampering, money laundering, interstate travel in aid of racketeering, and large-scale drug trafficking. The subjects traveled

to California and transported an aggregate total of at least 50 pounds of methamphetamine back for distribution in Tennessee and Kentucky and delivered approximately \$300,000 in USC to a member of the Mongols California Harbor Chapter. In March 2018, 19 members of the Clarksville Mongols were charged in a second, superseding indictment.

- In June 2017, a New Jersey doctor was arrested for the murder-for-hire of his wife, who had threatened to expose his drug trafficking activities with the Pagan's Motorcycle Club (see Figure 119). A member of the Pagan's who had been contracted for the murder was also arrested. The doctor used his medical practice for the illegal distribution of OxyContin prescriptions, which were either used or sold by individuals that were Pagan's, former Pagan's, or an associate of a Pagan. Though the murder took place in May 2012, the drug operation continued until the doctor's arrest in June 2017.
- In June 2017, 23 alleged members and associates of the Vagos OMG, which included some of the most senior leaders, were arrested for murder, racketeering, kidnapping, assault, and drug trafficking. Since its 1965 formation in San Bernardino, California the gang has grown to have 87 chapters in at least seven countries, including the United

Figure 119. Pagan's Tattoo.



Source: Federal Bureau of Prisons

States and regions of South and Central America, with 54 chapters in Nevada and California alone. The Vagos OMG is estimated to have between 900 and 1,000 members worldwide.

- In May 2018, the Bandidos OMG's (see Figure 120) National President and National Vice-President were convicted in San Antonio, Texas on numerous federal Racketeer Influenced and Corrupt Organizations Act (RICO) conspiracy, racketeering, violent crime, and drug trafficking charges. The two top-ranking officers were found guilty on all alleged charges after a three-month trial, which bring sentences of up to life in federal prison.

Figure 120. Bandidos Tattoo.



Source: Federal Bureau of Prisons

## VIOLENCE

The greatest gang threat to U.S. communities remains the violence committed by gangs in furtherance of drug trafficking activities. Gangs' desire to secure the largest share of the profits and the most lucrative territories for themselves drives violent turf wars that often result in the murder or attempted murder of rival gang members and drug dealers. Firearm-related violence will likely continue to be associated with the illicit drug trade due to the constant turf wars between gangs vying for control of territory.

- In May 2017, a crackdown on violent street gangs in San Diego County resulted in federal charges against more than 140 gang members and associates. Seized in the two-and-

a-half-month investigation were 30 pounds of methamphetamine, other illicit drugs, more than 60 firearms, and USC. The charges involve the prosecution of 16 members and associates of the Escondido-based Diablos street gang, which has been responsible for more than 25 gang-related shootings, multiple attempted murders, dozens of armed robberies, multiple instances of witness intimidation, and the widespread distribution of narcotics and firearms in the last year in North San Diego County.

- In August 2017, Seven Bloods gang members were indicted for attempted murder, drug trafficking, robbery, and firearms charges. The defendants, along with other Bloods members and associates, waged a violent gang war against the Crips in Roosevelt, New York. The Seven Bloods gang armed themselves with an arsenal of weapons, including AK-47s, rifles, and handguns and engaged in dozens of shootings targeting rival gang members. In order to fund their activities, gang members committed robberies and trafficked crack cocaine, heroin, and marijuana throughout Nassau County.
- Several street gangs in Chicago are heavily involved in drug distribution, violent crime, and other criminal activity. The primary street gangs that pose the greatest threat are the Gangster Disciples, Black Disciples, Black P. Stone Nation, Vice Lords, and Latin Kings. Disputes between rival gangs or between individual gang members remain a contributing factor in Chicago's rise in violent crime. The majority of these incidents occur on the South and West Sides of Chicago, where gang presence is high. Attacks directed toward gang members by rival gangs encourage retaliatory violence, thus prolonging conflicts.

## GANGS AND FENTANYL

Street gangs are increasingly distributing fentanyl and fentanyl-laced products as the drugs continue to flow into the United States. The monies involved with its street sale, and the demand for fentanyl by the consumers

of illicit drugs, encourages gangs to become more involved with selling fentanyl. Whether gangs are aware their drugs contain fentanyl, or are ignorant of the ingredients of the narcotics they sell, street-gangs are contributing to the fentanyl crisis.

- In February 2017, 13 individuals, including members of the Billie East Side Bloods, a set of the United Blood Nation (see Figure 121), were arrested as part of a large drug trafficking organization operating in the Myrtle Beach, Florence, and Charleston areas of South Carolina. The subjects trafficked firearms and distributed heroin, fentanyl, cocaine, and marijuana.
- In March 2017, 30 Bloods street gang members were indicted on charges of distributing extremely potent drugs in Brooklyn and other parts of the country. The \$1 million-a-year enterprise operated in New York, Arizona, and the Carolinas, and included secondary suppliers of heroin and fentanyl, known as “China White.” Seized in the investigation were 2.46 kilograms of cocaine, 1.7 kilograms of heroin, 4.56 kilograms of fentanyl, 17 guns, and \$300,000 USC.

Figure 121. Blood Tattoo.



Source: Federal Bureau of Prisons

- In November 2017, an Ohio indictment charged 100 people operating in Cuyahoga and Columbiana counties in connection with a large-scale fentanyl, carfentanil, heroin, and cocaine trafficking ring. Three alleged ringleaders of the operation belong to the Down the Way street gang, which orchestrated the spread of drugs across Columbiana County through mid-level traffickers who purchased drugs from the gang. The trafficking conspiracy funneled the equivalent of

approximately one million potentially fatal doses of carfentanil, and approximately 350,000 potentially fatal doses of fentanyl into Columbiana County alone.

In an effort to combat the opioid epidemic in the United States, law enforcement and prosecutors are levying more severe penalties against those drug dealers who dispense illicit narcotics that result in the death of the purchaser.

- In April 2018, a federal grand jury indicted a documented Lakeside gang member in the death of a 25-year-old woman from La Mesa, California. The subject, who had a prior felony drug offense on his record, furnished a lethal dose of fentanyl to the woman, and, as a result, could face a mandatory sentence of life in prison.
- In October 2017, 12 members of the Hustle Boys and the Wall Street Gorillaz street gangs were charged with selling heroin mixed with fentanyl. The two gangs joined forces to create a drug-trafficking gang in Pontiac, Michigan called TEAM. Seven of the gang members were charged with drug sales resulting in death or serious bodily injury.

## PHARMACY BURGLARIES

The demand for diverted prescription opioids and other prescription drugs has increased, as government agencies have established regulations and programs to curb the amount of prescription opioids available. The high demand for diverted prescription opioids and other prescription drugs has driven up their street price, making the drugs an extremely valuable commodity for dealers. To capitalize on the growing market for prescription opioids and other prescription drugs, street gang members are committing pharmacy burglaries and robberies in order to obtain these drugs.

- Between 2014 and May 2017, members of an Indianapolis street gang called The Mob were charged with using firearms to rob more than 20 pharmacies in Indiana and one

in Kentucky. The indictment includes one count of murder and alleges The Mob used social media threats to prevent people in the neighborhood from assisting the police. The subjects also distributed prescription drugs, marijuana, synthetic marijuana, oxycodone, morphine, hydrocodone, Adderall, and other controlled substances, recruiting juveniles as young as 12 years old to sell the pills on the street.

- In May 2017, 13 gang members and a U.S. postal carrier were arrested in Memphis on drug trafficking charges for selling heroin, fentanyl, cocaine, marijuana, and oxycodone pills. The USPS employee used his position as a mail carrier to help gang members distribute the drugs. Four of the individuals included in the conspiracy were involved in the theft of thousands of oxycodone pills from a southeast Memphis pharmaceutical warehouse where they worked.
- In June 2017, a member of the 5th Ward Circle gang was charged with burglary and conspiracy to deal in oxycodone after burglarizing a Walgreens in Indiana. The gang member later attempted to mail 240 stolen tablets of 80 milligram oxycodone and pay for the shipment with counterfeit currency. The 5th Ward Circle gang was previously implicated in pharmacy burglaries in states throughout the country including Texas, Kansas, Virginia, Ohio, and Minnesota. One of the three subjects arrested along with the 5th Ward Circle member was a Black Disciples gang member.
- In August 2017, 12 members of the Conservative Vice Lords/Concrete Cartel street gang, were charged for business and pharmacy robberies using firearms. The gang operated mainly in Shelby County, Memphis, and north Mississippi, Tennessee, selling the stolen opioids on the street. From 2015–2017, the gang stole oxycodone, oxymorphone, oxymorphone, dextroamphetamine, and methylphenidate during the robberies.

## GANGS AND THE SOUTHWEST BORDER

In many of the southernmost states, street gangs, especially the transnational Hispanic gangs, exploit the Southwest Border, predominantly in California and Texas, traversing into Mexico to work with cartels.<sup>47</sup> Gang members serve multiple roles, including acting as hit men, providing protection, or trafficking illicit drugs back into the United States for sale and distribution. Besides drug trafficking, street gangs near the Southwest Border engage in a multitude of crimes, including weapons trafficking, alien smuggling, human trafficking, prostitution, extortion, robbery, auto theft, assault, murder, racketeering, and money laundering.

Figure 122. MS-13 Tattoos.



Source: Federal Bureau of Prisons

<sup>47</sup> According to DEA information, street gangs in Arizona do not work with the Mexican cartels.

Figure 123. Barrio Azteca Tattoo.



Source: Federal Bureau of Prisons

- According to the 2017 Texas Gang Threat Assessment, the four gangs posing the greatest gang threat to Texas are Tango Blast and associated Tango cliques, Latin Kings, Texas Mexican Mafia, and Mara Salvatrucha (MS-13) (see Figure 122). These gangs are considered the greatest gang threat in Texas because of their consistent transnational criminal activity, relationships with Mexican cartels, statewide presence, and high propensity for violence. MS-13 is the gang most encountered illegally crossing the Texas-Mexico border in the Rio Grande Valley.
- In March 2018, the Texas Department of Public Safety (TXDPS) arrested 28 suspects on charges of drug possession, trafficking, and organized crime in El Paso's "Operation Heroin Battle." Seventeen of the subjects were members of the Barrio Azteca (BA) street gang, which operates on both sides of the El Paso-Juárez border with members throughout West Texas (see Figure 123). TXDPS officers seized five pounds of heroin, three pounds of cocaine, 18 pounds of marijuana, and approximately a pound of methamphetamine.

## GANGS AND DTOS

In the states where the Mexican cartels and street gangs continue to have a symbiotic, working relationship, the street gangs remain the retail-level drug dealers for the Mexican cartels, often distributing drugs across the country.<sup>48</sup> Though the partnerships between the cartels and gangs are many and varied, most of these are personal and individualist in nature, involving relationships between family

<sup>48</sup> DEA information reflects that street gangs in Arizona do not conduct retail-level drug distribution for the Mexican cartels, and they are not involved in the trafficking of drugs outside of Arizona.

Figure 124. Mexica Mafia "La EME" Tattoo



Source: Federal Bureau of Prisons

members, friends, or prison associates, and not a contract between the gang as a whole and a specific cartel. The street gangs generally remain opportunistic and will work with any organization that will provide them the greatest profit.

- In March 2018, 37 members and associates of the Mexican Mafia (see Figure 124) operating in North County, San Diego were arrested on drug-trafficking and firearms charges. Several of the locations used by the gang to stockpile weapons and drugs were located just feet away from elementary and middle schools. The Mexican Mafia members distributed heroin, methamphetamine, and fentanyl acquired from drug cartel contacts in Tijuana, Baja California.
- The Mexican cartels provide a steady stream of drugs to the Chicago area. Though the Sinaloa Cartel and CJNG are the city's most notable sources of supply, other Mexican cartels that deliver drugs to the area include BLO, the Gulf Cartel, La Familia Michoacán (LFM), and Los Guerreros Unidos (LGU). Chicago is home to several street gangs that are heavily involved in drug distribution, and collectively these gangs serve as the primary mid-level and retail-level drug distributors for the cartels. These gangs are also responsible for a substantial portion of the city's violent crime.

