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U.S. Department of Justice
Drug Enforcement Administration



2015 National Drug Threat Assessment Summary



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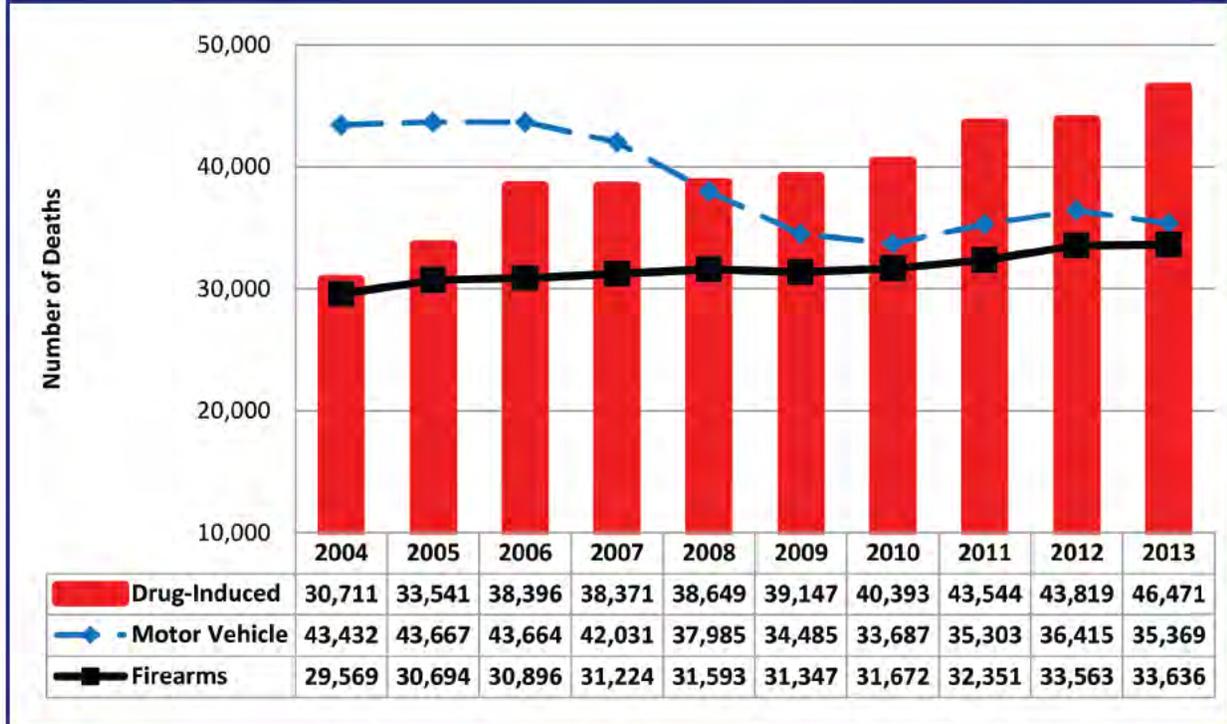
This product was prepared by the DEA Strategic Intelligence Section. Comments and questions may be addressed to the DEA Office of Public Affairs at (202) 307-7977.

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Table of Contents

Letter from the Acting Administrator.....	iii
Executive Summary.....	v
Transnational Criminal Organizations	1
Mexican Transnational Criminal Organizations.....	1
Colombian Transnational Criminal Organizations.....	4
Dominican Trafficking Organizations.....	5
Asian Transnational Criminal Organizations.....	6
Gangs.....	8
Drugs of Abuse.....	13
Controlled Prescription Drugs.....	13
Heroin.....	25
Fentanyl.....	41
Methamphetamine.....	45
Cocaine.....	55
Marijuana.....	65
Synthetic Designer Drugs.....	79
MDMA (3,4-Methylenedioxymethamphetamine).....	85
Phencyclidine (PCP).....	89
Illicit Finance.....	93
Puerto Rico and the US Virgin Islands.....	99
Guam.....	102
Tribal Lands.....	104
Appendix A: Maps.....	107
Appendix B: Tables.....	121
Appendix C: Glossary of Acronyms.....	129
Appendix D: Scope and Methodology.....	133

(U) CHART 1. NUMBER OF DRUG INDUCED DEATHS COMPARED TO THE NUMBER OF MOTOR VEHICLE AND FIREARM DEATHS, 2004 - 2013



SOURCE: CENTERS FOR DISEASE CONTROL AND PREVENTION

Letter from the Acting Administrator



I am pleased to present the 2015 National Drug Threat Assessment (NDTA) Summary, a comprehensive strategic assessment of the threats posed to our communities by transnational criminal organizations and the illicit drugs they distribute throughout the United States. This annual assessment provides policymakers, law enforcement personnel, and prevention and treatment specialists with relevant strategic drug intelligence to assist in the formulation of counterdrug policies, establish law enforcement priorities, and allocate resources.

The trafficking and abuse of illicit drugs pose a monumental danger to our citizens and a significant challenge for our law enforcement agencies and health care systems. The Centers for Disease Control and Prevention reported that 46,471 of our citizens died of a drug overdose in 2013, the most recent year for which this information is available. Drug overdose deaths have become the leading cause of injury death in the United States, surpassing the number of deaths by motor vehicles and by firearms every year since 2008. Overdose deaths, particularly from prescription drugs and heroin, have reached epidemic levels.

The most significant drug trafficking organizations operating in the United States today are the dangerous and highly sophisticated Mexican transnational criminal organizations (TCOs) that continue to be the principal suppliers of cocaine, heroin, methamphetamine, and marijuana. These organizations are responsible for the extreme violence seen in Mexico, as these groups battle for turf and attack public officials and innocent civilians. Domestically, affiliated and violent gangs are increasingly a threat to the safety and security of our communities. They profit primarily by putting drugs on the street and have become crucial to the Mexican cartels.

In 2014, Drug Enforcement Administration (DEA) investigations conducted with local, state, federal and international partners have led to the arrests of major international criminals. The arrests of Mexican Cartel leaders Hector Beltran-Leyva, Servando Gomez-Martinez, and Omar Tevino Morales are significant successes for us and Mexico in the fight against Mexican TCOs. The arrests strike at the heart of the leadership structure of the Knights Templar Cartel, the Beltran-Leyva Organization, and the Los Zetas Cartel and highlight the continuing cooperation between Mexican and US law enforcement.

The DEA produces the NDTA Summary in partnership with local, state, tribal, and federal agencies. To accurately depict a national-level perspective of the drug-specific issues facing the United States, the report integrates the most recently available reporting from law enforcement and intelligence agencies with the most current data from public health agencies regarding national substance abuse. This year's report also draws on information from more than 1,100 local, state, and tribal law enforcement partners that responded to our 2015 National Drug Threat Survey.

My thanks to all participating agencies and organizations whose contributions continue to make possible this vital report. Their views and opinions are important and help us to best meet the needs of the law enforcement and intelligence communities. I look forward to collaborating on future high-priority strategic counterdrug initiatives that impact our national security interests, at home and abroad.

Respectfully,

A handwritten signature in black ink, appearing to read "Chuck", written in a cursive style.

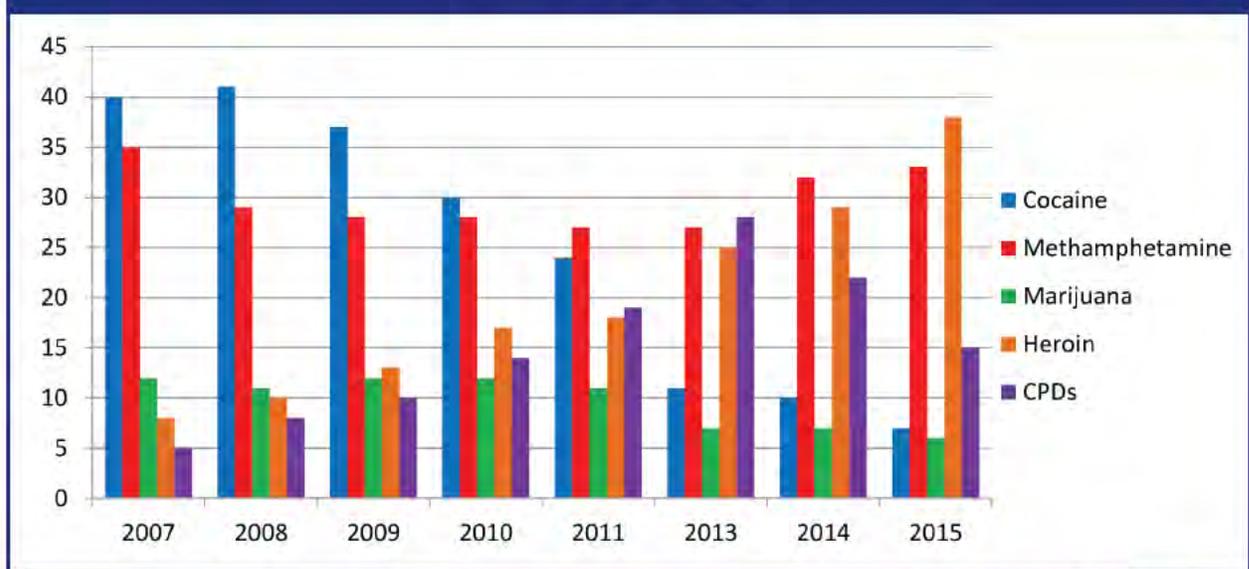
Chuck Rosenberg
Acting Administrator
Drug Enforcement Administration

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Executive Summary

The 2015 National Drug Threat Assessment (NDTA) is a comprehensive assessment of the threat posed to the United States by the trafficking and use of illicit drugs. The drug section of this report is arranged in ranking order based on the level of threat each drug presents. The threat level for each drug is determined by strategic analysis of the domestic drug situation during 2014, based on law enforcement, intelligence, and public health data available for the period. For instance, each day in the United States, over 120 people die as a result of a drug overdose. In particular, the number of deaths attributable to controlled prescription drugs (CPDs) has outpaced those for cocaine and heroin combined. Additionally, some opioid CPD abusers are initiating heroin use, which contributes to the increased demand for and use of heroin. For these reasons, CPDs and heroin are ranked as the most significant drug threats to the United States. Fentanyl and its analogs are responsible for more than 700 deaths across the United States between late 2013 and late 2014. While fentanyl is often abused in the same manner as heroin, it is much more potent. Methamphetamine distribution and abuse significantly contribute to violent and property crime rates in the United States. Further, cocaine distributors and users seek out methamphetamine as an alternative as cocaine availability levels decline. While marijuana is the most widely available and commonly used illicit drug and remains illegal under federal law, many states have passed legislation approving the cultivation, possession, and use of the drug within their respective states. Marijuana concentrates, with potency levels far exceeding those of leaf marijuana, pose an issue of growing concern. Finally, the threat posed by synthetic designer drugs continues to impact many segments of the American population, particularly youth. A full discussion for each of these drugs cannot be undertaken without first examining the criminal groups that supply these substances to distributors and users in the United States.

(U) CHART 2. PERCENTAGE OF NDTA RESPONDENTS REPORTING THE GREATEST DRUG THREAT, 2007 - 2015



SOURCE: NATIONAL DRUG THREAT SURVEY

Mexican transnational criminal organizations (TCOs) remain the greatest criminal drug threat to the United States; no other group can challenge them in the near term. These Mexican poly-drug organizations traffic heroin, methamphetamine, cocaine, and marijuana throughout the United States, using established transportation routes and distribution networks. They control drug trafficking across the Southwest Border and are moving to expand their share of US illicit drug markets, particularly heroin markets. National-level gangs and neighborhood gangs continue to form relationships with Mexican TCOs to increase profits for the gangs through drug distribution and transportation, for the enforcement of drug payments, and for protection of drug transportation corridors from use by rival gangs. Many gangs rely

2015 National Drug Threat Assessment Summary

on Mexican TCOs as their primary drug source of supply, and Mexican TCOs depend on street-level gangs, many of which already have a customer base, for drug distribution.

Colombian TCOs supply wholesale quantities of cocaine and heroin, primarily to Northeast drug markets. Typically, Colombian traffickers provide cocaine and heroin to Mexican and Dominican organizations, which then assume responsibility for further transportation and distribution. Prior to 2000, Colombian TCOs dominated the cocaine and heroin markets in the Midwest and on the East Coast; however, Mexican TCOs continue to establish their control over many drug markets in the Northeast and are increasingly serving as sources of supply for Colombian and Dominican organizations. Colombian TCOs have also increased their drug trafficking through the Caribbean over the past three years in order to avoid cartel-related violence in Mexico, increased law enforcement presence in Mexico and at the Southwest Border, and rising pressure against the Mexican drug cartels.

Dominican trafficking organizations are primarily active in the transportation and distribution of cocaine and heroin in cities along the East Coast. Dominican traffickers typically serve as transporters and retail-level distributors of cocaine and heroin for Mexican and Colombian trafficking organizations and recent reporting indicates Dominican traffickers in the Northeast continue this working relationship. Colombian and Mexican trafficking organizations rely on Dominican networks to transport and distribute cocaine and heroin at the retail level.

Asian TCOs operate mainly on the West Coast, but are expanding their operations throughout the United States. Asian TCOs are responsible for trafficking a variety of drugs, primarily marijuana and MDMA (3,4-methylenedioxymethamphetamine), with smaller-scale dealings in cocaine and methamphetamine.

State, local, and federal law enforcement reporting indicates that gangs in the United States continue to expand, develop, and grow more sophisticated in their criminal enterprises. The National Gang Intelligence Center (NGIC) assesses that the US gang composition is approximately 88 percent street gang members, 9.5 percent prison gang members, and 2.5 percent outlaw motorcycle gang (OMG) members. There are approximately 1.4 million active street, prison, and OMG gang members comprising more than 33,000 gangs in the United States. Though gangs are involved in a multitude of criminal activities, street-level drug trafficking and distribution continues to be their main source of revenue, and they commit violent crimes, such as robbery, assault, threats, and intimidation, in furtherance of those ends.

Drug overdose deaths have become the leading cause of injury death in the United States. Each day in the United States, over 120 people die as a result of a drug overdose. The number of drug poisoning deaths in 2013, the latest year for which data is available, involving opioid analgesics (16,235) is substantial and outpaces the number of deaths for cocaine and heroin combined (13,201). While recent data suggest that abuse of these drugs has lessened in some areas, the number of individuals reporting current abuse of CPDs is more than those reporting use of cocaine, heroin, methamphetamine, MDMA, and phencyclidine (PCP) combined. With the slightly declining abuse levels of CPDs, data indicate there is a corresponding increase in heroin use. Some opioid CPD abusers begin using heroin as a cheaper alternative to the high price of illicit CPDs or when they are unable to obtain prescription drugs.

The threat posed by heroin in the United States is serious and has increased since 2007. Heroin is available in larger quantities, used by a larger number of people, and is causing an increasing number of overdose deaths. Increased demand for, and use of, heroin is being driven by both increasing availability of heroin in the US market and by some opioid CPD abusers using heroin. CPD abusers who begin using heroin do so chiefly because of price differences, but also because of availability, and the reformulation of OxyContin®, a commonly abused prescription opioid.

Heroin overdose deaths are increasing in many cities and counties across the United States, particularly in the Northeast, as well as areas of the Midwest. Possible reasons for the increase in overdose deaths include an overall increase in heroin users; high purity batches of heroin reaching certain markets,

causing users to accidentally overdose; an increase in new heroin initiates, many of whom are young and inexperienced; abusers of prescription opioids (drugs with a set dosage amount and no other adulterants) initiating use of heroin, an illicitly-manufactured drug with varying purities, dosage amounts, and adulterants; and the use of highly toxic heroin adulterants such as fentanyl in certain markets. Further, heroin users who have stopped using heroin for a period of time (due to treatment programs, incarceration, etc.) and subsequently return to using heroin are particularly susceptible to overdose, because their tolerance for the drug has decreased.

Fentanyl is a Schedule II synthetic opioid that is approximately 80 to 100 times stronger than morphine, and 25 to 40 times more potent than heroin. Fentanyl was developed for the pain management treatment of cancer patients; however, its powerful opioid properties have made it an attractive drug for abusers. There were over 700 deaths related to fentanyl and its analogs between late 2013 and early 2015. Clandestinely-produced fentanyl is sometimes added to heroin to increase its effects, or mixed with adulterants and diluents and sold as heroin; many users believe they are purchasing heroin and have no knowledge of the presence of fentanyl. Clandestinely-produced fentanyl is primarily sourced from Mexico; fentanyl analogs and precursor chemicals are obtained from distributors in China. Pharmaceutical fentanyl is also diverted for abuse, but at much lower levels.

Methamphetamine seizures, survey data, price and purity data, and law enforcement reporting indicate methamphetamine continues to be readily available throughout the United States. Most of the methamphetamine available in the United States is clandestinely produced in Mexico and smuggled across the Southwest Border. Although domestic production does occur at small levels, it has declined, most likely due to restrictions on precursor chemicals in the United States and the increasing availability of high-purity, high-potency Mexican methamphetamine.

Cocaine availability in the United States appeared to have stabilized at “new normal” levels in 2014—still well below the availability levels observed prior to 2007, when cocaine availability first began to decline significantly. Abuse indicators also show a steady decline in cocaine use in the United States when compared to the previous 10 years. The majority of the cocaine smuggled into the United States is transported over the Southwest Border with a smaller percentage transported through the Caribbean corridor. Mexican TCOs continue to dominate cocaine transportation in the United States with little to no competition.

Marijuana is the most widely available and commonly used illicit drug in the United States. Marijuana remains illegal under federal law; however, many states have passed legislation approving the cultivation, possession, and use of marijuana within their respective states. The disparity between federal law and state laws authorizing the use of “medical” or “retail” marijuana poses a challenge for federal, state, local, and tribal law enforcement efforts given the different regulatory regimes at the state level. Likewise, the increased production and use of marijuana in those states with medical or retail marijuana laws is adversely affecting states in which marijuana remains an illegal substance.

Marijuana concentrates such as hashish, hash oil, and keif have been used for centuries; however, marijuana concentrates are gaining popularity in the United States, as indicated by the increasing volume of law enforcement and open source reporting. Marijuana concentrates are extracted from leafy marijuana in many ways, but the most frequently used, and potentially most dangerous, method is butane extraction. The butane extraction method uses highly flammable butane gas and has resulted in numerous explosions and injuries, particularly on the West Coast, where production is most common.

ⁱ When the term “medical marijuana” is used in this publication, it is exclusively in reference to state-approved “medical marijuana.” Marijuana is a Schedule I substance under the Controlled Substance Act with no accepted medical use in the United States.

2015 National Drug Threat Assessment Summary

The first DEA reporting of the THC extraction process using butane was in 2005 in Oakland, California. However, as the use of marijuana concentrates has increased, the number of laboratory-related explosions has also increased.

Synthetic designer drugs mimic the effects of controlled substances, and are oftentimes unscheduled and unregulated. While there are a variety of synthetic designer drugs, the two most commonly used synthetic designer drugs in the United States are synthetic cannabinoids and cathinones. Synthetic cannabinoids, also commonly known as “Spice” or “K2,” are chemicals synthesized in laboratories and mimic the biological effects of delta-9-tetrahydrocannabinol (THC), the main psychoactive ingredient in marijuana. Cathinones, also commonly known as “bath salts” and “molly,” can produce pharmacological effects substantially similar to methcathinone, MDMA, amphetamine, methamphetamine, and cocaine. Synthetic cannabinoids and cathinones are typically manufactured in China and then imported into the United States through mail services; they are also sold in convenience stores and via the Internet. The negative effects of these drugs are severe and can include psychosis, heart attack, seizures, convulsions, and kidney and liver failure. Of note, on October 1, 2015, the Chinese Ministry of Public Security (MPS) Narcotics Control Bureau announced the sale and distribution of 116 chemical compounds used in the production of synthetic drugs will be regulated in China, including acetyl-fentanyl. Chinese officials declared these compounds were found to have no known legitimate use and therefore will be controlled administratively by the MPS.

MDMA, a synthetic Schedule I drug commonly referred to as “ecstasy” or “molly,” is available throughout the United States. Compared to marijuana, cocaine, heroin, and other illicit drugs, the MDMA market in the United States is small. Most of the MDMA seized in the United States is manufactured in clandestine laboratories in Canada and smuggled across the Northern Border. Canada-based Asian TCOs are the primary suppliers of MDMA in the United States, producing tens of millions of tablets for the US market. Often, tablets sold as “ecstasy” or “molly” may not be MDMA at all, but another chemical, such as cathinones, or a mixture of various chemicals, which may or may not contain MDMA. Additionally, “molly” has played a role in several overdose illnesses and deaths.

PCP poses a low threat to the United States due to relatively low levels of use. PCP use is highest in the Washington, DC area, and the majority of PCP available in the United States is produced in the Los Angeles, California area.

As federal money laundering laws become more stringent and financial institutions implement enhanced anti-money laundering measures, TCOs are increasingly creative in their efforts to evade laws and regulations. TCOs employ a wide array of money laundering tactics to move drug proceeds into, within, and out of the United States. However, the more commonly used methods have remained the same over the past several years. These methods include: bulk cash smuggling, trade-based money laundering (TBML), black market peso exchange (BMPE), structured deposits, and wire transfers.



Transnational Criminal Organizations

Mexican Transnational Criminal Organizations



Source: DEA

Mexican TCOs pose the greatest criminal drug threat to the United States; no other group is currently positioned to challenge them. These Mexican poly-drug organizations traffic heroin, methamphetamine, cocaine, and marijuana throughout the United States, using established transportation routes and distribution networks. They control drug trafficking across the Southwest Border and are moving to expand their presence in the United States, particularly in heroin markets.

- **Boston, Massachusetts:** Many of the local distribution groups are increasingly dealing with and receiving cocaine directly from Mexican organizations based in states such as Arizona, California, New Mexico, and Texas.

- **Chicago, Illinois:** Mexican TCOs pose the most significant threat. During 2014, Mexican organizations continued to dominate the wholesale distribution of cocaine, methamphetamine, Mexico-produced marijuana, and heroin (both Mexican black tar and South American heroin) in Chicago.
- **Los Angeles, California:** Mexican TCOs use the Los Angeles area as a strategic hub to facilitate the movement of drugs north and west, while also using Los Angeles for the subsequent smuggling of drug proceeds in the form of bulk cash back to Mexico.

Transnational Criminal Organizations

- Philadelphia, Pennsylvania:** Mexican TCOs are showing increasing interest in establishing distribution hubs in northeastern US cities such as Philadelphia. Intelligence indicates these TCOs may wish to bypass traditional hubs in the southeastern United States due to law enforcement pressure.

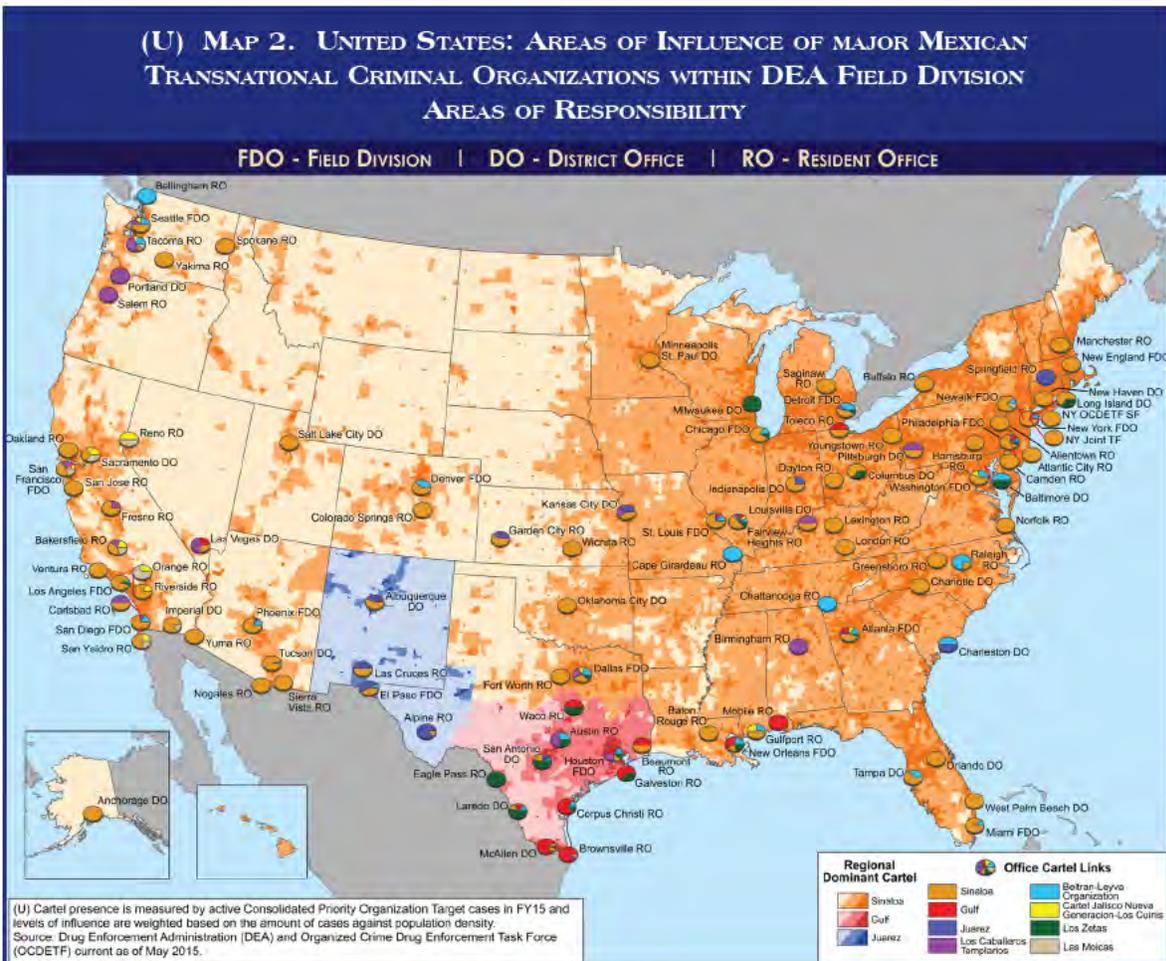
Mexican Cartels Active in the United States

In 2014, based on active law enforcement cases, the following major Mexican TCOs are operating in the United States: the Beltran-Leyva Organization (BLO), New Generation Jalisco Cartel (Cartel de Jalisco Nueva Generación or CJNG) the Los Cuinis, Gulf Cartel (Cartel del Golfo or CDG), Juarez Cartel, Michoacán Family (La Familia Michoacána or LFM), Knights Templar (Los Caballeros Templarios or LCT), Los Zetas, and the Sinaloa Cartel. While all of these Mexican TCOs transport wholesale quantities of illicit drugs into the United States, the Sinaloa

Cartel appears to be the most active supplier. The Sinaloa Cartel leverages its expansive resources and dominance in Mexico to facilitate the smuggling and transportation of drugs throughout the United States.

Map 2 reflects data from the Organized Crime Drug Enforcement Task Force (OCDETF) Consolidated Priority Organization Target (CPOT) program to depict the areas of influence in the United States for major Mexican cartels.

The CJNG (CJNG leadership had not been designated as a CPOT as of November 2014, therefore it is not depicted on this map) is quickly becoming one of the most powerful TCOs in Mexico and in some cases rivals Sinaloa Cartel trafficking operations in Asia, Europe, and Oceania. The CJNG by virtue of its growing power continues to expand its trafficking operations to the United States, with law enforcement increasingly reporting CJNG members and associates as sources



Source: DEA

of supply for drugs in the United States. Los Cuinis, an affiliate group of CJNG, provided the initial funding to facilitate the rise of CJNG.

Operational Structure in the United States

While operating in the United States, Mexican TCOs actively seek to maintain low profiles and avoid violent confrontations between rival TCOs or US law enforcement.

Mexican TCO operations in the United States typically take the form of a supply chain system that functions on an as-needed basis. The system relies on compartmentalized operators in the supply chain who are only aware of their own specific function, and remain unaware of all other aspects of the operation. In most instances, transporters for the drug shipments are independent third parties who work for more than one Mexican TCO. Since operators in the supply chain are insulated from one another, if a transporter is arrested the transporter is easily replaced and unable to reveal the rest of the network to law enforcement.

The foundation of Mexican TCO operations in the United States is comprised of extended family and friends. Families affiliated with various Mexican TCOs in Mexico vouch for US-based relatives or friends that are deemed trustworthy enough to help run various aspects of the drug trafficking operations in the United States. Actual members of Mexican TCOs are usually sent to important US hub cities to manage stash houses containing drug shipments and bulk cash drug proceeds.

- Mexican TCOs serve primarily as wholesale suppliers of drugs and work with local US-based gangs for distribution. The US-based gangs maintain power in their territories and control retail drug markets.

Trafficking Methods

Mexican TCOs transport the bulk of their drugs over the Southwest Border through ports of entry (POEs) using passenger vehicles or tractor trailers. The drugs are typically secreted in hidden compartments when transported in passenger vehicles or comingled with legitimate goods when

transported in tractor trailers. Once across the Southwest Border, the drugs are transported to stash houses in hub cities such as Dallas, Houston, Los Angeles, and Phoenix, and then transported via these same conveyances to distribution groups in the Midwest and on the East Coast.

- **Los Angeles, California:** From Los Angeles, tractor trailers transport cocaine to Arizona, Kansas, Nebraska, Nevada, New Jersey, New York, North Dakota, South Dakota, Utah, and Washington. The Sinaloa Cartel employs drivers who are older US citizens to drive tractor trailers because they believe they draw less attention from law enforcement than younger drivers in passenger vehicles.
- **Phoenix, Arizona:** In Arizona, transportation and smuggling activities also occur between the POEs in remote, inhospitable desert valleys separated by rugged mountainous terrain. One such location is the West Desert corridor, which is a sparsely populated area ideal for smuggling, as transportation groups use off-road vehicles, backpackers, and all terrain vehicles to move large amounts of marijuana for transport to the Phoenix and Tucson metropolitan areas for further distribution. These transportation groups use lookouts and scouts on elevated locations to direct their cross-border smuggling activities with advanced radio communications to avoid law enforcement detection and apprehension.

Mexican TCOs also smuggle drugs across the Southwest Border using other methods. Marijuana is occasionally trafficked through subterranean tunnels connected to a network of safe houses on both the Mexico and the US sides of the border. Mexican TCOs also transport marijuana via commercial cargo trains and on small boats, often referred to as “pangas,” from the West Coast of Baja California north to the central California coast. Finally, Mexican TCOs have also transported drugs across the Southwest Border using ultralight aircraft.

Transnational Criminal Organizations

Mexican Traffickers Moving Into Suburban and Rural Areas

Law enforcement reporting indicates some Mexican trafficking organizations within the United States are relocating from major metropolitan areas to establish bases of operation in suburban or rural areas. Traffickers are relocating because they feel they can better conceal their operations in an area where law enforcement does not expect to find large trafficking organizations operating or are not accustomed to dealing with such organizations. The relocation also makes it difficult for large federal law enforcement agencies to target these organizations because the traffickers are removed from the federal agencies' bases of operation in large cities. This trend has been noted by law

enforcement in Dallas, San Francisco, eastern Washington State, western Colorado, and parts of North Carolina.

Outlook

Mexican TCOs will continue to dominate the trafficking of heroin, methamphetamine, cocaine, and marijuana throughout the United States. There are no other organizations at this time with the infrastructure and power to challenge Mexican TCOs for control of the US drug market.

Mexican TCOs will continue to serve primarily as wholesale suppliers of drugs to the United States to distance themselves from US law enforcement. Mexican TCOs will continue to rely on US-based gangs to distribute drugs at the retail level.

Colombian Transnational Criminal Organizations

Trafficking Activities

Colombian TCOs supply wholesale quantities of cocaine and heroin, primarily to Northeast drug markets. Typically, Colombian traffickers provide cocaine and heroin to Mexican and Dominican organizations outside the United States, which then assume responsibility for further transportation and distribution. Historically, Colombian TCOs dominated the cocaine and heroin markets in the Midwest and on the East Coast; however, Mexican TCOs continue to establish their control over many of these drug markets and are increasingly serving as sources of supply for the Colombian organizations.

- **Boston, Massachusetts:** Colombian TCOs in New England continue to receive cocaine directly from Mexican organizations along the Southwest Border. In addition, multiple offices in the New England area report that Colombian organizations are still directly involved in wholesale distribution of powder and crack cocaine.
- **New York City, New York:** Colombian organizations transport cocaine into New York City and serve as a primary source of wholesale quantities of cocaine. However, Mexican and Dominican trafficking organizations dominate the transportation of

cocaine throughout the rest of New York State, limiting the role of Colombian organizations. Colombian organizations are also prominent transporters and distributors of wholesale quantities of heroin in New York City.

Colombian TCOs have increased their drug trafficking through the Caribbean over the past three years. By moving cocaine through the Caribbean, Colombian TCOs avoid inter-cartel violence in Mexico, increased law enforcement presence in Mexico and at the Southwest Border, and rising pressure against the Mexican drug cartels. Colombian, Dominican, and Puerto Rican organizations also traffic cocaine and heroin through Puerto Rico. In addition, some reporting indicates an increase in Colombian TCOs operating out of the Dominican Republic.

- **Miami, Florida:** Colombian TCOs use Florida, specifically Miami and Orlando, as the point of arrival for South American cocaine and heroin transshipped through the Caribbean. Typically, cocaine shipments arrive in South Florida through a variety of maritime and airborne shipping methods, including commercial air passengers, commercial air cargo, airborne smuggling on private aircraft, maritime containerized cargo, and maritime conveyances such as speedboats, fishing vessels, and private luxury yachts. While there

have been reported instances of commingled heroin and cocaine shipments in 2014, the two drugs are generally shipped separately.

Organizational Structure

The Colombian drug trade in 2014 was dominated by numerous Bandas Criminales or Criminal Bands (BACRIM) whose members include the remnants of the Cali, Medellin, and Norte del Valle Cartels, and demobilized Revolutionary Armed Forces of Colombia – People’s Army (FARC-EP)ⁱⁱ and the United Self-Defense Groups (AUC) associates. The BACRIMs engage in numerous, non-drug-related criminal activities, such as extortion and debt collection. Successful Colombian law enforcement operations since 2011 have neutralized many Colombian BACRIM leaders, while other BACRIMs have been co-opted by more powerful groups. Los Urabeños has emerged from this landscape as the largest, most powerful BACRIM and is currently assessed to be one of the major Colombian organizations supplying large quantities of illicit drugs to the United States. However, increased law enforcement attention and continued pressure from rival groups will challenge its ability to retain its position.

Moving forward, Colombian BACRIMs may continue to devolve into smaller, regionally-based groups with limited power and influence, and seek to further diversify their criminal activities. Currently, the BACRIMs continue to supply US markets with multi-ton quantities of cocaine and significant quantities of heroin. Colombian TCOs continue to

serve as wholesale sources of supply for cocaine along the East Coast into key distribution hubs; however, they rely on third parties, primarily Mexican TCOs, for distribution throughout the United States. This is apparent in Mexican TCOs’ continued expansion into markets that were formerly controlled by Colombian TCOs. Similarly, Colombian TCOs along the East Coast are supplying Dominican traffickers, who then are in charge of further transportation and distribution.

While the BACRIM are involved in the production and transportation of cocaine to Central America and the Caribbean, the FARC-EP are increasingly working with Mexican TCOs to smuggle ton quantities of cocaine into the United States. Investigative reporting indicates a working relationship between multiple FARC fronts and Mexican TCOs, including the Los Zetas, BLO, CJNG, and the Sinaloa Cartel to transport cocaine into the United States.

Despite their lack of a traditional cartel structure, Colombian TCOs continue to have a presence in the United States along the East Coast. DEA reporting revealed a connection between Colombian TCOs operating in Colombia and Mexican TCOs. These reports detailed a business relationship between Los Urabeños and the FARC to distribute cocaine into the United States through Mexican TCOs. Inside of the United States, both Sinaloa and Juarez Cartel networks are used to transport and distribute the cocaine throughout the eastern United States.

Dominican Trafficking Organizations

Trafficking Activities

Dominican trafficking organizations are primarily active in the transportation and distribution of cocaine and heroin in cities along the East Coast. Dominican traffickers typically serve as cocaine and heroin distributors for Mexican and Colombian trafficking organizations.

- **Boston, Massachusetts:** Dominican traffickers continue to dominate heroin distribution in the region. Local Dominican traffickers acquire heroin from Mexican sources on the Southwest Border, Dominican

sources in New York, and South American sources via mail.

- **New Jersey:** Dominican traffickers handle retail-level distribution of cocaine for Colombian TCOs and also supply local street gangs, who handle street-level distribution. Dominican organizations smuggle heroin into the United States by couriers who conceal heroin bundles on their persons, in their apparel, or in their luggage and then

ⁱⁱ The FARC is a US Department of State Designated Foreign Terrorist Organization (DFTO).

Transnational Criminal Organizations

board commercial flights into Newark Liberty International Airport.

- **New York:** Dominican traffickers are the dominant retail distributors of cocaine in the New York metropolitan area. Reporting also indicates Colombian and Mexican TCOs rely on Dominican traffickers to assist in the transportation of heroin throughout New York, New Jersey, Pennsylvania, Connecticut, and Massachusetts. Dominican trafficking organizations use couriers to smuggle heroin directly into John F. Kennedy (JFK) International Airport in New York City from the Dominican Republic.
- **Philadelphia, Pennsylvania:** Local Dominican organizations dominate the mid-level distribution of cocaine and often bridge the gap between Philadelphia-based criminal organizations and Dominican sources of supply in New York.

Dominican trafficking organizations are involved in the diversion of CPDs. Reports from Atlanta, Boston, New York, and Philadelphia indicate

Dominican traffickers engage in the diversion of CPDs. They typically traffic oxycodone, in response to the demand for opiates.

- **Boston, Massachusetts:** Investigations indicate Dominican criminal organizations distribute hundreds of thousands of CPDs annually in the New England area. Some Dominican traffickers receive oxycodone shipments from Dominican counterparts based in New York City.

Organizational Structure

Dominican trafficking organizations typically operate under an organized hierarchical structure. The leader of a Dominican trafficking organization controls multiple cells, each comprised of approximately five individuals. These subordinates are typically friends and family members who are also ethnic Dominicans. This reliance on family reinforces the tightly organized structure of Dominican trafficking organizations, which produces efficient command and control capabilities.

Asian Trafficking Organizations

Asian TCOs operate mainly on the West Coast, but are increasingly spreading their operations throughout the United States. Asian TCOs are responsible for trafficking a variety of drugs, primarily marijuana and MDMA, with smaller-scale dealings in cocaine and methamphetamine. Asian TCOs engage in a variety of other illicit and violent crimes such as arms trafficking, assault, auto theft, cybercrime, money laundering, and murder.

- **Dallas, Texas:** Hydroponic and traditional marijuana indoor grow houses are prevalent in the Dallas area, operated by Laotian and Vietnamese TCOs. The indoor grow operations are complex, with grows in multiple stages, allowing for frequent harvests of mature marijuana plants.
- **Seattle, Washington:** In May 2014, several search warrants were executed at residential locations targeting a large-scale Vietnamese TCO directing several indoor marijuana

grow operations in residential homes. Law enforcement officials seized 1,154 marijuana plants, and arrested four TCO members.

Asian TCOs dominate the US market as the primary suppliers of MDMA in each region. MDMA is imported from China to Canada, or produced in Canada, and then smuggled into the United States, or smuggled directly into the United States via mail services. Asian TCOs traffic MDMA in both tablet and powder form.

- **Los Angeles, California:** In May 2014, officers conducted a routine traffic stop and discovered 1,500 MDMA tablets in the vehicle. Members of an Asian TCO were transporting the MDMA tablets from California to Las Vegas. The TCO purchases MDMA in thousand-tablet quantities from Canada.
- **New Orleans, Louisiana:** The New Orleans area continues to see wholesale quantities

of MDMA trafficked by Asian TCOs. These TCOs primarily distribute MDMA in coastal communities and travel to Houston to obtain MDMA from larger distributors.

- **Washington, DC:** Canada-based Asian TCOs continue to import wholesale quantities of MDMA—in tablet and powder forms—into the Washington, DC, area. In addition to importation from Canada, MDMA also enters the US via mail services from China.

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.

- **Los Angeles, California:** Asian TCOs in and around Orange County routinely receive bulk quantities of powder cocaine from sources of supply in Mexico. Asian TCOs, primarily Vietnamese, also convert powder cocaine into crack cocaine within their residences.
- **Minneapolis/St. Paul, Minnesota:** California-based Asian TCOs traffic ounce and pound quantities of methamphetamine using mail services.
- **Portland, Maine:** Asian TCOs are working with Somali, Sudanese, and African American groups to distribute powder cocaine and crack cocaine in the Portland, Maine area.

Other Criminal Activity

Asian TCOs are involved in a variety of illicit and violent activities in addition to drug trafficking. Asian TCOs traffic weapons such as assault rifles, sub-machine guns, and pistols throughout the United States; these guns are sold for cash or traded in exchange for drugs. Asian TCOs are involved in human and sex trafficking, particularly young girls, from Asian countries into Mexico and into the United States. Asian TCOs also engage in various forms of computer fraud and cybercrime, and commit acts of credit card and identity fraud, as well as money laundering. These TCOs also commit neighborhood crimes such as home burglaries and

(U) SEIZURE OF TWO KILOGRAMS OF MDMA IN NEW ORLEANS



(U) Photo 1. Two kilogram package of MDMA seized.

Photo Source: DEA

In March 2014, DEA's New Orleans Tactical Diversion Squad seized two kilograms of MDMA (See Photo 1) from a Chinese source of supply during a controlled delivery to a Vietnamese restaurant. Upon receipt of the package, the suspect, an employee of the restaurant, was observed writing something on the parcel and then leaving it behind at the bar. The suspect returned the following afternoon and, when detained, confessed that he had been instructed to write "Return to Sender" on the package upon receipt and then abandon it. This trafficking technique was intended to prevent law enforcement from associating or charging the package recipient with acceptance of drugs in the case of an immediate seizure upon delivery, and allows for a recipient to apply plausible deniability of a drug shipment. If there is no immediate seizure, the recipient will retrieve the package after a brief time.

automobile theft. In addition, Asian TCOs engage in violent crimes such as assaults, drive-by shootings, and murder.

Organizational Structure

Asian TCOs operate throughout the United States with concentrations on the East and West Coasts. Asia-based criminal groups partner with and recruit Asian-Americans in US immigrant communities to

Transnational Criminal Organizations

exploit US markets while blending in with existing communities. These groups continue to grow and are particularly expanding in communities in California where growth in the number of Asian immigrants has been the greatest. Many Asian TCOs seek to emulate the style and clothing worn by African American and Hispanic gangs.

Asian TCOs tend to prioritize financial gain over other incentives and may travel outside of their established territories, even across state lines, to conduct operations. A distinguishing feature of Asian TCOs is the lack of stigma attached to social mobility; many members pursue higher education or professional careers.

Gangs

State, local, and federal law enforcement reporting indicates that gangs continue to expand, develop, and grow more sophisticated in their criminal enterprises. The National Gang Intelligence Center (NGIC) assesses that the US gang composition is approximately 88 percent street gang members, 9.5 percent prison gang members, and 2.5 percent Outlaw Motorcycle Gang (OMG) members. There are approximately 1.4 million active street, prison, and OMG gang members comprising more than 33,000 gangs in the United States. Though gangs are involved in a multitude of criminal activities, street-level drug trafficking and distribution continues to be their main source of revenue, and they commit violent crimes, such as robbery, assault, threats, and intimidation, in furtherance of those ends. To a lesser degree, gangs also engage in lower-risk crimes, such as prostitution, counterfeiting, extortion, and tax fraud to supplement their profits.

- **Gulfport, Mississippi:** In February 2014, a joint federal, state, and local law enforcement operation disrupted a violent cocaine trafficking organization that was operating throughout Forrest and Lamar Counties in Mississippi, with the arrest of five Black Gangster Disciples (BGD) members. According to reporting, members of the BGD routinely committed violent crimes in the area, to include armed home invasions and commercial robberies, burglary, aggravated assault with a weapon, and firearms violations in furtherance of their drug trafficking activities.
- **Sacramento, California:** In August 2014, federal indictments were issued against members of the Vagos OMG for conspiracy to possess and intent to distribute methamphetamine. The investigation

targeted three Sacramento-area chapters of the Vagos that were involved in the distribution of methamphetamine, the purchase of illegal weapons, and the trafficking of stolen motorcycles.

Gang Collaboration

Street gangs are generally structured along racial, ethnic, or geographical lines, and, historically, the rivalry between gangs and the competition for territory has spurred incidents of violence and murder. Today, in an effort to expand their criminal enterprises and increase profits, many gangs are establishing mutually beneficial relationships to further their criminal activities.

- **California:** In February 2014, a multi-agency investigation involving the DEA, Immigration and Customs Enforcement (ICE), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) into the gun and methamphetamine-trafficking activities of individuals with ties to the Oriental Killer Boys, the Oriental Mob Crips, the Viet Boys, the Tiny Oriental Crips, the Logan Heights Calle Treinta, and Linda Vista Crips culminated with the arrest of 45 persons. The illegal trafficking operation reached from California to Minnesota, Hawaii, and Guam.

Gangs Nationwide

Street gangs continue to expand nationwide to increase profit and attain dominance in the drug trade, to establish new territory, and to seek legitimate employment to supplement their illicit income. Gangs have now migrated to every major city in the country, where they continue to perpetuate crime and violence.

- **Los Angeles, California:** The California Attorney General's Office reports that in Los Angeles County law enforcement agencies have identified over 10,000 gang members and 500 gangs. In August 2013, there were approximately 186,000 gang members and approximately 4,900 gangs in California, making the state one of the most gang-dense states in the country.
- **Philadelphia, Pennsylvania:** In 2013, the Philadelphia Police Department Criminal Intelligence Unit identified approximately 169 gangs operating within the city and in the immediate suburbs, representing an increase of over 76 percent from 2009 figures. These gangs are known to control heroin, cocaine, crack cocaine, marijuana, and prescription drug distribution.
- **Fresno, California:** The Fresno Bulldogs street gang is the largest Hispanic gang operating in central California, with membership estimated at 5,000 to 6,000. The street-level distribution of crack, methamphetamine, marijuana, and heroin is a primary source of income for the gang members, who are also involved in assault, burglary, homicide, and robbery.

Gangs and Social Media

Gangs continue to adapt to changing social and economic conditions, using new technologies to advance their criminal activities and evade law enforcement. Gang members routinely use social networking sites to further their illicit operations—such as drug trafficking, extortion, identity theft, money laundering, and prostitution—threaten rivals, showcase their gang activities, recruit new members, expose informants, and monitor law enforcement.

- **Prince George's County, Maryland:** In September 2013, the Prince George's County, Maryland PD reported local Mara Salvatrucha (MS)-13 members were conducting surveillance, using digital cameras in mobile phones, of law enforcement officers to determine how close a gang member could get to an officer before the officer noticed or confronted him.

(U) 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" 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. There are more than 300 active OMGs in the United States.

Prison Gangs

Typically, a prison gang consists of a select group of inmates who have an organized hierarchy, who are governed by an established code of conduct, and who are structured along racial or ethnic lines with the major racial categories of African American, Caucasian, and Hispanic. The primary prison gangs in federal and state prison systems are the Aryan Brotherhood (AB), the Black Guerilla Family (BGF), the California Mexican Mafia ("Eme"), the Texas Mexican Mafia (occasionally referenced as TMM but more commonly known as "Emi;" not to be confused with Eme), the Nuestra Familia (NF), and the Texas Syndicate (TS). All of these gangs are highly active and influential in correctional facilities at state and federal levels nationwide, as well as participating in criminal activity on the streets once they have been released. The smuggling of contraband, such as drugs, weapons, and cell

Transnational Criminal Organizations

phones, into prisons furthers the gangs' money-making activities both inside and outside of the facilities.

- **Baltimore, Maryland:** BGF members, along with corrections officers at the Baltimore City Detention Center, were charged in a wide-ranging drug smuggling plot, in which inmates and corrections officers worked together to smuggle drugs and cell phones into the jail.

Outlaw Motorcycle Gangs (OMGs)

According to the National Gang Intelligence Center (NGIC), law enforcement reporting indicates that OMGs are considered a lower threat to public safety when compared to street or prison gangs, primarily due to lower OMG membership numbers. However, the threat to communities increases in areas of the country where OMGs are attempting to expand into rival territory. OMGs in the Southwest, Mid-Atlantic, and Northwest regions present a significant threat. Despite their smaller numbers, OMGs continue to be problematic due to the solid organizational structure, criminal sophistication, and their use of violence to further their criminal activities and protect their interests.

- In June 2014, members of the rival OMGs Wheels of Soul and the Pagans engaged in a violent brawl at a Pennsylvania park, where citizens were also holding graduation parties, baby showers, and birthday parties. Gunshots were fired, and although no one was struck, two gang members were hospitalized, one after being hit in the head with an ax handle.
- In December 2014, four members of the Hells Angels were arrested on suspicion of drugs and firearms possession after leaving a Christmas toy drive in Ventura County, CA. Loaded firearms, brass knuckles, and methamphetamine were confiscated during the arrests.

Based on information provided to the NGIC by law enforcement, OMG members or associates have been employed, or attempted to seek employment, with military, law enforcement, corrections, and

judiciary agencies to acquire training and get access to weapons and sensitive information.

- OMG members or associates who have been employed with the military or have attempted such employment include: the Bandidos, Devils Disciples, Hells Angels, Iron Horsemen, Mongols, Outlaws, Pagans, Sin City Disciples, Vagos and Warlocks.
- OMG members or associates who have been employed with law enforcement or have attempted such employment include: the Diablos and Hells Angels. Employment with law enforcement most commonly occurs through non-sworn civilian positions.

Though drug trafficking continues to provide the biggest source of revenue for OMGs, many gangs appear to also be diversifying their activities to include crimes with a potential for low-risk detection and high-profit gains. These sources of revenue can include prostitution or human trafficking, mortgage and tax fraud, and the production and sale of counterfeit goods, to include such items as designer clothes, shoes, purses, jewelry, cosmetics, DVDs, electronics, and medicine.

- According to open source reporting, the president of the Kansas City chapter of the Sons of Silence was sentenced to federal prison for a 2014 indictment charging him with transporting a child victim across state lines to engage in prostitution.
- In January 2013, an indictment was filed in the Southern District of Indiana charging 51 individuals associated with the Outlaws Motorcycle Club with a wide variety of offenses, including racketeering, mail fraud, money laundering, extortion, drug charges, wire fraud, witness tampering, and operating an illegal gambling operations.

According to the NGIC, some OMGs collaborate with transnational criminal organizations (TCOs) in Mexico and Central America. Although these relationships vary in nature, most are based on gang and TCO alliances, geographic convenience,

money-making opportunities, and business efficiency. Their criminal enterprises include such activities as drug trafficking, extortion, enforcement, debt collection, and money laundering.

- Law enforcement reporting in 2013 indicated the Colville Indian Reservation in Washington, which lies in close proximity to the Canadian border, allows for a constant flow of drug trafficking throughout the reservation. TCOs transport cocaine, marijuana, and methamphetamine north and south through the area, aided by Hispanic gangs and OMGs, such as the Bandidos.
- Based on NGIC reporting, the Bandidos OMG has been known to partner with the Los Zetas Mexican TCO in furtherance of their criminal activities.

In Texas, the top four gangs—Tango Blast (TB) and Tango cliques, TS, Emi, and BA—pose the greatest threat to Texas due to their relationships with Mexican TCOs, as well as large membership numbers, high levels of transnational criminal activity, and organizational effectiveness. Most of these relationships are based on opportunity or personal relationships, rather than an exclusive cartel/street-gang agreement. Activities the street gangs carry out for the cartels include drug trafficking, weapons and human smuggling, and contract murder.

