

Statement of
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Chairman Lieberman, Ranking Member Thompson, distinguished members of the Committee: I am pleased to have this opportunity to appear before you today for the purpose of discussing the unprecedented level of coordination between Federal, State, and local law enforcement in combating MDMA, the dangerous club drug deceptively referred to as "Ecstasy." As always, I would first like to preface my remarks by thanking the Committee for its unwavering support of the Drug Enforcement Administration (DEA) and overall support of drug law enforcement.

Let me begin by stating that virtually no high level MDMA investigation can be successfully carried out by DEA without the input of State, local, or foreign law enforcement agencies. These valuable counterparts provide the expertise and support that allow DEA to accomplish its primary objective, which is to dismantle and disrupt the command and control elements of major international drug trafficking organizations. This practice of interagency coordination, which is the bedrock of DEA's long-standing tradition of cooperation, is carried out each day by DEA agents investigating MDMA traffickers across the globe. Given the increasing transnational nature of MDMA trafficking and the recent ethnic diversification of trafficking networks, communication and cooperation between all levels of law enforcement has become of paramount importance.

DEA's multi-faceted approach to MDMA investigations is grounded in the principles of a holistic model based on the application of demand reduction, education, and cooperative law enforcement strategies. Each of these elements attempts to integrate all levels of government, as well as the input of community service organizations. DEA's joint investigations have incorporated innovative strategies, such as the Federal "Crack House Statute" and utilization of municipal health codes and nuisance abatement ordinances to neutralize "Rave" events that facilitate the trafficking of MDMA. These efforts, when combined with DEA's training and *Club Drug Conferences*, provide the foundation for an integrated community based approach that serves to aggressively confront the threat posed by MDMA trafficking organizations.

Background

MDMA (3, 4-Methylenedioxyamphetamine) also known as Ecstasy, is a Schedule I synthetic, psychoactive drug possessing stimulant and hallucinogenic properties.

Drug Abuse Warning Network (DAWN) estimates reveal that nationwide hospital emergency room mentions for MDMA rose dramatically from 1,143 in 1998 to 2,850 in 1999 and 4,511 in 2000. Seizures of MDMA have also increased drastically. Seizures of MDMA tablets submitted to DEA laboratories have risen from a total of 1,054,973 in 1999 to 3,045,041 in 2000. DEA arrests for MDMA violations also increased from 681 in 1999 to 1,456 in 2000. Similarly, the number of DEA initiated cases targeting MDMA violators increased from 278 in 1999 to 670 in 2000.

Users of drugs such as MDMA report that the effects of the drug heighten the user's perceptions, which are especially sensitive to visual stimulation. Quite often, users of MDMA at clubs will dance with "light sticks" to increase their sensory input. Legal over-the-counter products such as Vicks Vapor Rub are also used to enhance the effects of the drug. The state of being "high" on MDMA is also referred to as "rolling." Individuals usually experiment by "stacking," a term used to describe taking three or more tablets at once, or by "piggy-backing," which is the consumption of a series of pills over a short period of time. When users want to "come down" from the effects of MDMA, they will often resort to using other drugs, such as GHB, marijuana, nitrous oxide, and ketamine. The unpredictable purity levels and unknown origins of these drugs, especially when used in combination with one another, pose a tremendous danger to club drug users.

MDMA use can sometimes result in severe dehydration or exhaustion, or other adverse effects such as nausea, hallucinations, chills, sweating, increases in body temperature, tremors, involuntary teeth clenching, muscle cramping, and blurred vision. MDMA users have also reported after-effects such as anxiety, paranoia, and depression. An MDMA overdose is characterized by high blood pressure, faintness, panic attacks, and, in more severe cases, loss of consciousness, seizures, and a drastic rise in body temperatures to 105-106 degrees Fahrenheit. MDMA overdoses can be fatal, as they may result in heart failure or extreme heat stroke.

In 1998, the National Institute of Mental Health conducted a study of a small group of habitual MDMA users who had abstained from use for approximately 2-3 weeks. The study revealed that the abstinent users suffered damage to the neurons in the brain that transmit serotonin, an important biochemical involved in a variety of critical functions including learning, sleep, and integration of emotion. The results of the study indicate that recreational MDMA users may be at risk of developing permanent brain damage that may manifest itself in the form of depression, anxiety, memory loss, and other neuropsychotic disorders.