Figure 125. Street Gang and Mexican Cartel Associations by State.<sup>49</sup>

STATE	DTO	GANG
Alaska	Sinaloa	Border Brothers, Sureños, Vagos
Arizona	Sinaloa	Hells Angels, Mexican Mafia
Arkansas	Mexican Cartels	Gangster Disciples, OMGs
California	Sinaloa, Knights Templar, CJNG, Tijuana	Border Brothers, Crips, Florencia 13, Sureños
Colorado	Sinaloa, Los Zetas	Aryan Empire, Crips, Sureños
Florida	Mexican Cartels	Norteños, Sons of Silence
Idaho	Sinaloa, Knights Templar	Hells Angels, Mongols
Iowa	Mexican Cartels	Black Gangster Disciples
Kansas	Mexican Cartels	Bloods, Latin Kings
Maryland	Mexican Cartels	Nampa Northside, Norteños, Sureños
Michigan	Mexican Cartels	Bloods, Latinos (all sets), Vice Lords
Mississippi	Sinaloa, Gulf	Gangster Disciples, Sureños
Montana	Mexican Cartels	Crips, Rolling 60s Crips
New Hampshire	Mexican Cartels	Mexican Mafia
New Jersey	Mexican Cartels	Hells Angels, Latin Kings, Bloods
New Mexico	Mexican Cartels	Bloods, Crips, Hells Angels, MS-13
New York	Mexican Cartels	Bandidos, Sindicato Nuevo Mexico
North Carolina	Mexican Cartels	Bloods, MS-13, Young Gunnerz
Oklahoma	Mexican Cartels	Aryan Brotherhood, Irish Mob
Oregon	Mexican Cartels	Indian Brotherhood
Tennessee	Sinaloa, Los Zetas	Aryan Nations, Bloods, MS-13, OMGs, Gangster Disciples, Rolling 60's Crips
Texas	Gulf, Los Zetas	Bandidos, Barrio Azteca, HPL, La Linea, Mexicles, Orejon, Paisas, Sur-13, Tangos, Texas Mexican Mafia, Texas Syndicate
Utah	Mexican Cartels	Florencia 13, Norteños, Sureños, White Supremacists
Virginia	Mexican Cartels	Aryan Brotherhood, Bloods, Crips, Black Guerilla Family, Gangster Disciples
Washington	La Familia, Sinaloa Cartels	Mexican Mafia, Norteños, Sureños, Peckerwoods
Washington DC	Sinaloa	Street Gangs
Wyoming	Mexican Cartels	MS-13, Pagans, Sons of Silence

Source: National Gang Intelligence Center; 2017 National Gang Report Survey

<sup>49</sup> This table is not all-inclusive of the gangs and Mexican cartels working together in the U.S., but only reflects those relationships reported in the areas of responsibility of the law enforcement agencies that responded to the 2017 National Gang Report survey.



According to the NGR, nearly 40 percent of law enforcement respondents surveyed reported that gangs in their jurisdictions partnered with drug trafficking organizations; generally, the gangs distributed drugs on behalf of the DTOs. The Sureños, Norteños, and Bloods ranked highest as the most active gangs with DTO alliances, while the Sinaloa Cartel had the strongest relationship with gangs throughout the United States (see Figure 125).

## COLLABORATIVE INVESTIGATIONS

Federal, state, and local law enforcement agencies around the country are implementing collaborative efforts in their cities and counties to combine resources, intelligence, and manpower to conduct investigations designed to take the largest number of gang members off the street, thereby eradicating the gang presence in their areas.

- In April 2018, the TXDPS Criminal Investigations Division led an operation coordinated by the Texas Anti-Gang Center, with assistance by the Dallas Police Department Criminal Intelligence Unit, DEA, the U.S. Marshals Service (USMS), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). The operation arrested 57 members or business associates of various white supremacist gangs, including Aryan Circle, Aryan Brotherhood of Texas, Aryan Brotherhood (see Figure 126), Peckerwoods, Soldiers of Aryan Culture, Dirty White Boys, and Tango Blast. The defendants conspired together to commit kidnapping and traffic methamphetamine and other illegal narcotics throughout north Texas and elsewhere. Seized during the investigation were over 190 kilograms of methamphetamine, 31 firearms, and approximately \$376,587 in USC.
- In April 2018, “Operation Triple Beam,” an initiative the U.S. Marshals mount each year in coordination with local law enforcement in cities around the country to leverage resources

Figure 126. White Supremacist Gang Tattoos.



Aryan Brotherhood



Aryan Brotherhood of Texas

Source: Federal Bureau of Prisons

Figure 127. Crips Hand Signs.



Source: Federal Bureau of Prisons

Figure 128. Bloods Hand Sign.



Source: Federal Bureau of Prisons

and work together to identify the most violent criminals in their areas, led to the arrest of 220 suspected Houston gang members and associates. The anti-gang campaign focuses on tracking down fugitive gang members, increasing street patrols in neighborhoods with gang activities, prosecuting gang members, and seizing gang assets. Since the “Triple Beam” operation began in 2010, there have been 45 similar operations nationwide with approximately 6,000 arrests, 1,500 illegal firearms seized, and millions in narcotics and confiscated USC. The operation in Houston netted 62 firearms, \$60,000 USC, and narcotics with a street value of over \$1 million, making it the most successful operation in the program’s history.

- In February 2018, a collaborative violence-reduction initiative in the greater Little Rock, Arkansas area led to the indictment of 49 individuals, including members of the Crips (see Figure 127) and Bloods (see Figure 128). The operation was part of Project Safe Neighborhoods, which brings together all levels of law enforcement and the communities to reduce violent crime. DEA served as the lead agency, working in conjunction with Gang Enforcement Task Force (GET) Rock, an organization comprised of the U.S. Attorney’s Office, FBI, DEA, ATF, USMS, Little Rock Police Department, Pulaski County Sheriff’s Office, Arkansas State Police, and Arkansas Community Correction. Seized during the operation were 21 guns, body armor, 9.6 pounds of cocaine, four ounces of methamphetamine, 7.2 ounces of crack cocaine, 12 ounces of marijuana, five grams of heroin, 293 ecstasy pills, 93 pint bottles of promethazine cough syrup, approximately \$50,000 in drug proceeds, four cars, and one motorcycle.
- In February 2018, a joint operation between the New York Police Department, HSI, DEA, and ATF led to the arrest of 25 members and associates of the Hooly Gang, a crew operating in the Bronx, New York, for narcotics conspiracy. The gang allegedly annexed a residential neighborhood, including two playgrounds, and made a virtual open-air bazaar for dangerous and potentially lethal drugs.
- In November 2017, the Detroit One Initiative, a collaboration of local, state, and federal law enforcement agencies, conducted an operation involving ATF, FBI, and the Detroit Police Department Gang Intelligence Unit, which led to the Michigan indictment of 13 members of a violent East Side Detroit street gang, Smokecamp, aka Original Paid Bosses (OPB). While OPB was known to engage in robberies and extortion, its primary revenue was through the sale of cocaine, crack cocaine, heroin, marijuana, and MDMA. Some members of the gang traveled to Kentucky, West Virginia, and Ohio to sell narcotics.
- In December 2017, a Bakersfield, California, law enforcement operation that combined the efforts of the FBI, California Department of Justice, California Highway Patrol, Bakersfield Police Department, and Kern County District Attorney’s Office, resulted in the arrest of 40 members and associates of the West Side Crips (WSC). The subjects were allegedly involved in robbery, money laundering, illicit drug sales, attempted murder, and murder. The subjects had planned to shoot into a crowd of approximately 200 people at a local park, which included rival gang members. The operation resulted in the seizure of 26 firearms, 1,928 grams of methamphetamine, and 32 grams of crack cocaine.

## RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT (RICO)

To further their efforts to serve the community and quell gang crime and violence in their cities, law enforcement agencies are ramping up their efforts to keep street gang members off the street following their arrest and discourage criminal activity among other members of the gang. To this end, law enforcement and U.S. Attorneys' Offices are focusing on the RICO statute, along with other drug-related criminal offenses, in developing cases for prosecution. RICO is a U.S. federal law enacted in 1970 that is used by federal prosecutors to combat organized crime groups. It provides for extended criminal penalties, including longer jail sentences, for acts performed as part of an ongoing criminal enterprise and allows the leaders of a gang to be tried for the crimes that they order others to commit or are otherwise involved in. Racketeering may include illegal bribery, kidnapping, murder, money laundering, counterfeiting, embezzlement, drug trafficking, and other illegal activities.

To successfully prosecute RICO charges, the government must prove that the defendant engaged in two or more instances of racketeering activity and that the defendant directly invested in, maintained an interest in, or participated in a criminal enterprise affecting interstate or foreign commerce. As such, RICO prosecutions are the result of very intensive investigations by many levels of law enforcement that usually develop over a substantial period of time.

- In April 2017, a grand jury in Houston brought RICO charges against 25 Tri-City Bombers (TCB) gang members and associates for racketeering, drug distribution, money laundering, robbery, murder, and attempted murder (see Figure 129). TCB is a national-level gang active in multiple states with nationwide operations whose members and associates allegedly coordinated the transportation and sale of cocaine, marijuana, methamphetamine, and heroin from southern Texas to Atlanta, Georgia; Ft. Wayne, Indiana; St. Louis, Missouri; and other cities around the country. TCB members also allegedly

Figure 129. Tri-City Bombers Tattoo.



Source: Federal Bureau of Prisons

Figure 130. Gangster Disciples Tattoos.



Source: Federal Bureau of Prisons

- committed a fatal home invasion robbery originally intended to steal controlled substances.
- In June 2017, a federal grand jury in Nashville returned an indictment against 11 alleged members of the Gangster Disciples (see Figure 130) for conspiring to participate in a racketeering enterprise that included multiple murders. Crimes involved in the enterprise included the murder of a witness, conspiracy to distribute drugs, and multiple other violent crimes. According to the indictment, the defendants conspired to engage in the affairs

of the Gangster Disciples, a violent criminal gang founded in Chicago and now active in many states across the country, including Tennessee. Local, state, and federal law enforcement agencies took part in the investigation.

- In November 2017, 11 alleged members and associates of the Hells Angels OMG (see Figure 131) were indicted in San Francisco, California on RICO charges. Of those charged, eight were from the Hells Angels Sonoma County (HASC) chapter, one from the Fresno chapter, and one from the Salem/Boston, Massachusetts chapter. According to the indictment, the HASC works with other Hells Angels chapters in criminal activities including murder, narcotics distribution, assault, robbery, extortion, illegal firearms possession, and obstruction of justice. Some of the defendants allegedly committed bank fraud and money laundering to acquire a residence used as an indoor marijuana cultivation operation.

Figure 131. Hells Angels Tattoo.



Source: Federal Bureau of Prisons

- In March and October 2017, a total of 14 alleged MS-13 members were charged in two separate second superseding indictments in Greenbelt, Maryland on charges of conspiracy to participate in a racketeering enterprise, which included murder, attempted murders, extortion, firearms trafficking, and drug trafficking. The subjects were members of the Parkview Locos Salvatrucha and Sailors Locos Salvatrucha Westside cliques. The March indictment alleges that the defendants and other MS-13 members and associates received income from extorting business persons and from drug distribution. Funds attained from these activities were used to obtain weapons for the gangs and to support local MS-13 gang members as well as those in prison, both in the United States and in El Salvador.
- In February 2018, 25 members and associates of Major Stackz Entertainment (MSE), an armed drug trafficking street gang, were indicted in Memphis, Tennessee for conspiring to distribute large quantities of cocaine, methamphetamine, heroin, and marijuana throughout west Tennessee, while protecting their activities with firearms. The members and associates of MSE are a compilation of traditional street gangs— including Young Mob,

## ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE (OCDETF)

According to the Department of Justice, the Organized Crime Drug Enforcement Task Force (OCDETF) Program, established in 1982, is a nationwide initiative to reduce the availability of drugs and the violence, corruption, and other criminal activity associated with the drug trade by disrupting and dismantling the major criminal networks operating in the United States. Though OCDETF does not support all federal drug enforcement investigations, it targets the highest priority organized drug trafficking, money laundering, and transnational criminal organizations. OCDETF is comprised of the DEA, FBI, ATF, USMS, Internal Revenue Service (IRS), ICE, and the U.S. Coast Guard (USCG) in cooperation with the Criminal Division of the Department of Justice, 93 U.S. Attorney's Offices, and state and local law enforcement. These groups work in tandem to identify, disrupt, and dismantle drug trafficking and money laundering organizations responsible for the Nation's supply of illegal drugs and associated violence. The Program includes the OCDETF Fusion Center, and 12 OCDETF Strike Forces located throughout the country. OCDETF groups are not limited to the provisions of the Controlled Substances Act but can also pursue criminal investigations using RICO statutes and tax laws.

