National Drug Threat Assessment 2005

Executive Summary

National Drug Intelligence Center
U.S. Department of Justice

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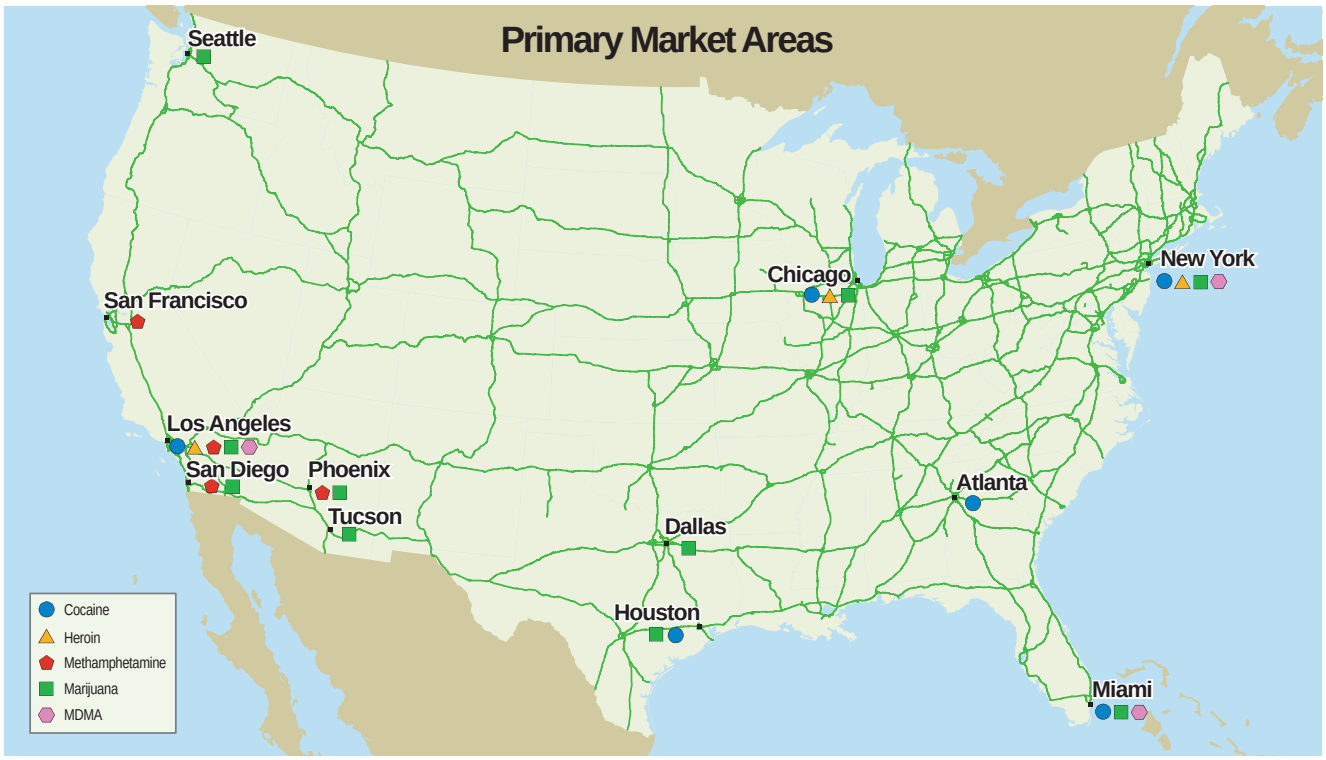
National Drug Threat Assessment 2005: Executive Summary

The abuse of illicit drugs such as cocaine, methamphetamine, marijuana, heroin, and MDMA as well as diverted pharmaceuticals inflicts tremendous damage on society, particularly on the millions of families that have a member struggling with illicit drug dependence or addiction. According to U.S. Department of Health and Human Services data, nearly 35 million persons aged 12 or older used an illicit drug within the past year, and approximately 3.8 million were dependent on or abusers of illicit drugs in 2003, the latest year for which such data are available. Data also show that the number of drug treatment admissions to publicly funded treatment facilities in 2002 reached their highest recorded level at nearly 1.1 million.



Primary Market Areas (PMAs) for cocaine, methamphetamine, heroin, and MDMA are those cities that are leading consumption areas for these drugs based on analysis of public health data. PMAs also are among the leading national-level distribution centers for wholesale quantities of these drugs based primarily on law enforcement reporting and analysis of drug seizure data. PMAs for marijuana are based on national-level distribution alone because rates of marijuana use are relatively high and stable in markets throughout the country.

Overall Key Findings

- Mexican criminal groups exert more influence over drug trafficking in the United States than any other group. Mexican criminal groups smuggle most of the cocaine available in domestic drug markets into the country. Moreover, Mexican criminal groups produce and subsequently smuggle into the country much of the heroin, marijuana, and methamphetamine available in U.S. drug markets. Mexican criminal groups also produce large amounts of marijuana and methamphetamine within the United States for domestic distribution. Mexican criminal groups

are the predominant transporters and wholesale distributors of cocaine and methamphetamine in most regions of the country; they are the predominant transporters and wholesale distributors of heroin in western regions of the country; and they are very prominent transporters and wholesale distributors of marijuana throughout the country.