According to the NGIC, links between Mexican Cartels and TCOs, and US-based gangs include, but are not limited to:

Gangs and Controlled Prescription Drugs

Street gang members have capitalized on the increased CPD abuse problem in the United States by trafficking prescription opioids, specifically hydrocodone and oxycodone. Numerous methods are used to obtain the drugs, including unscrupulous physicians, pill mills, prescription fraud, robbery, and burglary.

Gangs and Cartels

National-level gangs and neighborhood gangs continue to form relationships with Mexican TCOs to increase profits for the gangs through drug distribution and transportation, for the enforcement of drug payments, and for protection of drug transportation corridors from use by rival gangs. Law enforcement reporting in many states indicates that US gang and Mexican TCO relationships are opportunistic in nature, rather than based on an exclusive association with the TCO. Many gangs rely on Mexican TCOs as their primary drug source of supply, and Mexican TCOs depend on the street-level gangs, many of which already have a customer base, for drug distribution. This arrangement allows the highest-ranking members of Mexican TCOs to remain in Mexico where they can avoid US law enforcement action.

Transnational Criminal Organizations

(U) TABLE 1. MEXICAN CARTEL AND GANG CONNECTIONS	
Cartel/TCO	Gang
Arellano-Felix	Almighty Latin King and Queen Nation Border Brothers California Mexican Mafia Flores 13 Logan Heights Gang Sureños
Gulf Cartel	Bloods Crips Emi Hermanos Pistoleros Latinos MS-13 Partido Revolucionario Mexicano Raza Unida Texas Syndicate
Juarez Cartel (VCF Organization)	Almighty Latin King and Queen Nation Barrio Azteca Hermanos Pistoleros Latinos
La Familia Michoacán	Almighty Latin King and Queen Nation Crips Eme Los Cholos Murder Inc. MS-13 Sureños Tango Blast
Los Zetas	Aryan Brotherhood of Texas Almighty Latin King and Queen Nation Bandidos Motorcycle Club Bloods Crips Eme Emi Hermanos Pistoleros Latinos MS-13 Sureños Norteños Texas Syndicate
Sinaloa Cartel	Almighty Latin King and Queen Nation Border Brothers Bloods Eme Crips MS-13 Sureños Tango Blast United Blood Nation

Source: 2013 National Gang Report, National Gang Intelligence Center



Controlled Prescription Drugs (CPDs)

Overview

The threat posed by CPD abuse is prevalent, and every year since 2002 the number of deaths attributable to CPDs has outpaced those for cocaine and heroin combined. While recent data suggest that abuse of these drugs has lessened in some areas, the number of individuals reporting current use of CPDs is more than those reporting use of cocaine, heroin, methamphetamine, MDMA, and PCP combined. With the slightly declining abuse levels of CPDs, data indicate there is a corresponding increase in heroin use. Many CPD abusers begin using heroin as a cheaper alternative to the high price of illicit CPDs or when they are unable to obtain prescription drugs.

Availability

DEA investigative reporting shows high CPD availability in cities throughout the United States. (See Table 2.) Ten of DEA's 21 domestic Field Divisionsⁱⁱⁱ (FDs) list CPDs as one of their top three drug threats. Additionally, 17 of the 21 FDs reported that CPD availability was high during the first half of 2014; four other FDs reported moderate CPD availability. Finally, most FDs reported that availability was stable at high levels compared to the previous reporting period. Significantly, only the Miami FD indicated less availability this reporting period compared to the previous. (See discussion on Florida on pages 20 - 22.)

According to the 2015 National Drug Threat Survey^{iv} (NDTS), 15 percent of respondents nationwide^v indicated that CPDs were the greatest drug threat in their area—down considerably from 2013 when 28 percent reported the same. (See Chart 3 and Map A3 in Appendix A.) Additionally, the number of respondents reporting high availability of CPDs nationwide declined from 2014 (75.4%) to 2015 (56.7%). (See Map 3.) The OCDETF regions^{vi} with the largest number of respondents ranking CPDs as the greatest drug threat were New England, New York/New Jersey, and the Southeast. (See Maps A4 and A6 in Appendix A and Table B1 in Appendix B.) The significant decrease in the number of Florida/Caribbean respondents reporting CPDs as the greatest drug threat is largely due to successful law enforcement initiatives and the implementation

(U) TABLE 2: DEA FIELD DIVISION REPORTING OF CPD AVAILABILITY IN THE FIRST HALF OF 2014 AND COMPARISON TO PREVIOUS PERIOD

FIELD DIVISION	AVAILABILITY DURING FIRST HALF 2014	AVAILABILITY COMPARED TO SECOND HALF 2013
Atlanta Field Division	High	Stable
Caribbean Field Division	Moderate	Stable
Chicago Field Division	High	Stable
Dallas Field Division	High	Stable
Denver Field Division	High	Stable
Detroit Field Division	High	More
El Paso Field Division	Moderate	Stable
Houston Field Division	Moderate	Stable
Los Angeles Field Division	High	Stable
Miami Field Division	High	Less
New England Field Division	High	Stable
New Jersey Field Division	High	Stable
New Orleans Field Division	High	Stable
New York Field Division	High	Stable
Philadelphia Field Division	High	More
Phoenix Field Division	High	Stable
San Diego Field Division	High	More
San Francisco Field Division	Moderate	Stable
Seattle Field Division	High	Stable
St. Louis Field Division	High	Stable
Washington Field Division	High	Stable

Source: DEA

ⁱⁱⁱ See Map A14 in Appendix A.

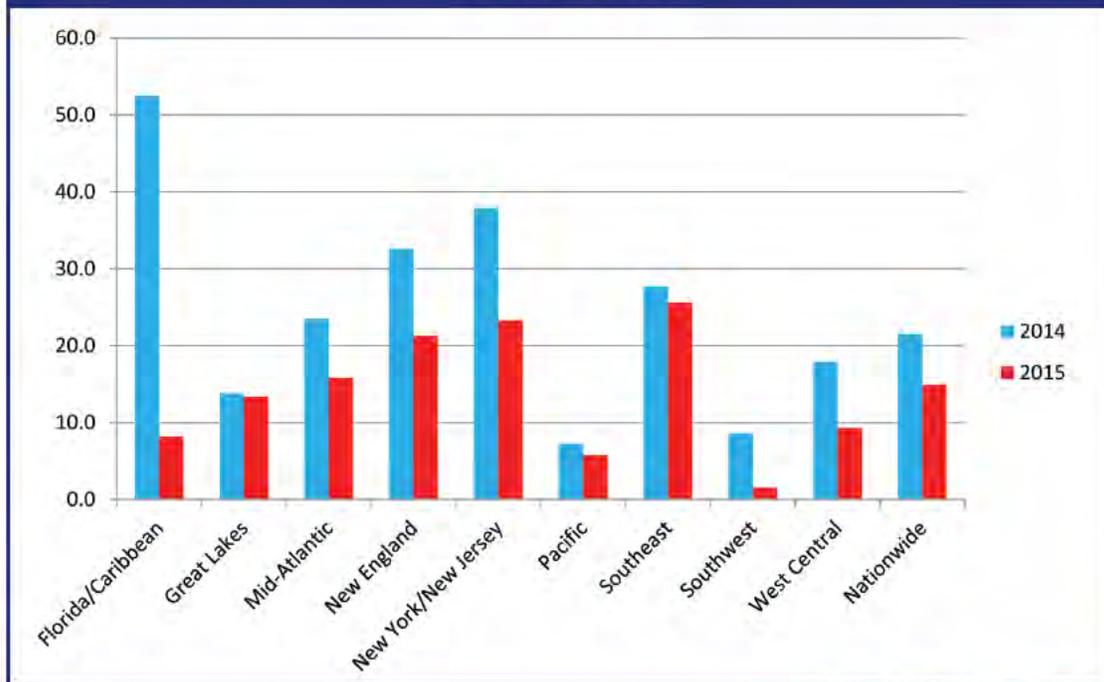
^{iv} The National Drug Threat Survey, or NDTS, is conducted annually to solicit information from a nationally representative sample of state, local, and tribal law enforcement agencies. The recipients of the survey were queried on their perception of the drug threat in their jurisdiction relative to the availability, demand, transportation, and distribution of heroin, methamphetamine, cocaine, marijuana, CPDs, and synthetic drugs. In 2015, the survey was disseminated to 2,761 recipients. There were 1,105 respondents from across the country. From 2013 to 2015, the NDTS received responses from 40 to 48 percent of those who received the survey. The NDTS was conducted annually from 2000 to 2011 by the National Drug Intelligence Center.

^v See Map A2 in Appendix A.

^{vi} See Map A1 in Appendix A.

Controlled Prescription Drugs (CPDs)

(U) CHART 3. OCDETF REGIONS REPORTING CPDs AS GREATEST DRUG THREAT, 2014 - 2015



Source: National Drug Threat Survey

(U) DEA'S NINTH PRESCRIPTION DRUG TAKE-BACK DAY NETS 309 TONS OF PILLS

Four years after creating the National Prescription Drug Take-Back Day Initiative, DEA hosted its ninth one in September 2014, collecting 309 tons of unused or unwanted prescription drugs. This brought the total amount of drugs collected in four years to 2,411 tons.

DEA began hosting the National Prescription Drug Take-Back Day in September 2010 because at that time the Controlled Substances Act (CSA) made no legal provision for patients and their caregivers to dispose of unwanted CPDs except to give them to law enforcement (it was illegal for hospitals or pharmacies to accept unused or unwanted drugs). On September 9, 2014, DEA published new disposal regulations in the Federal Register allowing certain authorized DEA registrants (manufacturers, distributors, reverse distributors, narcotic treatment programs, retail pharmacies, and hospital/clinics with an on-site pharmacy) to become authorized collectors.

of a state-wide Prescription Drug Monitoring Program^{vii} (PDMP) in Florida.

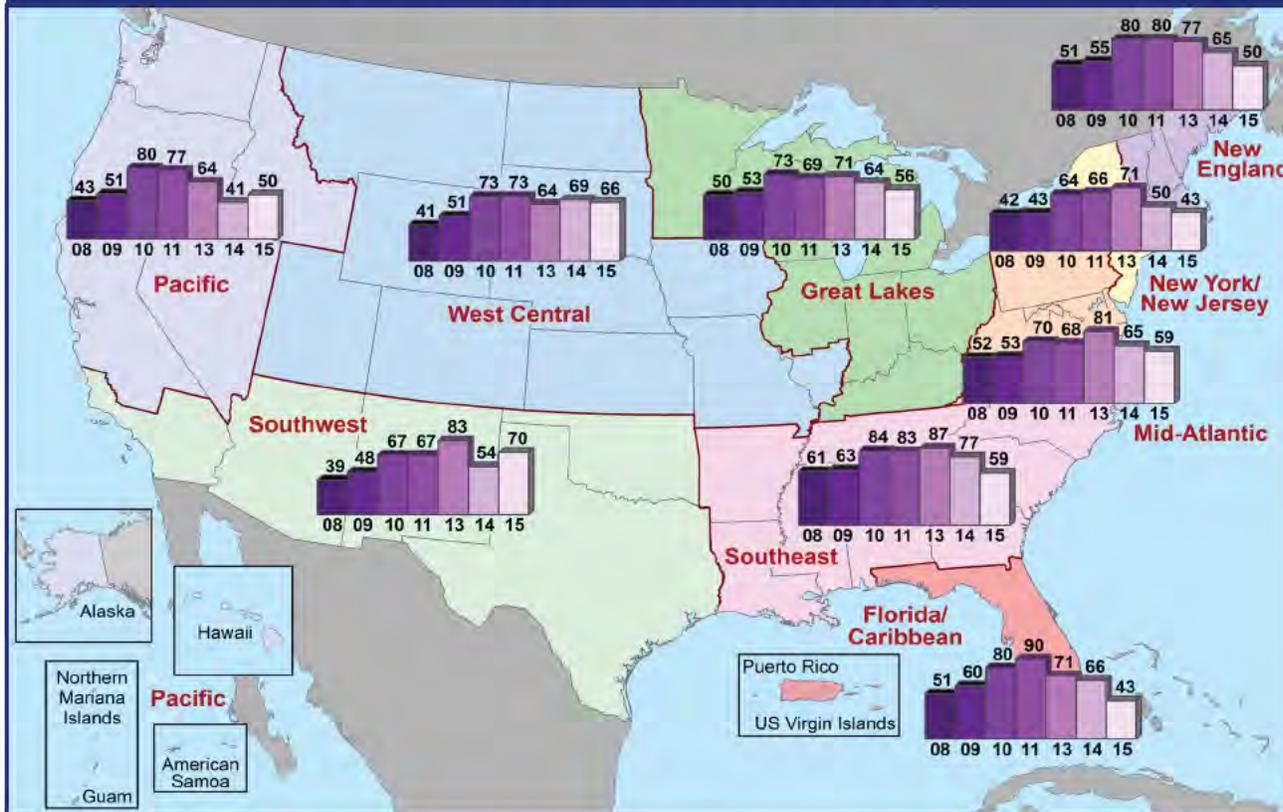
Abuse

Survey, treatment, and demand data indicate high levels of CPD abuse. The number of individuals reporting current CPD abuse is second only to marijuana and is more than those reporting abuse of cocaine, heroin, methamphetamine, MDMA, and PCP combined. (See Chart 4.) The number of

treatment admissions to publicly funded facilities for non-heroin opiate/synthetic abuse in 2012 was 36.5 percent higher than the number in 2008;

^{vii} A Prescription Drug Monitoring Program, or PDMP, is a statewide electronic database, which collects designated data on substances dispensed in the state. The PDMP is housed by a specified statewide regulatory, administrative, or law enforcement agency. The housing agency distributes data from the database to individuals who are authorized under state law to receive the information for purposes of their profession.

Controlled Prescription Drugs (CPDs)

(U) MAP 3. PERCENTAGE OF NDTs RESPONDENTS REPORTING HIGH CPD AVAILABILITY IN THEIR JURISDICTIONS 2008 - 2011, 2013 - 2015^{viii}

Source: National Drug Threat Survey

however the number of admissions declined from 2011 to 2012. This decline can likely be attributed to the number of CPD abusers using heroin, which increased from 2011 to 2012. Many abusers, when unable to obtain or afford CPDs, begin using heroin, a cheaper alternative that offers similar physiological effects.

- The National Survey of Drug Use and Health (NSDUH) data indicate slight declines in the number of past month, past year, and lifetime nonmedical users of psychotherapeutic drugs. In 2012, there were 6.83 million people aged 12 or older who reported current (past month) non-medical use of psychotherapeutic drugs. In 2013, that number declined to 6.48 million. (See Chart 4 and Table B2 in Appendix B.)
- According to Treatment Episode Data Set (TEDS) information, non-heroin-related opiate treatment admissions to publicly funded treatment facilities increased every year from 2002 to 2011, before posting its

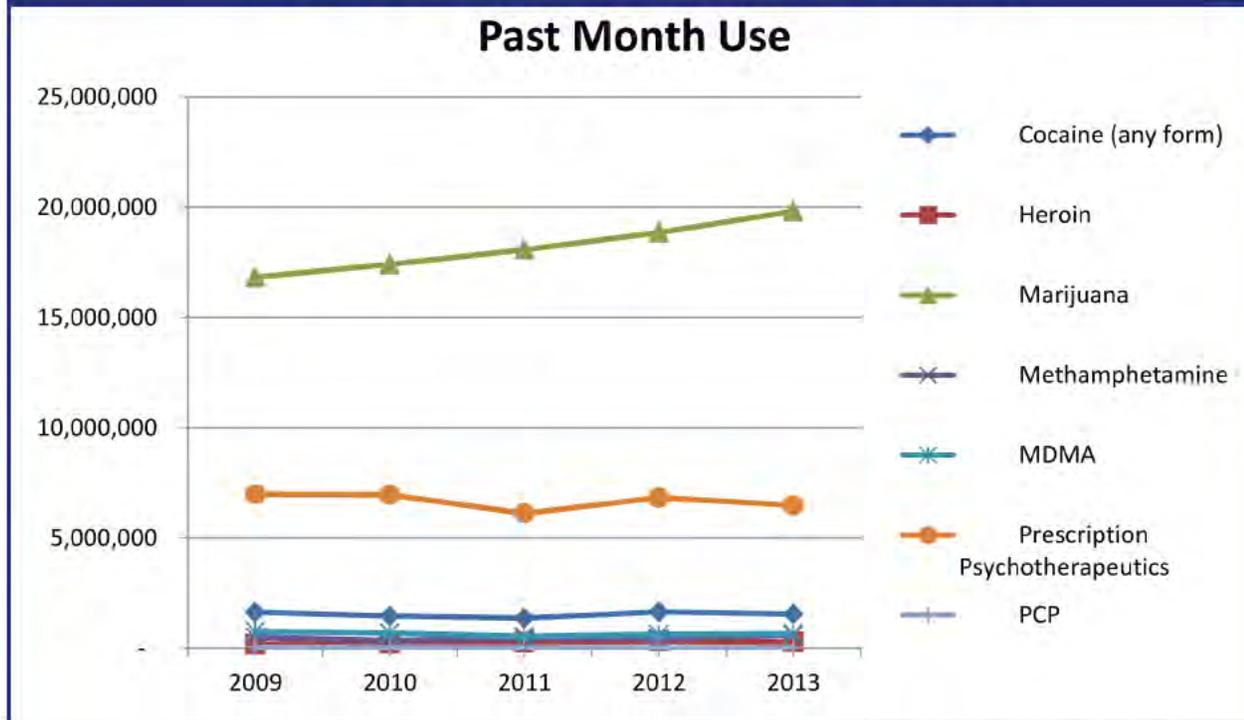
first decline in 2012, the latest year for which national-level data is available. In 2011, there were 194,583 non-heroin-related opiate admissions, but that number decreased 13 percent to 169,868 in 2012. (See Table B3 in Appendix B.)

- Monitoring the Future (MTF) survey data for 2014 show a decrease in adolescent trends for past year CPD use. MTF queried 12th grade students on CPD abuse and only 13.9 percent of those surveyed indicated past year use of CPDs, down from 15.0 percent in 2013. (See Table B4 in Appendix B.)
- In 2011, the Centers for Disease Control (CDC) reported that drug misuse and abuse caused approximately 2.5 million emergency department visits. Of these, more than 1.4 million were CPD-related.

^{viii} The National Drug Threat Survey was not administered in 2012.

Controlled Prescription Drugs (CPDs)

(U) CHART 4. NUMBER OF PAST MONTH, NONMEDICAL USERS OF PSYCHOTHERAPEUTIC DRUGS COMPARED TO OTHER SELECT DRUGS OF ABUSE, 2009 - 2013



Source: National Survey on Drug Use and Health

(U) HYDROCODONE COMBINATION PRODUCTS MOVED FROM SCHEDULE III TO SCHEDULE II

On August 22, 2014, DEA published in the Federal Register the Final Rule moving hydrocodone combination products (HCPs^{ix}) from Schedule III to the more-restrictive Schedule II.

When Congress passed the CSA in 1970, it placed HCPs in Schedule III even though it had placed hydrocodone in Schedule II. The current analysis of HCPs by Health and Human Services (HHS) and the DEA shows HCPs have a high potential for abuse which may lead to severe psychological or physical dependence. Adding nonnarcotic substances like acetaminophen to hydrocodone does not diminish its abuse potential. Data and surveys from multiple federal and non-federal agencies show the extent of abuse of HCPs. For example, MTF surveys of noncollege and college-aged individuals found that twice as many people used the HCP Vicodin[®], nonmedically as used OxyContin[®], a Schedule II substance, which is more tightly controlled. Vicodin[®] was abused by 9.5 percent of the noncollege group and 4.4 percent of college students; the corresponding numbers for OxyContin[®] were 4.4 percent and 2.3 percent.

The purpose of this ruling is to minimize the misuse of HCPs for recreational purposes while still ensuring that patients with severe pain have reasonable access to the amount of HCPs needed to control their pain and suffering.

^{ix} Hydrocodone combination products (HCPs) are pharmaceuticals containing specified doses of hydrocodone in combination with other drugs, such as acetaminophen, in specified amounts. These products are approved for marketing for the treatment of pain and for cough suppression.

(U) TABLE 3. DRUG POISONING DEATHS INVOLVING SELECTED ILLICIT DRUGS, 2007 - 2013

	2007	2008	2009	2010	2011	2012	2013
Opioid analgesic	14,408	14,800	15,597	16,651	16,917	16,007	16,235
Cocaine	6,512	5,129	4,350	4,183	4,681	4,404	4,944
Heroin	2,402	3,041	3,278	3,036	4,397	5,927	8,257

Source: National Center for Health Statistics/Centers for Disease Control, Final death data for each calendar year

Drug overdose deaths have become the leading cause of injury death in the United States. Each day in the United States, over 120 people die as a result of a drug overdose. The number of drug poisoning deaths in 2013, the latest year for which data is available, involving opioid analgesics is substantial and outpaces the number of deaths for cocaine and heroin combined. (See Table 3.)

DEA arrest data show that nearly 3,000 individuals were arrested for CPD-related offenses in Fiscal Year (FY) 2014, with just over half of them for opioid-related offenses. However, the number of CPD-related arrests has declined since FY2011. (See Chart 5.)

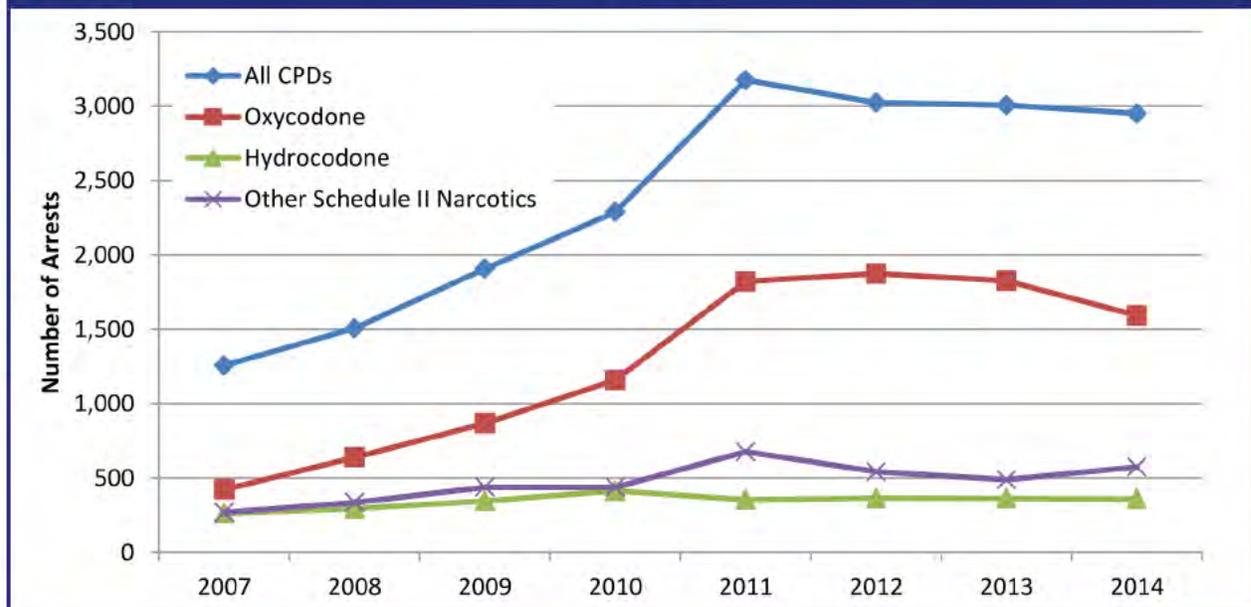
- **Indianapolis, Indiana:** On January 6, 2015, DEA and local law enforcement officers arrested a physician and a nurse practitioner on felony charges including

reckless prescribing, Medicaid fraud, forgery, and registration offenses. Since 2002, this physician—who had been practicing for 20 years—had operated the largest pain clinic conglomerate in Indiana, with 13 clinics. Since 2013, the excessive prescribing from this health conglomerate was connected to 10 overdose deaths. Four nurse practitioners from the clinics were responsible for writing nearly 127,000 prescriptions over a two-year period.

Diversion

According to the 2015 NDTs, nationwide, about half of respondents indicated that diversion of narcotics was high, similar to the percentage the previous year. (See Table B5 in Appendix B.) Additionally, another quarter indicated that narcotic diversion

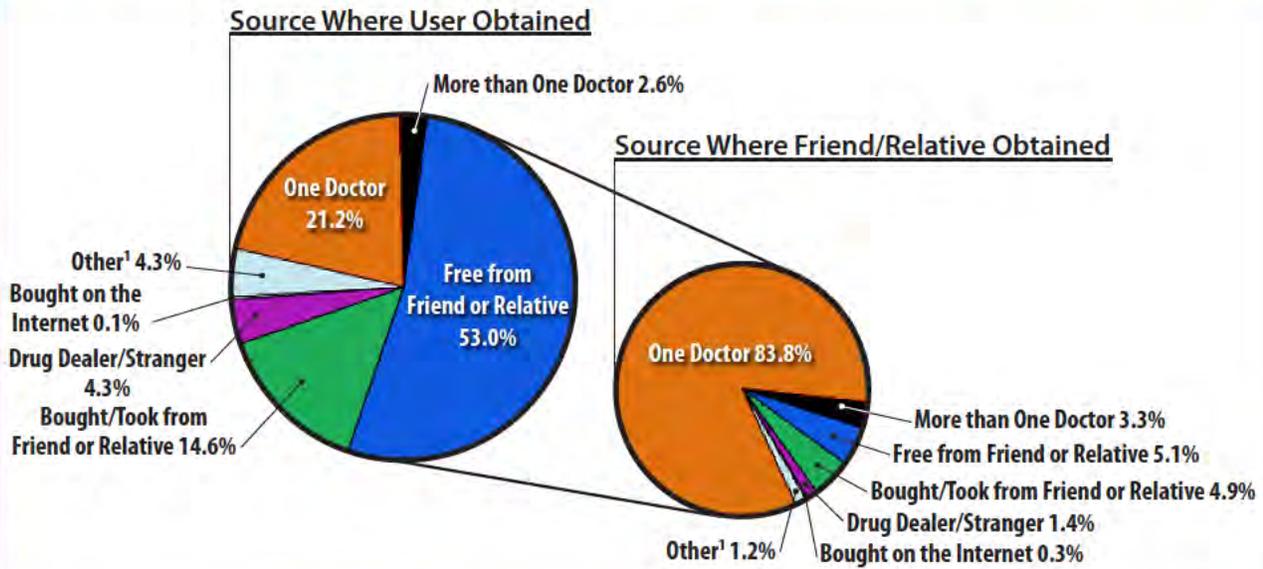
(U) CHART 5. DEA CPD-RELATED DOMESTIC ARRESTS, FISCAL YEARS 2007 - 2014.



Source: DEA

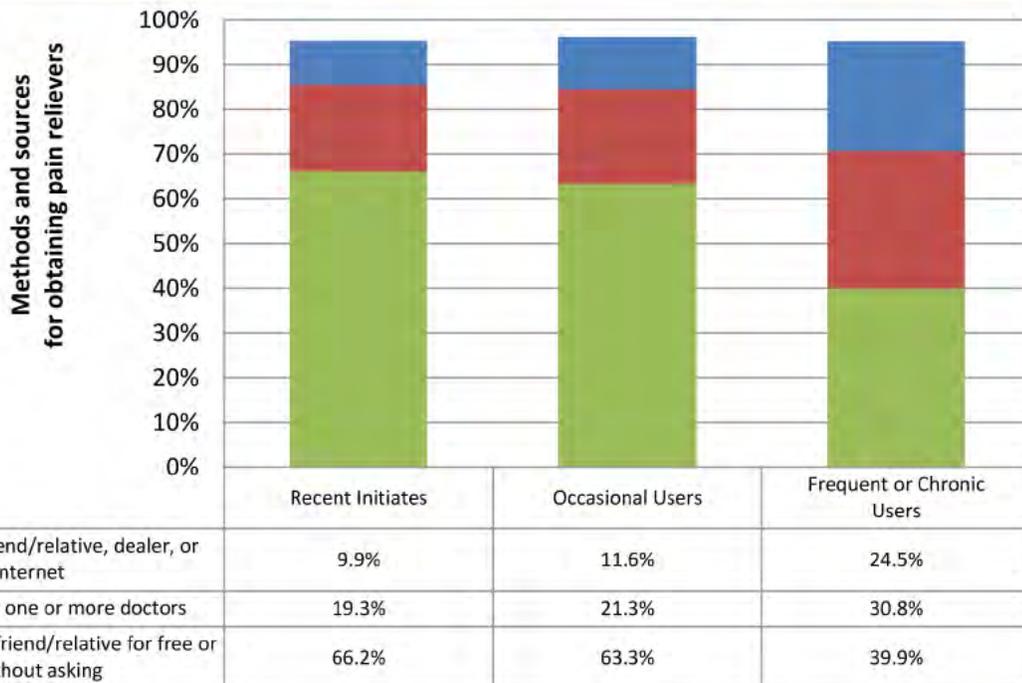
Controlled Prescription Drugs (CPDs)

(U) CHART 6. SOURCE WHERE PAIN RELIEVERS WERE OBTAINED FOR MOST RECENT NONMEDICAL USE AMONG PAST YEAR USERS AGED 12 OR OLDER: 2012 - 2013



Source: NSDUH

(U) CHART 7. HOW DIFFERENT MISUSERS OF PAIN RELIEVERS OBTAIN THEIR DRUGS (PERCENTAGE)



Source: NSDUH

Controlled Prescription Drugs (CPDs)

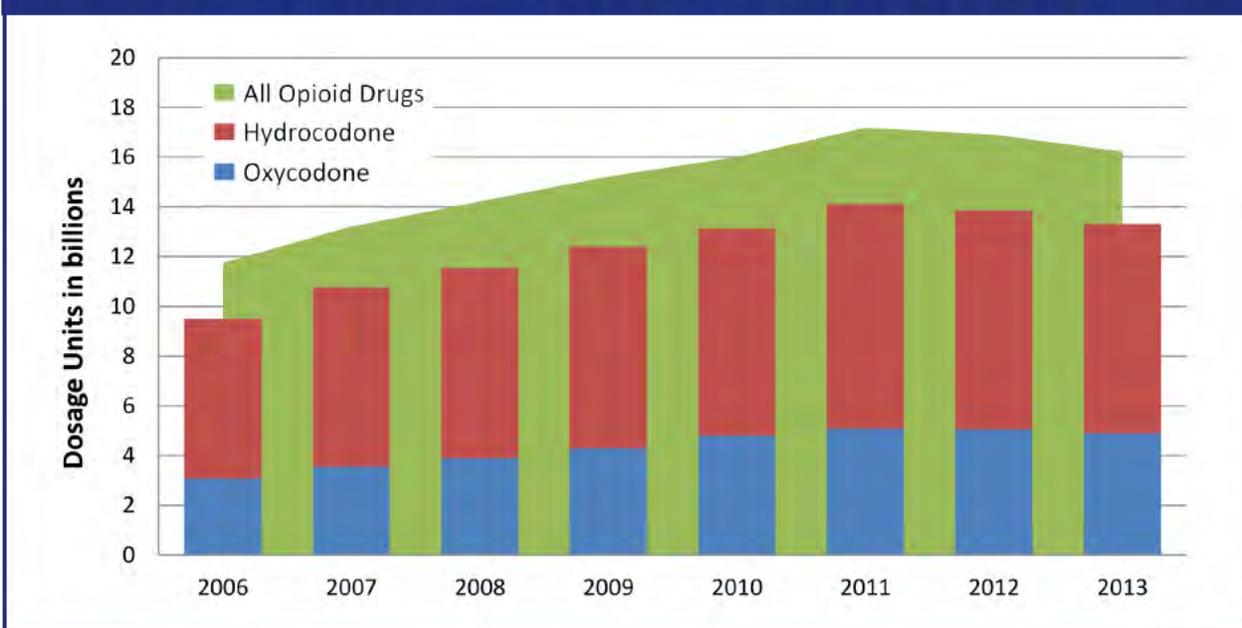
was moderate. Prescription opioid analgesics—specifically those containing oxycodone and hydrocodone—are the most common type of CPDs diverted and abused.

NSDUH data indicate that 53 percent of nonmedical users of CPDs (pain relievers, tranquilizers, stimulants, and sedatives) aged 12 or older got the prescription drugs they most recently used “from a friend or relative for free.” More than four in five of these nonmedical users who obtained prescription drugs from a friend or relative for free indicated that their friend or relative had obtained the drugs from a single doctor. (See Chart 6.) Further analysis of the NSDUH data showed that as CPD users become more frequent abusers, they more frequently obtained CPDs via purchases from friends and family, street dealers, or via the Internet. (See Chart 7.)

In addition to obtaining CPDs from friends and family, CPDs are also frequently diverted from the legitimate market or supply chain for illegal distribution and abuse. Types of diversion include doctor shopping, prescription fraud/forgery, employee theft (from pharmacies, hospitals, physician offices, etc.), non-therapeutic prescribing by rogue practitioners, and burglaries or armed robberies of pharmacies and drug distributors.

The amount of opioid CPDs available on the legitimate market is significant and a large percentage (over 80%) are oxycodone and hydrocodone products. (See Chart 8.) Data regarding legitimate commercial disbursement of prescription opioids show the amount of opioid CPDs disbursed to pharmacies, hospitals, practitioners, and teaching institutions steadily rose from 2006 to its peak in 2011, before declining slightly to current levels. (See Table 4.)

(U) CHART 8. ALL OPIOID CPDs COMPARED TO THE NUMBER OF HYDROCODONE AND OXYCODONE CPDs AVAILABLE ON THE LEGITIMATE MARKET, 2006 - 2013



Source: DEA

(U) TABLE 4. NUMBER OF DOSAGE UNITS OF OPIOID NARCOTICS DISBURSED TO US DISTRIBUTORS BY MANUFACTURERS, 2006 - 2014*

		IN BILLIONS								
	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Opioids	11.7	13.2	14.2	15.2	16.0	17.2	16.9	16.2	12.0	

*January to September 2014.

Source: DEA

Controlled Prescription Drugs (CPDs)

(U) TABLE 5. NUMBER OF DOSAGE UNITS OF OPIOID NARCOTICS LOST, 2009 - 2014

IN MILLIONS						
	2009	2010	2011	2012	2013	2014
Opioids	12.1	12.5	19.5	13.1	11.5	10.7

Source: DEA

(U) TABLE 6. TOTAL NUMBER OF PRESCRIPTION DRUG ARMED ROBBERIES, 2009 - 2014

	2009	2010	2011	2012	2013	2014
Total Number	746	771	711	802	736	808

Source: DEA

While the percentage of opioid narcotics that are diverted from the legitimate market is small—less than 1 percent of what is legitimately available—that amount still totaled more than 10 million dosage units in 2014. (See Table 5.)

CPD diversion by robbery and theft is increasing in some areas of the United States. According to the DEA Drug Theft and Loss Database, the total number of armed robberies^x of DEA registrants where prescription drugs were stolen has fluctuated but increased overall since 2009 (See Table 6). In 2014, California, Nevada, New Mexico, and Oklahoma reported a significant increase in the number of armed robberies from the previous year. (See Map A7 in Appendix A.)

- **Baltimore, Maryland:** In December 2014, seven individuals hijacked a pharmaceutical delivery truck in Baltimore at gunpoint. The truck and driver were taken to another location in Baltimore where approximately 87 cases of Schedule II and Schedule III narcotics were removed from the delivery truck and transported to a waiting truck. The pharmaceutical truck driver was left abandoned at the second location.
- **Des Moines, Iowa:** In October 2014, a woman was arrested for robbing a local pharmacy. She told an employee that a man was outside with her children, threatening to harm them unless she returned with Dilaudid®, a Schedule II opioid analgesic. The pharmacist gave her 6 bottles containing a total of 542 pills.

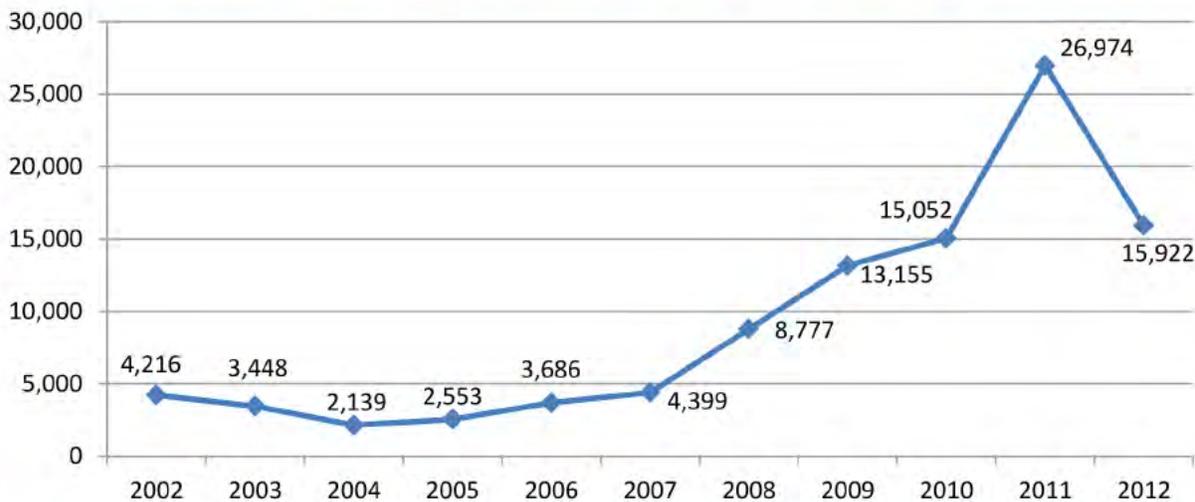
Florida: Legislative and Law Enforcement Measures Curb Diversion

Rogue pain management clinics, commonly referred to as “pill mills,” have contributed greatly to the extensive availability of illicit CPDs in the United States. Florida, long embattled by illegal pill mills and unscrupulous physicians, has recently seen a significant decline in the CPD threat. Successful law enforcement initiatives and the implementation of a state-wide PDMP in September 2011 have contributed to reductions in the number of treatment admissions, doctor shopping episodes, and overdose deaths.

- According to the 2015 NDTs, only 8.2 percent of respondents in the Florida/Caribbean OCDETF region reported CPDs as the greatest drug threat. This is a significant decline from 2013 when over 60 percent reported CPDs as the greatest drug threat and from 2014 when over 52 percent reported the same. (See Table 7.)
- The number of non-heroin opiate treatment admissions in Florida increased 540 percent from 2002 to 2011. However, since the Florida PDMP, E-FORCSE®, was funded in 2011,

^x The DEA Drug, Theft, and Loss Database compiles information as reported by DEA registrants 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. Data are self-reported by registrants.

(U) CHART 9. NON-HEROIN OPIOID/SYNTHETICS TREATMENT ADMISSIONS, FLORIDA NUMBER OF ADMISSIONS AGED 12 AND OLDER, 2002 - 2012



Source: Treatment Episode Data Set

(U) TABLE 7. 2015 NDTs FLORIDA/CARIBBEAN RESPONDENTS REPORTING CPDs AS GREATEST DRUG THREAT

PERCENTAGE			
OCDETF Region	2013	2014	2015
Florida/Caribbean	60.4	52.5	8.2

Source: National Drug Threat Survey

the number of treatment admissions have declined 41 percent from 2011 to 2012. (See Chart 9).

- According to E-FORCSE®, there has been a 53 percent drop in doctor shopping episodes since the implementation of the PDMP.
- In 2009, CPD overdoses in Florida were attributed to one in eight deaths. However, since the implementation of the PDMP, the number of oxycodone deaths declined over 27 percent from 2012 to 2013.

The reformulation^{xi} of OxyContin® in 2010, has also contributed to the decline in CPD abuse indicators. At the height of the CPD abuse problem, OxyContin® was, by far, the most commonly abused CPD in Florida and in the United States. By 2010, drug manufacturers and distributors were disseminating over 650.8 million dosage units of oxycodone products to Florida dispensaries.

(U) FLORIDA PILL MILL ARRESTS

In January 2015, a Tampa physician and his wife were arrested for conspiracy to possess with intent to distribute oxycodone and conspiracy to commit money laundering. The physician is also facing substantive counts charging him with multiple drug toxicity deaths of three individuals dating back to 2011. The physician operated out of his Pinellas Park pain clinic and wrote prescriptions for various drugs, charging \$300 cash or credit per patient visit. The physician's wife handled all monies generated by the pain clinic transferring large sums into and out of local Tampa area banks, as well as money transfers to Canada. This three-year investigation resulted in the seizure of \$2.6 million in assets, including currency, gold coins, jewelry, vehicles, and real property.

^{xi} OxyContin® was reformulated to include a tamper-resistant ingredient that made it more difficult to abuse and made it less potent to those who did abuse the drug. The reformulated version can still be abused if crushed and taken orally, but does not provide as potent a high, because the pieces still retain some of their time-release ingredient, which delays absorption.

Controlled Prescription Drugs (CPDs)

(U) FLORIDA CPD FACTS 2009 - 2011

- In 2009, one in eight deaths in Florida was attributable to CPD overdose.
- By 2010, 90 of the top 100 physicians purchasing oxycodone in the United States were located in Florida.
- There were more than 2,500 overdose deaths in 2010 and again in 2011.
- In 2011, a statewide public health emergency was declared on the prescription drug problem.

However, by 2013, that number had declined more than 51 percent to only 317.8 million dosage units. (See Chart 10.)

During the height of the Florida pill mill problem, traffickers from numerous other states traveled to Florida to obtain multi-hundred dosage units of prescription narcotics. However, since the implementation of Florida's PDMP, many of the pill mill physicians began relocating from Florida to other states, such as Georgia and Massachusetts. As a result, traffickers and abusers are now traveling to neighboring states such as Alabama, Georgia, and Tennessee to obtain CPDs. Incidentally, although Georgia's PDMP became operational in January 2013, the state was unable to secure grant funding to keep the PDMP operating past September 2015.

- **Orlando, Florida:** In September 2014, two individuals were sentenced for their role in a multi-state prescription organization. The head of this organization arranged for fellow members to travel to Florida from Puerto Rico and Massachusetts to obtain CPDs, primarily oxycodone. Once the CPDs were obtained from Florida pharmacies, the drugs were mailed back to Massachusetts for distribution.
- **Savannah, Georgia:** In August 2014, a Georgia physician was sentenced to over 11 years in prison for his part in writing excessive prescriptions for oxycodone. The physician worked for a Georgia pain management clinic

for 25 days in 2011 during which he wrote prescriptions for 196 patients. The patients had traveled to Georgia from Kentucky, Ohio, and Florida. Eight other individuals, who either organized or worked for the clinic, some of whom had no medical education or training, were also charged. The clinic organizers had been associated with pill mill operations in Florida, but relocated to Georgia after changes in Florida law restricted non-medical doctors from owning pain clinics.

- **Atlanta, Georgia:** In June 2014, two area physicians were each sentenced to 15 years in prison on federal drug and money laundering charges. The two individuals owned and operated a pain clinic, which served as a front for the mass distribution of pain killers, primarily oxycodone. One of the physicians sentenced had relocated his pill mill operation to Georgia after being acquitted for similar charges of running a Florida pill mill.

Economic Impact of Prescription Drug Abuse

The economic impact of prescription drug abuse is significant. Healthcare costs were expected to surpass \$3 trillion by 2014. The most conservative estimate of the amount of total healthcare expenditures lost to fraud is three percent; however, that equates to over \$70 billion annually. Losses attributed to wasteful spending, including fraud and abuse, may actually be as high as 30 percent of healthcare expenditures.

Unscrupulous physicians add to the health care burden in the United States. In pill mills across the country, most physicians accept cash payments from patients and some often file claims with private insurance companies and Medicare/Medicaid. Corrupt pharmacists also contribute to burgeoning health care costs in the United States.

- **Miami, Florida:** In June 2014, a Miami Beach physician was sentenced for his role in a Medicare fraud scheme. The physician admitted to executing a scheme to defraud the Medicare program and attempting to cause a loss in excess of \$2.5 million dollars. He was ordered to forfeit \$1.6 million dollars

and his Miami residence, as well as pay nearly \$1.65 million in restitution to the Centers for Medicare and Medicaid Services, the amount of loss suffered by the Medicare program.

- **Boston, Massachusetts:** In March 2014, a physician specializing in pain management was charged with overbilling the Medicare program. This doctor overbooked patient appointments, often with as many as four patients per slot, and trained physician assistants and registered nurses to overbill the Medicare program. This physician owned pain management clinics in Massachusetts and Rhode Island and reportedly billed Medicare nearly \$3.5 million in 2012.

Outlook

CPD availability and abuse will continue to pose a significant drug threat to the United States. The implementation of legislation and successful law enforcement efforts have proven effective in various areas of the country. However, as these measures succeed in one area, abusers and traffickers move their operations to parts of the country in which PDMPs do not exist or are not fully funded, thereby increasing the CPD threat in a new area.

(U) TWIN BROTHER PHARMACISTS SENTENCED TO PRISON FOR HEALTH CARE FRAUD

In March 2014, two Newark, New Jersey pharmacists—twin brothers—were each sentenced to 42 months in prison for reaping at least \$15 million by defrauding patients, Medicaid, and private insurance companies over the previous 15 years. These pharmacists devised a multifaceted system in which they:

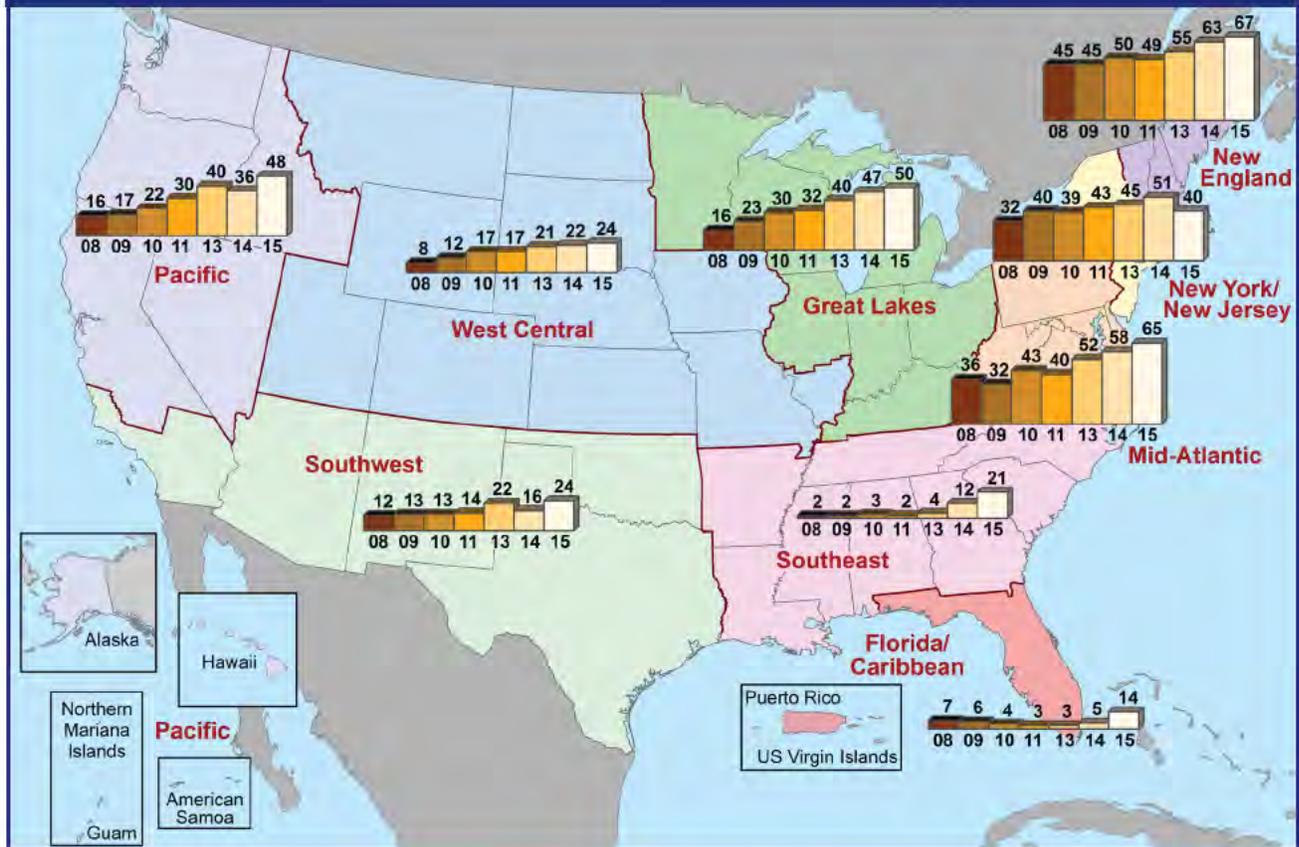
- Under-filled prescriptions, yet billed Medicaid and private insurers for a fully-filled prescription.
- Substituted generic drugs, unbeknownst to the patient, and billed Medicaid and private insurance companies for the full cost of the brand-name drug.
- Filled outstanding refills without a patients' knowledge or consent, and filed insurance claims.
- Purchased prescription drugs back from existing patients and reused those drugs to fill other patients' prescriptions, before billing Medicaid or private insurance companies.
- Purchased heavily discounted prescription drugs from non-licensed wholesalers and billed Medicaid and private insurers for the full costs of the drug.

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Heroin

(U) MAP 4. PERCENTAGE OF NDTs RESPONDENTS REPORTING HIGH HEROIN AVAILABILITY, 2008 - 2011, 2013 - 2015



Source: National Drug Threat Survey

Overview

The threat posed by heroin in the United States is serious and has increased since 2007. Heroin is available in larger quantities, used by a larger number of people, and is causing an increasing number of overdose deaths. Increased demand for, and use of, heroin is being driven by both increasing availability of heroin in the US market and by some CPD abusers using heroin. CPD abusers who begin using heroin do so chiefly because of price differences, but also because of availability, and the reformulation of OxyContin®, a commonly abused prescription opioid.

Heroin overdose deaths are increasing in many cities and counties across the United States, particularly in the Northeast area (the Mid-Atlantic, New England, and New York/New Jersey OCDETF Regions), as well as areas of the Midwest. Possible

reasons for these increases in overdose deaths include an overall increase in heroin users; high purity batches of heroin reaching certain markets, causing users to accidentally overdose; an increase in new heroin initiates, many of whom are young and inexperienced; abusers of prescription opioids (drugs with a set dosage amount and no other adulterants) initiating use of heroin, an illicitly-manufactured drug with varying purities, dosage amounts, and adulterants; and the use of highly toxic heroin adulterants such as fentanyl in certain markets. Further, heroin users who have stopped using heroin for a period of time (due to treatment programs, incarceration, etc.) and subsequently return to using heroin are particularly susceptible to overdose, because their tolerance for the drug has decreased.

Heroin

DEA heroin arrests nearly doubled between 2007 (2,434) and 2014 (4,780).

According to the 2015 NDTs, 38 percent of respondents reported heroin was the greatest drug threat in their area; more than for any other drug. Since 2007, the percentage of NDTs respondents reporting heroin as the greatest threat has steadily grown, from 8 percent in 2007 to 38 percent in 2014. (See Chart 2 in the Executive Summary and Map A8 in Appendix A.)

Availability

Reporting from federal, state, and local law enforcement agencies indicates heroin availability is increasing in areas throughout the nation. Availability levels are highest in the Northeast and areas of the Midwest. (See Map 4.)

