



Lake County

High Intensity Drug Trafficking Area Drug Market Analysis

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Preface

This assessment provides a strategic overview of the illicit drug situation in the Lake County High Intensity Drug Trafficking Area (HIDTA) region, highlighting significant trends and law enforcement concerns related to the trafficking and abuse of illicit drugs. The report was prepared through detailed analysis of recent law enforcement

reporting, information obtained through interviews with law enforcement and public health officials, and available statistical data. The report is designed to provide policymakers, resource planners, and law enforcement officials with a focused discussion of key drug issues and developments facing the Lake County HIDTA.



Figure 1. Lake County High Intensity Drug Trafficking Area.

This assessment is an outgrowth of a partnership between the NDIC and HIDTA Program for preparation of annual assessments depicting drug trafficking trends and developments in HIDTA Program areas. The report has been vetted with the HIDTA, is limited in scope to HIDTA jurisdictional boundaries, and draws upon a wide variety of sources within those boundaries.

Strategic Drug Threat Developments

- Mexican drug trafficking organizations (DTOs) based in Lake County, Indiana, and neighboring Chicago, Illinois, control the transportation and wholesale distribution of illicit drugs in the Lake County HIDTA region; they also are increasingly using the area as a transshipment center for drugs that they supply to markets in the Great Lakes, Mid-Atlantic, Northeast, and Southeast Regions of the United States.
- Street gang members dominate retail drug distribution, particularly crack cocaine, in Lake County and are largely responsible for the high level of drug-related crime that occurs in metropolitan areas of the HIDTA region. Gang- and drug-related criminal activity is spreading from traditional high-crime urban areas in the state, such as Gary, Hammond, and East Chicago, into surrounding suburban communities in Lake County and neighboring Porter County.
- Gang members based in Lake County also contribute to violent crime in other cities, including Chicago; Detroit, Michigan; and Milwaukee, Wisconsin, by supplying firearms to their criminal associates in those cities. Lake County gang members obtain firearms in Indiana, where gun control laws are less stringent than those in surrounding states. According to law enforcement officials, Indiana is one of the largest out-of-state sources of illegal firearms seized in Chicago.
- Heroin abuse has increased among Caucasian adolescents from affluent suburban areas of southern Lake County. They typically drive to southeastern Chicago to obtain the drug, transport it back to Lake County, and abuse it in their home communities.
- The Indiana Methamphetamine Protection Act, enacted in July 2005, has stopped many small-scale powder methamphetamine producers in rural counties in Indiana, central Illinois, and northern Kentucky from traveling to metropolitan areas of Lake County to acquire methamphetamine precursor chemicals from retail establishments, a practice that routinely occurred prior to enactment of this legislation.

Drug Trafficking Organizations, Criminal Groups, and Gangs

Drug trafficking organizations are complex organizations with highly defined command-and-control structures that produce, transport, and/or distribute large quantities of one or more illicit drugs.

Criminal groups operating in the United States are numerous and range from small to moderately sized, loosely knit groups that distribute one or more drugs at the retail and midlevels.

Gangs are defined by the National Alliance of Gang Investigators' Associations as groups or associations of three or more persons with a common identifying sign, symbol, or name, the members of which individually or collectively engage in criminal activity that creates an atmosphere of fear and intimidation.

HIDTA Overview

The Lake County HIDTA region is strategically located in northwestern Indiana adjacent to the Chicago metropolitan area. As such, Lake County is a significant transit and storage area for illicit drugs supplied from Chicago to many eastern markets. Lake County has a diverse demographic and socioeconomic composition. The northern tier of the county includes the cities of Gary, Hammond, and East Chicago, in which over 40 percent of the county's population resides. These cities have high crime rates, low median household incomes, and declining urban environments. The southern half of the county contains rural communities and more affluent cities, such as Crown Point and Lowell, which typically have low crime rates, high median household incomes, and expanding commercial and residential development.

Several major highways (Interstates 80/94, 90, and 65) intersect in Lake County and handle over 1 million commercial and passenger vehicles per week. Mexican DTOs use these heavily traveled roadways to transport large shipments of cocaine, heroin, marijuana, and methamphetamine from Mexico into and through the region en route to drug markets in the Great Lakes, Mid-Atlantic, Northeast, and Southeast Regions of the United States.

High levels of drug distribution, abuse, and related crime plague metropolitan areas in the HIDTA region, particularly Gary, Hammond, and East Chicago. Street gang members control most retail drug distribution in the region and are responsible for much of the violent crime that is committed in Lake County. Street gang members based in Lake County also contribute to violent crime in other cities, including Chicago, Detroit, and Milwaukee, by supplying firearms to their criminal associates in those cities.