- Mexican drug trafficking organizations (DTOs) appear to be gaining control of a larger percentage of the cocaine smuggled into the United States. The estimated percentage of cocaine smuggled into the United States via the Mexico–Central America corridor increased sharply from 72 percent in 2002 to 77 percent in 2003, and preliminary data indicate that the percentage may be higher than 90 percent for 2004. Nearly all of the cocaine transported through the Mexico–Central America corridor ultimately is smuggled across the U.S.–Mexico border by Mexican criminal groups for subsequent distribution in the United States.
- Domestic drug markets appear to be increasingly supplied with methamphetamine produced in methamphetamine superlabs in Mexico.
- Production and distribution of ice methamphetamine—a higher purity, more addictive form of methamphetamine—by Mexican criminal groups has increased sharply over the past 2 years in many drug markets.
- Colombian DTOs are increasingly relying on Mexican DTOs and criminal groups to transport South American heroin to the United States, much as they rely on Mexican DTOs to transport cocaine.
- The threat posed to the United States by the illegal diversion and abuse of prescription drugs has increased sharply since the mid-1990s and is now among the leading drug threats to the country.
- Law enforcement reporting indicates that transportation of bulk currency out of the United States—primarily overland across the U.S.–Mexico border—is the principal form of money laundering by DTOs.

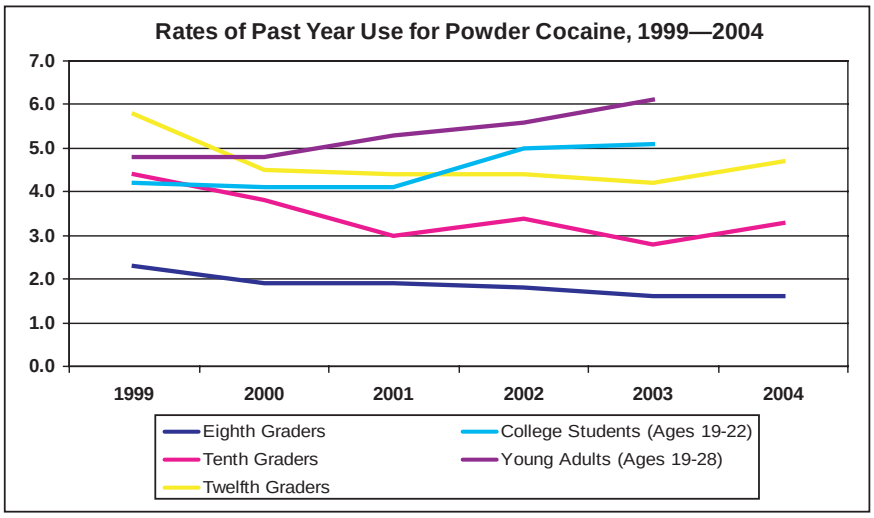
Cocaine

The threat posed to the United States by the trafficking and abuse of cocaine is very high. Despite significant success in reducing worldwide cocaine production and increasing cocaine seizures, cocaine remains readily available throughout the country. Moreover, the demand for cocaine, although declining among most age groups, remains relatively high. In fact, National Survey on Drug Use and Health (NSDUH) data indicate that in 2003 more than 5.9 million persons aged 12 or older had used cocaine within the past year.[1]

Trends and Developments

- Key indicators show stable or slightly increased cocaine availability in U.S. drug markets despite sharp decreases in the amount of cocaine transported toward the United States from South America in 2003.
- Use of powder and crack cocaine has decreased overall among eighth, tenth, and twelfth graders since 1999. Powder cocaine use among young adults has increased since 1999, while crack use has trended downward slightly.

1. The NSDUH, formerly the National Household Survey on Drug Abuse, a project of the Substance Abuse and Mental Health Services Administration (SAMHSA) since 1971, is the primary source of information on the use of illicit drugs, alcohol, and tobacco by the civilian, noninstitutionalized population in the United States.



Source: Monitoring the Future.

- According to intelligence community estimates, potential worldwide cocaine production has decreased sharply since 2001, primarily because of a 34 percent decline in cocaine production in Colombia from 700 metric tons in 2001 to 460 metric tons in 2003.

Table 1: Andean Region Coca Cultivation, in Hectares, and Potential Cocaine Production, in Metric Tons, (100% pure), 1999–2003

	1999	2000	2001	2002	2003
Net Cultivation (ha)	183,000	190,000	223,700	205,450	173,450
Potential Cocaine Production (mt)	730	750	900	800	655

Source: Crime and Narcotics Center: *Major Narcotics-Producing Nations.*

- The total amount of cocaine destined for U.S. drug markets decreased sharply in 2003.

Table 2: Cocaine Losses in Transit Toward the United States, in Metric Tons, 2002–2003

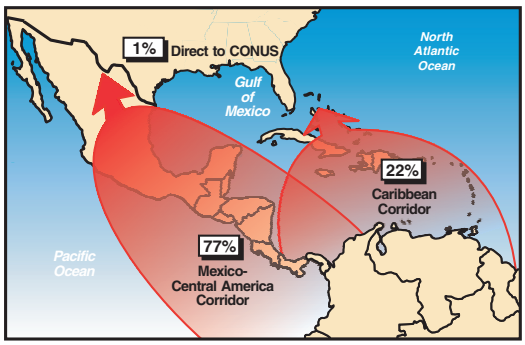
Departed South America Moving Toward US		Lost or Seized in Transit Toward US	Seized in US Arrival Zone	Cocaine Available to US Markets
2002	532*	138	32	362
2003	422*	157	32	233

Source: Interagency Assessment of Cocaine Movement, 2003.