- According to the 2015 NDTs, 53 percent of respondents said heroin availability was high or moderate in their areas. In addition, 65 percent of respondents reported that heroin availability was increasing and 64 percent said that heroin demand was increasing.
- DEA investigative reporting shows increasing heroin availability in cities throughout the United States. Ten of DEA's 21 FDs reported that heroin availability was high during the first half of 2014; all others reported availability was moderate. Seven FDs reported heroin availability across the Division area of responsibility (AOR) was increasing from the previous reporting period. (See Table 8.)
- Seizure data also indicate a substantial increase in heroin availability in the United States. According to National Seizure System (NSS) data, heroin seizures in the United States increased 81 percent over five years, from 2,763 kilograms in 2010 to 5,014 kilograms in 2014. (See Chart 10.) Traffickers are also transporting heroin in larger amounts. The average size of a heroin seizure in 2010 was 0.86 kilograms; in 2014, the average heroin seizure was 1.74 kilograms. Law enforcement officials in cities across

(U) TABLE 8: DEA FIELD DIVISION REPORTING OF HEROIN AVAILABILITY IN THE FIRST HALF OF 2014 AND COMPARISON TO PREVIOUS PERIOD

FIELD DIVISION	AVAILABILITY DURING FIRST HALF 2014	AVAILABILITY COMPARED TO SECOND HALF 2013
Atlanta Field Division	High	Stable
Caribbean Field Division	Moderate	Stable
Chicago Field Division	High	More
Dallas Field Division	Moderate	More
Denver Field Division	Moderate	Stable
Detroit Field Division	High	Stable
El Paso Field Division	Moderate	Stable
Houston Field Division	Moderate	Stable
Los Angeles Field Division	High	Stable
Miami Field Division	Moderate	More
New England Field Division	High	Stable
New Jersey Field Division	High	Stable
New Orleans Field Division	Moderate	More
New York Field Division	High	Stable
Philadelphia Field Division	High	More
Phoenix Field Division	Moderate	Stable
San Diego Field Division	Moderate	More
San Francisco Field Division	Moderate	More
Seattle Field Division	High	Stable
St. Louis Field Division	Moderate	Stable
Washington Field Division	High	Stable

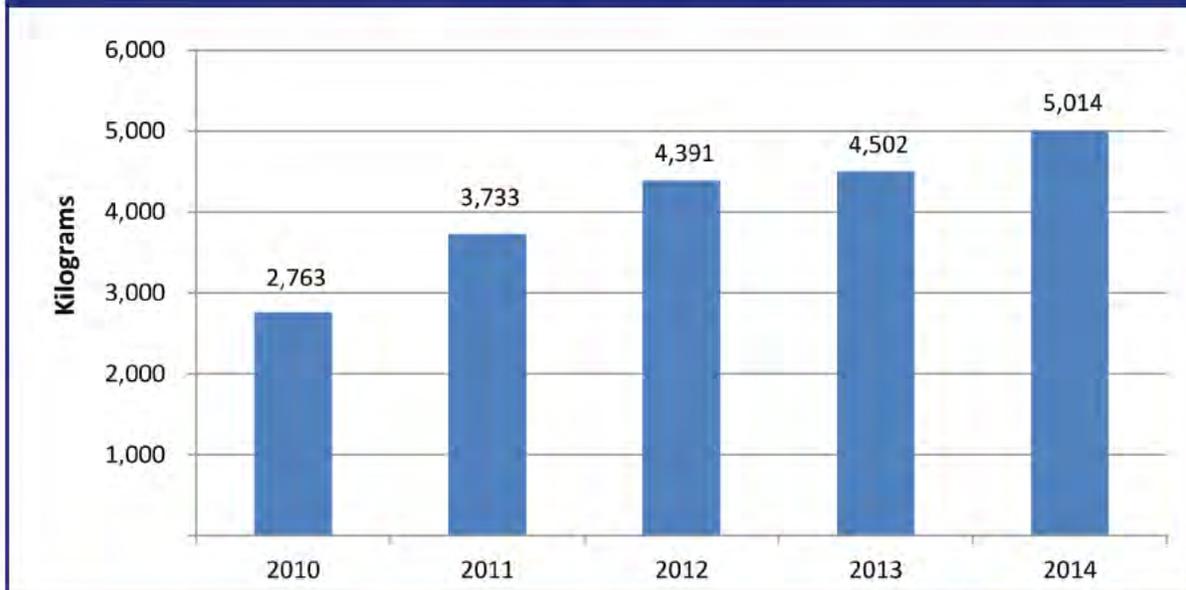
Source: DEA Field Division Reporting

the country report seizing larger than normal quantities of heroin over the past two years.

Availability by Heroin Type

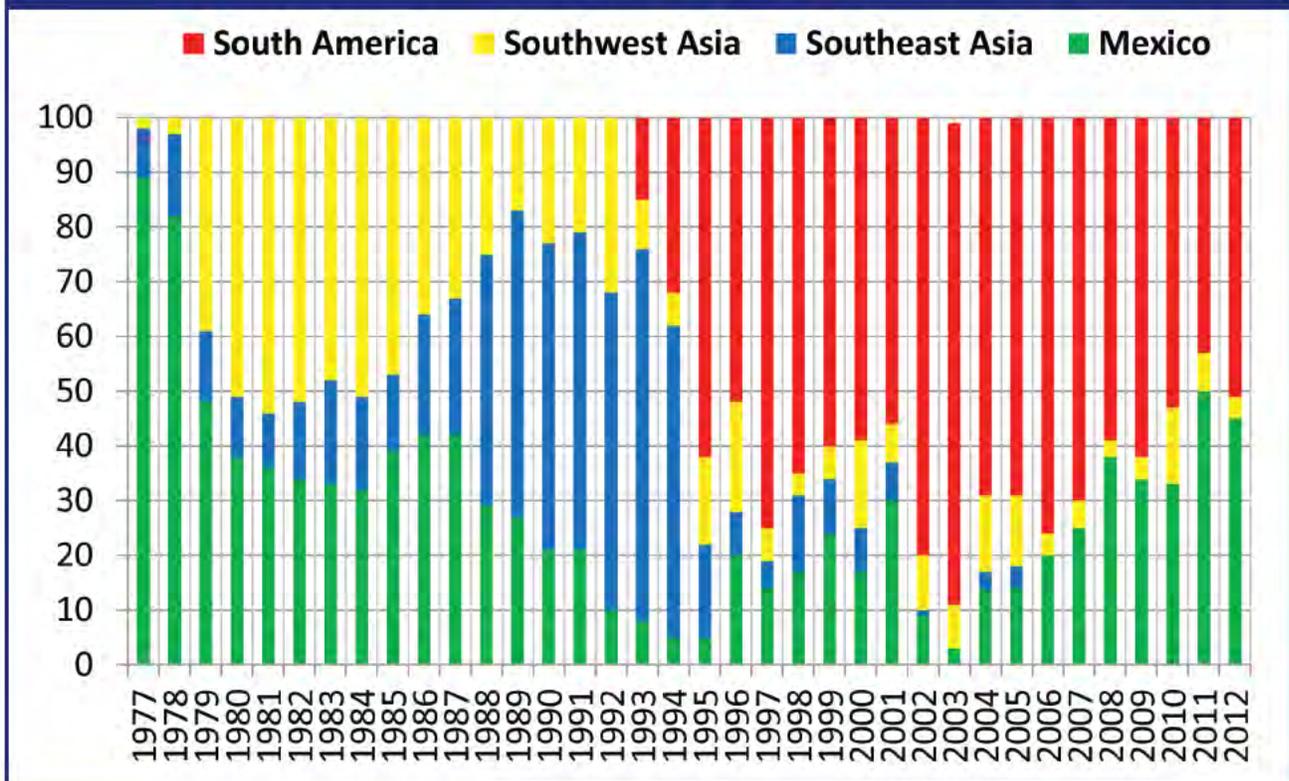
Most of the heroin available in the United States comes from Mexico and Colombia. (See Chart 11.) Despite significant decreases in Colombian heroin production between 2001 and 2009, South American heroin continues to be the predominant type available in eastern US markets. While Southwest Asia supplies most of the world's heroin, very little makes it way to the United States; most Southwest Asian heroin supplies markets in Africa, Asia, and Europe. Southeast Asia was once the

(U) CHART 10. HEROIN SEIZURES IN THE UNITED STATES, 2010 - 2014



Source: EPIC National Seizure System

(U) CHART 11. SOURCE OF ORIGIN FOR US WHOLESALE-LEVEL HEROIN SEIZURES, 1977 - 2012



Source: Heroin Signature Program

Heroin

dominant supplier of heroin in the United States, but Southeast Asian heroin is now rarely detected in US markets. Mexico and, to a lesser extent, Colombia dominate the US heroin market, because of their proximity, established transportation and distribution infrastructure, and ability to satisfy US heroin demand.

Production of White Heroin in Mexico

“Alleged Mexican White” (AMW) heroin is a South American-heroin-like powder that is most likely made from Mexico-produced poppies, with morphine extracted by Mexican or South American methods, and processed into heroin hydrochloride using South American processing methods. The DEA Special Testing and Research Laboratory (SFL1), which uses signature analysis to determine the geographic source region of heroin samples, has analyzed an increasing number of Mexico-sourced heroin samples, as well as heroin samples of an unknown classification. The “unknown” samples are found primarily in the Eastern and Midwestern United States, where South American heroin typically dominates the market. Seizure data indicate that these unknowns are Mexico-produced. When they are seized in transit they are routinely seized at or near the Southwest Border, and also along trafficking routes to markets in the Midwest established by Mexican organizations over the past two decades. This indicates that Mexican TCOs may be producing white heroin in Mexico and also may be mixing South American heroin with Mexican brown powder heroin to create a product more appealing to white powder markets in the eastern United States. Further, DEA investigative reporting indicates Mexican TCOs are producing white heroin. SFL1 has established a formal signature of this type of heroin.

The suspected production of white powder heroin in Mexico is important because it indicates that Mexican traffickers are positioning themselves to take even greater control of the US heroin market. It also indicates that Mexican traffickers may rely less on relationships with South American heroin sources-of-supply, primarily in Colombia, in the future. If Mexican TCOs can produce their own white powder heroin, there will be no need to purchase white powder heroin from South

(U) SOUTHWEST ASIAN HEROIN: A SMALL PART OF THE US HEROIN MARKET

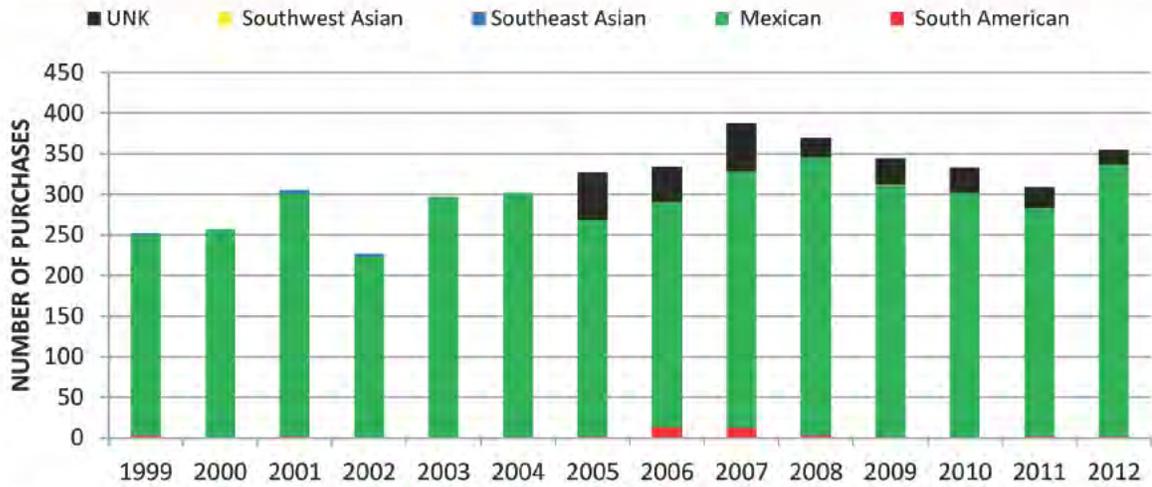
Southwest Asian (SWA) heroin is the most common type of heroin produced in the world; however, its availability in the US market is very low. In 2012, SWA heroin accounted for only four percent of the total weight of heroin classified by the HSP. SWA heroin is available in the United States in some major metropolitan areas such as Atlanta, Boston, Chicago, Detroit, New York City, Pittsburgh, and Washington, DC; however, it is available at much lower levels than heroin sourced from South America or Mexico.

The small amount of SWA heroin available in the United States is generally transported by West African, primarily Nigerian, traffickers, via commercial air, into large cities in the eastern United States. SWA heroin is more commonly found in eastern US cities because it is a white powder heroin, which meets regional market demands.

According to Canadian law enforcement, SWA heroin is the predominant type of heroin available in Canada, but it does not appear to be entering the United States across the Northern Border. SWA heroin in Canada is currently cost prohibitive for the US market. In the first half of 2014, a kilogram of SWA heroin in Canada cost an average of \$95,000 per kilogram while a kilogram of South American white powder heroin in the United States cost an average of \$63,360. Further, SWA heroin traffickers cannot compete with the transportation and distribution networks of Mexican and South American organizations in the United States.

America to meet demand in the United States. This would also reinforce Mexican TCOs’ poly-drug trafficking model and ensure their domination of all major illicit drug markets (heroin, cocaine, methamphetamine, and marijuana) in the United States.

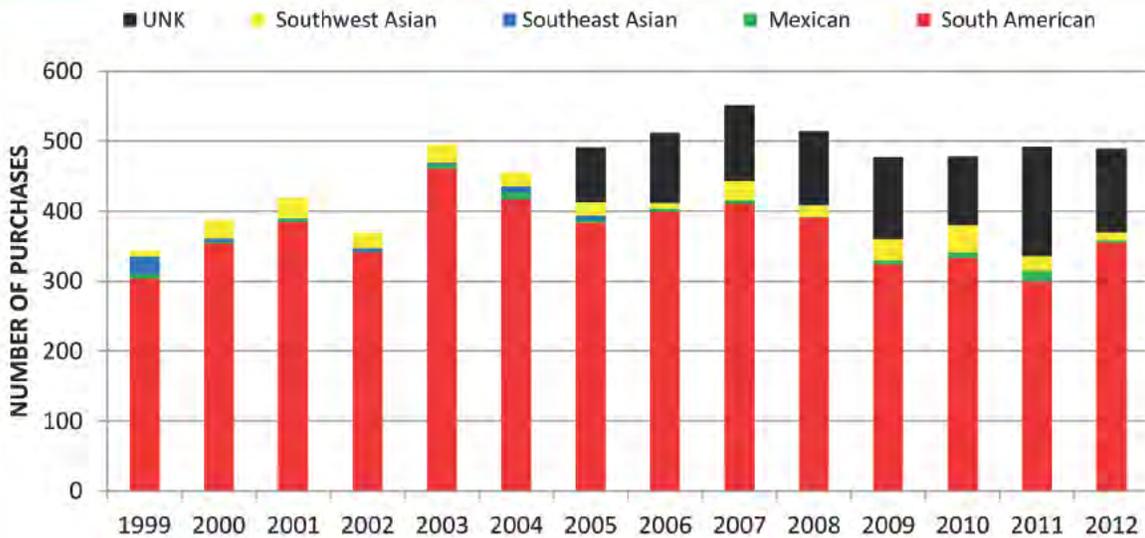
(U) CHART 12. SIGNATURE SOURCE FOR RETAIL-LEVEL HEROIN PURCHASED IN WESTERN US CITIES, 1999 - 2012



WEST cities: Albuquerque, Dallas, Denver, Houston, Los Angeles, Phoenix, Portland, San Antonio, San Diego, San Francisco, and Seattle.

Source: Heroin Domestic Monitor Program

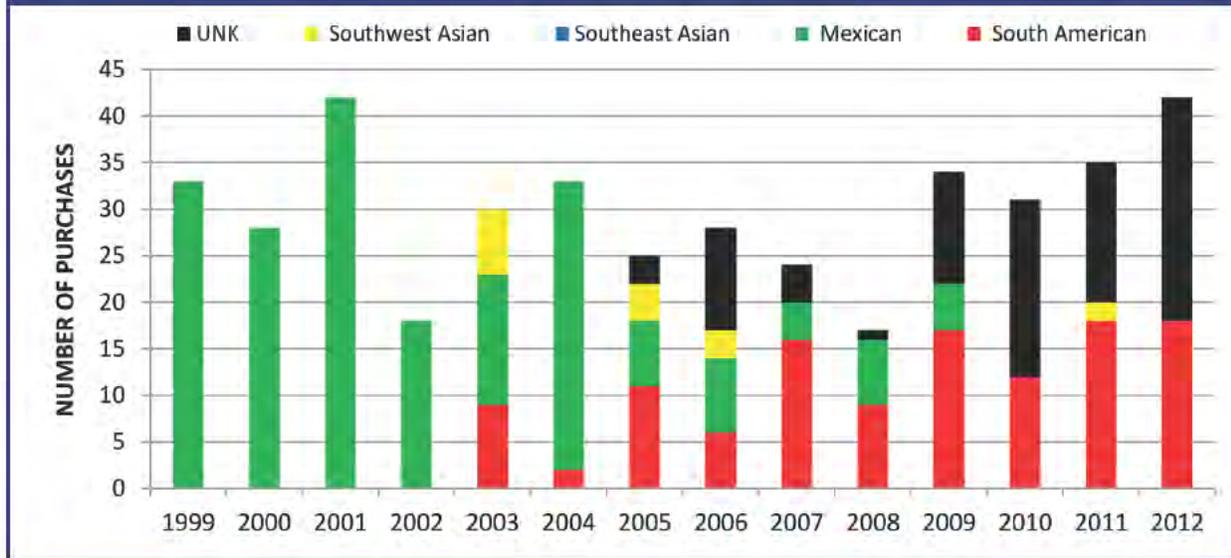
(U) CHART 13. SIGNATURE SOURCE FOR RETAIL-LEVEL HEROIN PURCHASED IN EASTERN US CITIES, 1999 - 2012



EAST cities: Atlanta, Baltimore, Boston, Chicago, Detroit, Miami, New Orleans, New York City, Newark, Orlando, Philadelphia, Pittsburgh, Richmond, San Juan, and Washington DC.

Source: Heroin Domestic Monitor Program

(U) CHART 14. SIGNATURE SOURCE FOR RETAIL-LEVEL HEROIN PURCHASED IN ST. LOUIS, 1999 - 2012



Source: Heroin Domestic Monitor Program

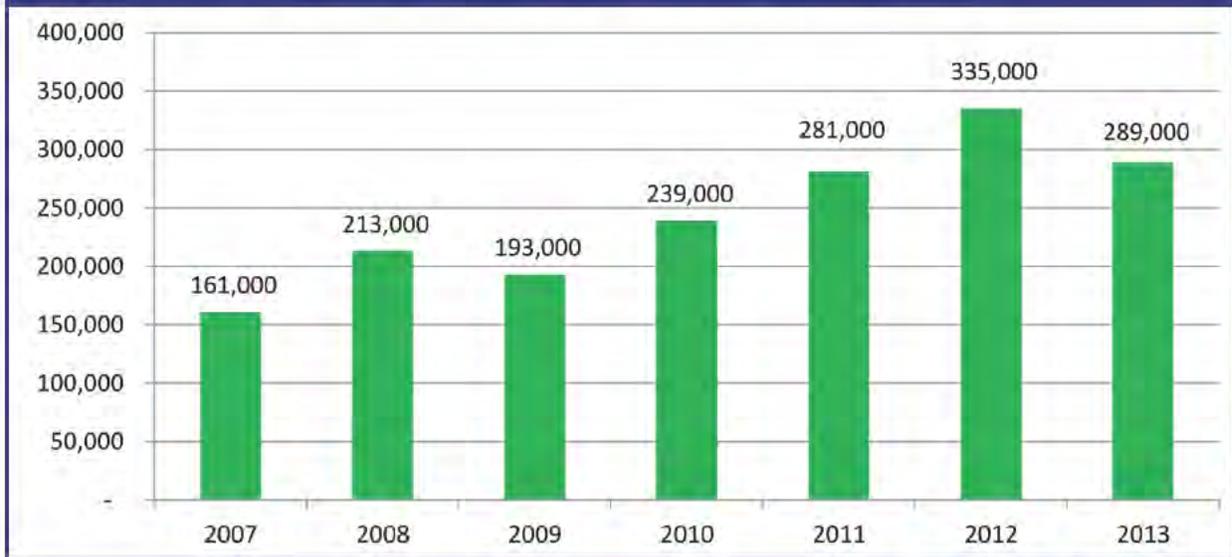
(U) THE DEA'S HEROIN SIGNATURE PROGRAM AND HEROIN DOMESTIC MONITOR PROGRAM

The DEA's HSP and HDMP provide in-depth chemical analysis on the source area origin and purity of heroin found in the United States. Since 1977, the HSP has reported the geographic source and purity of heroin seized at ports-of-entry, as well as wholesale-level seizures within the United States. Each year, chemists at SFL1 perform in-depth chemical analyses on 500 to 900 samples to assign geographic origin based on authentic samples obtained from the heroin producing regions around the world. The HDMP, initiated in the New York FD in 1979, provides data on the price, purity, and geographic origin of street level (retail-level) heroin purchased in 27 US cities.^{xii} Both programs provide a snapshot of the US heroin market. Since not all heroin seizures in the United States are submitted for analysis, the source area proportions should not be characterized as market share.

For at least the past 30 years the retail US heroin market has been roughly divided by the Mississippi River, with Mexican black tar and brown powder heroin dominating west of the Mississippi and white powder heroin (most recently South American) more common in the East. There are a few markets that do not conform to this description (for example, there are markets in Ohio and North and South Carolina where Mexican black tar heroin is used), but these are exceptions. Data from the DEA Heroin Domestic Monitor Program (HDMP) shows the majority of retail-level heroin purchased in eastern US markets was South American in type, while almost all of the heroin purchased at the retail level in western US markets was Mexican in type. (See Charts 12 and 13.) The Miami FD was the only DEA FD to have 2014 HDMP purchase exhibits of both Mexican and South American heroin signatures. Heroin purchases in St. Louis indicate a heroin market in flux, as availability has transitioned from black tar heroin to white powder heroin. (See Chart 14.)

^{xii} Albuquerque, Atlanta, Baltimore, Boston, Chicago, Dallas, Denver, Detroit, Houston, Los Angeles, Miami, New Orleans, New York City, Newark, Orlando, Philadelphia, Phoenix, Pittsburgh, Portland, Richmond, San Antonio, San Diego, San Francisco, San Juan, Seattle, St. Louis, and Washington DC.

(U) CHART 15. CURRENT HEROIN USERS, 2007 - 2013



Source: National Survey on Drug Use and Health

Use

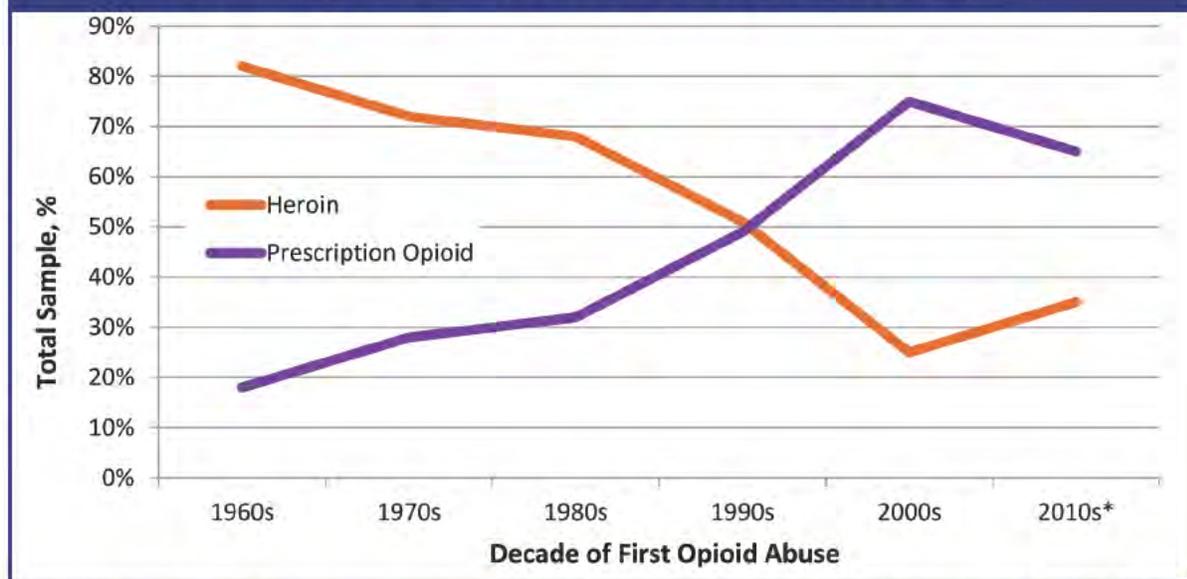
National-level treatment, survey, and epidemiological data indicate heroin use and demand are increasing. Indicators of increased use were reported in cities across the United States in 2014, particularly in the Northeast/Mid-Atlantic states.

- According to TEDS information, primary heroin-related treatment admissions to publicly funded facilities stayed relatively stable between 2008 (281,410) and 2012 (285,451). (See Table B3 in Appendix B.) Of the total number of users admitted for heroin-related treatment in 2012, 67.4 percent reported their frequency of use as daily and 70.6 percent reported their preferred route of administration as injection.
- Repeated sessions of treatment are often necessary for heroin users. In 2012, 80 percent of the primary heroin admissions had been in treatment prior to the current episode, and 27 percent had been in treatment five or more times.
- From 2002 through 2012, heroin treatment admission rates were consistently highest in the New England and Mid-Atlantic states.
- According to the NSDUH, the number of heroin users reporting current (past month) use increased by 80 percent between 2007 and 2012. (See Chart 15.) There was an 83 percent increase in users who reported past year heroin use during that time, and a 26 percent increase in users who reported lifetime heroin use.
- NSDUH data also indicate an increase in the number of people who initiated heroin use in the past year. The estimated number of new heroin initiates fluctuated but increased 43 percent overall between 2004 (118,000) and 2013 (169,000).

CPD Abusers Using Heroin

Some CPD abusers are initiating heroin use, which is contributing to the increased demand for and use of heroin. This trend represents a continuing opioid abuse problem in the United States. CPD abusers and heroin users are all classified as opioid abusers. CPD abusers who begin using heroin should not be viewed as quitting one type of drug and starting another; rather, these are opioid abusers who started their abuse with one type of opioid and are also using another type of opioid: heroin. Heroin use is a progression of an untreated substance use disorder. It is also important to realize that in earlier decades

(U) CHART 16. PERCENTAGE OF THE TOTAL HEROIN-DEPENDENT SAMPLE THAT USED HEROIN OR A PRESCRIPTION OPIOID AS THEIR FIRST OPIOID OF ABUSE



*Note: 2010s data includes only 2010 to 2013.

Source: Journal of the American Medical Association Psychiatry; Cicero, Theodore J., PhD; Matthew S. Ellis, MPE; Hilary L. Surratt, PhD; Steven P. Kurtz, PhD, The Changing Face of Heroin Use in the United States: A Retrospective Analysis of the Past 50 Years, July 2014.

prescribers only provided patients with opioids in rare circumstances (e.g., for terminal cancer). The present era is the first time in many decades where much of the US population has had appreciable exposure to prescription opioids.

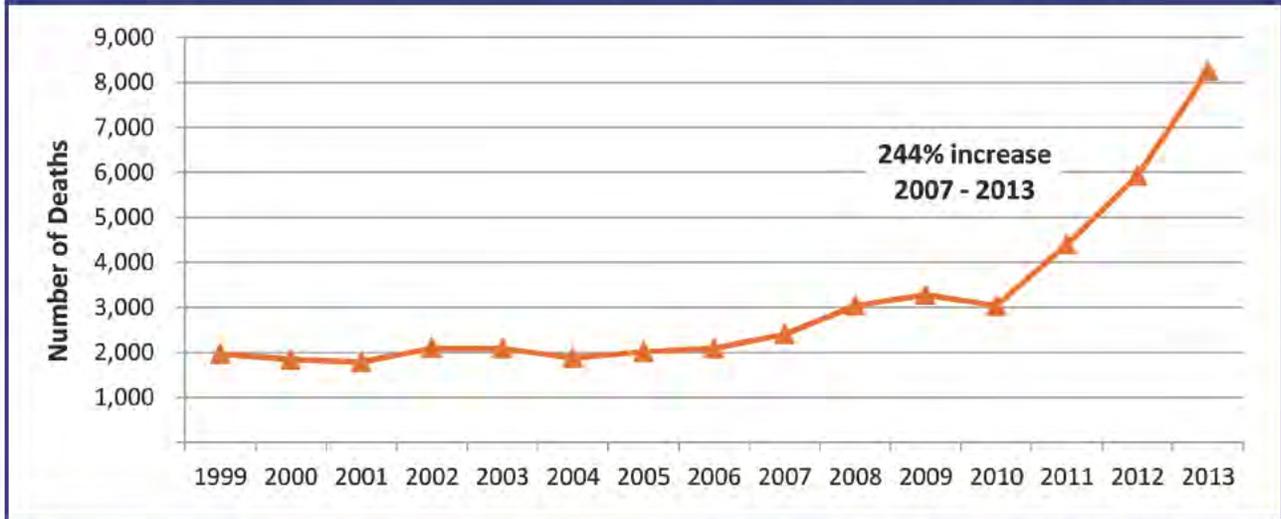
This trend has been consistently reported by law enforcement and treatment officials in areas throughout the United States. A recent NSDUH study found that, from 2002 to 2011, heroin use was 19 times higher among those who had previously used pain reliever CPDs non-medically. The study also found that four out of five recent heroin initiates had previously abused pain relieving CPDs. While the number of CPD abusers initiating heroin use was a relatively small percentage of the total number of CPD abusers from 2002 to 2011 (an estimated 3.6%), it represented a large percentage of new heroin initiates (79.5%).

Research indicates those CPD abusers who begin using heroin do so because of price differences, availability differences, and the reformulation of OxyContin®, a commonly abused prescription opioid. A 2014 study examined heroin-dependent individuals who started their use in each decade from the 1960s to the 2010s. The study found

that most users in the 1960s started their opioid use with heroin; however, that steadily changed until the 2000s, when 75 percent of heroin-dependent users in the study reported starting their use with prescription opioids. (See Chart 16.) More than 90 percent of the prescription opioid abusers who began using heroin did so because of the high it provided and because it was more readily accessible and much less expensive than prescription opioids. The study also found that there seemed to be widespread acceptance of heroin use among those who abused opioid drugs. Further, a 2012 study examining the effects of the reformulation of OxyContin® found 66 percent of patients studied indicated switching to another opioid, with "heroin" the most common response.

It is important to note that the OxyContin® reformulation appears to have been successful both in helping to curb abuse of the drug and in reducing overdose deaths. In 2011, emergency department visits involving oxycodone declined for the first time after steadily rising since 2004, and overdose deaths involving opioid analgesics began to decrease in 2011, after more than a decade of steady increases. The reformulation will also help to prevent new users from beginning opioid abuse.

(U) CHART 17. DRUG-POISONING DEATHS INVOLVING HEROIN, 1999 - 2013



Note: Heroin includes opium.

Source: National Center for Health Statistics/Centers for Disease Control, Final death data for each calendar year

(U) HEROIN DEATHS ARE OFTEN UNDERCOUNTED

Heroin deaths are often undercounted because of variations in state reporting procedures, and because heroin metabolizes into morphine very quickly in the body, making it difficult to determine the presence of heroin. Many medical examiners (MEs) are reluctant to characterize a death as heroin-related without the presence of 6-monoacetylmorphine (6-MAM), a metabolite unique to heroin, but which quickly metabolizes into morphine. Thus many heroin deaths are reported as morphine-related deaths. Further, there is no standardized system for reporting drug-related deaths in the United States. The manner of collecting and reporting death data varies with each ME and coroner.

Overdose Deaths

The number of heroin-related overdose deaths in the United States has increased significantly, rising 244 percent between 2007 and 2013. There has been a particularly sharp increase in deaths since 2010. (See Chart 17.)

Heroin, while used by a smaller number of people than other major drugs, is much more deadly to its users. The population that currently uses prescription pain relievers non-medically was approximately 15 times the size of the heroin user population in 2013; however, opioid analgesic-involved overdose deaths in 2013 were only twice that of heroin-involved deaths. Current cocaine users outnumbered heroin users by approximately 5 times in 2013, but heroin-involved overdose deaths were almost twice those of cocaine. Deaths involving heroin are also increasing at a much faster rate than for other illicit drugs, more than tripling between 2007 (2,402) and 2013 (8,257).

Possible reasons for the increase in heroin overdose deaths include an overall increase in heroin users; high-purity batches of heroin reaching certain markets, causing users to accidentally overdose; an increase in new heroin initiates, many of whom are young and inexperienced; abusers of prescription opioids (drugs with a set dosage amount and no other adulterants) initiating use of heroin, an illicitly-manufactured drug with varying purities, dosage amounts, and adulterants; and the presence of highly toxic heroin adulterants such as fentanyl in certain markets. Further, heroin users who have stopped using heroin for a period of time (due to treatment programs, incarceration, etc.) and subsequently return to using heroin are particularly susceptible to overdose, because their tolerance for the drug has decreased.

Heroin

Death data may not be representative of user locations

Heroin overdose data may be over-accounting for cities that are heroin distribution centers, and under-accounting for outlying areas. Many law enforcement agencies have reported that overdose numbers in their communities include a significant number of deaths of non-residents. Heroin users from suburban and rural areas are traveling to distribution cities, usually in more urban areas, using heroin, and overdosing in those cities, which causes the overdose statistic (hospital admission, death data, etc.) to be counted in the city where the user overdosed instead of the user's city of residence. A 2014 snapshot study of Camden, New Jersey, heroin overdoses, conducted by the New Jersey State Police Regional Operations Intelligence Center (ROIC), found that only 40 percent of the overdose cases were Camden residents; 60 percent had come from outlying areas. In Washington, DC, a significant portion of the people who purchase, use, and overdose on heroin in the District were found to have travelled there from the numerous communities surrounding the city. This trend is notable because law enforcement and treatment officials in these outlying areas may be unaware of the magnitude of heroin use in their communities.

Naloxone (“Narcan®”)

In response to increasing overdoses caused by the use of heroin and other opioids, many law enforcement agencies are training officers to administer naloxone, a prescription drug that can reverse the effects of opioid overdose, and ensure follow-up medical attention. Naloxone can be nasally-administered and generally has no adverse effect if administered to a person who is not suffering from opioid overdose.

In April 2014, the Food and Drug Administration (FDA) approved Evzio®, a device that delivers a single dose of naloxone via a hand-held auto-injector. Evzio® is injected into the muscle (intramuscular) or under the skin (subcutaneous). Once turned on, the device provides verbal instruction to the user describing how to deliver the medication, similar to automated defibrillators. It is the first naloxone treatment specifically designed to be given by family members or caregivers.

Some areas reported shortages of naloxone and substantial price increases in late 2014. In Massachusetts, the price per kit (2 atomizers and 2 vials) increased from \$42 to \$75 and naloxone was back-ordered for several months. The price increases for naloxone will have a significant impact on public health and law enforcement budgets. However, Amphastar Pharmaceuticals, Inc., the manufacturer of naloxone, has reached agreements with the states of New York and Ohio to offer a rebate of six dollars per dose to state public entities that purchase naloxone. The rebate will also automatically increase, dollar-for-dollar, to match any future growth in wholesale naloxone prices.

Production

Poppy cultivation

Opium poppy is produced in four major source areas of the world: Southwest Asia,^{xiii} Southeast Asia,^{xiv} Mexico,^{xv} and South America. Southwest Asia produces, by far, the majority of the world's heroin; however, very little of the heroin produced in Southwest Asia supplies US markets. Most of the heroin produced in Southwest Asia is consumed in Europe and Asia. Likewise, very little of the heroin produced in Southeast Asia is transported to the United States. The majority of the heroin produced in Southeast Asia is consumed in that region and in Australia. Mexico is the primary supplier of heroin to the United States. Opium poppy cultivation in Mexico has increased significantly in recent years reaching 17,000 hectares in 2014, with an estimated pure potential production of 42^{xvi} metric tons of heroin. This increase was driven in part by Mexican organizations shift to increased heroin trafficking. In 2014, the US Government estimated that 800 hectares of opium poppy were under cultivation in Colombia, sufficient to produce about two metric

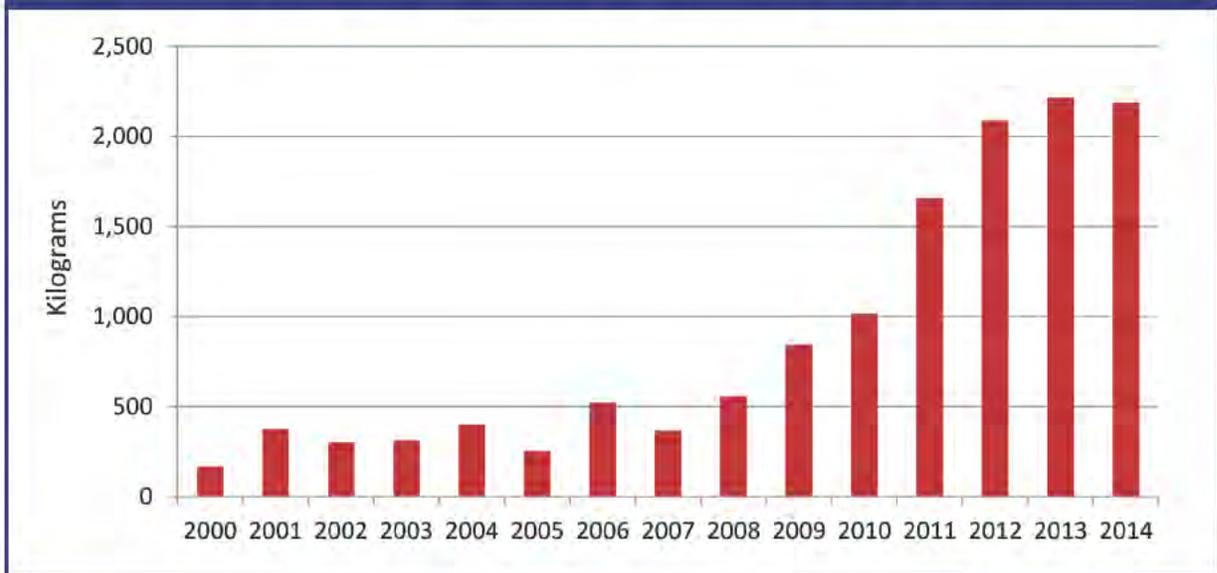
^{xiii} Mainly Afghanistan, also Pakistan.

^{xiv} Mainly Burma, also Laos and Thailand.

^{xv} Small amounts are also produced in neighboring Guatemala.

^{xvi} The potential production of 42 metric tons may be an overestimate or an underestimate of the actual figure. There are no recent, reliable crop yield studies of opium poppy in Mexico, thus it is impossible to estimate potential heroin production in Mexico with high confidence.

(U) CHART 18. HEROIN SEIZURES AT THE SOUTHWEST BORDER, 2000 - 2014



Source: EPIC National Seizure System

tons of pure heroin. The DEA Intelligence Division assesses that opium poppy cultivation in Colombia remains limited.

Heroin Milling in the United States

Heroin is commonly milled (wholesale quantities broken down and packaged into mid-level and retail quantities) in the United States. Wholesale quantities of heroin are delivered to the "mill" location (usually a private home or apartment) where members of the trafficking organization break the heroin down into smaller quantities. Heroin baggers can be paid as much as several thousand dollars per shipment for their labor. Kilogram- and pound-sized blocks are broken down using blenders or food processors, and diluents and adulterants such as lactose, mannitol, and quinine are added to the heroin. The heroin is then repackaged for mid-level or retail sale.

Heroin mills are most commonly seized in the New York City metropolitan area. In 2014, DEA dismantled 13 heroin mills in the New York FD AOR. DEA reporting also indicates heroin trafficking organizations are operating heroin mills and stash locations in the suburbs and more affluent areas of New York City and nearby states, because these groups believe they will avoid interdiction by law enforcement and theft by other organizations.

Transportation

Heroin is most commonly brought to the United States overland across the Southwest Border (mostly Mexican heroin, some South American heroin) or transported by couriers on commercial airlines (South American, Southwest Asian, and Southeast Asian heroin). Seizures at the Southwest Border are rising as Mexican TCOs increase heroin production and transportation. Heroin seizures at the border more than doubled over five years, from 2010 (1,016 kilograms) to 2014 (2,188 kilograms), most likely due to increased Mexican heroin smuggling and enhanced law enforcement efforts along the border. (See Chart 18.) Most heroin smuggled across the border is transported in privately-owned vehicles, usually through California, as well as through south Texas.

- In 2014, more than half of US Customs and Border Protection (CBP) heroin seizures at the Southwest Border were seized in the southern California corridors of San Diego and El Centro; seizures in both corridors increased from 2013. Seizures in the South Texas corridors of Laredo and Rio Grande Valley, while decreasing from 2013, still represent a significant portion of the heroin seized at the Southwest Border. (See Map 5.)

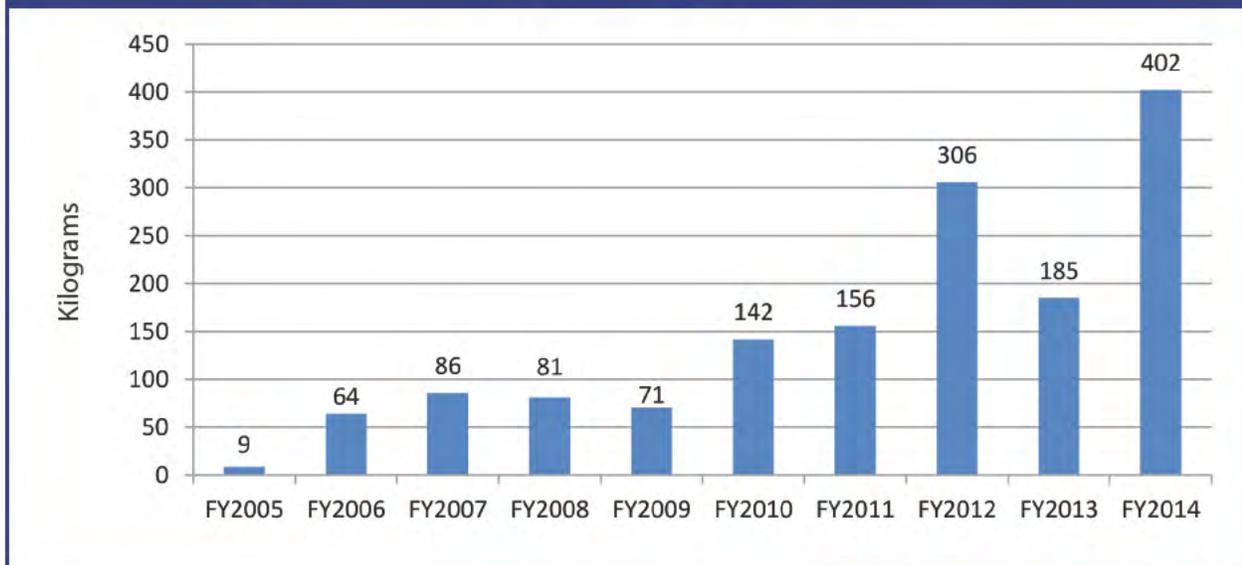
Heroin

(U) MAP 5. 2014 – CHANGE IN HEROIN TRAFFICKING IN THE CBP CORRIDORS



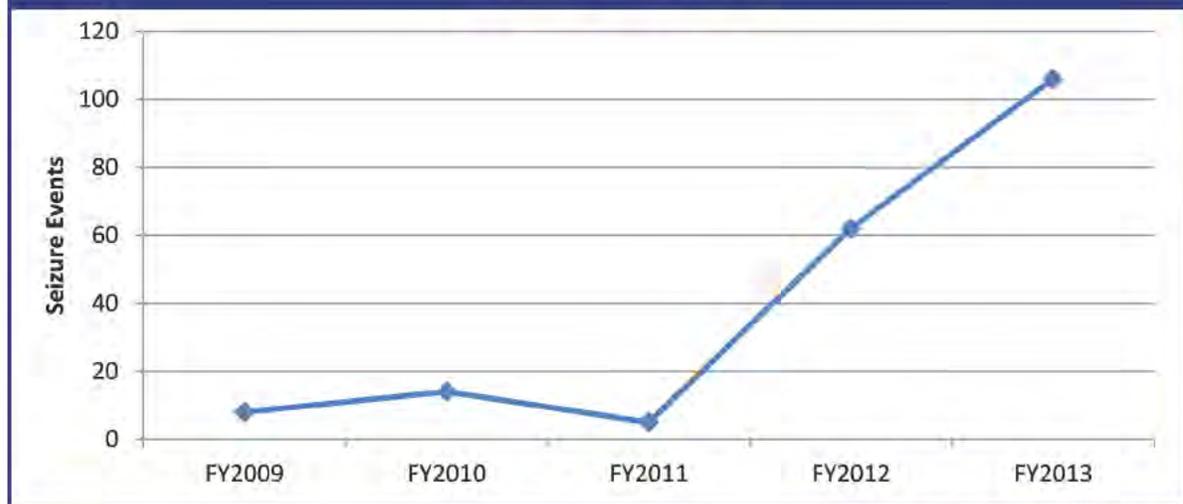
Source: DEA and US Customs and Border Protection

(U) CHART 19. HEROIN SEIZED BY THE DEA LOS ANGELES FD IN CALIFORNIA, FY 2005 - FY 2014



Source: DEA Los Angeles Field Division Seizure Data

(U) CHART 20. HEROIN SEIZED BY THE DEA DALLAS FD, FY 2009 - FY 2013



Source: DEA Dallas Field Division Seizure Data

Heroin is still commonly transported by couriers on commercial aircraft, particularly to the New York City metropolitan area. JFK International Airport in New York City is the primary arrival point for heroin couriers, usually carrying South American and, to a lesser extent, Southwest Asian heroin. Heroin is also commonly seized at airports in Miami, Newark, and Orlando.

More Heroin Transiting Western States

As more heroin enters the United States through the Southwest Border, the western states' roles as heroin transit areas are increasing. Reporting from several western states indicates heroin is transiting those areas in greater volumes and in larger shipment sizes.

- Los Angeles, California:** Reporting from the DEA Los Angeles shows a notable increase in the volume of heroin transiting southern California during the past three FYs. (See Chart 19.) The increase in heroin seized in Los Angeles FD cases was not the result of a higher number of incidences, but of larger-sized seizures. The median seizure size increased from 26 grams in FY2010 to a kilogram in FY2014.
- Dallas, Texas:** In the DEA Dallas FD AOR, in addition to Mexican black tar or brown powder heroin, which are the primary types used in the Dallas area, bulk seizures of white powder heroin passing through the area have occurred, destined for East Coast markets. DEA heroin seizures in the Dallas-Fort Worth area have increased significantly since FY2009. (See Chart 20.)
- Seattle, Washington:** The DEA Seattle FD reports seizing heroin in larger amounts in recent years. Seizures are now commonly 6 to 12 pounds in size. In one notable 2014 investigation, approximately 35 pounds of Mexican black tar heroin were seized from the trunk of a car.
- Phoenix, Arizona:** In the Phoenix metropolitan area, up until 2008, only multi-ounce quantities of heroin were seized and the seizure of a pound was considered significant. Now, kilogram quantities of heroin are commonly seized, usually transiting the area.
- Denver, Colorado:** Heroin shipment sizes in the DEA Denver FD AOR are increasing. A few years ago a large shipment of heroin for the Denver area was one to five pounds in size; now heroin shipments of 10 to 12 pounds are common.
- Salt Lake City, Utah:** Law enforcement in Salt Lake City report a sizeable influx of heroin

Heroin

into that area. The DEA Metro Narcotics Task Force seized 31 pounds of heroin over the course of a single investigation in 2014. Mexican organizations operating out of Sinaloa and Nayarit, Mexico increasingly send multi-pound quantities of heroin to Utah using couriers.

Distribution

Mexican traffickers are expanding their operations to gain a larger share of eastern US heroin markets. Mexican traffickers already control many western US heroin markets where Mexican heroin is commonly used. However, heroin use in the United States is much more prevalent in the Northeast and Midwest areas, where white powder heroin is used. The largest, most lucrative heroin markets in the United States are the big white powder markets in major eastern cities: New York City and the surrounding metropolitan areas, Philadelphia, Chicago, Boston and its surrounding cities, Detroit, Washington, DC, and Baltimore. Mexican traffickers are expanding their operations to gain a larger share of these markets. Mexican organizations are now the most prominent wholesale-level heroin traffickers in the DEA Chicago, New Jersey, Philadelphia, and Washington, DC FD AORs, and have greatly expanded their presence in the New York City area.

Black Tar Heroin in the Eastern United States

There were several sizeable seizures of Mexican black tar heroin in eastern US states in 2013 and 2014, including Florida, New Jersey, New York, and Pennsylvania. This may indicate Mexican traffickers are attempting to open up black tar markets in the East; however, efforts to do this have been unsuccessful thus far. With the exception of some markets in North and South Carolina, heroin users in states along the East Coast prefer white powder^{xvii} heroin, and are unwilling to switch. Nevertheless, Mexican traffickers who distribute black tar heroin may continue to attempt to create such markets in the eastern United States because of the large number of heroin users in those states. These black tar seizures are also indicative of the growing influence of Mexican traffickers in eastern US heroin markets.

Changing Trends in Heroin Trafficking

Increased heroin availability has prompted some local traffickers to begin distributing heroin. Reporting also indicates that cocaine and methamphetamine distributors in some cities are now distributing heroin. In the DEA New Orleans FD AOR, traffickers having difficulties obtaining cocaine are switching to distributing heroin. In the DEA Atlanta FD AOR, oversaturation in methamphetamine markets has caused some methamphetamine traffickers to turn to distributing heroin. The steady flow of heroin into the United States and the increasing number of heroin users are attractive to traffickers.

DEA reporting from the Dallas FD indicates that Mexican traffickers are forcing methamphetamine distributors in Texas to buy and distribute heroin

(U) "CHINA WHITE" HEROIN: NOT SOUTHEAST ASIAN HEROIN

"China White" is a term that was historically used to refer to high-quality Southeast Asian white powder heroin. Southeast Asian heroin is now rarely available in the United States, but the term "China White" is still used in many US heroin markets to refer to any high-purity white powder heroin, regardless of source origin. Many Mexican heroin traffickers are using "China White" as a marketing strategy both in the United States and Mexico. Traffickers in Chicago, Miami, and Newark use the term "China White" as a marketing tool to imply their heroin is high-purity. In some areas of New York State the term is also used in reference to fentanyl and heroin mixed with fentanyl.

Source: DEA

^{xvii} "White powder heroin" is a term referring to the type of powdered heroin generally produced in South America, Southeast Asia, and Southwest Asia. White powder heroin is generally off-white or tan in color, but can be brown or gray depending on how it is processed and what diluents/adulterants are added to it. Users who prefer white powder heroin may believe that a lighter color powder is indicative of a higher-purity product, however this is not necessarily true.

along with methamphetamine. The distributors are being told they must also buy heroin or they will not be supplied with methamphetamine. Mexican traffickers are also trying to present heroin to CPD abusers as an alternative to prescription opioids.

Outlook

Heroin use and overdose deaths are likely to continue to increase in the near term. Mexican traffickers are making a concerted effort to increase heroin availability in the US market. The drug's increased availability and relatively low cost make it attractive to the large number of opioid abusers (both prescription opioid and heroin) in the United States.