Drug Threat Overview

Crack cocaine distribution poses the greatest drug threat to the Lake County HIDTA region. Mexican DTOs transport multiton quantities of powder cocaine to Lake County for local abuse and further distribution to other drug markets. Most of the powder cocaine that remains in Lake County is converted to crack cocaine and distributed by numerous street gangs. Subsequently, these gangs often engage in violent criminal activity to protect their operations and drug territories, further contributing to the threat posed to the region.

Commercial-grade marijuana is the most widely available and abused illicit drug in Lake County. High-potency marijuana is not commonly abused in the region. Heroin abuse and availability have increased, predominantly among adolescents. The most common types of heroin abused in the region are South American (SA) and Southeast Asian (SEA); however, other types, including Southwest Asian (SWA) and Mexican brown powder are also available. Heroin-related deaths, particularly among young Caucasians from affluent suburban areas in Lake County and neighboring Porter County, have increased over the past few years. Powder methamphetamine production and abuse are not significant problems in Lake County; however, some ice methamphetamine is transported through the region by Mexican DTOs for distribution in other markets. The availability and abuse of MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) are decreasing in the region, most likely as a result of several recent investigations involving MDMA distributors who

had been supplying the drug. The availability and abuse of diverted pharmaceuticals such as oxycodone and hydrocodone are at relatively stable but moderate levels.

Drug Trafficking Organizations

Mexican DTOs based in Chicago and Lake County pose the greatest organized drug trafficking threat to the Lake County HIDTA region. Chicago-based Mexican DTOs have expanded their drug trafficking operations into neighboring Lake County. Mexican DTOs provide local street gang members and independent dealers with a steady supply of wholesale quantities of cocaine, heroin, and marijuana. They also use the Lake County HIDTA region as a transshipment and storage area for large amounts of cocaine, heroin, and marijuana that they distribute to other markets, primarily in eastern states.

Street gang members are the primary retail distributors of illicit drugs in Lake County and are responsible for the high level of drug-related crimes committed in metropolitan areas of the HIDTA region, specifically Gary, Hammond, and East Chicago. Members of street gangs such as Gangster Disciples, Imperial Gangsters, Vice Lords, and Latin Kings obtain wholesale quantities of powder cocaine from Mexican DTOs and convert most of it to crack for retail distribution in metropolitan areas. They also distribute retail-level quantities of heroin and marijuana that they obtain from Mexican DTOs. Street gangs in Lake County rely on drug distribution as their primary source of revenue. As such, they are protective of their distribution territories and sometimes resort to violence if they believe that another dealer is infringing on their area.

Lake County-based street gangs, which have an estimated 2,500 members, vary in their degree of organization and sophistication. Most are loose affiliations of young people joined for fraternal purposes and the generation of income through drug distribution. However, a few street gangs are highly structured and organized. The most organized street gangs are located in East Chicago, where some have been linked directly to DTOs in

Mexico. Further, East Chicago street gangs are more likely than other gangs in the Lake County HIDTA region to use sophisticated communication and countersurveillance techniques.

Some larger Lake County street gangs also have ties to Chicago-based street gangs, particularly for the purpose of acquiring illicit drugs for retail distribution. Law enforcement authorities report that street gangs in Lake County are not controlled by Chicago-based gangs; however, distribution of illicit drugs in Lake County is facilitated through associations between Lake County and Chicago-based street gang members. These associations have been strengthened by the razing of several Chicago public housing projects, an action that led to the recent relocation of Chicago street gang members to Lake County.

Production

Illicit drug production in Lake County is limited to crack conversion, which typically takes place in urban areas, and to a much lesser extent, methamphetamine production, which takes place in the rural areas of the county. Mexican DTO members typically transport powder cocaine in large quantities to Lake County in order to avoid the harsh federal criminal penalties associated with trafficking crack cocaine. Once in Lake County, powder cocaine is distributed to street gang members, who “cook” it into crack cocaine and distribute it primarily in metropolitan areas of the county.

Methamphetamine production in the Lake County HIDTA region is limited and is typically confined to rural areas in the southern half of the county. According to National Clandestine Laboratory Seizure System (NCLSS) data, a total of seven powder methamphetamine laboratories were seized in Lake County during the past 5 years; only one laboratory was seized in 2006. Methamphetamine production in Lake County became increasingly difficult in July 2005 with enactment of the state-wide Methamphetamine Protection Act, which restricts over-the-counter sales of medications containing pseudoephedrine. This act also has served to discourage small-scale methamphetamine producers from rural counties in Indiana, central

Illinois, and northern Kentucky from traveling to metropolitan areas in Lake County to acquire methamphetamine precursor chemicals from retail establishments.