The Role of “Raves in MDMA Abuse

Raves originated in England as gatherings of thousands revolving around “Techno-Music.” They were traditionally held in large warehouses or open outdoor areas, and later moved into established clubs, where they were identified by police as “Drug Taking Festivals.” In the late 1980’s, the rave scene migrated to the United States by way of promoters and entertainers. In the early 1990’s, their popularity increased, and they were firmly established as a subculture. Typically, rave goers are between 12 and 25 years old, and of various ethnic backgrounds and national origins. They are generally from middle to upper middle class economic backgrounds.

Raves are organized, promoted, and financed by local and national enterprises. Organizers may employ bands, disk jockeys, or both. Advertising is conducted through the use of flyers, posters, telephone, radio, and the Internet, all of which entice the prospective participants to attend. Many events are advertised as “alcohol free,” giving party-goers and parents a false sense of security.

Featuring hard, rapidly pounding music that is usually accompanied by psychedelic lights, videos, smoke, fog, and simulated pyrotechnic displays, a typical rave club layout might consist of a large dance area with no air conditioning, a separate “cool down room,” and a VIP Room. The high temperature environment serves to optimize the sale of water, which is marketed by party promoters at exorbitant prices. Raves are often scheduled at unusual hours (e.g., 10:00 p.m. to 9:00 a.m.) to avoid local curfew restrictions. In addition, “After Hours Clubs” have opened to extend the rave experience. These clubs also advertise alcohol-free parties, and often remain open until noon.

Paraphernalia used at rave parties include menthol nasal inhalers, Vicks Vapor Rub, eye drops, surgical masks, and glow sticks (to enhance the visual effects of MDMA). These items are frequently accompanied by Skittles, M&Ms, or similar candy containers (to hide the drug); lollipops and pacifiers (to prevent involuntary teeth clenching); water, juice, sports drinks, and soft drinks (sold at inflated prices and used to manage excessive body heat and dehydration); and drug testing kits to allow rave-goers to test the purity of the drug.

Club drugs have become such an integral part of the rave circuit that there no longer appears to be an attempt to conceal their use. Traditional and non-traditional sources continue to report the flagrant and open use of drugs at raves. Intelligence indicates that it has also become commonplace for security personnel at these parties to ignore drug use and sales on the premises. All of these factors, and the fact that many teens do not perceive these drugs as harmful or dangerous, make the rave experience a truly threatening development.

MDMA Trafficking Overview

MDMA is manufactured clandestinely in western Europe, primarily in The Netherlands and Belgium, which produce 90% of the MDMA consumed worldwide. A typical clandestine laboratory is capable of producing 20 - 30 kilograms of MDMA per day, with one kilogram of MDMA consisting of approximately 3,500 tablets. Dutch Police reported the seizure of one laboratory capable of producing approximately 100 kilograms (350,000 tablets) of MDMA per day.

Most often, MDMA consumed in the United States is manufactured by Dutch chemists, and transported or distributed by various factions of Israeli and Russian Organized Crime groups. These groups recruit and utilize American, Israeli and western European nationals as couriers. These couriers can smuggle anywhere from 2.5 to 5 kilograms on their person, and up to 10 kilograms in specially designed luggage. In addition to the use of couriers, these organizations exploit the parcel mail, DHL, UPS, and U.S. Postal Service to facilitate delivery of their merchandise.

The drug trafficking organizations involved in MDMA distribution are brought together by the enormous profit realized in these ventures. Although estimates vary, the cost of producing an MDMA tablet can run between \$.50 - \$1.00. The wholesale, or first level price for MDMA tablets have ranged from \$1.00-\$2.00 per tablet, contingent on the volume purchased. The potential four-fold profit presented by this pricing arrangement provides huge incentives for the clandestine laboratory owner or chemist. Furthermore, manufacturing laboratories can frequently realize these profits without coming into contact with anyone other than first level transportation or distribution representatives. This limited number of required contacts reduces the manufacturer's risk of law enforcement infiltration or detection.

Once the MDMA reaches the United States, a domestic cell distributor will charge from \$6 to \$8 per tablet. The MDMA retailer will, in turn, distribute the MDMA for \$25 to \$40 per tablet. As evidenced by the mark-up at each tier of the distribution continuum, there is clearly a tremendous profit to be realized at each stage of the MDMA trafficking process.