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Fentanyl

Overview

(U//LES) Fentanyl is a Schedule II synthetic opioid that is approximately 80 to 100 times stronger than morphine, and 25 to 40 times more potent than heroin. Fentanyl was developed for the pain management treatment of cancer patients; however, its powerful opioid properties have made it an attractive drug for abusers. Clandestinely-produced fentanyl is sometimes added to heroin to increase its effects, or mixed with adulterants and diluents^{xvii} and sold as heroin; many users believe they are purchasing heroin and have no knowledge of the presence of fentanyl. Pharmaceutical fentanyl is also diverted for abuse.

In March 2015, DEA issued a nationwide alert about the dangers of fentanyl and fentanyl analogues/compounds, stating “Fentanyl is commonly laced in heroin, causing significant problems across the country, particularly as heroin use has increased.” Most recently, there have been over 700 deaths in the United States related to fentanyl and its analogs between late 2013 and late 2014. The deaths have continued in 2015. The last fentanyl crisis occurred in 2005 through 2007, resulting in approximately 1,000 deaths, primarily in midwestern and eastern states.

Clandestinely-produced fentanyl is primarily manufactured in Mexico, with its analogs and precursors obtained from distributors in China. Mexico-produced fentanyl is smuggled across the Southwest Border and mixed with heroin or diluents in the United States and then distributed in heroin markets, primarily in the eastern United States.

Availability

Fentanyl is available in the United States in two varieties: pharmaceutical fentanyl, which is illegally diverted; and clandestine fentanyl, which is illegally manufactured. Both types of fentanyl are abused, primarily in white powder heroin markets.

Pharmaceutical fentanyl is diverted from healthcare facilities, pharmacies, and manufacturing plants for personal use or sale, albeit on a much smaller

scale than clandestinely-produced fentanyl. Pharmaceutical fentanyl is available in transdermal patches, lozenges, and liquid.

Clandestine fentanyl is illegally manufactured in clandestine laboratories, primarily in Mexico. Clandestine fentanyl is available throughout the United States, most commonly in white powder heroin markets. Fentanyl is added to heroin to increase its potency, or is mixed with diluents and sold as fentanyl or disguised as highly potent heroin.

Abuse

Fentanyl is abused for its strong opioid properties. Fentanyl provides users with an intense, albeit short-term high and temporary feelings of euphoria. Adverse effects of fentanyl abuse include a dangerous reduction in respiration and blood pressure, nausea, fainting, seizures, and death.

Clandestine fentanyl is typically abused by injection or inhalation, like heroin. In fact, many times users purchase heroin touted as a stronger heroin, unaware that it contains fentanyl. Occasionally, users seek out fentanyl outright.

- **Hartford, Connecticut:** In February 2014, DEA and local law enforcement officers seized wax envelopes of heroin. Laboratory testing concluded that some of the heroin samples were mixed with fentanyl. The fentanyl was 5.6 percent pure.

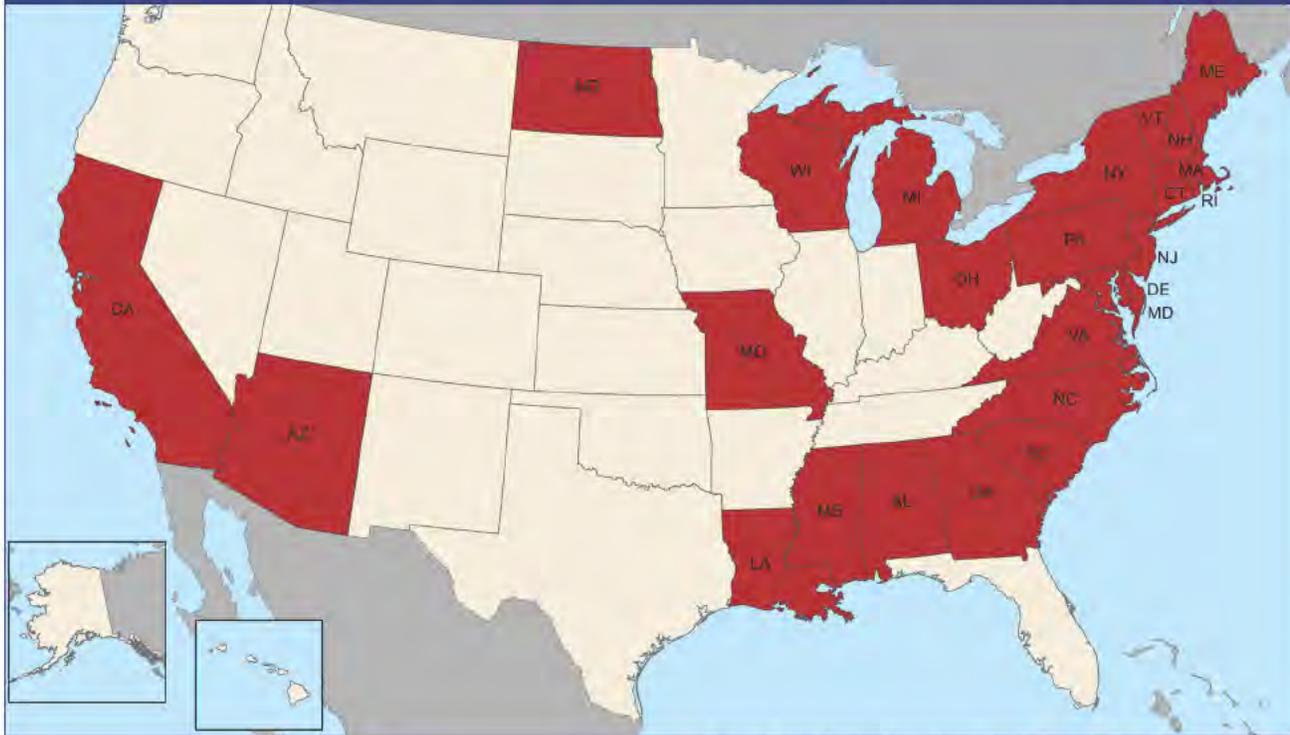
Pharmaceutical fentanyl is diverted in its transdermal patch, lozenge, and liquid forms. Pharmaceutical fentanyl is often diverted in personal use quantities.

- **Philadelphia, Pennsylvania:** In 2014, state law enforcement officers reported fentanyl was being diverted from nursing homes by unscrupulous staff members. Transdermal patches are cut and squeezed to remove the

^{xviii} Adulterants are substances added to drugs to augment or increase their effects. Diluents are substances added to drugs in order to increase quantity or volume; they do not alter the drugs' effects.

Fentanyl

(U) MAP 6. STATES AFFECTED BY FENTANYL OVERDOSE INCIDENTS AND DEATHS, 2013 - 2014



Source: State Medical Examiners' Death Data and Open Source Reporting

fentanyl gel and the empty patches are left affixed to patients.

- **St. Albans, Vermont:** In 2014, Vermont law enforcement officers arrested a pharmaceutical manufacturer employee for diverting transdermal fentanyl patches. The employee stole 27 fentanyl patches and smuggled them out in his clothing.

There have been over 700 deaths related to fentanyl and its analogs across the United States since late 2013. (See Map 6.) While fentanyl is often abused in the same manner as heroin, it is much more potent, resulting in fatalities of even experienced opioid users. However, many coroners and crime laboratories do not test for fentanyl specifically, unless give a reason to do so. Further, some fentanyl deaths have been attributed to heroin.

Production

Clandestine fentanyl is manufactured primarily in Mexico. The fentanyl seized in 2005-2007 was produced in a single clandestine laboratory in

Toluca, Mexico. Investigative reporting indicates the currently available fentanyl is also being produced in a laboratory or laboratories in Mexico. The fentanyl responsible for the deaths during the 2005-2007 fentanyl crisis ranged from 20 to 25 percent purity at the wholesale level. Wholesale quantities of fentanyl involved in the most recent deaths (late 2013 to early 2015) ranged from four to seven percent purity.

Analogues of fentanyl, such as acetyl fentanyl, are also available in the United States. Most of the acetyl fentanyl available in US markets is manufactured in China. As noted in the Executive Summary (page viii), on October 1, 2015, the Chinese Ministry of Public Security announced new controls on 116 chemical compounds, including acetyl fentanyl. Acetyl fentanyl is unscheduled in the United States and is not intended for human consumption.



(U) Photo 2. Twelve kilograms of suspected fentanyl.

Source: DEA

Transportation and Distribution

Fentanyl is smuggled across the Southwest Border in kilogram quantities and stored at stash houses, often with other drugs.^{xix} It is transported concealed in spare tires, gas tanks, and hidden compartments. Fentanyl is also transported across the country through mail courier services.

- **Los Angeles, California:** In November 2014, DEA Los Angeles FD and High Intensity Drug Trafficking Area (HIDTA) officers arrested three individuals and seized 12 kilograms of fentanyl, 28 pounds of methamphetamine, a stolen semi-automatic handgun, and \$25,000 from a local stash house. (See Photo 2.)
- **Buffalo, New York:** In March 2015, the DEA Buffalo RO and the Buffalo PD arrested two individuals and seized 8 kilograms of fentanyl and 24 kilograms of cocaine.

(U//LES) Clandestine fentanyl is distributed in the United States in the same manner as heroin. It is sold in its powder form in glassine bags or wax envelopes, often stamped with brand names. It is often sold as heroin, with many users not aware of the presence of fentanyl in the substance.

Outlook

Fentanyl will remain a threat while the current clandestine production continues; however, it is unlikely to assume a significant portion of the opioid market. Fentanyl's short-lasting high, coupled with its high mortality rate, renders it unappealing to many opioid users who prefer the longer-lasting high that heroin offers and who wish to avoid the increased danger from fentanyl. Fentanyl will continue to remain available in limited quantities; however, it will most commonly be consumed unknowingly, mixed with heroin or other drugs. Fentanyl will remain a significant threat to law enforcement personnel and first responders as minute amounts—equivalent to a few grains of salt—of fentanyl can be lethal, and visually, can be mistaken for cocaine or white powder heroin.

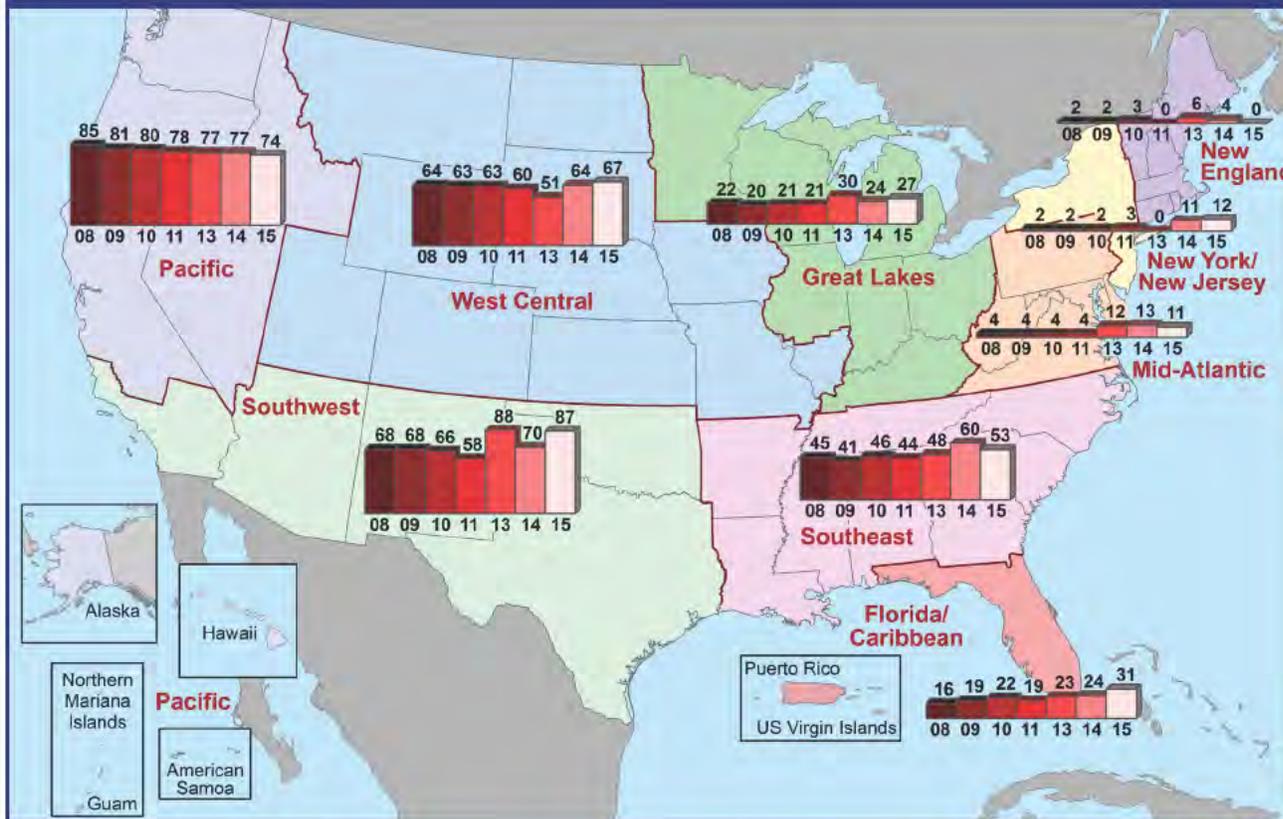
^{xix} The fentanyl seized in kilogram quantities in 2014 and 2015 has ranged in purity from 4 to 7 percent. Because fentanyl is so potent, these purities are wholesale-level, and the drug must still be diluted several times before being distributed in user quantities at the retail level.

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Methamphetamine

(U) MAP 7. PERCENTAGE OF NDTs RESPONDENTS REPORTING HIGH METHAMPHETAMINE AVAILABILITY, 2008 - 2011, 2013 - 2015



Source: National Drug Threat Survey

Overview

Methamphetamine seizures, survey data, price and purity data, and law enforcement reporting indicate methamphetamine continues to be readily available throughout the United States. Use data remains stable while treatment data increased slightly in 2012. Most of the methamphetamine available in the United States is clandestinely produced in Mexico and smuggled across the Southwest Border. Domestic production continues to occur at much lower levels than Mexico, and seizures of domestic methamphetamine laboratories have declined, most likely due to the high availability of high-purity, high-potency Mexican methamphetamine.

Availability

Methamphetamine availability continues to increase in the United States. According to the 2015 NDTs, 33 percent of responding agencies

reported that methamphetamine was the greatest drug threat in their areas. (See Map A9 in Appendix A.) Additionally, 42.2 percent of the respondents reported methamphetamine was highly available, meaning the drug is easily obtained at any time. NDTs respondents also reported methamphetamine as the drug that most contributes to both violent crime (38.2 %) and property crime (33.4 %). (See Maps A12 and A13 in Appendix A and Tables B6 and B7 in Appendix B.) DEA FDs, NDTs respondents, and laboratory reporting indicates high availability of methamphetamine throughout the United States. (See Map 7 and Table B8 and B9 in Appendix B.)

- In 2014, most DEA FDs reported methamphetamine availability was high and availability was stable compared to the previous reporting period. The Chicago, El Paso, Philadelphia, and San Diego FDs reported higher availability in 2014. (See Table 9.)

(U) TABLE 9: DEA FIELD DIVISION REPORTING OF METHAMPHETAMINE AVAILABILITY IN THE FIRST HALF OF 2014 AND COMPARISON TO PREVIOUS PERIOD

FIELD DIVISION	AVAILABILITY DURING FIRST HALF 2014	AVAILABILITY COMPARED TO SECOND HALF 2013
Atlanta Field Division	High	Stable
Caribbean Field Division	Moderate	Stable
Chicago Field Division	High	More
Dallas Field Division	High	Stable
Denver Field Division	High	Stable
Detroit Field Division	Moderate	Stable
El Paso Field Division	Moderate	More
Houston Field Division	High	Stable
Los Angeles Field Division	High	Stable
Miami Field Division	Moderate	Stable
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	Low	Stable
Phoenix Field Division	High	More
San Diego Field Division	High	Stable
San Francisco Field Division	High	More
Seattle Field Division	High	Stable
St. Louis Field Division	High	Stable
Washington Field Division	Low	Stable

Source: DEA Field Division Reporting

- Methamphetamine reports to the National Forensic Laboratory Information System (NFLIS) increased 14.8 percent between 2012 (180,187 reports) and 2013 (206,784 reports). In addition, methamphetamine reports increased significantly—53.3 percent—since 2009 (134,891 reports).
- Methamphetamine seizures continue to increase along the Southwest Border. According to CBP, seizure statistics indicate that methamphetamine seizures along the Southwest Border increased 20 percent from calendar year (CY) 2013 to CY 2014. In addition, seizures increased in each corridor along the Southwest Border. (See Map 8.) The majority (61%) of methamphetamine

seizures in 2014 occurred in California; 23 percent occurred in Texas.

Purity and Potency

The DEA Methamphetamine Profiling Program (MPP) purity and potency^{xx} results for recent methamphetamine samples obtained from the US–Mexico Border remain high, indicating the continued availability of high quality methamphetamine.

Use

The threat from methamphetamine use is persistent. While national use survey data appear to be stable, national treatment data as well as localized public health officials, indicate methamphetamine use may be increasing. The number of methamphetamine-related treatment admissions was 6.5 percent higher in 2012 than

(U) DEA'S METHAMPHETAMINE PROFILING PROGRAM

The DEA Methamphetamine Profiling Program (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 tracks 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 organic 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.

^{xx} 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. Potency is defined as the measure of drug activity in terms of the dosage required to exert an effect on the body.

(U) MAP 8. CBP METHAMPHETAMINE SEIZURES BY SOUTHWEST BORDER CORRIDOR IN 2014, WITH PERCENT CHANGE FROM 2013



Source: DEA and US Customs and Border Protection

in 2011, but is still well below levels from 2005, following a seven-year decline.

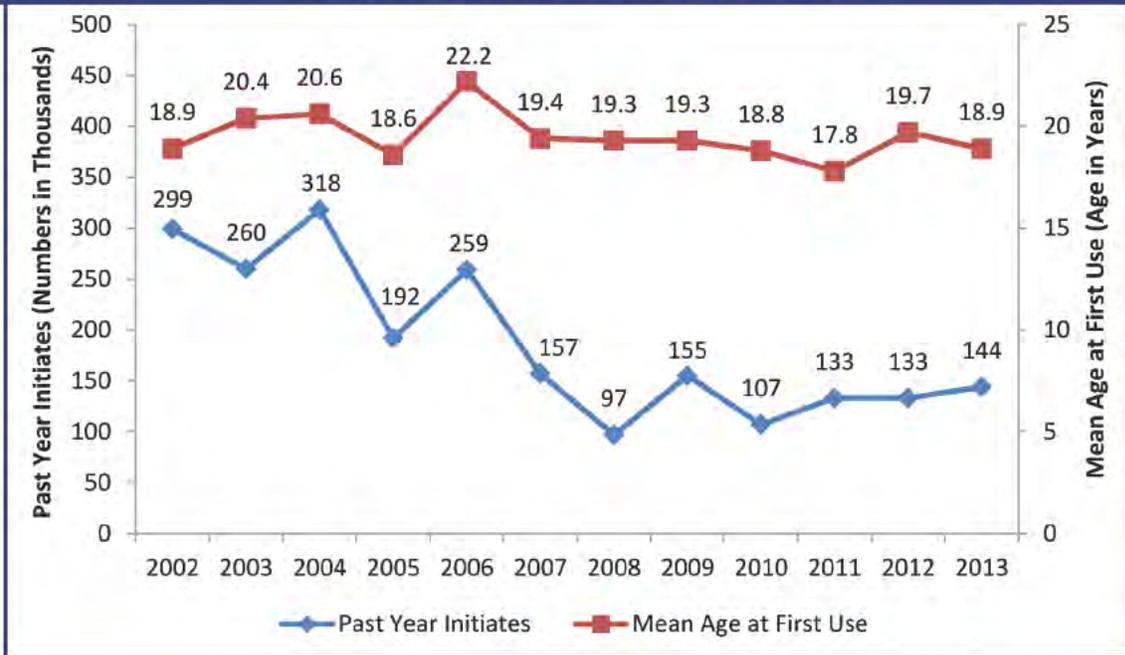
- According to NSDUH, there has been a steady increase in the last four years in the number of past year users of methamphetamine, as well as the number of new users. In 2013, the number of past year users, which includes new initiates and current users, was 1,186,000, up from 1,155,000 in 2012. The number of past year methamphetamine initiates ages 12 or older was 144,000 in 2013. However, these numbers remain significantly lower than estimates from 2002 to 2006. The average age at first use was 18.9, which has remained relatively stable since 2002. (See Chart 21.)
- TEDS data indicate the number of methamphetamine-related treatment admissions increased to 124,227 in 2012.

However, this increase follows a steady decrease that occurred between 2005 and 2011. (See Chart 22.)

Methamphetamine threat levels are much higher in the western United States. According to the 2015 NDTs, the OCADETF regions with the largest number of respondents ranking methamphetamine as the greatest drug threat were the Southwest (69.7%), West Central (66.5%), and Pacific (55.4%) regions.

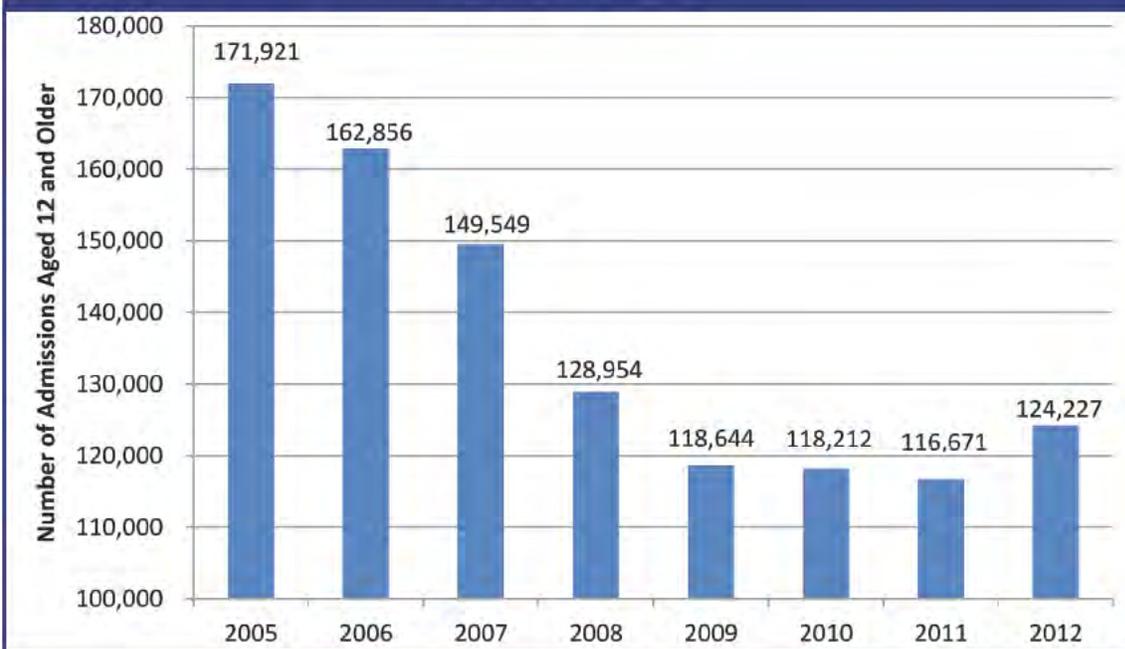
- According to the Oregon State ME Office, the number of methamphetamine-related deaths in that state increased 32 percent from 2012 to 2013. More than 55 percent of all drug-related deaths in Oregon were associated with methamphetamine use. However, the ME Office noted the majority of the methamphetamine-related deaths were not

(U) CHART 21. PAST YEAR METHAMPHETAMINE INITIATES AMONG PERSONS AGED 12 OR OLDER AND MEAN AGE AT FIRST USE OF METHAMPHETAMINE AMONG PAST YEAR INITIATES AGED 12 TO 49: 2002 - 2013



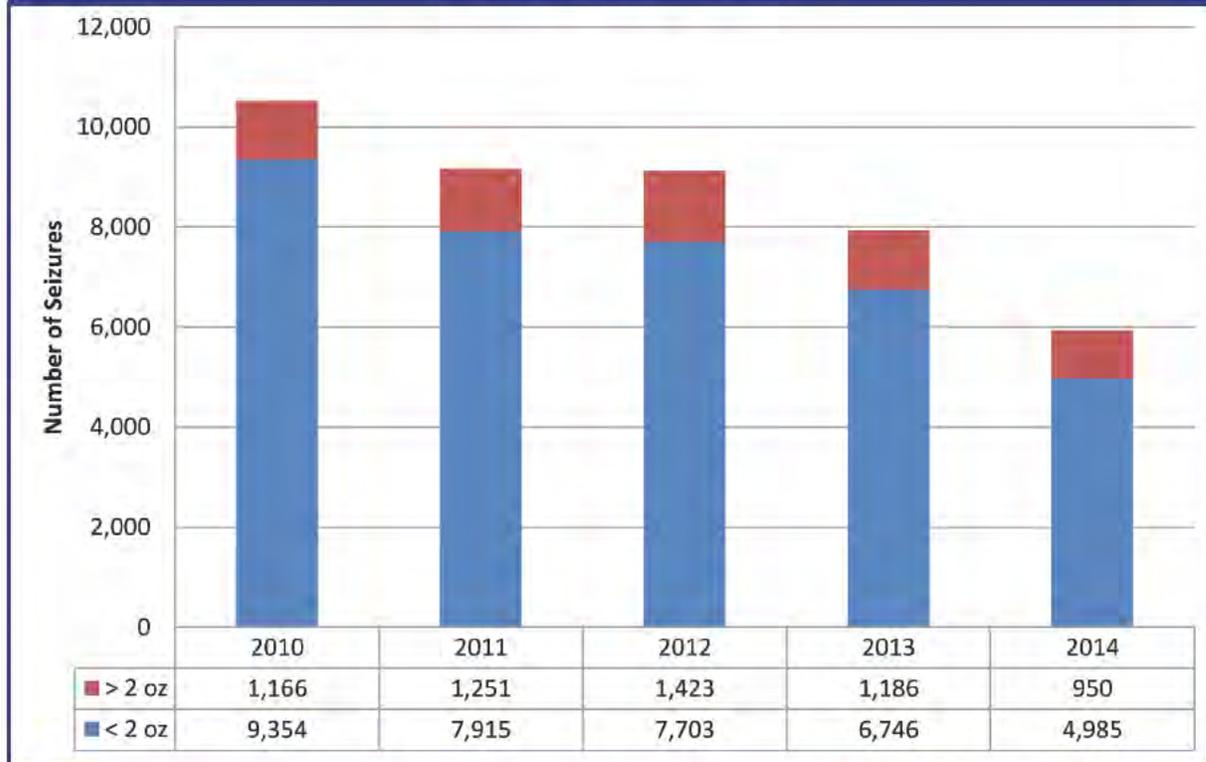
Source: National Survey on Drug Use and Health

(U) CHART 22. METHAMPHETAMINE PRIMARY ADMISSIONS TO PUBLICLY FUNDED TREATMENT FACILITIES



Source: Treatment Episode Data Set

(U) CHART 23. NUMBER OF METHAMPHETAMINE LABORATORIES SEIZED, BY CAPACITY, 2010 - 2014



Note: These seizures are laboratory seizures only and do not include chemical and dumpsite seizures.
Source: EPIC National Seizure System as of March 31, 2015

overdoses, but related to other events, such as traffic crashes, seizures, or heart attacks. Additionally, TEDS data indicate Oregon had 210 per 100,000 methamphetamine treatment admissions, which is well above the national average of 47 per 100,000 people.

- According to the San Diego County ME 2013 Annual Report (the most recent year available), methamphetamine is the number one cause of drug/medication-related deaths. There was a 34 percent increase in the number of unintentional deaths caused by methamphetamine between 2012 (142) and 2013 (190).

Methamphetamine use levels may be increasing as some cocaine users may be switching to methamphetamine when cocaine is unavailable. Cocaine availability has diminished in recent years and methamphetamine (also a stimulant) can serve as a cheaper and more potent alternative to cocaine. Some distributors sell both drugs.

The DEA Atlanta, Philadelphia, and St. Louis FDs report cocaine distributors are now selling methamphetamine to supplement their income from diminishing cocaine supplies.

Production

Production in Mexico

Most of the methamphetamine seized in the United States is clandestinely produced in Mexico and smuggled across the Southwest Border. Methamphetamine clandestinely produced in Mexico continues to be highly pure and potent as Mexican TCOs have adapted to precursor restrictions on pseudoephedrine by switching to producing the drug using the reductive amination method. This method calls for the use of phenyl-2-propanone (P2P) instead of pseudoephedrine. According to the DEA MPP, samples analyzed in recent years were almost exclusively produced by a reductive amination method, using P2P as the precursor chemical.

(U) METHAMPHETAMINE CONVERSION LABORATORY SEIZED IN WASHINGTON STATE

(U) Photo 3. Crystal methamphetamine suspended in liquid.

Source: DEA



(U) Photo 4. The final processing of crystal methamphetamine.

Source: DEA

In February 2014, federal and local law enforcement officers arrested 13 individuals and uncovered a methamphetamine conversion lab. Officers seized 50 pounds of crystal methamphetamine and two gallons of methamphetamine in liquid that was in the process of being converted to crystal methamphetamine. Over the course of the year-long investigation, law enforcement seized 66 pounds of crystal methamphetamine, 2.5 pounds of heroin, a total of \$310,000, 25 vehicles (some with hidden compartments for drugs and cash), and seven firearms (three of them stolen).

Domestic Production

Domestic methamphetamine production has decreased significantly since 2010, most likely due to restrictions on precursor chemicals in the United States and the increased availability of Mexico-produced methamphetamine. In 2014, most of the seized domestic laboratories were “one pot” or “shake and bake” methamphetamine laboratories. Generally, these laboratories produce two ounces or less of methamphetamine per batch. The ingredients, which are common household items (e.g., pseudoephedrine/ephedrine tablets, lithium batteries, camp fuel, starting fluid, cold packs), are mixed in a container such as a plastic soda bottle, providing a portable way of producing small amounts of methamphetamine.

- The number of domestic methamphetamine laboratories decreased 44 percent from 2010 (10,520) to 2014 (5,935). Additionally, in 2014, 84 percent of all methamphetamine laboratories seized in the United States were small laboratories—capable of producing two ounces or less of methamphetamine. (See Chart 23.)

Methamphetamine in Solution

The concealment of methamphetamine in liquids has increased significantly throughout the United States and especially along the Southwest Border. Methamphetamine in solution refers to powdered methamphetamine that is dissolved in solution, such as water or alcohol (methanol, ethanol, isopropanol). Methamphetamine in solution provides TCOs with a unique concealment method and an equally dangerous threat to innocent civilians. When methamphetamine is dissolved in liquids, the odor and color of the parent liquid may serve to disguise the drug. Methamphetamine in solution is concealed in various consumer products including liquor bottles, detergent bottles, and other commercial product containers that appear to be factory sealed. Most frequently, methamphetamine in solution is concealed in non-alcoholic beverage bottles such as soft drinks, sports drinks, juices, and water bottles. In addition to disguising the methamphetamine in solution as an imported consumer product, it is also concealed in areas of a vehicle typically used to hold liquids



(U) Photo 5. Pill press.

Source: DEA

such as radiator overflows, batteries, windshield washer fluid reservoirs, and fuel tanks.

- **California:** In January 2014, a teen crossing the US–Mexico border at the San Ysidro POE claimed the two bottles he carried were apple juice. Upon further questioning, the teen volunteered to drink from the bottles and died hours later from acute methamphetamine intoxication.

Conversion Laboratories

Conversion laboratories are not production laboratories, but rather laboratories that convert powder methamphetamine or methamphetamine which has been dissolved in a liquid into crystal methamphetamine.

Conversion laboratories present a challenge to law enforcement because they can be small in size and do not require a significant amount of equipment or space. The equipment commonly used in these laboratories consists of plastic containers such as a thermos or coolers; the only chemical commonly used is acetone. (See Photos 3 and 4.)

Methamphetamine tablets

Methamphetamine tablets are often produced using a mixture of powder methamphetamine and caffeine. Methamphetamine in tablet form is often found in Asia and while it is uncommon in the



(U) Photo 6. Packs of 1,000 quantity methamphetamine pills

Source: DEA

United States there have been seizures in California, Kentucky, and Texas. For example, in December 2014, the DEA Houston FD and the Harris County Sheriff's Office arrested four individuals and seized approximately 20,000 methamphetamine pills along with two industrial pill presses. (See Photos 5 and 6.)

Transportation

Methamphetamine in the United States originates primarily from clandestine laboratories in Mexico and is smuggled across the Southwest Border. Traffickers most commonly transport methamphetamine in tractor trailers and passenger vehicles with hidden compartments. In addition, traffickers send methamphetamine through various mail services or by couriers traveling via bus or commercial airline.

Mexican TCOs are continually looking for new and creative ways to conceal illegal drugs and smuggle them across the border. In addition to seizures of methamphetamine in solution, methamphetamine is concealed as, or co-mingled with, legitimate merchandise.

- **Dallas Texas:** In August 2014, the DEA Dallas FD seized approximately 275 pounds of crystal methamphetamine, wrapped inside heavy-duty latex balloons and concealed inside hollowed-out coconuts. (See Photo 7.)
- **Atlanta, Georgia:** In October 2014, the DEA Atlanta HIDTA seized approximately

Methamphetamine

50 pounds of crystal methamphetamine disguised as, and co-mingled with, candy. (See Photos 8 and 9.)

Distribution

Mexican TCOs control wholesale methamphetamine distribution, while both Mexican and Caucasian criminal groups typically control retail distribution. However, African American criminal groups have been increasingly involved in the retail distribution of methamphetamine in some areas of the United States.

- **New Orleans, Louisiana:** Methamphetamine has historically been distributed by Caucasian criminal groups in the New Orleans area. However, law enforcement reporting indicates that African American criminal groups are becoming increasingly involved in the use, transportation, and distribution of methamphetamine.
- **Atlanta, Georgia:** Methamphetamine has almost exclusively been dominated by Mexican TCOs, while retail distribution has been handled by Caucasian criminal groups. However, there has been an increase of African American criminal groups involvement in the retail distribution of methamphetamine.



(U) Photo 7. Broken coconut with methamphetamine-filled balloon inside

Source: Dallas Field Division HIDTA

- **St Louis, Missouri:** While Mexican TCOs typically transport methamphetamine into the St. Louis area, there have been reports indicating African American groups are now involved in the retail distribution of methamphetamine.



(U) Photo 8. Crystal methamphetamine concealed in candy

Source: DEA Atlanta HIDTA



(U) Photo 9. Crystal methamphetamine concealed in candy

Source: DEA Atlanta HIDTA



(U) Photo 10. Methamphetamine disguised as candles

Source: Gulf Coast HIDTA

(U) MEXICAN TCOs USE DRONES TO TRANSPORT METHAMPHETAMINE

(U) Photo 11. Unmanned Aerial System (UAS), or “drone” seized near San Ysidro POE

Source: DEA

In recent years, law enforcement reporting indicates an increase in the number of UAS, or “drones,” used by TCOs. UASs are small, quiet, can fly at high altitudes over a distance of several miles and, depending on their size, are generally capable of carrying 5 to 10 pounds of drugs. While UASs will not replace traditional methods of moving contraband, the low costs and simplicity of operation present a very attractive, cost efficient addition to current transportation methods.

- **San Ysidro, California:** In January 2015, a “drone” crashed in a supermarket parking lot in Mexico, near the San Ysidro POE. (See Photo 11.) This drone likely crashed due to the excess weight it carried. The six-propeller remote-controlled aircraft was weighted down with six packages of methamphetamine weighing more than six pounds.

Outlook

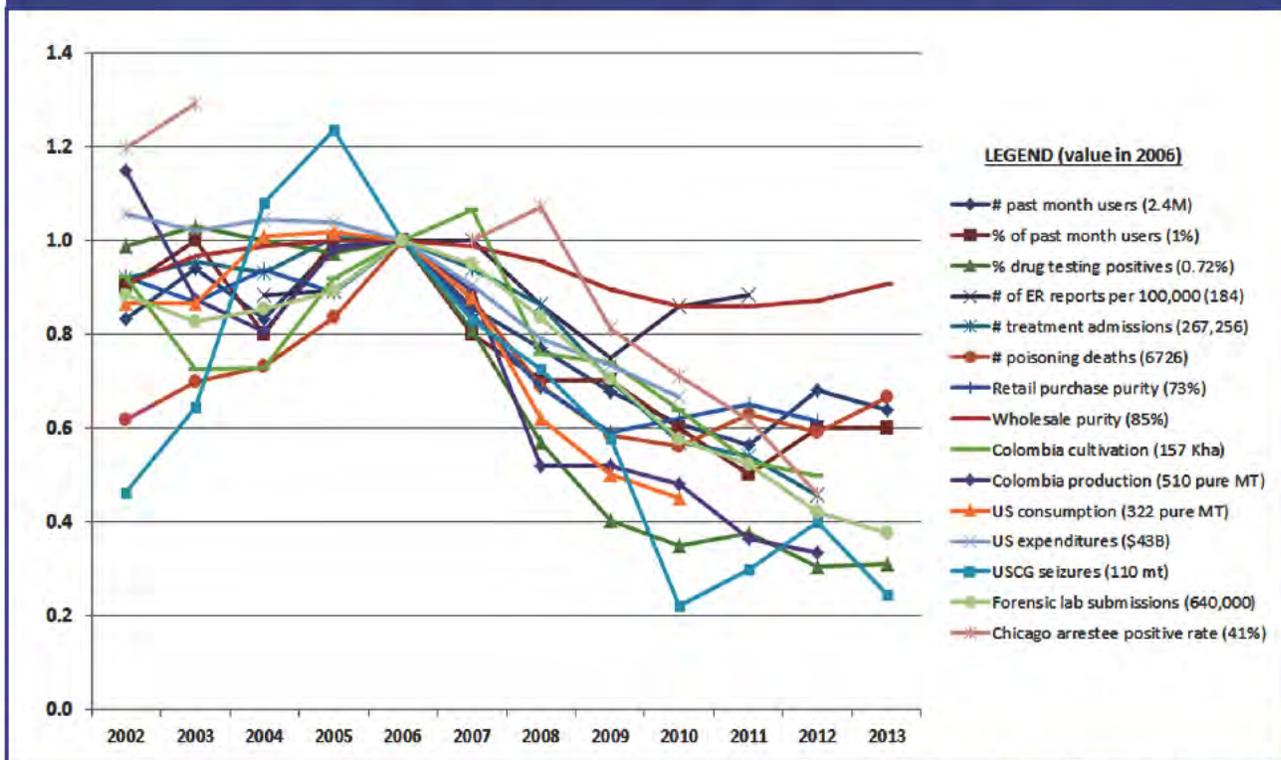
Methamphetamine availability will continue to increase as Mexican TCOs have adapted to restrictions placed on precursor chemicals and are able to continue producing large amounts of high-purity, high-potency methamphetamine. Methamphetamine use and treatment admissions will likely increase in the near term, especially if cocaine supplies remain at low levels, inducing distributors and users to switch to methamphetamine. Mexican TCOs will continue to adapt their methods of concealment, and seizures of methamphetamine in solution will likely increase

as this method has proven successful in the past. Mexican TCOs will continue to control wholesale distribution and, although Mexican TCOs are involved in retail distribution, other independent criminal groups will likely increase their involvement in the methamphetamine market.

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(U) CHART 24. COCAINE INDICATORS, BASED ON 2006 VALUE, 2002 - 2013



Source: Office of National Drug Control Policy

Overview

Cocaine availability in the United States appeared to have stabilized at “new normal” levels in 2014—still well below the availability levels observed prior to 2007, when cocaine availability first began to decline significantly. Use indicators also show a steady decline in cocaine use in the United States when compared to the previous 10 years. (See Chart 24.) Most of the cocaine smuggled into the United States is transported over the Southwest Border with a smaller percentage transported through the Caribbean corridor. Mexican TCOs continue to dominate the cocaine transportation infrastructure in the United States with little to no competition.

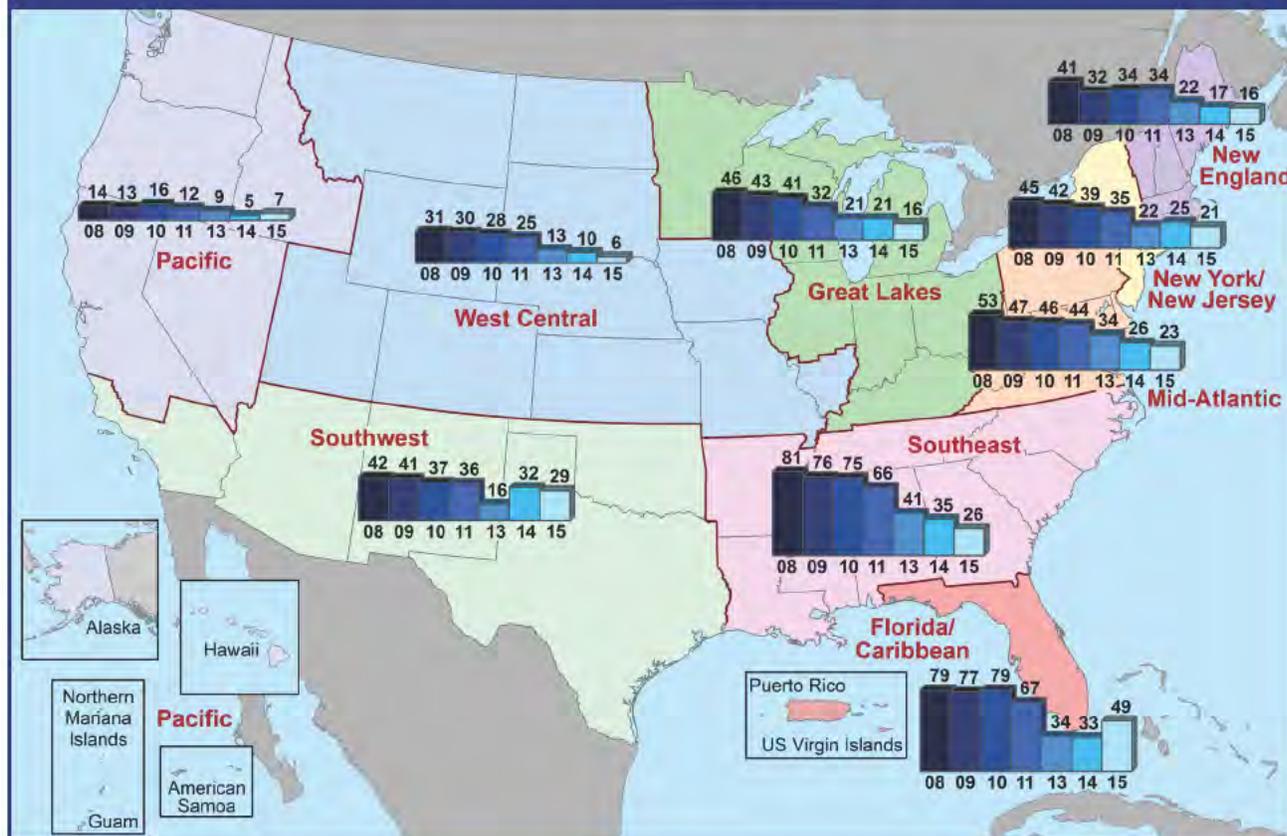
Availability

The availability of cocaine in the United States remained at historically lower levels in 2014, but appears relatively stable when compared to the previous seven years, at what can be considered

the “new normal.” The majority of DEA FDs in 2014 indicated cocaine availability was moderate in their area, meaning cocaine is accessible. Only two DEA FDs—Boston and Philadelphia—indicated that cocaine availability was high. Additionally, only 14.9 percent of 2015 NDTs respondents indicated high availability of cocaine with only 19.7 percent indicating the same for crack cocaine. (See Maps 9 and 10.) Cocaine no longer saturates the US drug market as it did previous to 2007, but still poses a significant threat in the United States.

- **Atlanta, Georgia:** In 2014, cocaine availability continued to remain stable at both the retail and wholesale levels compared to 2013. During 2014, bulk cocaine seizure amounts in the DEA Atlanta FD AOR typically ranged between 1 and 25 kilograms.
- **Chicago, Illinois:** Cocaine is still readily available throughout the DEA Chicago FD AOR. Kilogram seizures of cocaine are becoming more routinely comingled

(U) MAP 10. PERCENTAGE OF NDTs RESPONDENTS REPORTING HIGH CRACK COCAINE AVAILABILITY, 2008 - 2011, 2013 - 2015



Source: National Drug Threat Survey

to date, approximately 90 percent of cocaine tested was of Colombian origin, while approximately 10 percent was sourced to Peru, the highest percentage in at least a decade. In the past five years, Peruvian cocaine only comprised one to four percent of the CSP samples analyzed. However, available data on cultivation and cocaine yields indicate an increase in production from Colombia when compared to pre-2011 levels, which could impact cocaine availability in the United States.

Methamphetamine as an Alternative to Cocaine

Consistently lower levels of cocaine available in the United States since 2007 forces distributors to increasingly cut cocaine in order for them to stretch supplies and meet demand. Distributors sell this less potent cocaine at higher prices in an effort to make up for lost profits. Cocaine distributors also compete against

methamphetamine distributors, a drug which can serve as a cheaper and more potent alternative to cocaine.

- St. Louis, Missouri:** Some African American cocaine trafficking organizations have transitioned to or expanded operations to include crystal methamphetamine distribution. These groups once primarily distributed cocaine and crack, but now supply large volumes of Mexican-produced crystal methamphetamine to the region. This development suggests traffickers are attempting to capitalize on geographical areas with an established high methamphetamine demand.
- Philadelphia, Pennsylvania:** DEA investigative reporting indicates that Mexican organizations are pushing methamphetamine distribution on traditional cocaine trafficking organizations.

(U) DEA'S COCAINE SIGNATURE PROGRAM (CSP)

Each year, the DEA CSP determines the purity and origin of some 2,000 samples from domestic cocaine seizures made by US federal authorities and samples from a smaller number of foreign seizures made by international law enforcement agencies. CSP data is not intended to reflect US market share per se—as it is not based on a systematic random sampling of all cocaine seizures—rather, it provides a snapshot of overall trends in cocaine processing and cocaine flow from the analysis of samples from major seizures. However, the CSP provides a huge dataset (over 47,000 exhibits since 1998) for strategic intelligence analysis that reflects random cocaine samples taken from wholesale-level domestic seizures (submitted to all DEA laboratories) that total metric tons of cocaine each year. CSP analysis has consistently indicated that Colombian-origin cocaine dominates the market in the United States—accounting for over 90 percent of the cocaine analyzed (by weight and by the number of exhibits). These forensic findings are consistent with all available law enforcement intelligence and investigative reporting.

DEA Forensic Chemists employ various scientific methods to determine the geographic origin of the coca leaf used to make cocaine base. To “geo-source” the coca leaf is to “geo-source” the cocaine base as it is not practical to transport metric tons of coca leaf any significant distances (other DEA scientific studies have shown that nearly one metric ton of fresh coca leaf is required to produce one kilogram of cocaine base in Colombia.) It is for this reason that primitive cocaine base “labs” are typically located near coca fields in the cocaine source countries of Colombia, Peru, and Bolivia. Analysis of the trace solvents and chemicals/alkaloids found in the cocaine samples also provide insight into how and where the finished cocaine powder was produced. In addition, the CSP also analyzes cocaine samples for their wholesale purity level and the presence of bulking agents (such as table salt that has no pharmacological effects), adulterants (such as caffeine—a stimulant—that does have pharmacological effects), or enhancing agents (such as levamisole – thought to increase or prolong the effects of cocaine).

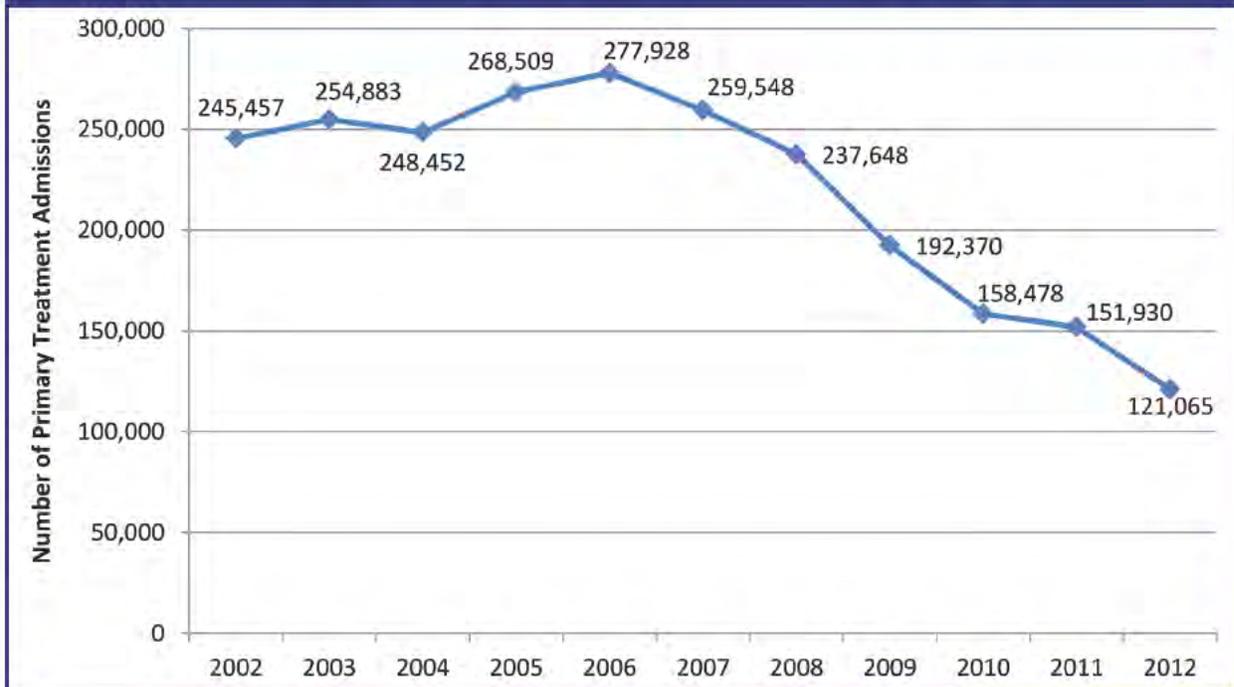
- **Atlanta, Georgia:** According to DEA sources, traffickers experience periods in which they are temporarily unable to obtain cocaine from their respective sources of supply. During these times, traffickers will often supplement their revenue stream with methamphetamine sales.
- According to NSDUH data in 2013, most (81.9 %) of the 0.6 million recent cocaine initiates were aged 18 or older when they first used cocaine. The average age at first use among recent initiates aged 12 to 49 was 20.4 years. The average age estimates have remained fairly stable since 2002.

Use

Cocaine use has continued to decline since 2007 and mirrors the decline of cocaine availability in the United States. According to the 2013 NSDUH, there were an estimated 601,000 persons aged 12 or older who had used cocaine for the first time within the past 12 months. This number was similar to estimates reported from 2008 to 2012 (ranging from 623,000 to 724,000), but was significantly lower than estimates from 2002 to 2007 (ranging from 0.9 million to 1.0 million).