*Unprecedented levels of eradication have introduced an element of uncertainty to these estimates.

- According to the Interagency Assessment of Cocaine Movement (IACM), an estimated 77 percent of the cocaine detected moving toward the United States in 2003 was transported through the Mexico–Central America corridor, an increase from 72 percent in 2002. Moreover, preliminary data show that the percentage of cocaine detected moving toward the United States through the Mexico–Central America corridor may have been higher than 90 percent in 2004.

Cocaine Flows to the United States



Boundary representations are not necessarily authoritative.

- Atlanta, Chicago, Los Angeles, Houston, Miami, and New York are the cocaine PMAs because these cities have demonstrated very high levels of cocaine abuse and are among the largest regional- or national-level cocaine distribution centers. Dallas and Phoenix are national-level cocaine distribution centers, but cocaine abuse in these cities is significantly lower than in many metropolitan areas. Cocaine consumption is very high in Baltimore, Detroit, and Philadelphia; however, drug seizure data show relatively little cocaine distribution from these cities to other significant drug markets.

Methamphetamine

The threat posed to the United States by the trafficking and abuse of methamphetamine is high and increasing. Methamphetamine availability, production, and distribution are increasing nationally; however, national-level data do not indicate a clear trend—either increasing or decreasing—with respect to rates of methamphetamine use. Nevertheless, demand for the drug is relatively high. In fact, NSDUH 2003 data indicate that in 2003 more than 1.3 million persons aged 12 or older had used methamphetamine within the past year.

Unique Challenges of Methamphetamine Production and Abuse

Methamphetamine production and abuse present unique challenges to law enforcement and public health officials, particularly in rural areas where much of the production and abuse occurs. Law enforcement personnel, first responders, clandestine laboratory operators, and those in proximity to laboratories—particularly children—often are injured as a result of chemical burns, fires, and explosions at clandestine laboratories. The environmental damage caused by improper storage and disposal of chemicals and chemical waste attendant to methamphetamine production is severe, and the cost of soil and structure remediation at contaminated methamphetamine production sites is significant. Child neglect and abuse are common within families whose parents or caregivers produce or use methamphetamine.

Trends and Developments

- Powder methamphetamine is the predominant type available in the United States, and law enforcement reporting as well as drug survey data indicates that, nationally, powder methamphetamine availability is increasing.
- The availability of ice methamphetamine has increased in the past year because of an increase in ice production and distribution by Mexican criminal groups; however, this form of the drug is not as widely available in the United States as powder methamphetamine.

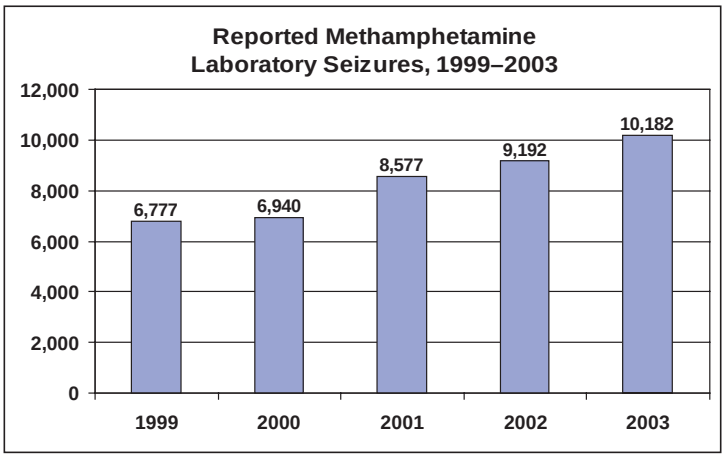
Powder methamphetamine
- most common form
- crystalline texture and water soluble
- usually is injected or snorted but also can be ingested orally or smoked

Ice methamphetamine
- highly pure and very addictive
- resembles shards of ice or rock salt
- usually is smoked

Methamphetamine tablets
- the size of a pencil eraser
- typically ingested orally or smoked
- can be crushed and snorted or mixed with water and injected

- National-level rates of use for methamphetamine are lower than those for many illicit drugs, primarily because the drug is largely unavailable to significant portions of the population, such as those in the Northeast (the most populous region in the country). Nevertheless, according to Monitoring the Future (MTF) study, past year use of methamphetamine among young adults fluctuated but declined overall from 1999 to 2003. Among adolescents, rates of past year use for methamphetamine also decreased overall from 1999 to 2004.

- El Paso Intelligence Center (EPIC) National Clandestine Laboratory Seizure System (NCLSS) data show that, nationally, there has been a steady increase in the number of reported laboratory seizures since 1999 and that laboratory seizures have increased sharply in most eastern states. However, the number of reported superlab seizures has decreased sharply from 246 in 2001, to 144 in 2002, and 133 in 2003, likely because Mexican criminal groups producing the drug in the United States are having greater difficulty in obtaining bulk quantities of pseudoephedrine from Canada. In fact, preliminary data show that superlab seizures may have declined significantly in 2004.



