



Arizona

High Intensity Drug Trafficking Area Drug Market Analysis

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U.S. Department of Justice

Preface

This assessment provides a strategic overview of the illicit drug situation in the Arizona 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 Arizona HIDTA.



Figure 1. Counties in the Arizona High Intensity Drug Trafficking Area.

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

Strategic Drug Threat Developments

- Mexican methamphetamine smuggling, transportation, and distribution continue to be the primary drug threats to the Arizona HIDTA region, despite successful precursor chemical control legislation, law enforcement pressure, and public awareness campaigns that have contributed to significant declines in local methamphetamine production and distribution over the last several years.
 - Several successful law enforcement interdictions, seizures, and arrests since December 2006 on both sides of the Arizona–Mexico border as well as legislation in Mexico pertaining to the importation of pseudoephedrine into that country have contributed to temporary methamphetamine shortages and dramatic price increases in Arizona and other U.S. locations that are supplied by traffickers in Arizona, including Las Vegas, Nevada.
 - Mexican drug trafficking organizations (DTOs) and criminal groups continue to smuggle illicit drugs, particularly marijuana, through remote areas of public and tribal lands to avoid law enforcement detection.
 - The number and severity of assaults targeting law enforcement personnel patrolling the Arizona–Mexico border have increased dramatically over the past year; some Mexican DTOs have ordered drug traffickers working for them or on their behalf to use violence to protect their drug shipments from law enforcement interdiction.
 - Mexican DTOs that smuggle illicit drugs across the Arizona–Mexico border continue to work closely with Mexican criminal groups that smuggle illegal aliens and U.S.-based gangs (street gangs, prison gangs, and/or outlaw motorcycle gangs (OMGs)).
 - High-level Mexican DTOs¹ smuggle wholesale quantities of illicit drugs through existing subterranean infrastructures, such as drainage tunnels
- and sewage and irrigation systems, particularly in the Nogales area. They also continue to smuggle illicit drugs through ports of entry (POEs) in vehicles equipped with concealed compartments and in tractor-trailers with legitimate cover loads.
- Several East Coast-based Jamaican DTOs operating in Arizona have formed alliances with Mexican DTOs to purchase wholesale quantities of marijuana for distribution in northeastern and southeastern drug markets. Additionally, these Jamaican DTOs increasingly smuggle wholesale quantities of marijuana north across the Arizona–Mexico border for distribution in Arizona, particularly in the Phoenix and Tucson areas.
 - The amount of Mexican black tar heroin smuggled into the Arizona HIDTA region from Mexico has increased dramatically, resulting in increased heroin availability in areas previously reporting little or no heroin availability. In addition, much of the heroin smuggled into Arizona is transshipped to other U.S. locations, including the Pacific Northwest and various areas east of the Mississippi River, an action contributing to increased availability of the drug nationwide.
 - Methamphetamine abusers in Arizona are increasingly committing identity theft to acquire funds to pay for the drug. The problem is so significant that Arizona ranked first in the number of identity theft victims per 100,000 residents in 2006; those victims are often migrant illegal aliens seeking employment within the Phoenix area as well as older citizens. Criminals who commit identity theft often target migrant illegal aliens because they view those individuals as more vulnerable because of language barriers or cultural differences; they view older citizens as more trusting about sharing their personal information with strangers.

1. High-level Mexican drug trafficking organizations (DTOs) are affiliated with large drug cartels.

Drug Trafficking Organizations, Criminal Groups, and Gangs

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

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

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

HIDTA Overview

The Arizona HIDTA region encompasses the western and southern counties of Cochise, La Paz, Maricopa, Mohave, Pima, Pinal, Santa Cruz, and Yuma and includes the entire Arizona–Mexico border. The HIDTA also includes a number of federal lands controlled by the U.S. Department of Agriculture (USDA), U.S. Forest Service, U.S. Department of the Interior: National Park Service (NPS), U.S. Fish and Wildlife Service, Bureau of Indian Affairs (BIA), and Bureau of Land Management (BLM) relating to the Tohono O'odham Indian Reservation, and the Department of Defense. Relatively recent economic and population growth in Arizona's two primary drug markets (Phoenix and Tucson), numerous highways connecting major metropolitan areas in Arizona with major illicit drug source areas in Mexico, and a remote, largely unprotected border area between Arizona's POEs are the primary factors contributing to the frequent and increasingly high levels of illicit drug smuggling into and through the Arizona HIDTA as well as to the return of drug proceeds to Mexico.

The Arizona HIDTA region is one of the most significant entry points for marijuana, cocaine, methamphetamine, and Mexican black tar heroin distributed and abused in drug markets throughout

the United States. Over the past decade, increased law enforcement pressure along the Texas–Mexico and California–Mexico borders has forced many highly organized and adaptable Mexican DTOs to exploit the Arizona–Mexico border to smuggle illicit drugs and illegal aliens into the United States and weapons back into Mexico. As a result, the level of drug-related crime and violence has also increased in the area. To counter this threat, officials have increased law enforcement presence along the Arizona–Mexico border and have identified and arrested members of major DTOs exploiting the border. Consequently, some Mexican DTOs are resorting to violence against law enforcement officers to facilitate the passage of their illicit cargo.

Drug Threat Overview

Significant quantities of illicit drugs such as methamphetamine, cocaine, marijuana, and Mexican black tar heroin are readily available and abused in the Arizona HIDTA region. Law enforcement officers seize more marijuana (often in ton quantities) than any other illicit drug along the Arizona–Mexico border; much of this marijuana is abandoned by traffickers. Nonetheless, methamphetamine distribution and abuse as well as the drug's associated violence pose the most significant drug threats to the region. Successful law enforcement initiatives since December 2005 in Arizona and Mexico have curtailed some of this threat by contributing to temporary shortages of ice methamphetamine in both areas. As a result, ice methamphetamine prices in the Arizona HIDTA region from late 2005 to the beginning of 2006 increased from \$8,000 to \$10,500 per pound and remain consistently high. Because significant quantities of methamphetamine transit the Arizona HIDTA region destined for other U.S. locations, including Las Vegas, Nevada, shortages of the drug in those areas have also occurred.