- According to the 2014 MTF, about one in eight young adults aged approximately 13 to 18 years (12%) had tried cocaine, and 4.5 percent had tried it by their senior year of high school.
- Treatment data indicate the number of cocaine-related admissions (aged 12 and older) to publicly funded facilities declined from 13 percent in 2002 to 7 percent in 2012. (See Chart 25.) Smoked cocaine (crack) represented 69 percent of all primary cocaine admissions in 2012, down from 73 percent in 2002. The high proportion of cocaine admissions from crack is in contrast

(U) CHART 25. COCAINE-RELATED TREATMENT ADMISSIONS, 2002 - 2012



Source: Treatment Episode Data Set

to investigative reporting, which indicates the use of crack is limited when compared to powder cocaine.

Metropolitan area reported 131 cocaine-related incidents for 2013, which reflects a 62 percent increase compared to the 81 incidents reported for 2012.

Cocaine contributes to a significant number of drug poisoning deaths in the United States, although the number of cocaine-related deaths has decreased concurrent with declines in availability and use; however, some areas still have high fatality rates. According to the CDC, there were 4,944 cocaine-related deaths in the United States in 2013. This was a 34 percent decline from 2006 (7,448 deaths). (See Chart 26.)

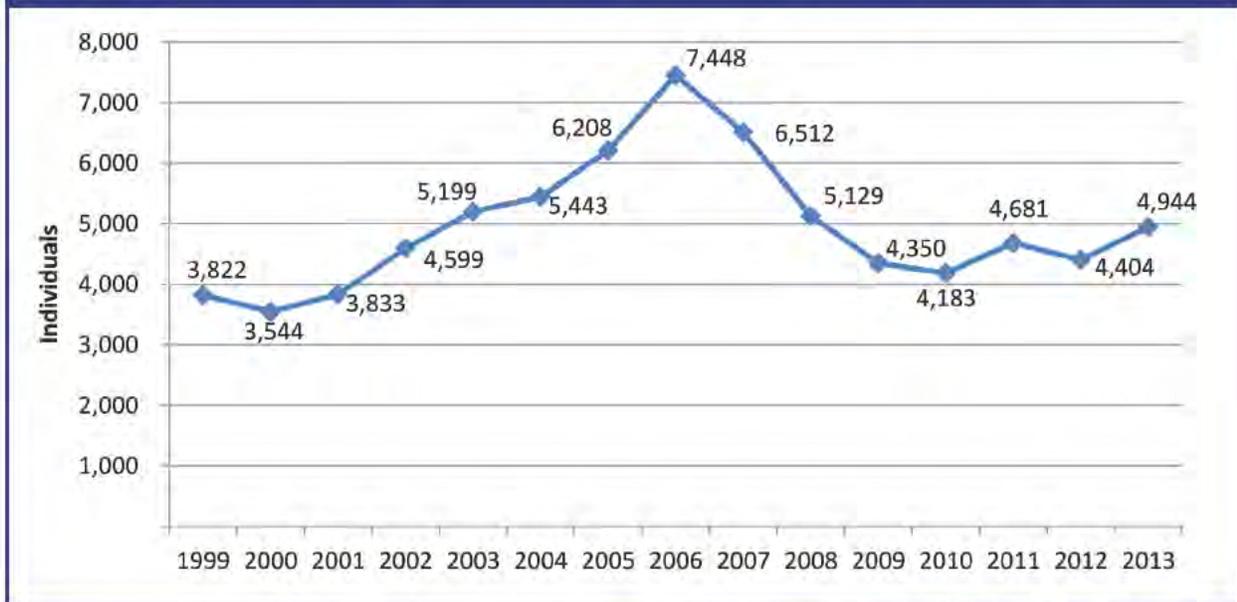
- According to post-mortem toxicology data provided by the Los Angeles County Department of the Coroner between 2005 and 2010, cocaine is the second-most commonly detected street drug in drug toxicity deaths in the Los Angeles area.
- According to the San Diego County ME 2013 Annual Report, cocaine caused 40 unintentional deaths in 2013, up from 34 in 2012.
- Virginia Poison Control statistics for the Virginia area within the Washington, DC

Production

Most of the cocaine available in the United States is Colombia-produced; however, according to US Government estimates, Peru remains the top producer of export quality cocaine followed by Colombia with the majority of Peruvian cocaine transported to European or Asian markets. US Government cocaine production estimates indicate a 30 percent increase in potential pure cocaine production in Colombia between 2013 and 2014, from 185 metric tons to 245 metric tons. Potential pure cocaine production in Peru also increased between 2013 and 2014, from an estimated 265 metric tons to 285 metric tons.

DEA's Breakthrough Program provides unique insight when assessing cocaine production capabilities in Colombia, Peru, and Bolivia, the three Andean Region cocaine source countries. The program found that the production potential of Colombia trails behind both Peru and Bolivia on a per hectare basis. On a national average, the

(U) CHART 26. DRUG POISONING DEATHS INVOLVING COCAINE, 1999 - 2013



Source: National Center for Health Statistics/Centers for Disease Control, Final death data for each calendar year

amount of pure cocaine that can be produced per hectare per year in Peru and Bolivia is significantly higher than the amount of pure cocaine generated per hectare per year in Colombia.

The higher yields and increase in Peruvian production impacts US cocaine availability far less than Colombian production estimates because CSP data indicates Peruvian-sourced cocaine accounts for a small proportion—approximately 10 percent—of the cocaine available in the United States. Colombian TCOs dominate the cocaine supply to the United States due to their experience and longstanding working relationships with Caribbean, Central American, and Mexican traffickers. Cocaine traffickers in Peru lack such a historical link to the US market. Further, higher cocaine prices in other parts of the world present a strong incentive for Peruvian traffickers to establish other markets rather than compete with Colombian TCOs for the US market.

Mexican TCOs also appear to be smuggling cocaine base to Mexico for finished conversion to powder cocaine there, possibly in an effort to increase their participation in the cocaine production process.

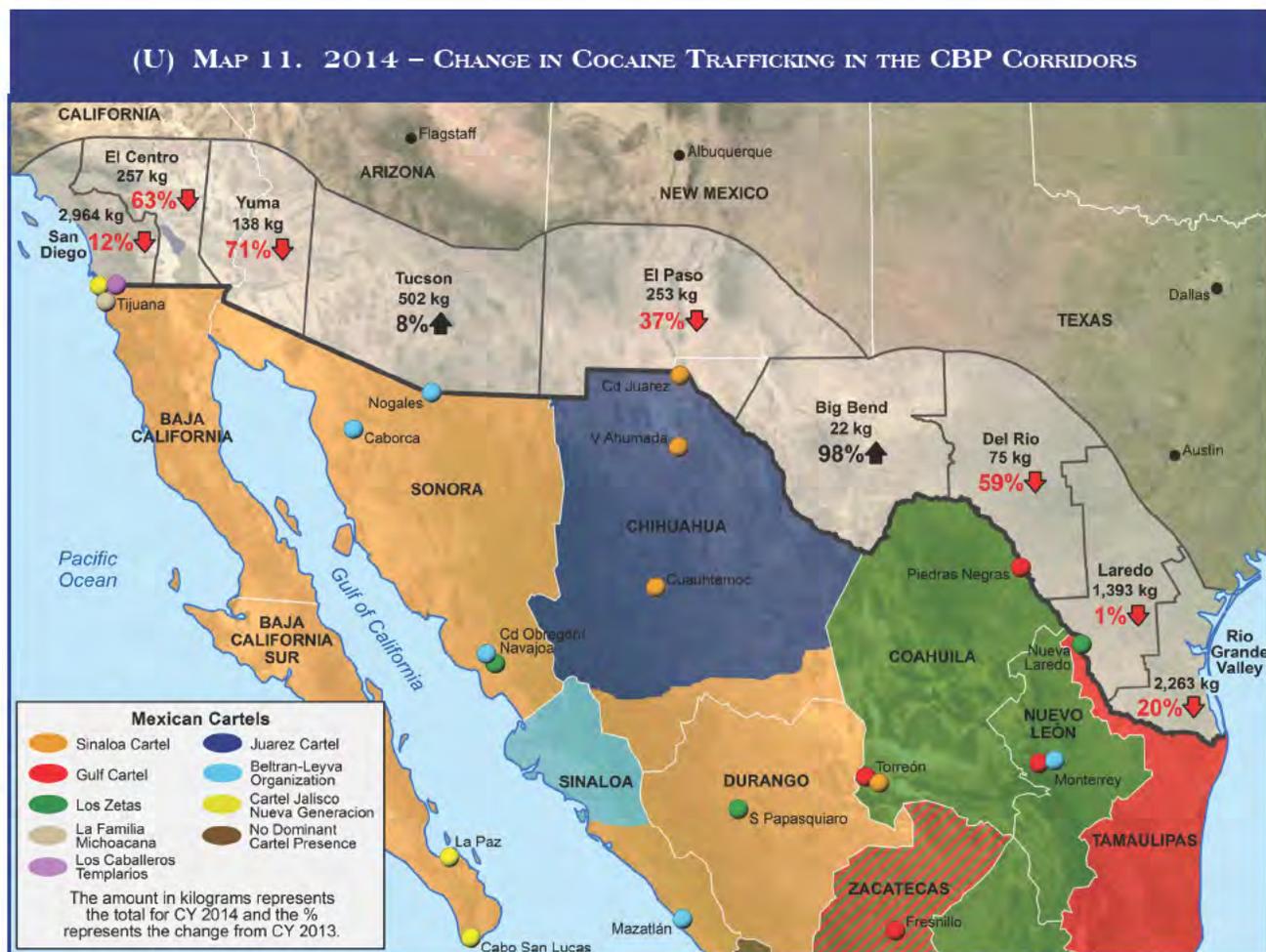
- **Peru:** In February 2014, Peruvian officials seized approximately 75 kilograms of cocaine

base concealed within 160 large sacks of garlic from a container in Callao, Peru, that were to be exported to Mexico.

- **Colombia:** In January 2014, Colombian authorities intercepted 490 kilograms of cocaine base from a Mexico-bound Cessna aircraft at Ipiales airport in the Nariño Province.
- **Peru:** In January 2014, Peruvian officials seized 273 kilograms of cocaine base concealed inside 400 sheets of plywood. The shipping documents indicated the container was to be shipped from the Port of Callao in Lima to the Port of Mazatlán in Mexico.

Transportation

The majority of cocaine destined for US markets is transported across the Southwest Border via Mexico in kilogram quantities. After the cocaine is smuggled across the US–Mexico Border, it is moved to major hub cities in Arizona, California, and Texas near the Southwest Border. The cocaine is then transported via interstate highways to the Midwest and East Coast, to include major hub cities such as Atlanta, Chicago, and New York.



Source: DEA and US Customs and Border Protection

- The majority of the cocaine seized at the Southwest Border is interdicted in California (San Diego sector) and South Texas (Laredo and Rio Grande Valley sectors). In 2014, cocaine seizures at the Southwest Border continued to decline from the previous year. (See Map 11.)

Cocaine is also transported through the Caribbean corridor to the East Coast of the United States. An estimated 13 percent of cocaine flow into the US transit zone was through the Caribbean corridor, while most—87 percent—was transferred via the Mexico/Central America corridor. In 2014, over 90 metric tons was moved from South America to the Caribbean corridor, primarily toward the Dominican Republic and Puerto Rico via go-fast boats.

In some instances cocaine is also transported directly from South American source countries

to the United States via containerized cargo and couriers on commercial flights. South American cocaine traffickers exploit the large volume of containerized cargo used in international trade to smuggle cocaine to the United States. This method is successful due to corrupt officials in South American ports and the logistical impossibility of inspecting all containerized cargo. In addition, couriers on commercial flights smuggle small amounts of cocaine. DEA reporting indicates instances of courier smuggling from Guyana to New York (See Table 10).

Cocaine trafficking organizations use an array of methods to transport cocaine throughout the United States. Tractor trailers and passenger vehicles are frequently used to transport multi-kilogram quantities of cocaine. Cocaine is hidden amongst legitimate cargo or secreted inside of intricate hidden compartments built within passenger vehicles.

(U) TABLE 10. COCAINE SEIZURES WITH DIRECT LINKS BETWEEN GUYANA AND NEW YORK

DATE	SEIZURE	DETAILS
October 2013	3.36 kg	Concealed in undergarments
November 2013	2.93 kg	Hidden in false wall of suitcase
January 2014	15.30 kg	Hidden in suitcase
January 2014	4.05 kg	Seized at JFK, concealed in handbags
February 2014	10 .00 kg	Hidden in produce
February 2014	13.39 kg	Seized at JFK, concealed in checked luggage
April 2014	7.05 kg	Concealed in baked goods

Source: DEA Reporting. Unless noted, all seizures occurred at the Cheddi Jagan International Airport on flights destined to JFK.²⁷⁶

- **Norfolk, Virginia:** In December 2013, CBP seized 332 kilograms of cocaine concealed inside cans of juice in Norfolk, Virginia, from a cargo container which originated in Trinidad and Tobago.
- **Fort Myers, Florida:** In August 2014, the DEA Fort Myers RO seized a package from Buenos Aires, Argentina, containing a spiral binder of twelve sheets of paper impregnated with cocaine.
- **New York:** New York Organized Crime Drug Enforcement Strike Force reporting indicates that cocaine is smuggled into the United States via business-sized envelopes carried by passengers aboard cruise ships.
- **Riverside, California:** In April 2015, DEA and the San Bernardino County Sheriff's Office seized 20 kilograms of cocaine concealed in a hidden compartment in the rear seat of a passenger vehicle.

Mexican TCOs continue to dominate cocaine transportation in the United States. In the past, Colombian organizations controlled a wider cocaine transportation network, but are now operating in only a small number of locations along the East Coast. Major Mexican TCOs rely on associated US-based organizations or independent third parties to transport cocaine to their distribution cells. At the present time there appear to be no other criminal groups that possess the requisite power to challenge Mexican TCO dominance of cocaine transportation in the United States.

Distribution

The distribution of cocaine at the retail-level is typically carried out by local US criminal groups and street gangs of varying ethnic origins.

Mexican TCOs are not as involved in retail-level distribution in the United States, as they actively seek to limit attention from US law enforcement and focus on wholesale quantity transportation. Colombian and Dominican trafficking organizations still participate in cocaine distribution along the East Coast as well, but on a limited scale in comparison to previous years.

- **Boston, Massachusetts:** Colombian and Dominican trafficking organizations have historically dominated the importation and wholesale distribution of cocaine throughout the New England states. However, many of these groups are increasingly dealing with and receiving cocaine directly from Mexican TCOs based in Arizona, California, Texas, and even Mexico.
- **Newark, New Jersey:** Recent reporting indicates local Mexican criminal organizations are increasing involvement in wholesale cocaine distribution. However, cocaine distribution is generally organized in a hierarchy based on nationality. Colombian TCOs, historically, controlled wholesale distribution of cocaine in the New Jersey area, while Dominican groups handled retail distribution for Colombian groups. The Dominican groups typically supplied African American street gangs, who handled street

level distribution. While Dominican groups work with Colombian TCOs, they also operate independent of each other.

- **New York City, New York:** Colombia-based distributors continue to supply New York City's distribution networks, dominated by Dominican trafficking organizations. Colombian drug traffickers regularly smuggle multi-hundred kilogram shipments of cocaine to New York City. New York City-based cocaine distribution organizations also serve as the source of supply to organizations operating throughout the eastern United States. Mexican TCOs are also involved in local wholesale level distribution.
- **Philadelphia, Pennsylvania:** Dominican trafficking organizations engage in wholesale and retail level cocaine distribution and to a lesser extent are also involved in cocaine transportation.

Outlook

Cocaine availability will remain stable in the near term at "new normal" levels. With the high availability of less costly methamphetamine, which serves as a cocaine alternative in areas such as the Midwest, it is unlikely that cocaine levels will return to pre-2007 levels in the near term.

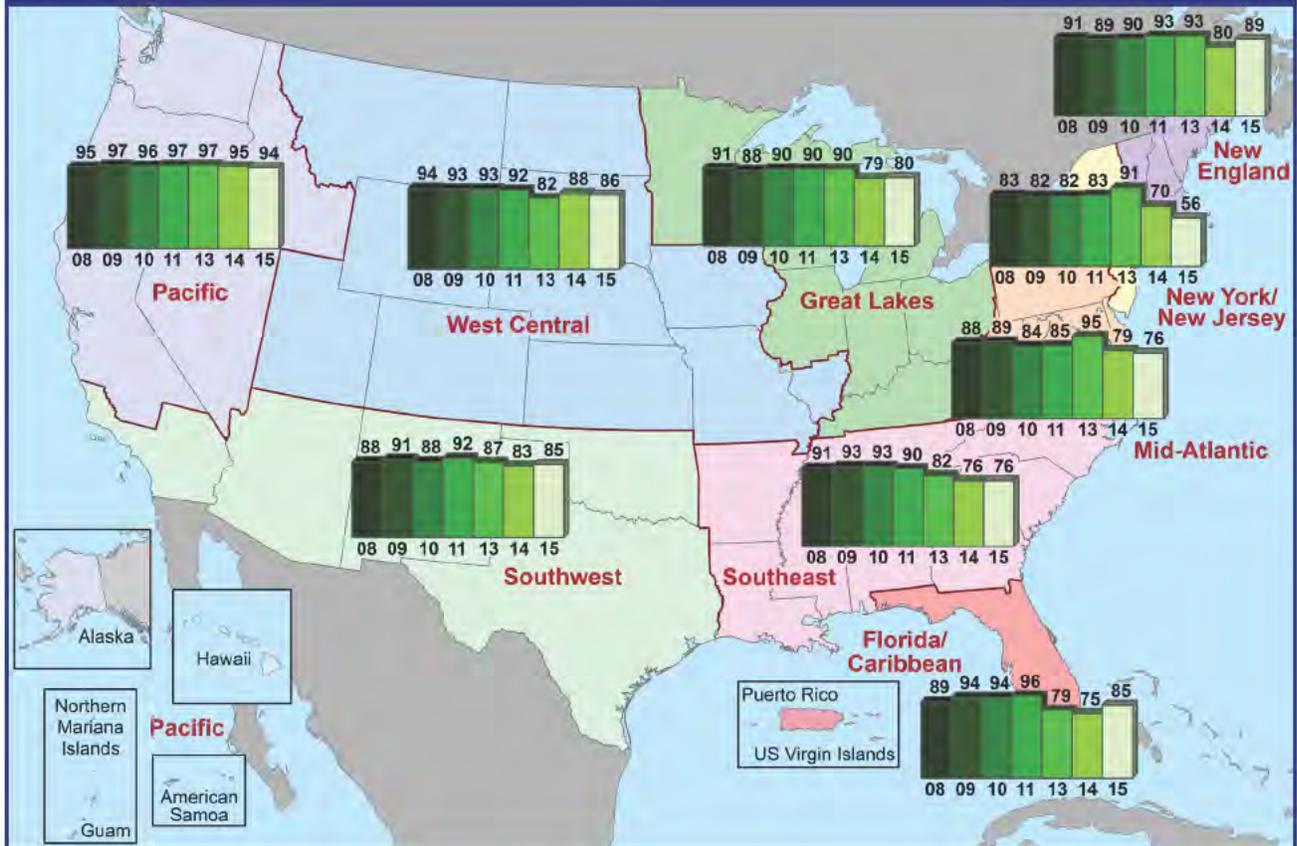
Mexican TCOs will continue to dominate the transportation of cocaine throughout the United States as evidenced by the significant percentage of the cocaine available in the United States that transits the Mexico/Central America corridor. Further, at the present time no other TCOs control enough of the drug trafficking infrastructure to challenge Mexican TCOs.

Colombian cocaine will continue to dominate the US market in the near term despite higher levels of production in Peru. This is due to the historic working relationship between Colombian cocaine producers and Mexican TCOs.

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(U) MAP 12. PERCENTAGE OF NDTs RESPONDENTS REPORTING HIGH MARIJUANA AVAILABILITY, 2008 - 2011, 2013 - 2015



Source: National Drug Threat Survey

Overview

Marijuana is the most widely available and commonly used illicit drug in the United States. Marijuana remains illegal under federal law, however, many states have passed legislation approving the cultivation, possession, and use of marijuana within their respective states. The disparity between federal law and state laws authorizing the use of “medical” or “retail” marijuana has hindered federal, state, local, and tribal law enforcement efforts given the different regulatory regimes at the state level. Likewise, the increased production and use of marijuana in those states with medical or retail marijuana laws is adversely affecting states in which marijuana remains an illegal substance.

While it is too early to determine the full impact of state marijuana legalization—both recreational and medical—legalization measures have had

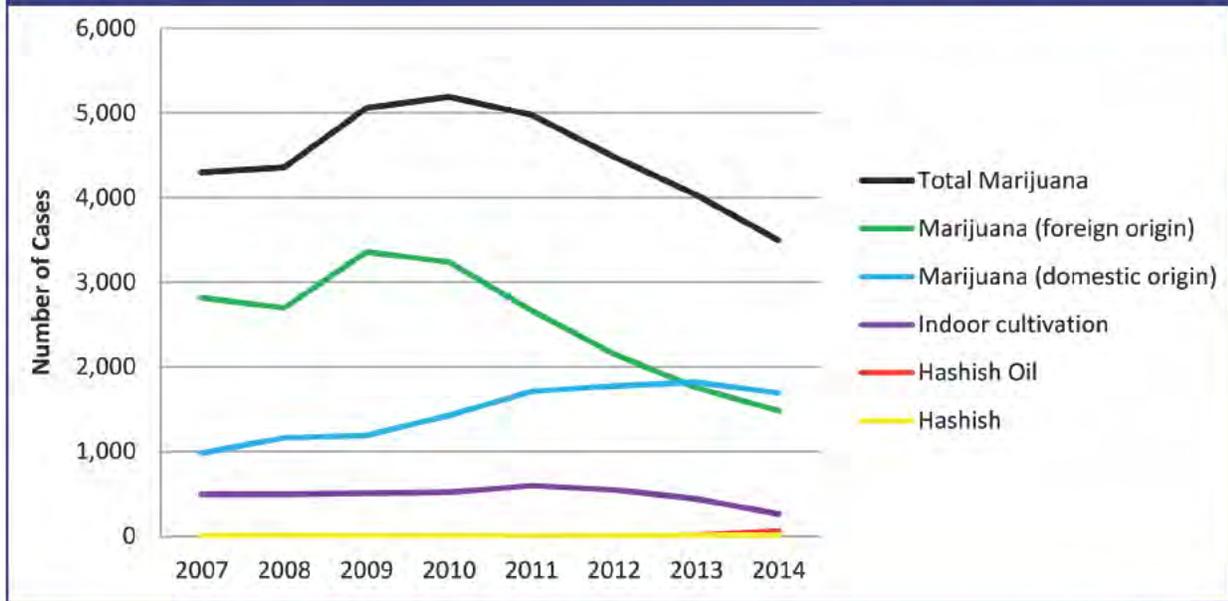
several effects, including increases in domestically-produced marijuana, a shift in demand for higher-quality marijuana, increasing seizures of marijuana concentrates, and an increasing number of tetrahydrocannabinol (THC) extraction laboratories.

Availability

Marijuana is available in all areas of the United States. According to the 2015 NDTs, 80 percent of responding agencies reported that marijuana availability was high in their jurisdictions, and 16 percent reported that marijuana availability was moderate. (See Map 12.) In addition, 57 percent of respondents reported that marijuana availability had stayed the same, while 37 percent reported that availability had increased over the past year.

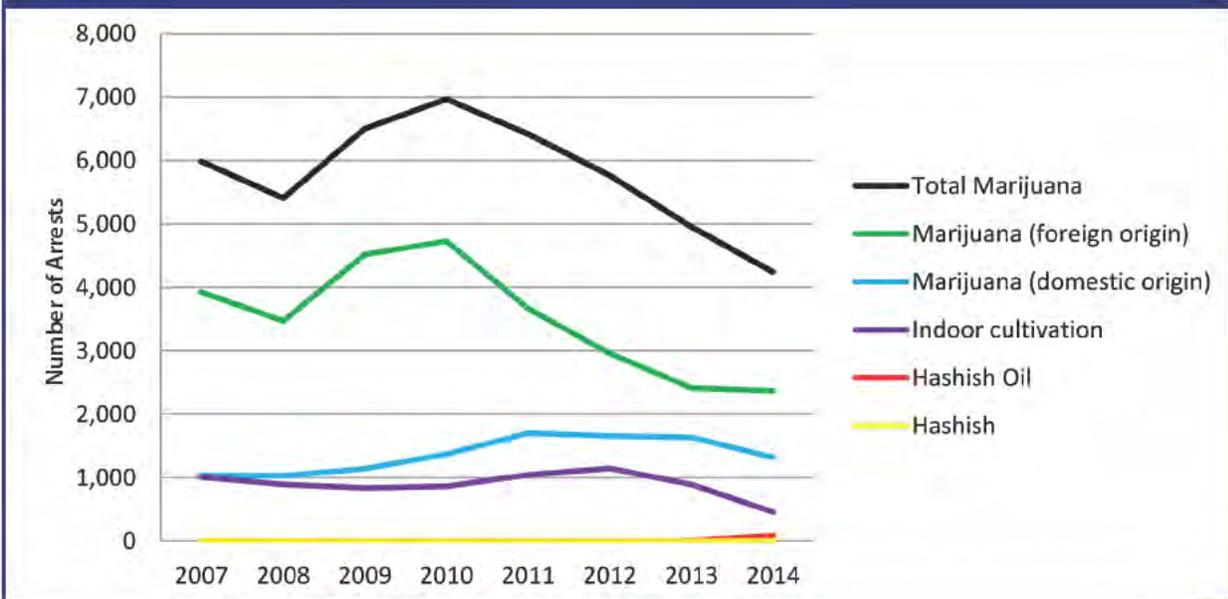
- According to the MTF survey data, 81 percent of high-school seniors say it is easy to obtain marijuana.

(U) CHART 27. DEA DOMESTIC MARIJUANA CASES FY 2007 TO FY 2014



Source: DEA

(U) CHART 28. DEA DOMESTIC MARIJUANA ARRESTS FY 2007 TO FY 2014



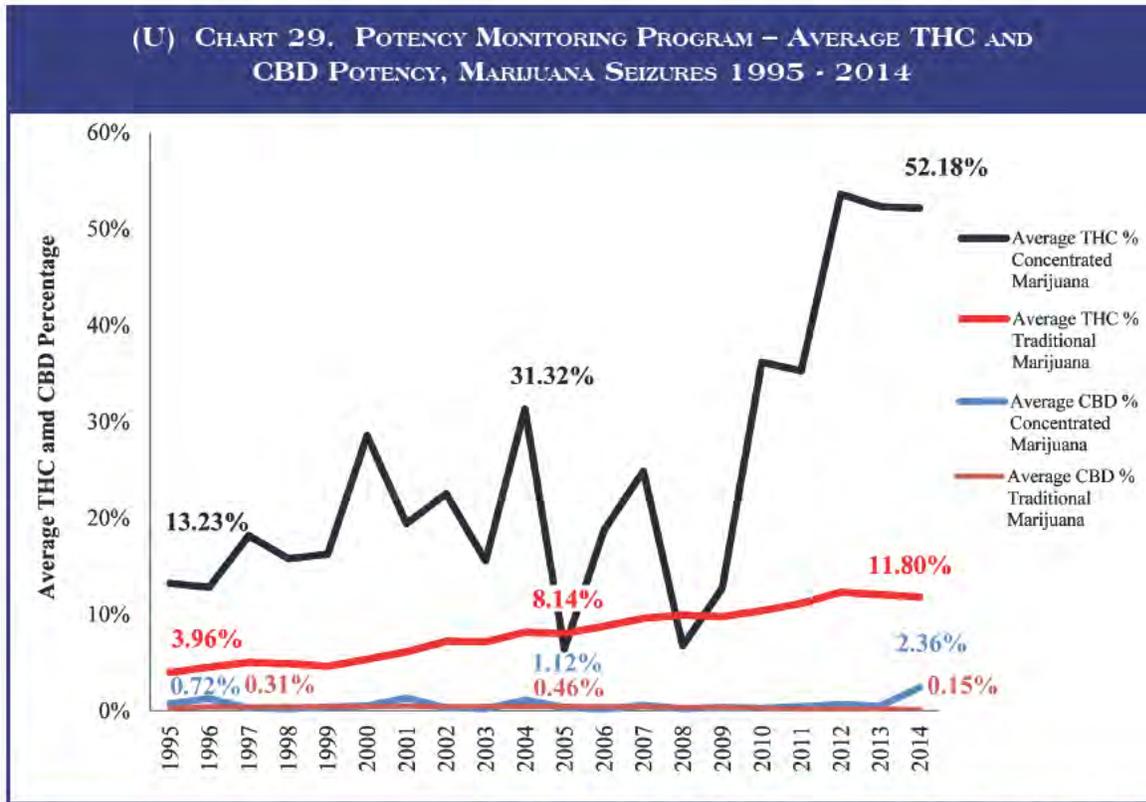
Source: DEA

All but five DEA FDs reported that marijuana availability was high in their jurisdictions, and that availability remained stable from 2013 to 2014.

- The DEA New England and Dallas FDs reported marijuana availability was high in their jurisdiction, with an increase in availability from 2013 to 2014.

- The DEA New Jersey, New York, and Washington FDs reported marijuana availability was moderate and remained stable from 2013 to 2014.

Beginning in 2013, the number of DEA domestic marijuana-related investigations surpassed the number of investigations involving foreign-



Source: University of Mississippi, Potency Monitoring Program, Quarterly Report 127

helps control epileptic seizures, but at this time there is only anecdotal evidence that CBD benefits those with seizure disorders. In addition to the 23 states with medical marijuana laws, 17 other states have approved legislation regarding CBD-only marijuana, which means 80 percent of states have approved some form of medical marijuana.

Washington and Colorado passed legislation in 2012 to allow for the cultivation and sale of “retail” or “recreational” marijuana. Sales of marijuana began in Colorado on January 1, 2014 and in Washington on July 8, 2014. In November 2014, Oregon and Alaska passed legislation to allow the cultivation and sale of retail/recreational marijuana, but, to date, sales have not begun. Also in November 2014, Washington, DC passed legislation to allow cultivation and possession of marijuana; however, retail or recreational sales of marijuana are not yet approved.

Increasing THC Potency of Marijuana

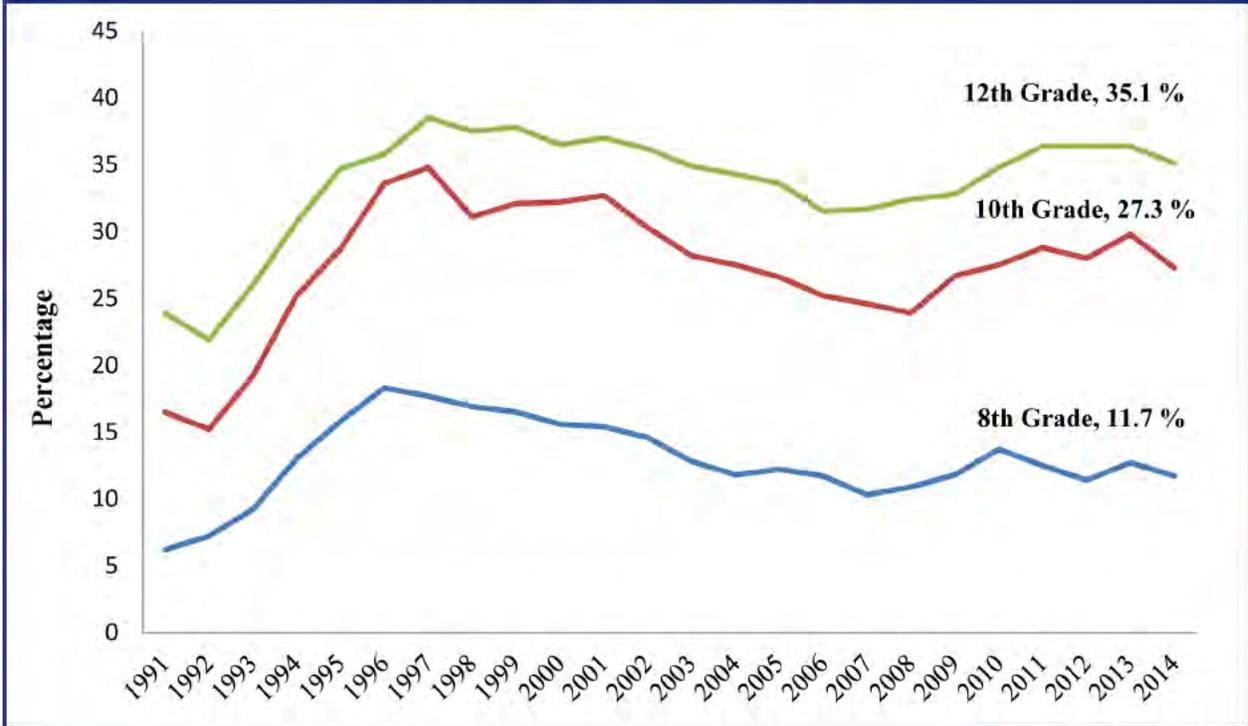
The two main cannabinoids of the cannabis plant are delta-9-tetrahydrocannabinol (THC) and cannabidiol (CBD). CBD has recently gained

media attention for possible health benefits to those suffering from seizures; however, analysis of marijuana seized by law enforcement indicates it has very low levels of CBD.

The average THC content of seized marijuana continues to increase. In 1995, the average THC potency of traditional leafy marijuana seizures was around 4 percent; the average THC potency was 12.05 percent in 2013. Partial year data for 2014 indicate the average THC potency in 2014 (11.80%) was consistent with 2013.^{xxi} The highest level of THC tested for traditional marijuana by the University of Mississippi’s Potency Monitoring Program (PMP) was 37 percent. The average THC content of marijuana concentrate seizures, referred to as “hash-oil,” has also increased significantly. In 1995, the average THC of “hash-oil” was 13.23 percent; in 2013, the average THC potency of “hash-oil” was 52.32 percent, with some seizures testing

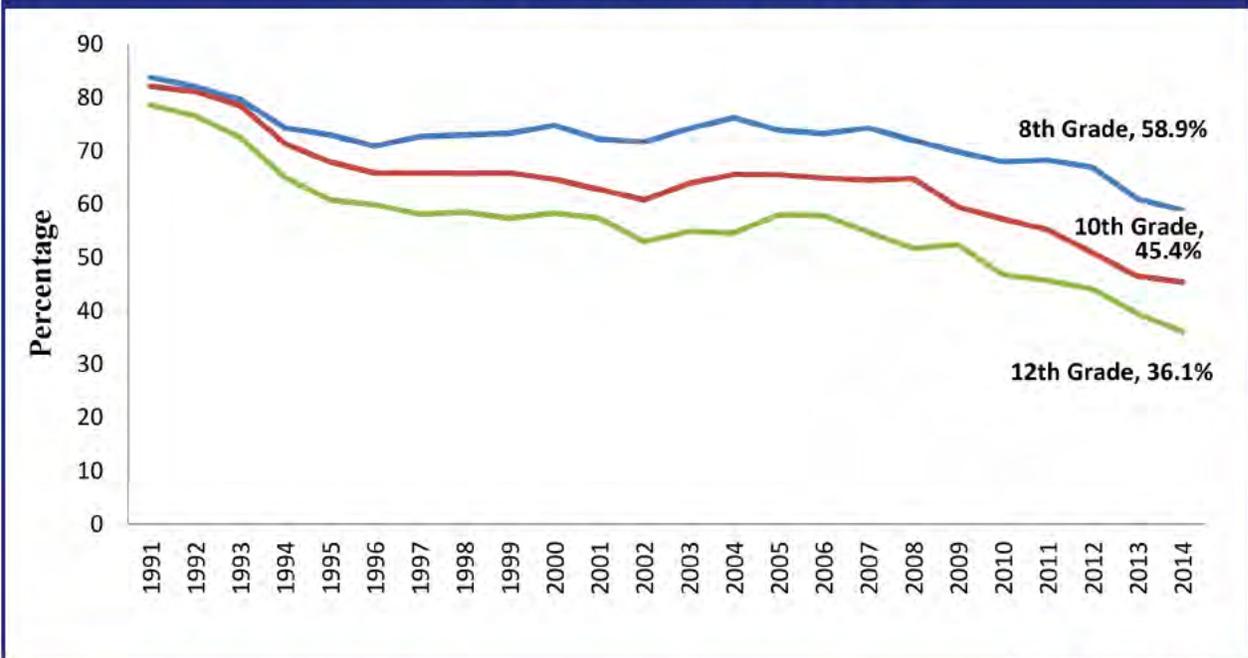
^{xxi} To date, only 298 traditional marijuana seizures have been analyzed for 2014. When the final 2014 numbers become available this percentage (11.80%) is likely to change slightly. For example, in 2013, there were 1,093 seizures analyzed and the average THC potency was 12.05 percent, and the average CBD potency was 0.17 percent.

(U) CHART 30. ANNUAL PREVALENCE OF MARIJUANA USE AMONG 8TH, 10TH, AND 12TH GRADE STUDENTS, 1991 - 2014



Source: Monitoring the Future

(U) CHART 31. PERCEPTION AMONG 8TH, 10TH, AND 12TH GRADE STUDENTS OF REGULAR MARIJUANA USE BEING HARMFUL, 1991 - 2014



Source: Monitoring the Future

above 80 percent. Again, partial year data indicate potency levels for 2014 (52.18%) were similar to 2013.^{xxii} The average marijuana concentrate/hash oil is over four times more potent than the average traditional leaf marijuana. (See Chart 29.)

Use

Marijuana is the most commonly used illicit drug in the United States, with an estimated 19.8 million current (past month) users in 2013, according to NSDUH. Marijuana was used by 80.6 percent of the total number of current illicit drug users.

Reported marijuana use among middle and high school students decreased from 2013 to 2014 for lifetime, annual, and monthly use, after steadily increasing over the previous five years. Marijuana use among those over the age of 18 has increased as indicated by both the NSDUH and MTF data sets.

In 2014, nearly 6.0 percent of 12th graders reported daily marijuana use, 21.2 percent reported past month use, and 35.1 percent reported annual use. (See Chart 30.) Of the 12th graders who reported annual use, 40 percent of the students in states with medical marijuana used marijuana edibles compared to 26 percent of those students in states without medical marijuana.

Marijuana use among young adults in college is increasing. In 2006, 30 percent of the nation’s college students said they used marijuana in the previous year, whereas in 2013 nearly 36 percent reported previous year use. Daily or near-daily use of marijuana, defined as 20 or more occasions of use in the prior 30 days, rose from 3.5 percent in 2007, to 5.1 percent in 2013.

Disapproval of marijuana use, and perception of marijuana being harmful, significantly declined for those in middle and high school. In 2014, only 36.1 percent of 12th graders viewed regular marijuana use as harmful; this was a 3.4 percent decline from 2013, and an 18.5 percent decline from 2004. (See Chart 31.)

Marijuana use continues to exceed tobacco use in all three MTF grade levels. In 2014, 21.2 percent of 12th graders used marijuana in the past 30

(U) SOCIAL MEDIA AND MARIJUANA USE

Social media reflects how younger people perceive marijuana use as evidenced by various Internet searches that demonstrate minors using marijuana publicly and with impunity. Social media users of all ages, but primarily younger individuals, have posted hundreds of thousands of photos of themselves with marijuana products on various social media sites; these photos are associated with hashtags that represent marijuana (e.g. #420, #710, #BHO, #dabs). In 2014, approximately 1,200 new photos and videos were posted to Instagram® each day associated with the hashtag #BHO, a slang term for marijuana concentrates.

In November 2014, after the success of a popular online challenge^{xxiii}, another social media challenge was issued for people to post photos and videos of themselves using marijuana in public places with the corresponding hashtag #loudchallenge. In response to the challenge, people have posted videos of themselves using marijuana in restaurants, in airports, on public transportation, and in classrooms.

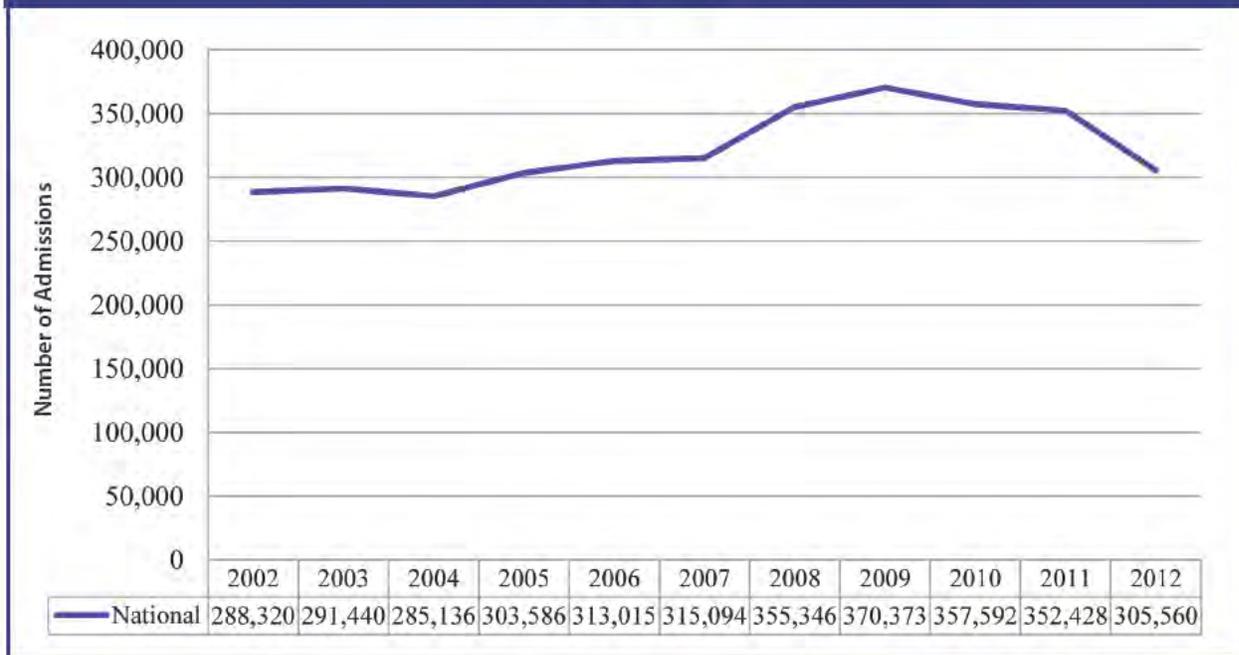
days compared with 13.6 percent who smoked cigarettes. The 2014 MTF survey was the first to ask students about their use of electronic cigarettes, and 17.1 percent of 12th graders said they had used electronic cigarettes in the past 30 days; however, the substances they used inside of the electronic cigarettes was not reported.

Marijuana accounts for a significant portion of treatment admissions in the United States. According to TEDS, in 2012, 17 percent of all treatment admissions to publicly funded facilities

^{xxii} To date, only 13 “hash-oil” seizures have been analyzed for 2014. When the final 2014 numbers become available this percentage is likely to change. In 2013, 29 seizures were analyzed and the average THC potency for 2013 was 52.32 percent; the average CBD potency was 0.50 percent.

^{xxiii} The “ice bucket challenge” benefiting amyotrophic lateral sclerosis (ALS) research..

(U) CHART 32. MARIJUANA TREATMENT ADMISSIONS FOR THE UNITED STATES, 2002 - 2012



Source: Treatment Episode Data Set

were marijuana-related, up from 15 percent in 2002. Nationally, there was a 6 percent increase in the number of treatment admissions for marijuana from 2002 to 2012; however, between 2011 and 2012 that number declined 13 percent. (See Chart 32.) Treatment admissions for marijuana were less likely than all other drugs to be reported as self or individual referrals; criminal justice referrals accounted for 51.6 percent of marijuana treatment admissions.

- Marijuana is the most common substance for treatment admissions among adolescents. In 2012, 76 percent of people between the ages of 12 and 17 admitted to treatment for substance abuse were admitted for marijuana use.

Production

Foreign Production

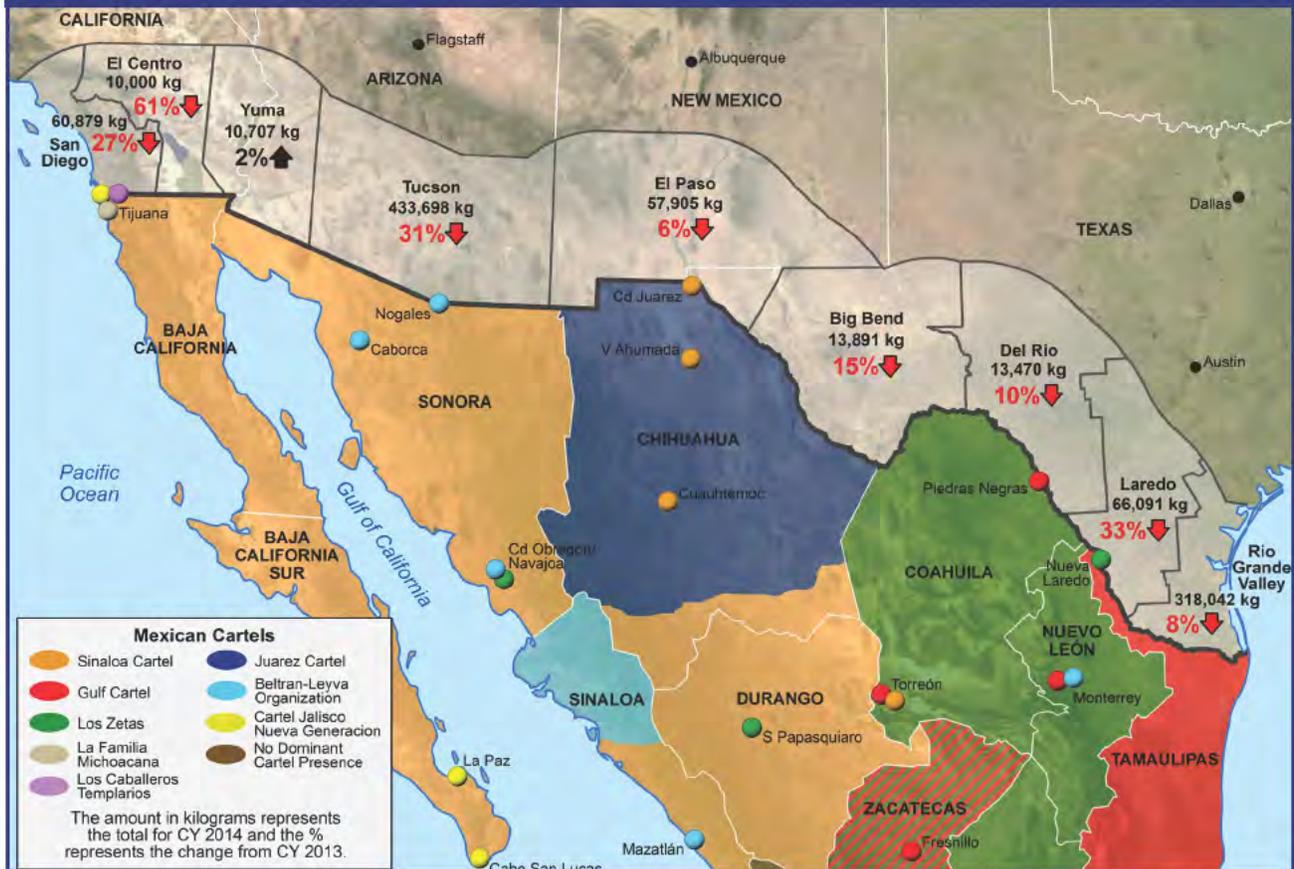
Marijuana is smuggled into the United States from Mexico in large volumes, with comparatively smaller volumes from Canada and the Caribbean. Marijuana that is smuggled from Mexico is typically classified as “commercial-grade” or “low-grade”

marijuana. The quality of marijuana produced in Mexico and the Caribbean is thought to be inferior to the marijuana produced domestically in the United States, or in Canada; however, law enforcement reporting indicates that Mexican cartels are attempting to produce higher-quality marijuana to keep up with US demand for high-quality marijuana.

There was a 23.6 percent decline in the total weight of marijuana seizures along the Southwest Border from 2013 to 2014, according to CBP data. The reasons for this decline are not well defined and remain unclear; cartel intentions and the possible impact of domestic legalization initiatives are continuing intelligence gaps relative to the levels of Mexican marijuana entering the United States. It should be noted that Mexico remains the most significant foreign source for marijuana in the United States and, despite the decline, marijuana seizures along the Southwest Border totaled over 984,600 kilograms in 2014.

Most of the marijuana seized by CBP occurs in the Tucson, Arizona, “West Desert Corridor,” which is controlled by the Sinaloa Cartel. CBP seized the second largest amount of marijuana in the Rio

(U) MAP 14. CBP MARIJUANA SEIZURES BY SOUTHWEST BORDER CORRIDOR IN 2014, WITH PERCENT CHANGE FROM 2013.



Source: DEA and US Customs and Border Protection

Grande Valley, Texas, corridor, which is controlled primarily by the Gulf Cartel. (See Map 14.)

Domestic Production

Although marijuana is cultivated in all 50 states, the majority of domestically-produced marijuana (that which is produced outside of state-authorized cultivation) comes from California. In 2014, the Domestic Cannabis Eradication Suppression Program (DCE/SP) eradicated 4.3 million plants in the United States; 2.68 million were in California. Marijuana can be grown both outdoors and indoors; indoor production is more difficult for law enforcement to discover and does not rely on climate conditions or seasons. (See Table B10 in Appendix B.) Criminal organizations of all sizes and types are involved in illegal marijuana cultivation in the United States.

The total number of grow sites eradicated by DCE/SP declined by 68 percent from 2010 to 2014; the

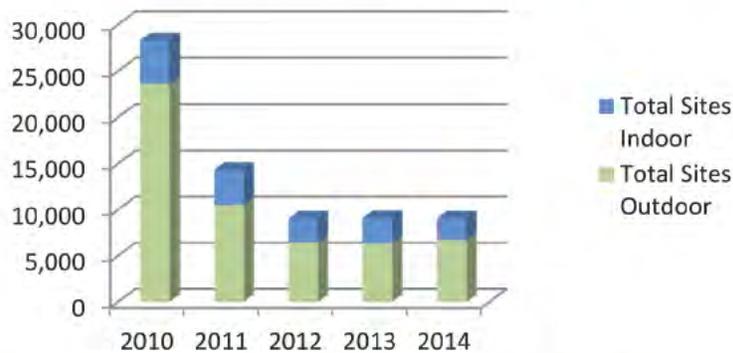
number of eradicated plants declined by 58 percent during that time. (See Charts 33 and 34.) The majority of this decline can be attributed to a 64 percent decrease in eradication in California (7.39 million plants in 2010 to 2.68 million plants in 2014). The decrease was due to several factors: a shift in enforcement priorities due to state-approved marijuana measures, to include the defunding of the California Campaign Against Marijuana Planting (CAMP) in 2012, and the implementation of an automated collection database in 2010, which changed the way seizure statistics were collected.



