



# Drug Market Analysis

# 2008

# Hawaii

# High Intensity Drug Trafficking Area



NATIONAL DRUG INTELLIGENCE CENTER  
U.S. DEPARTMENT OF JUSTICE





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



# National Drug Intelligence Center

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## TABLE OF CONTENTS

Preface .....	1
Strategic Drug Threat Developments .....	2
HIDTA Overview .....	2
Drug Threat Overview .....	3
Drug Trafficking Organizations .....	4
Production.....	5
Transportation .....	9
Distribution .....	10
Drug-Related Crime.....	10
Abuse.....	11
Illicit Finance.....	12
Outlook.....	13
Sources.....	14



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# PREFACE

This assessment provides a strategic overview of the illicit drug situation in the Hawaii High Intensity Drug Trafficking Area (HIDTA), highlighting significant trends and law enforcement concerns related to the trafficking and abuse of illicit drugs. The report was prepared through detailed analysis of recent law enforcement reporting, information obtained through interviews with law enforcement and public health officials, and available statistical data. The report is designed to provide policymakers, resource planners, and law enforcement officials with a focused discussion of key drug issues and developments facing the Hawaii HIDTA.

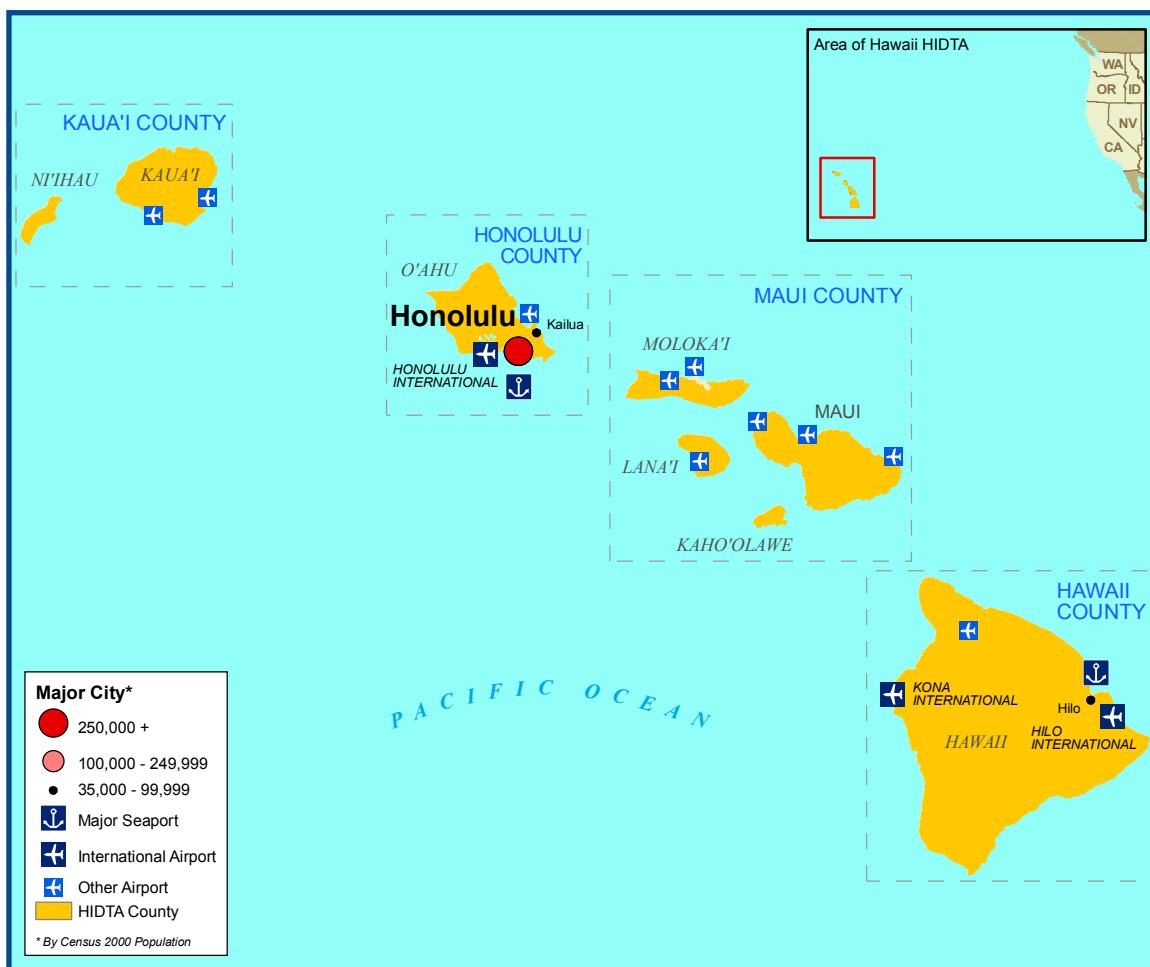


Figure 1. Hawaii High Intensity Drug Trafficking Area.



### STRATEGIC DRUG THREAT DEVELOPMENTS

- Ice methamphetamine trafficking and abuse are the most significant drug threats to the Hawaii HIDTA region. More drug-related crimes, including violent crimes and property crimes, are attributed to methamphetamine trafficking and abuse than to any other illicit drug.
- Outdoor cannabis cultivation has decreased over the past 5 years in the Hawaii HIDTA region, while indoor grow operations have increased during the same period. Successful outdoor eradication efforts by law enforcement have resulted in some cultivators converting residential buildings into cannabis grow houses or using outbuildings on land formerly used for outdoor cannabis cultivation to evade aerial surveillance. Additionally, some indoor cultivators are exploiting Hawaii's state medical marijuana laws to conduct illegal cannabis grow operations. (See text box on page 9.)
- HIDTA law enforcement officials report an increase in powder cocaine abuse in the region, most likely the result of some methamphetamine abusers switching to powder cocaine because of the lower cost of cocaine and declining methamphetamine purity levels. Additional factors for the increase in powder cocaine abuse may include successful public awareness campaigns that highlight the dangers of methamphetamine abuse and the belief among many abusers that cocaine is safer (less addictive) to use than methamphetamine.