Mexican DTOs—most of which are polydrug in nature—smuggle increasing quantities of cocaine and Mexican black tar heroin across the Arizona–Mexico border, quite likely as a result of heightened law enforcement pressure along the California– and Texas–Mexico borders and recent decreases in the availability of Mexican methamphetamine. Some of

the cocaine smuggled into the area is abused locally; however, additional quantities transit the area destined for other U.S. locations. Most of the heroin smuggled across the Arizona–Mexico border is intended for consumption outside the HIDTA region; however, the availability of Mexican black tar heroin has increased in areas such as Lake Havasu City and Bullhead City, which previously reported little or no heroin availability. Additionally, increased quantities of Mexican black tar heroin smuggled from sources in Chiapas, Jalisco, Michoacán, and Nayarit, Mexico, through Arizona have contributed to increased availability in areas supplied by traffickers in Arizona—including areas east of the Mississippi River, such as Nashville, Tennessee, which historically had minimal or no Mexican black tar heroin available.

Drug Trafficking Organizations

Mexican DTOs generally control drug trafficking in the Arizona HIDTA region. They use established smuggling routes and adapt their smuggling methods to increase the flow of illicit drugs into Arizona for distribution to drug markets throughout the country. Many of these Mexican DTOs are family-based organizations; they protect their operations by employing relatives and friends living on both sides of the border, making it difficult for law enforcement agencies to penetrate them. In addition, Mexican DTOs often exploit illegal immigrants who wish to remain in the United States by soliciting them to backpack or “mule” illicit drug shipments into remote areas of Arizona, thus protecting DTO members at virtually no cost.

Mexican DTOs have established a highly sophisticated smuggling infrastructure consisting of compartmentalization of duties; alliances with other DTOs, criminal groups, and street gangs; and nationwide networks. For example, several East Coast-based Jamaican DTOs have formed associations with Mexican traffickers to purchase 250- to 500-kilogram loads of marijuana from Mexican traffickers operating in southern or central Arizona. They then transport the drug to their Jamaican counterparts, particularly those in the Northeast and

Southeast. In addition, Jamaican DTOs distribute Mexican marijuana in the Phoenix and Tucson areas at an increasing rate.

Caucasian criminal groups, independent dealers, Jamaican DTOs, OMGs, street gangs, and prison gangs transport and distribute illicit drugs in the Arizona HIDTA region, but the nature and scope of their trafficking operations are relatively minor compared with those of Mexican DTOs. They transport wholesale to retail quantities of illicit drugs for distribution in the Arizona HIDTA region and to other U.S. destinations.

Production

Most of the marijuana available in the HIDTA region is produced in the Mexican states of Guerrero, Michoacán, Nayarit, Oaxaca, and Zacatecas. Some marijuana is produced locally, although seizure statistics indicate that overall cannabis cultivation rates in Arizona are trending upward. Law enforcement officials in Arizona participating in the Drug Enforcement Administration (DEA) Domestic Cannabis Eradication/Suppression Program (DCE/SP) seized 82,781 plants in 2006, a slight decrease from the 113,523 cannabis plants seized in 2005 but a sharp increase from prior years; 26,774 cannabis plants were reported seized during the period of 2001 through 2004. Most local cannabis cultivation takes place outdoors, often on federal public lands. The largest cannabis cultivation plots often are discovered along the Mogollon Rim, an area outside the HIDTA region but just north of Maricopa County. (See [Figure 2 on page 5.](#))

Most of the methamphetamine available in the Arizona HIDTA region is produced in Jalisco, Sonora, and Sinaloa, Mexico; however, Mexican traffickers are also beginning the methamphetamine production process in Mexico and then transporting the unfinished product into Arizona, where it is further processed. For example, in December 2006 U.S. Customs and Border Protection (CBP), in conjunction with the DEA Tucson District Office, arrested a Mexican trafficker and seized liquid methamphetamine from inside the gas tank of a private vehicle. The methamphetamine liquid was



Figure 2. Cannabis eradication sites in the Arizona HIDTA region, 2006.

Source: Drug Enforcement Administration Domestic Cannabis Eradication/Suppression Program; U.S. Department of Agriculture Forest Service; Arizona Department of Public Safety; Gila County Task Force; Maricopa County Sheriff's Office; Phoenix Police Department.

being smuggled from Mexico to Arizona, where it was going to be separated, mixed with hydrogen chloride (HCl), “bubbled,” and then crystallized into ice methamphetamine. This smuggling technique is increasingly used by Mexican traffickers, who take extra precautions to avoid law enforcement interdiction, particularly during production.

Transportation

Mexican DTOs exercise substantial control over the smuggling of cocaine, methamphetamine, and Mexican black tar heroin into Arizona from Mexico and pose formidable challenges to U.S. law enforcement officers who secure border areas. According to law enforcement reporting and intelligence, relatively few traffickers smuggle illicit drugs through plazas² along the Arizona–Mexico border without Mexican DTO knowledge, approval, and financial remuneration. In addition,

approximately 50 percent of all U.S. Border Patrol (USBP) illicit drug seizures along the Southwest Border occur in Arizona; most also involve Mexican DTOs or those working with them or on their behalf. In addition, Mexican DTOs have started to work more closely with U.S.-based gangs and Mexican groups that smuggle illegal aliens. Most of the prison and street gangs with which Mexican DTOs associate serve as distributors, surrogates, and enforcers for the DTOs. Some of the illegal alien smuggling groups reportedly transport individuals from special-interest countries—countries that harbor terrorists or promote terrorism—into the United States. USBP agents in Arizona report that they interdict hundreds of illegal aliens from special-interest countries each year. Many others, especially those with professionally manufactured false identification records, enter the country unimpeded; some quite likely are also drug traffickers.