Figure 132. Vice Lords Tattoo.



Source: Federal Bureau of Prisons

Vice Lords (see Figure 132), Gangster Disciples, Kitchen Crip, and Bloods—that banded together for financial gain through criminal activities. The investigation was conducted as part of the Department of Justice’s OCDEF Program. Approximately \$90,000 USC, 40 pounds of methamphetamine, two kilograms of heroin, four kilograms of cocaine, 11 ounces of crack cocaine, over 150 pounds of marijuana, and 22 firearms were seized during this investigation.

- In January 2017, six members of the Hobos, a violent Chicago street gang, were convicted on federal racketeering conspiracy charges for their involvement in a criminal organization that participated in narcotics distribution, murder, attempted murder, and armed robbery. The Hobos robbed from other drug dealers, retaliated against rival gangs, and violently prevented witnesses from cooperating with law enforcement. The investigation was conducted by federal, state, and local law enforcement through OCDEF and the Chicago HIDTA Task Force.
- In March 2018, 35 members and associates of the Nine Trey Gangsters, a set of the United Blood Nation, pled guilty in North Carolina to racketeering conspiracy and related charges of drug trafficking, wire fraud, and firearm possession. This extensive OCDEF Task Force investigation also targeted the high-ranking leaders of the organization that directed the gang’s assaults, robberies, and drug trafficking up and down the Eastern United States, from both inside the prisons and in the communities.

This page intentionally left blank.



# ILLICIT FINANCE

## OVERVIEW

U.S. drug sales account for billions of dollars in illicit proceeds annually in the United States. The cash-intensive nature of drug distribution requires that all criminal groups involved overcome a series of obstacles to successfully launder and expend illicit profits:

- Consolidating cash proceeds from retail drugs sales;
- Placing illicit proceeds into the licit commerce systems, such as the finance or trade system;
- Disguising illicit proceeds as legitimate earnings.

The main money laundering vulnerabilities in the United States are in the cash, banking, MSB,<sup>50</sup> casino, and securities sectors, and include:

- Use of cash and monetary instruments in amounts under regulatory record-keeping and reporting thresholds;
- Opening bank and brokerage accounts using nominees to disguise the identity of the individuals who control the accounts;
- Creating legal entities without accurate information about the identity of the beneficial owner;
- Misuse of products and services resulting from deficient compliance with anti-money laundering obligations;
- Unwitting facilitation of illegal activity by merchants and financial institutions;
- Movement and placement of funds through banks, licensed MSBs, unlicensed money transmitters, and cash smuggling;

- Evolving threats from cybercrime, identity theft, and new payment systems

To avoid detection from either law enforcement or financial institutions, TCOs employ various strategies to move and launder drug proceeds into, within, and out of the United States. Preferred methods to move and launder illicit proceeds — bulk cash smuggling, money value transfer systems (MVTs), and trade-based money laundering (TBML) — have largely remained the same throughout the years. In recent years, money laundering through virtual currencies, such as Bitcoin, has become more prominent, as it allows TCOs to transfer illicit proceeds internationally and with more security than traditional cash transactions.

## BULK CASH SMUGGLING

In 2017, U.S. law enforcement officials reported over 2,200 bulk cash seizure events, totaling more than \$193 million USD according to the NSS.<sup>51</sup> This is a 56 percent decrease from the previous year's \$437.9 million USD in reported bulk cash seizures. For CY 2017, California, Ohio, and Arizona reported the highest dollar amounts in bulk cash seizures for a combined total of \$138.8 million USD. This amount decreased significantly, by approximately 49 percent, in comparison to the previous year's top three grossing states for seizures (see Figure 133). Gross amount of bulk cash seized has steadily decreased since 2010 (see Figure 134).

Most bulk currency smuggled into California from other states is assessed to be suspected payments for drug shipments. The majority of bulk currency is moved from Northern California to Southern California and eventually transported across the border into Mexico using privately-owned vehicles as well

<sup>50</sup> According to the 2015 National Money Laundering Risk Assessment, more than a quarter of U.S. households use non-bank financial institutions, such as MSBs, to conduct cash transactions. There were 26,204 MSBs registered with FinCEN as of 4 August 2017.

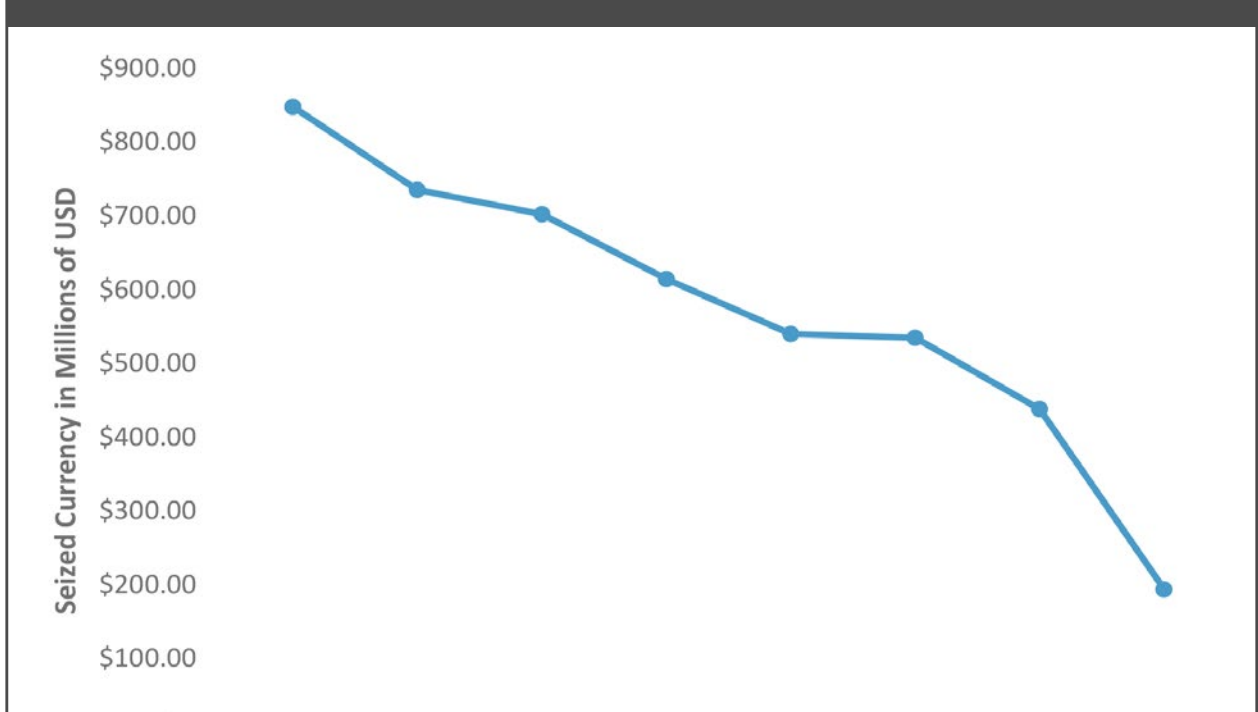
<sup>51</sup> The information reported to NSS by contributing agencies does not necessarily reflect total seizures nationwide. Federal law enforcement agencies are required to report seizures that are equal to \$10,000 USD and above, while report for state and local agencies is voluntary. NSS is a live database and the data can change from year to year.

Figure 133. Top Three States for Bulk Currency Seizures (in USD), 2012-2017.

Rank	2012	2013	2014	2015	2016	2017
1	New York \$212,038,936	California \$153,944,323	California \$124,323,437	California \$104,810,607	California \$57,110,462	California \$36,993,572
2	California \$130,694,737	New York \$113,815,107	New York \$48,727,482	Texas \$44,211,942	Florida \$45,682,687	Ohio \$20,807,872
3	Texas \$67,202,140	Texas \$45,571,571	Georgia \$36,425,523	Florida \$43,144,356	Texas \$36,087,822	Arizona \$13,444,481

Source: El Paso Intelligence Center/National Seizure System

Figure 134. Nationwide Bulk Currency Seizures (in USD), 2010-2017.



Source: El Paso Intelligence Center National Seizure System



as commercial tractor trailers. Large amounts of cash continue to be interdicted along major highway corridors, with the cash typically concealed in hidden vehicle compartments or among legitimate cargo. Los Angeles remains a haven for drug trafficking organizations to launder their proceeds due to the numerous banks, businesses with ties to Mexico, and check cashing centers present in the area.

International airports throughout California are also significant transit points for traffickers smuggling bulk cash derived from drug sales. In these instances, cash can be found in checked or carry-on bags, either loose or in plastic heat or vacuum sealed bags, or else concealed on the passenger's person. In addition, numerous undeclared quantities of cash are detected at mail facilities within shipping boxes originating from other U.S. locations. These boxes, sometimes supplied by the mail service or delivery businesses, are then shipped via ground and air to destinations in California.

- In December 2017, USBP agents arrested a female suspected of smuggling a large amount of illicit currency after a vehicle stop on Interstate 5 near Oceanside, CA. During the stop, a USBP K-9 alerted to the rear of the vehicle. Further inspection revealed a suitcase filled with \$532,596 USD, suspected proceeds from illicit narcotics sales (see Figure 135).

**Figure 135. Over \$500,000 USC seized from a suitcase.**



Source: U.S. Customs and Border Protection

**Figure 136. Cash, loaded firearm, and illicit drugs seized from passenger.**



Source: U.S. Customs and Border Protection

- In June 2017, USBP agents in Blythe, CA stopped a vehicle for an immigration inspection. During the subsequent search, agents located a small amount of marijuana wax, drug paraphernalia, a loaded firearm, and a plastic bag containing \$70,000 USC (see Figure 136). The driver was subsequently arrested and both the vehicle and contraband were processed.

In Ohio, money launderers generally transport bulk currency back towards their drug supply source. Generally, they use tractor-trailers to transport large amounts of currency back to source states along the SWB. Personal vehicles and commercial airlines are also used by money couriers. Local casinos are frequently used by traffickers in Central Ohio: traffickers buy a large amount of chips, gamble a little, and then quickly cash in their chips. Similar to California, traffickers also traffic bulk currency through international airports and also increasingly through bus and train terminals at or near major airports. Several major interstate highways pass through Ohio, meaning money launderers can use these highways to easily move large quantities of currency back towards the SWB.

- In June 2017, law enforcement officials in Dayton, OH stopped a vehicle and discovered three kilograms of cocaine which led to a subsequent search of the driver's hotel room and the seizure of \$234,848 USC and a firearm.

Investigators from the Miami Valley Bulk Smuggling Task Force started tracking the two suspected smugglers at a Dayton-area hotel and followed them as they traveled through several states.

## MONEY LAUNDERING

Mexican TCOs are increasingly utilizing U.S.-based Asian money laundering organizations to facilitate drug money laundering. Regardless of the money laundering method – TBML, mirror (more commonly known as Hawala), or bulk cash movement – the participation of Asian money launderers has become more prominent in some areas.

The shift towards Chinese and Asian money couriers is believed to be, in part, due to the natural relationship created by the large volume of both licit and illicit trade goods and chemicals imported from China. The use of an Asian money broker simplifies the money laundering process and streamlines the purchase of precursor chemicals and paraphernalia utilized in manufacturing drugs for street sales.