### HIDTA OVERVIEW

Hawaii's unique geography, isolated location, heavy reliance on importation of commodities, high volume of tourist and commercial traffic, and diverse demographics provide excellent

opportunities for illicit drug trafficking and pose considerable challenges to law enforcement. As such, the Hawaii HIDTA was established in 1999 to address the illicit drug trafficking threat posed to the state. Hawaii is located approximately 2,500 miles from the west coast of the United States and comprises the eight main islands<sup>1</sup> and a 1,500-mile chain of islets that span over 6,400 square miles in the north central Pacific Ocean. (See Figure 1 on page 1.) It is situated between the continental United States and Pacific countries of Oceania.<sup>2</sup> Regionally, Hawaii is a gateway to Pacific Rim<sup>3</sup> countries and Asia. International airports and maritime ports as well as a developed transportation infrastructure facilitate not only the efficient flow of legitimate commerce but also the transshipment and distribution of illicit drugs and drug proceeds into and through the state. The diverse, largely transient (tourist) population in the HIDTA region provides a large customer base and a heightened degree of anonymity for various drug traffickers and criminal groups operating in the state.

The state of Hawaii has a total population of over 1.2 million; approximately 70 percent of the population resides in the city of Honolulu on the island of Oahu. Honolulu is Hawaii's principal port of entry (POE) for travelers, mail, and cargo; the movement of passengers and commodities is facilitated by an international airport, international postal facility, and two of the state's busiest commercial harbors. Consequently, Honolulu is the primary transshipment point for drugs and drug proceeds to, through, and from the state. Much of what transpires in terms of drug trafficking and

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1. The eight main islands are Hawaii (the Big Island), Kahoolawe, Kauai, Lanai, Maui, Molokai, Niihau, and Oahu.

2. Oceania, with an estimated population of 3.1 million, is a region consisting of Australia, New Zealand, Papua New Guinea, Melanesia, Micronesia, and Polynesia, as well as the thousands of coral atolls and volcanic islands in the South Pacific Ocean.

3. The Pacific Rim is a political and economic term used to designate the countries at the edges of the Pacific Ocean and the various island nations within the region (Cambodia, China, Indonesia, Japan, Laos, Malaysia, the Philippines, Thailand, and Vietnam).

abuse in Honolulu drives the drug situation on each of the other populated islands of the state.

## DRUG THREAT OVERVIEW

Ice methamphetamine trafficking and abuse pose the most significant drug threats to the Hawaii HIDTA region. In 2007 HIDTA law enforcement officers seized more than 146 pounds of ice methamphetamine with an estimated wholesale market value of over \$5.3 million. Methamphetamine is identified more often than any other drug, including alcohol, as the primary substance of abuse for treatment admissions to publicly funded facilities in Hawaii. Each of the state and local law enforcement agencies responding to the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2007 identified methamphetamine as the greatest drug threat in their jurisdiction and further indicated that methamphetamine was the drug most often associated with violent crime and property crime. Most of the ice methamphetamine available in the area is smuggled from Mexico via the mainland's west coast and from traditional production

areas in California. Over the last several years, local law enforcement operations and legislative efforts to limit the availability of methamphetamine precursor chemicals such as ephedrine and pseudoephedrine have caused a significant decrease in domestic powder methamphetamine production in the region.

Throughout 2007 HIDTA officials reported decreased availability and increased prices for high-purity methamphetamine within the region (primarily at the retail level and midlevel) when compared with the high levels of availability over the last several years. According to the *National Methamphetamine Threat Assessment 2008*, the price of methamphetamine in Honolulu rose from \$20,000 to \$30,000 per pound in 2006 to \$20,000 to \$45,000 per pound in 2007. This situation has continued into early 2008 and is the result of several contributing factors. Law enforcement operations over the past several years have successfully dismantled several major methamphetamine trafficking organizations that operated in Hawaii, while methamphetamine production from source areas in Mexico and California declined during the same period. Although some

### Methamphetamine Threat From Oceania and the Pacific Rim

Increasing ice methamphetamine production in Oceania and Pacific Rim countries poses an increasing threat to Hawaii. The island nations of Oceania, well-known for lax criminal penalties for illicit drug production and money laundering, are struggling with criminal groups that are seeking safe havens in which to operate. Hawaii HIDTA law enforcement and intelligence reporting indicates that organized criminal groups are financing large-scale clandestine ice methamphetamine production laboratories in Oceania and Pacific Rim countries and that an increasing amount of that ice methamphetamine is transported to Hawaii.

Source: Hawaii High Intensity Drug Trafficking Area.

### Operation Paradise Runner

Operation Paradise Runner was an Organized Crime Drug Enforcement Task Force (OCDETF) investigation that targeted a major Mexican DTO responsible for transporting multipound quantities of ice methamphetamine and cocaine to Honolulu from Southern California on a monthly basis. This organization employed couriers on commercial airlines who bodycarried drugs to Honolulu and illicit proceeds back to Southern California via the same routes. This investigation resulted in the seizure of approximately 14 pounds of crystal methamphetamine, \$894,073 in cash, \$60,640 worth of jewelry, \$216,073 (the estimated value of 16 conveyances—vehicles, off-road and farm equipment), and a \$500,000 settlement with the State of Hawaii.