2. A plaza is a geographic area in which drug smuggling is controlled by a DTO.

Mexican DTOs transport wholesale quantities of illicit drugs into Arizona using private and commercial vehicles, often equipped with hidden compartments. Traffickers transport illicit drug shipments on U.S. Interstate 19, which connects directly with Mexican Federal Highway 15 and other major highways in Sonora, Mexico. They also commonly use other major Arizona highways, including State Routes 80, 82, 85, 86, 90, and 92, which are easily accessed by Mexican Federal Highway 2 directly across the Arizona–Mexico border.³ (See Figure 3 on page 7.) Increased law enforcement coverage along the Arizona–Mexico border has forced Mexican traffickers to take extra precautions when concealing illicit drug shipments. For example, Mexican traffickers allegedly smuggle methamphetamine dissolved in large-capacity water tanks that are stored in motor homes or other recreational vehicles for transport across the border; once the drugs reach the intended destinations, the water is evaporated from the tank, and the methamphetamine is retrieved. Mexican traffickers also conceal illicit drugs inside—or commingle illicit drugs with—legitimate cargo for transport and later distribution. For example, law enforcement officials have made several seizures of methamphetamine that had been concealed inside fire extinguishers. Additionally, in June 2006 USBP agents stopped the driver of a flatbed truck carrying what appeared to be a load of drywall. Upon further inspection, the agents discovered that the center of the drywall had been professionally cut out to form a cavity that contained 28 bundles of marijuana totaling 1,000 pounds. Some Mexican drug traffickers have resorted to scare tactics such as purporting to be transporting explosive devices to dissuade law enforcement from interdicting their drug shipments. (See text box.)

Mexican DTOs often transport illicit drugs through POEs using private and commercial vehicles; however, they also transport significant and increasing quantities of illicit drugs, particularly

Mexican Trafficker Claims Bomb Concealed in Marijuana Transport Vehicle

In May 2006, USBP agents and officers with the San Luis Police Department (SLPD) detained the driver of a private vehicle for allegedly eluding USBP agents earlier that day. They had detained the driver after discovering that the vehicle had been parked in a residential area. Moments later, SLPD dispatch received a telephone call from an unknown Spanish-speaking male, who falsely claimed that there was a bomb located in the vehicle. The caller insisted that officers vacate the area in 10 minutes. However, 10 minutes later, the same caller made another call to the SLPD, providing similar instructions. Shortly thereafter, the Yuma County Sheriff's Office Bomb Squad and the U.S. Marine Corps Explosive Ordinance Disposal robots removed 145 packages of marijuana totaling 1,725 pounds from the vehicle but did not locate a bomb.

Source: Drug Enforcement Administration Phoenix.

marijuana, between POEs. (See Table 1 and Table 2 on page 8.) Many Mexican traffickers who transport illicit drugs in vehicles between POEs make no attempt to conceal illicit drug shipments and instead simply “drive through” the border. Transporters who conduct drive-throughs are particularly dangerous because most of them drive erratically at high speeds when approached by law enforcement officials; they also destroy Saguaro cactuses and other vegetation while driving through desert terrain.⁴ In addition, most traffickers cut or otherwise destroy the fence along the Arizona–Mexico border. Many of these traffickers smuggle illicit drugs in tandem—using two or more vehicles simultaneously—primarily because they believe that law enforcement resources usually are too limited to chase all the vehicles involved. Many traffickers also transport

3. Arizona is the only state along the Southwest Border that does not have U.S. Border Patrol (USBP) checkpoints. As a result, traffickers often exploit Arizona roadways when transporting illicit drugs to and through the state.

4. Officers and agents with the USBP, Forest Service, and U.S. Fish and Wildlife report that drive-throughs often result in the destruction of the Saguaro cactus—the state flower and a cactus unique to extreme southeastern California, southern Arizona, and adjoining northwestern Mexico that attracts tourists from all over the world. The Saguaro cactus grows very slowly—perhaps an inch in height a year—but can grow as high as 50 feet and, once destroyed, cannot be easily replaced.

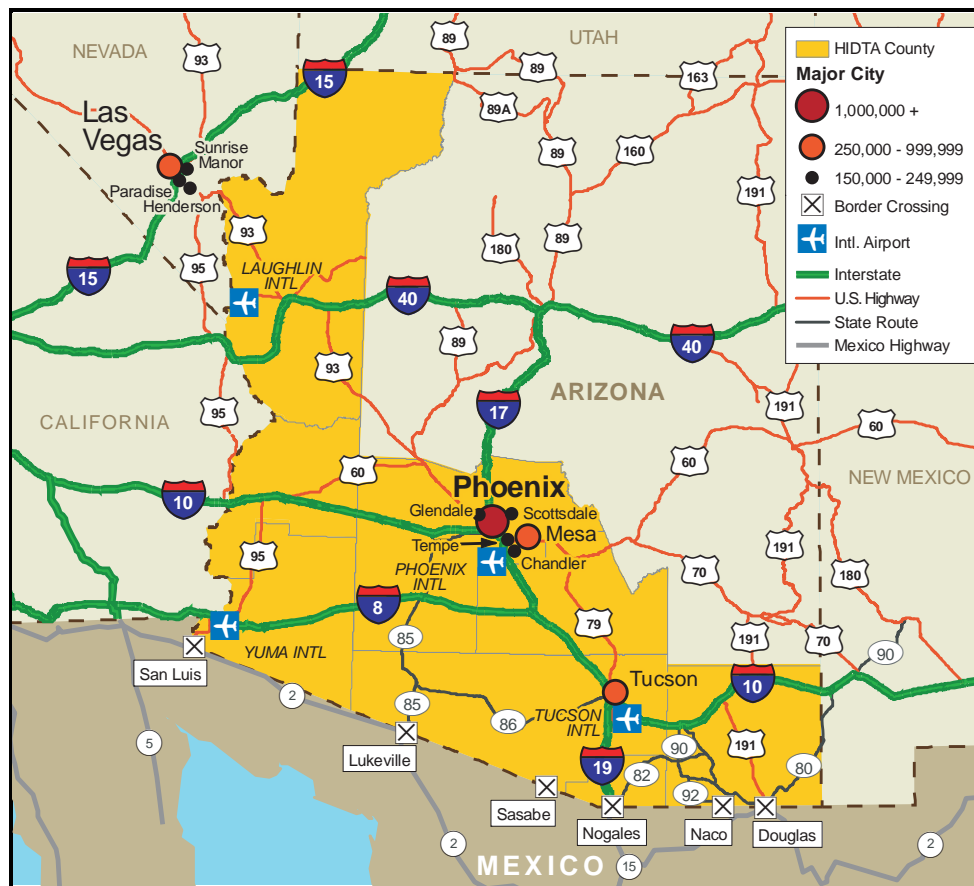


Figure 3. Arizona HIDTA transportation infrastructure.

smaller loads (20 to 100 kg) than they had transported previously, particularly when smuggling cocaine, most likely to cut their losses in the event of law enforcement interdiction. Smaller drug loads typically are stored in stash houses in the Nogales area for consolidation and eventual bulk transport to Tucson and Phoenix. Once in Tucson and Phoenix, some of the drugs are distributed locally; however, significant quantities are repackaged and shipped to other U.S. destinations, including Colorado, Georgia, Indiana, Kansas, Kentucky, Missouri, Nebraska, Ohio, Utah, and Wisconsin. Most drug proceeds are transported in the reverse direction, often in the same vehicles used to transport illicit drugs to the area.