Aside from Asian Money Laundering Organizations (MLOs), other TCO networks maintain the capability across multiple states and jurisdictions to buy and sell commodities or services in the United States that assist in the movement of illicit proceeds in and through the United States. Federal, state, local, tribal, and territorial agencies routinely recover billions of dollars of illicit proceeds annually, a portion of which is attributable to TCOs.

- In June 2017, 11 individuals were charged with laundering more than \$40 million in drug proceeds on behalf of Mexican TCOs. In exchange for kickbacks, managers and employees of a number of Atlanta-area money remitters reportedly laundered purported drug proceeds to Mexico by breaking the transactions into thousands of smaller transactions and by listing fake sender information. Several of the money remitters allegedly served as the Bank Secrecy/Ant-Money Laundering Compliance Officers for their respective stores

and were responsible for detecting and reporting these types of illicit financial transactions.

## VIRTUAL CURRENCY

Technology has shaped the world by allowing information to be exchanged rapidly and globally. The emergence of technology creates an influential push for financial transactions as well. It is now possible to purchase almost anything from anywhere in the world with a simple click of a button - and it is easy, quick, and seamless to transfer funds across borders. As technological advancements proliferate, law enforcement continues to assess developments that affect how criminals profit and hide their illegal enterprises.

New value systems, such as virtual currency offer increased anonymity, high community acceptance, near-instant transfers, and global access to cash via automated teller machines (ATMs), peer-to-peer transactions, or exchangers. All of these appeal to launderers and create a challenging environment for authorities and financial institutions because not all new payment methods are regulated.

Virtual currency is a payment method that is increasing in popularity, not only within the general public, but also amongst criminals. Utilizing virtual currency as a payment method means funds can exchange hands rapidly without a limitation to the amount being transferred. This type of payment method confirms that money launderers are becoming more sophisticated and adventurous.

- BTC-e was a currency exchange for cybercriminals worldwide, and one of the principal entities used to launder and liquidate criminal proceeds from virtual currency to fiat currency, according to DOJ and Financial Crimes Enforcement Network (FinCEN) information. A Russian national and his conspirators allegedly created, structured, operated, and promoted BTC-e as a criminal business venture and developed a customer base heavily reliant on criminal activity. BTC-e facilitated computer hacking, ransomware, fraud, identity theft, tax refund fraud schemes, public corruption,

drug trafficking, and other criminal activity. BTC-e handled \$4 billion in Bitcoin transactions, in addition to transactions in other convertible VCs.

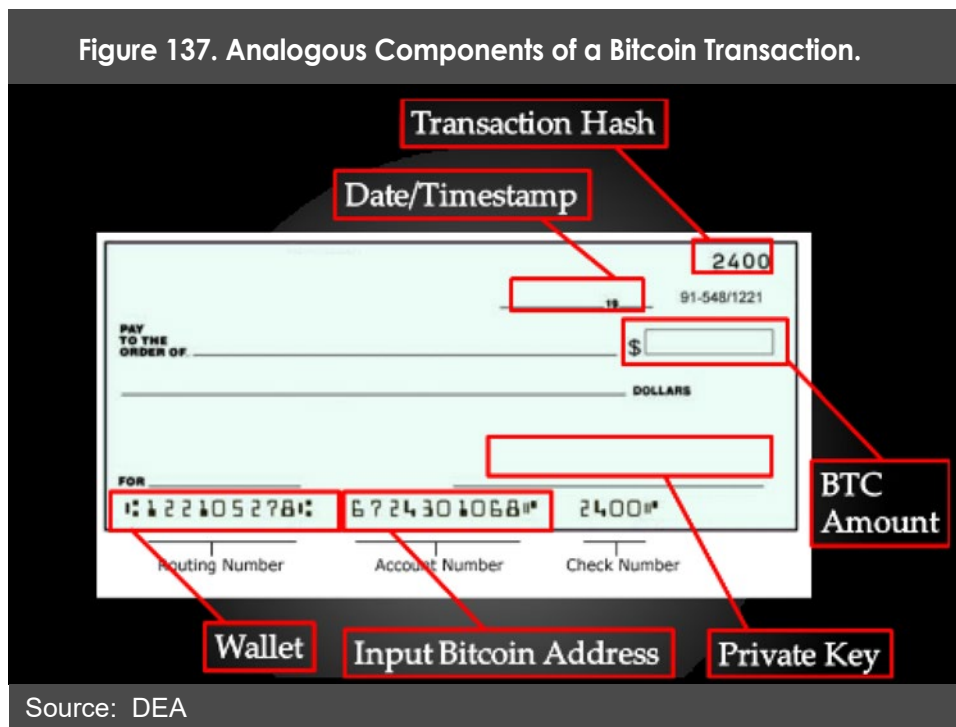
Virtual currencies<sup>52</sup> function as a method of value exchange. To date, there are over 1,500 various virtual currencies, with Bitcoin the most popular and widely adopted form. Bitcoin was invented to move away from entrusting the government with backing funds due to the financial crisis in 2008. The idea was to allow users to transact without an intermediary, such as a financial institution, and instead transact on an electronic cash system using a peer-to-peer functionality. Meaning, users would exchange fiat currency for Bitcoin through face-to-face interactions.

In 2009, the Bitcoin protocol was created. Based on the established Bitcoin protocol, the system operates through a network of computers that confirm and validate the transactions. Users of Bitcoin transact through the use of a public and private key pairing. Each user has public Bitcoin addresses that are used to buy, sell, or trade Bitcoin. The anonymity of Bitcoin is achieved because a transaction is completed without revealing any sender or receiver information. However, Bitcoin is actually pseudonymous, as every transaction is recorded on the Blockchain: the publicly available ledger. Information collected on the Blockchain for every transaction includes multiple pieces

of information: input and output Bitcoin address, the amount transacted, and the date and time stamp. To understand the workings of a transaction, the components are similar to a check (see Figure 137). The value of Bitcoin is determined based on the demand generated within its ecosystem which leads to a constant fluctuation of worth.

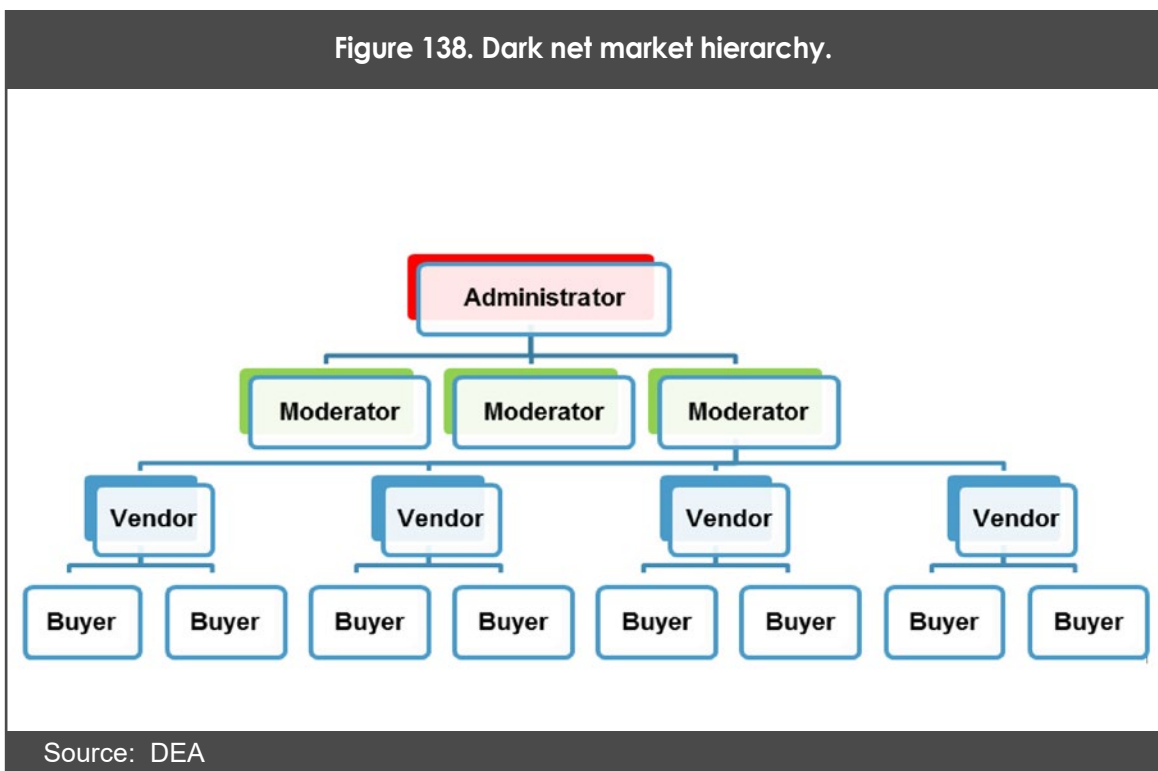
As popularity increased and Bitcoin became more mainstream, an emergence of exchangers developed in order to assist with converting fiat currency into Bitcoin and vice versa. In 2013, FinCEN issued guidance interpreting regulations implementing the Bank Secrecy Act to apply to administrators and exchangers of virtual currency. Specifically, the 2013 guidance determined that such entities are generally considered money transmitters under the applicable regulations. These administrators and exchangers of virtual currency are required to comply with the requirements under federal anti-money laundering (AML) regulations applicable to money transmitters. These requirements include registration with FinCEN, establishment and implementation of an anti-money laundering program, and compliance with specified record-keeping and reporting obligations including the filing of suspicious activity reports for transactions potentially indicating criminal activity. Many exchangers utilize

Figure 137. Analogous Components of a Bitcoin Transaction.



<sup>52</sup> Virtual currencies can be either digital or cryptocurrency depending on the use of encryption.

Figure 138. Dark net market hierarchy.



compliance software developed specifically for tracing transactions on the Blockchain.

New developing technology, although intended for the greater good, tends also to be used in the facilitation of criminal activities. Shortly after Bitcoin was created, the first dark net market, known as Silk Road, was also created. Bitcoin's premise was to provide anonymity for transactions, and Silk Road's creator envisioned a world that would allow vendors and buyers to have no regulations on what they would sell and/or purchase (see Figure 138). With encryption capabilities and anonymous networks such as The Onion Router (TOR), a marketplace was created. The goal of the marketplace, as designed by its administrator, was to create a platform where vendors could set up shop selling illicit products, primarily drugs to include opioids, and buyers could make purchases, similar to legitimate major online retailers. The payment method on the site was Bitcoin.