Transportation

Lake County’s well-developed transportation infrastructure and proximity to Chicago, a national-level distribution center for cocaine, heroin, and marijuana, make it a key transportation and transshipment center for illicit drugs. Millions of tons of commercial truck freight and more than 1 million commercial and passenger vehicles transit the HIDTA region along Interstates 80/94, 90, and 65 each week. Well-organized and sophisticated Mexican DTOs primarily use independently owned commercial trucks and private vehicles to transship multihundred-kilogram quantities of cocaine and marijuana and multikilogram quantities of heroin, often concealed in hidden compartments and commingled in shipments of legitimate goods, from the Southwest Border area into and through Lake County. Most of these illicit drugs are destined for other drug markets, including Chicago and markets in the eastern part of the United States; however, some quantities are offloaded in Lake County for local distribution. Moreover, Mexican DTOs increasingly transport polydrug shipments of cocaine, marijuana, and heroin into the Lake County HIDTA region for distribution to markets throughout the eastern United States.

Distribution

Mexican DTOs supply street gang members and independent dealers in Chicago and Lake County with wholesale quantities of illicit drugs, primarily cocaine and marijuana, which are stored in and distributed from the region. Wholesale quantities of heroin are generally not available in Lake County; local midlevel and retail-level heroin distributors and abusers typically travel to Chicago to obtain the drug. Illicit drug seizures in Lake County reflect the volume of drugs that are stored in or distributed from the area. For instance, the Lake County HIDTA initiatives, including the Lake County Combined Task Force (LCCTF), Gang Response Investigative Team (GRIT), and Firearms Interdiction Regional

Enforcement (FIRE) initiatives, seized approximately 234 kilograms of powder cocaine, 1,490 kilograms of marijuana, and 5 kilograms of heroin in 2006. In addition, the Lake County Sheriff's Department five-man Highway Interdiction Team (HIT) seized approximately 60 kilograms of cocaine and 7 kilograms of marijuana in 2006.

Street gang members and independent dealers, who are supplied by Mexican DTOs, conduct most of the retail drug distribution in the HIDTA region. Additionally, abusers from southern Lake County and neighboring Porter County travel to Gary, Hammond, East Chicago, or Chicago to purchase illicit drugs from local distributors.

Drug-Related Crime

Overall crime has declined in the Lake County HIDTA region over the past few years; however, the level of drug-related violent crime and property crime is relatively high, particularly in metropolitan areas. The generally depressed economic situation in Lake County and the recent relocation of some gang members and other criminals from Chicago, caused by the razing of public housing developments, have contributed to the level of drug-related crime in the area. Additionally, gang- and drug-related criminal activity is spreading from traditional high-crime areas in Gary, Hammond, and East Chicago into surrounding communities and neighboring Porter County. Moreover, law enforcement officials report that violent crime, particularly crime involving firearms, has increased. For example, Gary leads the nation in homicides per capita, having recorded a combined total of 113 murders in 2005 and 2006.

Members of violent street gangs such as Gangster Disciples, Imperial Gangsters, Vice Lords, and Latin Kings are the principal retail drug distributors in Gary, Hammond, and East Chicago. In addition to drug trafficking, members of these gangs commit homicide, kidnapping, robbery, assault, and automobile theft. Violent disputes, especially over control of drug "turf" and enforcement of drug debts, often occur between street gangs in this area. However, drug turf disputes are now decreasing, since gangs in the area apparently realize that violent

confrontations bring unwanted law enforcement attention that often disrupts their drug distribution activities and lowers their revenue.

Street gang members and other criminals reportedly exploit gun control laws in Indiana, which are less stringent than those in surrounding states, to acquire weapons for use in their criminal enterprises. For example, Indiana does not require a state permit to purchase and possess firearms. Moreover, there is no limit to the number of guns an individual can purchase, and while licensed firearms dealers are required to conduct a background check on a firearms purchaser, private sellers are under no obligation to do so. Additionally, street gang members often acquire firearms using false identification and through straw purchases, in which an individual without a criminal record purchases firearms for associates with criminal histories. Street gang members use these weapons to commit violent crimes, including homicide, robbery, and assault. Further, Lake County street gang members supply firearms acquired in the area to gang associates in Chicago, Detroit, and Milwaukee, contributing to the high levels of violent crime in those cities. In fact, according to law enforcement officials, Indiana is one of the largest out-of-state sources of illegal firearms seized in Chicago.