High-level Mexican traffickers smuggle up to hundreds of pounds of marijuana and occasionally other illicit drugs weekly through existing subterranean infrastructures, particularly in the Nogales

metropolitan area. The number of tunnels discovered in Arizona, particularly at the Nogales POE, is higher than the number discovered in any other border state. The Nogales metropolitan area often is exploited by drug traffickers because it is located above an intricate system of underground drainage tunnels and sewage and irrigation systems. Some of the drug traffickers who exploit underground tunnels or systems crack holes through existing pipes, which typically are concrete. The traffickers then construct man-made tunnels from these openings in the pipes. The tunnels branch off in many different directions, and most terminate at one of the numerous homes or businesses located in the hills along the Arizona–Mexico border. For example, in July 2006 USBP agents seized 250 pounds of marijuana and arrested two men for smuggling the drug from Mexico through a sewer storm drain that terminated in Nogales.

Table 1. Illicit Drug-Related and Firearms-Related Seizures Between Ports of Entry in Arizona by Number and Weight, FY2002–FY2006

Fiscal Year		2002	2003	2004	2005	2006
Marijuana	Seizures	1,198	1,840	2,161	2,264	3,876
	Pounds	277,269	383,599	459,328	523,816	661,985
Cocaine	Seizures	28	40	53	66	83
	Pounds	113	116	882	1,206	106
Heroin	Seizures	5	7	7	7	6
	Ounces	24	17	37	2	1
Methamphetamine	Seizures	33	89	86	82	142
	Pounds	1	29	9	17	8
Firearms Used In Same Event as Drugs Seized		25	63	52	54	84

Source: U.S. Border Patrol as of 2/21/07.

Table 2. Illicit Drug Seizures at Ports of Entry in Arizona, by Number and Weight, FY2002–FY2006

Fiscal Year		2002	2003	2004	2005	2006
Marijuana	Seizures	640	827	710	521	412
	Pounds	119,622	132,353	135,308	54,710	47,709
Cocaine	Seizures	97	91	156	159	153
	Pounds	4,943	5,861	10,905	4,597	5,584
Heroin	Seizures	4	1	10	12	27
	Pounds	10	11	294	75	189
Methamphetamine	Seizures	25	56	83	100	57
	Pounds	704	2,529	3,304	1,781	884

Source: U.S. Customs and Border Protection as of 2/21/07.

Mexican traffickers on either side of the Arizona–Mexico border often hire backpackers to carry marijuana-filled burlap bags, weighing 50 pounds or more, north across the border. They transfer bundles of marijuana through holes in the fence or throw bundles of drugs over the fence for retrieval by other traffickers in pickup trucks and other four-wheel-drive vehicles. As part of these operations, lookouts or individuals who reside on either side of the border monitor patrol patterns and determine

the best times to conduct illicit drug smuggling operations. Backpackers who smuggle illicit drugs across the Arizona–Mexico border pose additional problems. For example, many of these smugglers pilfer items such as food and clothing from local residents or damage their properties, making many residents fear for their safety and, in some cases, take the law into their own hands, increasing the threat of violence even more.

Distribution

Mexican DTOs are the primary wholesale distributors of illicit drugs in the Arizona HIDTA region. Law enforcement reporting indicates that their influence over the distribution of wholesale quantities of illicit drugs, primarily methamphetamine, marijuana, cocaine, and Mexican black tar heroin, is well entrenched and, in most cases, increasing. Additionally, law enforcement and intelligence reporting indicates that Mexican DTOs and criminal groups continue to contract with Colombian DTOs to transport and distribute cocaine on behalf of the Colombian DTOs and continue to purchase cocaine outright from Colombian DTOs. These Mexican DTOs then transport the cocaine through Arizona for distribution locally and throughout the United States.

Explosive Resembles Ice Methamphetamine

Law enforcement officers in Phoenix recently seized an explosive that resembled ice methamphetamine. In May 2006 officials with the Phoenix HIDTA Clandestine Methamphetamine Laboratory Task Force discovered a substance that they originally thought was ice methamphetamine while conducting a consent search subsequent to an illicit drug-related “knock-and-talk.” The Department of Public Safety (DPS) Bomb Unit performed a burn test on a small sample of the substance, and the substance sparked and then ignited. They then conducted a similar test on a larger sample, and the substance exploded. The Bomb Unit contacted the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), which, along with the DPS laboratory, determined that the substance was triacetone triperoxide (TATP).^a This was the first TATP encountered by law enforcement officers in Arizona.

Source: Drug Enforcement Administration Phoenix.

a. According to the online encyclopedia Wikipedia, “acetone peroxide (triacetone triperoxide, peroxyacetone, TATP, TCAP) is an organic peroxide and a primary high explosive. It takes the form of a white crystalline powder with a distinctive acrid smell.”

Mexican traffickers distribute wholesale quantities of methamphetamine in the area; however, recent law enforcement reporting suggests that methamphetamine availability in Arizona has decreased temporarily for these reasons: successful law enforcement operations in the United States and Mexico, legislation in Mexico pertaining to the importation of pseudoephedrine into that country, and changes in smuggling routes. It is likely, given Mexican DTOs’ dominance over drug trafficking in the Southwest and their ability to quickly adapt, that they will overcome this setback and rejuvenate their supply based on the high and increasing demand for the drug in the United States. It is also likely that they will take extra precautions—possibly by decreasing the quantities that they distribute each time, by concealing the drug further, or by compartmentalizing production more frequently—to reduce possible losses.