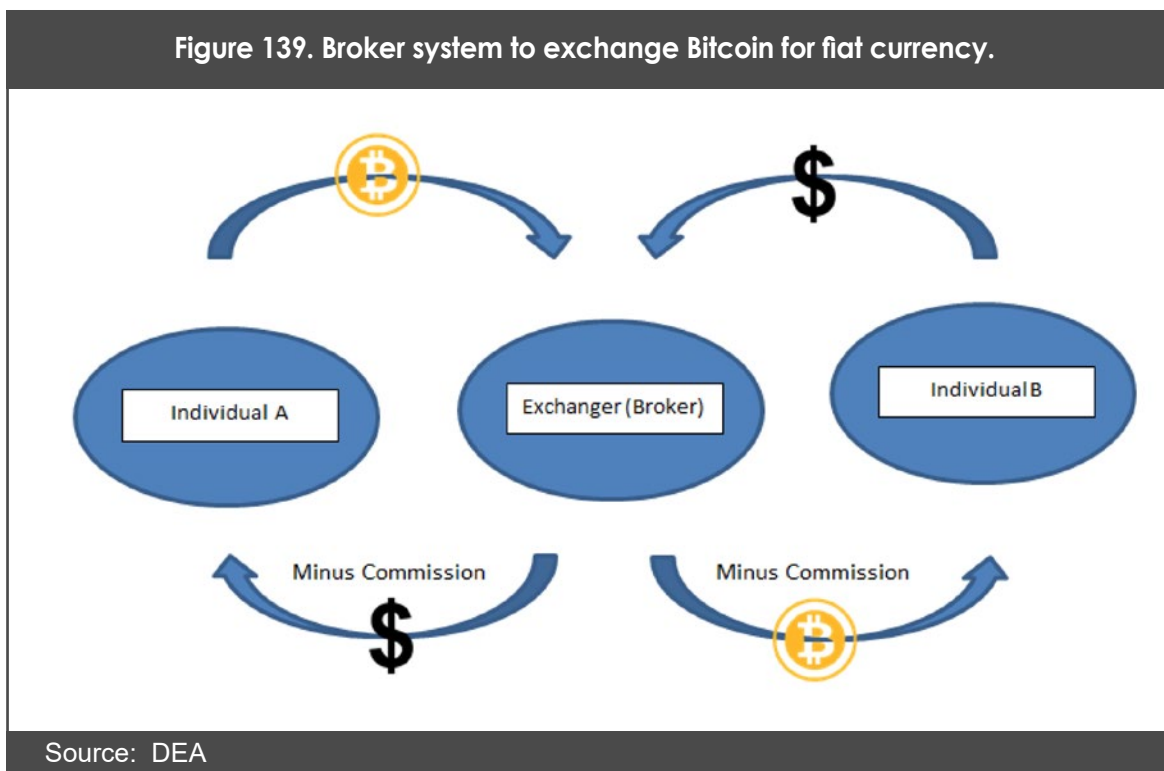
Although successful law enforcement operations arrested, convicted, and sentenced the creator of Silk Road, the concept of a dark net marketplace was not

forgotten. After the shutdown of Silk Road by law enforcement, the dark net community created more marketplaces, learning from the downfall of Silk Road's pioneer.

Currently, law enforcement faces many challenges when it comes to these marketplaces. Dark net marketplace administrators are becoming more savvy. Many marketplaces and vendors utilize various techniques to keep their transactions secure, to include: requiring encryption messaging on the platforms, providing more payment options (e.g., accepting multiple virtual currencies), and providing a more secure platform to protect users during another law enforcement takedown.

The most prominent issue vendors face from amassing bitcoin or other virtual currencies from dark net marketplaces is converting the illicit funds into fiat currency. The movement of funds from dark net marketplaces can be seen on the Blockchain. Less sophisticated vendors or buyers will send Bitcoin directly to and/or from a marketplace to an exchanger; this is considered a direct transaction made with illicit funds. The conversion from marketplace to exchanger is noted as being the easiest way to convert Bitcoin to fiat currency. Other users will use Bitcoin

Figure 139. Broker system to exchange Bitcoin for fiat currency.



Source: DEA

mixing services that obfuscate where funds originated and then send funds to exchangers. More sophisticated criminals will avoid exchangers that comply with AML regulations to circumvent reporting requirements. Instead, these criminals seek unlicensed exchangers, peer-to-peer exchangers, or become peer-to-peer exchangers themselves. Unlicensed exchangers or peer-to-peer exchangers will liquidate funds for fees as much as ten to 35 percent above a licensed exchanger.

Liquidation of funds occurs in various manners with unlicensed exchangers and peer-to-peer exchangers. Methods for liquidating funds include: individual, bank deposits, cash in the mail, online money transfer services, and physical financial transfer companies. For criminals, Bitcoin is a vehicle used to transfer funds and is not primarily considered to be of monetary value. Rather, it is a mechanism to quickly move funds from individual A to individual B. As such, cross-border transactions are commonplace for Bitcoin due to its borderless nature.

Networks of users have developed a broker system where individuals can establish themselves as brokers to transfer funds for

other individuals, working as a peer-to-peer exchanger (see Figure 139). The network works like this:

- An established broker is contacted by individual A wanting to exchange a specified amount of virtual currency into fiat currency;
- The broker contacts individual B who has the amount of fiat currency needed to exchange the virtual currency and is also wanting virtual currency;
- The broker accepts the virtual currency from individual A and accepts the fiat currency from individual B;
- The broker then sends the virtual currency to individual B, minus a commission, and sends individual A the fiat currency minus the commission;
- Individual A and B never meet, and the broker makes double the commission.

## OUTLOOK

Apprehending criminals who circumvent formal regulated financial systems and disrupting their illicit profits is a key element of disrupting TCOs and crucial to protecting the integrity and stability of domestic and global financial systems. Enhanced anti-money laundering regulations and international standards make it more challenging to launder illicit proceeds; however, TCOs constantly evolve to thwart law enforcement and regulatory authorities. While 20th century methods of money laundering, such as bulk cash smuggling, are still popular, 21st century smuggling methods, such as the use of virtual currencies like Bitcoin, will become more popular as their concepts become more main-stream and the knowledge and technology associated with their use becomes more widely available.

## PUERTO RICO AND THE U.S. VIRGIN ISLANDS

With approximate populations of 3.5 million and 103,000, respectively, Puerto Rico and the U.S. Virgin Islands are part of an island chain located along the eastern edge of the Caribbean Sea, where it meets the Atlantic Ocean. Both are unincorporated, organized territories of the United States, whose economies depend largely on tourism. Both U.S. territories have high unemployment rates (14% in Puerto Rico and 10% in the U.S. Virgin Islands) and strategic geographic locations - mid-point between the United States and South America. In addition, they have customs exemptions for passengers on commercial aircraft entering the United States mainland. These factors make the islands attractive to illicit drug traffickers and money launderers.

### DRUG THREAT

Cocaine continues to be the principal drug threat in the Caribbean region, but smuggling and abuse of heroin and marijuana are also major concerns. In Puerto Rico, cocaine is more profitable to smuggle than other drugs because of both local demand and demands in the continental United States and Europe. Although some cocaine entering Puerto Rico is intended for local consumption, the large majority of cocaine transiting the territory is destined for the United States. An estimated 10-25 percent of the cocaine smuggled into the U.S. Virgin Islands stays for local consumption. In the U.S. Virgin Islands, crack cocaine also poses a serious threat because of its low price (\$10 per rock) and addictive properties.

Cocaine is primarily transported to the islands via maritime vessels from Colombia, Venezuela, and the Dominican Republic. Due to enforcement successes by Dominican law enforcement and interdiction efforts by the USCG, traffickers prefer to send large cocaine loads directly to Puerto Rico instead of first going through the Dominican Republic. There is also secondary flow of cocaine from the Dominican Republic to Puerto Rico. These trends resulted in a significant decrease in kilogram prices of cocaine in the Dominican Republic and increased smuggling movements directly to Puerto Rico.

Traffickers almost exclusively use go-fast boats or fishing vessels to transport cocaine to Puerto Rico, either departing directly from Venezuela or coming across the Mona Passage from the Dominican Republic. Cocaine is also smuggled via the British Virgin Islands, with traffickers island-hopping into the U.S. Virgin Islands and eastern Puerto Rico and then onto the United States mainland.

Law enforcement also reports that smaller boats departing the U.S. Virgin Islands meet larger "mother ships" from Venezuela, which offload cocaine to smaller fishing vessels, which then transit to the Netherlands Antilles, St. Martin/Maarten, the British Virgin Islands, and Puerto Rico. Additionally, cocaine is concealed in parcels and mailed from Puerto Rico and the U.S. Virgin Islands to Florida and the northeastern United States, primarily Connecticut, Massachusetts, New York, New Jersey, and Florida.

Increased cocaine flow was documented in the Caribbean Corridor between 2015 and 2017, although the Caribbean Corridor's overall share of flow was less than observed in 2015. In 2017, approximately seven percent of total northbound cocaine movement directly transited the Caribbean Corridor.

Heroin availability in Puerto Rico is moderate. Heroin is consumed locally and also transported through Puerto Rico, destined for the United States mainland. From January to June 2017, it is believed nine deaths were a result of heroin and fentanyl overdoses in the Ponce and Mayaguez areas of southwestern Puerto Rico. In the U.S. Virgin Islands, heroin does not pose a major threat, as the demand is for resale. The heroin trafficked in Puerto Rico and the U.S. Virgin Islands is of South American origin. South American-origin heroin typically arrives in Puerto Rico and the U.S. Virgin Islands commingled with cocaine on maritime shipments. Additionally, the DEA Caribbean Division has reported minimal heroin-laced fentanyl seizures sent to Puerto Rico from California via parcel services.

The threat posed by marijuana in the Caribbean Division is on the rise, as indicated by recent seizure events. Marijuana is the third most important threat to Puerto Rico and second most important for the U.S. Virgin Islands. Seizures of marijuana have continued to increase since 2013, as reported by state and federal law enforcement officials in Puerto Rico and the rest of the Caribbean island nations. Additionally, average seizure load size has also increased. Growing availability and abuse of marijuana will continue to threaten Puerto Rico and the U.S. Virgin Islands.

Jamaica continues to be the largest Caribbean marijuana supplier to local Caribbean nations; however, local production is increasing in Puerto Rico and the U.S. Virgin Islands. Marijuana is also shipped from the United States mainland to the U.S. Virgin Islands by commercial parcel services. Marijuana users on the U.S. Virgin Islands desire higher THC content in their marijuana and are obtaining it from areas in the U.S. where the use of medical marijuana is legal. Marijuana from the United States is of both Mexican and U.S. origin.

As laws surrounding marijuana are changing in the rest of the United States, they are also changing in Puerto Rico and the U.S. Virgin Islands. In November 2016, the Governor of Puerto Rico excluded public service employees from being tested for marijuana via Executive Order. In May 2015, the Governor of Puerto Rico mandated the rescheduling of marijuana to a Schedule II drug via Executive Order. This order mandated the Puerto Rican Department of Health to develop protocol to promote research on medical marijuana and to establish a policy for the implementation of medical marijuana on the island. It is unclear how this Executive Order will impact the current drug laws in Puerto Rico. Additionally, the same Executive Order approved marijuana cultivation in Puerto Rico, commencing in 2016.

In September 2015, the U.S. Virgin Islands passed a law to decriminalize the possession of one ounce or less of cannabis. Further, possession of one ounce or less of cannabis for those 18 and older is classified as a civil offense, with fines from \$100-\$200 USD, but

those under 18 will be required to complete a drug awareness program. Strict penalties for selling and growing bulk amounts remain in place in the U.S. Virgin Islands.

According to the most recent study conducted by Puerto Rico's Administration of Mental Health and Addiction Services, marijuana was the illicit drug most commonly used by Puerto Rico's youth in 2012, with a prevalence of 12.4 percent. This is more than twice the rate reported in 2007 (6.1%). In the U.S. Virgin Islands, more than cocaine, marijuana is the most abused drug.

## TRANSSHIPMENT

The large amount of commercial air traffic from Puerto Rico to the United States provides an opportunity for illicit drug smuggling since it is generally exempt from customs inspections. Traffickers also move drugs via maritime container, which can be inspected.

Port security is a major regional concern in the Caribbean. Lack of resources, collusion of dock-workers with trafficking groups, and sophisticated concealment methods create significant law enforcement challenges, particularly as drug flow shifts back toward the Caribbean. The Puerto Rico Ports Authority currently administers several cargo facilities in Puerto Rico that handle both containerized and bulk cargo. These facilities are leased to private companies that act as terminal operators. There are five cargo vessel-serving facilities in the U.S. Virgin Islands.

Traffickers exploit the high frequency of cruise ship traffic through Puerto Rico and the U.S. Virgin Islands to transport drugs. The Port of San Juan is one of the largest cruise ship destinations in the Western Hemisphere and can dock as many as 12 cruise ships simultaneously. In St. Thomas, U.S. Virgin Islands, as many as nine ships dock at the island per day. Traffickers also exploit ferry services that carry thousands of passengers and hundreds of cargo containers per week between the Dominican Republic and Puerto Rico and between the U.S. Virgin Islands and the British Virgin Islands.



## DRUG-RELATED CRIME

Puerto Rico and the U.S. Virgin Islands both have high homicide rates. The U.S. Virgin Islands averages 40 murders per 100,000 people, making it one of the most violent areas in the United States. In Puerto Rico, there is a strong nexus between violent crime, drug trafficking, gang activities, and illicit firearms. According to law enforcement agencies in Puerto Rico, an estimated 60 percent of homicides are drug-related.