Abuse

The abuse of cocaine, particularly crack, places a heavy burden upon Lake County's public health resources. Powder and crack cocaine are readily available and constitute the most significant abuse problem in the Lake County HIDTA region. Heroin availability and abuse have increased in metropolitan areas, particularly in Gary, over the past 2 years. Heroin abusers in the HIDTA region are primarily older middle- and upper-class individuals from all racial backgrounds. However, heroin abuse among Caucasian adolescents from affluent suburban areas of southern Lake County and neighboring Porter County is increasing. These adolescents typically travel to southeastern Chicago to purchase user quantities of heroin from street gang members and independent distributors. This increase in adolescent heroin abuse mirrors a similar trend that was

reported in the late 1990s among Caucasian youth in affluent Chicago suburbs such as Naperville. The distribution of fentanyl-laced heroin has emerged over the past 2 years in Chicago, a major source area for heroin in Lake County, and has resulted in hundreds of overdoses and deaths. Fentanyl-laced heroin is reportedly available in Lake County; however, the extent to which this combination is being abused is unknown. Marijuana is the most widely available and abused drug in the area. Methamphetamine abuse in Lake County is limited. The diversion and abuse of pharmaceuticals such as oxycodone and hydrocodone are relatively stable at moderate levels. The abuse of club drugs such as MDMA is declining in the region.

Drug abuse rates among high school seniors in the Northwest Region of Indiana (Lake, Jasper, Newton, Porter, Pulaski, and Starke Counties) are significantly higher than statewide rates. According to 2006 survey data from the Indiana Prevention Resource Center, twelfth-grade students in the region report significantly higher rates of annual and monthly abuse of marijuana, cocaine, heroin, and MDMA than do their peers statewide. In fact, the reported annual and monthly abuse rates for each of these drugs were higher in the Northwest Region than in any of the other seven regions in the state.

Illicit Finance

Mexican DTOs consolidate the significant proceeds derived from drug sales in Lake County and surrounding market areas into bulk cash shipments that are smuggled into Mexico. These shipments are typically made using private and commercial vehicles, including tractor-trailers, many of which have been modified with hidden compartments. Money services businesses (MSBs) such as money remitters and check-cashing firms are plentiful in Lake County and are also utilized by Mexican DTOs to launder drug proceeds. These businesses enable traffickers to move proceeds outside the United States in amounts below the threshold set by the Bank Secrecy Act (BSA) with relative anonymity. Mexican DTOs also purchase small, cash-based businesses such as restaurants and used car lots to commingle illicit proceeds with legitimate funds.

Street gang members and independent dealers typically launder drug proceeds through the purchase of small, cash-based businesses, luxury items, and real estate. Law enforcement authorities report that members of Latin Kings have purchased government “project” homes that need renovations in Hammond and East Chicago. These homes were reportedly purchased and repaired using drug proceeds and then sold, creating the appearance of legitimate profit. In addition, Lake County has four riverboat casinos, in which local traffickers use drug proceeds to purchase gaming chips. The chips are then cashed out, or gambling winnings are legally reported, making the winnings appear to be legitimate.

Outlook

Mexican DTOs will strengthen their wholesale cocaine, heroin, and marijuana distribution activities in the HIDTA region and will increasingly use Lake County as a transit and staging area for the distribution of illicit drugs to eastern markets.

Violent disputes over control of drug territories in Gary, Hammond, and East Chicago may continue to decrease as gangs realize that violent confrontations bring unwanted law enforcement attention that often disrupts their drug distribution activities and lowers their revenue. However, gang- and drug-related activity will spread from these traditionally high-crime metropolitan areas into surrounding communities in Lake County and neighboring Porter County as gangs seek new markets with limited law enforcement resources.

Without the introduction of more stringent gun control laws in Indiana, the Lake County HIDTA region will continue to serve as a source of firearms supplied by local gang members to their associates in Chicago, Detroit, Milwaukee, and other cities.

Heroin abuse among young Caucasians from affluent residential areas of Lake County and neighboring Porter County will be a growing problem. Fentanyl-laced heroin may emerge as a major threat to Lake County.

Sources

Local, State, and Regional

East Chicago Police Department

Gary Police Department

Narcotics & Vice Unit

Hammond Police Department

Highland Police Department

Indiana State Police

Indiana University Bloomington

Indiana Prevention Resource Center

Lake County Sheriff's Department

Highway Interdiction Team

Lake County Drug Task Force

Porter County Drug Task Force

Federal

Executive Office of the President

Office of National Drug Control Policy

Lake County High Intensity Drug Trafficking Area

Firearms Interdiction Regional Enforcement

Gang Response Investigative Team

Lake County Combined Task Force

Lake County Intelligence Support Center

U.S. Department of Homeland Security

U.S. Customs and Border Protection

U.S. Border Patrol

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

Drug Enforcement Administration

El Paso Intelligence Center

National Clandestine Laboratory Seizure System

Merrillville Regional Office

Federal Bureau of Investigation



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