Law enforcement reporting further reveals that Mexican DTOs have significantly increased the amount of Mexican black tar heroin that they distribute in and from the Arizona HIDTA region, increasing availability of the drug in many parts of the country. Most of the heroin is distributed by family-based Mexican traffickers who reside in the Phoenix and, to a lesser extent, Tucson areas. They maintain such control over heroin distribution that they have increased the availability of Mexican black tar heroin east of the Mississippi River and are the main suppliers of heroin to traffickers throughout the Pacific Northwest.

Drug-Related Crime

Mexican DTOs and their affiliates are more sophisticated and significantly more violent than they were in the past. Enforcement arms of these DTOs have shot and otherwise injured law enforcement officials, rival DTO members, and gang members on both sides of the border. Drug traffickers now vigorously protect the product that they transport; they confront law enforcement directly or engage in high-speed chases to avoid arrest and interdiction. For instance, in 2006 several armed smugglers approached a National Guard station along the Arizona–Mexico border between

Nogales and Lukeville in broad daylight wearing Soviet-style vests and carrying AK-47 assault rifles. No one was injured or killed during this confrontation; however, the incident illustrates the level of brazenness that Mexican DTOs employ in testing smuggling routes. Additionally, assault statistics indicate that drug smugglers have noticeably increased their level of violent assaults against USBP and other federal law enforcement officers and agents who protect the border. Although most of these assaults involve rockings, smugglers are increasingly ramming USBP vehicles, attempting to run over agents, and firing upon agents, often with automatic weapons.

Some smugglers, referred to as *bajadores*,⁵ rob other smugglers who successfully cross the border undetected, stealing their drug supplies, guns, and illegal aliens. Many *bajadores* reportedly commit such robberies while dressed as law enforcement officials. They obtain information regarding dates, times, and locations of smuggling events from informants working with both the smuggler and the *bajadore*. Once *bajadores* steal a shipment, the owners of the drugs usually attempt revenge, occasionally through execution-style homicides. Although most *bajadores* are low-level traffickers, some work for high-level Mexican DTOs in Phoenix or Tucson and are becoming increasingly violent.

Illicit Finance

Mexican DTOs are the principal money launderers in the Arizona HIDTA region. They exploit the area because of the large number of stash houses in which drug proceeds can easily be consolidated for bulk shipment and the proximity of the area to the Arizona–Mexico border. In addition, the large number of Mexican transporters operating in the area helps traffickers move bulk drug proceeds into Mexico and South America. However, Caucasian and Jamaican independent dealers as well as street gangs, OMGs, and prison gangs also launder illicit proceeds in and from the area, but to a lesser extent than Mexican DTOs. According to

DEA, both the number of bulk currency seizures and the number of stash locations where drug proceeds were seized in Arizona increased dramatically between 2005 and 2006. As of the third quarter of fiscal year (FY) 2006, DEA reported a 128 percent increase in the number of bulk currency seizures (121 bulk currency seizures totaling \$10,294,191 compared with 53 such seizures totaling \$8,679,563 during the same period in 2005). During those same periods, DEA also reported an 850 percent increase in the number of bulk currency seizures at stash houses (38 events totaling \$4,169,479 compared with 4 events totaling \$301,160). Most of these seizures involved currency that was smuggled in bulk from Phoenix and Tucson using commercial airlines and private vehicles. Traffickers have also decreased the total amount of illicit drug proceeds smuggled at one time in order to reduce their losses in the event of an interdiction. Once traffickers smuggle illicit proceeds into Mexico, they often deposit the funds in Mexican financial institutions, including *casas de cambio* (exchange houses) and banks for eventual transport back to the United States through electronic wire transfers or physical transport. In addition, traffickers in the HIDTA region also regularly structure bank deposits and money order purchases to avoid reporting requirements, or they launder illicit proceeds through retail stores, real estate companies, and restaurants and by purchasing assets such as property, vehicles, jewelry, or recreational vehicles.

Drug traffickers throughout the United States often wire-transfer illicit drug proceeds to Phoenix and Tucson for consolidation and eventual bulk transport to Mexico. However, this practice is occurring less frequently than in prior years. The Arizona Attorney General’s Office reports that effective law enforcement efforts in the state have forced drug traffickers to reroute their wire transfers. Most of these traffickers now avoid Arizona and transfer their drug proceeds by wire to other U.S. destinations or directly to Mexico.

5. *Bajadores* historically were Hispanic criminals; however, law enforcement reporting currently indicates that *bajadores* may or may not be Hispanic.

Major Market Areas

The Arizona HIDTA region contains two major drug market areas, Phoenix and Tucson; these markets constitute the most significant areas of illicit drug trafficking and abuse within the HIDTA region.

Phoenix

Market Overview

The Phoenix metropolitan area is a regional- and national-level transportation and distribution center for methamphetamine and marijuana and a regional distribution center for other illicit drugs, primarily cocaine and Mexican black tar heroin. The area's transportation infrastructure facilitates the shipment of illicit drugs from Mexico to Phoenix for local distribution and transshipment to drug markets throughout the country, such as Atlanta, Georgia; Columbia, South Carolina; Columbus, Ohio; Denver, Colorado; Las Vegas, Nevada; Nashville, Tennessee; and Philadelphia, Pennsylvania.

Production

Most of the illicit drugs available in the greater Phoenix area are produced in Mexico. Nonetheless, Caucasian criminal groups and independent dealers, OMGs, prison gangs and, to a lesser extent, Mexican criminal groups produce limited and decreasing quantities of methamphetamine in small-scale laboratories (less than 1 pound per production cycle) for distribution and use primarily within the Phoenix area. National Clandestine Laboratory Seizure System (NCLSS) data indicate that the largest number of powder methamphetamine laboratories seized in Arizona were located in Maricopa County (which includes Phoenix), followed by Pima County (which includes Tucson). All other

counties statewide accounted for a much lower proportion of the seized powder methamphetamine laboratories. (See Table 3.)

Cannabis cultivation and marijuana production within the Phoenix area are limited but trending upward. Caucasian independent growers and dealers are the primary cannabis cultivators in Phoenix. They cultivate cannabis at both indoor and outdoor grow sites throughout the Phoenix area; however, only personal use amounts of marijuana are produced at these sites. Law enforcement reporting indicates that some local indoor cannabis growers use hydroponic techniques. According to DCE/SP data, law enforcement officers in Arizona reportedly seized 82,244 outdoor cannabis plants and 537 indoor cannabis plants in 2006, a significant portion of which were seized in the Phoenix area.