MDMA traffickers utilize all major airports in Europe as transshipment points for MDMA destined for the United States. Los Angeles, New York and Miami are currently the major "gateway cities" for the influx of MDMA from abroad. These three cities reflect the greatest number of arrests and seizures of MDMA within our borders. The largest MDMA seizure in the United States occurred in Los Angeles, California, where DEA and U.S. Customs seized over 700 pounds of the drug. Because of increased law enforcement awareness, Israeli traffickers are adjusting their routes and modes of transportation in order to circumvent detection and interdiction by law enforcement officials. These adjustments include a shift in transportation routes from these three "gateway cities" to other ports of entry in the United States.

Diversification of Trafficking Networks

Currently, Israeli and Russian MDMA trafficking organizations dominate the MDMA market in the United States. As Ecstasy proves more profitable and as law enforcement pressures force the traffickers to re-group, the U.S. MDMA trade will become increasingly diverse. Other drug trafficking organizations based in Colombia, the Dominican Republic, Asia, and Mexico, will likely garner a portion-- possibly a significant portion--of the MDMA trade in the future.

In February 1999, the Department of Administrative Security (DAS) in Cali seized Colombia's only known MDMA laboratory. The trafficking organization responsible for this laboratory reportedly had a distribution network throughout Colombia, as well as in Mexico and in Miami, Florida.

Dominican drug trafficking organizations, which have been preeminent in the crack trade on the east coast, are also becoming increasingly involved in MDMA distribution. During calendar year 2000, approximately 125,100 MDMA pills were seized from Dominican drug trafficking organizations at international airports in the Dominican Republic. During the same time period, approximately 350,000 MDMA pills were seized from Dominican nationals acting as drug couriers at U.S. airports.

Intelligence indicates that some Dominican MDMA trafficking organizations are using the smuggling techniques, such as couriers ingesting MDMA, that have been traditionally associated with Dominican and Nigerian based heroin and cocaine trafficking organizations. For instance, one arrested courier had ingested 67 pellets of MDMA.

Europe will most likely remain the primary source region for MDMA seized from Colombian and Dominican nationals, at least, in the near term. Dominican and/or Colombian nationals smuggling cocaine to Europe may seek to exchange their cocaine for MDMA pills, a significant quantity of which will be destined for U.S. cities. Current evidence does not support the unconfirmed reports that significant quantities of MDMA sold in the United States are now being produced in either Colombia or Mexico. Incentives, such as established clandestine laboratories and secure trafficking routes to the United States, exist for criminal organizations desiring to manufacture MDMA in the Americas. However, it appears, at least for now, that MDMA production is securely entrenched in Europe.

MDMA production also appears to be gaining a foothold in Asia. Canadian authorities reportedly have seized MDMA manufactured in Asia from an Asian Organized Crime group. Given the ready availability of precursor chemicals in Asia, it is possible that Asian production of MDMA will increase in the future.

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DEA's Cooperation with Federal, State, and Local Counterparts

DEA has completed a number of significant investigations that have dismantled global MDMA trafficking organizations, as well as limited the effectiveness of rave parties as a venue for distributing club drugs. None of these successful cases could be brought to fruition without a consistent line of open communication between Federal, State, and local law enforcement agencies.

Through a multitude of task forces and joint investigative ventures, DEA seeks to maximize the impact of its enforcement initiative in communities throughout the United States. The State Palace Theater Investigation, which was conducted by the DEA New Orleans Division in conjunction with the New Orleans Police Department and the U.S. Attorney's Office in New Orleans, serves as an excellent model of the resourcefulness of law enforcement in addressing the threat of club drugs. In this instance, investigators applied 21 U.S.C. 856, which is informally designated as the "Crack House Statute," for the purpose of securing federal search warrants in furtherance of investigating club drug sales at rave parties. The statute makes it unlawful to "*manage or control any building, room, or enclosure...and knowingly and intentionally rent, lease, or make available for use...for the purpose of unlawfully manufacturing, storing, distributing, or using a controlled substance.*"

During the course of this investigation, DEA agents learned that over the past two years, from 400 to 500 teenagers and young adults had been treated at local emergency rooms for overdose related illnesses following their attendance at rave events hosted by the State Palace Theater in New Orleans, Louisiana. On July 30th, 2000, the New Orleans Field Division conducted their eighth and final undercover operation at the State Palace Theater. As with the other operations, the undercover agents made numerous purchases of controlled substances and filmed the distribution and use of numerous controlled substances.

On August 26th, 2000, DEA agents, in conjunction with the New Orleans Police Department, executed federal search warrants at the State Palace Theater rave venue, as well as an affiliated corporate office, Rene Brunet, Inc. We are hopeful that more investigations along the lines of the State Palace Theater investigation will have an impact on mitigating dangerous, drug facilitating conditions at rave events.