Source: Hawaii High Intensity Drug Trafficking Area.





drug trafficking organizations (DTOs) are more likely to send their best product (with average purity levels over 90 percent) to Hawaii because of the higher profit margins to be gained, local dealers are capitalizing on the market shortages by cutting the drug, primarily with MSM (methylsulfonylmethane), to stretch supplies while still charging higher prices.

High-potency marijuana is widely available and abused in the Hawaii HIDTA region as a result of rising overall demand, increasing availability, and exploitation of Hawaii's state medical marijuana laws by cannabis cultivators and drug traffickers. Most of the marijuana available in Hawaii is produced there. In 2007 HIDTA law enforcement officers eradicated more than 141,000 pounds of marijuana with an estimated wholesale market value of more than \$578 million. HIDTA reporting also indicates that increasing amounts of high-potency marijuana produced in California, Oregon, Washington, and Canada are transported into the HIDTA region by Mexican and Asian DTOs and local criminal groups.

Powder and crack cocaine are also available and abused in the HIDTA region, but to a lesser extent than methamphetamine and marijuana. However, in 2007 HIDTA law enforcement officials reported an increase in powder cocaine abuse in the region. Officials attribute a portion of this increase to some methamphetamine abusers who have switched to powder cocaine because of the lower cost of cocaine and declining methamphetamine purity levels. In addition, public awareness programs that highlight the dangers of methamphetamine abuse and the belief among users that cocaine is safer (less addictive) to use than methamphetamine are believed to be contributing factors. Some powder cocaine supplied to the area is converted into crack cocaine by local retail distributors.

Other illicit drugs pose a threat to the region, even though they are abused to a much lesser extent. Mexican black and brown powder heroin, other dangerous drugs (ODDs) such as MDMA (3,4-methylenedioxymethamphetamine, also

known as ecstasy), and diverted pharmaceuticals are available throughout the HIDTA region. Heroin is distributed by Mexican DTOs and criminal groups, while MDMA is primarily supplied by Asian criminal groups. Benzodiazepines, hydrocodone, and oxycodone are the most frequently abused pharmaceutical drugs. Distributors and abusers commonly divert pharmaceutical drugs through doctor-shopping, drug thefts, prescription forgery, and Internet purchases. The ease with which drug traffickers and abusers obtain pharmaceuticals through the Internet is a significant concern for law enforcement officials and public health treatment providers in the HIDTA region.

## DRUG TRAFFICKING ORGANIZATIONS

Mexican DTOs are the principal illicit drug transporters and wholesale distributors in the Hawaii HIDTA region. Their expansive drug distribution networks enable them to consistently supply Hawaii with wholesale quantities of ice methamphetamine, powder cocaine, and black tar and brown powder heroin. Mexican DTOs typically focus their efforts on wholesale-level sales, supplying smaller Mexican and Asia-Pacific mixed-race DTOs that distribute drugs at the midlevel and retail level throughout the state. Mexican DTO members who are based in Hawaii typically operate in areas with higher concentrations of Hispanic residents, particularly Honolulu and Maui Counties, to more easily assimilate into the local community and avoid law enforcement detection.

Asian DTOs (typically ethnic Cambodian, Chinese, Filipino, Japanese, Korean, Laotian, Thai, or Vietnamese) are more numerous than other trafficking groups operating in the HIDTA region. No particular ethnic group is dominant over the others. The drug trafficking threat that they pose to the area is secondary when compared with the threat posed by Mexican DTOs because of their lack of well-established distribution networks. Asian DTOs typically restrict involvement in their drug trafficking operations to individuals of similar

Hawaii County Police Department.



Figure 2. Mexican ice methamphetamine seized on the Big Island in 2007.

race/ethnicity and familial affiliation. Asian DTOs transport wholesale quantities of ice methamphetamine from sources in California and Asia, MDMA from sources in Canada and Asia, and high-potency marijuana from sources in Canada and the west coast of the United States.

Local distributors, including street gangs, prison gangs, and outlaw motorcycle gangs (OMGs), are the primary retail distributors of illicit drugs in the Hawaii HIDTA region. Some members of these groups also produce marijuana grown locally in Hawaii. These groups are typically composed of native Hawaiian, Japanese, Chinese, Filipino, Korean, Hispanic, and Caucasian individuals who were born and raised in Hawaii and share either familial or close social ties. The diversity of these groups facilitates close working relationships with other DTOs (Asian, Mexican, and Polynesian) that supply them with drugs, presenting serious challenges for law enforcement investigations.

### Drug Trafficking Organizations, Criminal Groups, and Gangs

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

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

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

## PRODUCTION

The Hawaii HIDTA region is one of the most significant cannabis cultivation and marijuana production areas in the nation. According to Domestic Cannabis Eradication/Suppression Program (DCE/SP) data, Hawaii consistently ranks among the top states for the total number of cannabis plants eradicated each year. (See Table 1 on page 6.) However, as a result of successful law enforcement aerial surveillance and eradication efforts, DCE/SP data show that the number of cannabis plants seized from outdoor grows in the HIDTA region has declined over the last 5 years. Successful outdoor eradication efforts have resulted in some growers moving their operations indoors; consequently, the number of indoor grows has increased. On average, indoor grow sites typically average fewer plants than outdoor grows. (See Tables 2 and 3 on page 6.)