Transportation

Mexican traffickers transport drugs across the Arizona–Mexico border at POEs or in remote, unmanned areas between POEs. Law enforcement reporting in Arizona historically indicates that smugglers tend to transport more valuable loads of cocaine, Mexican black tar heroin, and methamphetamine and larger shipments of marijuana at or near POEs to ensure that the load is directly shipped to the destination and to avoid losses. Recently, however, increased law enforcement pressure along the Arizona–Mexico border has forced traffickers to more frequently smuggle illicit drugs through Arizona's public lands, tribal lands, and remote areas between POEs (see Table 1 on page 8) or to shift routes by smuggling illicit drugs through California

Table 3. Number of Powder Methamphetamine Laboratory Seizures in Arizona Counties, 2002–2006.

County	2002	2003	2004	2005	2006	Total
Maricopa	146	85	69	32	6	338
Pima	12	9	5	10	3	39
Other Counties Statewide	47	17	20	7	1	92
Totals	205	111	94	49	10	469

Source: National Clandestine Laboratory Seizure System as of 2/13/07.

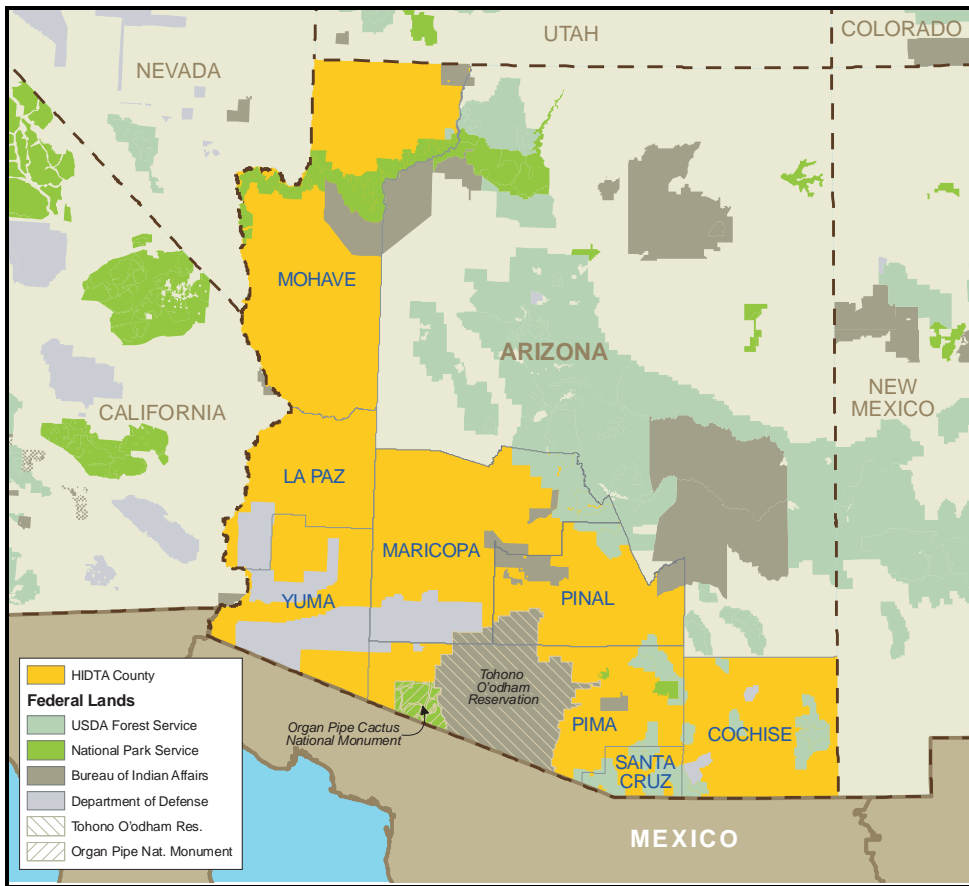


Figure 4. Federal and tribal lands in Arizona.

and Texas. For example, Mexican traffickers smuggle wholesale quantities of marijuana from Sonora, Mexico, into the Arizona HIDTA region through the Tohono O’odham Indian Reservation, whose northern border is within 20 miles of Phoenix. Law enforcement reporting indicates that when drug smugglers enter Arizona through the reservation, they typically transport illicit drugs north to Phoenix for distribution in that city or to Las Vegas and other market areas throughout the country, often using US 93. Many of these smugglers also now avoid using I-10 and I-40, which are heavily patrolled by law enforcement.

Distribution

Mexican DTOs use familial ties and long-established relationships to maintain control over distribution groups in and around the Phoenix area. Mexican DTOs supply wholesale quantities of methamphetamine, cocaine, Mexican black tar heroin, and marijuana to various street gangs, criminal groups, local independent dealers, OMGs, and

prison gangs in the Phoenix area for further distribution. (See Table 4 on page 13.) Most drug shipments from Mexico into the Phoenix area are intended for immediate distribution to these organizations; however, large quantities of illicit drugs—particularly marijuana and methamphetamine—are often stashed in houses, apartments, and other secured locations in the Phoenix area by Mexican traffickers before being made available to other distributors and before being transhipped to other drug markets. The Phoenix metropolitan area is a leading location for marijuana stash houses in the country. Phoenix Police Department reporting indicates that stash houses are increasingly located in areas surrounding the city—such as the West Valley and Mesa—to avoid rising real estate costs and increased law enforcement presence in Phoenix.

Street gangs are the primary retail-level distributors of illicit drugs in Phoenix; they typically distribute powder and crack cocaine, Mexican black tar heroin, marijuana, and methamphetamine. (See

Table 4. Drugs Distributed by Wholesale-Level Distributors in the Phoenix Market Area

Group	Drugs Distributed
Mexican drug trafficking organizations	Cocaine, Mexican black tar heroin, marijuana, and methamphetamine
Jamaican drug trafficking organizations and criminal groups	Mexican black tar heroin and marijuana
Prison gangs	Mexican black tar heroin
Outlaw motorcycle gangs	Methamphetamine

Table 5. Drugs Distributed by Retail-Level Distributors in the Phoenix Market Area

Group	Drugs Distributed
Street gangs	Powder and crack cocaine, Mexican black tar heroin, marijuana, and methamphetamine
Mexican drug trafficking organizations	Powder and crack cocaine, Mexican black tar heroin, marijuana, and methamphetamine
Independent dealers	Methamphetamine, powder and crack cocaine, marijuana, MDMA, and diverted pharmaceuticals
Outlaw motorcycle gangs	Methamphetamine and MDMA
Prison gangs	Methamphetamine, Mexican black tar heroin, and marijuana
Jamaican criminal groups	Marijuana

Table 5.) Street gangs pose a particular threat to the city because of their propensity to use violence to protect drug distribution operations. Mexican criminal groups and independent dealers, Caucasian criminal groups and independent dealers, OMGs, prison gangs, white supremacist groups, and Jamaican criminal groups also distribute retail quantities of illicit drugs in the area, albeit to a lesser extent.