National homicide estimates indicate that the average homicide rate in Puerto Rico is approximately five times higher than the U.S. per capita rate. However, violent crime and homicide rates in Puerto Rico have declined every year since peaking in 2011. Declines in homicide rates may be attributed to Operation Caribbean Resilience, when DHS temporarily surged 30 agents to Puerto Rico in 2013, leading to the arrest of 900 violent criminals and the seizures of over 450 pounds of illegal narcotics and over 650 weapons.

The crime situation in Puerto Rico has also impacted law enforcement officials. From March 2012 through October 2016, 12 incidents and threats involving law enforcement officials were reported. In January 2016, State Prosecutor for the Department of Justice in Puerto Rico was brutally shot and killed. In October 2016, a Puerto Rico PD Sergeant was killed and another officer was shot while conducting an interdiction in a public housing project (PHP).

The majority of DTOs operating in Puerto Rico are based in the 330 PHPs located throughout the island. These groups direct “drug points,” locations used for the retail sale of illicit drugs that are controlled by specific gangs or other criminal organizations, located in the PHPs to nearby nightclubs, restaurants, and bars. The DTOs use intimidation, violence, and murder to gain or retain control of the drug markets within a specific geographic area. PHPs in Puerto Rico are not geographically isolated, but are frequently located within blocks of the middle to upper middle class neighborhoods.

## DRUG TRAFFICKING GROUPS

Colombian, Dominican, Venezuelan, and Puerto Rican trafficking organizations are involved with illicit drug trade in Puerto Rico and the U.S. Virgin Islands. While Dominican, Colombian, and Venezuelan traffickers serve as crewmembers during maritime operations, the majority of the boat captains are Dominican. The maritime operations are primarily coordinated by Dominican organizations. Dominican and Puerto Rican trafficking organizations dominate wholesale and retail distribution of cocaine in Puerto Rico. Dominican DTOs are becoming more sophisticated and dominant in the drug trade throughout the region, including brokering drug deals and coordinating maritime ventures.

In addition, Dominican DTOs have been establishing ties with Mexican TCOs in an effort to transport heroin from Mexico across the SWB and into the United States. They have also established fentanyl-milling operations in the Dominican Republic. These organizations are highly mobile and unrestricted by national boundaries. They often change their smuggling patterns to avoid law enforcement detection. Puerto Rico-based trafficking organizations have established heroin trafficking routes from Venezuela to Puerto Rico. In some cases, traffickers are instructing couriers to travel from Caracas, Venezuela to cities along the East Coast, such as New York or Miami, and then to Puerto Rico to deliver the heroin.

This indirect route is taken in order to evade law enforcement scrutiny. Heroin available in Puerto Rico is also smuggled through the Dominican Republic. Heroin trafficking organizations based in the Dominican Republic use human couriers to smuggle heroin on the vehicle/passenger ferry that operates between the Dominican Republic and Puerto Rico.

## DIVERSION/ILLICIT USE OF CONTROLLED PRESCRIPTION DRUGS

While there is very little illegal flow of diverted pharmaceuticals between Puerto Rico and the United States, the local diversion of pharmaceutical products and prescription drug abuse is a growing threat in Puerto Rico. The vast majority of people involved in CPD diversion obtain CPDs locally. Recent intelligence suggests the poor quality of controlled medications that were imported from European countries, as well as those made at clandestine laboratories operating in the Dominican Republic, might be the reason for the preference of locally manufactured or diverted pharmaceuticals. Pharmaceutical prescriptions are primarily diverted by unscrupulous physicians who prescribe medication without legitimate medical examinations, and by individuals using forged prescriptions. CPDs are also obtained through Internet pharmacies and from patients who sell their own legitimate prescriptions. Further, criminal organizations obtain CPDs through doctor shopping, operating in small groups of three to five people. The Government of Puerto Rico does not participate in any Prescription Monitoring Program (PMP). CPDs are available at almost all drug markets in Puerto Rico. In the U.S. Virgin Islands, CPD abuse is low.

## GUAM

Guam, an organized and unincorporated territory of the United States, is an island in the North Pacific Ocean that is located approximately 3,300 miles west of Hawaii, 1,500 miles east of the Philippines and 1,550 miles south of Japan. Strategically located, it is the largest and southernmost island in the Mariana Islands archipelago and an important military and commercial hub between the United States, the Asian Continent, and Australia.

As of April 2018, Guam's population was estimated to be approximately 175,877 people. The majority of its population is of Chamorro ethnicity (40%), followed by Filipino (24%), Micronesian (11%) and Caucasian (7%). The island's economy depends largely on tourism and U.S. national defense spending, followed by construction and transshipment services. During calendar year 2017, Guam experienced its busiest year in tourism with the arrival of over 1.54 million visitors. In June 2017, Guam's unemployment rate was 4.5 percent; reflecting an aggregate of 3,330 persons in that classification. Many of Guam's violent crimes are linked to drugs, alcohol abuse, lack of economic opportunities, and lack of educational attainment.

### DRUG THREAT/AVAILABILITY

Methamphetamine and marijuana are two of the principal drugs of choice in Guam. Cocaine is showing a resurgence and has become popular with the college-aged population on Guam. MDMA, ketamine, and illicit pharmaceuticals are also available to a lesser degree in Guam, and are often purchased in clubs and bars.

Crystal "ice" methamphetamine poses the greatest threat to Guam. Current street prices for methamphetamine range from \$350 to \$500 USD per gram. Most of the methamphetamine shipped to Guam originates from the United States mainland; primarily from the states of California and Washington, via postal packages or courier. Guamanians residing on the U.S. mainland often acquire methamphetamine and mail it

to criminal associates in Guam, who sell the drug for an exponential profit margin. Ounce and pound quantities of methamphetamine are currently available (December, 2017) in these source states for prices that reflect a cost per gram of less than \$10.00. China has also been identified as a secondary source of methamphetamine to Guam.

During the past 12 months, there have been multiple seizures of cocaine on Guam. Current street prices for cocaine range from \$50 to \$150 USD per gram. Cocaine is gaining popularity with the college aged residents of Guam because it is a cheaper alternative to methamphetamine.

- In April 2017, the DEA Guam Resident Office executed a search warrant in Dededo, Guam. During the search, approximately 107 grams of cocaine was found at the residence, as well as methamphetamine and \$83,233 USC. Intelligence gathered after the arrest indicated that the cocaine came from a source of supply in southern California.
- During March and April 2018, approximately three kilograms of cocaine washed ashore at various points on the eastern half of the island, near Mangilao, Guam, and Andersen Air Force Base on the north end of Guam.

Marijuana also poses a significant threat to Guam. Low-quality marijuana is cultivated in Guam; with grow sites typically located within heavy jungle growth in close proximity to residential dwellings. In lesser amounts, marijuana is shipped to Guam via postal packages or transported via commercial air flights from the U.S. mainland.

In 2014, Guam voters approved a ballot initiative legalizing marijuana for "debilitating medical conditions." After a multi-year delay, the Guam Department of Public Health and Social Services, in charge of creating the rules and regulations for medical marijuana, has recently considered allowing the possible establishment of three dispensaries within the northern, central, and southern regions

of Guam, along with possibly ten cultivation sites. In January 2017, the Department of Public Health and Social Services began accepting license applications for commercial marijuana cultivation. Permits also are available for dispensaries, commercial manufacturing, and testing labs. Also of significance, legislation was introduced in January 2017 in Guam to legalize the recreational use of marijuana. The bill would allow anyone 21 years and older to purchase and possess up to an ounce of marijuana from licensed distributors.

Continuing into 2018, both marijuana initiatives, medical and recreational, remain at a standstill from being fully implemented.

In 2015, half (49.2%) of all high school students in Guam reported using marijuana in their lifetime, and almost one-third (30.2%) had used marijuana within 30 days of the survey, compared to 21.7 percent in the United States. A smaller number, 4.5 percent, of Guam high school students reported using methamphetamine in their lifetime, compared to only 3.0 percent in the United States. In 2015, 10.7 percent of high school students reported taking a prescription drug, such as OxyContin, Percocet, Vicodin, Adderall, Ritalin, or Xanax, without a doctor's prescription.

## DRUG TRAFFICKING GROUPS

DTOs in Guam are typically comprised of Korean, Filipino, and Chinese traffickers who smuggle methamphetamine to the island via couriers. Mexican organizations may supply some of the methamphetamine reaching Guam indirectly via the U.S. mainland.

Drug proceeds are often mailed back to the United States mainland or sent electronically through established bank accounts. Similarly, proceeds are sent via wire transfer to South Korea, China, and other Asian countries. Generally, the proceeds are either reinvested to purchase additional quantities of the drug and/or are used to purchase vehicles or personal goods.

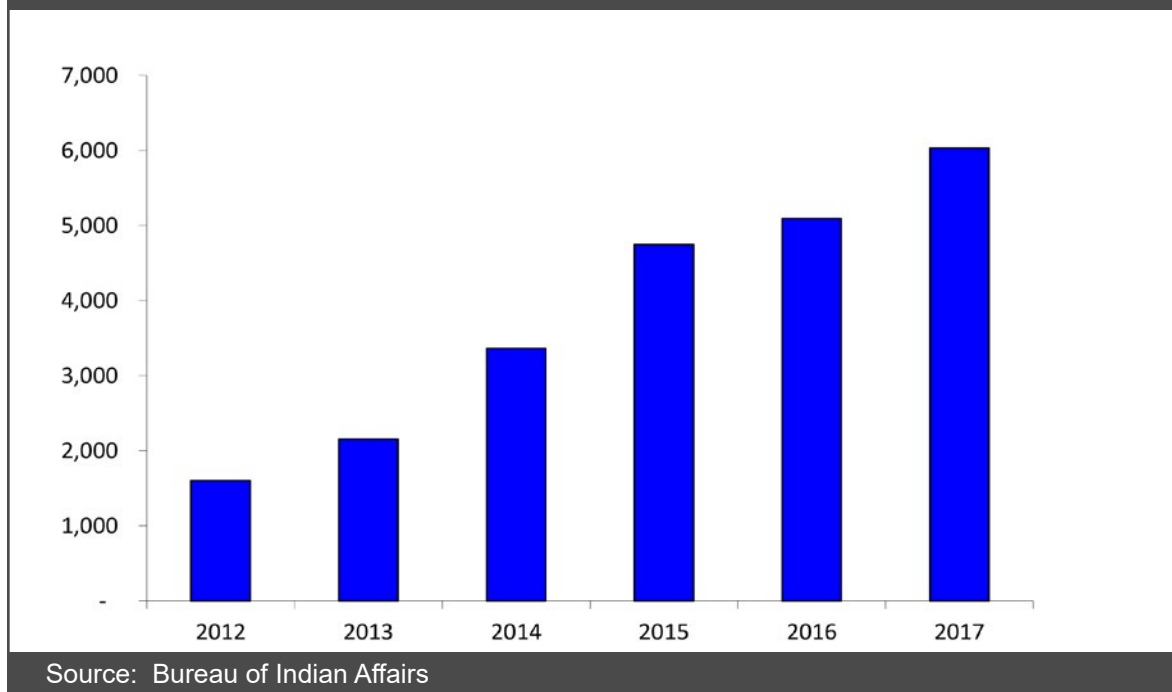
## TRIBAL LANDS

### DRUG THREAT IN INDIAN COUNTRY

The drug threat in Indian Country varies by region and is influenced by the illicit drugs available in major cities near the reservations. Native American criminal groups and independent dealers, who travel to nearby cities to purchase drugs, primarily from Mexican traffickers and other criminal groups, transport most illicit drugs available throughout Indian Country to reservations. In some instances, distributors residing on remote reservations travel long distances to obtain drugs for distribution in their home communities. The number of drug cases and arrests conducted by Indian Country law enforcement programs has increased substantially since 2011 (see Figure 140). In FY 2017, there was an overall increase (approximately 18%) in the number of drug cases opened across all Indian Country law enforcement programs.