**Table 1. Top-Ranking States for Cannabis Plants Eradicated, 2003–2007**

2003		2004		2005		2006		2007	
California	1,181,957	California	1,214,420	California	2,011,277	California	3,877,628	California	4,951,976
Tennessee	679,105	Kentucky	476,803	Kentucky	510,502	Kentucky	558,756	Kentucky	492,615
Kentucky	527,775	Tennessee	416,012	Tennessee	440,362	Tennessee	483,342	Washington	295,573
Hawaii	392,422	Hawaii	379,644	Hawaii	255,113	Hawaii	201,100	Oregon	277,766
New York	99,423	Washington	134,474	Washington	136,165	Oregon	194,453	Tennessee	178,322
West Virginia	74,690	Oregon	62,621	Arizona	113,523	Washington	144,181	Hawaii	139,089

Source: Domestic Cannabis Eradication/Suppression Program.

**Table 2. Outdoor Cannabis Grow Sites Seized and Plants Eradicated in Hawaii, 2003–2007**

	2003	2004	2005	2006	2007
Grow sites seized	9,662	7,945	5,096	3,974	2,010
Plants eradicated	388,903	377,332	251,163	188,742	131,355

Source: Domestic Cannabis Eradication/Suppression Program.

**Table 3. Indoor Cannabis Grow Sites Seized and Plants Eradicated in Hawaii, 2003–2007**

	2003	2004	2005	2006	2007
Grow sites seized	9	13	13	49	55
Plants eradicated	3,519	2,312	3,950	12,358	7,734

Source: Domestic Cannabis Eradication/Suppression Program.

Cannabis has been cultivated outdoors in Hawaii for decades because the tropical climate is conducive to year-round cultivation. Law enforcement reporting indicates that most outdoor cannabis cultivation takes place on the islands of Hawaii, Maui, Kauai, and Oahu, particularly on State Division of Land and Natural Resources lands in Hawaii and Maui Counties. (See Figure 3 on page 7.) Controlling cultivation in these areas

is particularly challenging for law enforcement because of the vast tracts of unincorporated land available for hiding cannabis plants among native vegetation. Outdoor cultivation operations are conducted primarily by local Asian and Polynesian DTOs as well as some Caucasian groups, including those that have relocated to Hawaii from the U.S. mainland.

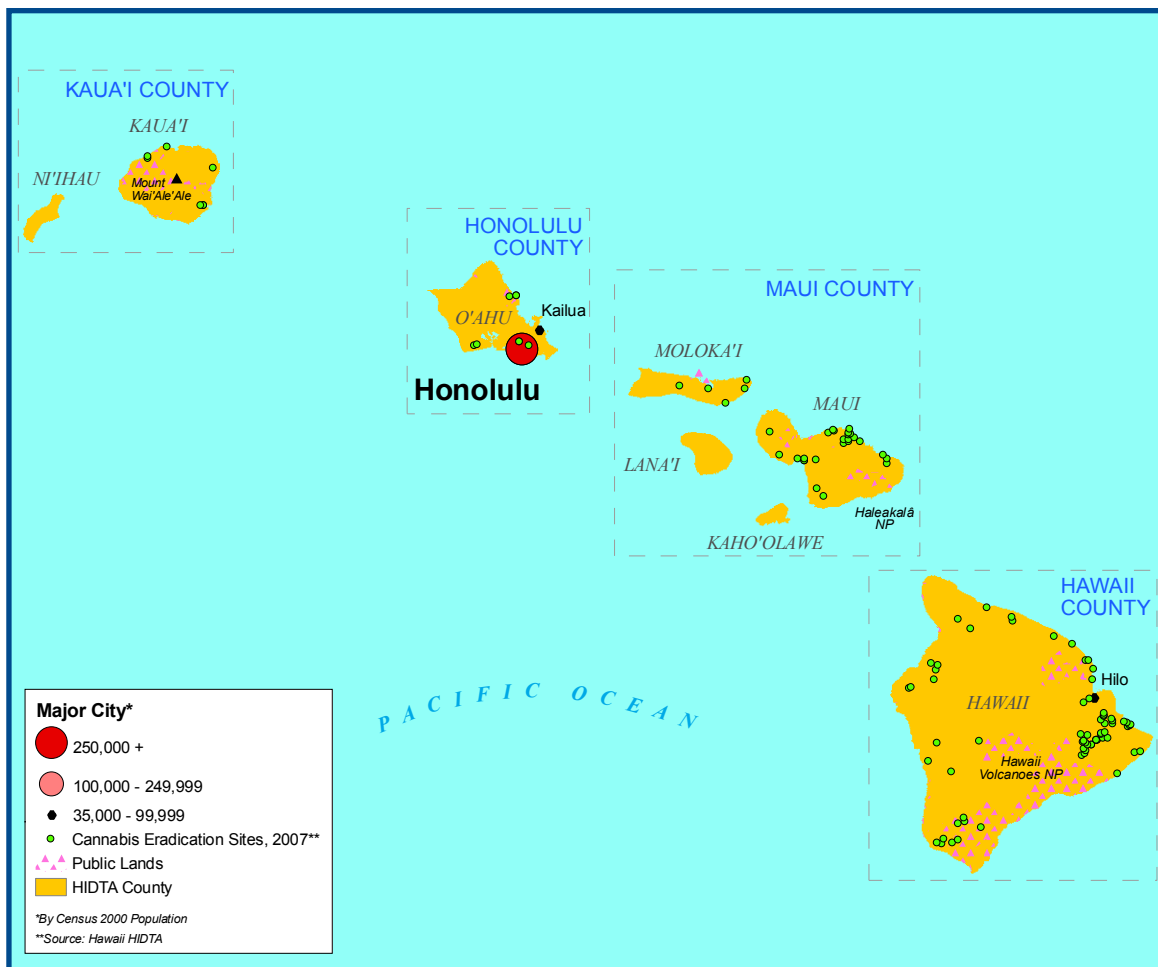


Figure 3. Cannabis plants eradicated, by HIDTA County, in 2007.