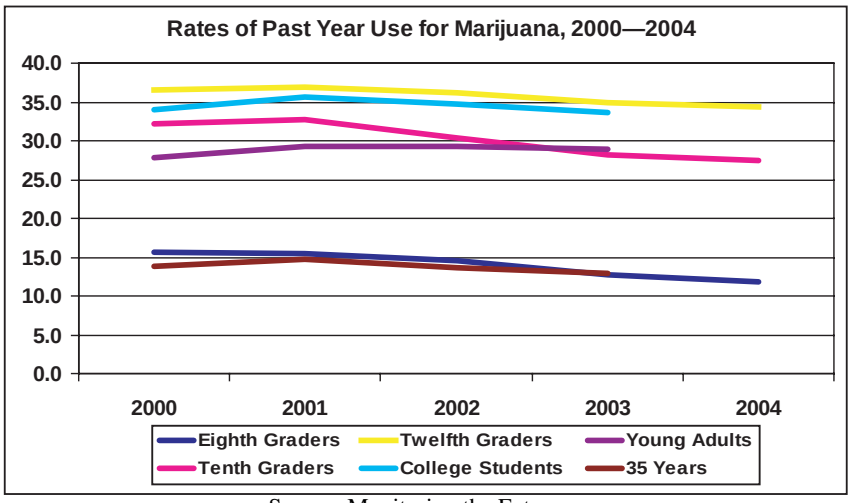
Source: El Paso Intelligence Center National Clandestine Laboratory Seizure System.

- Methamphetamine production appears to have increased sharply in Mexico since 2002. Mexican criminal groups are able to acquire bulk quantities of pseudoephedrine and ephedrine from China and other countries for use in Mexico-based laboratories.
- Methamphetamine smuggling from Mexico into the United States via Arizona appears to have increased sharply since 2001. More methamphetamine was seized at or between ports of entry (POEs) in Arizona in 2003 than at or between POEs in California or Texas.
- Los Angeles, Phoenix, San Diego, and San Francisco are the PMAs for methamphetamine because these cities have very high levels of methamphetamine abuse and are among the leading regional- or national-level methamphetamine distribution centers. Several other significant markets for methamphetamine either exhibit high levels of consumption or serve as distribution centers for the drug, although not to the extent of the four PMAs. For example, methamphetamine use in Seattle appears to be considerable as evidenced by a high number of emergency department (ED) mentions for methamphetamine; however, drug seizure data do not substantiate Seattle as a distribution center for methamphetamine at a level comparable with the PMAs. Conversely, Dallas appears to be a significant distribution center for methamphetamine based on EPIC drug seizure data; however, methamphetamine consumption in Dallas appears to be much lower than in the PMAs.

Marijuana

The prevalence of marijuana and a continuing high demand for the drug underlie its stability as one of the foremost drug threats. More than 95 percent of state and local law enforcement agencies describe availability of the drug as high or moderate, and 75 percent of illicit drug users aged 12 or older report current use of marijuana.

- Marijuana is readily available in drug markets throughout the United States, and interagency estimates as well as law enforcement reporting, drug survey data, and drug seizure data indicate that the availability of the drug is increasing.
- The escalating prevalence of higher potency marijuana such as sinsemilla has resulted in an increase in average marijuana potency; however, high potency marijuana constitutes a relatively small portion of the marijuana available throughout the United States. Commercial-grade marijuana is the most widely available type throughout the country.
- Demand is higher for marijuana than for any other illicit drug; however, marijuana use among eighth, tenth, and twelfth graders as well as college students has declined since peaking in the late 1990s.



Source: Monitoring the Future.

- Mexico has been the principal source for U.S.-destined foreign marijuana for decades, and already-high production levels escalated in 2003. Mexican DTOs control nearly all marijuana production in Mexico, and an estimated 13,500 metric tons of marijuana were potentially produced in Mexico during 2003—70 percent more than in the previous year. Other major sources of foreign-produced marijuana include Canada, Colombia, and Jamaica. The Royal Canadian Mounted Police (RCMP) estimates Canadian marijuana production at 800 to 2,000 metric tons. Most of the large-scale marijuana production in Canada is controlled by outlaw motorcycle gangs (OMGs) and Asian criminal groups. Marijuana production in Colombia, which is primarily controlled by Colombian DTOs, continues to be reported at 4,150 metric tons; however, this estimate has not been updated since 1996. Potential marijuana production for Jamaica has not been reported since 1997.
- Domestic marijuana production appears to be increasing, in part because of the rising involvement of U.S.-based Mexican criminal groups in large-scale cultivation operations in the United States. Cannabis cultivation is extensive in certain areas, most notably in the Pacific and Southeast Regions.
- Marijuana smuggling into the United States via borders with Mexico and Canada appears to have increased overall; however, the volume of marijuana seized along the Southwest Border greatly exceeds Northern Border amounts.

Table 3: Top Five States for Marijuana Eradication, 2003

Outdoor Plants		Indoor Plants	
California	1,109,066	**California**	72,891
Tennessee	678,635	**Washington**	23,557
Kentucky	519,986	**Florida**	16,302
Hawaii	388,903	**Oregon**	15,944
New York	95,385	**Texas**	11,722
U.S. Total	3,427,923	**U.S. Total**	223,183

Source: Drug Enforcement Administration Domestic Cannabis Eradication/Suppression Program.

Table 4: U.S. Arrival Zone Seizures of Marijuana in Kilograms*, 2001–2003

	2001	2002	2003
Southwest Border	1,059,037	1,034,635	1,173,128
Northern Border	3,601	8,370	11,183

Source: El Paso Intelligence Center.
* Numbers are rounded.