Drug-Related Crime

Much of the violent and property crime in Phoenix is attributed to drug-related gang activities; however, in recent years, identity theft has become a significant concern to law enforcement officers and community leaders. Methamphetamine abusers within the HIDTA region are increasingly committing identity theft to acquire funds to pay for the drug. According to the Federal Trade Commission (FTC), Arizona ranked first in the number of identity theft victims per 100,000 residents in 2006. Of the 9,113 victims recorded that year, most (6,533)

resided in the Phoenix/Scottsdale/Mesa, Arizona, area (which recorded 175.8 victim complaints per 100,000 residents). The individuals most frequently affected by identity theft are migrant illegal aliens seeking employment within the Phoenix area and older citizens. Criminals who commit identity theft often target migrant illegal aliens because they usually view those individuals as more vulnerable on account of language barriers or cultural differences; they also view older citizens as more trusting about sharing their personal information with strangers. Identity theft may be a particular problem in the HIDTA region because of the relatively lenient penalties that had been previously mandated for the offense in Arizona. However, legislation enacted in Arizona in 2005 and 2006 mandates stricter penalties for the crime and should help reduce the rate of identity theft in Phoenix in the future.

Tucson

Market Overview

Tucson is a regional- and national-level distribution center for illicit drugs, particularly marijuana. Mexican DTOs exploit the area because of its proximity to Mexico. Tucson is located within 65 miles of the Arizona–Mexico border and is situated near the Tohono O’odham Indian Reservation, Coronado National Forest, and Organ Pipe Cactus National Monument—vast tracts of remote land commonly used by Mexican DTOs to transport illicit drugs to and through Arizona. Tucson’s prime geographic location and its well-developed transportation infrastructure further position the city as a key distribution hub and stash location in the Southwest. In fact, law enforcement reporting and seizure data suggest that the prevalence of stash houses in the area is a direct result of Tucson’s proximity to the border and its access to major interstates and secondary roadways.

Production

Drug production within Tucson is generally limited; most drugs are smuggled into the area from Mexico. Caucasian criminal groups and local independent dealers operate small-scale powder methamphetamine laboratories in which only ounce quantities of powder methamphetamine can be produced per production cycle. This limited production, however, is decreasing. (See Table 3 on page 11.) Methamphetamine production in Pima County has declined in recent years because of the increased availability of low-cost Mexican methamphetamine, precursor chemical restrictions within the state, increased law enforcement presence, and public awareness campaigns. In anticipation of the Combat Meth Act, officials in Tucson created a municipal ordinance requiring that pseudoephedrine products be placed behind the counter and that consumers show identification before purchasing items that contain pseudoephedrine.

Transportation

Mexican DTOs transport large quantities of cocaine, Mexican black tar heroin, methamphetamine, and marijuana from Sonora, Mexico, into the city along major roadways. Mexican traffickers

also extensively use national parks, monuments, and forests, as well as tribal lands located along the Arizona–Mexico border to move illicit drugs into the Tucson area for distribution within the city or for transportation to other drug markets throughout the country. Tucson is a primary transshipment area for illicit drugs because of its proximity to Mexico and its extensive highway system, which connects to I-8 and I-10, major east-west interstates. Mexican traffickers also transport drugs to Tucson for consolidation prior to distribution to other drug markets, as evidenced by the high number of stash houses discovered by law enforcement in and around the city. Furthermore, Tucson’s proximity to several secondary POEs influences the level of trafficking through the area. For instance, drug smugglers consolidate smaller drug shipments (20 to 30 kg) into larger loads in Mexican towns such as Agua Prieta, Cananea, Naco, Nogales, and Sonoita before transporting the drugs across the border, often traveling through and between less-monitored secondary POEs. These larger loads are then transported through Tucson en route to other markets, including Atlanta; Chicago, Illinois; New York, New York; and St. Louis, Missouri.

Distribution

Mexican DTOs are the primary distributors of all major illicit drugs into, through, and from the Tucson area. These groups sell wholesale to retail quantities of cocaine, Mexican black tar heroin, marijuana, and methamphetamine to numerous groups associated with them or operating on their behalf. In addition, anecdotal reporting suggests that Mexican DTOs increasingly use illegal Mexican immigrants to distribute wholesale quantities of marijuana, methamphetamine, and cocaine in the Tucson area and provide wholesale quantities of illicit drugs to Jamaican criminal groups and OMGs for further wholesale distribution. (See Table 6 on page 15.)

Mexican and other wholesale-level distributors typically provide illicit drugs to street gangs, Mexican criminal groups, Caucasian criminal groups, and local independent dealers for retail distribution. They also provide additional quantities of illicit

Table 6. Drugs Distributed by Wholesale-Level Distributors in the Tucson Market Area

Group	Drugs Distributed
Mexican drug trafficking organizations	Cocaine, Mexican black tar heroin, marijuana, and methamphetamine
Jamaican drug trafficking organizations and criminal groups	Mexican black tar heroin and marijuana
Outlaw motorcycle gangs	Methamphetamine

Table 7. Drugs Distributed by Retail-Level Distributors in the Tucson Market Area

Group	Drugs Distributed
Mexican drug trafficking organizations	Methamphetamine, powder and crack cocaine, marijuana, and Mexican black tar heroin
Street gangs	Powder and crack cocaine, Mexican black tar heroin, marijuana, and methamphetamine
Caucasian criminal groups	Methamphetamine, powder and crack cocaine, MDMA, ODDs, and diverted pharmaceuticals
Local independent dealers	Methamphetamine, powder and crack cocaine, marijuana, MDMA, ODDs, and diverted pharmaceuticals
Outlaw motorcycle gangs	Methamphetamine, marijuana, and Mexican black tar heroin
Jamaican criminal groups	Marijuana

drugs to OMGs, Jamaican criminal groups, and prison gangs for distribution, but to a lesser extent. In the case of methamphetamine, wholesale distributors transport the drug to the Phoenix metropolitan area and redistribute it to other distributors in Tucson. From Tucson the drug is redistributed in Sierra Vista. (See Table 7.)