### Operation Green Stream

Kauai law enforcement officers conducting a routine aerial surveillance of state land in the mountainous terrain of the Blue Hole area at the foot of Mt. Waialeale observed a large number of cannabis plants growing between the trees and other vegetation. Further investigation revealed thousands of cannabis plants growing near the base of the mountain. In September 2007 law enforcement officers arrested five individuals and seized more than 6,000 plants—making this the largest outdoor cannabis grow operation ever prosecuted in the state of Hawaii. The street value of the plants was estimated to be nearly \$6 million, with each plant conservatively yielding approximately \$1,000 worth of processed marijuana.

Source: U.S. Attorneys Office, District of Hawaii, press release dated September 4, 2007.



Indoor cannabis cultivation sites in Hawaii range in size from a single closet to entire houses or larger buildings converted into sophisticated grow operations. Some indoor grow sites have been relocated to residences or outbuildings on land formerly used for outdoor cannabis cultivation. Indoor cannabis cultivators typically use advanced growing techniques that include lighting, irrigation systems, chemical fertilizers, and plant cloning.<sup>4</sup> Indoor growers prefer the controlled environment because they can avoid intensified outdoor eradication efforts while, at the same time, achieving higher profits through a year-round cultivation season by turning out a new crop of high-potency marijuana every 90 days. Some indoor cultivators bypass electric meters to eliminate high energy-use readings, large electric bills, and possible law enforcement scrutiny. Caucasian criminal groups and independent dealers are the primary producers of indoor, high-potency marijuana in the HIDTA region. Local Hawaiians, Caucasian independents, and Asian organizations operate most indoor grow sites in Hawaii.

Indoor grow sites pose considerable safety and health concerns for law enforcement officers, first responders, and the general public. Buildings used for indoor grow sites are fire hazards because of the presence of the chemical fertilizers, high-intensity lighting, electrical equipment, and reconfigured electrical systems. High levels of carbon dioxide and carbon monoxide may also be present at indoor grow sites as a result of damaged exhaust systems. Moreover, the prolonged high humidity at indoor grow sites often results in the growth of toxic molds.

According to law enforcement officials, some cannabis cultivators exploit Hawaii's state medicinal marijuana laws to conduct illegal grow

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4. Plant cloning enables cannabis cultivators to select higher-quality plants and avoid male/female pollination, thereby raising potential THC (delta-9-tetrahydrocannabinol) content. THC is the psychoactive chemical in marijuana. Cloning a cannabis plant is accomplished by simply taking a cutting of a select plant, allowing the cutting to sprout roots, and then planting it as a seedling, thereby creating a plant of the same genetic makeup as the parent plant.



Hawaii County Police Department.

Figure 4. Sophisticated indoor cannabis grow seized on the Big Island in 2007.

operations—primarily on the Big Island. For example, in March 2008, Puna law enforcement officers discovered an indoor cannabis grow while responding to a 911 call to a shooting incident. While looking for a victim, officers discovered numerous cannabis plants growing on the rear portion of the property and additional cannabis plants being cultivated inside the home. Eventually, officers made contact with the alleged shooting victim, who was uninjured. The next day officers obtained a search warrant for the property and recovered 95 cannabis plants. Sixty-four of the plants (some as large as 6 feet tall) were recovered from the rear of the property, and 31 were recovered from an indoor grow room that contained special lighting and other equipment. Officers also secured several firearms and recovered nearly 5 pounds of dried, processed marijuana, almost 24 grams of hashish oil, and 15.4 pounds of marijuana “budder.”<sup>5</sup> Additionally, officers recovered seven state of Hawaii medicinal marijuana permits listing the address for the property.

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5. Marijuana budder, produced from hash oil, is an extremely potent substance with high THC levels. It has the consistency of paste or wax and is typically light yellow in color.

### **State of Hawaii Medical Marijuana Law (Act 228)**

In June 2000 Hawaii became the sixth state to legalize the use of marijuana for medicinal purposes. Hawaii's medical marijuana law (Act 228/Senate Bill 862 SD 2 HD) allows registered patients to have 1 ounce of usable marijuana per each mature plant—3 mature cannabis plants and 4 immature cannabis plants. The law removes state criminal penalties for the use and possession of marijuana and the cultivation of cannabis by qualifying patients. Patients qualify through diagnosis and physician certification of certain medical conditions. The state of Hawaii's Department of Public Safety issues identification cards and maintains a registry of qualifying patients, caregivers, and physicians. In 2007, 3,240 people were registered for medical marijuana certificates—a 45 percent increase from the 2,241 registered in 2006. It is important to note that 61 percent of the state's registered patients are located on the Big Island, yet only 12 percent of the state's population resides there. The Big Island is also where most of the state's cannabis is illegally cultivated.

Local retail-level traffickers typically convert powder cocaine to crack cocaine on a limited basis in the Hawaii HIDTA region. Crack conversion by these local distributors typically takes place at or near distribution sites on an as-needed basis, usually in ounce quantities.

Local methamphetamine production in Hawaii is very limited and currently does not pose a threat to the HIDTA region. This situation is largely a result of successful law enforcement operations and the state of Hawaii's regulatory efforts and point-of-sale restrictions to control precursor chemicals. According to the National Seizure System (NSS), no methamphetamine production laboratories or ice conversion laboratories<sup>6</sup> were

6. Methamphetamine conversion laboratories are sometimes used by local distributors to convert powder methamphetamine to ice methamphetamine or to "clean up" ice methamphetamine that is of poor quality.

seized in the HIDTA region in 2007 or in the first 3 months of 2008. Only 4 methamphetamine laboratories were seized in 2006, 9 in 2005, and 10 in 2004. One ice conversion laboratory was seized in 2006, and 6 were seized in both 2005 and 2004.