- PMAs for marijuana include Chicago, Dallas, Houston, Los Angeles, Miami, New York, Phoenix/Tucson, San Diego, and Seattle. These were determined based on the level of distribution through these markets and, in some cases, the type(s) of marijuana distributed. Use was not a determining factor for any marijuana PMA. The vast majority of foreign-produced marijuana is transported in bulk via the Southwest Border; consequently, marijuana shipments from markets such as Dallas, Houston, Los Angeles, San Diego, and Phoenix/Tucson occur more frequently and are often larger than other markets. While the volume of marijuana distributed

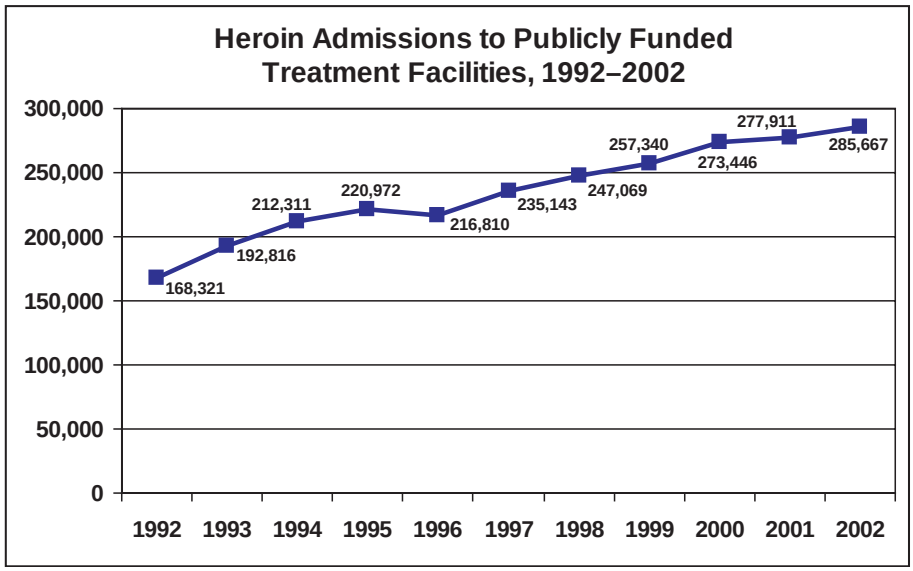
through Chicago, Miami, New York, and Seattle is small compared with markets in the southwestern United States, these markets typically have played an important role in distribution, particularly of marijuana smuggled across the Northern Border, smuggled through the Caribbean, or produced domestically.

Heroin

While the demand for heroin is significantly lower than for other drugs such as cocaine, methamphetamine, and marijuana, the consequences of heroin abuse are such that its abuse poses a significant drug threat. Slightly more than 310,000 persons aged 12 or older reported past year heroin use in 2003, considerably lower than the number of individuals who reported past year use of marijuana (25.2 million), cocaine (5.9 million), and methamphetamine (1.3 million).

Trends and Developments

- Heroin is readily available in most major metropolitan areas in the United States, and availability appears to be relatively stable overall. The availability of Southwest Asian heroin appears to have increased slightly in 2003, attributable partly to participation by certain groups—for example, Nigerian and Russian traffickers—in heroin transportation and wholesale distribution. However, compared with other types of heroin available in domestic markets, relatively little Southwest Asian heroin is destined for the United States, and preliminary 2004 data indicate that availability of Southwest Asian heroin may be declining to pre-2003 levels.
- Despite stable demand for heroin in the United States, the number of primary heroin treatment admissions continues to increase. Because heroin abusers typically abuse the drug for several years before seeking treatment, the increase likely is due to individuals seeking treatment who began abusing the drug in the mid- to late 1990s, when the demand for heroin increased significantly in the United States.



Source: Treatment Episode Data Set.

- In 2003, potential worldwide opium production and heroin production increased significantly, attributable overwhelmingly to increases in production in Afghanistan. Potential worldwide illicit opium production in 2003 was estimated at 3,757 metric tons compared with 2,237 metric tons in 2002. Worldwide heroin production was estimated at 426.9 metric tons in 2003 compared with 244.7 metric tons in 2002. (See Table 5). Moreover, 2004 estimates indicate a significant increase in illicit opium production and potential heroin production.

Table 5. Potential Worldwide Heroin Production, in Metric Tons, 1999–2003

	1999	2000	2001	2002	2003	2004
Mexico	8.8	4.5	10.7	6.8	11.9	NA*
Colombia	8.7	8.7	11.4	8.5	7.8	NA*
Afghanistan	218.0	365.0	7.0	150.0	337.0	582.0
Burma	104.0	103.0	82.0	60.0	46.0	28.0
Laos	13.0	20.0	19.0	17.0	19.0	5.0
Pakistan	4.0	19.0	0.5	0.5	5.2	NA*
Thailand	0.6	0.6	0.6	0.9	NA	NA*
Vietnam	1.0	1.4	1.4	1.0	NA	NA*
Total	358.1	522.2	132.6	244.7	426.9	NA*