(U) Photo 12. THC-Infused Lollipops

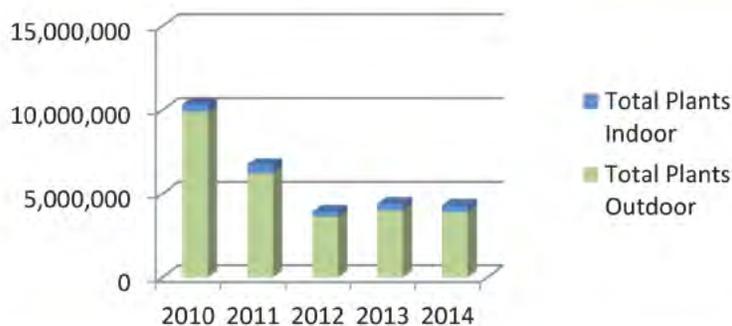
Source: Clovis, California Police Department

(U) CHART 33. TOTAL CANNABIS CULTIVATION SITES ERADICATED BY DCE/SP, CY 2010 - CY 2014



Source: DEA Domestic Cannabis Eradication/Suppression Program

(U) CHART 34. TOTAL CANNABIS PLANTS ERADICATED BY DCE/SP, CY 2010 - CY 2014



Source: DEA Domestic Cannabis Eradication/Suppression Program



(U) Photo 13. Marijuana Capsules and Vaporizer

Source: Southern Maryland Information Center

Marijuana Concentrates

Marijuana concentrates such as hashish, hash oil, and keif have been used for centuries; however marijuana concentrates are gaining popularity in the United States, as indicated by the increasing volume of law enforcement and open source reporting. Street terms for marijuana concentrates include: Butane Honey Oil, BHO, Hash Oil, Dabs/Dabbing, Wax, Shatter, 710, and Erll.

Marijuana concentrates are often consumed in e-cigarettes, also known as vaporizers. Marijuana concentrates are also found in other forms such as edibles, topicals, tinctures, capsules, and patches. These new forms of marijuana present a challenge to law enforcement, as they are easier to conceal. (See Photos 12, 13, 14, and 15.)

Marijuana concentrates are extracted from leafy marijuana in many ways, but the most frequently used, and potentially most dangerous, method is butane extraction. The butane extraction method uses highly

flammable butane gas and has resulted in numerous explosions and injuries, particularly on the West Coast, where production is most common. The first DEA report of the THC extraction process using butane was in 2005 in Oakland, California. However, as the use of marijuana concentrates has increased, the number of laboratory-related explosions has increased. (See Map 15^{xxiv})

^{xxiv} The THC extraction laboratories listed were collected from 2014 law enforcement, NSS, and open source news reporting. This list is not meant to be exhaustive. The majority of these laboratories were discovered after a fire/explosion occurred; however, many were discovered upon search warrant entry, thus not all laboratories resulted in an explosion.



(U) Photo 14. 199 E-Cigarette Cartridges each containing 1.1 milliliters of marijuana concentrates
 Source: Lafayette, Louisiana Police Department



(U) Photo 15. Marijuana concentrates
 Source: Lafayette, Louisiana Police Department

According to the California Drug Endangered Children Training and Advocacy Center (DEC-TAC), there have been 441 THC extraction laboratories recorded in California as of April 6, 2015. Of the total number of laboratories recorded, 291 (66%) were found in 2014; there were 53 laboratories discovered in the first 3 months of 2015. DEC-TAC reports children were present at 72 THC extraction laboratories, resulting in 12 children injured, and the death of 3 children. Further, DEC-TAC reports 140 adults were injured, and 41 adults were killed due to THC extraction laboratory explosions.

Environmental Impact

Illegal outdoor cannabis cultivation sites have a significant, harmful impact on the environment. Marijuana cultivation is associated with illegally diverted water, illegal deforestation, and soil contamination. Additionally, rodenticide and insecticide toxicants are frequently discovered on marijuana cultivation sites and are detrimental to wildlife. Research indicates that each cannabis plant requires roughly 1,200 gallons of water; therefore 500,000 plants would use 600 million gallons of water— enough water to supply the city of San Francisco for approximately three weeks. Over 110,000 acres of land in California have been destroyed since 2006 due to fires associated with illegal marijuana cultivation, costing taxpayers more than \$55 million in suppression costs.

- In 2014, the California Department of Fish and Wildlife (CDFW) reported several cases of illegal marijuana cultivation where water was illegally diverted. One case, in May 2014, resulted in the seizure of 4,000 cannabis plants and two tons of waste and hazardous materials; another case, also in May 2014, resulted in the seizure of over 9,000 cannabis plants, and over 2,500 pounds of waste, to include hundreds of pounds of fertilizers and pesticides.
- During 2014, public safety agencies in California reported illegal dumping of hazardous material; thousands of empty butane canisters have been discarded on private and public property. In 2014, the Oakland (California) Fire Department reported that they cleaned up at least two dump sites per week, and most dump sites contain 500 to 800 butane canisters.

(U) MAP 15. THC EXTRACTION LABORATORIES – 2014



Source: DEA

(U) THC EXTRACTION LABORATORIES

The term "THC extraction lab" is used instead of "BHO lab" (for Butane Honey Oil) as butane is not the only solvent used to extract THC from marijuana; DEA has reported the use of propane, Freon®, carbon dioxide (CO₂), dry ice, and alcohol (isopropyl and ethanol) in the extraction process. However, butane appears to be the most common solvent used, especially in conjunction with the THC extraction explosions.



(U) Photo 16. Marijuana concentrates inside of an oven located at a THC extraction laboratory



(U) Photo 17. Various THC extraction equipment located at a THC extraction laboratory

Source: DEA

Photos source: DEA

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, subterranean tunnels, rail cargo containers, ultralight aircraft, and maritime vessels.

Marijuana smuggled from foreign sources of supply is typically transported in larger shipments than domestically-produced marijuana.

Mexico TCOs smuggle large quantities of marijuana from Mexico into the United States through subterranean tunnels along the Southwest Border. Subterranean tunnels allow traffickers to avoid enforcement activities at POEs. Mexican TCOs may allow independent traffickers to use the tunnels for a fee; however, reporting indicates that the fees are often substantial, such as half the drug proceeds or half the quantity of drugs smuggled. Tunnels discovered by law enforcement are filled with concrete, and the cost to the government to destroy these tunnels can range from \$30,000 to hundreds of thousands of dollars.

- **Nogales, Arizona:** In February 2014, the DEA Nogales RO, in conjunction with ICE, located a 481-foot long subterranean tunnel used to transport drugs into the United States from Nogales, Sonora, Mexico. Officers seized heroin and marijuana at this location.
- **Nogales, Arizona:** During 2014, the United States Border Patrol (USBP) Nogales, Arizona Station discovered five incomplete tunnels along the Arizona-Mexico border.
- **San Diego, California:** In April 2014, the San Diego, California Tunnel Task Force (TTF) seized two tunnels located in the Otay Mesa area of San Diego, California. The tunnels contained sophisticated rail and lighting systems and originated at a storage unit facility in Tijuana, Mexico. The TTF arrested two suspects and executed search warrants at separate warehouse locations in the Miramar area of San Diego and Corona, California, and seized approximately 45,000 pounds

of marijuana. In May 2014, TTF agents assisted the Tijuana RO with the seizure of an additional tunnel seizure in Tecate, California.

Mexican TCOs continue to send shipments of marijuana via non-commercial maritime vessels from the West Coast of Baja California north to the central California coast. Operators of “pangas”—small, fast-moving vessels—cruise great distances from the California shoreline to avoid law enforcement detection.

- **California:** In March 2014, law enforcement seized over 6,900 pounds of marijuana and arrested 3 Mexican nationals during a maritime interdiction off the coast of southern California.
- **California:** In May 2014, a panga boat and a sport utility vehicle were discovered on a beach near Pescadero State Park in California with approximately 1,000 pounds of marijuana.
- **California:** According to the FY2014: United States Maritime Cross-Border Drug Smuggling assessment, in FY2014, the US Coast Guard (USCG) along with other law enforcement agencies seized 140,000 pounds of marijuana, 88 percent of which—123,000 pounds—was seized from non-commercial vessels on the Pacific Coast. Mexican TCOs smuggle the drug from the Pacific coast of Mexico into California.
- **Pharr, Texas:** In March 2015, ICE agents in McAllen, Texas, seized 10,120 packages of marijuana weighing over 1,300 kilograms that was comingled and disguised as onions from a warehouse in Pharr, Texas. The marijuana load was destined for North Carolina. (See Photos 18 and 19.)

Transportation of Domestically-Produced Marijuana

Various TCOs and domestic criminal groups are involved in transporting domestically-produced marijuana. Mexican nationals operate illegal large-scale outdoor marijuana grows, Asian and Cuban criminal organizations operate sophisticated illegal



(U) Photo 18. Onion pallet containing “onions” filled with marijuana

Source: Southwest Border HIDTA



(U) Photo 19. “Onions” filled with marijuana

Source: Southwest Border HIDTA

indoor grows, Caucasian criminal organizations operate both large-scale outdoor grows and small-scale indoor grows, and other criminal groups obtain large quantities of marijuana from state authorized entities for illegal resale. Domestically-produced marijuana is typically trafficked from the West Coast—particularly from states with robust “medical marijuana” or “recreational” marijuana laws—to states on the East Coast and in the Southeast.

DEA reporting indicates marijuana shipments via commercial parcel delivery services have increased throughout the United States.

Multiple online blogs, forums, and Internet sites explain how to ship marijuana so as to avoid law enforcement detection. There is also a website that claims to provide legal advice, Federal Bureau of Investigation (FBI) and US Postal Service (USPS) insider information, labeling, and packaging secrets. CBP data indicate traffickers are using

express consignment to transport shipments of marijuana and other drugs throughout the United States. Express consignment seizures in the United States increased 58 percent between FY 2011 and FY 2014.

Outlook

Marijuana will remain abundant in the United States; use will remain high and will increase as perceptions of the drug’s harmfulness diminish. State legalization, and the shifting of law enforcement priorities in many localities, will allow small-scale domestic criminal organizations to cultivate and traffic marijuana with more freedom than in the past. Mexican TCOs will continue to cultivate and traffic marijuana into the United States, and may attempt to cultivate higher-quality marijuana to compete with US demand for high-quality marijuana.

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Synthetic Designer Drugs

Overview

Synthetic designer drugs refer to man-made substances created to mimic the effects of controlled substances, and are oftentimes unregulated. There are a variety of synthetic designer drugs, such as cannabinoids, cathinones, and hallucinogens known as phenethylamines. The two most commonly used types of synthetic designer drugs in the United States are synthetic cannabinoids and cathinones.

Synthetic cannabinoids, also commonly known as "Spice" and "K2," are chemicals synthesized in laboratories and simulate the biological effects of THC, the main psychoactive ingredient in marijuana. Cathinones, also commonly known as "bath salts," can produce pharmacological effects substantially similar to cathinone, methcathinone, MDMA, amphetamine, methamphetamine, and cocaine. Synthetic cannabinoids and cathinones are typically manufactured in China and then imported into the United States through mail services; they are sold in convenience stores and via the Internet. Synthetic cathinones are usually snorted or swallowed in their powder or crystal forms. Negative effects of synthetic cathinone use include heart attack, kidney and liver failure, paranoia, panic attacks, and breakdown of muscle tissue.

Phenethylamines are organic compounds that affect the central nervous system, primarily by interacting with neurotransmitters. The NBOMes (N-methoxybenzyl) are a series of potent psychedelic drugs that fall under the phenethylamine class of synthetic drugs. Common drugs used in this series are 25I-NBOMe, 25B-NBOMe, and 25C-NBOMe, all three of which were temporarily placed into Schedule I of the CSA by DEA in November 2013, after they were linked to multiple deaths.

Availability

Synthetic cannabinoids, cathinones, and phenethylamines are available throughout the United States. Most domestic DEA offices report that synthetic cannabinoids and cathinones are

(U) TABLE 11: DEA FIELD DIVISION REPORTING OF SYNTHETIC CANNABINOID AND CATHINONE AVAILABILITY IN THE FIRST HALF OF 2014 AND COMPARISON TO PREVIOUS PERIOD

FIELD DIVISION	AVAILABILITY DURING FIRST HALF 2014	AVAILABILITY COMPARED TO SECOND HALF 2013
Atlanta Field Division	Low	Stable
Caribbean Field Division	Low	Stable
Chicago Field Division	Moderate	Less
Dallas Field Division	High	Stable
Denver Field Division	Moderate	Stable
Detroit Field Division	Moderate	Stable
El Paso Field Division	Moderate	Stable
Houston Field Division	Moderate	Stable
Los Angeles Field Division	Nothing to Report	Stable
Miami Field Division	Low	Stable
New England Field Division	Moderate	Stable
New Jersey Field Division	Moderate	More
New Orleans Field Division	Moderate	Stable
New York Field Division	Moderate	Stable
Philadelphia Field Division	Low	Less
Phoenix Field Division	Moderate	Stable
San Diego Field Division	Moderate	Stable
San Francisco Field Division	Low	Stable
Seattle Field Division	Moderate	Stable
St. Louis Field Division	Moderate	More
Washington Field Division	Moderate	Stable

Source: DEA Field Division Reporting

moderately available, and that availability is mostly stable compared to 2013. The Chicago and Philadelphia FDs indicated less availability in 2014 compared with 2013, and the New Jersey and Seattle FDs reported higher availability in 2014 (See Table 11).

- **Jefferson City, Missouri:** In 2014, DEA seized hundreds of kilograms of synthetic cannabinoids from numerous package, smoke, and convenience stores. Several of these stores began selling them after noticing that the profits of a local liquor store doubled by selling the drugs.

Synthetic Designer Drugs

- **Frederick, Maryland:** In 2014, DEA arrested three individuals and seized hundreds of packets of synthetic cannabinoids from a group of gas stations. The drugs were produced locally in a warehouse and one gas station location sold as many as 50 to 60 packets of the drugs per day.
- **Elyria, Ohio:** In June 2014, DEA seized 1,500 packets of synthetic cannabinoids when they intercepted a parcel delivery service package that had originated in Oklahoma.
- **Washington DC:** Current reporting indicates that many gas station and convenience store owners state that, even if their stock of synthetic cannabinoids is seized, they will continue to restock and sell the drugs if they are not prosecuted, because the profits are so large.

Use

Synthetic designer drugs are typically used by younger individuals. Synthetic cannabinoids and cathinones are sold in packages adorned with bright colors and cartoons to attract younger users. (See Photo 20.) These drugs are often marketed under varieties such as blueberry, strawberry, mango, and bubblegum, to entice consumption. The use of legitimate-looking packaging, coupled with availability in conventional stores, greatly reduces the stigma of these drugs.

Synthetic Cannabinoids

Synthetic cannabinoid use remains prevalent throughout the United States. Synthetic cannabinoids are the fourth most popular drug used among 8th graders (after marijuana, inhalants, and amphetamines), the third most popular drug used among 10th graders (after marijuana and amphetamines) and the fourth most popular drug used among 12th graders (after marijuana, amphetamines, and Adderall®). In the most current MTF survey data, the percentage of 8th, 10th, and 12th graders surveyed who used synthetic cannabinoids declined from 6.4 percent in 2013 to 4.8 percent in 2014. The MTF survey also found that when posed the question, "How much do you think people risk harming themselves (physically or in



(U) Photo 20. Spice is sold in legitimate packaging materials and food-associated varieties such as "Blueberry" to entice consumption.

Source: DEA

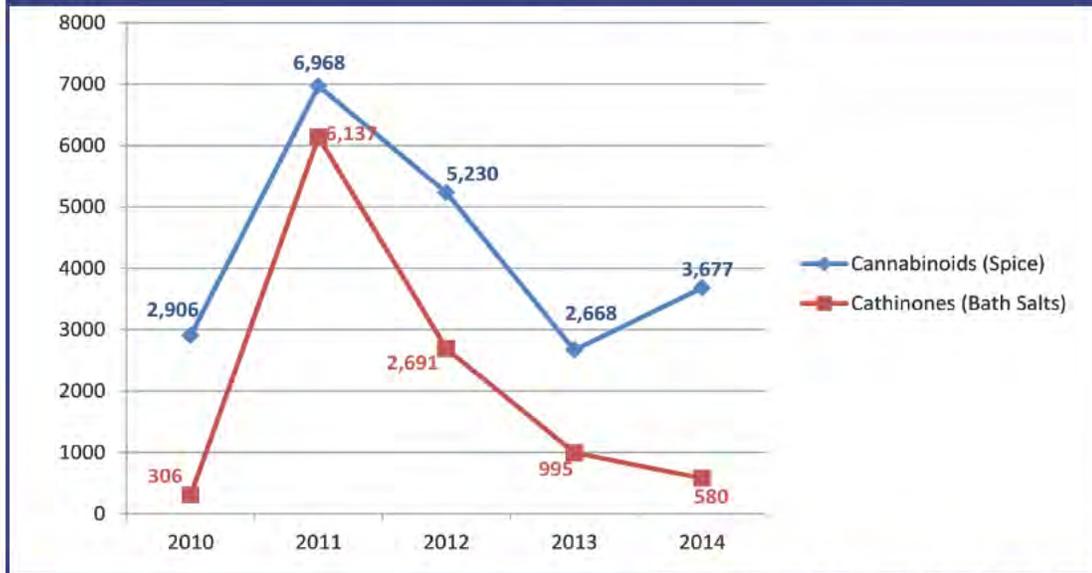
other ways), if they try synthetic marijuana once or twice," 27.1 percent answered with "great risk," the selection with the highest level of risk.

- The American Association of Poison Control Centers (AAPCC) also indicates that in 2014, there were 3,677 calls to poison centers regarding synthetic marijuana exposure. This number is up from 2,668 in 2013—a 37.8 percent increase. (See Chart 35.) This is the first increase since the number of calls peaked in 2011 at 6,968; 2012 and 2013 showed a decline in the number of calls.
- In August 2014, the New Hampshire Governor declared a State of Emergency when, within a few days, over 40 people overdosed on bubblegum-flavored synthetic cannabinoids sold over the counter.

Synthetic Cathinones

Some use and availability data indicators show that synthetic cathinone use is decreasing, yet cathinones remain prevalent in the US market.

(U) CHART 35. NUMBER OF EXPOSURE CALLS TO THE AMERICAN ASSOCIATION OF POISON CONTROL CENTERS 2010 - 2014



Source: American Association of Poison Control Centers

(U) SYNTHETIC CANNABINOID USE AMONG THE PRISON POPULATION

Synthetic cannabinoids are used by the inmate population and others monitored by the criminal justice system. In a special study conducted under the Community Drug Early Warning System in 2013 by the Office of National Drug Control Policy (ONDCP) and the University of Maryland's Center for Substance Abuse Research, an average of 33 percent of urine samples tested positive for synthetic cannabinoids in the Washington, DC inmate, parole and probation, and pretrial surveillance populations. These samples passed traditional drug screening and synthetic cannabinoids were only identified by special testing not ordinarily used in the criminal justice system.

- **Clinton, Louisiana:** In October 2014, four inmates in a Louisiana prison overdosed on synthetic cannabinoids smuggled into the prison concealed inside cigarettes. The inmates became unresponsive and were taken to the hospital. One was admitted to the Intensive Care Unit.
- **Live Oak, Florida:** In December 2014, a Florida prison correctional officer was arrested for selling synthetic cannabinoids to inmates. Inmates purchased the drugs from him using disposable prepaid cash cards.

- AAPCC statistics continue to show a declining number of calls to poison centers for cathinone exposure. For the year 2014, there were only 580 calls, a 41.7 percent drop from the 995 calls in 2013. In the previous reporting period from 2012 to 2013, the number of calls dropped from 2,691 to 995, a 63 percent decrease.
- NSS data reflect a significant decrease in the amount of cathinones seized since 2012. In 2012, law enforcement officers seized 990 kilograms of cathinones; however, in 2013, officers seized 839 kilograms and only 52.8 kilograms in 2014.
- MTF survey data show that the percentage of 8th, 10th, and 12th graders using cathinones

Synthetic Designer Drugs

dropped from 0.9 percent in 2013 to 0.7 percent in 2014. MTF survey data also found that when asked the question, "How much do you think people risk harming themselves (physically or in other ways), if they try bath salts (synthetic stimulants) once or twice," 48.5 percent answered with "great risk."

While many indicators suggest declining abuse levels of synthetic cathinones, many distributors have "rebranded" these drugs as MDMA, "molly," or "flakka" thereby users may not be aware they are consuming a synthetic cathinone or "bath salts." Additionally, data could be skewed as unwitting users would indicate that they had consumed MDMA. The AAPCC register "bath salts" and MDMA as separate entities, which further distorts this data as an indicator of use levels.

Synthetic cathinones, namely methyldone, are falsely represented as a pure form of ecstasy to MDMA users. Methyldone has been seized in all forms of supposed MDMA: pressed pills, gel capsules, and loose powder crystals.

- **New Jersey:** In 2014, reporting indicated that much of the MDMA being trafficked in New Jersey was actually methyldone. True MDMA was too expensive to make a profit so methyldone was substituted.
- **New York:** In 2014, laboratory analysis showed most of the purported pure MDMA/"molly" contained cathinones such as methyldone.

Phenethylamines

NBOMes are commonly imported into the United States from China in their white powder form. The drug can be diluted in liquid and snorted, dropped onto blotter paper and ingested orally, or administered as liquid drops directly into the eye or the nasal cavity. Once administered, effects of the drug may be felt in as little as 10 to 15 minutes. Users experience temporary feelings of euphoria, visual and auditory hallucinations, as well as potential harmful effects such as aggression, agitation, seizures, kidney injury, and death. Due to similarities in appearance and effects,

25I-NBOMe is often mistaken for lysergic acid diethylamide (LSD). (See Photo 21.)



(U//LES) Photo 21. NBOMe blotter paper.

Source: DEA

Production

While synthetic cannabinoids and cathinones are chemicals created in laboratories, each variety of these drugs requires different precursor chemicals and different scientific processes to synthesize them. While the varieties of synthetic cannabinoids and cathinones produce similar effects to the organic illicit drugs they mimic, they are each a different chemical; therefore, the synthesis of cannabinoids and cathinones vary as different methods are used to produce each compound variant. Most require relatively sophisticated scientific equipment and glassware, and the techniques require chemistry knowledge and skill. However, due to their wide availability from countries such as China, India, and the Netherlands, most traffickers in the United States simply purchase the chemicals already synthesized and perform final preparations and processing domestically. Sites for the final processing of synthetic cannabinoids and application onto plant material are known as "spice processing labs." As synthetic cathinones are usually snorted or swallowed in their powder and crystal forms, further processing is usually not needed.

Spice processing labs are typically found in homes and warehouses throughout the United States. After acquiring synthetic cannabinoid chemicals, distributors dilute the white powdered substance in

an alcohol such as ethanol. Cheap plant material is dehydrated and spread out on large work surfaces. The synthetic cannabinoid chemicals in liquid form are then sprayed onto the plant material and left to dry. This can lead to the uneven application of the drug resulting in “hot spots” in batches of the drug. After drying, the finished “Spice” is packaged in individual foil packets, typically in 10 or 15 gram quantities.

The foil packets used for packaging synthetic cannabinoids can be purchased online in wholesale quantities. These packets are already branded with logos and names such as “Bizarro” or “Scooby Snax.” Because these empty packets can be purchased in wholesale quantities by different distributors, no two packets may have the same contents, as distributors use a variety of different synthetic cannabinoids in search of cheaper or more potent drugs. Therefore, any two sealed packets of “Scooby Snax” for sale may have two completely different synthetic cannabinoids, even in the same shop.

Transportation

The chemicals used to make synthetic cannabinoids and cathinones are typically purchased through mail order and transported into the United States via package delivery services. Synthetic cannabinoids and cathinones are usually imported into the United States from companies in China. To a lesser extent, synthetic cannabinoids and cathinones arrive in the mail from companies in Germany, the Netherlands, and even within the United States. These packages have been seized at both business and residential locations.

Distribution

Synthetic cannabinoids and cathinones are distributed through convenience stores, head shops, adult stores, hookah and smoke shops, and gas stations. While both vendors and the packaging of these drugs may claim that the drugs are not for human consumption, these drugs are usually sold along with smoking paraphernalia such as pipes. Some vendors display and sell these drugs openly, while some hide them from sight and sell only to customers with a trusted

(U) FLAKKA

In 2015 there was a sharp rise in the number of overdoses related to the synthetic cathinone *α*-Pyrrolidinovalerophenone Hydrochloride or Alpha-PVP, also known by the street names “Flakka” and “Gravel.” Flakka is commonly available in a white, pink, or blue crystallized form and appears similar to methamphetamine. Flakka is typically smoked or snorted and is sometimes abused in conjunction with other drugs. Flakka is transported into the United States from China and distributed throughout the United States. Flakka acts as a stimulant and may cause users to hallucinate; it is responsible for a variety of aggressive behaviors such as robbery and assault. In 2014, DEA temporarily placed Flakka in Schedule I of the CSA while further research is conducted to formally schedule the drug. As previously mentioned, on October 1, 2015, the Chinese government introduced new regulations regarding the control of 116 chemical compounds, including Alpha-PVP.

and established relationship. All 50 states have some type of legislation regulating the sale of synthetic drugs. However, the chemical make-up of synthetic drugs often differ by only one element, and this poses a challenge to law enforcement.³⁹ As certain compounds are scheduled, producers quickly change one or two elements in the banned substance thereby creating a new compound that has similar psychoactive effects but is not yet illegal. Since 2009, when these drugs were first encountered in the US, more than 250 new synthetic compounds have been encountered.

Outlook

Synthetic cannabinoids, cathinones, and phenethylamines will continue to pose a nationwide threat. Synthetic drug producers modify and experiment with chemical formulas in search of new psychoactive substances. Once a new drug is formulated, the Internet and social media are used to market its arrival on the scene, allowing

Synthetic Designer Drugs

for its fast adoption and use. Due to the changing nature of the chemical formula for synthetic designer drugs, distributors are able to reap significant profits before legislation to control these psychoactive substances is enacted. While synthetic drugs will remain prevalent as a whole, synthetic cannabinoid use will remain steady or increase, while synthetic cathinone use appears to be on the decline. The United States will continue to see overdoses and deaths as a result of synthetic drug use, primarily among the youth population.



MDMA (3,4-Methylenedioxymethamphetamine)



(U) Photo 22. MDMA

Source: DEA

Overview

MDMA, a synthetic Schedule I drug commonly referred to as “ecstasy” and “molly”, is available throughout the United States. Compared to marijuana, cocaine, heroin, and other illicit drugs, the MDMA market in the United States is small. Most of the MDMA seized in the United States is manufactured in clandestine laboratories in Canada and smuggled across the Northern Border. Canada-based Asian TCOs are the primary suppliers of MDMA in the United States, producing tens of millions of tablets for the US market. (See Photo 22.) MDMA acts as both a stimulant and as a psychedelic. It produces an energizing effect, distortions in time and perception, and enhanced enjoyment of tactile experiences.

DEA reporting indicates the sources of supply for “molly” are either US-based rogue chemists or foreign-based traffickers from China and, to a lesser extent, India and Eastern Europe. “Molly” is often ordered from Internet websites using Bitcoin for payment.

Availability

MDMA is available throughout the United States, but availability is generally declining. The only respondents to the 2015 NDTs to report an increase in MDMA availability from the previous year were the Southeast and the Southwest OCDETF regions.

(U) TABLE 12. 2015 NDTs RESPONDENTS REPORTING HIGH AVAILABILITY OF MDMA, BY REGION (PERCENTAGE)

OCDETF REGION	2014	2015
Florida/Caribbean	20.6	18.0
Great Lakes	7.5	2.3
Mid-Atlantic	5.3	2.9
New England	12.4	4.4
New York/New Jersey	15.1	13.1
Pacific	10.7	8.0
Southeast	10.3	11.6
Southwest	5.5	11.8
West Central	5.4	2.3
Nationwide	8.8	7.3

Source: National Drug Threat Survey

Nationally, 7.3 percent of law enforcement agencies surveyed indicated that MDMA availability was at high levels in their jurisdiction. However, the data indicate that MDMA is significantly more available in certain regions. (See Table 12.)

The drug “molly” is purported to be a pure form of MDMA—free of any added substances—but the true chemical make-up of “molly” varies. Drugs marketed or sold as “molly” are often made up of several different substances, including synthetic cathinones such as methylone, and do not always contain MDMA. (Methylone is a Schedule I controlled substance and is commonly imported from China via the Internet for use in the United States.)

Intelligence indicates that some tablets sold as “ecstasy” or “molly” may not be MDMA at all, but another chemical or a mixture of various chemicals which may or may not contain MDMA. DEA laboratories have analyzed samples that have contained methamphetamine, ketamine, caffeine, dimethylsulfone, N-benzylpiperazine (BZP), and trifluoromethylpiperazine (TFMPP), in addition to MDMA.

MDMA (3,4-Methylenedioxyamphetamine)

(U) TABLE 13. NATIONAL SURVEY ON DRUG USE AND HEALTH, MDMA INITIATES, 2009 - 2013

	2009	2010	2011	2012	2013
Past Month Use	763,000	691,000	544,000	628,000	660,000
Past Year Use	2,804,000	2,653,000	2,422,000	2,610,000	2,588,000
Lifetime Use	14,280,000	15,929,000	14,570,000	16,162,000	17,815,000

Source: National Survey on Drug Use and Health

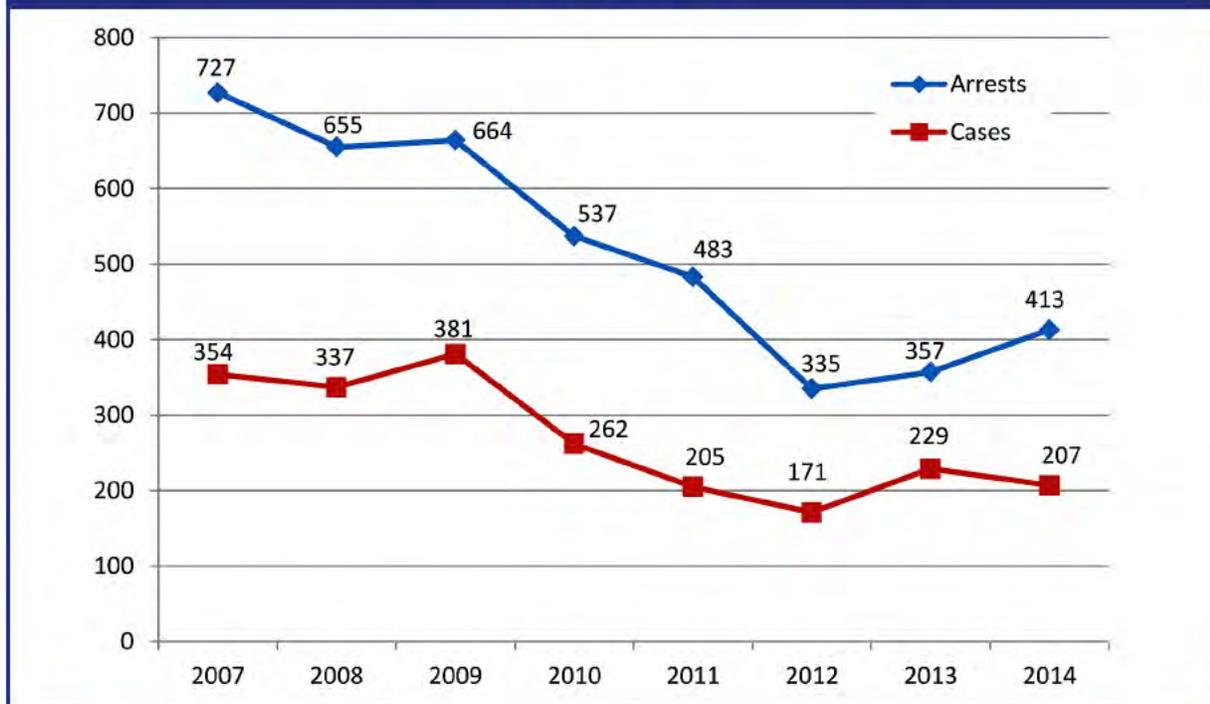
Use

Demand data indicate that MDMA use is generally on the decline. According to NSDUH, while the number of people reporting both lifetime and current use of MDMA has increased, the number reporting past year use has decreased. (See Table 13.) Additionally, MTF data show that past year MDMA use has declined in each of the grades (8th, 10th, and 12th) surveyed.

MDMA is generally used by adolescents and college-aged youths. NSDUH data indicate that 69.4 percent of the MDMA initiates in 2013 were aged 18 or older at the time they first used MDMA.

Production

Canada continues to be the primary source country of MDMA for domestic use in the United States. Investigative reporting and intelligence indicate that Canada-based Asian TCOs continue to dominate the production and distribution of MDMA. These TCOs manufacture wholesale quantities of MDMA in clandestine laboratories located in Canada, producing tens of millions of tablets. MDMA production takes place predominantly in British Columbia; however, it is also manufactured in smaller quantities in Ontario and Quebec. While seizures along the US-Canada border have declined from the peaks seen in 2008 and 2009, the smuggling of MDMA from Canada into the United States remains a threat.

(U) CHART 36. NUMBER OF MDMA DOMESTIC CASES OPENED AND ARRESTS BY DEA 2007 - 2014

Source: DEA

Transportation

Asian TCOs smuggle MDMA across the border using various methods and modes of transportation such as personal vehicles, commercial trucks, buses, planes (small personal planes and helicopters as well as couriers on commercial airlines), trains, vessels, all-terrain vehicles, and snowmobiles. In addition, TCOs recruit individuals at and between POEs along the entire US–Canada border to carry the drug on their persons. There are five major corridors used by drug traffickers to smuggle illicit drugs. These areas are in the vicinity of Blaine, Washington; Detroit, Michigan; Champlain and Buffalo, New York; and to a lesser degree, the Saint Regis Mohawk Reservation, on the St. Lawrence

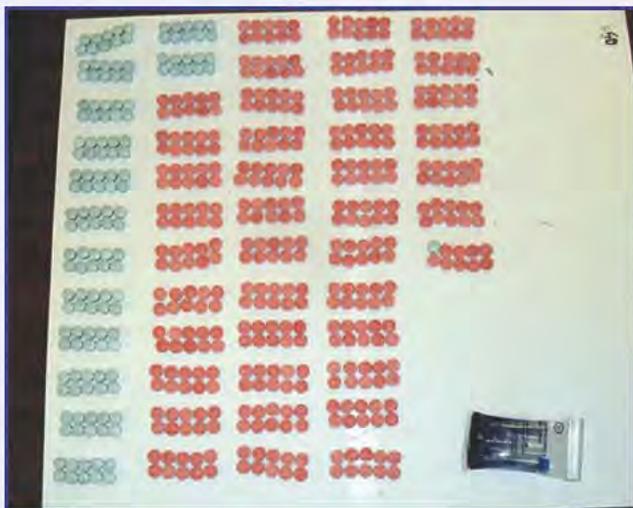
River which is used by TCOs in Ontario and Quebec to smuggle MDMA into the United States.

Distribution

Asian organizations dominate the trafficking of MDMA in the United States and collaborate with various US street gangs and OMGs to facilitate distribution of the drug. Recent DEA reporting indicates that Mexican organizations traditionally involved in cocaine, methamphetamine, and marijuana trafficking are now obtaining MDMA from Canada and selling wholesale amounts (1,000 tablets or more) to local drug traffickers in the United States.

(U) OPERATION NORTHERN EXPOSURE DISMANTLES MDMA TRAFFICKING ORGANIZATION

In October 2014, seven members of a Canada-based TCO were arrested on charges of international MDMA distribution and money laundering in connection with OCEETF investigation Operation Northern Exposure. This TCO shipped multi-thousand dosages of MDMA via package delivery services to numerous distributors in the Denver metro area. The tablets were multi-colored and often shipped intermixed with popular brands of candy in an effort to avoid law enforcement detection. Several bank accounts in Canada, China, and the United States were tied to the organization, leading to money laundering charges. Three members of the organization were arrested in Colorado and four were arrested in Canada.



(U) Photo 23. Seized MDMA

Source: DEA



(U) Photo 24. MDMA concealed in commercial candy

Source: DEA



(U) Photo 25. 6,000 MDMA pills purchased in Vancouver, Canada

Source: DEA

MDMA (3,4-Methylenedioxymethamphetamine)



(U) Photo 26. "Molly" in gel capsules

Source: DEA

The number of DEA MDMA cases and arrests declined significantly between 2007 and 2014, although there was a slight increase in arrests and cases opened between 2012 and 2014. (See Chart 36.)

MDMA is usually distributed in tablet form with logos that create brand names for users to seek out. However, the drug is also available in capsule, powder, and liquid forms. MDMA is considered a "party drug" and is often mixed with other substances such as alcohol and marijuana. While it is most commonly used by adolescents and college-aged young adults, it is no longer considered exclusively a rave or club drug, and is used by nontraditional groups.

Drugs sold as "molly" are usually sold in powder form and can be white, off-white, brown, yellow, or pink in color. "Molly" also can be sold in gel capsules. (See Photo 26.) "Molly" is typically fine in texture, but another form of the drug is known as "moon rocks," and is chunkier in appearance. (See Photo 27.) Moon rocks are a crystallized form of MDMA, usually yellow or white in color and similar in appearance to crack cocaine. "Molly" can be ingested by sniffing or snorting, orally, smoked, or liquefied and injected. Some consume "molly" by a method known as "parachuting," whereby the powder is wrapped in a facial tissue and then swallowed. As the tissue slowly dissolves, the "molly" is introduced into the stomach.

Outlook

MDMA and "molly" will pose a continuing, albeit relatively low, threat to the United States, particularly to young people. MDMA and "molly" are inexpensive and easy to obtain and will continue to be popular drugs of use among high school and college students, as well as young adults who attend concerts, clubs, and music events.



(U) Photo 27. "Molly" in "Moon Rock" form

Source: DEA



Phencyclidine (PCP)

Overview

PCP is a hallucinogenic drug that is often sold in a variety of tablet, capsule, and colored powder forms that are normally snorted, smoked, or orally ingested. In pure form, PCP is a white, crystalline powder that dissolves easily in water or alcohol. As a liquid, it is clear, yellow, or tan and often sold in vanilla extract bottles.

PCP user symptoms mimic schizophrenia, such as delusions, hallucinations, paranoia, disordered thinking, and a sensation of distance from one's environment. Long-term use of PCP causes impaired memory, persistent speech problems including stuttering and inability to articulate, chronic and severe anxiety and depression, suicidal tendencies, aggressive or hostile behavior, paranoia, and delusional thinking.

PCP poses a low threat to the United States due to relatively low levels of use. Use is highest in the Washington, DC area, and the majority of PCP available in the United States is produced in the Los Angeles, California area.

Availability

PCP remains available in Washington DC, especially the southeast quadrant of the city, in multi-gallon quantities. Established dealers in DC maintain connections to PCP sources of supply in southern California, or mid-level suppliers in Prince George's County, Maryland.

- **Landover, Maryland:** In February 2014, US Marshals went to a home in Landover, Maryland, with a bench warrant for a male for the possession and intent to distribute cocaine. As a result of the search, US Marshals seized two clear bottles of suspected PCP in addition to 44 grams of cocaine, and a digital scale. (See Photo 28.)

PCP availability and use are reportedly increasing throughout Philadelphia. Investigations revealed PCP dealers operating in Philadelphia's public housing projects, as well as in sections of north and northeast Philadelphia. California and New York



(U) Photo 28. PCP in bottle

Source: DEA

City are the primary sources for synthetic drugs, in particular PCP, entering the Philadelphia FD AOR.

Use

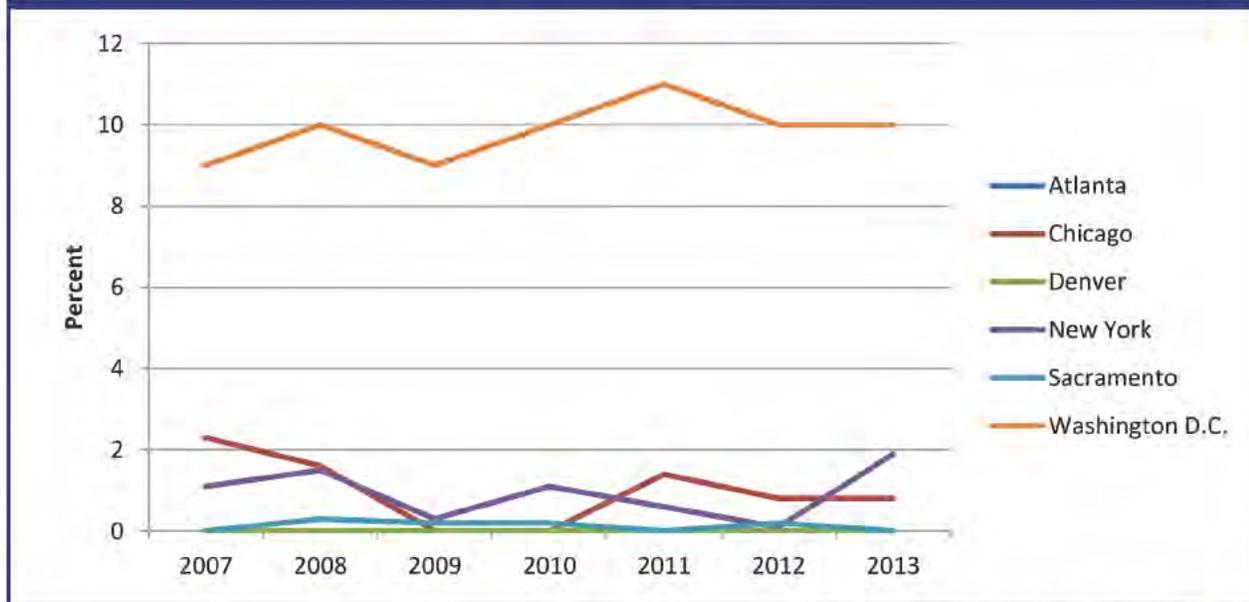
PCP use remains low throughout the United States, with the notable exception of Washington, DC. Data from the Arrestee Drug Abuse Monitoring Program II indicates that less than two percent of male arrestees in Atlanta, Chicago, Denver, New York, and Sacramento tested positive for PCP in 2013, with Atlanta and Denver reporting zero percent of male arrestees testing positive for PCP. These percentages have remained steady at these low levels since 2007, and, with the exception of Chicago, the other four cities' percentages for males testing positive for PCP have not risen above two percent. (See Chart 37.)

The District of Columbia Pretrial Services Agency reports that the two age groups of arrestees in Washington DC with the highest percentage of positive tests for PCP are the 26 to 30 and 31 to 35 age groups. In 2013, 14.1 percent of arrestees between the ages of 31 and 35 tested positive for PCP, down from 18.3 percent in 2012. However, the percentage of arrestees between the ages of 26 and 30 testing positive for PCP nearly doubled from 2012 (9.1%) to 2013 (18.0%).

TEDS information reveals there were 5,732 PCP-related treatment admissions aged 12 and

Phencyclidine (PCP)

(U) CHART 37. PERCENTAGE OF MALE ARRESTEES TESTING POSITIVE FOR PCP, FY 2007 - FY 2013



Source: Arrestee Drug Abuse Monitoring Program II

older in 2012, the last year for which data is available. These admissions accounted for 0.3 percent of the total treatment admissions aged 12 and older for 2012. Further, TEDS data reveals that PCP was reported to be the primary substance of abuse in just two admissions per 100,000, indicating PCP's relatively low use levels across the United States. The largest numbers of admissions for PCP abuse were 1,851 admissions in the Middle Atlantic Census division^{xxxv} followed by 1,343 admissions in the South Atlantic Census division.^{xxxvi} Nevertheless, these admission numbers still represent only 0.5 percent of the admissions in the Middle Atlantic and 0.4 percent of the admissions in the South Atlantic.

Production

African American street gangs in Los Angeles, California, dominate the manufacture and production of PCP. Specifically, the Compton area of Los Angeles continues to serve as the source area for PCP destined for other parts of the country. DEA Los Angeles FD reporting indicates PCP precursor chemicals are readily available and are diverted locally and from other states.

- **Long Beach, California:** In November 2014, two individuals were arrested for the manufacture of a controlled substance, in

connection with the seizure of a clandestine PCP lab in Long Beach.

Transportation

Large quantities of PCP are typically transported from Los Angeles across the country via motor vehicles and other commercial road transportation with smaller amounts transported by bus, rail, as well as shipped by commercial parcel services. DEA Washington FD reporting reveals that in some cases, couriers are sent to southern California or, rarely, Texas to pick up PCP and transport the drug back via commercial air, private vehicle, or train. However, most of the PCP supplied to the Washington DC area is sent via mail services to established distributors.

- **Corona, California:** In June 2014, one individual was arrested for transporting 165 gallons of diethyl ether, a precursor chemical used to manufacture PCP. (See Photo 29.)

^{xxxv} The Middle Atlantic Census division includes New Jersey, New York, and Pennsylvania.

^{xxxvi} The South Atlantic Census division includes Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, Washington DC, and West Virginia.



(U//LES) Photo 29. Drums of diethyl ether

Source: DEA

Distribution

African American criminal groups are the primary PCP distributors in the Washington, DC area. Street-level and mid-level dealers in Washington, DC are generally African American males who represent a mixture of recent (past few years) versus established (decades) dealers. Local distribution of PCP in the Philadelphia FD AOR is controlled by African American, Jamaican, and Caucasian criminal groups, and its use is frequently reported in conjunction with marijuana use.

Outlook

Los Angeles, California, will continue to serve as the primary source for PCP in the United States, as is evidenced by the number of seizures involving large quantities of precursor chemicals in the Los Angeles area. PCP will continue to be used in high amounts in Washington DC, relative to other areas in the United States, as local African American criminal groups will continue to use established networks to dominate the distribution of PCP in

the city. However, the overall rates of PCP abuse will continue to remain low compared to other major drugs, such as marijuana, heroin, CPDs, and cocaine.

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**(U) TABLE 14. TOP 3 STATES FOR BULK CURRENCY SEIZURES, 2011 - 2014**

Rank	2011	2012	2013	2014
1	CALIFORNIA \$134,666,241	NEW YORK \$212,069,936	NEW YORK \$100,779,781	CALIFORNIA \$124,393,673
2	NEW YORK \$89,340,689	CALIFORNIA \$132,274,001	CALIFORNIA \$91,579,306	NEW YORK \$28,450,308
3	TEXAS \$77,561,314	TEXAS \$66,797,740	TEXAS \$38,019,137	FLORIDA \$19,934,742

Source: National Seizure System Data as of January 26, 2015

Overview

As federal money laundering laws become more stringent and financial institutions implement enhanced anti-money laundering measures, TCOs are increasingly creative in their efforts to evade laws and regulations. TCOs employ a wide array of money laundering tactics to move drug proceeds into, within, and out of the United States. However, the more commonly used methods have remained the same over the past several years. These methods include: bulk cash smuggling, trade-based money laundering (TBML), black market peso exchange (BMPE), structured deposits, and money transmissions.^{xxvii}

Currently, bulk cash smuggling is still the most widely-reported method used by TCOs to move illicit proceeds. In 2014, law enforcement officials reported over 4,000 bulk cash seizures to the NSS totaling over \$382.2 million in US Currency (USC).^{xxviii} California, New York, and Florida reported the highest dollar amounts in seizures for a combined figure of \$172.6 million. This was the first time since 2011 that Texas was not reported as one of the top three states for bulk currency seizures. Seizures in New York also dropped significantly, from \$100.7 million in 2013 to \$28.4 million USC in 2014. (See Table 14.)

- **California:** Throughout California, illicit proceeds are primarily transported as bulk currency from Northern California to Southern California and Mexico via privately-owned vehicles and tractor trailers. Investigative reporting and currency seizures

indicate Mexican TCOs routinely transport large sums of currency from the United States to Mexico via tractor-trailers. Due to the large volume of tractor-trailers crossing the US-Mexico border, Mexican TCOs are reportedly under the impression that this method of transporting bulk currency is minimally detected by law enforcement. Alternatively, couriers transporting money back to Mexico deliberately cross the border on foot during times and at locations with long waits to avoid law enforcement scrutiny. Some couriers declare bulk currency at the border, where it is difficult for officials to count large quantities of cash on a regular basis. Couriers traveling into the United States often declare more cash than on hand. The inflated declaration form is used to legitimize the origin of additional proceeds available in the United States when depositing the funds into bank accounts. Bulk cash is also seized from arriving airline and train passengers, as well as from parcels shipped to destinations in California from other domestic and international locations. Sixty-four bulk currency seizures were conducted at the San Francisco International Airport (SFO) and

^{xxvii} Money transmissions are ways of transferring funds domestically or internationally via money transmitting businesses outside of the conventional financial institution system. These include but are not limited to: wires, checks, drafts, facsimiles, or couriers.

^{xxviii} The information reported to NSS by contributing agencies may not necessarily reflect total seizures nationwide.

its mail and parcel facility during the first half of CY 2014. The seized monies, totaling \$2.8 million USC, were suspected drug sales proceeds or payments for drugs. Of this amount, \$2.4 million USC was confiscated from arriving airline passengers. TCOs use couriers to travel to and from the Los Angeles area by domestic airline carriers. Many couriers smuggle currency in luggage, carry-on bags, and via body carry. One example of a concealment method was a checked-in suitcase with a false bottom made from the cutout exterior of another roller suitcase. The suitcase was filled with men's clothing and behind the false bottom was a towel and large amount of cash sealed in a heat/vacuum sealed plastic bag. Reporting in the Los Angeles area also suggests unwitting legitimate trucking companies are used to facilitate the transportation of illicit-drug proceeds.

- **New York:** Bulk cash shipments were reported from New York to: Colombia, Dominican Republic, Ecuador, Florida, Mexico, Pennsylvania, Puerto Rico, the US Virgin Islands, and other islands in the Caribbean. In the Albany area, bulk currency shipments are often en route to Canada when seized. Bulk cash proceeds are transported in courier luggage or clothing and sometimes co-mingled with legitimate goods in containerized cargo. For example, automobiles shipped to the Dominican Republic are used to conceal bulk cash. Airline employees may also serve as money couriers from New York City to the Dominican Republic. Extensive enforcement actions regarding bulk seizures of cash in vehicles, apartment buildings, and storage facilities were common in the most recent reporting period. Colombian, Dominican, Jamaican, Lebanese, and Mexican trafficking organizations were involved in money laundering activities in New York. Dominican traffickers are typically involved in money pick-ups/drops. Local drug traffickers, particularly involved in the marijuana trade, often store drug proceeds at warehouses and stash houses before they are smuggled outside the region.

- **Florida:** Similar to other regions of the United States, bulk currency is commonly transported from South Florida to the Southwest Border in tractor trailers and private vehicles. Bulk currency is also shipped via commercial cargo vessels departing South Florida ports. The majority of bulk currency is seized through investigations or traffic stops. Bulk currency interdictions occur mainly along the I-10 (along the Florida panhandle), I-75, and I-95 corridors, as bulk currency is sent toward the Southwest Border, Atlanta, or East Coast cities.

Trade-based money laundering (TBML) continues to be a commonly used method to disguise illicit proceeds. TCOs launder proceeds through trade transactions to make the origins of the illicit funds appear to be legitimate. TBML is an attractive means for money launderers because it can bring in a high profit and offers low risk of detection from authorities. The complexity of TBML schemes is only limited by the means and capabilities of a TCO. Common TBML schemes include bartering (commodity-for-commodity exchange) and invoice manipulation by over/under invoicing merchandise or services.

- **Los Angeles:** In September 2014, federal and local law enforcement authorities seized over \$65 million USC and arrested nine suspects during an operation to disrupt the Sinaloa Cartel's exploitation of the Los Angeles fashion district for TBML. The Sinaloa Cartel used US drug proceeds to purchase clothes imported from China that were stored in the targeted fashion businesses' warehouses. The clothes were then shipped across the border into Mexico for resale and the profits placed into the Mexican financial system as legitimate proceeds. The Sinaloa Cartel also used these warehouses to store bulk cash until couriers working for Mexico-based fashion stores arrived with an invoice for the cash and drove it across the Southwest Border. (See Map 16.)

The Black Market Peso Exchange (BMPE) continues to be a popular money laundering method, particularly with Latin American TCOs.