## **TRANSPORTATION**

Drug traffickers exploit Hawaii's heavy reliance on the importation of consumer goods by air and maritime conveyances to transport illicit drugs to the state. Illicit drugs are transported primarily into the Honolulu International Airport on Oahu through the international postal facility or by couriers aboard commercial flights. While most of the illicit drugs transported to Oahu are abused there, some drugs are transported on interisland flights to neighboring islands for subsequent distribution. Additionally, six of the eight islands have direct flight service to and from major cities on the U.S. mainland, Asia, and Canada; these services facilitate the transportation of illicit drugs from these locations. Hawaii's system of commercial harbors consists of 10 harbors on six islands through which most imported goods enter the state; however, limited information and resources make detection and interdiction efforts at these facilities extremely challenging for U.S. Immigration and Customs Enforcement (ICE), U.S. Customs and Border Protection (CBP), and other law enforcement officials.

Mexican DTOs are the primary transporters of most illicit drugs available in the state from the west coast of the U.S. mainland. Mexican DTOs use their well-developed networks to transport wholesale quantities of ice methamphetamine, cocaine, and heroin across the U.S.–Mexico border to drug markets, primarily in California and Nevada, where the drugs are divided into smaller quantities and subsequently shipped to Hawaii. Mexican DTOs also transport ice methamphetamine produced in California into Hawaii. Asian DTOs are increasingly transporting illicit drugs into Hawaii—particularly high-potency marijuana from Canada, northern California, and Washington,



and ice methamphetamine and heroin from Asia. Asian traffickers also use Hawaii as a transshipment point for ice methamphetamine transported from the U.S. west coast to the Pacific Basin, primarily Guam.

### DISTRIBUTION

Mexican DTOs and criminal groups dominate wholesale drug distribution in the Hawaii HIDTA region, supplying primarily other Mexican, Polynesian, and local criminal groups. These groups in turn supply midlevel quantities to retail distributors—primarily street gangs and independent dealers.

Retail drug sales in metropolitan areas take place in open-air markets (located on streets and in parking lots) and in clubs and bars, particularly in the Chinatown area of Oahu. Retail drug sales in rural areas usually take place at prearranged locations and typically are between dealers and known or referred customers. Law enforcement reporting indicates that distributors use cell phones, satellite phones, pagers, and other personal communication devices to communicate with suppliers and customers. In addition, distributors often use text messages consisting of code words that allow them to communicate with reduced risk of detection. Cell phones are used for a limited time (often no more than 30 days) before switching to a new phone and number to further reduce the possibility of having calls monitored.

### DRUG-RELATED CRIME

Most of the crimes perpetrated in Hawaii are drug-related, particularly involving methamphetamine. According to Western States Information Network (WSIN), more than half of the critical events<sup>7</sup> reported in Hawaii in 2007 were drug-

related. The number of critical events attributed to methamphetamine (1,294) was higher than the number for all other drug types combined, despite a decrease in methamphetamine-related incidents from 2005 to 2007. (See Table 4 on page 11). All Hawaii state and local law enforcement agencies responding to the NDTs 2007 indicated that methamphetamine was the drug that most contributed to violent crime and property crime in their jurisdictions. Additionally, data from the Bureau of Alcohol, Tobacco, Firearms and Explosives show that 29 of the 48 cases investigated in Hawaii in 2007 were drug-related; of those, 20 were methamphetamine-related.

Drug abusers in Hawaii are increasingly committing property crimes, including burglaries, vehicle break-ins, and identity theft, to acquire money to purchase methamphetamine and other illicit drugs. According to the U. S. Secret Service in Honolulu, these individuals, sometimes working cooperatively in organized groups, are targeting not only homes but also automobiles parked in public areas such as beaches, parks, or scenic lookouts to steal cash, valuables, and personal identification information. Tourists are especially at risk in these locations. In January 2008, while investigating a local methamphetamine trafficking organization, federal law enforcement officers discovered that the organization was also involved in obtaining stolen personal identifiers and creating fraudulent identification documents used in the negotiation of counterfeit payroll checks. The fraud investigation, the largest in state history, revealed that the identities of more than 3,000 individuals had been compromised, with a total fraud loss exceeding \$1 million. Individuals involved in this crime used computer equipment including an all-in-one copier/scanner/printer to produce fraudulent documents; officials seized 69 altered drivers' licenses, 15 altered Social Security cards, 6 altered U.S. passports, 4 altered U.S. military identification cards, 22 counterfeit credit cards, and 300 altered payroll checks.

Illegal cannabis cultivation operations are increasingly the sites of home invasion robberies, particularly on the Big Island. HIDTA officials

7. Western States Information Network (WSIN) defines a critical event as a law enforcement activity that requires law enforcement agents or officers to respond to a predetermined location to conduct a proactive investigation.

**Table 4. Drug-Related Critical Events in Hawaii, 2005–2007**

Drug	2005	2006	2007	Percent Change 2005–2007
Methamphetamine	1,773	1,411	1,294	-27
Marijuana	67	145	128	91
Cocaine	69	124	122	77
Heroin	17	12	92	441
Other drugs*	31	68	71	129
Not specified	321	1,232	438	NA

Source: Western States Information Network.

\*Other drugs include precursor chemicals, hallucinogens, pharmaceutical drugs, steroids, narcotic equipment, and currency.