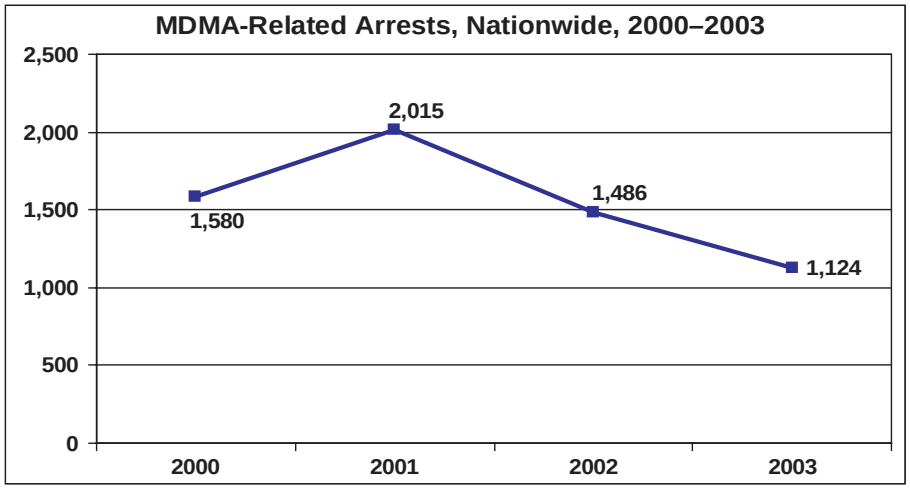
Source: Crime and Narcotics Center.
*Estimates for 2004 are not completed

- The smuggling of South American heroin across the Southwest Border—particularly through Texas—increased significantly in 2003. According to EPIC data, the amount of South American heroin seized in the U.S. Arrival Zone in Texas surpassed the amount seized in New Jersey, historically the state reporting the third highest amount of South American heroin seized, after New York and Florida.
- Chicago, Los Angeles, and New York are the three PMAs for heroin distributed throughout the United States because abuse levels are high in these cities and because wholesale quantities of heroin are distributed from these cities to heroin markets throughout the country. Other cities that are not PMAs but are significant markets in terms of abuse or distribution include Baltimore, Detroit, Miami, Newark, Philadelphia, San Francisco, Seattle, and Washington, D.C. Boston also is a very significant heroin market and previously was designated a PMA for the drug; however, Boston does not appear to be a heroin distribution center equal to Chicago, Los Angeles, and New York. In fact, law enforcement reporting indicates that most wholesale and midlevel heroin distributors in New England states are supplied directly by New York City-based wholesale distributors rather than Boston-based wholesalers.

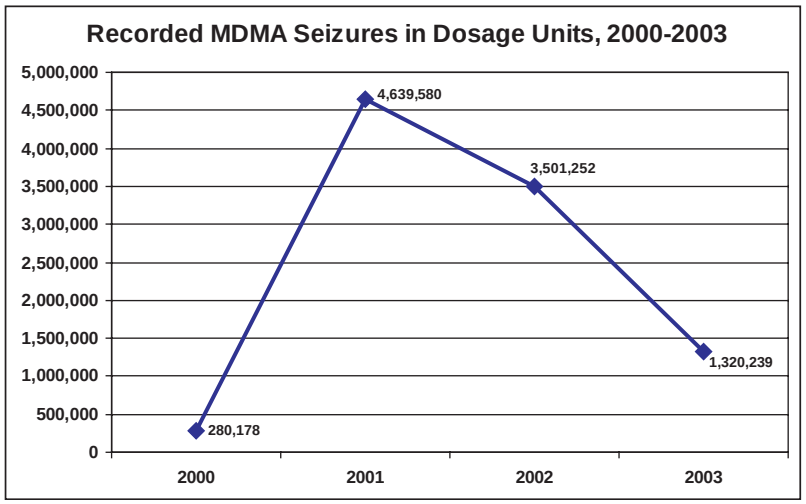
MDMA

The trafficking and abuse of MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) pose a moderate threat to the United States. Most federal, state, and local law enforcement agencies report that MDMA is readily available and abused in their areas; however, levels of availability and abuse

appear to be declining. Federal-wide Drug Seizure System (FDSS) data and law enforcement reporting indicate that federal seizures of MDMA and MDMA-related arrests have decreased each year since peaking in 2001. Demand for MDMA appears to be declining among adolescents and adults overall.



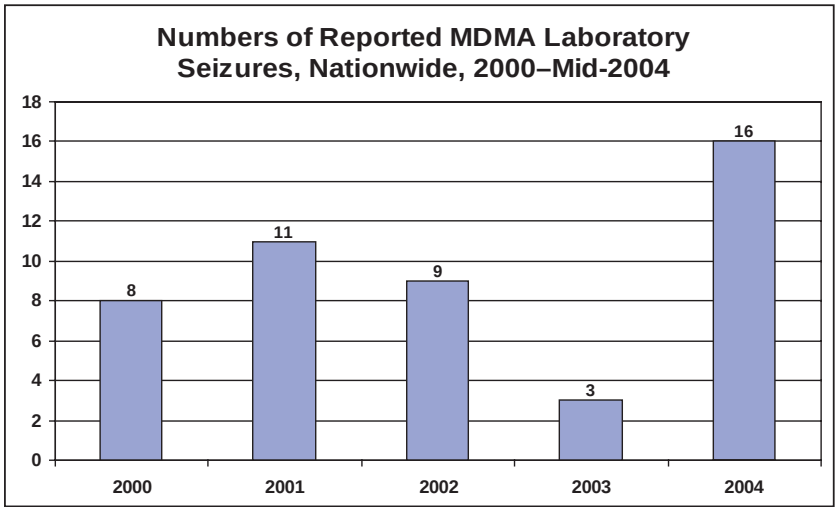
Source: Drug Enforcement Administration.