High levels of unemployment and poverty are prevalent throughout Indian Country and contribute to Native American communities' susceptibility to substance abuse and exploitation by drug traffickers. While marijuana and methamphetamine are the illicit substances most widely used by American Indians, prescription drugs and heroin use have increased in many areas of Indian Country. Although marijuana is the most widely available illicit drug on reservations, crystal methamphetamine, powder and crack cocaine, diverted pharmaceuticals, heroin, heroin/fentanyl mixes, and MDMA are also available at various levels. Mexican traffickers are principal wholesale suppliers and producers of most illicit drugs available on reservations throughout Indian Country. Overall, Indian Country saw a substantial increase in methamphetamine and heroin seizures in FY 2017; but saw a decrease in marijuana eradication during the same reporting period, causing the 22.32 percent decrease in the overall seizure total. Methamphetamine

Figure 140. Indian Country Law Enforcement Program Drug Cases, FY 2012 – FY 2017.



## INDIAN AFFAIRS AND THE BUREAU OF INDIAN AFFAIRS

Indian Affairs is the oldest bureau of the United States Department of the Interior. Established in 1824, this bureau, presently also known as the Bureau of Indian Affairs (BIA) provides services (directly or through contracts, grants, or compacts) to approximately 1.9 million American Indians and Alaska Natives. There are 573 federally recognized American Indian tribes and Alaska Natives in the United States. BIA is responsible for the administration and management of 55 million surface acres and 57 million acres of subsurface minerals estates held in trust by the United States for American Indians.

continues to be the most prevalent drug seized from drug operations in Indian Country. Field agents reported an increase in heroin being sold in Indian Country and expect numbers to rise in FY 2018.

Drug production in Indian Country is limited; however, there are readily available supplies of illicit drugs typically in cities near reservations. In the case of reservations bordering Mexico and Canada, illicit drugs are readily available due to the transportation of drugs through them. Further, Mexican traffickers play a prominent role in producing cannabis at outdoor grow sites in remote locations on reservations, particularly in the Pacific Region.

Traffickers continue to smuggle multiple tons of marijuana through the Tohono O'odham Reservation in eastern Arizona, which accounts for almost four percent of the U.S.—Mexico border. These traffickers also smuggle lesser amounts of cocaine, heroin, and methamphetamine. Drug traffickers exploit the vast stretches of remote, sparsely populated desert, the 75 miles of largely unprotected border with Mexico, and the highways that connect the reservation to major metropolitan areas to distribute illicit drugs in markets throughout the United States.

Traffickers also smuggle large amounts of illicit drugs into the United States through reservations that border Canada, especially the St. Regis Mohawk Reservation in New York, commonly referred to as the Akwesasne. Traffickers smuggle multi-thousand tablet quantities of MDMA into the United States and multi-kilogram quantities of cocaine into Canada through the reservation.

The widespread availability and abuse of drugs in Indian Country, coupled with drug trafficking groups operating in Indian Country, contribute to high rates of crime on reservations. Due to the wide range of violent and property crimes traffickers engage in, the crime rates on some reservations can be five times higher (in some cases more) than the national averages for similar crimes. Drug traffickers engage in these crimes to facilitate their operations, while abusers generally engage in such crimes to support their addiction. Further, most reservations remain economically depressed and lack the resources necessary to counter the drug threat.

Native American gangs, such as the Indian Brotherhood (IBH) Gang, had a continued presence in Indian Country during 2017. Members of this particular prison gang communicate with friends, family, and criminal associates on the outside of prison via use of contraband cellular telephones within the prison to conduct drug trafficking. Gang members in prison have access to other incarcerated drug traffickers who also have criminal associates outside of prison. Native American gangs utilize new prospect members to conduct drug transactions and collect on debts through violent means.

Beginning in the summer of 2016, law enforcement in Northeast Oklahoma noticed an increase in violent crimes involving the IBH. These incidents involved homicides, burglaries, and drug distribution at Tribal casinos and lands. Through the course of investigations, agents identified leaders within the gang's hierarchy. Law enforcement determined IBH had previously smuggled contraband including drugs, paraphernalia, and cellular telephones into the Oklahoma Department of Corrections Facility in

**Figure 141. Heroin and Methamphetamine Seized During Bureau of Indian Affairs Operations.**



Source: Bureau of Indian Affairs

McAlester, Oklahoma. The BIA Division of Drug Enforcement (DDE) and the DEA worked jointly on two OCDETF cases targeting long-term drug conspiracies.

BIA agents were able to obtain large quantities of heroin and methamphetamine from members of the gang. Law enforcement officers were later able to identify one of the leaders of the IBH in order to pursue an investigation. As a result, 13 members or associates of the IBH were arrested and over 12 kilograms of methamphetamine and four ounces of heroin were seized (see Figure 141).

Since late 2014, several Native American reservations have passed resolutions allowing for both personal use and medical marijuana. These reservations are generally located within states that have already approved medical, personal use, or hemp marijuana. In 2017, Tribes continued to expand their enterprises to include marijuana dispensaries and cultivation operations.

In August 2017, local law enforcement contacted the BIA DDE and reported the Santa Rosa Band of Cahuilla Indians in Riverside County, CA had a large marijuana grow operation. The grow operation reportedly had in excess of 200,000 plants and was guarded by armed personnel hired by the Tribe. Agents began a multi-week long investigation and the United States Attorney's Office eventually contacted the Tribe regarding the legality of the grow operation.

**Figure 142. Marijuana Grow Operations on Tribal Lands.**



Source: Bureau of Indian Affairs

BIA DDE sent a small number of agents to assist with the eradication operation after being informed that the Tribe was cooperating and the grow site had essentially been abandoned. Law enforcement personnel arrived at the grow site early in November and eradicated 38,973 marijuana plants (see Figure 142).

## APPENDIX A: ADDITIONAL TABLES

**Figure A1. Top Ten States Impacted by Drug Overdose Deaths, 2016.**

Rank	State	Age-Adjusted Death Rate Per 100,000 Population	Number of Deaths
1	West Virginia	52	884
2	Ohio	39.1	4329
3	New Hampshire	39	481
4	Washington D.C.	38.8	269
5	Pennsylvania	37.9	4627
6	Kentucky	33.5	1,419
7	Maryland	33.2	2,044
8	Massachusetts	33	2227
9	Delaware	30.8	282
10	Rhode Island	22.2	326

Source: National Center for Health Statistics/Centers for Disease Control and Prevention



**Figure A2. Trends in Lifetime, Past Year, and Past Month Drug Use Among Persons Aged 12 or Older, 2011 - 2016.**

<b>Lifetime Use</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Cocaine (any form)	36,921,000	37,688,000	37,634,000	39,200,000	38,744,000	38,880,000
Crack Cocaine	8,214,000	9,015,000	8,870,000	9,424,000	9,035,000	8,776,000
Heroin	4,162,000	4,565,000	4,812,000	4,813,000	5,099,000	4,981,000
Marijuana	107,842,000	111,239,000	114,712,000	117,213,000	117,865,000	118,524,000
Methamphetamine	NC	NC	NC	NC	14,511,000	14,533,000
Prescription Psychotherapeutics	51,243,000	54,389,000	53,172,000	54,395,000	NR	NR
Prescription Pain Relievers	34,247,000	37,045,000	35,473,000	36,064,000	NR	NR
<b>Past Year Use</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Cocaine (any form)	3,857,000	4,671,000	4,182,000	4,553,000	4,828,000	5,071,000
Crack Cocaine	625,000	921,000	632,000	773,000	833,000	882,000
Heroin	620,000	669,000	681,000	914,000	828,000	948,000
Marijuana	29,739,000	31,513,000	32,952,000	35,124,000	36,043,000	37,570,000
Methamphetamine	NC	NC	NC	NC	1,713,000	1,391,000
Prescription Psychotherapeutics	NC	NC	NC	NC	18,492,000	18,671,000
Prescription Pain Relievers	NC	NC	NC	NC	12,462,000	11,517,000
<b>Past Month Use</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Cocaine (any form)	1,369,000	1,650,000	1,549,000	1,530,000	1,876,000	1,874,000
Crack Cocaine	228,000	443,000	377,000	354,000	394,000	432,000
Heroin	281,000	335,000	289,000	435,000	329,000	475,000
Marijuana	18,071,000	18,855,000	19,810,000	22,188,000	22,226,000	23,981,000
Methamphetamine	NC	NC	NC	NC	897,000	667,000
Prescription Psychotherapeutics	NC	NC	NC	NC	6,365,000	6,207,000
Prescription Pain Relievers	NC	NC	NC	NC	3,775,000	3,350,000

Source: National Survey on Drug Use and Health

Note: Misuse of prescription psychotherapeutics is defined as use in any way not directed by a doctor. Prescription Psychotherapeutics include pain relievers, tranquilizers, stimulants, or sedatives and do not include over-the-counter drugs. Prescription psychotherapeutic subtypes were revised in 2016.

NC = Not comparable due to methodological changes; NR = Not reported due to measurement issues

<b>Figure A3. Adolescent Trends of Past Year Drug Use, in Percentage, 2013 - 2017.</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>COCAINE</b>					
<b>8th Grade</b>	1.0	1.0	0.9	0.8	0.8
<b>10th Grade</b>	1.9	1.5	1.8	1.3	1.4
<b>12th Grade</b>	2.6	2.6	2.5	2.3	2.7
<b>HEROIN</b>					
<b>8th Grade</b>	0.5	0.5	0.3	0.3	0.3
<b>10th Grade</b>	0.6	0.5	0.5	0.3	0.2
<b>12th Grade</b>	0.6	0.6	0.5	0.3	0.4
<b>MARIJUANA</b>					
<b>8th Grade</b>	12.7	11.7	11.8	9.4	10.1
<b>10th Grade</b>	29.8	27.3	25.4	23.9	25.5
<b>12th Grade</b>	36.4	35.1	34.9	35.6	37.1
<b>METHAMPHETAMINE</b>					
<b>8th Grade</b>	1.0	0.6	0.5	0.4	0.5
<b>10th Grade</b>	1.0	0.8	0.8	0.4	0.4
<b>12th Grade</b>	0.9	1.0	0.8	0.6	0.6
<b>PRESCRIPTION NARCOTICS</b>					
<b>8th Grade</b>	NA	NA	NA	NA	NA
<b>10th Grade</b>	NA	NA	NA	NA	NA
<b>12th Grade</b>	15.9	13.9	12.9	12.0	10.9
<b>SYNTHETIC MARIJUANA</b>					
<b>8th Grade</b>	4.0	3.3	3.1	2.7	2.0
<b>10th Grade</b>	5.4	5.4	4.3	3.3	2.7
<b>12th Grade</b>	7.9	5.8	5.2	3.5	3.7
<b>BATH SALTS</b>					
<b>8th Grade</b>	1.0	0.5	0.4	0.9	0.9
<b>10th Grade</b>	0.9	0.9	0.7	0.8	0.8
<b>12th Grade</b>	0.9	0.9	1.0	0.8	0.8
Source: Monitoring the Future Study					
NA = Data not available for this age group					