NA—Not applicable.

report that many of these robberies go unreported because the victims do not want to alert law enforcement to their own illicit activities. HIDTA law enforcement officials report that indoor cultivators increasingly possess weapons to protect their operations from home invasion robbers.

Some drug-related criminal activity in Hawaii can be attributed to members of Hispanic and African American street gangs and Caucasian OMGs who are relocating from the mainland (primarily California and Nevada) to establish drug distribution operations based on their connections to sources of supply in the United States and Mexico. Since 2005, ICE officials and other law enforcement participants in Operation Community Shield<sup>8</sup> in the Hawaii HIDTA region have arrested 16 members and associates of various street gangs, including Mara Salvatrucha (MS 13), Sureños (Sur 13), 18th Street Gang, and Crips.

8. To combat the escalating problem of transnational and other violent street gangs across the country, the U.S. Immigration and Customs Enforcement (ICE) launched Operation Community Shield in February 2005 in partnership with other federal, state, and local law enforcement officers, prosecutors, and probation officers. This initiative focuses on developing a comprehensive and integrated approach in conducting criminal investigations and other law enforcement operations against these violent street gang members.

## ABUSE

Illicit drug abuse levels in the Hawaii HIDTA region are high, particularly for ice methamphetamine. Data from the Substance Abuse and Mental Health Services Administration (SAMHSA) Treatment Episode Data Set (TEDS) reveal that methamphetamines/amphetamines were identified more often than any other drug, including alcohol, as the primary substance of abuse for treatment admissions to publicly funded facilities in Hawaii during the period 2002 through 2006 (the latest year for which data are available). (See Table 5 on page 12.) Cocaine, heroin, and ODDs are also abused throughout Hawaii, but to a lesser extent. The abuse of prescription narcotics, such as oxycodone, hydrocodone, hydromorphone, and methadone, occurs at lower levels than the abuse of other drugs; however, prescription narcotics abuse is increasing and is a growing concern in Hawaii.





**Table 5. Drug-Related Treatment Admissions to Publicly Funded Facilities in Hawaii, 2002–2006**

Drug	2002	2003	2004	2005	2006
Methamphetamine/amphetamines	2,241	2,570	2,381	2,624	2,181
Marijuana/hashish	1,432	1,391	1,215	1,577	1,618
Cocaine	338	317	279	222	302
Heroin	221	181	156	162	160
Other opiates	102	181	112	155	134

Source: Treatment Episode Data Set.

## ILLICIT FINANCE

Various money laundering techniques are commonly used by traffickers in the Hawaii HIDTA region to mask the origins of their drug proceeds. Drug traffickers primarily use package delivery services but also employ couriers aboard commercial flights to transport drug proceeds in bulk from Hawaii to drug source areas. Traffickers also launder drug proceeds through the use of wire remittance services, money services businesses, and structured bank transactions. Moreover, a number of traffickers, particularly retail-level traffickers, launder drug proceeds through the purchase of expensive consumer items such as automobiles, clothing, and jewelry.

Mexican and Asian DTOs are the most prominent drug money launderers in the region. Mexican DTOs send drug proceeds primarily by package delivery services, U.S. mail, air couriers, or maritime freight from locations throughout Hawaii, either directly to Mexico or through major collection sites on the U.S. mainland—Arizona, California, Nevada, and Texas—en route to Mexico. Asian DTOs frequently use drug proceeds to purchase commercial and residential property both in their home countries and throughout the state.

### Woman Receives 130 Months in Prison and Ordered to Forfeit \$1 Million

In November 2007 the U. S. Attorney for the District of Hawaii announced the sentencing of a woman to 130 months in prison and the forfeiture of more than \$1 million on drug trafficking and related money laundering charges. According to court records, the defendant admitted that between September 2001 and December 2006 she arranged for coconspirators to receive mail parcels containing multipound quantities of methamphetamine from California. The defendant also traveled to California with others to obtain methamphetamine from sources. The defendant used her business and personal bank accounts at different bank branches to launder the drug proceeds and to reinvest funds for future drug purchases.

Source: U. S. Attorneys Office, District of Hawaii, press release dated November 16, 2007.

## **OUTLOOK**

Ice methamphetamine will continue to represent the most significant drug threat to the Hawaii HIDTA region. Declining local production has allowed Mexican DTOs and criminal groups to strengthen their position as the principal suppliers of wholesale quantities of high-purity ice methamphetamine. Mexican traffickers will also continue to supply most of the powder cocaine and heroin abused in the region.

The full scope of ice methamphetamine trafficking from Oceania and Pacific Rim countries to Hawaii is unknown at this time. Limited investigative resources and intelligence preclude a full assessment of the threat. However, anecdotal law enforcement information indicates that ice methamphetamine is being shipped to Hawaii from these countries, and recent seizure activity suggests there is potential for ice methamphetamine from this area to challenge the market share now held by Mexican DTOs. Furthermore, the transit of ice methamphetamine from Oceania and Pacific Rim countries to the U.S. mainland is a growing concern among federal, state, and local law enforcement in Hawaii.

Despite effective law enforcement aerial surveillance and eradication programs, illegal cannabis cultivation will continue to meet the demands of abusers in the state. Over the next year, outdoor cultivation will most likely continue to trend downward; however, public lands in more remote areas of the state will increasingly be used by cultivators. Illegal cannabis cultivators will continue to exploit state medicinal marijuana laws and increase their activities in large-scale indoor cannabis cultivation operations within the HIDTA region in order to capitalize on high profit margins associated with higher-potency marijuana.