Use of Local Health Codes and Nuisance Abatement Ordinances

Law enforcement authorities in other parts of the country have implemented equally resourceful strategies to address club drug use at rave venues. After the detection of rave promotion flyers in Florence County, South Carolina, DEA and the Florence County Sheriff's Office were able to obtain a court order against the rave promoters on

the basis of health code violations. The lack of sufficient water supply and inadequate toilet facilities at the designated rave location were cited. The rave promoters advertised another rave event in Horey County, South Carolina, and were again deterred. Although these efforts were successful for South Carolina, they resulted in the displacement of the rave promoters across state lines to North Carolina. Efforts are now underway in North Carolina to further deter the raves from these communities as well.

Between April, 2000 and January, 2001 the DEA Hartford, Connecticut Resident Office and Hartford Police Department conducted an intensive investigation of drug trafficking at local rave clubs, and effected several undercover purchases of MDMA. During the course of this investigation, a rave venue known as the SYSTEM nightclub was the site of a drug overdose and several late night calls for emergency medical assistance. On January 18, 2001, the DEA Hartford Resident Office and Hartford Police Department executed several arrest warrants and a court order to close the SYSTEM, as well as the VELVET and VIBES nightclubs. The nightclubs were closed using the State of Connecticut Nuisance Abatement Statutes as part of an innovative strategy to combine civil remedies with traditional policing and criminal prosecution to address the chronic problems eroding the quality of life in communities throughout Connecticut.

DEA's International Efforts

In January, 2001, DEA representatives attended an MDMA conference with Israeli National Police (INP) Officials in Tel Aviv for the purpose of coordinating international investigative efforts against MDMA trafficking organizations. The focus of the meeting was information sharing to facilitate the targeting of Israeli MDMA trafficking organizations operating at transshipment points in France, Germany, and The Netherlands.

With the coordination of DEA's Special Operations Division, police authorities in Barcelona, Spain arrested Odet TUITO on May 18, 2001, pursuant to a provisional arrest warrant. TUITO is a well-documented Israeli MDMA trafficker operating between Europe and the United States, with charges pending in New York and Pennsylvania. As is the case with our State and local initiatives, cooperation is the key to successfully neutralizing transnational MDMA trafficking organizations.

Previously, the DEA Los Angeles Division conducted an international investigation targeting a Russian organized crime group, which was distributing large amounts of MDMA throughout southern California. In November, 1999, Los Angeles DEA agents made an undercover purchase of 1,000 MDMA tablets from Igor ZAGRUZNY and his associate, Michael FLOWERS. On December 21, 1999, as a result of coordinated investigative actions with DEA, the U.S. Customs Service seized 100 pounds of MDMA at the Federal Express hub in Memphis, Tennessee. A controlled delivery was initiated by U.S. Customs, resulting in the seizure of an additional 600 pounds of MDMA, \$2.3 million, and the arrest of five individuals.

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Further investigation resulted in the arrests of ZAGRUZNY associates Josef YAVETZ and Michael HELO in Germany with 190 pounds of MDMA. At the time of their arrest, a total of six Federal Express receipts for six packages containing MDMA destined for Los Angeles, California were recovered from both defendants.

On September 16th, 2000, Dutch police officials arrested DEA fugitive Tamer-Adel IBRAHIM in a hotel room in The Hague, Netherlands. IBRAHIM was the intended recipient of 2.1 million tablets of MDMA seized in Los Angeles on July 22, 2000. In May, 2001, DEA agents in Los Angeles arrested IBRAHIM's partner, David REGIANO and local MDMA distributor Mathew ABOLMOHAMMADIYON, both of whom were outstanding fugitives in this investigation.

Recent Penalty Enhancements

The Ecstasy Anti-Proliferation Act of 2000 (Public Law 106-310), enacted by Congress last year, directed the U.S. Sentencing Commission to provide for increased penalties for the manufacture, importation, exportation, and trafficking of MDMA. MDMA sentencing guidelines, through a conversion process, are equivalent to marijuana sentencing guidelines. As the guidelines were previously configured, one gram of MDMA was the equivalent of only 35 grams of marijuana. Consequently, a first-time offender arrested with 10 kilograms of MDMA potentially faced only 5-6 years incarceration, far short of the 20-25 years exposure faced by a methamphetamine trafficker arrested with a similar amount of drugs.