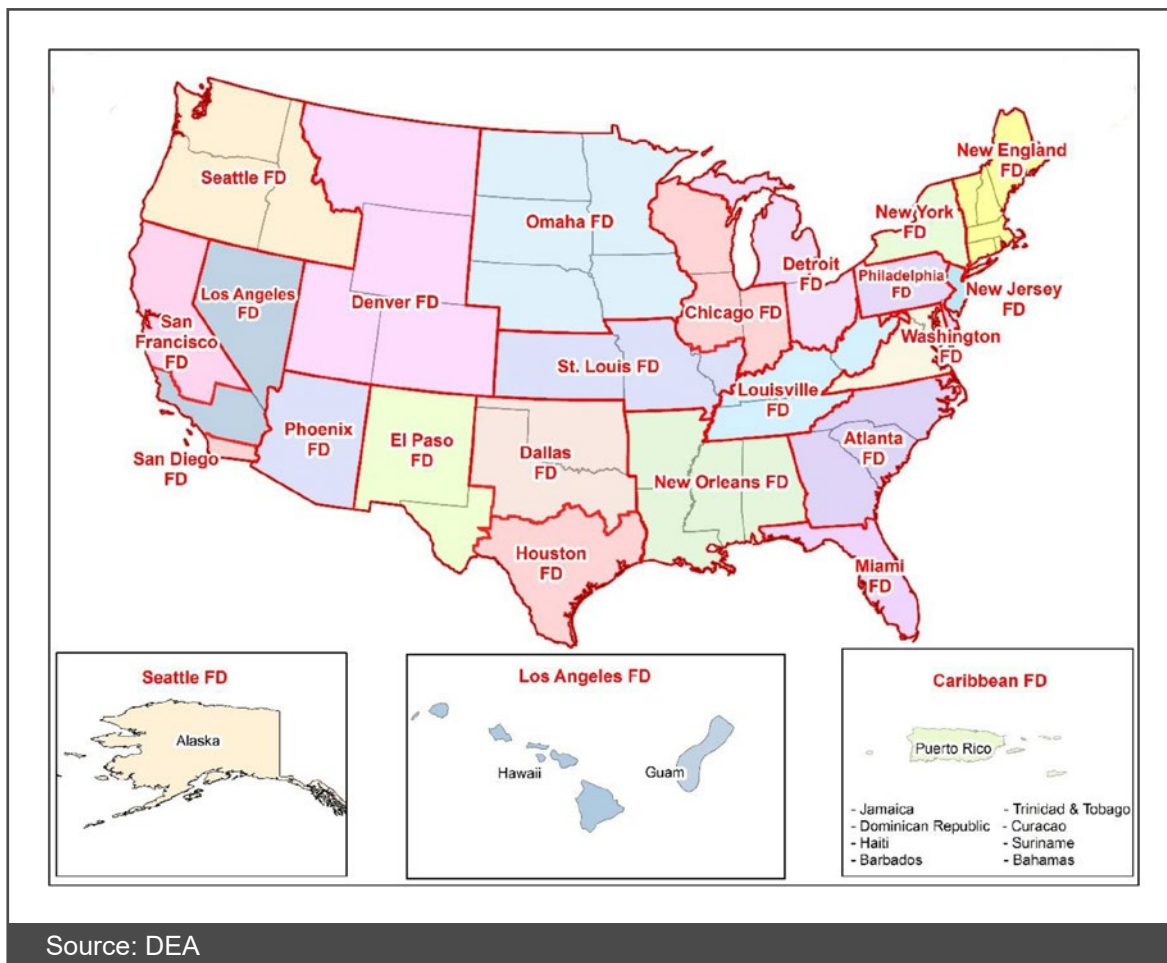
**Figure A4. Number of Admissions to Publicly-Licensed Treatment Facilities, By Primary Substance, 2011 – 2015.**

	2011	2012	2013	2014	2015
Cocaine	152,349	126,371	106,594	88,623	74,710
Heroin	286,305	304,794	344,387	366,853	401,743
Marijuana	352,396	317,383	291,447	251,233	213,001
Methamphetamine	107,242	117,594	131,270	135,264	135,264
Non-Heroin Opiates/ Synthetics*	200,424	183,244	163,602	134,827	124,943

Source: Treatment Episode Data Set

\*These drugs include codeine, hydrocodone, hydromorphone, meperidine, morphine, opium, oxycodone, pentazocine, propoxyphene, tramadol, and any other drug with morphine-like effects. Non-prescription use of methadone is not included.

# APPENDIX B: TWENTY-THREE DEA FIELD DIVISIONS



## APPENDIX C: NATIONAL DRUG THEAT ASSESSMENT SCOPE AND METHODOLOGY

The *2018 National Drug Threat Assessment (NDTA)* is a comprehensive assessment of the threat posed to the United States by the trafficking and abuse of illicit drugs. The report provides strategic analysis of the domestic drug situation during 2017, based upon the most recent law enforcement, intelligence, and public health data available for the period. It also considers data and information from 2016 and earlier, when appropriate, to provide the most accurate assessment possible to policymakers, law enforcement authorities, and intelligence officials.

In preparation of this report, a full year of data is collected for each drug category by DEA Intelligence Research Specialists. DEA Intelligence Research Specialists considered quantitative data from various sources (seizures, investigations, arrests, drug purity or potency, and drug prices; law enforcement surveys; laboratory analyses; and interagency production and cultivation estimates) and qualitative information (subject views of individual agencies on drug availability, information on the involvement of organized criminal groups, information on smuggling and transportation trends, and indicators of changes in smuggling and transportation methods).

## APPENDIX D: ACRONYM GLOSSARY

<b>AAPCC</b>	American Association of Poison Control Centers
<b>ADHD</b>	Attention Deficit Hyperactivity Disorder
<b>AML</b>	Anti-Money Laundering
<b>AMO</b>	Air and Marine Operations (CBP)
<b>ANPP</b>	4-anilino-N-phenethyl-4-piperidone
<b>AOR</b>	Area of Responsibility
<b>ARCOS</b>	Automation of Reports and Consolidated Orders System (DEA)
<b>ATF</b>	United States Bureau of Alcohol, Tobacco, Firearms, and Explosives
<b>ATM</b>	Automated Teller Machine
<b>AUC</b>	United Self-Defense Forces of Colombia (Autodefensas Unidas de Colombia)
<b>BA</b>	Barrio Azteca (Gang)
<b>BHWC</b>	Blue Lightning Operations Center (DHS)/Gulf Coast HIDTA Watch Center
<b>BIA</b>	United States Bureau of Indian Affairs
<b>BLO</b>	Beltran-Leyva Organization
<b>BOP</b>	United States Federal Bureau of Prisons
<b>CAMB</b>	Caribbean Air and Marine Branch (CBP)
<b>CANU</b>	Guyana Customs Anti-Narcotics Unit
<b>CBD</b>	Cannabidiol
<b>CBP</b>	United States Customs and Border Protection
<b>CDC</b>	United States Centers for Disease Control and Prevention
<b>CDN</b>	Northeast Cartel (Cartel del Noreste)
<b>CJNG</b>	Cartel Jalisco Nueva Generacion (Jalisco New Generation Cartel)
<b>CMEA</b>	Combat Methamphetamine Epidemic Act
<b>CPD</b>	Controlled Prescription Drugs
<b>CPOT</b>	Consolidated Priority Organization Target
<b>CSA</b>	Controlled Substances Act
<b>CSP</b>	Cocaine Signature Program
<b>CY</b>	Calendar Year
<b>DCE/SP</b>	Domestic Cannabis Eradication/Suppression Program
<b>DDE</b>	Division of Drug Enforcement (BIA)
<b>DEA</b>	United States Drug Enforcement Administration
<b>DHS</b>	United States Department of Homeland Security
<b>DO</b>	District Office (DEA)
<b>DOJ</b>	United States Department of Justice
<b>DTO</b>	Drug Trafficking Organization
<b>ECO</b>	Express Consignment Operations
<b>EMS</b>	Emergency Medical Services
<b>EPAC</b>	Eastern Pacific
<b>EPIC</b>	El Paso Intelligence Center

<b>EV</b>	Old School Zetas (Escuela Vieja)
<b>FARC</b>	Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia)
<b>FBI</b>	United States Federal Bureau of Investigation
<b>FD</b>	Field Division
<b>FinCEN</b>	Financial Crimes Enforcement Network
<b>FRS</b>	Fentanyl-related Substances
<b>FSPP</b>	Fentanyl Signature Profiling Program
<b>FY</b>	Fiscal Year
<b>GAO</b>	Armed Criminal Organizations (Grupos Armados Organizados)
<b>GET</b>	Gang Enforcement Task Force
<b>GFG</b>	Ghost Face Gangsters (Gang)
<b>GPF</b>	Guyana Police Force
<b>HASC</b>	Hells Angels Sonoma County (Gang)
<b>HCI</b>	Hydrochloride (frequently used to describe Powder Cocaine)
<b>HDMP</b>	Heroin Domestic Monitoring Program
<b>HIDTA</b>	High Intensity Drug Trafficking Area
<b>HSI</b>	United States Homeland Security Investigations (ICE)
<b>HSP</b>	Heroin Signature Program
<b>IBH</b>	Indian Brotherhood (Gang)
<b>ICE</b>	United States Immigration and Customs Enforcement
<b>IRS</b>	United States Internal Revenue Service
<b>JIATF-S</b>	Joint Interagency Task Force - South
<b>K-9</b>	Canine
<b>LFM</b>	The Michoacan Family (La Familia Michoacana)
<b>LGS</b>	Lennox-Gastaut Syndrome
<b>LGU</b>	The United Warriors (Los Guerreros Unidos)
<b>LSD</b>	Lysergic Acid Diethylamide
<b>MBG</b>	Millbrook Gangstas (Gang)
<b>MDMA</b>	3,4-Methylenedioxymethamphetamine
<b>MLO</b>	Money Laundering Organization
<b>MPP</b>	Methamphetamine Profiling Program
<b>MS-13</b>	Mara Salvatrucha (Gang)
<b>MSB</b>	Money Service Business
<b>MSE</b>	Major Stackz Entertainment (Gang)
<b>MTF</b>	Monitoring the Future
<b>MVTS</b>	Money Value Transfer System
<b>NBG</b>	Neighborhood-based Gangs
<b>NDTA</b>	National Drug Threat Assessment
<b>NFLIS</b>	National Forensic Laboratory Information System
<b>NGIC</b>	National Gang Intelligence Center
<b>NGR</b>	National Gang Report
<b>NPP</b>	N-phenethyl-4-piperidone

<b>NPS</b>	New Psychoactive Substances
<b>NSDUH</b>	National Survey on Drug Use and Health
<b>NSS</b>	National Seizure System
<b>OCDEF</b>	Organized Crime Drug Enforcement Task Force
<b>OFAC</b>	Office of Foreign Assets Control (United States Department of Treasury)
<b>OMG</b>	Outlaw Motorcycle Gang
<b>ONDCP</b>	United States Office of National Drug Control Policy
<b>OPB</b>	Original Paid Bosses (Gang)
<b>P2P</b>	Phenyl-2-Propanone
<b>PDMP</b>	Prescription Drug Monitoring Program
<b>PHP</b>	Public Housing Project
<b>POE</b>	Port of Entry (CBP)
<b>POV</b>	Privately Owned Vehicles
<b>PPE</b>	Personal Protective Equipment
<b>PPG</b>	Price per Pure Gram
<b>PRPD</b>	Puerto Rico Police Department
<b>PSM</b>	Partnership for Safe Medicines
<b>RICO</b>	Racketeer Influenced and Corrupt Organizations Act
<b>RO</b>	Resident Office (DEA)
<b>SAMHSA</b>	Substance Abuse and Mental Health Services Administration
<b>SEDENA</b>	Mexican Army
<b>SOP</b>	Statement of Principles
<b>SWB</b>	Southwest Border
<b>TBML</b>	Trade-Based Money Laundering
<b>TCB</b>	Tri-City Bombers (Gang)
<b>TCO</b>	Transnational Criminal Organization
<b>TEDS</b>	Treatment Episode Data Set
<b>THC</b>	Tetrahydrocannabinol
<b>THCA</b>	Tetrahydrocannabinolic acid
<b>TOR</b>	The Onion Router
<b>TPCN</b>	Texas Poison Center Network
<b>TXDPS</b>	Texas Department of Public Safety
<b>UAS</b>	Unmanned Aerial System
<b>VRN</b>	National Violence Reduction Network
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>USBP</b>	United States Border Patrol
<b>USC</b>	United States Currency
<b>USCG</b>	United States Coast Guard
<b>USD</b>	United States Dollars
<b>USG</b>	United States Government
<b>USMS</b>	United States Marshals Service
<b>USPS</b>	United States Postal Service
<b>VC</b>	Virtual Currency



<b>WSC</b>	West Side Crips (Gang)
<b>YGz</b>	Young Gunnaz (Gang)

This page intentionally left blank.

This page intentionally left blank.

UNCLASSIFIED



UNCLASSIFIED