## SOURCES

### Local, State, and Regional

Hawaii County Police Department  
Hawaii Police Department  
Honolulu Police Department  
Kauai Hawaii Interagency Mobile Police Apprehension Task Force  
    Kona Vice Section  
Kauai Police Department  
Maui Hawaii Interagency Mobile Police Apprehension Task Force  
Maui Police Department  
Oahu Hawaii Interagency Mobile Police Apprehension Task Force  
State of Hawaii  
    Attorney General's Office  
    Center for Substance Abuse Treatment  
    Department of Public Safety  
        Narcotics Enforcement Division  
    Department of Transportation  
    Honolulu Prosecutor's Office

### Federal

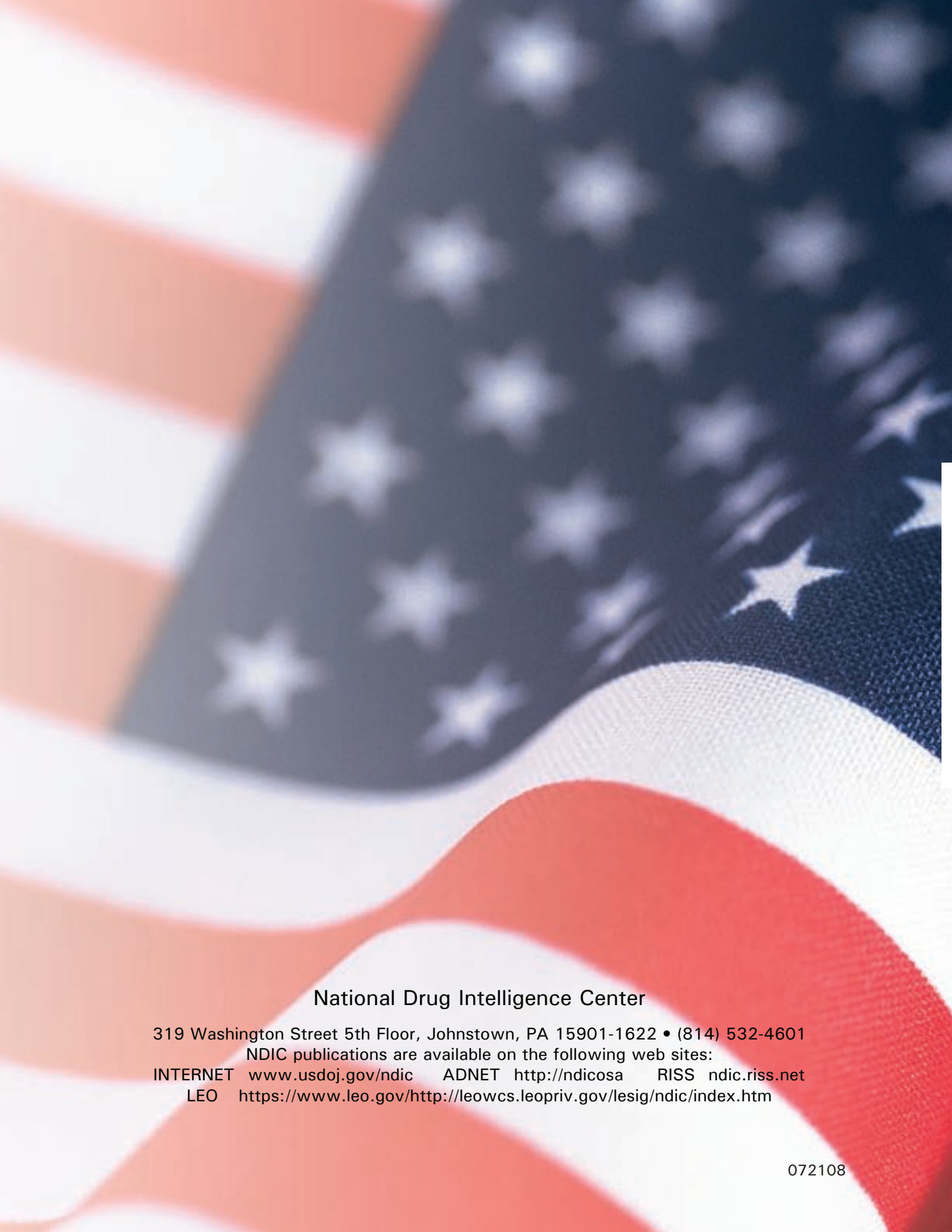
Executive Office of the President  
    Office of National Drug Control Policy  
        Hawaii High Intensity Drug Trafficking Area  
U.S. Department of Agriculture  
    Forest Service  
U.S. Department of Commerce  
    U.S. Census Bureau  
U.S. Department of Defense  
    Joint Interagency Task Force West  
U.S. Department of Health and Human Services  
    Substance Abuse and Mental Health Services Administration  
        Office of Applied Studies  
        Treatment Episode Data Set  
U.S. Department of Homeland Security  
    U.S. Customs and Border Protection  
    U.S. Immigration and Customs Enforcement  
U.S. Department of Justice  
    Bureau of Alcohol, Tobacco, Firearms and Explosives  
    Bureau of Justice Assistance  
        Western States Information Network

Drug Enforcement Administration  
    Diversion Program  
    Domestic Cannabis Eradication/Suppression Program  
El Paso Intelligence Center  
    National Seizure System  
Honolulu District Office  
    Honolulu Airport Task Force  
Los Angeles Field Division  
U.S. Attorneys Office  
    District of Hawaii  
U.S. Marshals Service  
    Hawaii Office  
U.S. Department of the Interior  
U.S. Department of the Treasury  
    U.S. Secret Service  
    Honolulu Field Office



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