On May 1, 2001, Emergency Amendments to the U.S. Sentencing Guidelines were placed into effect. As a result, the marijuana equivalency for one gram of MDMA was increased from 35 grams to 500 grams of marijuana. As a result of this penalty enhancement, a violator trafficking as few as 800 tablets of MDMA would now be exposed to a five year sentence. These new sentencing enhancements, which the Sentencing Commission has proposed to become permanent on November 1, 2001, will arm federal drug law enforcement with a valuable tool against MDMA traffickers by increasing the likelihood of federal prosecution, allowing more appropriate terms of imprisonment for mid and high level dealers, and providing more effective leverage in turning low level distributors to assist in apprehending and prosecuting the top level violators in MDMA trafficking organizations.

Mandated Training and Reporting Requirements

Interagency training and coordination is also facilitated by other recently enacted legislation. *The Hillary J. Farias and Samantha Reid Date-Rape Prevention Drug Act of 1999*, (Public Law 106-172) contains a statutory obligation requiring that the Attorney General, in consultation with DEA and the FBI:

Develop model protocols for the collection of samples and victim statements related to possible violations of the Controlled Substances Act or other laws involving the abuse of GHB, other controlled substances, or so-called “designer drugs” that result in rape, other crimes of violence, or other crimes;

Develop model training materials for law enforcement personnel involved in such investigations; and

Make protocols and training materials available to personnel responsible for such investigations.

In addition, this statute mandated that the Attorney General establish within the Operations Division of DEA a special unit to assess the abuse of and trafficking in GHB, Flunitrazepam, Ketamine, and other designer or club drugs whose use has been associated with sexual assault. In response to this mandate, DEA Headquarters has established a special *Dangerous Drugs Unit*. This special unit queries domestic DEA field offices to obtain information on the use of these drugs in sexual assaults, and assists in coordinating investigations of criminal organizations trafficking in club drugs.

The DEA *Dangerous Drugs Unit* continuously reviews scientific and medical literature along with intelligence information for the purpose of establishing future training for DEA and other Federal, State, and local personnel charged with investigating drug facilitated sexual assaults. In addition, the Department of Justice has developed and posted on the Federal Bureau of Investigations (FBI) intranet, forensic training material to enhance the collection and testing of evidence for these cases. This material is accessible to thousands of Federal, State, and local law enforcement officers.

DEA’s Community Initiatives

To focus national attention on the MDMA threat, DEA hosted the *International Conference on Ecstasy and Club Drugs* in partnership with approximately 300 officials from domestic and foreign law enforcement, judicial, chemical, prevention and treatment communities. The conference was held from July 31, 2000 to August 2, 2000 at DEA Headquarters in Arlington, Virginia. During the conference, a working group developed several demand reduction objectives which have been institutionalized by DEA. These objectives include:

Providing accurate, complete, and current information on the scientific findings and medical effects of club drugs on the human body;

Working with local, State, and other Federal agencies and nonprofit organizations in an effort to advance drug education and prevention;

Enhancing parental knowledge of raves and club drugs and engage their active participation in education and prevention of drug abuse;

Educating high school and college students on the realities of raves and the effects of club drugs on the human body.

In an effort to reach out to the highly vulnerable population of high school and younger students, schools must use peer-to-peer education strategies to make teens aware

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of the dangers of club drugs. Additional solutions include the use of demand reduction programs to create alternative social activities, and enlist the help of the entertainment industry to facilitate drug education agendas.

DEA's Regional Club Drug Conference

As a follow-up to last year's conference, DEA is in the process of implementing a series of *Regional Club Drug Conferences*, which will serve the purpose of taking DEA's demand reduction message out to a variety of selected communities. In May, 2001, a regional conference was held in Atlantic City, New Jersey. DEA hosted the conference in partnership with the New Jersey Prevention Network and the New Jersey State Police as a way to develop effective enforcement and prevention strategies by bringing together Federal, State and local experts familiar with the club drug issue. Future regional conferences are scheduled to be held in Chicago, Illinois in August, 2001 and San Diego, California in September, 2001.

In closing, I would like to reiterate that no one solution will completely neutralize the threat to America posed by club drugs such as MDMA. However, by applying a "holistic approach," utilizing a well coordinated combination of programs that include Prevention, Demand Reduction, Education, Treatment, and a Law Enforcement strategy that makes maximum use of the tremendous assets and experience offered by our Federal, State, local, and foreign police counterparts, the likelihood of our success is immeasurably increased.

I thank you for providing me the opportunity to address the Committee, and I look forward to taking any questions you may have on this important issue.