Source: Drug Enforcement Administration

A form of TBML, the BMPE was pioneered by Colombian TCOs in the 1980s. Mexican TCOs began using the BMPE method along the Southwest Border shortly thereafter and its use has grown in response to Mexico's anti-money laundering (AML) regulations governing the use of US currency within Mexico. This method eliminates the risk associated with bulk cash smuggling while, at the same time, lending illicit funds an air of legitimacy.

- In 2014, the BMPE continued to be a top money laundering method in metropolitan cities throughout California, Georgia, Florida, New York, and Texas. Money brokers operating mainly out of Bogotá and Cali, Colombia coordinate money pickups in the continental United States, Central America, and Europe. The money brokers drop off or wire millions of dollars to hundreds of electronics and computer companies in the United States. These companies co-mingle the illicit money with legitimate merchandise sales. The money is ultimately repatriated to TCOs in Colombia, Mexico, and Venezuela through the sale of equipment.

Virtual currencies, such as the popular cryptocurrency Bitcoin^{xxx}, are quickly evolving economic

tools that attract TCOs eager to exploit the often unregulated and decentralized virtual currency markets. Though still not a mainstream form of commerce, virtual currencies are increasingly accepted by large international businesses and could attain a much-improved stabilization in price despite falling market values. As with any new technology, there is a growing exploitation of virtual currencies by criminal organizations. In response, the US Department of Justice charged the unlicensed money transmitter Liberty Reserve and prosecuted the owner of the web-based marketplace Silk Road, which dealt almost exclusively in Bitcoin and connected drug traffickers with users.

Though the price of Bitcoin continued to decline during 2014, an increasing number of major stores and websites accept Bitcoin as a viable currency.

^{xxx} For the purpose of this report, the accepted practice nomenclature for writing the word 'Bitcoin' is used throughout (en.Bitcoin.it/wiki). Therefore, when referring to Bitcoin as a protocol, software, or community, the word will be capitalized and singular: Bitcoin (e.g., The money launderer exploited Bitcoin to move drug proceeds). If referring to the units of currency a lowercase 'b' is used and the word is plural: bitcoins (e.g., The money launderer moved bitcoins to the TCO account).

Illicit Finance

This list includes global online retailers, major clothing chains, restaurant franchises, international electronics companies, and many others, particularly new web-based businesses. Working closely with Bitcoin exchangers, these companies can resell the bitcoins for fiat currency^{xxx} before any price changes occur. As more businesses embrace virtual currencies as acceptable forms of payment, virtual currencies should attract more users and, in turn, more investment. This could help stabilize the rate of exchange, and large withdrawals or deposits will not wildly affect the price.

Though the United States continues to improve its requirements for businesses and individuals dealing in virtual currencies, no overarching international regulation of virtual currencies exists. In March 2013, the Financial Crimes Enforcement Network (FinCEN) provided some enforcement oversight, later followed by further guidance in January 2014. FinCEN defined all businesses engaged in the exchange or movement of virtual currency to be money services businesses (MSBs), which must adhere to regular MSB requirements stated by the Bank Secrecy Act (BSA). In March 2014, the Internal Revenue Service classified virtual currency as a property for tax purposes, applicable to all past and future transactions.

The continued growth and acceptance of virtual currencies has contributed to increasing exploitation by criminals seeking to sell illegal drugs in the United States. Reporting indicates Colombian TCOs may be using Bitcoin as a tool to conduct TBML schemes between the United States and Colombia. TCOs purchase bitcoins in the United States with drug proceeds and then buy merchandise from the wide range of US-based businesses that accept bitcoins. The merchandise can include phone and Internet minutes, tickets for events or travel, clothes, or luxury items. The merchandise is shipped to Colombia for resale as in a traditional TBML scheme.

Other Money Laundering Methods used by TCOs

- TCOs continue to exploit the banking industry to give illicit drug proceeds the appearance of legitimate profits. Money launderers often open bank accounts with fraudulent names or businesses and structure deposits to

(U) SPLINTERING DARK WEB MARKETPLACE

Silk Road, the original dark web^{xxx} marketplace for drugs and other contraband, was shut down in 2013 by the US Department of Justice. However, in the following month, Silk Road 2.0 was quickly established. Like its predecessor, Silk Road 2.0 was located on the dark web, difficult to access, featured increased user anonymity, and sold a variety of contraband, including illegal drugs. Continuing its enforcement actions against these illicit web marketplaces, the US Department of Justice also shut down Silk Road 2.0 in November 2014, and arrested its alleged owner.

The dismantling of Silk Road 2.0 has splintered the dark web drug market into numerous emerging websites. This rapid increase in successor websites presents new challenges for law enforcement to track and follow the sale and purchase of drugs on these markets as users seek alternatives that provide higher levels of anonymity.

For example, Evolution, an online marketplace website launched in early 2014, gained higher levels of use than either Silk Road website and boasts over 22,000 product listings of contraband items such as drugs, weapons, counterfeit documents, and stolen credit cards. Evolution permitted the use of Bitcoin for purchases and offered multi-signature transactions and an escrow service to promote user confidence in the security of transactions. However, on March 18, 2014, Evolution suddenly closed and its owners absconded with users' bitcoins, valued at potentially over \$12 million. This scam exposed the risks of selling/buying anonymously on the dark web and may increase user caution that will make it more difficult for law enforcement to penetrate these hidden illicit networks.

^{xxx} A fiat currency is a currency that a government has declared as legal tender.

^{xxx} The dark web is the portion of the Internet that cannot be found using a regular search engine. Though many methods exist for building a dark web page, only certain search engines created for dark web browsing can access it.

avoid reporting requirements. TCOs contract individuals to deposit cash drug proceeds in increments below \$10,000 USC into numerous bank accounts.^{xxxii} Once deposited, the funds are electronically wired to other locations around the world.

- The use of money remitters remains a common method for laundering drug proceeds and sending payments for drug shipments.^{xxxiii} TCOs in the Boston area reportedly use money remitters to send money to Colombia and the Dominican Republic in amounts under \$10,000. Heroin TCOs in Oklahoma City are reportedly sending drug proceeds to Mexico on a frequent basis through money remitters.
- Purchasing real estate and businesses is a prevalent method used to launder drug proceeds. Typically, illicit proceeds are deposited in a domestic or foreign bank, a limited liability company (LLC) is formed to buy property, and the money is wired to the title company or a cashier's check is supplied for a cash closing. Purchasing properties under a LLC can obscure the identity of the actual owner(s) or the person(s) controlling the property.
- In recent years, the casino industry has been the subject of multiple federal investigations for various money laundering issues. The exploitation of casinos for money laundering has increased as US casino companies have expanded internationally, opening branches in China, the Philippines, and Latin America. These companies generally allow funds to be deposited in one of their casinos and then used or withdrawn as winnings in another. Money launderers exploit this system by placing or structuring drug proceeds into a US casino and then withdrawing the money at an international branch. Another tactic is to purchase chips with illicit cash proceeds, gamble, and then exchange the chips for a cashier's check. The illicit proceeds now appear as legitimate winnings without raising much suspicion.

(U) TCO MEMBER SENTENCED TO 150 YEARS IN PRISON FOR DRUG MONEY LAUNDERING

In June 2014, Spanish national Alvaro López-Tardón was convicted in Miami, Florida on 14 federal counts to launder \$26.4 million in drug proceeds from selling thousands of kilograms of cocaine in Spain. Three months later, López-Tardón was sentenced to prison for 150 years on 13 money laundering charges and one charge of conspiracy. The judge also imposed a \$2 million fine and allowed the US Government to seize \$14.4 million worth of property from López-Tardón.

López-Tardón purchased high priced cars, jewelry, watches, and real estate properties in Miami. Among the properties were 14 condominium units mostly purchased by LLCs, including López-Tardón's residential penthouse in South Beach. According to court records, Fabiani Krentz purchased five units and transferred them through quitclaim deeds to companies owned by López-Tardón.^{xxxiv} Krentz purchased and managed Miami properties, on behalf of the TCO of which López-Tardón was a member, to "legitimize" the TCO's earnings from cocaine sales.

^{xxxii} The Bank Secrecy Act (BSA) requires financial institutions to file Currency Transaction Reports (CTRs) for deposits, withdrawals, exchange of currencies, or other payments in currency of \$ 10,000 or more.

^{xxxiii} Money remitters fall under money service businesses (MSBs), which are non-financial institutions that transmit or convert money. According to FinCEN, MSBs include currency dealers or exchangers, check cashers, issuers of traveler's checks, money orders or stored value, seller or redeemer of traveler's checks, money transmitters, and US Postal Services.

^{xxxiv} A quitclaim deed is a legal instrument that releases a person's right to real property, title, or interest to another party without providing a guarantee or warranty of title.

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PUERTO RICO AND THE US VIRGIN ISLANDS

With approximate populations of 3.7 million and 106,000, respectively, Puerto Rico (PR) and the United States Virgin Islands (USVI) 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. The islands' economies depend largely on tourism. High unemployment rates (14% to 16% in PR and 10% to 14% in the USVI), coupled with a strategic geographic location (mid-point between the United States and South America) make the islands attractive to illicit drug traffickers and money launderers.

Drug Threat

In PR, cocaine is the greatest illicit drug threat. It is more profitable to smuggle than other drugs because of local demand, as well as illicit drug market demands in the continental United States (CONUS) and Europe. In the USVI, crack cocaine also poses a serious threat because of its low price (\$10 per rock) and addictive properties. Cocaine is transported to the islands primarily via maritime vessels from Colombia, Venezuela, and the Dominican Republic. Documented cocaine flow through the Caribbean has increased significantly, nearly tripling over the last four years.

Go-fast vessels and maritime pleasure craft are the preferred illicit drug transportation methods in the DEA Caribbean FD AOR. Due to enforcement successes by Dominican authorities and interdiction efforts by the USCG, traffickers have been forced to send multi-ton quantities of cocaine from Venezuela and Colombia directly into PR, bypassing the Dominican Republic. This resulted in a significant increase in kilogram prices of cocaine in the Dominican Republic and increased smuggling movements directly to PR.

The large amount of container traffic from PR to the United States provides an opportunity for illicit drug smuggling. Containers arriving from PR are considered domestic cargo upon reaching CONUS seaports. Traffickers hide large quantities of drugs amid legitimate container traffic, making interdiction extremely difficult without specific intelligence leads.

Port security is a major international concern in the Caribbean, as many ports lack adequate equipment and manpower to monitor and interdict illegal shipments. This lack of resources, combined with corruption and sophisticated concealment methods, creates a significant law enforcement challenge, particularly as cocaine flow shifts back toward the Caribbean. The Puerto Rico Ports Authority currently administers several cargo facilities in PR 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 USVI.

Traffickers exploit the high frequency of cruise ship traffic in PR and the USVI 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, USVI, 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 PR and the Dominican Republic and between the USVI and the British Virgin Islands.

As Colombian and Venezuelan trafficking organizations have reduced the number of air smuggling operations into the Dominican Republic over the last five years, there has been a noticeable increase in the frequency of maritime cocaine trafficking activities in the eastern Caribbean corridor.^{xxxv} This trafficking trend directly impacts PR and the USVI. Most recently, traffickers almost exclusively use go-fast boats either departing directly from Venezuela or coming across the Mona Passage from the Dominican Republic.

PR is a major transit point for cocaine smuggled through the Caribbean to the CONUS. Cocaine is smuggled through Luis Muñoz Marín International Airport, in Carolina, on commercial flights destined for major airports in cities such as New York, Miami, and Philadelphia. The Rafael Hernández International Airport in Aguadilla is also a key link

^{xxxv} The Eastern Caribbean Corridor includes the Lesser Antilles, the US Virgin Islands, and Puerto Rico.

2015 National Drug Threat Assessment Summary

between western PR and the CONUS. The airport also serves as a cargo station for package delivery companies and offers regular flights to major East Coast cities. There are also approximately 19 small commercial/charter airports located in PR, some of which are located in rural areas and only partially monitored.

Cocaine is concealed in parcels and mailed from PR and the USVI to the northeastern US, primarily Connecticut, Massachusetts, New York, and New Jersey. Marijuana is smuggled into PR and the USVI via parcels, primarily from California and Texas.

Heroin also poses a serious threat to PR; the drug is consumed locally and transported through PR, destined for the CONUS. In the USVI, heroin does not pose a major threat. The heroin trafficked in PR and the USVI is of South American origin.

Marijuana is widely used in PR and the USVI. Despite a preponderance of Jamaica-produced marijuana in many Caribbean countries, Mexican marijuana continues to dominate the marijuana supply to both PR and the USVI. According to a recent study conducted by PR's Administration of Mental Health and Addiction Services (Administración de Servicios de Salud Mental y Contra la Adicción), marijuana was the most commonly used illicit drug by Puerto Rican youth in 2012, with a prevalence of 12.4 percent. This is more than twice the rate reported in 2007 (6.1%). In the USVI, marijuana is the most used drug after cocaine.

Drug-related Crime

Puerto Rico and the USVI both have high homicide rates. However, violent crime and homicide rates in PR have declined every year since peaking in 2011 with 1,164 homicides (approximately 5 times the US per capita average). Additionally, the USVI marked its highest homicide total in 2010 with 66 homicides (approximately 10 times the US per capita average), but showed a sharp decline by 2013 with only 38 homicide deaths. Law enforcement officials estimate that 80 percent or more of the homicides are drug-related; most homicide victims are 19 to 24 years of age.

The vast majority of retail-level traffickers in PR operate out of public housing developments

and oversee drug markets located in the housing developments or in nearby nightclubs, restaurants, and bars. These organizations use intimidation, violence, and murder to gain or retain control of drug markets. Approximately 90 percent of trafficking organizations are poly-drug, distributing cocaine, crack, heroin, marijuana, and CPDs; many are also involved in illegal weapons trafficking, extortion, and gambling. Wholesale-level traffickers, responsible for large-scale importation of illicit drugs, supply retail-level organizations in PR and export drugs to the CONUS. Wholesale-level trafficking organizations usually do not use violence to the same degree as the smaller trafficking groups, unless control of their smuggling routes or distribution markets is threatened.

Drug Availability

Approximately 20 to 30 percent of the cocaine shipments that arrive in PR are consumed on the island; the rest is ultimately destined for the CONUS. An undetermined amount of cocaine remains in the USVI for local consumption.

Heroin availability in PR is moderate. In PR, cocaine and heroin are often sold in public housing developments. In the USVI, cocaine and heroin are most often purchased on street corners.

Most of the marijuana consumed in PR originates in Mexico. Mexican marijuana is smuggled into the United States through the Southwest Border and then transported by couriers to PR on commercial airline flights or through commercial parcel services. Synthetic cannabinoids were widely available in PR through sales at local gas stations and shops until August 2012, when the Puerto Rican legislature amended two articles of the Controlled Substance Law of 1971 to prohibit the sale of any products containing synthetic cannabinoids.

Drug Trafficking Groups

Colombian, Dominican, Venezuelan, and Puerto Rican trafficking organizations are the primary transporters of cocaine to PR and the USVI. Dominican and Puerto Rican trafficking organizations are the primary wholesale and retail distributors of cocaine. 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 PR. 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 PR to deliver the heroin. This indirect route is taken in order to evade law enforcement scrutiny. Heroin available in PR 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 PR.

Drug Production

Marijuana is cultivated in rural areas of both PR and the USVI. Marijuana seizures and indoor marijuana grows have significantly increased in PR.

Outdoor cannabis cultivation occurs in southern PR, while hydroponic cultivation has become common in the eastern areas, contributing to widespread marijuana availability. However, seizures at cultivation sites in PR are rare.

In the USVI, the densely forested regions and mountainous areas of St. Thomas, along with national park areas of St. John, are significant marijuana cultivation sites. Outdoor cultivation and hydroponic grows have been increasing. For example, in August 2013, enforcement operations eradicated 6,504 marijuana plants, while a similar eradication operation netted 5,516 plants in 2012. Although authorities seized 300 marijuana plants in June 2013 from inside a private residence in St. Thomas, indoor grow operations in the USVI are still not considered to be a significant threat.

Diversion/Illicit Use of Controlled Prescription Drugs

While there is very little illegal flow of diverted pharmaceuticals between PR and the CONUS, the diversion of pharmaceutical products and prescription drug abuse is a growing threat in PR. The vast majority of people involved in CPD diversion obtain CPDs locally. 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. CPDs are available at almost all drug markets in PR. In the USVI, CPD abuse is low.

GUAM

Guam, an organized and unincorporated territory of the United States, is an island in the North Pacific Ocean. Strategically located, it is the largest and southernmost island in the Mariana Islands archipelago. The majority of its population is of Chamorro ethnicity at 37 percent, followed by Filipino at 25.5 percent, then by Caucasian at 10 percent. In 2014, Guam's population was estimated at approximately 168,000. The island's economy depends largely on tourism and US national defense spending, followed by construction and transshipment services. As of March 2014, Guam's unemployment rate was 7.4 percent. Many of Guam's violent crimes are linked to drugs, alcohol abuse, lack of economic opportunities, and lack of educational attainment.

Drug Threat

Methamphetamine is the principal drug of choice in Guam. Major sources for the methamphetamine available in Guam are California, Hawaii, the Philippines, and other Asian countries. In 2014, DEA, USPS, and the Guam Customs and Quarantine Agency seized approximately 8.8 kilograms of crystal methamphetamine. Most of Guam's property crime, which consists of burglary, larceny, motor vehicle theft, and arson, is linked to drug trafficking and abuse. Drugs and drug trafficking have increased the possession and use of firearms and explosives. Guam PD investigations indicate the number of drug transactions involving the trade and use of firearms and explosives has increased to serious levels. In 2012, the Guam PD made 153 arrests related to drug activity. In 2013, Guam PD made 227 arrests and in 2014 they made 202 arrests related to drug activity.

In 2014, Guam voters approved a ballot initiative legalizing marijuana for "debilitating medical conditions." The Department of Public Health and Social Services (DPHSS), which is in charge of creating the rules and regulations for medical marijuana, is considering allowing three dispensaries, for northern, central, and southern parts of Guam.

Substance abuse in Guam remains stable and has not changed significantly over the last three years, with the exception of crystal methamphetamine.

However, according to the Guam DPHSS, most victims of family violence come from homes where the family member inflicting violence abuses drugs or alcohol. In the 2013 preliminary Guam PD Adult Arrest Charge Report, individuals were arrested for 495 criminal counts of family violence and 156 counts of child abuse. In 2014, the Prevention Education and Community Empowerment (PEACE) Council published a draft of the Guam State Prevention Enhancement Comprehensive Strategic Plan for 2014-2018. The plan focuses on substance abuse prevention and early-intervention. Combined, violence against family members accounts for 9.5 percent of total arrest counts in Guam. Additionally, the District Court of Guam released its 2014 Annual Report stating that 42 percent of all felony offenses were drug-related.

Drug Availability

Crystal methamphetamine poses the greatest threat to Guam. The drug is commonly used and available, and use has been described by medical and law enforcement experts as reaching "epidemic proportions" in Guam. Over the past several years, street prices for methamphetamine have ranged from \$350 to \$800 a gram.

Marijuana also poses a significant threat to Guam. Low-quality marijuana is cultivated in Guam. In 2014, Guam Customs seized approximately 3.7 kilograms of marijuana. In 2014, street prices ranged from \$500 to \$700 for an ounce of marijuana, and approximately \$7,500 per pound.

Drug Trafficking Groups

Asian syndicates are the most prevalent criminal groups in Guam and are typically comprised of Korean, Filipino, and Chinese nationals who smuggle methamphetamine to the island via couriers. Guamanians residing on the mainland often acquire methamphetamine and mail it to family members in Guam, who sell the drug for increased profits. Current reporting indicates no direct relationship between Mexican organizations and traffickers in Guam. Monetary proceeds are mailed to the CONUS or sent through wire remitters or bank accounts.

According to the US Postal Inspection Service (USPIS), methamphetamine and marijuana have been hidden in pillows, toothpaste, powdered drink containers, potato chip bags, candles, and candy during 2014.

Drug Production

Cannabis is cultivated in Guam. Local growing sites are located within heavy jungle growth in close proximity to residential dwellings. Most of these sites are located in rural areas with little or no public access. The average yield per plot is 25 to 50 plants.

According to Guam PD, there has been an increase in indoor marijuana production. The average indoor marijuana cultivation site consists of between 15 and 20 plants. It is believed that marijuana cultivators are growing indoors so they can control various factors (including light, nutrients and water, and the security of their plants) involved in cultivating marijuana plants for a more potent product.

(U) GUAM RESIDENT SENTENCED ON DRUG AND MONEY LAUNDERING CHARGES

In November 2014, in Agana, Guam, three members of a trafficking organization were convicted of money laundering, conspiracy to distribute methamphetamine hydrochloride, and conspiracy to import methamphetamine hydrochloride. They were part of a group shipping methamphetamine from Nevada to Guam. During this investigation, 17 members of the organization were convicted or pleaded guilty and approximately 1,000 grams of methamphetamine was seized.

TRIBAL LANDS

Drug Threat in Indian Country

The drug threat in Indian Country^{xxxvi} varies by region and is influenced by the illicit drugs available in major cities near the reservations. Most illicit drugs available throughout Indian Country are transported to reservations by Native American criminal groups and independent dealers who travel to nearby cities to purchase drugs, primarily from Mexican traffickers and other criminal groups. The number of drug cases worked by Indian Country law enforcement programs^{xxxvii} increased seven-fold between FY2009 and FY2014; drug arrests increased eleven-fold during that time. (See Charts 38 and 39.)

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 drug and heroin use have increased in many areas of Indian Country.

Most illicit drugs are transported onto reservations by Native American criminal groups or individuals who travel to nearby cities to purchase the illicit drugs and transport them back to the reservations. In some instances distributors who reside on remote reservations travel long distances to obtain drugs for distribution in their home communities.

Although marijuana is the most widely available illicit drug on reservations, ice methamphetamine, powder and crack cocaine, "bath salts," diverted pharmaceuticals, heroin, and MDMA are also available at various levels. Mexican traffickers, the principal wholesale suppliers and producers of most illicit drugs available to reservations throughout Indian Country, pose the greatest organizational threat.

Drug production in Indian Country is limited; however, there are readily available supplies of illicit drugs typically in cities near reservations, and in the case of reservations bordering Mexico and Canada, because of the supplies of illicit drugs transported

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 high-potency marijuana through the Tohono O'odham Reservation in south/central Arizona, which accounts for less than 4 percent of the US–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 are located near or overlapping the US–Canada border, namely the St. Regis Mohawk Reservation in New York, commonly referred to by its Mohawk name, 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 use of illicit drugs leads to impaired personal behavior that often results in violence and other criminal behavior. While crime rates on some reservations continue to be five times (in some cases more) higher than the national averages, the widespread availability and abuse of drugs coupled with trafficking by multiple criminal groups and gangs operating in Indian Country, contribute to a wide range of violent and property crime. Drug traffickers engage in these crimes to facilitate their operations, while drug users generally engage in

^{xxxvi} Indian Country includes all land within the limits of any Indian reservation, all dependent Indian communities within the borders of the United States, and all Indian allotments, the Indian titles to which have not been extinguished.

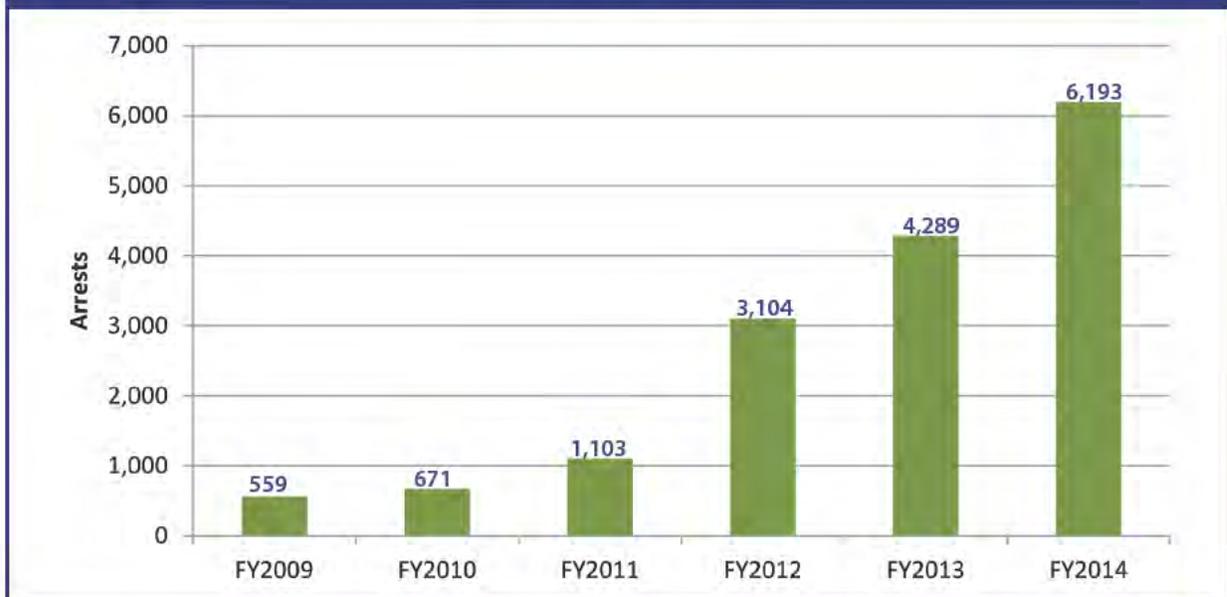
^{xxxvii} These include the Bureau of Indian Affairs (BIA), the BIA Division of Drug Enforcement, and Tribal law enforcement.

(U) CHART 38. INDIAN COUNTRY LAW ENFORCEMENT PROGRAM DRUG CASES, FY 2009 - FY 2014



Source: Bureau of Indian Affairs

(U) CHART 39. INDIAN COUNTRY LAW ENFORCEMENT PROGRAM DRUG ARRESTS, FY 2009 - FY 2014



Source: Bureau of Indian Affairs

2015 National Drug Threat Assessment Summary

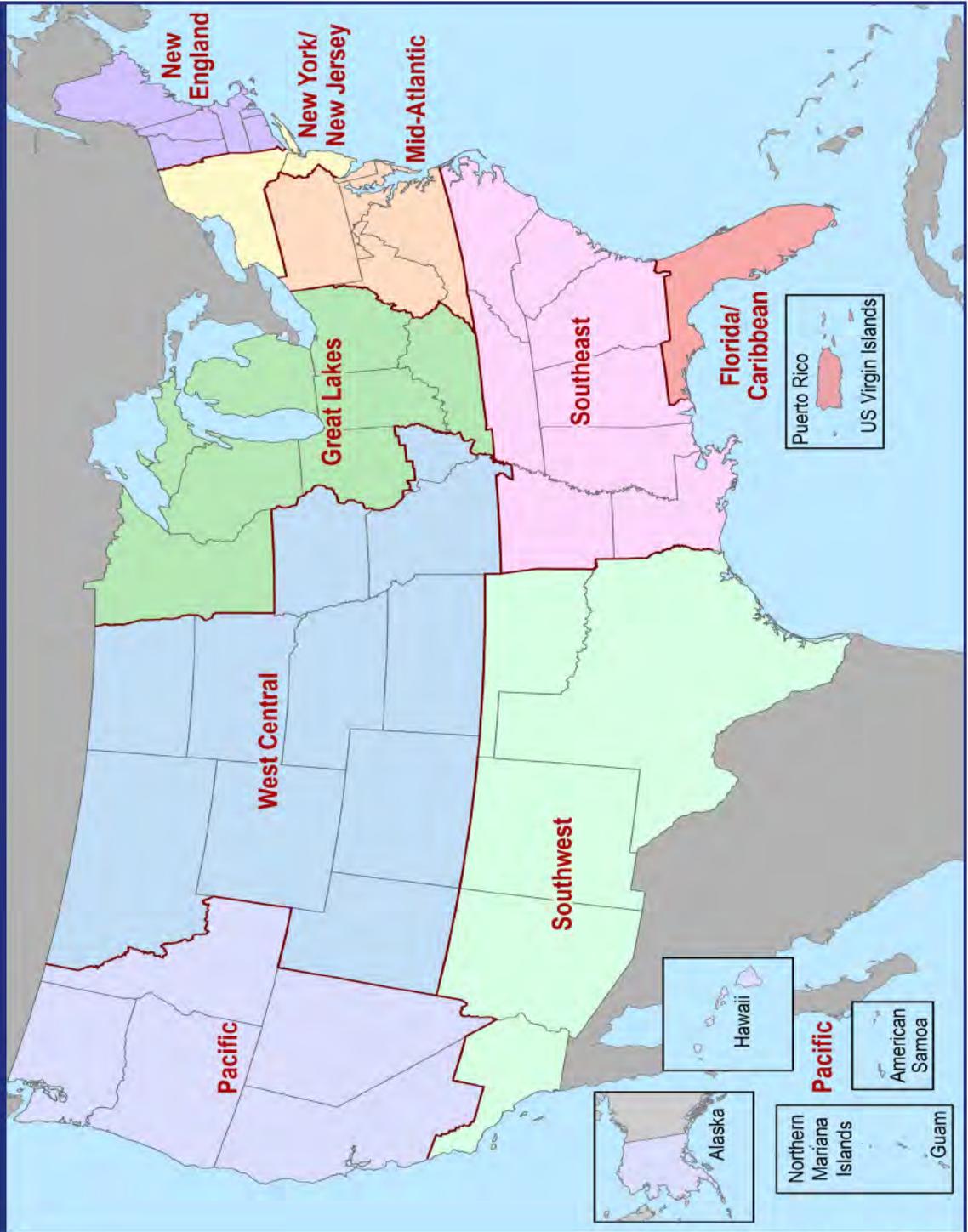
such crimes to support their addiction. Further, most reservations remain economically depressed and lack the resources necessary to counter the drug threat.

(U) INDIAN AFFAIRS AND THE BUREAU OF INDIAN AFFAIRS

Indian Affairs (IA) is the oldest bureau of the United States Department of the Interior. Established in 1824, IA currently provides services (directly or through contracts, grants, or compacts) to approximately 1.9 million American Indians and Alaska Natives. There are 566 federally-recognized American Indian tribes and Alaska Natives in the United States. The Bureau of Indian Affairs (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.

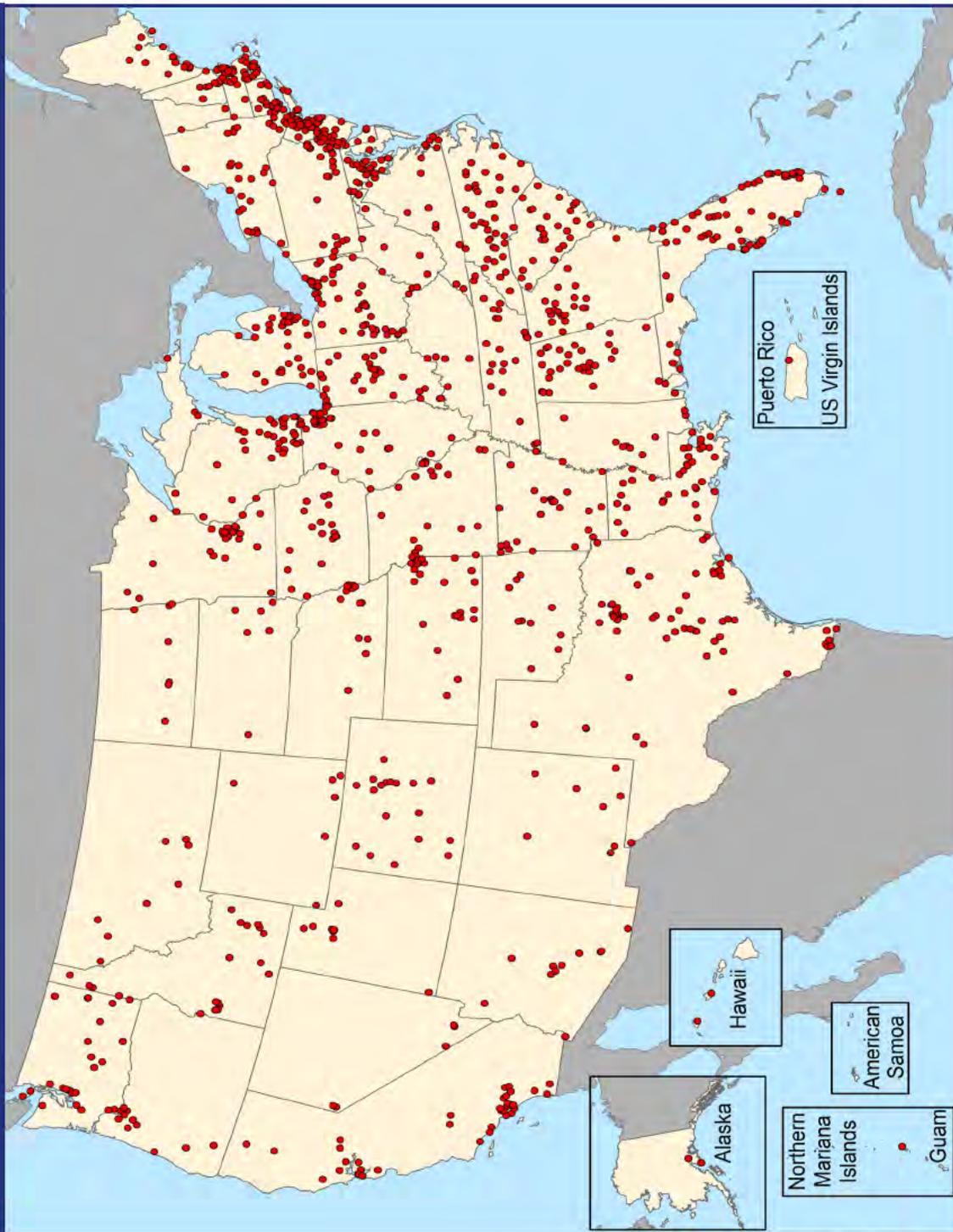
APPENDIX A: MAPS

(U) MAP A.1. NINE OCDETF REGIONS



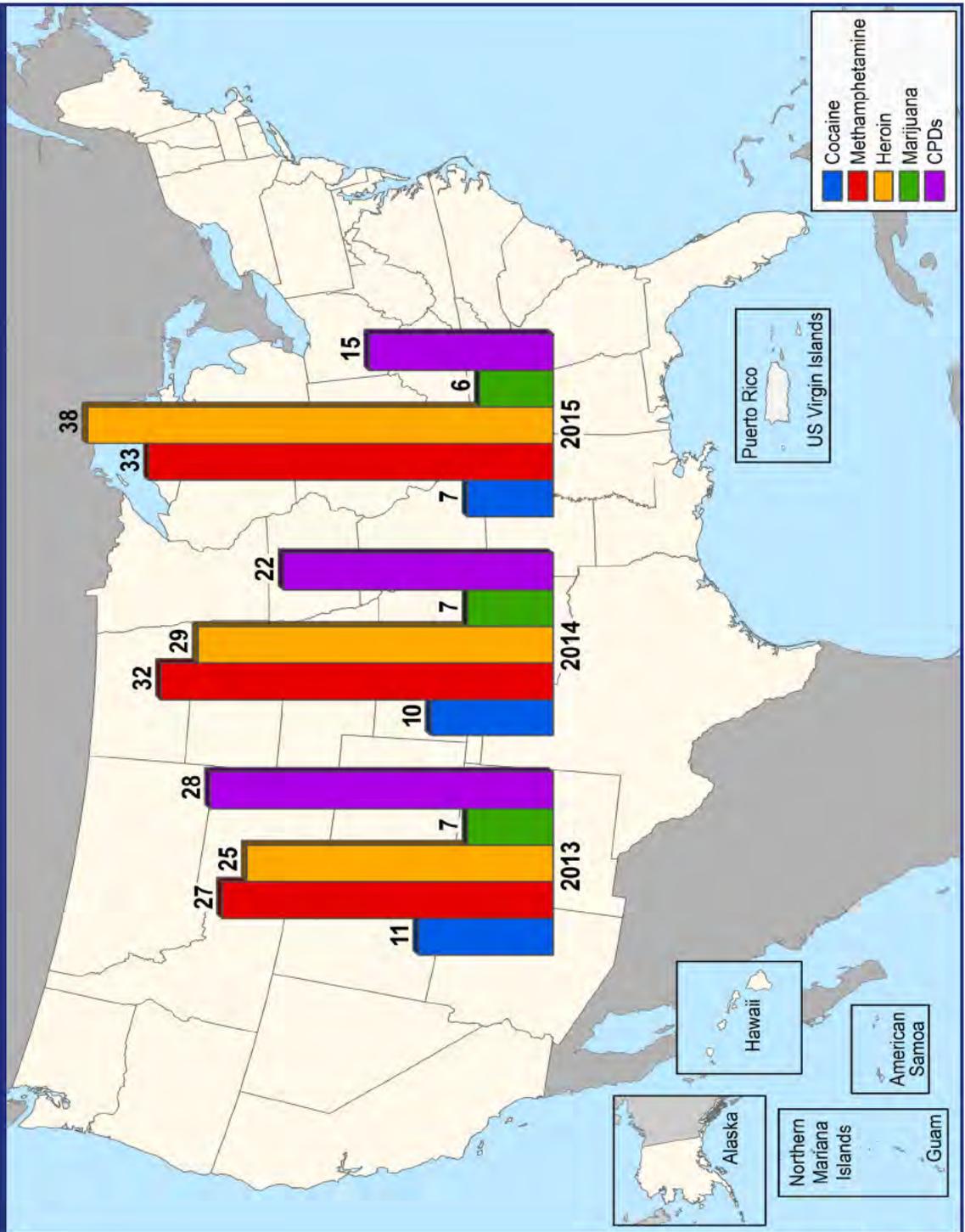
Source: Organized Crime Enforcement Task Force

(U) MAP A2. 2015 NATIONAL DRUG THREAT SURVEY RESPONDENTS



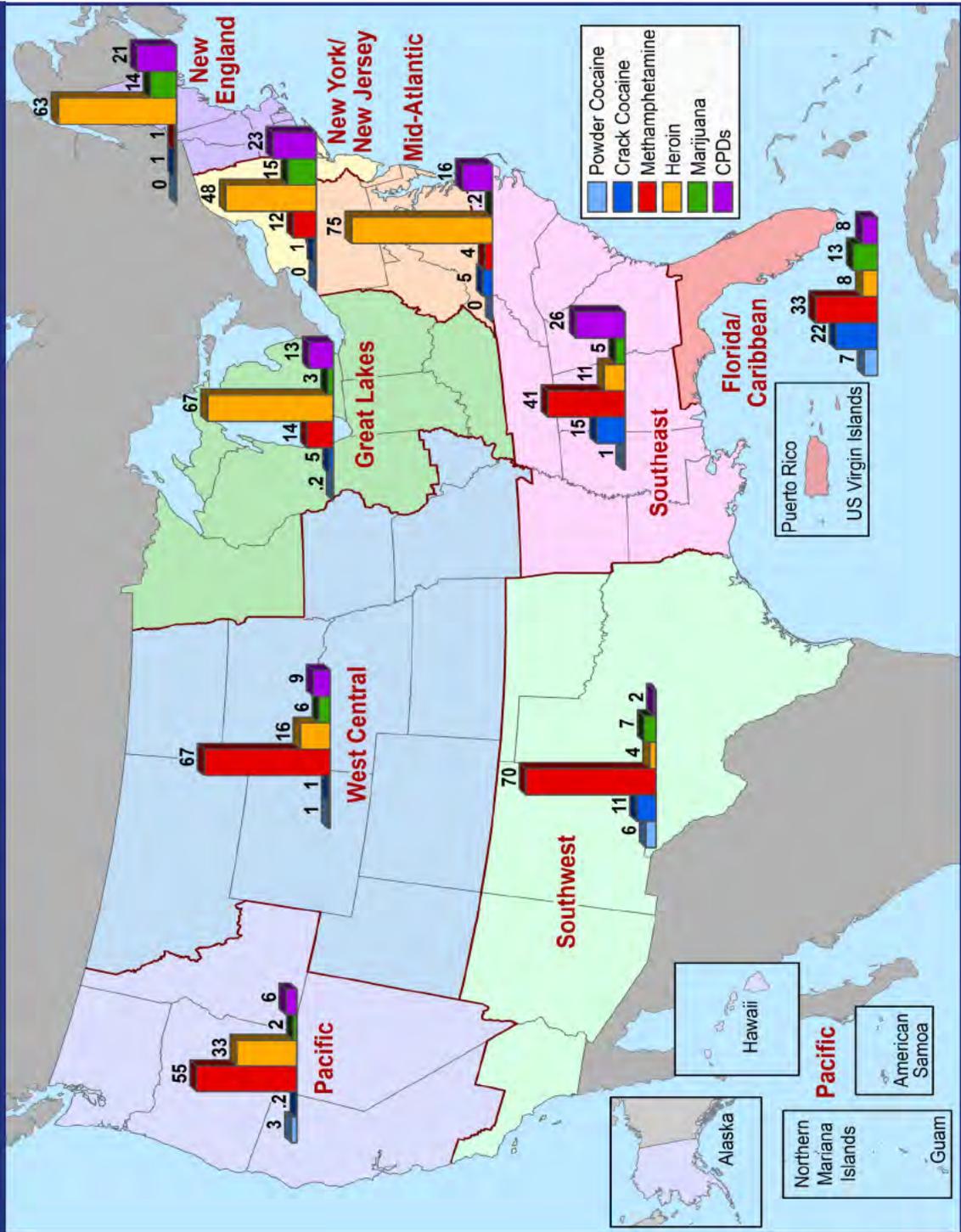
Source: 2015 National Drug Threat Survey

(U) MAP A3. GREATEST DRUG THREAT REPRESENTED NATIONALLY AS REPORTED BY STATE AND LOCAL AGENCIES, 2013 - 2015



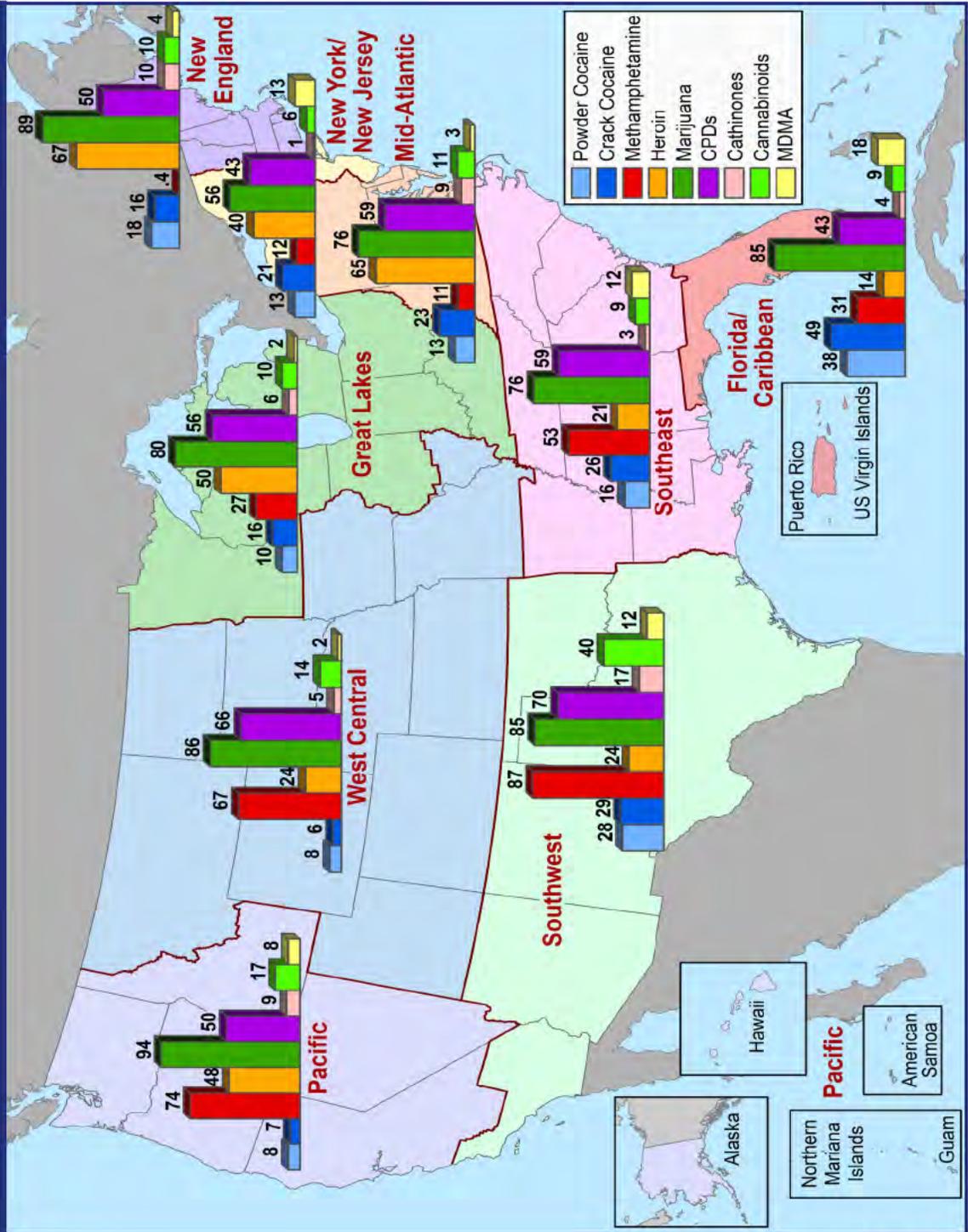
Source: 2015 National Drug Threat Survey

(U) MAP A4. 2015 NDTs GREATEST DRUG THREAT REPRESENTED REGIONALLY AS REPORTED BY STATE AND LOCAL AGENCIES, 2013 - 2015



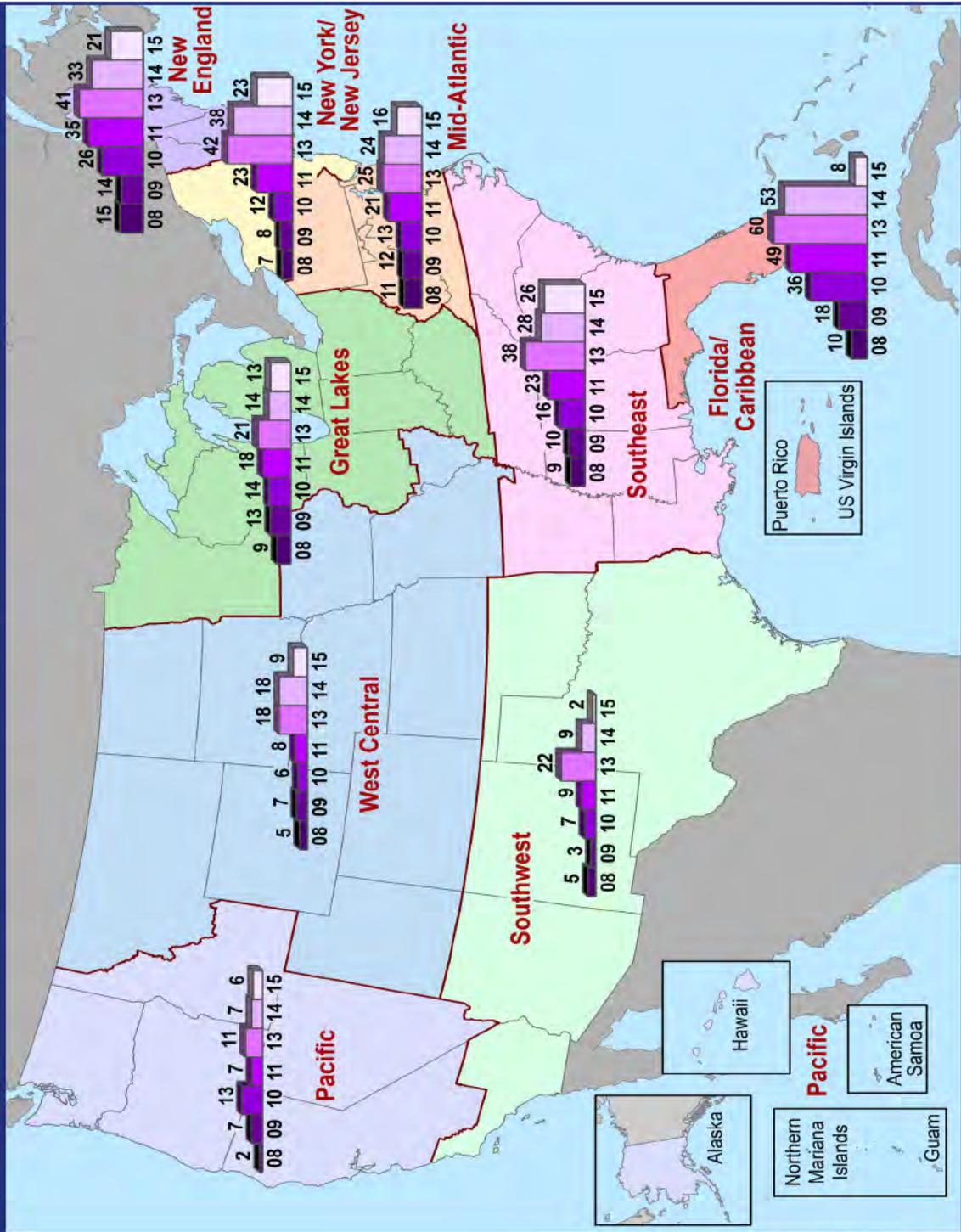
Source: 2015 National Drug Threat Survey

(U) MAP A5. 2015 DRUG AVAILABILITY BY REGION - PERCENTAGE OF STATE AND LOCAL AGENCIES REPORTING HIGH AVAILABILITY



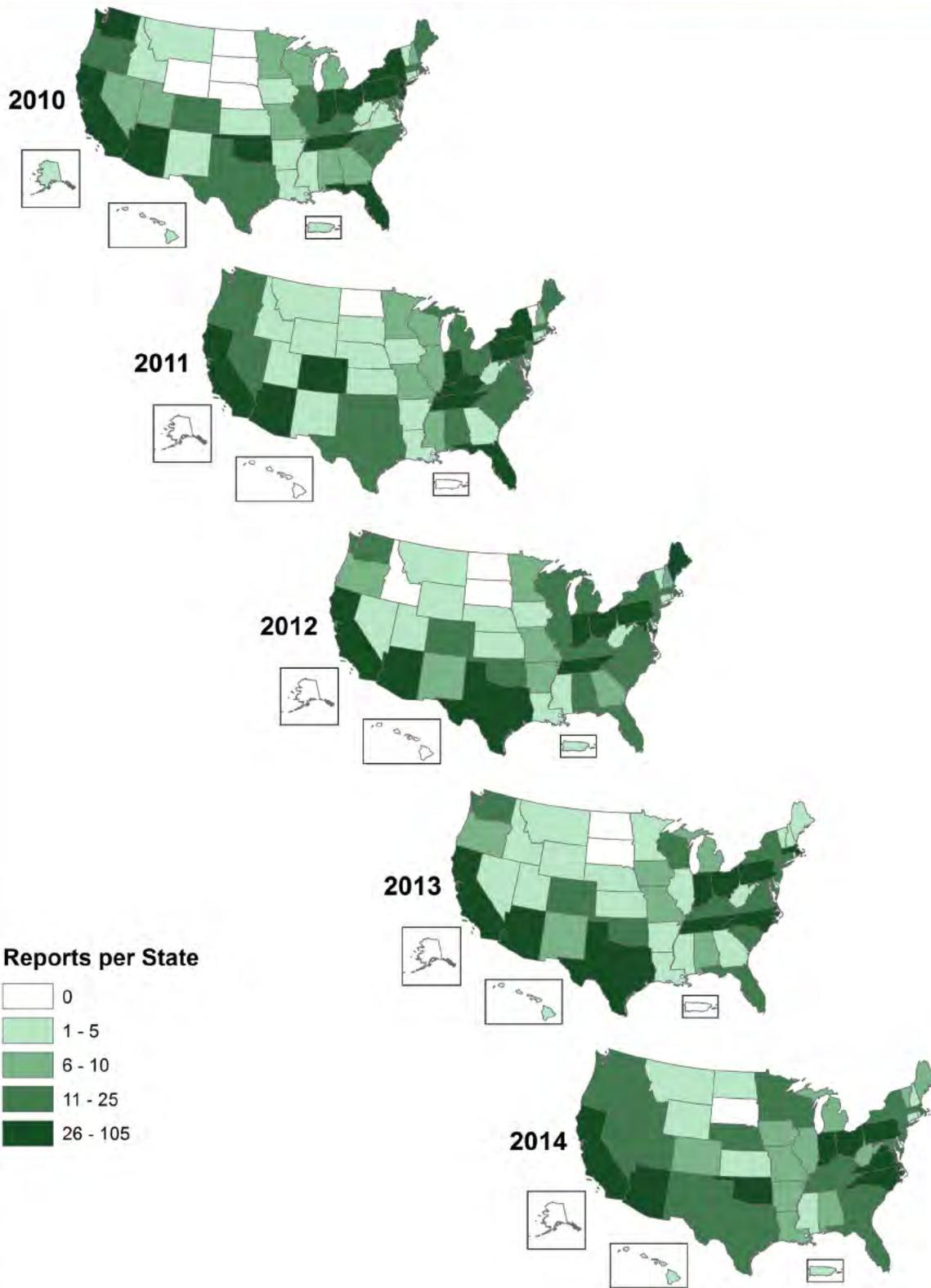
Source: 2015 National Drug Threat Survey