Source: Federal-Wide Drug Seizure System.

Trends and Developments

- The availability of MDMA has decreased significantly nationwide since peaking in 2001, most likely the result of increased interdiction efforts and the effective dismantling of large MDMA trafficking organizations.
- The rates of past year use for MDMA are decreasing. NSDUH data show that the estimated number of persons aged 12 or older reporting past year use of MDMA decreased significantly from nearly 3.2 million in 2002 to 2.1 million in 2003.
- Most MDMA available in the United States is produced in northwestern Europe, particularly in the Netherlands and Belgium. Very few domestic MDMA laboratories are seized each year.
- The number of MDMA dosage units seized arriving from foreign source countries decreased from 6,699,882 dosage units in 2001, to 3,771,449 dosage units in 2002, and 948,438 dosage units in 2003.



Source: El Paso Intelligence Center National Clandestine Laboratory Seizure System.

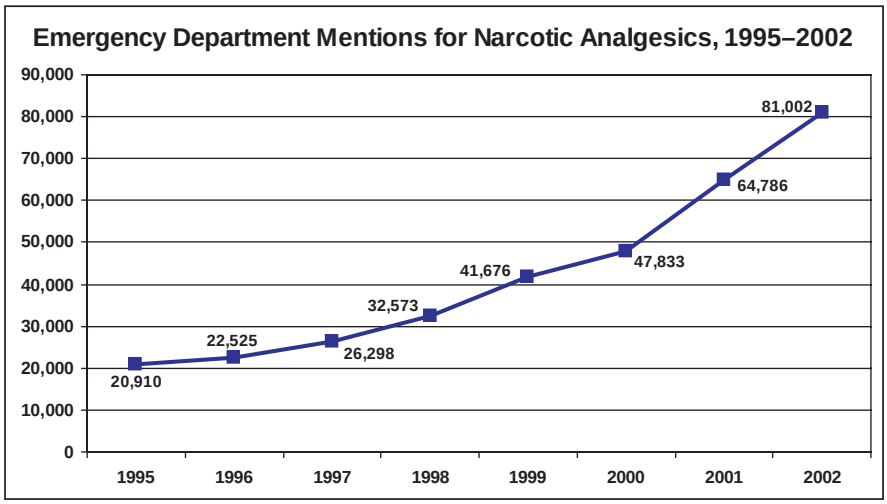
- Asian criminal groups are increasingly involved in MDMA trafficking in all regions of the United States and may surpass Israeli and Russian criminal groups as the dominant transporters and wholesale distributors of the drug.
- Los Angeles, Miami, and New York are PMAs for MDMA based on reporting from public health and law enforcement agencies. These metropolitan areas are PMAs for MDMA because of a high level of demand for the drug in these areas and the large amounts of MDMA distributed from these areas to other markets across the country. There appears to be a relatively high demand for MDMA in Philadelphia based on data that gauge MDMA-related consequences in that city; however, distribution from Philadelphia to other U.S. drug markets is limited.

Pharmaceuticals

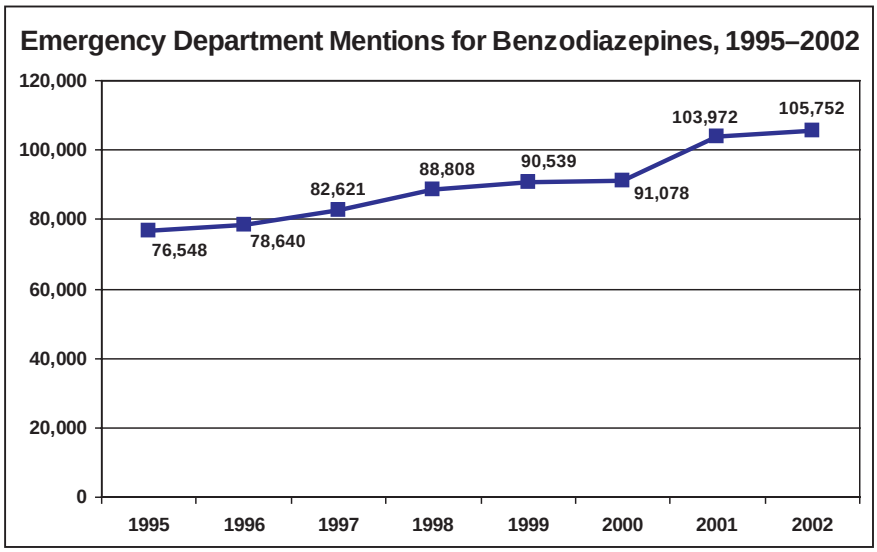
The diversion and abuse of pharmaceutical narcotics, depressants, and stimulants are a significant threat to the United States. Rates of abuse for prescription drugs have increased sharply since the early to mid-1990s but appear to be stabilizing at high levels. The consequences of prescription drug abuse also have increased since the early to mid-1990s and have continued to increase during the past 2 reporting years.