Drug-Related Crime

Drug-related gang activity and violent crime pose an increasing concern within the Tucson metropolitan area. Law enforcement reporting indicates that gang activity in the Tucson metropolitan area is increasing, most likely as a result of the relocation of gang members from California. The Arizona Department of Public Safety Gang Intelligence and Immigration Team Enforcement Mission (GIITEM) reports that a few particularly violent street and prison gangs are distributing illicit drugs in Tucson, heightening the level of drug-related

crime. In fact, GIITEM and the Arizona Counter Narcotics Alliance report an increased level of violence, particularly homicides, in Tucson that is attributed to increased drug trafficking activities and the rising number of gang members who operate in the area.

Outlook

Mexican DTOs quite likely will expand their illicit drug smuggling activities from Mexico into Arizona, using established smuggling routes directly through Nogales, Douglas, San Luis, and other Arizona POEs; they also will increasingly smuggle wholesale quantities of illicit drugs, particularly marijuana, through remote areas between POEs. Their dominance will remain unchallenged in the foreseeable future, primarily because of the proximity of Mexico to Arizona and because Mexican DTOs have well-established distribution networks and transportation infrastructures.

Drug traffickers will increasingly exploit the remote and rugged terrain adjoining the Arizona–Mexico border, which includes the Tohono O’odham Indian Reservation, Organ Pipe Cactus National Monument, and Coronado National Forest. As a result, they will escalate the already high threat of violence against law enforcement personnel and innocent civilians, particularly because these smugglers are often and increasingly armed, sometimes with automatic weapons. Nonetheless, the allocation of additional Border Patrol agents and National Guard troops along the Arizona–Mexico border as part of Operation Jump Start has resulted in a greater number of Border Patrol agents participating in enforcement operations in the field. Their increased presence very likely will curtail some of this violence and contribute to further increases in the total quantities of illicit drugs seized in the near term. In addition, drug traffickers, particularly those who conduct drive-throughs, will continue to destroy Saguaro cactuses and other vegetation that attracts tourists from all over the world. This destruction could have a negative effect on tourism in the area.

Mexican traffickers will increasingly adapt their smuggling methods and techniques in reaction to increased law enforcement efforts along the Arizona–Mexico border. Mexican traffickers who once smuggled wholesale quantities of finished methamphetamine through the Nogales POE will increasingly smuggle partially finished quantities of the drug through Nogales and other POEs. Because more elaborate concealment methods are often used to smuggle partially finished methamphetamine, including the smuggling of unfinished liquid methamphetamine in the gas tanks of private vehicles, detection by law enforcement will become increasingly difficult. Once in Arizona, smugglers or those working with them most likely will complete the methamphetamine production process so that the drug can be distributed in the Arizona HIDTA region and markets throughout the nation.

Mexican traffickers most likely will expand their alliances with illegal alien smuggling groups by requiring illicit drug smuggling in exchange for the safe passage of these individuals into the United States. If these relationships flourish, the number of illegal aliens attempting to enter the United States from special-interest countries may increase.

It is highly unlikely that the current decrease in methamphetamine availability in the Arizona HIDTA region is permanent, particularly since Mexican traffickers, many of whom operate in Arizona, are the principal methamphetamine suppliers throughout the United States. These traffickers will quite likely respond to successful U.S. and Mexican law enforcement efforts that temporarily reduced methamphetamine availability by adapting their trafficking techniques to maneuver around law enforcement; this will very likely rejuvenate their methamphetamine supplies. However, in the meantime, they will most likely make up for lost methamphetamine profits through increases in the amount of other illicit drugs that they smuggle across the border, primarily marijuana.

Identity theft most likely will remain a significant problem in Arizona, particularly in the Phoenix–Scottsdale–Mesa area. However, recently enacted legislation that enhances penalties associated with the crime will quite likely reduce the rate of identity theft in the near term.

Mexican DTOs will send an increasing number of bulk currency loads directly into Mexico to avert law enforcement attention from wire transfers into Arizona in the near term.

Sources

Local, State, and Regional

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Gila County Task Force
Greenlee County Sheriff's Office
Maricopa County Sheriff's Office
Metro Intelligence Support and Technical Investigative Center
Northern Arizona Metro Task Force
Page Police Department
Phoenix HIDTA Clandestine Methamphetamine Laboratory
Phoenix Police Department
Pima County Sheriff's Department
San Luis Police Department
State of Arizona
 Arizona Criminal Justice Commission
 Attorney General's Office
 Department of Corrections
 Department of Public Safety
 Gang Intelligence and Immigration Team Enforcement Mission
 Joint Drug Intelligence Group
Tucson Police Department
Yuma County Sheriff's Office
 Bomb Squad

Federal

Executive Office of the President
 Office of National Drug Control Policy
 High Intensity Drug Trafficking Area
 Southwest Border
 Arizona High Intensity Drug Trafficking Area
 Investigative Support Center
 Office of State and Local Affairs
Federal Trade Commission
U.S. Department of Agriculture
 Forest Service
U.S. Department of Commerce
 U.S. Census Bureau

U.S. Department of Defense

Army National Guard

U.S. Navy

U.S. Marine Corps

U.S. Department of Homeland Security

U.S. Customs and Border Protection

U.S. Border Patrol

Border Patrol Field Intelligence Center

U.S. Immigration and Customs Enforcement

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

Criminal Division

Organized Crime Drug Enforcement Task Force

Drug Enforcement Administration

Domestic Cannabis Eradication/Suppression Program

El Paso Intelligence Center

National Clandestine Laboratory Seizure System

Phoenix Field Division

Federal Bureau of Investigation

U.S. Department of the Interior

Bureau of Indian Affairs

Bureau of Land Management

National Park Service

U.S. Fish and Wildlife Service

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