(U) MAP A6. CPDS AS THE GREATEST DRUG THREAT AS REPORTED BY STATE AND LOCAL AGENCIES 2008 - 2011, 2013 - 2015



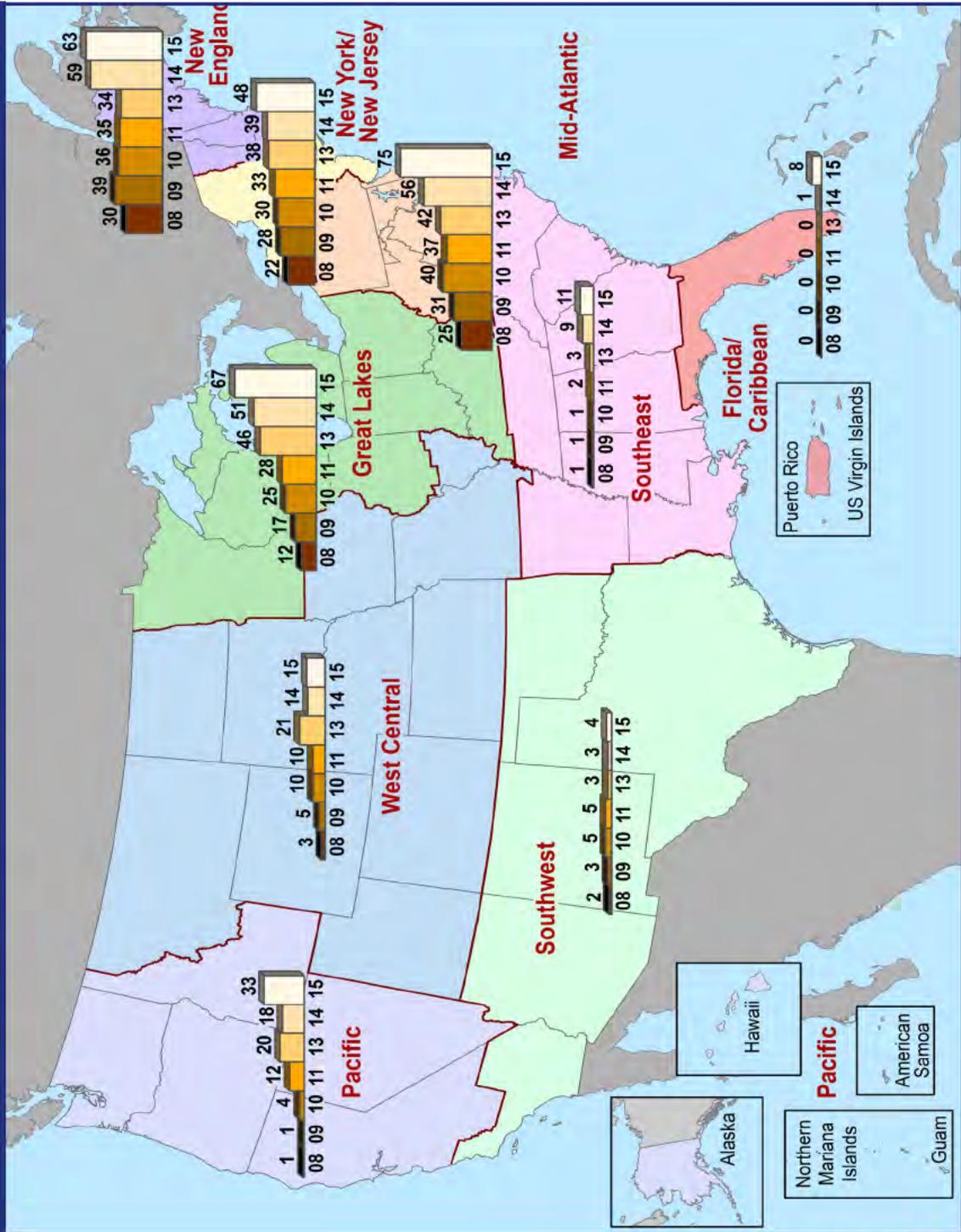
Source: National Drug Threat Survey

(U) MAP A7. ARMED ROBBERIES REPORTED BY PHARMACIES, 2010 - 2014



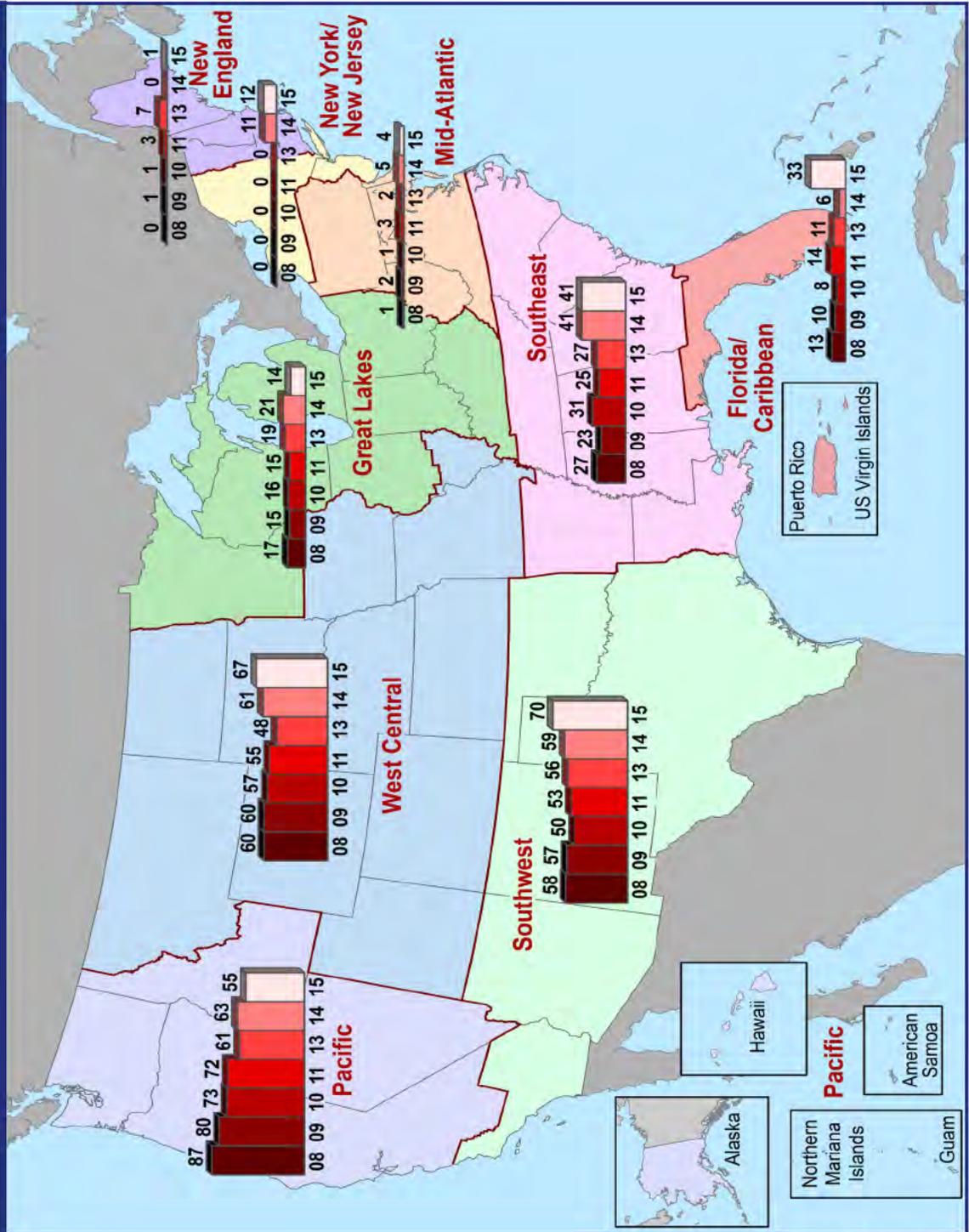
Source: DEA Theft and Loss Database

(U) MAP A8. HEROIN AS THE GREATEST DRUG THREAT AS REPORTED BY STATE AND LOCAL AGENCIES 2008 - 2011, 2013 - 2015



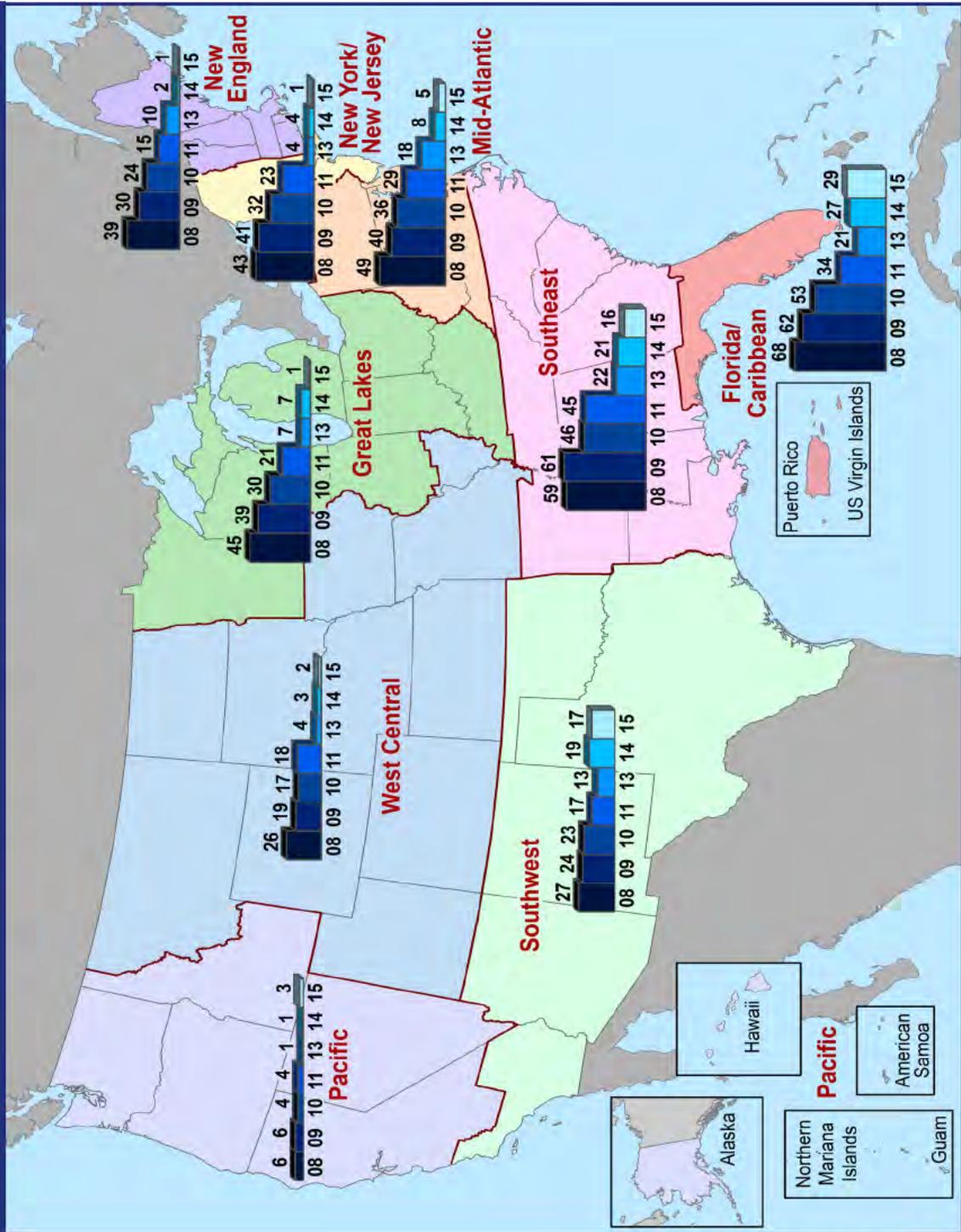
Source: National Drug Threat Survey

(U) MAP A9. METHAMPHETAMINE AS THE GREATEST DRUG THREAT AS REPORTED BY STATE AND LOCAL AGENCIES 2008 - 2011, 2013 - 2015



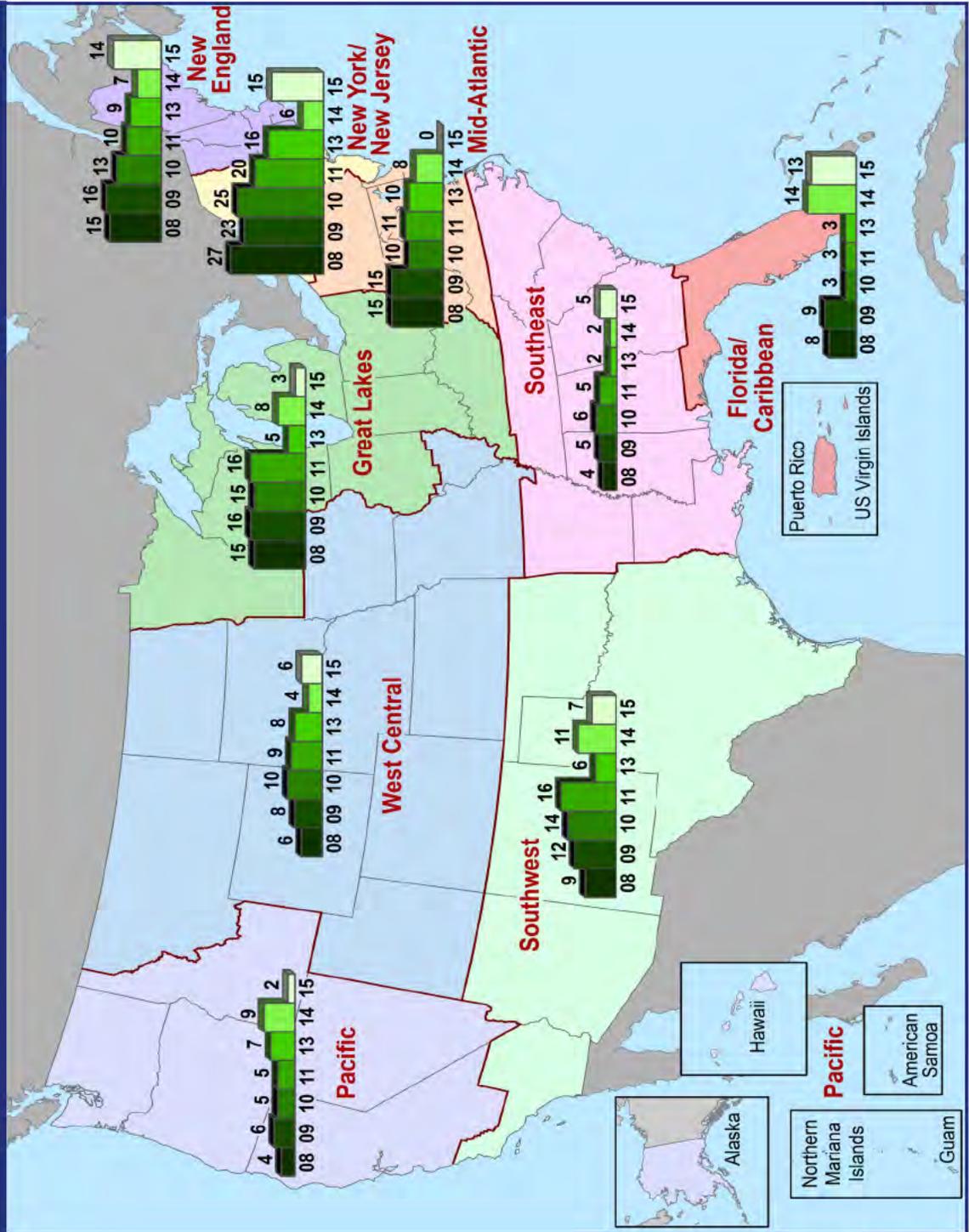
Source: National Drug Threat Survey

(U) MAP A10. COCAINE AS THE GREATEST DRUG THREAT AS REPORTED BY STATE AND LOCAL AGENCIES 2008 - 2011, 2013 - 2015



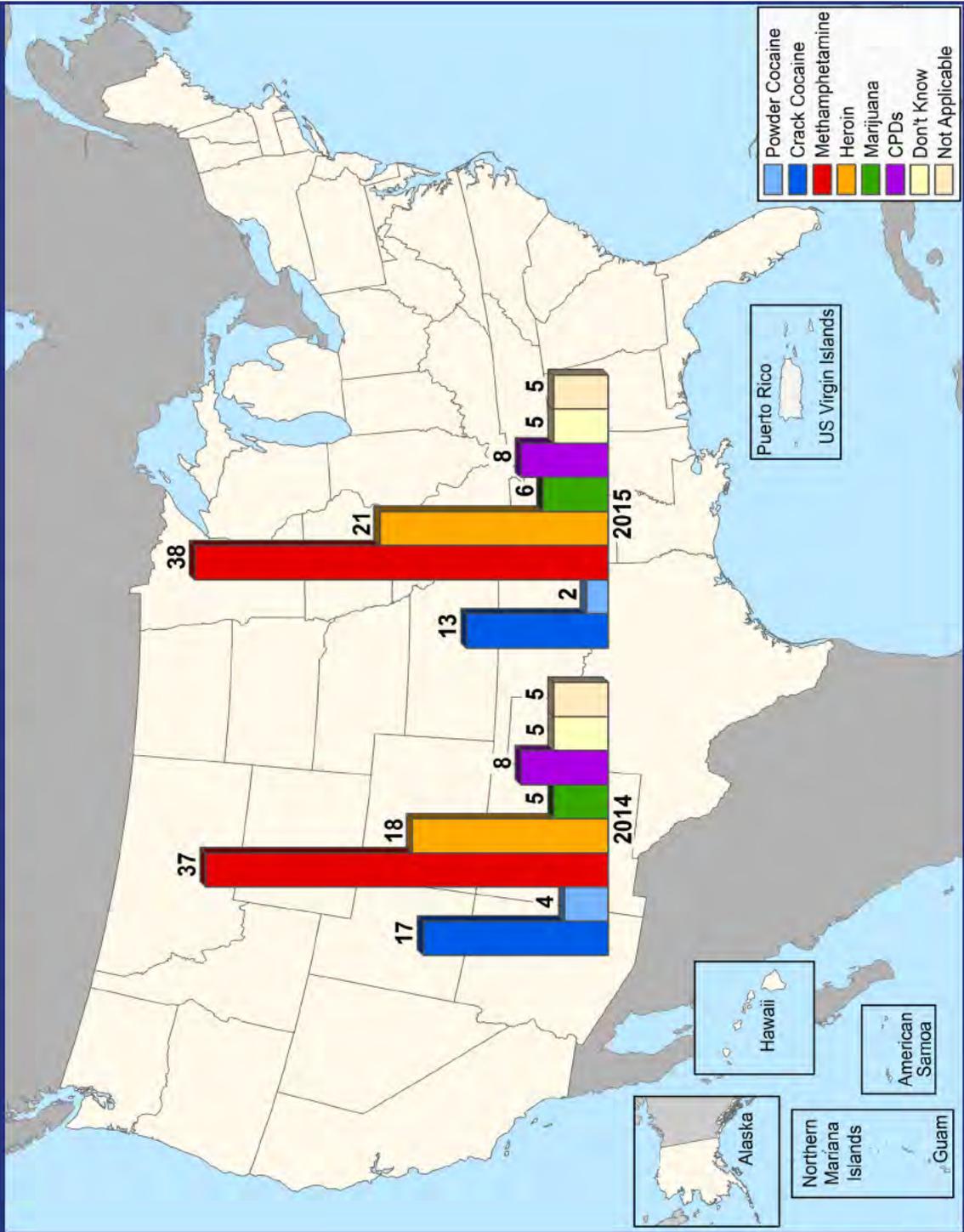
Source: National Drug Threat Survey

(U) MAP A11. MARIJUANA AS THE GREATEST DRUG THREAT AS REPORTED BY STATE AND LOCAL AGENCIES 2008 - 2011, 2013 - 2015



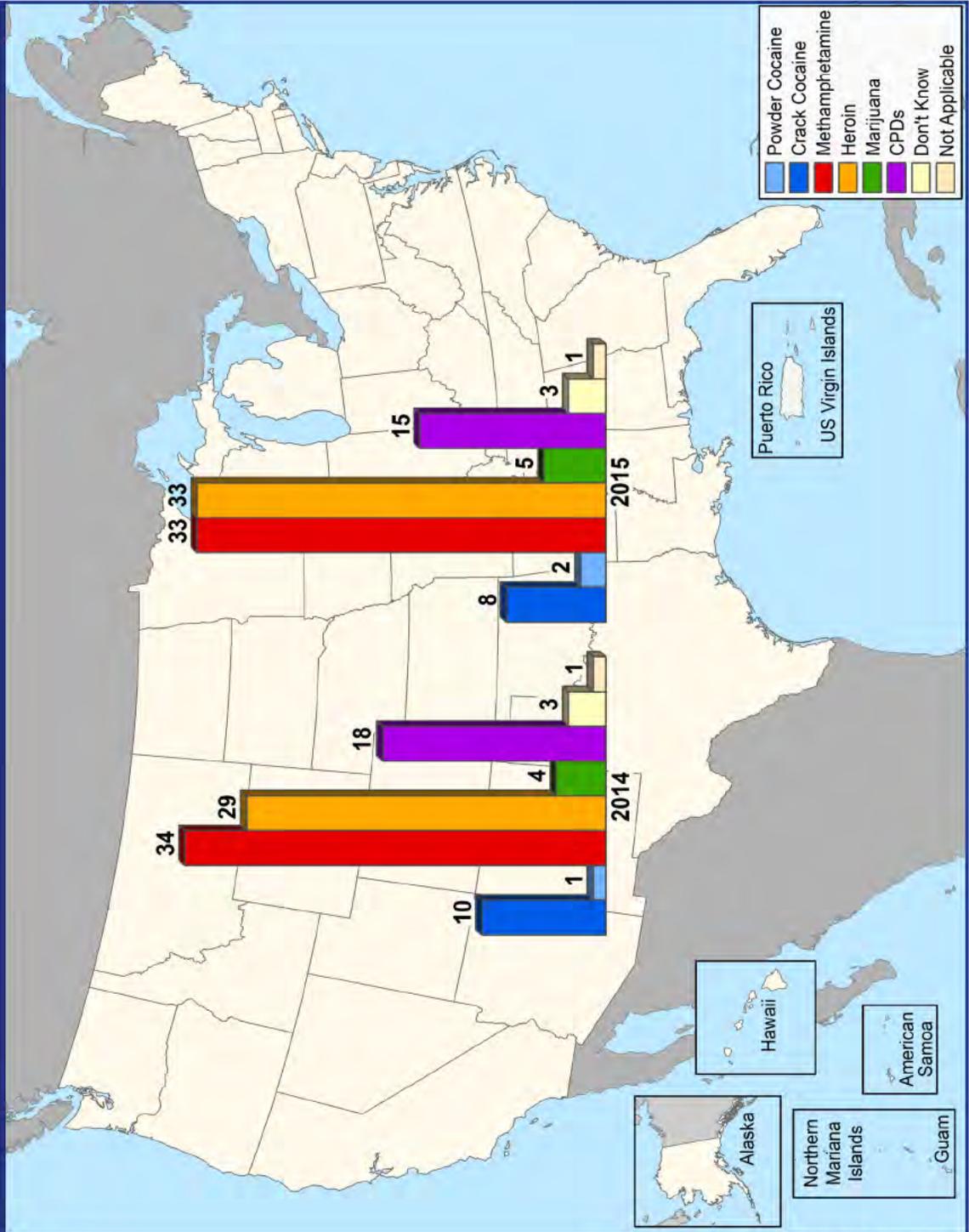
Source: National Drug Threat Survey

(U) MAP A12. DRUG THAT MOST CONTRIBUTES TO VIOLENT CRIME REPRESENTED NATIONALLY AS REPORTED BY STATE AND LOCAL AGENCIES 2014 - 2015



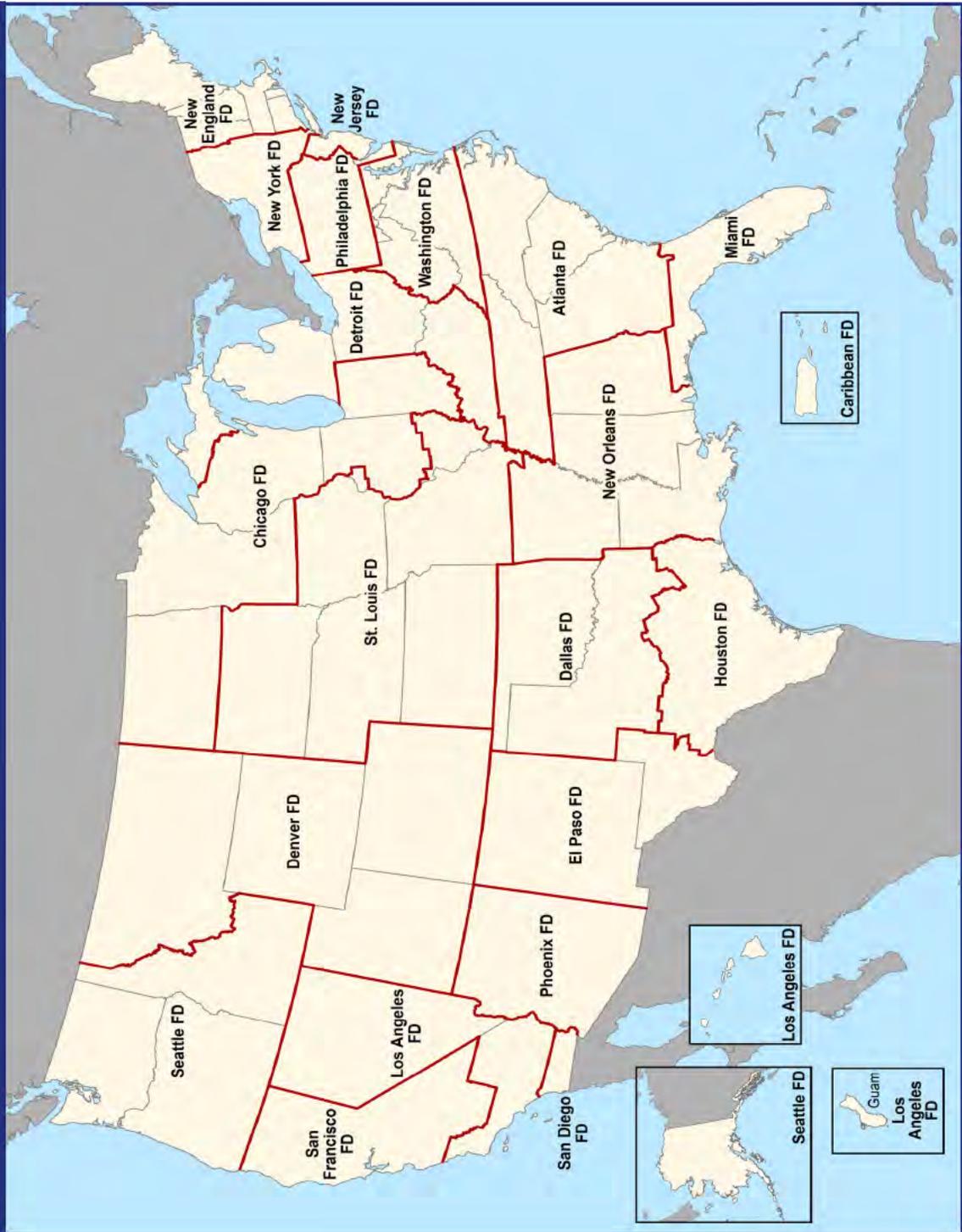
Source: National Drug Threat Survey

(U) MAP A13. DRUG THAT MOST CONTRIBUTES TO PROPERTY CRIME REPRESENTED NATIONALLY AS REPORTED BY STATE AND LOCAL AGENCIES 2014 - 2015



Source: National Drug Threat Survey

(U) MAP A14. AREAS OF RESPONSIBILITY FOR DOMESTIC DEA FIELD DIVISIONS



APPENDIX B: TABLES

(U) TABLE B1. PERCENTAGE OF 2015 NDTs RESPONDENTS REPORTING GREATEST DRUG THREAT, BY DRUG, BY REGION

OCDETF REGION	POWDER COCAINE	CRACK COCAINE	METHAMPHETAMINE	HEROIN	MARIJUANA	CPDs
FLORIDA/CARIBBEAN	6.8	21.6	33.0	7.5	13.4	8.2
GREAT LAKES	0.2	1.5	13.8	67.4	3.4	13.4
MID-ATLANTIC	0.0	5.4	3.9	74.7	0.2	15.8
NEW ENGLAND	0.0	0.9	0.5	63.4	13.9	21.3
NEW YORK/NEW JERSEY	0.0	0.9	11.7	48.4	15.4	23.3
PACIFIC	3.0	0.2	55.4	33.4	1.8	5.8
SOUTHEAST	0.5	15.1	41.0	10.9	4.8	25.6
SOUTHWEST	5.9	10.8	69.7	4.3	7.2	1.6
WEST CENTRAL	1.2	1.0	66.5	15.5	5.5	9.3
NATIONWIDE	1.4	5.8	33.0	37.6	6.2	14.9

Source: 2015 National Drug Threat Survey

2015 National Drug Threat Assessment Summary

(U) TABLE B2. TRENDS IN LIFETIME, PAST YEAR, AND PAST MONTH DRUG USE AMONG PERSONS AGED 12 OR OLDER, 2009 - 2013					
Lifetime Use	2009	2010	2011	2012	2013
Cocaine (any form)	36,742,000	37,361,000	36,921,000	37,688,000	37,634,000
Crack	8,390,000	9,208,000	8,214,000	9,015,000	8,870,000
Heroin	3,683,000	4,144,000	4,162,000	4,565,000	4,812,000
Marijuana	104,950,000	106,613,000	107,842,000	111,239,000	114,712,000
Methamphetamine	12,908,000	13,060,000	11,928,000	12,259,000	12,257,000
MDMA	14,280,000	15,929,000	14,570,000	16,162,000	17,815,000
Prescription Psychotherapeutics	51,991,000	51,832,000	51,243,000	54,389,000	53,172,000
Non-medical Prescription Pain Relievers	35,197,000	34,908,000	34,247,000	37,045,000	35,473,000
PCP	6,271,000	6,255,000	6,103,000	6,552,000	6,462,000
Past Year Use	2009	2010	2011	2012	2013
Cocaine (any form)	4,806,000	4,533,000	3,857,000	4,671,000	4,182,000
Crack	1,008,000	885,000	625,000	921,000	632,000
Heroin	605,000	621,000	620,000	669,000	681,000
Marijuana	28,688,000	29,301,000	29,739,000	31,513,000	32,952,000
Methamphetamine	1,167,000	959,000	1,033,000	1,155,000	1,186,000
MDMA	2,804,000	2,653,000	2,422,000	2,610,000	2,588,000
Prescription Psychotherapeutics	16,064,000	16,051,000	14,657,000	16,666,000	15,348,000
Non-medical Prescription Pain Relievers	12,450,000	12,242,000	11,143,000	12,489,000	11,082,000
PCP	125,000	96,000	119,000	172,000	90,000
Past Month Use	2009	2010	2011	2012	2013
Cocaine (any form)	1,637,000	1,466,000	1,369,000	1,650,000	1,549,000
Crack	497,000	378,000	228,000	443,000	377,000
Heroin	193,000	239,000	281,000	335,000	289,000
Marijuana	16,826,000	17,409,000	18,071,000	18,855,000	19,810,000
Methamphetamine	502,000	353,000	439,000	440,000	595,000
MDMA	763,000	691,000	544,000	628,000	660,000
Prescription Psychotherapeutics	6,980,000	6,957,000	6,119,000	6,831,000	6,484,000
Non-medical Prescription Pain Relievers	5,257,000	5,100,000	4,471,000	4,862,000	4,521,000
PCP	54,000	36,000	26,000	32,000	33,000

Source: National Survey on Drug Use and Health

**(U) TABLE B3. ADMISSIONS TO PUBLICLY LICENSED TREATMENT FACILITIES,
BY PRIMARY SUBSTANCE, CY2008 – CY2012**

	2008	2009	2010	2011	2012
COCAINE	237,648	192,370	158,478	151,930	121,065
HEROIN	281,410	286,959	266,048	283,092	285,451
MARIJUANA	355,346	370,373	357,592	352,428	305,560
METHAMPHETAMINE	128,954	118,644	118,212	116,671	124,227
NON-HEROIN OPIATES/SYNTHETIC*	124,407	145,502	167,626	194,583	169,868

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.

Note: Tennessee included heroin admissions in other opiates through June 2009. In this report, Tennessee's 2009 heroin admissions are still included in the other opiates category since there is less than a full year of disaggregated heroin data.

(U) TABLE B4. ADOLESCENT TRENDS IN PERCENTAGE OF PAST YEAR DRUG USE 2011–2014				
	2011	2012	2013	2014
COCAINE (ANY FORM)				
8TH GRADE	1.4	1.2	1.0	1.0
10TH GRADE	1.9	2.0	1.9	1.5
12TH GRADE	2.9	2.7	2.6	2.6
CRACK				
8TH GRADE	0.9	0.6	0.6	0.7
10TH GRADE	0.9	0.8	0.8	[0.5]
12TH GRADE	1.0	1.2	1.1	1.1
HEROIN				
8TH GRADE	0.7	0.5	0.5	0.5
10TH GRADE	0.8	0.6	0.5	0.5
12TH GRADE	0.8	0.7	0.6	0.6
MARIJUANA				
8TH GRADE	12.5	11.4	12.7	11.7
10TH GRADE	28.8	28.0	29.8	[27.3]
12TH GRADE	36.4	36.4	36.4	35.1
METHAMPHETAMINE				
8TH GRADE	0.8	1.0	1.0	0.6
10TH GRADE	1.4	1.0	1.0	0.8
12TH GRADE	1.4	1.1	0.9	1.0
MDMA				
8TH GRADE	[1.7]	[1.1]	1.1	0.9
10TH GRADE	4.5	[3.0]	3.6	[2.3]
12TH GRADE	5.3	3.8	4.0	3.6
PRESCRIPTION NARCOTICS				
8TH GRADE	NA	NA	NA	NA
10TH GRADE	NA	NA	NA	NA
12TH GRADE	15.2	14.8	15.0	[13.9]
SYNTHETIC MARIJUANA				
8TH GRADE	NA	4.4	4.0	3.3
10TH GRADE	NA	8.8	5.4	[5.4]
12TH GRADE	NA	11.3	[7.9]	[5.8]
BATH SALTS				
8TH GRADE	NA	6.8	1.0	[0.5]
10TH GRADE	NA	0.6	0.9	0.9
12TH GRADE	NA	1.3	0.9	0.9

Note: Data in brackets indicate statistically significant change from the previous year.

Source: Monitoring the Future Survey

(U) TABLE B5. 2015 NDTs RESPONDENTS REPORTING HIGH DIVERSION AND USE OF PRESCRIPTION NARCOTICS, BY REGION (PERCENTAGE)

OCDETF REGION	DIVERSION		USE	
	2014	2015	2014	2015
FLORIDA/CARIBBEAN	52.3	44.8	59.2	47.2
GREAT LAKES	49.0	47.9	61.3	57.0
MID-ATLANTIC	56.1	52.6	69.7	60.1
NEW ENGLAND	62.3	52.4	72.8	58.3
NEW YORK/NEW JERSEY	43.5	44.2	40.7	47.3
PACIFIC	42.9	44.9	50.1	56.4
SOUTHEAST	63.1	65.3	76.1	70.6
SOUTHWEST	45.0	63.0	46.8	73.5
WEST CENTRAL	52.2	52.4	66.0	62.2
NATIONWIDE	52.4	53.3	61.6	60.9

Source: 2015 National Drug Threat Survey

(U) TABLE B6. PERCENTAGE OF 2015 NDTs RESPONDENTS REPORTING DRUG THAT CONTRIBUTES TO VIOLENT CRIME, BY REGION (PERCENTAGE)

OCDETF REGION	POWDER COCAINE	CRACK COCAINE	METHAMPHETAMINE	HEROIN	MARIJUANA	CPDs
FLORIDA/CARIBBEAN	9.7	36.3	20.8	1.2	2.4	7.5
GREAT LAKES	0.5	12.2	18.0	35.6	8.2	10.1
MID-ATLANTIC	2.6	17.9	14.4	42.3	5.7	5.9
NEW ENGLAND	1.6	4.7	0.5	46.7	8.9	16.5
NEW YORK/NEW JERSEY	0.4	7.7	11.4	36.4	3.9	20.1
PACIFIC	0.2	3.4	81.0	6.4	5.5	1.0
SOUTHEAST	5.1	24.2	44.6	5.1	3.4	7.2
SOUTHWEST	1.0	13.7	73.7	1.6	3.4	3.9
WEST CENTRAL	1.2	2.8	72.2	5.9	7.6	4.8
NATIONWIDE	2.1	13.2	38.2	20.5	5.8	8.4

Note: Not all respondents answered this question, therefore totals for each region may not equal 100 percent.

Source: 2015 National Drug Threat Survey

2015 National Drug Threat Assessment Summary

(U) TABLE B7. PERCENTAGE OF 2015 NDTs RESPONDENTS REPORTING DRUG THAT CONTRIBUTES TO PROPERTY CRIME, BY REGION (PERCENTAGE)

OCDETF REGION	POWDER COCAINE	CRACK COCAINE	METHAMPHETAMINE	HEROIN	MARIJUANA	CPDs
FLORIDA/CARIBBEAN	5.1	27.0	25.6	6.0	2.6	23.8
GREAT LAKES	0.1	5.0	16.5	54.3	8.5	13.1
MID-ATLANTIC	0.0	5.0	2.2	66.5	2.5	20.8
NEW ENGLAND	0.0	0.0	0.0	83.3	2.3	12.9
NEW YORK/NEW JERSEY	11.4	1.1	0.0	48.1	3.6	16.6
PACIFIC	0.0	0.8	70.0	22.8	0.8	5.2
SOUTHEAST	0.2	18.5	37.7	4.6	5.4	22.9
SOUTHWEST	0.2	12.8	73.8	4.8	0.9	7.0
WEST CENTRAL	1.2	0.5	68.6	11.8	8.7	8.4
NATIONWIDE	1.5	7.5	33.4	32.9	5.0	14.5

Note: Not all respondents answered this question, therefore totals for each region may not equal 100 percent. Source: 2015 National Drug Threat Survey

(U) TABLE B8. PERCENTAGE OF NATIONAL DRUG THREAT SURVEY RESPONDENTS REPORTING NATIONWIDE HIGH AVAILABILITY, BY DRUG, CY2013 – CY2015

	2013	2014	2015
POWDER COCAINE	22.9	18.1	14.9
CRACK COCAINE	24.1	23.6	19.7
METHAMPHETAMINE	39.5	40.6	42.2
HEROIN	30.3	34.0	38.4
MARIJUANA	88.2	80.0	79.8
CONTROLLED PRESCRIPTION DRUGS	75.4	63.2	56.7
MDMA	*	8.8	7.3
SYNTHETIC CATHINONES	*	11.9	6.7
SYNTHETIC CANNABINOIDS	*	18.1	13.9

* Information Not Available

Source: National Drug Threat Survey

(U) TABLE B9. 2015 NDTs RESPONDENTS REPORTING HIGH AVAILABILITY, BY DRUG, BY REGION (PERCENTAGE)

OCDETF REGION	POWDER COCAINE	CRACK COCAINE	METHAMPHETAMINE	HEROIN	MARIJUANA	CONTROLLED PRESCRIPTION DRUGS	SYNTHETIC CATHINONES	SYNTHETIC CANNABINOIDS	MDMA
FLORIDA/CARIBBEAN	38.1	48.7	31.4	14.3	85.4	43.1	3.6	8.8	18.0
GREAT LAKES	9.8	16.1	26.9	50.0	79.8	55.6	5.5	9.8	2.3
MID-ATLANTIC	12.9	22.9	10.9	64.6	75.9	58.6	8.9	11.2	2.9
NEW ENGLAND	18.2	16.2	0.4	67.2	89.4	49.7	9.9	10.0	4.4
NEW YORK/NEW JERSEY	13.3	21.3	12.0	40.3	55.7	42.6	1.2	5.5	13.1
PACIFIC	8.0	6.7	74.1	47.8	93.7	49.8	9.1	16.7	8.0
SOUTHEAST	16.3	25.5	53.0	21.2	75.7	59.2	2.9	9.4	11.6
SOUTHWEST	27.8	29.1	86.6	23.5	85.2	70.2	16.9	40.0	11.8
WEST CENTRAL	7.7	5.6	67.4	23.7	86.0	65.8	5.0	14.0	2.3
NATIONWIDE	14.9	19.7	42.2	38.4	79.8	56.7	6.7	13.9	7.3

Source: 2015 National Drug Threat Survey

(U) TABLE B10. 2015 NDTs RESPONDENTS REPORTING MARIJUANA PRODUCTION, BY REGION (PERCENTAGE)

OCDETF REGION	INDOORS	OUTDOORS	HYDROPONIC	NOT CULTIVATED
FLORIDA/CARIBBEAN	66.4	43.5	50.7	7.1
GREAT LAKES	83.4	56.4	49.3	3.0
MID-ATLANTIC	66.9	54.7	29.0	5.5
NEW ENGLAND	79.3	76.9	55.2	2.0
NEW YORK/NEW JERSEY	37.6	25.3	8.1	45.9
PACIFIC	79.4	70.6	68.8	0.0
SOUTHEAST	59.8	70.5	30.2	9.1
SOUTHWEST	63.7	58.7	38.9	13.9
WEST CENTRAL	70.7	51.0	42.4	8.7
NATIONWIDE	68.4	57.8	40.3	10.1

Source: 2015 National Drug Threat Survey

(U) TABLE B11. NATIONAL SEIZURE SYSTEM DRUG SEIZURES, 2010 - 2014

	2010	2011	2012	2013	2014
PHARMACEUTICALS (DOSAGE UNITS) ¹	1,165,402.6	1,386,680.3	878,730.3	584,690.8	1,447,633.1
HEROIN (KILOGRAMS) ²	2,763.3	3,732.5	4,390.5	4,502.2	5,013.8
METHAMPHETAMINE (KILOGRAMS) ³	11,203.7	21,405.1	26,137.6	23,332.9	22,993.7
COCAINE (KILOGRAMS)	56,449.9	76,956.1	58,954.2	51,989.2	40,591.7
MARIJUANA (KILOGRAMS)	2,331,137.6	2,201,497.5	1,917,109.2	1,731,447.3	1,198,259.7
SYNTHETICS (DOSAGE UNITS) ⁴	0.0	1,253.0	387,011.5	197,088.0	9,147.0
SYNTHETICS (KILOGRAMS) ⁴	226.5	4,038.2	54,088.1	24,171.5	12,718.5
MDMA, ECSTASY (DOSAGE UNITS)	3,067,635.9	2,282,573.8	534,299.4	501,739.6	168,916.6
MDMA, ECSTASY (KILOGRAMS)	1,485.9	592.4	428.1	923.1	1,307.1
PCP, PHENCYCLIDINE (KILOGRAMS)	168.5	88.2	91.4	47.3	225.2
PCP, PHENCYCLIDINE (MILLILITERS)	1,012,387.7	669,779.6	924,418.6	0.0	665,363.7

¹ Pharmaceuticals include: Darvocet, Darvon, hydromorphone (Dilaudid), hydrocodone (Vicodin), lorazepam (Ativan), morphine, oxycodone (Percodan/Percocet/OxyContin/Lortab), oxycodone extended release, oxytocin, diazepam (Valium), alprazolam (Xanax).

² Heroin includes: Southeast Asian, Southwest Asian, Mexican Black Tar, Mexican Brown Powder, South American, and type unknown.

³ Methamphetamine includes: methamphetamine crystal, methamphetamine ice, methamphetamine powder.

⁴ Synthetics include: cannabinoids (Spice, K-2, Genie), phenethylamine, cathinones.

Note: The information reported to NSS by contributing agencies may not necessarily reflect total seizures nationwide.

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APPENDIX C: ACRONYM GLOSSARY

AAPCC	American Association of Poison Control Centers
AB	Aryan Brotherhood (gang)
ALS	Amyotrophic lateral sclerosis
AML	Anti-money laundering
AMW	"Alleged Mexican White"
AOR	Area of responsibility
ATF	US Bureau of Alcohol, Tobacco, Firearms, and Explosives
AUC	United Self-Defense Groups
BA	Barrio Azteca (gang)
BACRIM	Bandas Criminales
BGD	Black Gangster Disciples (gang)
BGF	Black Guerilla Family (gang)
BHO	Butane Honey Oil
BIA	US Bureau of Indian Affairs
BLO	Beltran-Leyva Organization
BMPE	Black Market Peso Exchange
BSA	Bank Secrecy Act
BZP	N-benzylpiperazine
CAMP	Campaign Against Marijuana Planting
CBD	Cannabidiol
CBP	US Customs and Border Protection
CCDB	Consolidated Counterdrug Database
CDC	Centers for Disease Control
CDFW	California Department of Fish and Wildlife
CDG	Gulf Cartel (Cartel de Golfo)
CJNG	Cartel de Jalisco Nueva Generación
CO	Country Office
CONUS	Continental United States
CPD	Controlled Prescription Drugs
CPOT	Consolidated Priority Organization Target
CSA	Controlled Substances Act
CSP	Cocaine Signature Program
CTR	Currency Transaction Report
CY	Calendar Year
DCE/SP	Domestic Cannabis Eradication and Suppression Program
DEA	US Drug Enforcement Administration
DEC-TAC	California Drug Endangered Children Training and Advocacy Center
DPHSS	Department of Health and Social Services (Guam)
E-FORCSE	Electronic-Florida Online Reporting of Controlled Substances Evaluation
Eme	California Mexican Mafia (gang)

2015 National Drug Threat Assessment Summary

Emi	Texas Mexican Mafia (gang)
EPIC	El Paso Intelligence Center
FARC-EP	Revolutionary Armed Forces of Colombia – People’s Army
FBI	US Federal Bureau of Investigation
FD	Field Division
FDA	US Food and Drug Administration
FinCEN	Financial Crimes Enforcement Network
FY	Fiscal Year
HCP	Hydrocodone Combination Products
HDMP	Heroin Domestic Monitor Program
HHS	US Health and Human Services
HIDTA	High Intensity Drug Trafficking Area
HSP	Heroin Signature Program
IA	Indian Affairs
ICE	US Immigration and Customs Enforcement
JFK	John F. Kennedy (International Airport)
LCT	Los Cabelleros Templarios
LFM	La Familia Michoacána
LLC	Limited Liability Company
LSD	Lysergic Acid Diethylamide
MDMA	3,4-Methylenedioxymethamphetamine (frequently referred to as Ecstasy)
ME	Medical Examiner
MMP	Mo Ming Pi (gang)
MPP	Methamphetamine Profiling Program
MS-13	Mara Salvatrucha
MSB	Money Service Business
MTF	Monitoring the Future Survey
NDTA	National Drug Threat Assessment
NDTS	National Drug Threat Survey
NF	Nuestra Familia (gang)
NFLIS	National Forensic Laboratory Information System
NGIC	National Gang Intelligence Center
NSDUH	National Survey on Drug Use and Health
NSS	National Seizure System
OCDETF	Organized Crime Drug Enforcement Task Force
OMG	Outlaw Motorcycle Gang
ONDCP	Office of National Drug Control Policy
OSII	US Office of Strategic Intelligence and Information (ATF)
PCP	Phencyclidine
PD	Police Department
PDMP	Prescription Drug Monitoring Program

PEACE	Prevention Education and Community Empowerment (Guam)
PGR	Procuraduría General de la Republica (Mexico Attorney General's Office)
PMP	Potency Monitoring Program
POE	Port of Entry
PR	Puerto Rico
RO	Resident Office
ROIC	Regional Operations Intelligence Center (New Jersey)
SEA	Southeast Asia
SEMAR	Secretaría de Marina-Armada de México (Mexican Marines)
SFL1	DEA Special Testing and Research Laboratory
SFO	San Francisco International Airport
SWA	Southwest Asian (heroin)
TB	Tango Blast (gang)
TBML	Trade-Based Money Laundering
TCO	Transnational Criminal Organization
TEDS	Treatment Episode Data Set
TFMPP	Trifluoromethylpiperazine
THC	Tetrahydrocannabinol
TMM	Texas Mexican Mafia (gang)
TS	Texas Syndicate (gang)
TTF	Tunnel Task Force
UAS	Unmanned Aerial System
USBP	US Border Patrol
USC	US Currency
USCG	US Coast Guard
USPIS	US Postal Inspection Service
USPS	US Postal Service
USVI	US Virgin Islands

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APPENDIX D: SCOPE AND METHODOLOGY

The 2015 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 a strategic analysis of the domestic drug situation during 2014, based upon the most recent law enforcement, intelligence, and public health data available for the period. It also considers data and information beyond 2014, when appropriate, to provide the most accurate assessment possible to policymakers, law enforcement authorities, and intelligence officials.

The 2015 NDTA factors in information provided by 1,105 state and local law enforcement agencies through the 2015 National Drug Threat Survey (NDTS). (See Maps A1 – A13 in Appendix A and Tables B1, B5 – B10 in Appendix B.) At a 95 percent confidence level, the 2015 NDTS results are within 2.75 percentage points of the estimates reported. NDTS data used in this report do not imply that there is only one drug threat per state or region or that only one drug is available per state or region. A percentage given for a state or region represents the proportion of state and local law enforcement agencies in that state or region that identified a particular drug as their greatest threat or as available at low, moderate, or high levels.

This report addresses emerging developments related to the trafficking and use of primary illicit substances of abuse, the nonmedical use of CPDs, and the laundering of proceeds generated through illicit drug sales. It also addresses the role that TCOs and organized gangs play in domestic drug trafficking. In the preparation of this report, DEA intelligence analysts 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 (subjective 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).

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