Trends and Developments

- The abuse of prescription drugs increased sharply since the mid-1990s and now has stabilized at high levels. ED mentions of narcotic analgesics increased nearly 300 percent from 1995 through 2002, and mentions of benzodiazepines increased 38 percent during the same period. From 1992 through 2002 treatment admissions for opiates other than heroin increased more than 200 percent.
- The availability of pharmaceuticals has increased since the late 1990s when legitimate production of pharmaceuticals increased sharply, making more pharmaceuticals available for illegal diversion.



Source: Drug Abuse Warning Network.



Source: Drug Abuse Warning Network.

Other Dangerous Drugs

- The trafficking and abuse of GHB (gamma-hydroxybutyrate) have become a particular concern to law enforcement and public health agencies because of increasing availability of the drug in some areas, sharp increases in ED mentions for GHB since the mid-1990s, and the use of GHB in the commission of drug-facilitated sexual assault.
- Rates of ketamine use are trending downward among adolescents and young adults. In addition, seizure data indicate that ketamine availability is decreasing and that ketamine-related ED mentions appear to be trending downward.
- The availability of LSD (lysergic acid diethylamide) is decreasing, and rates of use have decreased sharply to very low levels.
- The consequences of PCP (phencyclidine) use are increasing despite relatively stable or declining past year rates of use. The estimated number of ED mentions for PCP increased each year from 1998 to 2002.

Inhalants

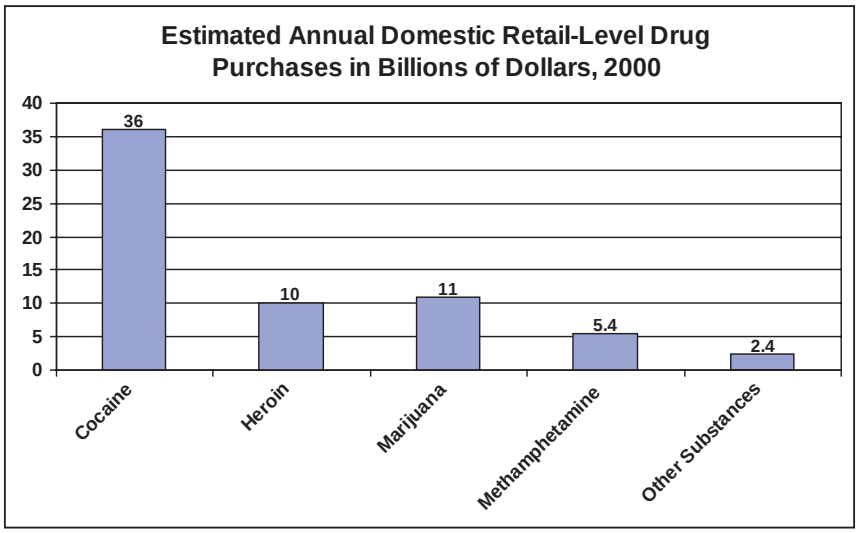
- Analysis of long-term trends in inhalant abuse among adolescents reveals that rates of abuse declined overall from 1995 to 2002; however, abuse among eighth graders rose significantly from 2002 to 2004.

Steroids

- According to MTF, steroid use appears to be relatively low among high school students and young adults. These data show that steroid abuse among high school students has risen overall since the early 1990s but now appears to be stable or declining.

Money Laundering

Interagency estimates indicate that the cost to society from drug trafficking and abuse in the United States is between $60 billion and $108 billion. In 2000, the most recent year for which these data are available, the Office of National Drug Control Policy (ONDCP) estimated annual retail-level cocaine purchases at $36 billion, heroin at $10 billion, marijuana at $11 billion, methamphetamine at $5.4 billion, and other substances at $2.4 billion. These figures do not include the estimated dollar figure for drugs purchased at wholesale or midlevel, meaning that the amount of drug-related currency generated in the United States may be significantly greater than the $60 billion to $108 billion estimate.



Source: Drug Abuse Warning Network.

Trends and Developments

- The physical transportation of bulk cash and monetary instruments is a principal method used by drug traffickers to move illicit drug proceeds from domestic drug markets to other U.S. and foreign destinations. The primary origins of U.S. currency seized between 2001 through 2003 were California, Illinois, New York, and Texas, while Arizona, California, Florida, and Texas were the primary destinations.

- Drug traffickers in the United States frequently use money services businesses (MSBs)—particularly money transmittal, currency exchange (*casas de cambio*), and check-cashing businesses—to launder drug proceeds. MSBs filed 214,966 Suspicious Activity Reports (SARs) with the Financial Crimes Enforcement Network (FinCEN) from October 1, 2002, to December 31, 2003. During that period, states with the most MSB-SAR filings were New York, California, Arizona, Texas, and Florida.
- Drug traffickers, particularly South American traffickers, launder illicit drug proceeds through informal value transfer systems (IVTS). For example, South American traffickers launder an estimated $3 to $6 billion each year through the Black Market Peso Exchange (BMPE). Southeast and Southwest Asian traffickers also launder and transfer large amounts of money through *hawala, hundi*, or *hui khan* IVTS. Unlike the BMPE, however, hawala, hundi, and hui khan businesses can operate legally in the United States, provided that they register with the FinCEN and comply with all applicable laws, such as the Bank Secrecy Act. The registration requirement was established by the USA PATRIOT Act of 2001 and makes it easier for government agencies to prosecute individuals laundering drug proceeds through these systems.

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